

# **CONSOLIDATED NON-FINANCIAL STATEMENT**

pursuant to Italian Legislative Decree 254/16



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## ***Consolidated non-financial statement of the Immsi Group (Legislative Decree 254 of 30 December 2016)***

<b>Reporting period</b>	2020 Financial year (from 1 January to 31 December 2020). Data relative to 2019 and 2018 are presented for comparison.
<b>Annual reporting</b>	Cycle.
<b>Date of publication</b>	This document was published on 8 April 2021. The 2019 DNF was published on 23 April 2020.
<b>Document formats</b>	The Non-Financial Statement (NFS) is included in the “Directors’ Report on Operations” published together with the Immsi Group’s Consolidated Financial Statements at 31 December 2020, available in PDF format, in Italian, on the website <a href="http://www.immsi.it">www.immsi.it</a> (in the “Investors/Financial reports/2021” section)
<b>Document perimeter</b>	The information and data refer to the companies of the Immsi Group included in the scope of consolidation at 31 December 2020.
<b>Contents of the NFS</b>	The contents of the 2020 NFS are based on the requirements of the Global Reporting Initiative Standards (hereinafter “GRI Standards”), “core” option. The contents have been selected based on the Materiality process, focussing on non-financial topics, as required by Article 3 of Legislative Decree 254/16.
<b>Statement</b>	The 2020 Non-Financial Statement was subject to limited auditing by the independent auditors PricewaterhouseCoopers SpA, that carried out its work according to the criteria indicated in the “International Standard on Assurance Engagements 3000 – 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 in 2016 by GRI - Global Reporting Initiative.
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## *Letter from the Chairman*

Immsi S.p.A. prepared the 2020 Consolidated Non-Financial Statement for the entire Group, pursuant to Legislative Decree 254/16.

Continuing on from the previous year, the Parent Company, with this statement, has provided a specific and essential overview of the business operations of the Immsi Group, highlighting the main information and data not included in its financial reports.

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

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

But the change has not only taken place within companies. Specifically, as regards the business model of the Piaggio group, mobility as a whole has begun a perhaps irreversible transformation. As active players in global mobility – not just vehicle manufacturers – we have focused on technological innovation, unique design and attention to quality, and we have committed ourselves to developing products and services that improve the way people and goods move, while respecting our host communities and the environment.

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

Our main assets are the dedication, expertise, genius, courage and tenacity of the women and men who work to make the Immsi Group more competitive every day. And this is something that must be preserved by promoting respect for our core values, namely integrity, consistency, transparency and equality.

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

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

**The Chairman**

Roberto Colaninno

## ***Methodological note***

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.

### **Foundations**

The 2020 NFS has been prepared in compliance with GRI Standards (core option), published in 2016 by GRI – Global Reporting Initiative. The Immsi Group has based the contents of the NFS on principles of materiality, the inclusion of stakeholders and the context of sustainability and completeness. The quality of information and adequacy of its presentation is guaranteed by principles of fairness, clarity, accuracy, timeliness, comparability and reliability.

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.

In reference to the principle of materiality in particular, the depth to which the different topics were looked into in the reporting was determined based on their weight in the objectives and strategies of Group companies and the relevance to the stakeholders, selected by a structured materiality analysis process.

### **Materiality analysis**

The Group updated the materiality analysis again for 2020, based on the GRI Standards with respect to the definition of the relevant topics and application of the principle of materiality. The analysis involved the Parent Company Immsi S.p.A. and the operating subsidiaries considered significant in terms of relations with stakeholders.

Considering the significance of the Piaggio & C. S.p.A. group within the Immsi Group, the Parent Company decided to adopt the same material topics, as they may also be referred to other Group companies covered by the materiality analysis.

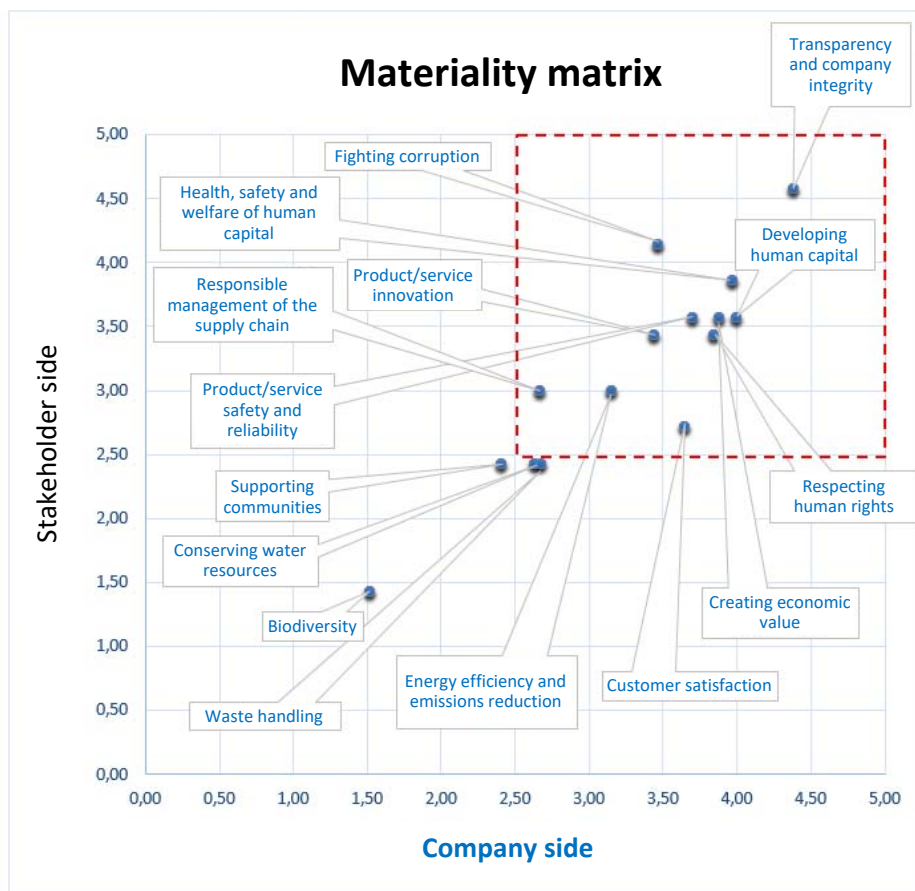
The Managers of Functions identified (in the Parent Company and in operational subsidiaries) and a sample of external stakeholders were requested to compile the "Materiality Form"; by aggregating the results, the materiality matrix was constructed.

these forms were then combined to construct the materiality matrix.

- Two dimensions of material topics were investigated: the stakeholder dimension, i.e. the importance of each topic as perceived by stakeholders;
- The company dimension, i.e. the significance of topics for the Immsi Group, based on indications from Function Managers;

The analysis of the two dimensions made it possible to "prioritise" the topics and position them in a materiality matrix.

This matrix is shown below:



The area in the red box contains the topics which are most significant, for both stakeholders and the company.

Subsequently, the topics to highlight in the NFS were selected.

Although the topics "protecting water resources" and "waste management" are outside the materiality boundary, they have been subject to reporting as the company side assessments carried out by the Immsi Group companies have shown a degree of materiality.

In addition, the topics "supporting communities" and "biodiversity" were not reported on, as they are not in the red boundary.

### Contents of the Statement

The structure of the NFS for the year 2020 was defined through the performed materiality analysis.

The most significant aspects identified in the analysis were further investigated by looking into each sub-topic and using appropriate KPIs, the latter taken from GRI Standards. Reference is made to the Directors' Report and Financial Statements of the Immsi Group at 31 December 2020 for further details of economic and financial aspects and corporate governance issues.

Piaggio & C. S.p.A. prepares a CSR Report and a Non-Financial Statement (NFS) for its own group. Where appropriate, specific reference is made to these documents, as they contain more details.

A table is given summarising the material topics, associated with the reference chapter. The NFS is divided into five macro sections, each revolving around a specific dimension.

TOPIC	IMPACT ON	CHAPTER OF REFERENCE
<ul style="list-style-type: none"> <li>➤ Fighting corruption</li> <li>➤ Transparency</li> <li>➤ Respecting human rights</li> </ul>	<p><b>Internal:</b></p> <ul style="list-style-type: none"> <li>- All Immsi Group companies</li> <li>- Human resources</li> </ul> <p><b>External:</b></p> <ul style="list-style-type: none"> <li>- Suppliers</li> <li>- Public administration sector</li> <li>- Customers</li> <li>- Financers</li> <li>- Shareholders/financers</li> </ul>	<i>Corporate Governance</i>
<ul style="list-style-type: none"> <li>➤ Product/service innovation</li> <li>➤ Product/service safety and reliability</li> <li>➤ <i>Customer satisfaction</i></li> </ul>	<p><b>Internal:</b></p> <ul style="list-style-type: none"> <li>- Piaggio &amp; C. S.p.A.</li> <li>- Piaggio Vietnam Co. Ltd.</li> <li>- Piaggio Vehicles Private Ltd;</li> <li>- Piaggio Advance Design Center;</li> <li>- Piaggio Fast Forward Inc.;</li> <li>- Foshan Piaggio Vehicles Technologies Co. Ltd;</li> <li>- Intermarine S.p.A.;</li> <li>- Is Molas S.p.A.</li> </ul> <p><b>External:</b></p> <ul style="list-style-type: none"> <li>- Customers</li> </ul>	<i>The product and service dimension</i>
<ul style="list-style-type: none"> <li>➤ Energy efficiency and emissions reduction</li> <li>➤ Conserving water resources</li> <li>➤ Waste handling</li> </ul>	<p>Internal:</p> <ul style="list-style-type: none"> <li>- Piaggio &amp; C. group;</li> <li>- Intermarine S.p.A.;</li> <li>- Is Molas S.p.A.;</li> </ul> <p>External:</p> <ul style="list-style-type: none"> <li>- Local Communities</li> <li>- P.A.</li> <li>- Suppliers</li> </ul>	<i>The Environmental Dimension</i>
<ul style="list-style-type: none"> <li>➤ Developing human capital</li> <li>➤ Workers' health and safety</li> </ul>	<p><b>Internal:</b></p> <ul style="list-style-type: none"> <li>- All Immsi Group companies</li> <li>- Human resources</li> </ul> <p><b>External:</b></p> <ul style="list-style-type: none"> <li>- External: - Employees;</li> <li>- Local Communities</li> </ul>	<i>The social dimension - Developing human resources</i>
<ul style="list-style-type: none"> <li>➤ Responsible management of the supply chain</li> </ul>	<p>Internal:</p> <ul style="list-style-type: none"> <li>- Immsi S.p.A.</li> <li>- Piaggio &amp; C. S.p.A.</li> <li>- Piaggio Vietnam Co. Ltd</li> <li>- Piaggio Vehicles Private Ltd;</li> <li>- Piaggio Advance Design Center;</li> <li>- Piaggio Fast Forward; Inc.</li> <li>- Foshan Piaggio Vehicles Technologies Co. Ltd.;</li> <li>- Intermarine S.p.A.;</li> <li>- Is Molas.S.p.A.</li> </ul> <p>External:</p> <ul style="list-style-type: none"> <li>- Suppliers</li> </ul>	<i>The supply chain</i>



## Scope of the NFS

The disclosures and figures contained in the NFS refer to Immsi Group Italian and foreign companies, reported at 31 December 2020. Given the nature of some data presented in the Statement, the companies considered in the reporting boundary are indicated, for the various dimensions.

Where possible, a comparison with 2019 and 2018 has been provided, in order to allow for an assessment of dynamic trends over time.

Financial data have been taken from the audited Consolidated Financial Statements of the Immsi Group. Some data, which could not be obtained from reports, are the result of estimates and are appropriately indicated.

The Group companies included in the reporting boundary are indicated below, by chapter:

CHAPTER OF REFERENCE	BOUNDARY
<i>The Economic Dimension</i>	Immsi Group companies
<i>Corporate Governance</i>	Immsi Group companies
<i>The product and service dimension</i>	<ul style="list-style-type: none"> <li>- Property and holding sector: Is Molas S.p.A.;</li> <li>- Industrial sector: Piaggio &amp; 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;</li> <li>- Marine sector: Intermarine S.p.A..</li> </ul>
<i>The Environmental Dimension</i>	<ul style="list-style-type: none"> <li>- Property and holding sector: Is Molas S.p.A.;</li> <li>- Industrial sector: The companies of Piaggio group;</li> <li>- Marine sector: Intermarine S.p.A..</li> </ul>
<i>Social dimension - Developing Human Capital</i>	<ul style="list-style-type: none"> <li>- Property and holding sector: Immsi S.p.A., Immsi Audit S.c.a.r.l., Is Molas S.p.A. ed Apuliae S.r.l.;</li> <li>- Industrial sector: The companies of Piaggio group;</li> <li>- Marine sector: Intermarine S.p.A.</li> </ul>
<i>The supply chain</i>	<ul style="list-style-type: none"> <li>- Property and holding sector: Immsi S.p.A. and Is Molas S.p.A.;</li> <li>- Industrial sector: Piaggio &amp; 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.;</li> <li>- Marine sector: Intermarine S.p.A..</li> </ul>

## Process of reporting and assurance

The process of reporting key Performance Indicators (Kpis) relevant to sustainability involves the holding Immsi (as regards topics covering all sectors) and Group companies (as regards topics and specific indicators of various sectors of activity). Moreover, the persons responsible for collecting data are indicated for each company in the reporting boundary. The KPIs were calculated by Immsi S.p.A., that is responsible for coordinating the process to collect information, processing the quantitative indicators and producing the NFS.

The document is first approved by the Board of Directors and then presented to the General Shareholders' Meeting at the same time as the Group's Consolidated Financial Statements.

The Consolidated Non-Financial Statement for the year 2020 was subject to limited audited by PricewaterhouseCoopers Advisory Spa. This activity concluded with the issue a "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 the activities carried out and the relative conclusions is in the Appendix.

## Group profile

### Immsi Group

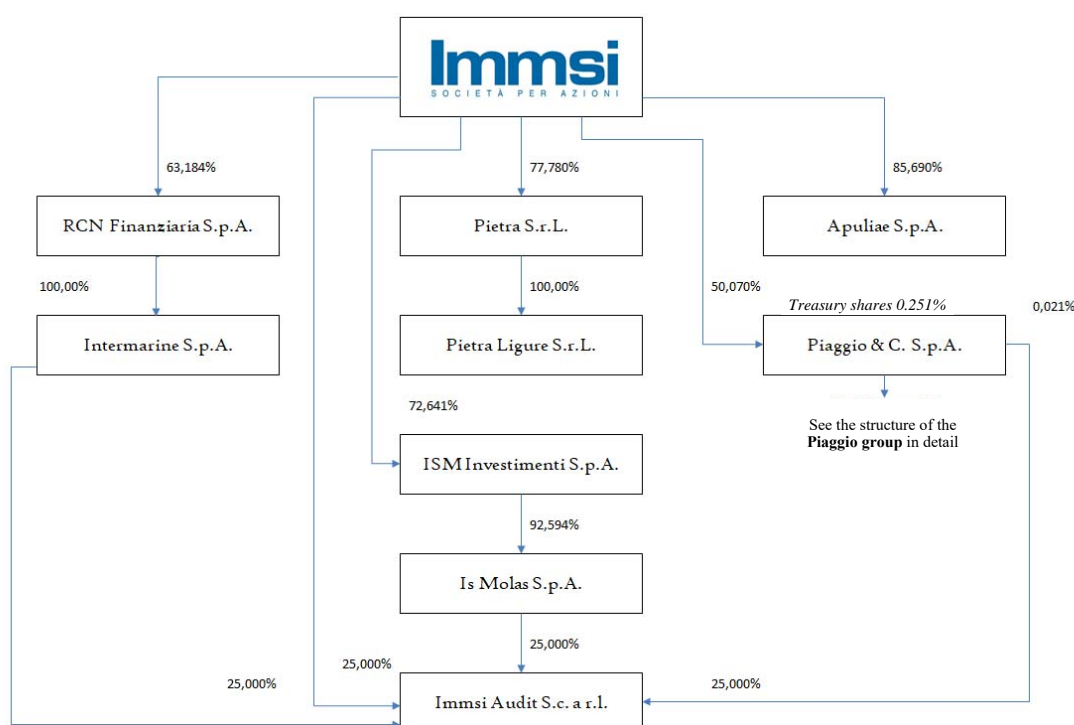
Immsi S.p.A. is the holding of a Group with approximately 40 operational companies in different sectors of activity. Its registered office is in Mantua.

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 subsidiaries Is Molas S.p.A. and Pietra Ligure S.r.l.;
- 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.

At 31 December 2020, 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.

During 2020, Immsi S.p.A. worked in the real estate sector through subsidiaries and associated 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.

The Pietra Ligure project refers to the work site area in Pietra Ligure (Savona) which, based on the project presented, will be transformed into a property complex. The area concerned (approximately 162,000 m<sup>2</sup>) was awarded to the Immsi Group in a public tender held in 2007.

The aim is to transform the area and a part of existing facilities, based on the reorganisation of work site activities, integration with the surrounding urban fabric, the development of a new marina and of emerging tourist services and facilities.

### 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, which produces two-wheeler vehicles under the Piaggio, Vespa and Gilera brands, light transport vehicles for the European market and engines for scooters, mopeds 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), a factory for the production of two-wheeler vehicles for the brands Aprilia, Scarabeo and Derbi, and for Wi-bikes;
- Mandello del Lario (Lecco), a factory which produces Moto Guzzi vehicles and engines.



The Piaggio group also has two other production plants: in Baramati (in the Indian state of Maharashtra), which manufactures three- and four-wheeler light transport vehicles, the Vespa and Aprilia vehicles, as well as engines; in Vinh Phuc (Vietnam) where Vespa and Piaggio scooters are produced.

Piaggio Fast Forward Inc. operates in Boston (Massachusetts, USA) and 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.

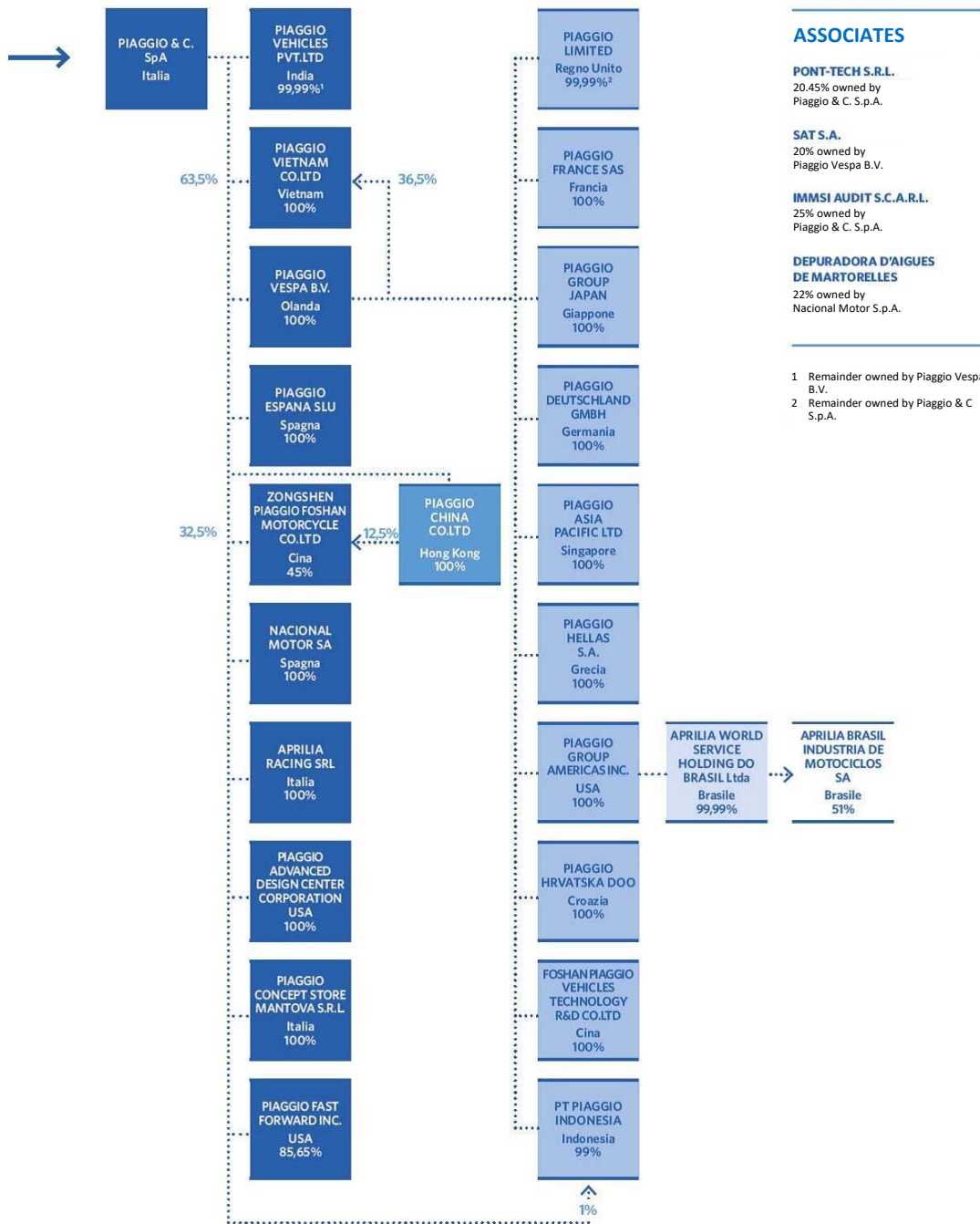
Thanks to the international dimension of Piaggio & C., the group's products are sold in over 100 countries.

The product range includes scooters, motorcycles and mopeds with engine displacements ranging from 50 to 1,400 cc, as well as three- and four-wheeler vehicles, and the robotics division with Piaggio Fast Forward, the Group's research centre on the mobility of the future. The Piaggio group brands are:



For further details of the Piaggio group business model, see the Piaggio 2020 NFS and 2020 CSR Report.

The corporate structure of the Piaggio group at 31 December 2020 is shown below:



## The Marine sector: Intermarine



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 2020, Intermarine had two production sites, in Sarzana and Messina.

## Stakeholder engagement

When preparing the first NFS, for 2017, internal and external stakeholders interacting with Group companies were identified. With reference to 2020, the same stakeholders identified in the previous NFSs, are indicated, considering that no changes took place in the Group structure.

Group companies must take account of individual stakeholders, as they have various interests and expectations (social, economic, professional, human) concerning the Group. Moreover, they must also indicate how stakeholders are engaged with them and how they attempt to meet their expectations.



Note: the stakeholders identified for the real estate and property sector refer to the Parent Company Immsi S.p.A. and subsidiary Is Molas S.p.A..

<b>Customers and dealers</b>			
<b>Sector</b>	<b>Engagement methods</b>	<b>Stakeholder expectations</b>	<b>Actions taken</b>
<b>Property and holding</b>	<ul style="list-style-type: none"> <li>➢ Written notices when works are carried out and concerning site management.</li> <li>➢ Frequent contact.</li> <li>➢ Customer contact: direct; through tour operators and agencies; P.R.</li> <li>➢ Dealer contacts: direct; trade fairs; P.R.</li> <li>➢ Involvement with commercial actions via the website.</li> </ul>	<ul style="list-style-type: none"> <li>• Providing tenants of buildings with an adequate service.</li> <li>• Transparency and fairness in dealings.</li> <li>• Compliance with contractual conditions.</li> <li>• Service quality.</li> </ul>	<ul style="list-style-type: none"> <li>- Alignment with existing regulations.</li> <li>- Commitment to guarantee the safety and security of property.</li> <li>- Meetings/requests to participate in updates.</li> <li>- Internal organisational procedures in compliance with customer expectations.</li> <li>- Compliance with contractual conditions.</li> <li>- Guaranteeing the transparency and quality required by customers.</li> </ul>

<b>Industrial</b>	<ul style="list-style-type: none"> <li>➢ Contact centre</li> <li>➢ Customer satisfaction surveys</li> <li>➢ Communication channels (websites, social media).</li> <li>➢ Events (travelling tests, trade fairs).</li> <li>➢ Dealer websites.</li> <li>➢ Dealer support services/Help desk.</li> <li>➢ Motoplex (new sales format).</li> </ul>	<ul style="list-style-type: none"> <li>• Quality, safety and reliability of the products.</li> <li>• Low/zero consumption and emissions.</li> <li>• Rapid response and problem solving.</li> <li>• Sales support.</li> </ul>	<ul style="list-style-type: none"> <li>- Investment in ever safer and more reliable products.</li> <li>- Obtaining quality certification.</li> <li>- Study of innovative engines with low/zero consumption and emissions.</li> <li>- Effort to improve professionalism, timeliness and courtesy of the contact centre personnel and dealers.</li> <li>- Development of a dedicated website and a new sales format.</li> </ul>
<b>Marine</b>	<ul style="list-style-type: none"> <li>➢ Periodic meetings and scheduled technical tests</li> <li>➢ Company presentation (websites, trade fairs, events).</li> <li>➢ Preparing and negotiating bids; exchanging correspondence; interviews and direct meetings.</li> <li>➢ Support from deals for marketing and sales.</li> </ul>	<ul style="list-style-type: none"> <li>• Reliability, expertise, service, quality, value.</li> <li>• Confidentiality.</li> <li>• Timeliness, precision.</li> <li>• Transparency, fairness and generating business.</li> </ul>	<ul style="list-style-type: none"> <li>- Service and compliance with quality.</li> <li>- Organisation, R&amp;D, reliability.</li> <li>- Timeliness and precision, fairness, transparency, attention to detail.</li> </ul>

### Suppliers

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

### Local Communities

<b>Sector</b>	<b>Engagement methods</b>	<b>Stakeholder expectations</b>	<b>Actions taken</b>
<b>Property and holding</b>	<ul style="list-style-type: none"> <li>➢ Charity activities.</li> <li>➢ Communication targeting the local community.</li> <li>➢ Direct, occasional contact.</li> <li>➢ Events, sponsorships, charity initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Charity.</li> <li>• Local employment and training.</li> <li>• Cooperation and awareness of needs.</li> <li>• Respecting the environment.</li> <li>• Support for local communities/initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>- Local employment and training.</li> <li>- Contributions in favour of local initiatives/events and non-profit organisations.</li> <li>- Obtaining required authorisations.</li> </ul>
<b>Industrial</b>	<ul style="list-style-type: none"> <li>➢ Meetings, exhibitions and events</li> <li>➢ Rallies.</li> <li>➢ Charity activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Contributions to supporting charity initiatives.</li> <li>• Organisation of rallies and events for connoisseurs.</li> <li>• Development of local communities.</li> <li>• Respecting the environment.</li> </ul>	<ul style="list-style-type: none"> <li>- Support for numerous charity initiatives.</li> <li>- The Group organises rallies and races for its customers, such as the Aprilia All Star, Vespa World Day and Moto Guzzi open house events.</li> <li>- The Piaggio Foundation and the Piaggio Museum are a meeting place and cultural reference for the territory.</li> </ul>

			- Attainment of environmental certification for production sites.
<b>Marine</b>	<ul style="list-style-type: none"> <li>➤ Meetings and press releases.</li> <li>➤ Meeting with local authorities (mayors, councillors, etc.).</li> <li>➤ Meetings for redundancy procedures.</li> <li>➤ Meetings for individual projects.</li> </ul>	<ul style="list-style-type: none"> <li>• Direct company involvement.</li> <li>• Engagement with the community and its needs.</li> <li>• Respect for the role played by institutions.</li> </ul>	<ul style="list-style-type: none"> <li>- Ongoing pursuit of a balance between community needs and company objectives.</li> <li>- Involvement of personnel in company decisions.</li> </ul>

### ***Institutions and Public Administration***

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

### ***Medium***

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



## Shareholders, lending and financial system

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

## Employees and trade union organisations

Sector	Engagement methods	Stakeholder expectations	Actions taken
<b>Property and holding</b>	<ul style="list-style-type: none"> <li>➤ Frequent communication.</li> <li>➤ Collective choices.</li> <li>➤ Involvement of trade union organisations if requested.</li> <li>➤ Possibility to contact the Personnel Department, Function Managers. Periodic meetings for departments, and for specific needs are planned.</li> <li>➤ Periodic meetings to coordinate technicians and property manufacturers.</li> </ul>	<ul style="list-style-type: none"> <li>• Participation.</li> <li>• Involvement.</li> <li>• Meritocracy.</li> <li>• Respecting human rights.</li> <li>• Clear and transparent communication with superiors.</li> <li>• Opportunity for professional development and training.</li> <li>• Safe working environment.</li> <li>• Cooperation.</li> </ul>	<ul style="list-style-type: none"> <li>- Involvement.</li> <li>- Promoting engagement.</li> <li>- Professional growth.</li> <li>- Compliance with regulations.</li> <li>- Personnel recruitment in compliance with the Code of Ethics adopted by the Company and without any discrimination.</li> <li>- Open and constructive dialogue.</li> <li>- Professional training courses based on company needs.</li> <li>- Guarantee a safe, healthy and productive environment, also through the dissemination of a culture of safety and awareness of risks.</li> <li>- Periodic coordination meetings.</li> </ul>
<b>Industrial</b>	<ul style="list-style-type: none"> <li>➤ Company intranet.</li> <li>➤ Piaggio InfoPoint</li> <li>➤ Piaggio Net International.</li> <li>➤ Web mail.</li> <li>➤ Evaluation Management System.</li> <li>➤ Wide - Piaggio Magazine.</li> <li>➤ Meetings with trade unions.</li> </ul>	<ul style="list-style-type: none"> <li>• Clear and timely company communication.</li> <li>• Safe and healthy work environment.</li> <li>• Opportunity for professional development and training.</li> <li>• Transparent reward policies.</li> <li>• Respecting human rights and diversity.</li> <li>• Open and constructive dialogue.</li> </ul>	<ul style="list-style-type: none"> <li>- Promoting ongoing, constructive dialogue with employees.</li> <li>- Attainment of health and safety certification for Group sites.</li> <li>- Preparation of professional and managerial career paths for young talents.</li> <li>- Remuneration policy characterised by meritocracy and equal opportunities.</li> <li>- Abiding by a code of ethics that explicitly prohibits any form of discrimination or forced labour.</li> <li>- Piaggio promotes ongoing, constructive dialogue with trade unions.</li> </ul>
<b>Marine</b>	<ul style="list-style-type: none"> <li>➤ Company notices on the environment and safety.</li> <li>➤ Requests via the Workers' Safety Representative.</li> <li>➤ Periodic coordination/planning meetings.</li> <li>➤ Periodic, individual meetings.</li> <li>➤ Training courses.</li> <li>➤ Trade union negotiations.</li> </ul>	<ul style="list-style-type: none"> <li>• Cooperation and organisation.</li> <li>• Transparency and participation.</li> <li>• Understanding urgencies and needs.</li> <li>• Remuneration.</li> <li>• Opportunities for professional growth.</li> </ul>	<ul style="list-style-type: none"> <li>- Dialogue and understanding.</li> <li>- Engagement with trade union organisations.</li> <li>- Response in accordance with laws and regulations.</li> <li>- Participation and involvement</li> <li>- Compliance with established objectives, meeting employees' needs if possible.</li> <li>- Correct adoption of laws and contracts.</li> <li>- Ensuring recognition where due.</li> <li>- Accountability for special projects.</li> </ul>

## **Corporate Social Responsibility risks**

With the support of Immsi Audit S.c. a r.l., during 2019, risks connected with Corporate Social Responsibility, pursuant to Legislative Decree 254/16, were identified in the "property and holding" and "marine" sectors of the Group. In particular, the risk analysis concerned the following companies: Immsi S.p.A., Is Molas S.p.A. and Intermarine S.p.A.. A follow-up was carried out in 2020 to analyse the effects of the Covid-19 pandemic. The inherent risks identified in these companies are shown in the following tables, broken down by reference dimension. 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 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 2020, the campaign to update the group's risk profile, involving company managers across the group, identified 160 risk scenarios, comprising 26 categories which were grouped into 4 level-one macro-categories (External, Operational, Financial, Strategic Risks). In this context, issues concerning environmental and social aspects, human resources, human rights and the fight against corruption were all analysed, as detailed below.

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

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

TOPICS	SUB-CATEGORIES	GLOBAL REPORTING INITIATIVE (GRI)	RISKS IDENTIFIED	MITIGATION ACTIONS (since 2019)	2020 UPDATE	
ENVIRONMENTAL MATTERS	Water Sustainability	WATER	WATER USE	<p>Risks related to administrative restrictions on the use of water (in the presence of climate change which leads to the rationing of water) which could result in limitations to managed business activities.</p> <p>Risk related to climate change liable to affect the need for irrigation of green spaces and the availability of water supply reservoirs.</p> <p>Risk related to failure to identify the impacts of activities on local water resources.</p>	<p>The Company has completed its activities to improve the efficiency of the irrigation system and hotel area, using watering in a rationalised way to ensure necessary irrigation while saving resources. It has also planned to replace the irrigation system on the golf course in the coming year. The Company also complies with commitments of "former agreements" as regards the expansion of public water purification plants, benefiting from the possible re-use of relative water output for irrigation purposes.</p> <p>With specific reference to worksites, the relevant Environmental Impact Assessment requires the implementation of measures to ensure respect for the environment, which are documented by sending a Hydraulic Report on the water sustainability of the real-estate project to the competent local public bodies (SAVI Sardinia Region, Regional Forestry Department, ARPA, Province of Cagliari).</p>	<p>The Company remains focused on the use and efficiency of the irrigation system in the villa and hotel area, using watering in a rationalised way to ensure necessary irrigation while saving resources. It is also carrying out major maintenance work and functional improvements to the lakes managed, to comply with industry regulations.</p> <p>The Company also complies with commitments of "former agreements" as regards the expansion of public water purification plants, benefiting from the possible re-use of relative water output for irrigation purposes.</p>
	Biodiversity Sustainability	BIODIVERSITY	LAND USE	<p>Risk of negative environmental impact on the area resulting from failure to comply with environmental requirements based on administrative authorisations for property development activities (including with reference to counterparties involved in contracted works) and maintenance activities of the green areas for the management of sports and hotel activities.</p>	<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 (also with reference to other parties involved in the contracted works). The use of green maintenance activities/methods is also increasing in the sports-hotel sector.</p>	
	Effluents And Waste Sustainability	EFFLUENTS AND WASTE	USE OF RENEWABLE AND/OR NON-RENEWABLE ENERGY	<p>Environmental impact risk resulting from inadequate management of waste generated by property development activities (including with reference to the counterparties involved in contracted works) and management of hospitality and sports activities.</p>	<p>Waste production, management and disposal are overseen in compliance with applicable regulations. In addition, the correct traceability of waste is ensured according to the established categorisation, with particular reference to handling – as per regulations – overseen by specialised, authorised firms.</p> <p>As regards real-estate development works, the disposal of site waste regulated in the Contract and borne by the Contractor, is monitored by the Company.</p>	<p>Waste production, management and disposal activities in compliance with the applicable regulations, especially with regard to correct traceability of the various kinds of waste, in terms of handling, which is entrusted to specialist authorised companies in the sector.</p> <p>In particular, having completed the development activities (villas), the focus on the management and disposal of site waste switched to the renovation and extraordinary maintenance of the hotel</p>
	Supply Chain/Commercial relationships - Sustainability matters	SUPPLY CHAIN COMMERCIAL RELATIONSHIPS (ENVIRONMENTAL M.)	SUPPLIER ENVIRONMENTAL ASSESSMENT	<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>	<p>The Company uses reliable, established counterparties that 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>	

TOPICS	SUB-CATEGORIES	GLOBAL REPORTING INITIATIVE (GRI)	RISKS IDENTIFIED	MITIGATION ACTIONS (since 2019)	2020 UPDATE	
S O C I A L  M A T T E R S	CUSTOMER HEALTH AND SAFETY Sustainability	CUSTOMER HEALTH AND SAFETY	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 and hotel 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.	Regarding the COVID-19 emergency, the Company analysed the regulations and adopted control protocols (cleaning and sanitisation in accordance with the guidelines of the Istituto Superiore di Sanità, PPE available to guests and staff, sanitising products located in the various areas of the Resort, spacing of tables in restaurants) to protect guests and staff in compliance with rules and regulations (Federalberghi, FIG).	
	LOCAL COMMUNITIES Sustainability	DIALOGUE WITH LOCAL COMMUNITIES ACTIONS TAKEN TO ENSURE THE PROTECTION AND THE DEVELOPMENT OF THOSE COMMUNITIES	Risk related to insufficient or ineffective "local" relations (e.g.: related to institutions, local agencies, sociocultural groups of the territory) with local communities.	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.		
	Compliance - Sustainability matters	COMPLIANCE (SOCIAL M.)	Risk related to possible changes in the local legal and regulatory framework on a local basis which could result in burdensome changes in strategic or operating approaches of the Company.			
		SOCIOECONOMIC COMPLIANCE	Reputational risk or damage to persons (employees and third parties), to the Company, to public safety – through the management of social 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.	The Company has put in place measures to ensure compliance in the area of management of the personal data processing, 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 Company manages, with the support of the DPO, measures to ensure compliance in the area of management of the personal data processing, 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 on privacy.	
	Product & Services - Sustainability matters	PRODUCT/SERVICES (SOCIAL M.)	MARKETING AND LABELLING	Risk of failure to obtain or renew quality certifications or certifications of legislative/regulatory compliance for products and processes.	The Company has adopted quality and safety protocols for catering and hotel 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.	Regarding the COVID-19 emergency, the Company analysed the regulations and adopted control protocols (cleaning and sanitisation in accordance with the guidelines of the Istituto Superiore di Sanità, PPE available to guests and staff, sanitising products located in the various areas of the Resort, spacing of tables in restaurants) to protect guests and staff in compliance with rules and regulations (Federalberghi, FIG).
	Supply Chain/Commercial relationships - Sustainability matters	SUPPLY CHAIN/ COMMERCIAL RELATIONSHIPS (SOCIAL M.)	SUPPLIER SOCIAL ASSESSMENT	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 selection of suppliers and the determination of procurement conditions are based on a prior objective assessment of the quality, price and capacity to supply and guarantee adequate level goods/services according to 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.	
Sustainability matters - General	GENERAL SOCIAL M.		Risk of restrictions on the development of the Company's business activities resulting from changes in the international legislative framework.	The Company actively monitors changes in the international legislative framework, with the support of specialist law firms.	The Company actively monitors changes in the international legislative framework, with the support of specialist law firms, and in accordance with the various regulations and government guidelines to combat the SARS-COV-2 pandemic.	
			Reputational risk and negative effects on relations with stakeholders arising from aspects related to the management of social issues.	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.		

TOPICS	SUB-CATEGORIES		GLOBAL REPORTING INITIATIVE (GRI)	RISKS IDENTIFIED	MITIGATION ACTIONS (since 2019)	2020 UPDATE
EMPLOYEE-RELATED MATTERS	OCUPATIONAL HEALTH AND SAFETY Sustainability	OCUPATIONAL HEALTH AND SAFETY	HEALTH AND SAFETY AT WORK	Risk resulting from unsuitable working conditions in terms of worker health and safety or inadequate control for monitoring the concrete compliance of the provided procedures or instructions by employees and suppliers' or sub-suppliers' workers, with the possibility of occupational accident impacts and potential negative impacts (e.g., lawsuits, loss of reputation, payment of damages, fines).	The Company has shaped its occupational health and safety activities in accordance with applicable regulations, including signing supply agreements and contracts that require counterparties to ensure the equivalent compliance with regulations. The Company has also started to update its organisational structure and processes for the protection, monitoring and verification of workers' health and safety.	Regarding the COVID-19 emergency, the Company analysed the regulations and adopted control protocols, differentiated by department, to protect guests and staff in compliance with rules and regulations (Federalberghi, FIG). The priority risk was represented by the aspects most closely related to the health and safety of workers and in this area specific protocols were adopted with safeguards, protection and guarantee measures in line with the provisions of national and local agreements between the social partners. In particular, the necessary operational, procedural, documentary and control changes were made to contain the risk of contagion, essentially comprising the adoption of the company's safety protocol and regulations to combat Covid-19, adopted by the Company. A specific Supervisory Committee on the security protocols and regulation of measures adopted by the Company against COVID-19 is also operational.
	Product & Services - Sustainability matters	PRODUCTISER VICES (EMPLOYEE M.)	WORKING CONDITIONS	Risk of lack of or insufficient control of materials and components used to ascertain compliance with regulations regarding their composition and ban on the use of hazardous substances.		
	Supply Chain/Commercial relationships - Sustainability matters	SUPPLY CHAIN/COMMERCIAL RELATIONSHIPS (EMPLOYEE M.)	SUPPLIER SOCIAL ASSESSMENT	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.		
	TRAINING AND EDUCATION Sustainability	TRAINING AND EDUCATION	RESPECT FOR THE RIGHT OF WORKERS TO BE INFORMED AND CONSULTED	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).		
ANTI-CORRUPTION AND BRIBERY	ANTI-CORRUPTION Sustainability	ANTI-CORRUPTION	INSTRUMENTS IN PLACE TO FIGHT CORRUPTION AND BRIBERY	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.).	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. The Company keeps its Model up to date with Legislative Decree 231/01 in terms of protocols relating to the aforementioned potential risk areas.	

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

TOPIC	SUB-CATEGORIES	GLOBAL REPORTING INITIATIVE (GRI)	RISKS IDENTIFIED	MITIGATION ACTIONS (since 2019)	2020 UPDATE	
MATERIAL ENVIRONMENTAL	Water Sustainability	WATER	<p>Risk of water pollution caused by failure to comply with the ban of releasing waste water (on the ground, in the subsoil, in ground water, in the sea) or negative effects on managed activities due to a need to protect water. In particular, a risk activity could be related to spillage into water by ships during testing at sea or in dock or to the washing of hulls and mechanical parts in factories.</p>	<p>Production activities are carried out in compliance with applicable regulations on discharges into water bodies. 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. In particular – according to the Company's Model 23/101 – 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 suspended or revoked.</p>	<p>For the Sarzana site, the Company holds the Integrated Environmental Authorisation (IEA), which expires in 2020, for which it has already submitted the application for renewal and is awaiting the outcome of the Services Conference of the La Spezia Provincial Authority. For the Messina site, the company holds the Single Environmental Authorisation (AUA) for the production, fitting out, repair and maintenance of steel metal and fibreglass boats.</p>	
			<p>Risk linked to the occurrence of natural disasters or catastrophic events (e.g. floods), also deriving from climate change that may cause unusually intense/irregular atmospheric events compared to known or foreseeable trends, which may prevent the company from carrying out its operating activities and/or supplying its products</p>	<p>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 recently renewed an insurance policy with UNIPOL SAI including flood risk coverage for the Sarzana location.</p>	<p>On 30/07/2020, the Company obtained the Concession of the state-owned maritime area (buildings and portion of quay and water surface in "Area Caletta F.Rota") within the CSNN of the La Spezia Navy, expiring on 31/12/2022.</p>	
	Biodiversity Sustainability	BIODIVERSITY	LAND USE	<p>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>	<p>The Company pays maximum attention to ensure that activities are compatible with the protection of natural species, seeking to minimise its environmental footprint through the responsible management of impact on sustainable use of natural, water and energy resources. With reference to its production sites, the Company holds a specific authorisation (in particular an AIA for the Sarzana site) for atmospheric emissions from industrial plants and the associated activities are governed by specific procedures that identify the roles, responsibilities and activities related to the management of emissions. 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, RINA); the Company cooperates at all times with these bodies by regularly implementing suggested improvement actions.</p>	
	Emissions Sustainability	EMISSIONS	GREENHOUSE GAS EMISSIONS AIR POLLUTION	<p>Risk of air pollution in the event of non-compliance with permitted values of compliance with regulatory requirements for "greenhouse effect" emissions from managed activities</p>	<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.</p>	
	Effluents And Waste Sustainability	EFFLUENTS AND WASTE	USE OF RENEWABLE AND/OR NON-RENEWABLE ENERGY	<p>Risk of pollution caused by waste generated by company activities, in the event of inadequate monitoring of its "life cycle" in order to prevent its improper disposal, deposit or storage</p>	<p>The Company's environmental management system includes established procedures to manage operations involving potential pollutants. This is supported by planning investment choices and industrial/commercial initiatives in compliance with the relevant regulations, and by adopting – where operationally and economically possible and compatible – suitable technologies and production methods to reduce the environmental impact of managed activities.</p>	<p>Monitoring of compliance with environment regulations is carried out both by means of self-controls and internal audits and through inspections by external bodies (e.g. ARPAL, RINA); the Company cooperates at all times with these bodies by regularly implementing suggested improvement actions. In 2020, the Sarzana site underwent a maintenance audit pursuant to ISO 14001:2015 (14/02/2020), the summary report for which – whose findings are positive – contains no observations and/or recommendations.</p>
	Compliance - Sustainability matters	COMPLIANCE (ENVIRONMENTAL M.)	ENVIRONMENTAL COMPLIANCE	<p>Risk of failure to issue/maintain environmental certifications for the production sites involved</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 14001:2004 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.</p>	
Supply Chain/Commercial relationships - Sustainability matters	SUPPLY CHAIN COMMERCIAL RELATIONSHIPS (ENVIRONMENTAL M.)	SUPPLIER ENVIRONMENTAL ASSESSMENT	<p>Risk connected to the use of suppliers or sub-suppliers that do not comply with appropriate sustainability standards, causing effects that are not compatible with the Company's sustainability strategy and also generating negative repercussions for reputation and relations with 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>		

TOPIC	SUB-CATEGORIES	GLOBAL REPORTING INITIATIVE (GRI)	RISKS IDENTIFIED	MITIGATION ACTIONS (since 2019)	2020 UPDATE
W E R T E M E T A T O C C O S	CUSTOMER HEALTH AND SAFETY Sustainability	CUSTOMER HEALTH AND SAFETY	Risks related to failure to comply with the quality/safety standards of goods produced and associated legal and contractual requirements, with consequent liability that could expose the Company to claims for damages and expensive reprocessing or repairs.	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, 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 specific training plan that provides specific content for professional areas most directly involved in the development of the procurement programme.	
	Product & Services Sustainability matters	CUSTOMER HEALTH AND SAFETY	Risks related to failure to comply with the quality/safety standards of goods produced and associated legal and contractual requirements, with consequent liability that could expose the Company to claims for damages and expensive reprocessing or repairs.		
	PRODUCTS/ SERVICES (SOCIAL M.)	MARKETING AND LABELLING			
	Sustainability General	GENERAL SOCIAL	Risk of negative impacts on the development of business activities resulting from situations of severe social instability or conflict between states	The Company has set up its international development activities in accordance with government authorisations for relations with the foreign countries concerned and also monitors international socio-political dynamics that could have an impact on the development of these activities.	
M A T T O F O T O C C O S	OCCUPATIONAL HEALTH AND SAFETY Sustainability	HEALTH AND SAFETY AT WORK	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	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. Regular analyses are carried out of airborne dispersion (e.g. artificial glass fibres, wood dust, asbestos fibres, volatile organic solvents) to check compliance with the relevant concentration limits permitted.	With reference to the SARS-COV-2 emergency, the priority risk was aspects relating to the health and safety of workers. Specific protocols were adopted including protection and safeguarding measures, in line with national and local agreements between the social partners. In particular, the necessary operational, procedural, documentary and control changes were made to contain the risk of contagion, essentially comprising the adoption of the company's safety protocol and regulations to combat Covid-19, adopted by the Company for its own offices. Moreover, with reference to the above-mentioned health emergency, the Company has updated the DVR risk assessment document (for fire risk and biological agent risk) and the related technical-procedural documents regulating specific company activities. A specific Supervisory Committee on the security protocols and regulation of measures adopted by the Company against COVID-19 is also operational.  [There is also evidence of] i) the request on 14.05.2020, by ASLS of La Spezia, of the security and regulatory protocols for measures against Covid-19 adopted by IM; on 15 May 2020, the Company promptly submitted the Intermarine SpA company regulatory protocol and associated documentation for the Sarzana site; ii) of the inspection on 08.05.2020 by the Police Officers of the SPRESAL section of the Messina ASP at the Sicilian work site concerning the anti-COVID-19 measures adopted: the inspection had a positive outcome and therefore did not result in any orders/sanctions.  More generally, although the Company has not yet obtained certification of compliance with the requirements of the reference standards for its workplace safety management system, it has in any case defined and implemented the prevention system in accordance with these requirements, envisaging that at the end of the identification phase of the macro processes and environmental, health and safety aspects, internal audits are to be planned and carried out on the processes and company areas previously identified, and constantly monitoring the implementation of all the necessary corrective/improvement actions. The Company has postponed the opportunity to apply for ISO 45001 certification, in view of existing commitments of staff, even though it has included a special part in its 231/01 Model with specific protocols to combat the crimes of manslaughter or serious or very serious injury in violation of the rules on the protection of health and safety at work.
	OCCUPATIONAL HEALTH AND SAFETY Sustainability	WORKING CONDITIONS			
	RESPECT FOR TRADE UNIONS RIGHTS, SOCIAL DIALOGUE		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	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.	
	TRAINING AND EDUCATION Sustainability	TRAINING AND EDUCATION			
	RESPECT FOR THE RIGHT OF WORKERS TO BE INFORMED AND CONSULTED		Risk of inadequate implementation of projects according to expected standards due to lack of staff development, qualitative or quantitative sufficiency of human capital compared to the operating model and the production 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).	The Company values its human capital, adopting fair and equal treatment policies for the retention and continuing development of personnel and expertise, to avoid the loss of key skills and know-how, due to employment ending.	As part of its 2020 Training Plan, the Company provided a new training session on Legislative Decree 231 (Code of Ethics and Code of Conduct) in accordance with the Organisational Model 231/01) for all employees – non-blue collar – of Intermarine S.p.A. in Sarzana and Messina, and the Company's freelancers and consultants. This course, organised by Randstad, was held via e-learning and included a final learning assessment test.
	Product & Services Sustainability matters	COMPLIANCE (EMPLOYEE M.)	SOCIOECONOMIC COMPLIANCE		
Supply Chain/Commercial Sustainability matters	PRODUCTS/ SERVICES (EMPLOYEE M.)	WORKING CONDITIONS	Risk related to the possible use of suppliers, sub-suppliers or third-party independent contractors (consultants, etc.) that do not comply with the environmental sustainability standards, 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 the area.	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.	
Supply Chain/Commercial Sustainability matters	SUPPLIER SOCIAL ASSESSMENT				

TOPIC	SUB-CATEGORIES	GLOBAL REPORTING INITIATIVE (GRI)	RISKS IDENTIFIED	MITIGATION ACTIONS (since 2019)	2020 UPDATE
HUMAN RIGHTS	ENVIRONMENTAL & CLIMATE SUSTAINABILITY				
	ENERGY SUSTAINABILITY				
	WATER SUSTAINABILITY				
	WASTE SUSTAINABILITY				
	BIODIVERSITY SUSTAINABILITY				
	CHIL D LABOUR SUSTAINABILITY				
	HUMAN RIGHTS SUSTAINABILITY				
	INDUSTRY & INFRASTRUCTURE SUSTAINABILITY				
	LABOUR SUSTAINABILITY				
	COMMUNITY SUSTAINABILITY				
	INTEGRITY SUSTAINABILITY				
CORRUPTION AND BRIBERY	ANTI-CORRUPTION SUSTAINABILITY				
	ANTI-COMPETITIVE BEHAVIOUR SUSTAINABILITY				
	ANTI-COMMERCE SUSTAINABILITY				
	ANTI-ENVIRONMENTAL SUSTAINABILITY				
	ANTI-FINANCIAL SUSTAINABILITY				
	ANTI-INTERNAL CONTROL SUSTAINABILITY				
	ANTI-LEGAL SUSTAINABILITY				
	ANTI-MARKETING SUSTAINABILITY				
	ANTI-REPUTATION SUSTAINABILITY				
	ANTI-SUPPLY CHAIN SUSTAINABILITY				
	ANTI-TAX SUSTAINABILITY				
ANTI-TRAFFIC SUSTAINABILITY					
ANTI-UNEMPLOYMENT SUSTAINABILITY					
ANTI-WASTE SUSTAINABILITY					
ANTI-WATER SUSTAINABILITY					
ANTI-COMPLIANCE (ANTI-CORRUPTION & ANTI-ENVIRONMENTAL)					
ANTI-ENVIRONMENTAL COMPLIANCE (ANTI-CORRUPTION & ANTI-ENVIRONMENTAL)					
ANTI-INTERNAL CONTROL COMPLIANCE (ANTI-CORRUPTION & ANTI-ENVIRONMENTAL)					
ANTI-LEGAL COMPLIANCE (ANTI-CORRUPTION & ANTI-ENVIRONMENTAL)					
ANTI-MARKETING COMPLIANCE (ANTI-CORRUPTION & ANTI-ENVIRONMENTAL)					
ANTI-REPUTATION COMPLIANCE (ANTI-CORRUPTION & ANTI-ENVIRONMENTAL)					
ANTI-SUPPLY CHAIN COMPLIANCE (ANTI-CORRUPTION & ANTI-ENVIRONMENTAL)					
ANTI-TAX COMPLIANCE (ANTI-CORRUPTION & ANTI-ENVIRONMENTAL)					
ANTI-TRAFFIC COMPLIANCE (ANTI-CORRUPTION & ANTI-ENVIRONMENTAL)					
ANTI-UNEMPLOYMENT COMPLIANCE (ANTI-CORRUPTION & ANTI-ENVIRONMENTAL)					
ANTI-WASTE COMPLIANCE (ANTI-CORRUPTION & ANTI-ENVIRONMENTAL)					
ANTI-WATER COMPLIANCE (ANTI-CORRUPTION & ANTI-ENVIRONMENTAL)					



The risk topics identified for the Piaggio group, following the 2020 Risk Assessment, are listed below.

<b>ASPECTS</b>	<b>RISKS IDENTIFIED</b>	<b>DIMENSION AFFECTED</b>
<b>Environment</b>	<p>The analysis refers to the actual and potential effects of the Group's operations on the environment considering, for example, atmospheric emissions, the impact of noise, discharge and waste disposal processes, using and safeguarding natural resources and protecting biodiversity, as well as environmental compliance aspects in a national and international dimension.</p> <p>Greenhouse gases (mainly CO<sub>2</sub>) and Volatile Organic Compounds (VOCs) released by solvents used in painting, are some of the most hazardous substances for air pollution generated by automotive operators. Structural actions on the Group's production plants, carried out over time, guarantee limited pollutant emissions.</p> <p>The structure of Piaggio's production sites has been designed based on support mechanisms that use energy from fossil fuels. The use of resources at the production facilities and offices of all affiliates is monitored daily, with the aim of optimising energy use and reducing consumption.</p> <p>Operations to clean up sites were necessary due to historical site contamination: the pollutants removed had not been used for several decades by the sites, proving the historical nature of this contamination. Other cases of ground contamination have never concerned the Group's operations: the classification, management and transport of waste produced comply with sector regulations.</p> <p>The volume of water used in the production process is monitored monthly, to safeguard its conservation; a part of this water is re-used.</p> <p>Lastly, all Piaggio sites have ISO 14001 environmental certification and investments are made each year to reduce the environmental impact of production sites.</p> <p>Despite a considerable risk level, in line with other industry operators, control measures adopted significantly reduce environmental risks.</p>	<p><b>The Environmental Dimension</b></p>
<b>Employees</b>	<p>This area covers numerous aspects, such as the management of human capital, including career development, the remuneration and training system, the promotion of diversity and inclusion, as well as aspects relative to occupational health and safety and trade union relations.</p> <p>Piaggio operates globally with employees in Europe, the Americas and Asia. It promotes diversity in age, culture, ethnics, religion, political opinion, civil status, gender, physical ability, sexual orientation, encouraging different ways to achieve and reach the highest levels of performance within a single and broader-ranging organisational set-up of the Group. The integration of disabled people into the workforce is also made possible in practice by the accessibility of company facilities and the existence of a relative company procedure.</p> <p>Piaggio adopts a system of recruitment, development and salary packages for personnel which recognises and rewards merit and performance. Development tools are used to build on and continually improve skills, while empowering potential, recognising and rewarding outstanding performance. Reward policies remunerate people and their contribution based on principles of meritocracy and transparency. The above mechanisms reduce potential risks related to these aspects to a residual level which is not significant.</p> <p>The Piaggio Group acknowledges the role of trade union organisations and worker representatives and is committed to establishing relationships with them that are characterised by attention, dialogue and a common understanding; in fact, assessment and continual engagement are considered essential for identifying the best solutions for the company's specific needs. For these reasons and despite the high number of employees with trade union membership, strikes are infrequent.</p> <p>As regards occupational health and safety, testing motorcycles with a medium and large engine capacity entails the highest risk levels. Generally, the risk of accidents/injuries to personnel is mitigated by aligning processes, procedures and structures to applicable occupational safety laws and international best standards, and promoting safe behaviour, through targeted training.</p>	<p><b>The social dimension - Developing human resources</b></p>

ASPECTS	RISKS IDENTIFIED	DIMENSION AFFECTED
<b>Social</b>	<p>The social sphere includes aspects concerning Piaggio's relations with consumers, as well as the effects of the business on the community.</p> <p>In the first case, product quality and reliability are essential and key to obtaining and guaranteeing customer satisfaction and safety. In the "Product – Operational Risk" category, risk scenarios relating to potential product defects have been mapped. To mitigate these risks, Piaggio has established a Quality Control system, it tests products during various stages of the production process and carefully sources its suppliers based on technical/professional standards. The Group is also committed to being awarded and maintaining certification of its quality management systems at global level (ISO 9001).</p> <p>The Group undertakes to redistribute economic value generated to support social solidarity initiatives and promote local areas. In 2020, the collaboration between the Piaggio Group and (RED) - an association founded in 2006 by Bono and Bobby Shriver - continued, with more than USD 650 million allocated to the fight against AIDS and Covid-19.</p> <p>Interest in research and progress in the health sector led the Piaggio group to donating €250,000 to the IEO CCM Foundation (European Institute of Oncology) and €100,000 to the Mantova Hospital (to help deal with the emergency due to the Covid-19 pandemic). Piaggio also supported some charities by giving away vehicles to be used as prizes in auctions.</p> <p>The Indian and Vietnamese subsidiaries have also always been active in social work, supporting and promoting charitable initiatives.</p>	<p><b>The products and services dimension / The social dimension - Relations with local communities</b></p>
<b>Human rights</b>	<p>As set out in the Code of Ethics, adopted in 2004 and updated during 2017, Piaggio specifically prohibits any form of discrimination or forced labour. This Code has been distributed to all subsidiaries and clearly states the principles and values the entire organisation takes inspiration from.</p> <p>To maintain the highest standards of ethical, moral and legal conduct, Piaggio encourages its employees to report any suspected misconduct.</p> <p>The Whistle blowing Policy, initially developed for the Group's Indian company, aims to provide a safe means for employees and other parties concerned to report violations that come to their knowledge in the context of their work activities. For this purpose, in compliance with Law 179/2017, an entirely new section with regulations on whistle-blowing designed to protect workers that report unlawful activities and irregularities that come to their knowledge during their work was added to the last revision of the Organisational, Management and Control Model pursuant to Legislative Decree no. 231/2001.</p> <p>Based on prevention and control mechanisms established in the Code of Ethics and adopted by all Group subsidiaries, no risk scenarios relative to the violation of human rights were identified.</p>	<p><b>Corporate Governance / The social dimension - Developing human resources</b></p>
<b>Fighting corruption</b>	<p>The fight against both active and passive corruption comes under the risk categories "Internal/external offences" of the Group's risk model. In its Code of Ethics, Piaggio strictly prohibits any practice of corruption, request for and/or provision of preferential treatment, of any collusive behaviour, solicitation, whether direct/indirect and/or through third parties, of personal benefits of any kind for oneself and/or for others, of material benefits and/or any other advantage of any extent in favour of third parties.</p> <p>A number of processes, procedures, roles and responsibilities have been defined to achieve the above objective, as regards business negotiations/relations with the public administration sector and with private entities.</p> <p>The controls briefly described above decrease residual risk relative to episodes of active/passive corruption to a negligible level.</p>	<p><b>Corporate Governance</b></p>

## The Economic Dimension

### Creating 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 oversees the process of producing value and provides transparent, specific and exhaustive disclosure in the Directors' Report and Financial Statements of the Immsi Group 2020 (see the chapter "Information on operations and activities of the Immsi Group") to which reference is made for further details.

### Immsi Group at 31 December 2020

In thousands of Euros	<i>Property and holding sector</i>	<i>as a %</i>	<i>Industrial sector</i>	<i>as a %</i>	<i>Marine sector</i>	<i>as a %</i>	<i>Immsi Group</i>	<i>as a %</i>
Net revenues	1,455		1,313,690		61,622		1,376,767	
Operating income before depreciation and amortisation (EBITDA)	-5,869	n/m	186,050	14.2%	6,054	9.8%	186,235	13.5%
Operating income (EBIT)	-6,930	n/m	70,856	5.4%	2,519	4.1%	66,445	4.8%
Profit before tax	-21,263	n/m	50,166	3.8%	501	0.8%	29,404	2.1%
Earnings for the period including non-controlling interests	-15,708	n/m	31,322	2.4%	192	0.3%	15,806	1.1%
Group earnings for the period (which may be consolidated)	-6,113	n/m	15,728	1.2%	139	0.2%	9,754	0.7%
Net debt	-328,820		-423,617		-50,467		-802,904	
Personnel (number)	58		5,856		253		6,167	

### Immsi Group at 31 December 2019

In thousands of Euros	<i>Property and holding sector</i>	<i>as a %</i>	<i>Industrial sector</i>	<i>as a %</i>	<i>Marine sector</i>	<i>as a %</i>	<i>Immsi Group</i>	<i>as a %</i>
Net revenues	4,817		1,521,325		64,593		1,590,735	
Operating income before depreciation and amortisation (EBITDA)	-17,446	n/m	227,830	15.0%	12,265	19.0%	222,649	14.0%
Operating income (EBIT)	-18,090	n/m	104,546	6.9%	8,800	13.6%	95,256	6.0%
Profit before tax	-34,200	n/m	80,684	5.3%	6,962	10.8%	53,446	3.4%
Earnings for the period including non-controlling interests	-28,601	n/m	46,749	3.1%	4,826	7.5%	22,974	1.4%
Group earnings for the period (which may be consolidated)	-19,076	n/m	23,466	1.5%	3,499	5.4%	7,889	0.5%
Net debt	-317,656		-429,744		-48,996		-796,396	
Personnel (number)	68		6,222		262		6,552	

## Calculation and distribution of added value

Added value is an asset produced by the Immsi Group, which is distributed, in different forms, to various stakeholders.

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

## How added value is determined and distributed

In thousands of Euros	2020	2019	2018
Net revenues	1,376,767	1,590,735	1,464,533
Income/(loss) from investments	504	919	474
Financial income	28,270	15,814	23,402
Other operating income reclassified	129,006	128,995	117,678
<b>Economic value generated</b>	<b>1,534,547</b>	<b>1,736,463</b>	<b>1,606,087</b>
Operating costs reclassified	-1,088,740	-1,248,916	-1,131,406
Amortisation and depreciation	-119,790	-127,393	-112,708
<b>Net added value</b>	<b>326,017</b>	<b>360,154</b>	<b>361,973</b>
Remuneration to human resources	230,798	248,165	237,496
Remuneration to lenders	65,815	58,543	65,919
Shareholder remuneration	16,358	25,802	9,835
Remuneration to the Public Administration sector	19,476	34,183	27,311
External donations and donations to the community	1,366	1,384	1,191
<b>Distributed added value</b>	<b>333,813</b>	<b>368,077</b>	<b>341,752</b>
Business system	-7,796	-7,923	20,221
<b>Added value retained by the Group</b>	<b>-7,796</b>	<b>-7,923</b>	<b>20,221</b>

## **Taxes**

The Immsi Group – in particular through the Piaggio group, refer to their CSR Report 2020 for more details) – operates in numerous countries through its own subsidiaries, with production, distribution, sales and research and development functions.

### **Approach to taxation**

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

The Parent Company Immsi S.p.A., as consolidating entity, together with the 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., ISM Investimenti S.p.A., Pietra S.r.l. and Pietra Ligure S.r.l., has opted since 2007 to be a part of the Group taxation system, as provided for by Articles 117 and following 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 entity Immsi S.p.A. adopt and comply with the tax regime envisaged by Italian legislation on “Controlled Foreign Companies” (i.e. the so-called CFC rules).

The Group adopts an approach based on principles of rigour, prudence and correctness in its financial decisions and rejects the use of “aggressive tax planning” schemes through the creation of artificial corporate structures aimed at evading its tax obligations and obtaining undue tax advantages.

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

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

Intra-group transactions are settled based on the arm's length principle, as interpreted by the OECD in its guidelines (i.e. the “Transfer Pricing Guidelines”).

### **Tax governance and risk management**

As it is conscious of the potential risks associated with incorrect tax management, Immsi S.p.A. monitors tax risk through continuous dialogue with specialised professional firms and with the companies of the Group, with a further view to ensuring more efficient and shared management of the tax consolidation relationships in place with most of the Italian companies of the Immsi Group.

In addition, to mitigate this risk Immsi has promptly update its Organisational Model pursuant to Law 231/2001 by introducing the Tax Crimes provided for by Law 157 of 19 December 2019, converting Legislative Decree no. 75 of 14 July 2020.

As the Piaggio group works in a wide range of countries, it has set up a specific tax department at the Parent Company which, under the supervision of the Board of Directors, operates as an effective

control point for identifying, managing and containing the risks of violation or abuse of tax regulations. Since 2014, Piaggio & C. 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 CSR Report 2020 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 recognizes the social role of tax issues and the importance they play in promoting sustainable development.

In order to guarantee absolute transparency, the Group has adhered to the new GRI 207 -Tax standard, in force since this year. For the information required by the aforementioned standard, the breakdown by tax jurisdiction of consolidated data is presented below.

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

The following should be noted:

- the data presented refer to the 2019 financial year;
- the workforce is that indicated at 31 December 2019;
- revenues from third parties also include other revenues;
- revenues from the Group exclude those between companies operating in the same tax jurisdiction;
- pre-tax profit (loss) and property, plant and equipment are presented on an aggregate basis, without taking into account eliminations on consolidation;
- pre-tax profit (loss) includes the amounts of dividends received from other Group entities;
- property, plant and equipment do not include investment property as the latter is not involved in the process to generate corporate value;
- regarding any differences between the income tax accrued on profits and the tax due (GRI 207-4-b-x), please refer to the Consolidated Financial Statements as at 31 December 2020 of the Immsi Group. It should also be noted that both the income taxes accrued and those paid on a cash basis in various countries are affected by the significant presence of dividends received from Group entities, which are included in the pre-tax profit (loss). As is the case in most countries, these jurisdictions also have exemption tax regimes for dividends, as they are the expression of a profit already taxed from the investee company.

Country	Designation	Activities	No. of employees	Revenues from third parties	Revenues from the Group	Pre-tax profit (loss)	Property, plant and equipment	Taxes paid	Accrued taxes
				In millions of Euros					
Italy	Piaggio & C. S.p.A.	Production and sale of vehicles							
	Aprilia Racing S.r.l.	Research and development							
	Piaggio Concept Store Mantova S.r.l.	Commercial distributor							
	Apuliae S.r.l.	Property							
	Immsi Audit S.c.a.r.l.	Consulting and Services							
	Immsi S.p.A.	Holding company							
	Intermarine S.p.A.	Production and sale of ships							
	Is Molas S.p.A.	Property and Tourism Services							
	Pietra Ligure S.r.l.	Property							
	Pietra S.r.l.	Holding company							
	ISM Investimenti S.p.A.	Holding company							
	RCN Finanziaria S.p.A.	Holding company							
		<b>Total Italy</b>		<b>3,529</b>	<b>923</b>	<b>142</b>	<b>7</b>	<b>219</b>	<b>6</b>
Croatia	<b>Piaggio Hrvatska Doo</b>	Commercial distributor	<b>8</b>	<b>4</b>					
France	<b>Piaggio France SAS</b>	Selling agency	<b>42</b>		<b>7</b>	<b>1</b>		<b>1</b>	<b>1</b>
Germany	<b>Piaggio Deutschland GMBH</b>	Selling agency	<b>35</b>		<b>5</b>	<b>1</b>			
Greece	<b>Piaggio Hellas S.A.</b>	Commercial distributor	<b>19</b>	<b>28</b>		<b>1</b>	<b>1</b>		
Holland	<b>Piaggio Vespa B.V.</b>	Holding company and selling agency	<b>19</b>		<b>3</b>	<b>16</b>			
Spain	Piaggio Espana S.L.	Selling agency							
	Nacional Motor S.A.	Inactive							
		<b>Total Spain</b>	<b>32</b>		<b>4</b>	<b>(1)</b>			
UK	<b>Piaggio Limited</b>	Selling agency	<b>20</b>		<b>3</b>	<b>1</b>			

Country	Designation	Activities	No. of employees	Revenues from third parties	Revenues from the Group	Pre-tax profit (loss)	Property, plant and equipment	Taxes paid	Accrued taxes
				In millions of Euros					
USA	Piaggio Group Americas Inc.	Commercial distributor							
	Piaggio Advanced Design Center Corp.	Research and development							
	Piaggio Fast Forward Inc.	Research and development							
	<b>Total USA</b>		<b>109</b>	<b>60</b>	<b>1</b>	<b>(17)</b>	<b>2</b>		
India	<b>Piaggio Vehicles Pvt Ltd</b>	Production and sale of vehicles	<b>1,749</b>	<b>440</b>	<b>35</b>	<b>62</b>	<b>74</b>	<b>22</b>	<b>25</b>
Vietnam	<b>Piaggio Vietnam Co. Ltd.</b>	Production and sale of vehicles	<b>878</b>	<b>154</b>	<b>108</b>	<b>33</b>	<b>28</b>	<b>6</b>	<b>5</b>
Indonesia	<b>Pt. Piaggio Indonesia</b>	Selling agency	<b>29</b>	<b>38</b>		<b>1</b>		<b>1</b>	<b>1</b>
Singapore	<b>Piaggio Asia Pacific Ltd</b>	Selling agency	<b>16</b>		<b>3</b>	<b>1</b>			
Japan	<b>Piaggio group Japan</b>	Selling agency	<b>10</b>	<b>7</b>					
China	Piaggio China Co Ltd.	Holding							
	Foshan Piaggio Vehicles Tech.Dev. Co.Ltd.	Research and development							
	<b>Total China</b>		<b>57</b>	<b>27</b>	<b>3</b>	<b>2</b>		<b>1</b>	<b>1</b>
Brazil	AWS do Brasil	Inactive							
	Aprilia Brasil	Inactive							
	<b>Total Brazil</b>								
	<b>Grand total</b>					<b>108</b>	<b>324</b>		
	<b>Consolidation entries</b>					<b>(55)</b>	<b>14</b>		
	<b>Total consolidated</b>		<b>6,552</b>	<b>1,681</b>	<b>314</b>	<b>53</b>	<b>338</b>	<b>37</b>	<b>37</b>



# **Corporate Governance**

## **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 Self-Regulatory 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 corporate governance structure of the Company, which is based on a traditional administration and control system, that is described in the 2020 Report on Corporate Governance and Ownership.

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

As of 2004, the Issuer has adopted an Organizational, Management and Control Model (the "Model") for the prevention of offenses pursuant to Legislative Decree 231/2001 as amended. This strategy has also been adopted by subsidiaries with strategic importance, that in turn resolved to adopt their own Programmes, all continually monitored and last updated in 2020. In particular, as regards Immsi, in March 2020 and March 2021, the updating of the Model concerned the additions to Legislative Decree 231/2001 concerning tax crimes (Legislative Decree 74/2000), introduced respectively by Law no. 157 of 19 December 2019 and by Legislative Decree 14 July 2020 in implementation of Directive (EU) 2017/1371, providing in the Model the appropriate indications for the cases for which it is estimated that there is a risk of commission.

For a description of the Immsi Programme, see the 2020 Report on Corporate Governance and Ownership.

## **Code of Ethics**

The role played by Immsi on the national and international market and the nature and importance of its business 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, available on the Company's 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.

## **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 2020 NFS for specific aspects concerning the fight against bribery.

### **Compliance with laws and regulations**

During 2020, 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 2020, there were no sanctions referred to non-compliance with laws and regulations concerning marketing, advertising, promotion, sponsorship, supply activities and the use of own products. No cases regarding the breach of consumer privacy or loss of consumer data were reported in 2020.

During the year, the Immsi Group received no significant environmental sanctions.

## ***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., Pietra Ligure S.r.l. and Apuliae S.r.l..

### **The property and holding sector The Is Molas resort**

During 2020, the real-estate expansion project, consisting of the construction of new villas, continued. This activity is flanked by the resort's hotel and golf services.

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 2020, the Piaggio group continued its policy of retaining technological leadership in the sector, allocating total resources of €51.9 million to research and development, of which €35.7 million capitalised under intangible assets as development costs.

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

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

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

- **sustainability**: products that can avoid or at least reduce pollutant gas and CO2 emissions in town and out-of-town use; this result is achieved both through the evolution of traditional engine technologies (increasingly advanced internal combustion engines) and through the development of innovative engine solutions such as electric propulsion and hybrids, in order to increase the use of renewable and sustainable energy sources;
- **reliability and safety**: vehicles that allow a growing number of people to get about town easily, and out of town, and on leisure trips, contributing to easing traffic congestion and ensuring high levels of active, passive and preventive safety;
- **recyclability**: products that minimise environmental impact at the end of their life cycle;
- **cost-effectiveness**: vehicles with lower running and maintenance costs.

For further details of the types of products offered, research guidelines and applications, reference is made in full, in the 2020 CSR Report published by Piaggio & C. S.p.A..

## FUNDED NATIONAL AND EUROPEAN PROJECTS

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

The following funded projects were implemented in 2020:

C-Mobile (H2020): smart, cooperative transport systems

Trials in real contexts (e.g. Barcelona, Bilbao, Bordeaux, Newcastle, Copenhagen, Thessaloniki) of smart, cooperative transport systems (C-ITS) that are inter-operable and can therefore be used on a wide scale. The project is being coordinated by IDIADA (the Spanish research centre), with the involvement of ERTICO. During 2020, Piaggio provided technical support for the experimentation of C-ITS for motorcycles at the Barcelona site, contributing to the development of the apps and user selection. The project started in 2017. Its completion has been extended to early 2021.

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

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

PIONEERS (H2020): passive protections systems for motorcyclists

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

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

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

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

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

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

Piaggio is taking part to define the role of 2-wheelers (opportunities and limits) in this context and is studying alternatives to interaction with automated vehicles, with a particular focus in interfaces for vehicles (HMI). The project started in May 2019

SAFE (CEF): regulations for emergency calls

The "SAFE - After-Market eCall for Europe" project will define the standards and specifications for developing and introducing aftermarket emergency call (eCall) systems for the automotive industry. Piaggio is taking part together with other manufacturers and ACEM, the European Association of Motorcycle Manufacturers, to evaluate the eCall specifications (Technical Standards) defined by the competent European group CEN/WG15 for L category vehicles (including scooters and motorcycles), with testing involving PSAP (Public Safety Answering Points) and alignment of the specifications based on the results obtained. The project is the natural continuation of activities conducted in the I\_HeERO project (which ended in March 2018). The project will end in June 2021, extended by six months following the Covid-19 emergency.

## **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. Each vehicle manufactured at Piaggio Group sites is subject to multiple quality controls throughout the assembly process and at the end of the line. In addition, off-line checks are carried out at pre-established intervals by highly qualified and trained personnel, according to procedures and standards defined "with the customer in mind", i.e. with checks that monitor both the aesthetic and functional performance of the vehicle at a static and dynamic level.

Staff select a sample of vehicles each day, from finished/approved products, before these are dispatched to the end customer. These vehicles undergo rigorous road testing, based on a standard check list. Any anomalies detected are classified according to a score based on the severity of the defect and the impact this could have on the end customer.

The final quality status compared to the objective status is available for each model. If the objective is not reached, an improvement plan is created to identify and implement the necessary corrective measures.

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

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

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

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

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

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



## **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 three different business units:

- 1) *Commercial products*, i.e., fast ferries and hydrofoils built in aluminium;
- 2) *Defence*. This business unit is the field of excellence of Intermarine. Production is primarily focussed on:
  - Minesweeper units 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;

A brief report on minesweeper units is provided. The MCMVS (Mine Countermeasure vessels) of Intermarine are unique in the world given that they are built with a process that involves the construction of the hull in a monolithic fiberglass shell, devoid of any longitudinal or transverse reinforcement. This design choice makes it possible to maximise the flexibility and elasticity characteristics of fiberglass: in the case of a nearby explosion of a mine, the hull is able to absorb the energy of the explosion, transmitting only a limited portion of the force to the installed equipment and internal structures.

Intermarine products also include fast patrol boats. Since the beginning of its operations, Intermarine has built hundreds of patrol boats 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 40 meters - the patrol boats boast a high speed and excellent performance.

- 3) *Marine systems*. These units include various products such as: fins and stabilizers; auxiliary stern/bow thrusters; governance systems; T-foils; monitoring systems; intruders; garages and platform portals.

## **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 After Sales Support, looking after the entire life cycle of each ship delivered to the customer. The company has created a support network through direct contact between specialised internal departments and the customer or through specific agreements with dedicated local partners. Moreover, in the after-sales phase, Intermarine maintains continuous relations with all 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 harness the potential of the traditional minesweeper (Current) in order to integrate it with the new emerging technologies of "autonomous" systems, in line with current market trends. The new generation minesweepers, currently being researched with the Italian Navy, will be the outcome of this research with the production of vessels of superior size and performance to the current ones.

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 2020, 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 financing was issued. Reporting is expected to begin in 2021 after the contract has been signed.
- 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, focussed on the construction of a swath prototype. The project has been completed and final reporting of the direct costs of around €0.4 million is underway, 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; the company is awaiting the outcome of the checks on the final accounts.

- SIMARE: A project for the study and testing of ballistic defence materials, funded by Sicily Region, carried out in Sicily, expected costs of about €0.8 million with a contribution of 50%. During the year 2019 the project became eligible for funding and development activities began in January 2020. Activities will end in 2022.
- DASPHANTOMSHIFFE: In 2020, the Ministry of Economic Development funded a project for the development of engines for minesweepers and new materials for electromagnetic protection. Project activities will begin in February 2021; Intermarine's share of costs are forecast at €2.2 million, with a maximum contribution of €1.1 million and a subsidised loan of Euro 0.5 million.
- SINAPO: A project for smart monitoring to predict failures and prevent accidents, funded by Sicily Region, carried out in Sicily, expected costs of about €1.0 million with 50% contribution. During 2019, Sicily Region issued the ranking for the project competition. This ranking puts the project in a position where the funds for financing all projects with the same score are not sufficient to cover all the requirement. We are waiting to hear about the possibility of securing the necessary funds from the Region of Sicily.

## 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.

	<i>Industrial sector</i>							<i>Marine sector</i>	
	<i>Pontedera</i>	<i>Noale and Scorzè</i>	<i>Mandello Del Lario</i>	<i>Baramati Engine plant</i>	<i>Baramati (two-wheeler plant)</i>	<i>Baramati (commercial vehicles)</i>	<i>Vinh Phuc</i>	<i>Sarzana</i>	<i>Messina</i>
<b>ISO 9001 Quality Management Systems</b>	since 1995	since 2006	since 2010	since 2018	Since 2013	since 2018	since 2009	since 1996	since 1998
<b>ISO 14001 Environmental Management Systems</b>	Since 2008	Since 2008	Since 2010	Since 2015	Since 2013	Since 2015	Since 2011	Since 2000	From 2005
<b>BS OHSAS 18001 Occupational Health and Safety Management Systems</b>	From 2007 to 2018	From 2007 to 2018	From 2010 to 2018	Since 2015	Since 2013	Since 2015	From 2013 to 2018	-	-
<b>ISO 45001 - Occupational health and safety management systems</b>	since 2019	since 2019	since 2019	-	-	-	since 2019	-	-

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 BS OHSAS 18001) certification, for several years now.

In November 2020, the Certification Company Det Norske Veritas (DNV) conducted audits to maintain the three Quality certification (ISO 9001) and Environmental certification (ISO 14001) and to obtain new Health and Safety certification (ISO 45001) for Italian sites (including the commercial site in Milan). The outcome of the audits was positive.

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 by RINA in 2020 for both ISO 9001 and ISO 14001 were successful at all sites; no nonconformities were identified.

## ***The Environmental Dimension***

The reporting boundary for the environmental dimension is as follows:

- Property and holding sector: Is Molas S.p.A.;
- Industrial sector: The companies of Piaggio group;
- Marine sector: Intermarine S.p.A..

Other Group companies (Immsi S.p.A., Immsi Audit S.c. a r.l., ISM Investimenti S.p.A. and RCN Finanziaria S.p.A., Pietra S.r.l., Apuliae S.r.l.) were excluded from environmental data reporting, as their contribution was considered as marginal (their operations only concern the indoor premises of offices). During 2020, the site of the company Pietra Ligure S.r.l. was not operative, and was therefore excluded from the reporting.

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.

The Piaggio group has its own set of policies, which include an environmental policy. 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 for Quality, the Environment and Occupational Health and Safety to guarantee a sustainable development model, long-lasting success and to meet stakeholders' expectations.

Piaggio & C. S.p.a. seeks to minimise 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.

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) and the commercial sites of the Piaggio group;
- Marine sector: Sarzana (Spezia) and Messina for Intermarine S.p.A..

## Energy consumption

The operations of the production sites of Immsi Group are based on the use of non-renewable (fossil) and renewable energy sources, the latter represented by the consumption of electricity with a production mix which partially comes from “sustainable” resources.

Over the years, Group companies have sought to optimise and improve the management of existing plants in order to cut their consumption.

Consumption recorded between 2018 and 2020 is reported below, highlighting the changes, as percentages, during the 2019-2020 period.

<b>ENERGY CONSUMPTION OF IMMSI GROUP</b>					
		<b>Property and holding sector</b>	<b>Industrial sector<sup>1</sup></b>	<b>Marine sector</b>	<b>Immsi Group</b>
Electricity (thousand kWh)	2020	697	68,014	2,525	71,236
	2019	1,068	80,922	3,057	85,047
	Δ% 2020 - 2019	-34.8%	-16.0%	-17.4%	-16.2%
	2018	973	81,815	3,014	85,802
Methane / Natural gas (Sm <sup>3</sup> )	2020	0	5,557,697	56,730	5,614,427
	2019	0	5,758,228	82,236	5,840,464
	Δ% 2020 - 2019	-	-3.5%	-31.0%	-3.9%
	2018	0	5,714,681	70,782	5,785,463
GPL <sup>2</sup> (tons)	2020	1	953	11	965
	2019	3	1,766	11	1,780
	Δ% 2020 - 2019	-52.0%	-46.1%	-1.2%	-45.8%
	2018	3	1,918	13	1,934
Diesel fuel <sup>3</sup> (Litres)	2020	7,700	757,232	3,942	768,874
	2019	8,631	740,257	3,570	752,458
	Δ% 2020 - 2019	-10.8%	2.3%	10.4%	2.2%
	2018	9,750	820,375	1,709	831,834

<sup>1</sup> The commercial sites of the Piaggio group are also included.

<sup>2</sup> The calculation of tons of LPG is based on an estimate.

<sup>3</sup> Light Diesel Oil and High Speed Diesel are considered together with diesel fuel.

In 2020, the Immsi Group recorded a significant decrease in the use of electricity (-16.2% compared to 2019), natural gas (-3.9%) and LPG (-45.8%). These reductions are mainly attributable, in all sectors, to the production stoppages caused by the pandemic.

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.

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

For the coming years, the company has set itself the goal of improving energy usage by replacing air conditioners with more efficient equipment containing R22 fluorinated gases, improving the compressed air system in the production warehouse and carrying out building maintenance to improve any heat loss points.

With reference to the real estate sector at the Is Molas site, the company has set itself the objective for the current year, in terms of energy improvement, of using thermal solar panels to heat the domestic water supply for the hotel.

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

down by source:

<b>ENERGY CONSUMPTION OF IMMSI GROUP (GJ)</b>		<b>Electricity</b>	<b>Methane/natural gas</b>	<b>LPG</b>	<b>Diesel fuel</b>	<b>Group total</b>
Energy consumption	2020	256,448	198,083	44,499	27,692	526,723
	2019	306,169	227,837	82,060	26,778	642,844
	Δ% 2020 - 2019	-16.2%	-13.1%	-45.8%	3.4%	-18.1%
	2018	308,887	225,691	89,158	30,292	654,028

Note: The data relating to energy and fuel consumption expressed in GJ are calculated using the conversion standards set out in the standard parameter table published by ISPRA and by the Italian Ministry of the Environment, Land and Sea (MATTM) for the year 2020. For electricity, the standard coefficient set by ENEA was used (1 kWh = 0.0036 GJ).

In 2020, around 86% (83% in 2019) of energy used by production sites was from electricity and natural gas, with LPG and diesel fuel accounting for only a minor quantity.

As for the electricity used at Italian production sites, most comes from renewable sources, as indicated in data on the energy mix supplied by energy providers. Energy consumption was therefore reclassified into two categories: “from renewable sources” and “from non-renewable sources”. The result of the last two years is summarised in the next table.

<b>ENERGY MIX<sup>1</sup> (GJ)</b>		<b>Property and holding sector</b>		<b>Industrial sector<sup>2</sup></b>		<b>Marine sector</b>		<b>Group Immsi</b>	
		<b>GJ</b>	<b>%</b>	<b>GJ</b>	<b>%</b>	<b>GJ</b>	<b>%</b>	<b>GJ</b>	<b>%</b>
2020	Renewable <sup>3</sup>	958	33.7%	54,731	16.7%	2,273	19.3%	57,963	16.9%
	Non renewable <sup>4</sup>	1,885	66.3%	273,303	83.3%	9,480	80.7%	284,668	83.1%
2019	Renewable <sup>3</sup>	1,379	32.3%	48,634	13.5%	712	4.8%	50,725	13.4%
	Non renewable <sup>4</sup>	2,895	67.7%	311,617	86.5%	14,154	95.2%	328,666	86.6%

1) Non-final energy mix figures for 2019, provided from utility companies serving Immsi Group companies, were used for 2020 data.

2) Only Piaggio group sites located in India were considered, as it was not possible to determine the energy mix relative to electricity supplied to foreign sites;

3) The value was determined multiplying the use of electricity by the part of the energy mix from renewable sources of suppliers of utilities to companies;

4) The value was determined by multiplying the consumption by the share of the energy mix from non-renewable sources, adding also the direct consumptions of fossil fuel converted according to the standards defined by GRI.

Energy consumption figures are reported below, divided by sector and source, relative to the use of equipment and test vehicles.

<b>ENERGY CONSUMPTION FOR THE USE OF EQUIPMENT AND TEST VEHICLES (ITALY)</b>					
		<b>Property and holding sector</b>	<b>Industrial sector</b>	<b>Marine sector</b>	<b>Immsi Group</b>
Petrol (litres)	2020	4,826	472,302	0	477,128
	2019	6,290	641,546	0	647,836
	Δ% 2020 - 2019	-23.3%	-26.4%	-	-26.4%
Methane/Natural Gas (Sm <sup>3</sup> )	2020	0	4,571	0	4,571
	2019	0	181	0	181
	Δ% 2020 - 2019	-	2425.2%	-	2425.2%
LPG (tons)	2020	0	9	0	9.0
	2019	0	120	0	120
	Δ% 2020 - 2019	-	-92.5%	-	-92.5%
Diesel fuel (Litres)	2020	17,527	334,029	150	351,706
	2019	22,623	282,355	0	304,978
	Δ% 2020 - 2019	-22.5%	18.3%	n/a	15.3%

## Emissions of CO2 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 direct and indirect emissions for the three Group sectors, over the 2018 – 2020 period.

<b>CO<sub>2</sub> EMISSIONS FROM IMMSI GROUP</b>						
<b>PRODUCTION SITES</b>						
<b>(tons)</b>			<b>Property and holding sector</b>	<b>Industrial sector</b>	<b>Marine sector</b>	<b>Immsi Group</b>
CO <sub>2</sub> emitted by production sites (tons)	2020	direct <sup>1</sup>	20	14,275	124	14,419
		indirect <sup>2</sup>	196	37,051	711	37,958
		total	216	51,326	834	52,377
	2019	direct	23	15,591	173	15,787
		indirect	295	47,902	845	49,042
		total	318	63,493	1,018	64,829
	Δ 2020 - 2019	direct	-11.5%	-8.4%	-28.5%	-8.7%
		indirect	-33.6%	-22.7%	-15.9%	-22.6%
		total	-32.0%	-19.2%	-18.0%	-19.2%
	2018	direct	26	15,786	146	15,958
		indirect	280	45,703	866	46,849
		total	306	61,489	1,012	62,807

Note: The GWP (global warming potential) coefficient associated with CO<sub>2</sub> is equivalent to 1.

1) CO<sub>2</sub> emissions deriving from the combustion of methane, natural gas, diesel fuel and LPG. For these values, the conversion factors set out in the standard parameter table published by ISPRA and by the Italian Ministry of the Environment, Land and Sea (MATTM) for the year 2020 have been used.

2) CO<sub>2</sub> emissions deriving from the use of electrical energy. The conversion factor used is the one published by the ISPRA. For the year 2018 (287.4 g<sub>CO2</sub>/kWh), for the year 2019 (276.3 g CO<sub>2</sub>/kWh) and for the year 2020 (281.4 g CO<sub>2</sub>/kWh).

The structural actions carried out by Piaggio over time (replacement of boilers and restructuring of the distribution networks) and already mentioned in previous NFSs highlight the soundness of said modifications. The reduction in emissions in 2020 is mainly due to production shutdowns caused by the pandemic, especially at the Baramati plant in India.

The decrease shown for the real estate and shipping sectors is also attributable to the effects of the pandemic.

Intermarine S.p.A. has begun a process of reducing environmental impacts at the Sarzana site, based on the Provincial "Target 2025" decision, by increasing the emission duration of E23 activated carbons, which brings an associated reduction in the disposal of hazardous waste. At the Messina site, the smoke extraction system for the welding lines was completed and put into operation in 2020.

As regards the atmospheric emissions of VOC (volatile organic compounds), 2020 data for the Group industrial and marine sectors are available.

As regards the industrial sector, in 2020 there will be a drastic reduction in VOCs, mainly due to the periods of inactivity due to the lockdown and, in particular for the Italian site of Pontedera, also due to a better use of the plants.

With regard to the marine sector, estimated VOC emissions into the atmosphere for 2020 were modest, equal to 1.4 tonnes (5.1 tonnes in 2019) and accounting for about 0.6% of total VOC emissions.



## Conserving water resources

The conservation of water resources is a significant aspect of the Group's activities. The existence of a risk associated with water consumption in production processes due to possible waste, inefficiencies and pollution of water sources has been identified.

WATER SUPPLIES AT THE PRODUCTION SITES OF THE IMMSI GROUP (megalitres)							
		Property and holding sector	Industrial sector	Marine sector	Immsi Group	Water stress areas <sup>3</sup>	
Water consumption	2020	Water from wells <sup>1</sup>	29	164	0	193	188
		Water from the mains	0	413	23	436	405
		Other (rivers) <sup>2</sup>	319	0	0	319	319
		<b>Total</b>	<b>348</b>	<b>577</b>	<b>23</b>	<b>948</b>	<b>912</b>
	2019	Water from wells <sup>1</sup>	21	192	0	213	198
		Water from the mains	0	485	14	499	469
		Other (rivers) <sup>2</sup>	552	0	0	552	552
		<b>Total</b>	<b>573</b>	<b>677</b>	<b>14</b>	<b>1,263</b>	<b>1,218</b>
	<b>Δ% 2020-2019</b>		<b>-39.2%</b>	<b>-14.7%</b>	<b>68.9%</b>	<b>-25.0%</b>	<b>-25.9%</b>
	2018	Water from wells <sup>1</sup>	20	245	0	265	243
		Water from the mains	0	525	17	542	528
		Other (rivers) <sup>2</sup>	317	0	0	317	317
		<b>Total</b>	<b>338</b>	<b>770</b>	<b>17</b>	<b>1,125</b>	<b>1,089</b>

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> The property and holding sector, the marine sector and the Pontedera, Baramati and Vinh Phuc plants are located in areas with high water stress (Source: Acqueduct Water Risk Atlas).

Over the years, Piaggio has developed production processes designed to reduce water consumption. At the Pontedera site, water supply wells have inverters that can regulate system flow rates based on the amount of water required by the hydraulic loop.

Water withdrawal of the Piaggio group fell considerably in 2020, due to efficiency measures adopted and to production shutdowns caused by the pandemic.

Water consumption at Is Molas covers a significant part of the overall consumption of Immsi Group (in 2020 they were around 37% of the total, 45% in 2019). 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 waste water, environmental respect is ensured with processes to treat and purify waste water. As regards the Piaggio group, see the 2020 NFS for further details on water exchange at sites.

As regards the management of waste water at Is Molas, all waste water from the current residential area and hotel premises is conveyed to 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 has submitted a plan, 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.

## 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. The following table shows the quantities of waste generated in the years 2020-2018 divided between hazardous and non-hazardous and in terms of volumes to disposal or recovery.

<b>WASTE PRODUCED AT GROUP PRODUCTION SITES</b>					
<b>(tons)</b>		<b>Property and holding sector</b>	<b>Industrial sector</b>	<b>Marine sector</b>	<b>Immsi Group</b>
2020	Total waste	13	11,290	524	11,826
	Hazardous	-	1,820	120	1,940
	Non-hazardous	13	9,470	403	9,886
	Hazardous	-	16.12%	23.00%	16.41%
	Non-hazardous	100.00%	83.88%	77.00%	83.59%
	Total waste	13	11,290	524	11,826
	For recycling	3	8,670	225	8,898
	Disposed	10	2,620	299	2,928
	For recycling	20.00%	76.80%	42.97%	75.24%
	Disposed	80.00%	23.20%	57.03%	24.76%
2019	Total waste	25	13,756	730	14,511
	Hazardous	-	2,330	172	2,502
	Non-hazardous	25	11,426	558	12,009
	Hazardous	1.47%	16.94%	23.55%	17.24%
	Non-hazardous	98.53%	83.06%	76.45%	82.76%
	Total waste	25	13,756	730	14,511
	For recycling	14	9,927	453	10,395
	Disposed	11	3,829	277	4,117
For recycling	56.87%	72.17%	62.04%	71.63%	
Disposed	43.13%	27.83%	37.96%	28.37%	
2018	Total waste	47	11,337	827	12,211
	Hazardous	1	2,102	449	2,552
	Non-hazardous	46	9,235	378	9,659
	Hazardous	1.36%	18.54%	54.28%	20.90%
	Non-hazardous	98.64%	81.46%	45.72%	79.10%
	Total waste	47	11,337	827	12,211
	For recycling	16	9,790	717	10,523
	Disposed	31	1,547	110	1,688
	For recycling	34.27%	86.35%	86.72%	86.18%
Disposed	65.73%	13.65%	13.28%	13.82%	

## **Avoiding contamination of soil and water sources**

We report that in 2020, no significant spills or polluting events occurred at any of the Group's production 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 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..

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 2020, the Group adopted organisational initiatives to deal with the impacts of the Covid-19 emergency and support the commercial, innovation and development objectives while maintaining efficiency and productivity targets.

As of 31 December 2020, Group employees numbered 6,167, down by 385 (-5.9%) compared to 31 December 2019.

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

The geographic location and professional category of Immsi Group employees at 31 December 2020 are shown below, compared to figures at 31 December for the previous two years, differentiated by business sector.

Information on the level of education, differentiated by geographic area, and the incoming and outgoing turnover rate by professional category for Immsi Group employees, for 2020, is also provided.

The information below is in units, unless otherwise indicated.

## Company employees by geographic segment at 31 December

numbers	31.12.2020			
	Property and holding sector	Industrial sector	Marine sector	Group total
EMEA and Americas	58	3,331	253	3,642
<i>of which Italy</i>	58	3,057	253	3,368
India		1,550		1,550
Asia Pacific 2W		975		975
<b>TOTAL</b>	<b>58</b>	<b>5,856</b>	<b>253</b>	<b>6,167</b>
numbers	31.12.2019			
	Property and holding sector	Industrial sector	Marine sector	Group total
EMEA and Americas	68	3,483	262	3,813
<i>of which Italy</i>	68	3,199	262	3,529
India		1,749		1,749
Asia Pacific 2W		990		990
<b>TOTAL</b>	<b>68</b>	<b>6,222</b>	<b>262</b>	<b>6,552</b>
numbers	31.12.2018			
	Property and holding sector	Industrial sector	Marine sector	Group total
EMEA and Americas	69	3586	267	3922
<i>of which Italy</i>	69	3324	267	3660
India		2026		2026
Asia Pacific 2W		903		903
<b>TOTAL</b>	<b>69</b>	<b>6515</b>	<b>267</b>	<b>6851</b>

## Average number of company employees by professional category

numbers	2020			
	Property and holding sector	Industrial sector	Marine sector	Group total
Senior management	4	106	6	117
Middle management	8	664	27	699
White collars	26	1,673	118	1,817
Blue-collar workers	38	3,792	107	3,936
<b>TOTAL</b>	<b>76</b>	<b>6,234</b>	<b>258</b>	<b>6,568</b>
numbers	2019			
	Property and holding sector	Industrial sector	Marine sector	Group total
Senior management	5	105	6	116
Middle management	7	671	29	707
White collars	31	1,728	117	1,876
Blue-collar workers	50	3,920	111	4,081
<b>TOTAL</b>	<b>93</b>	<b>6,424</b>	<b>263</b>	<b>6,780</b>
numbers	2018			
	Property and holding sector	Industrial sector	Marine sector	Group total
Senior management	5	98	7	110
Middle management	7	631	32	670
White collars	33	1,708	115	1,855
Blue-collar workers	47	4,261	114	4,422
<b>TOTAL</b>	<b>92</b>	<b>6,698</b>	<b>268</b>	<b>7,057</b>

Company employees by educational qualifications at 31 December 2020

<i>Employee/staff numbers</i>	<b>Graduate</b>	<b>High School</b>	<b>Middle School</b>	<b>Primary School</b>	<b>Total</b>
EMEA and Americas	896	1,805	905	36	3,642
<i>of which Italy</i>	718	1,728	892	30	3,368
India	512	1,038	-	-	1,550
Asia Pacific 2W	398	333	244	-	975
<b>Total</b>	<b>1,806</b>	<b>3,176</b>	<b>1,149</b>	<b>36</b>	<b>6,167</b>
<b>%</b>	<b>29.3%</b>	<b>51.5%</b>	<b>18.6%</b>	<b>0.6%</b>	

Turnover of company employees by geographic segment at 31 December 2020

The turnover of company employees in Italy and EMEA/Americas is shown below, considering outgoing and incoming personnel, overall.

<b>Employee/staff numbers</b>	<b>Staff as of 31 December 2020</b>	<b>Men</b>	<b>Women</b>	<b>&lt; 31</b>	<b>31 - 40</b>	<b>41 - 50</b>	<b>&gt; 50</b>	<b>Total</b>	<b>% Turnover</b>
<b>Incoming</b>									
Italy	3,368	350	125	291	87	76	21	475	14.1%
EMEA Americas (excl. Italy)	274	24	10	14	11	3	6	34	12.4%
<b>Total</b>	<b>3,642</b>	<b>374</b>	<b>135</b>	<b>305</b>	<b>98</b>	<b>79</b>	<b>27</b>	<b>509</b>	<b>14.0%</b>
<b>Leavers</b>									
Italy	3,368	480	160	288	85	79	188	640	19.0%
EMEA Americas (excl. Italy)	274	29	17	15	14	7	10	46	16.8%
<b>Total</b>	<b>3,642</b>	<b>509</b>	<b>177</b>	<b>303</b>	<b>99</b>	<b>86</b>	<b>198</b>	<b>686</b>	<b>18.8%</b>

The turnover of company employees in India and Asia Pacific is shown below, excluding staff on temporary contracts, which are widely used also for short and very short periods in these geographic areas, from the calculation of incoming and outgoing flows.

<b>Employee/staff numbers</b>	<b>Staff as of 31 December 2020</b>	<b>Men</b>	<b>Women</b>	<b>&lt; 31</b>	<b>31 - 40</b>	<b>41 - 50</b>	<b>&gt; 50</b>	<b>Total</b>	<b>% Turnover</b>
<b>Incoming</b>									
India	1,218	36	0	12	16	7	1	36	3.0%
Asia Pacific	587	4	3	4	2	1	0	7	1.2%
<b>Total</b>	<b>1,805</b>	<b>40</b>	<b>3</b>	<b>16</b>	<b>18</b>	<b>8</b>	<b>1</b>	<b>43</b>	<b>2.4%</b>
<b>Leavers</b>									
India	1,218	90	3	13	44	19	17	93	7.6%
Asia Pacific	587	30	8	16	20	2	0	38	6.5%
<b>Total</b>	<b>1,805</b>	<b>120</b>	<b>11</b>	<b>29</b>	<b>64</b>	<b>21</b>	<b>17</b>	<b>131</b>	<b>7.3%</b>

## Company employee turnover by professional category in Italy at 31 December 2020

Employee/staff numbers	Staff as of 31 December 2020	Men	Women	< 31	31 - 40	41 - 50	> 50	Total	% Turnover
<b>Incoming</b>									
Senior management	80	4	1	0	1	2	2	5	6.3%
Middle management	259	3	3	0	1	2	3	6	2.3%
White collars	987	21	17	19	14	3	2	38	3.9%
Blue-collar workers	2,042	322	104	272	71	69	14	426	20.9%
<b>Total</b>	<b>3,368</b>	<b>350</b>	<b>125</b>	<b>291</b>	<b>87</b>	<b>76</b>	<b>21</b>	<b>475</b>	<b>14.1%</b>
<b>Leavers</b>									
Senior management	80	8	0	0	0	2	6	8	10.0%
Middle management	259	15	2	0	2	2	13	17	6.6%
White collars	987	50	28	13	14	4	47	78	7.9%
Blue-collar workers	2,042	407	130	275	69	71	122	537	26.3%
<b>Total</b>	<b>3,368</b>	<b>480</b>	<b>160</b>	<b>288</b>	<b>85</b>	<b>79</b>	<b>188</b>	<b>640</b>	<b>19.0%</b>

## 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 carried out, the Group preserves the principles set out in the Code of Ethics adopted by individual companies as well as the laws in force in the geographic areas 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 Compliance Programme pursuant to Italian Legislative Decree no. 231/01 and company procedures, where present.

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 recruitment process, the Group selects recruitment channels based on the specific professional profiles to employ, establishing successful partnerships with schools, universities, training centres, employment agencies, etc.. The Group's bigger companies have been given even greater visibility with a specific section in company websites, for people to register and send in their Cvs, which can then be entered in a database.

Alongside external recruitment, particularly in the industrial sector, open positions are filled by identifying internal candidates with a view to job rotation and career development.

## **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.

Career and development paths are based primarily on an assessment of skills, behaviors, performance and potential, with the aim to create a pool of highly motivated people 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 evolving international contexts.

Piaggio has identified a managerial skills model, which constitutes the set of behaviours to be put into practice each day, in order to ensure the success of the manager in question and the group as a whole at global level. It also has a reference model regarding the various professional skills required, which represent the shared assets of professionalism and expertise that constitute the true foundation of the company, and serve as the only real guarantee of continuity and quality of results. In 2020, detailed periodic gap analysis was conducted, in order to set up training and continual professional development plans.

The 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 2020 NFS published by Piaggio & C. S.p.A..

In the marine sector, Intermarine recruits new graduates with technical/engineering and scientific backgrounds, at regular intervals, to join the company and gradually build up their career. This approach involves an initial extra-curricular work placement, based on specific agreements and training projects stipulated agreed with a specific Job Agency, and a second stage where the person is employed on a professional apprenticeship contract, in order to obtain a specific professional qualification based on a dedicated training plan.



## EVALUATION

The Immsi Group ensures that the criteria and procedures adopted to review personnel performance, managerial and professional skills and potential 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 rewards.

With particular reference to the Piaggio group, the review process is managed in an integrated way through a dedicated It platform and provides the information necessary for the processes of succession planning, management reviews and a gap analysis of professional competencies, which are conducted across the Group.

### Percentage of employees who received performance and career development reviews in 2020 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	98%	88%	97%	86%	100%	n/a	100%	100%	98%	89%
Middle management	93%	94%	92%	92%	100%	100%	100%	100%	97%	95%
White collars	90%	87%	88%	85%	100%	100%	100%	100%	94%	90%
Blue-collar workers	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

In addition, the Piaggio group has implemented young talent management programmes, which are one of the main tools used for development, attraction and retention. These programmes allow talented employees to access customised development plans, which comprise coaching and personalized 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. In 2020, training was influenced by the drastic reduction in classroom courses due to the effects of the pandemic in all areas where the Group operates. Where possible, managerial and above all technical training activities were organised in e-learning and webinar sessions. Worker health and safety issues represented the area of greatest investment in training, aimed at guaranteeing worker training and information on anti-Covid measures adopted and compliance with regulatory requirements.

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

The Piaggio group has put in place a platform, called Piaggio Global Training, which is used to manage and monitor the whole training process. The process methodology, starting from the analysis of training needs, is the same in every region thereby ensuring a uniform training policy.

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 department; this review is used to develop its Training Plan, approved by the Chief Executive Officer. This Training Plan, which includes mandatory occupational health and safety training, is then put in place, with a priority on public training, funded through ongoing and successful partnerships with Training Organisations.

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	2020			2019			2018		
	EMEA AMERICAS	INDIA	ASIA PACIFIC 2W	EMEA AMERICAS	INDIA	ASIA PACIFIC 2W	EMEA AMERICAS	INDIA	ASIA PACIFIC 2W
Managerial training	938	9,224	3,213	7,438	7,428	3,185	5,859	11,942	1,371
Technical – professional training	6,701	12,941	2,295	20,071	5,123	1,218	17,900	7,110	4,166
Language training	3,070	1,093	104	5,988	928	2,896	4,815	-	132
Health and safety training	13,594	9,849	4,578	25,917	10,262	4,688	34,095	8,674	3,059
<b>TOTAL</b>	<b>24,302</b>	<b>33,107</b>	<b>10,189</b>	<b>59,414</b>	<b>23,741</b>	<b>11,987</b>	<b>62,669</b>	<b>27,726</b>	<b>8,728</b>

#### Total training hours by professional category

Professional category	2020	Total per-capita 2020*	2019	Total per-capita 2019*	2018	Total per-capita 2018*
Senior management	1,073	9.1	1,014	8.7	1,592	14.2
Middle management	13,107	18.8	12,537	17.8	12,893	19.0
White collars	24,867	14.1	31,258	16.9	40,041	21.3
Blue-collar workers	20,686	5.8	38,612	10.0	38,055	9.1
Other workers	7,867	n/a	11,722	n/a	6,542	n/a
<b>Total</b>	<b>67,599</b>	<b>9.7</b>	<b>95,142</b>	<b>12.7</b>	<b>99,123</b>	<b>13.5</b>

\* value determined by assigning all training hours delivered (including internships, project training, etc.) to the numerator, and the workforce at 31 December 2020 to the denominator.

#### Training hours by gender

Thematic area	2020			2019			2018		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Managerial training	11,829	1,546	13,374	14,617	3,434	18,051	16,424	2,748	19,172
Technical – professional training	20,298	1,639	21,936	20,809	5,604	26,412	23,383	5,794	29,176
Language training	3,044	1,223	4,267	7,247	2,565	9,812	2,977	1,970	4,947
Health and safety training	24,320	3,700	28,020	33,529	7,338	40,867	35,790	10,038	45,828
<b>Total</b>	<b>59,491</b>	<b>8,107</b>	<b>67,598</b>	<b>76,202</b>	<b>18,941</b>	<b>95,142</b>	<b>78,574</b>	<b>20,550</b>	<b>99,123</b>

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

## 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's reward system differs based on the Group's companies<sup>1</sup>.

The system is also 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. This is why a salary review process has been adopted. For details, see the 2020 NFS published by Piaggio & C. S.p.A..

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.

Piaggio also offers a benefits package in line with best local market practices, which is structured on an organisational basis. Benefits include, by way of example: a company car, supplementary healthcare, a company medical centre at various sites, agreements with local entities and organisations of interest for employees. 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), and awards a variable remuneration component called the "MBO Bonus", which is an annual bonus tied to company profitability measures and/or measures relevant the function to which the employee belongs.

Salary and performance review policies for personnel of companies in the property and holding sectors are based on bonus-related payment policies, 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.

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<sup>1</sup>For the purposes of GRI Standard 401-2, as regards "significant locations of operations", the sites at Pontedera, Noale, Scorzè and Mandello del Lario are used for industrial activities of the Piaggio group, the sites at Sarzana and Messina are shipyards and the site at Pula refers to the Is Molas resort. There is also the holding company Immsi S.p.A., based in Mantua.

## Ratio between the average remuneration of women and men in the same professional category<sup>1</sup>

	<i>Italy</i>	<i>EMEA (excl. Italy)</i>	<i>Asia Pacific</i>	<i>India</i>
Senior management	0.97			1.02
Middle management	0.84	1.02	1.04	1.08
White collars	0.76	0.91	1.00	0.75
Blue-collar workers	0.92		0.96	

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.

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

## 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.

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 2020 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.

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<sup>1</sup> Categories not reported in individual geographic segments do not have any female employees.

## 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 up on the figure of 20.8% for 2019.

Company employees by gender and geographic segment at 31 December 2020

	2020		2019		2018	
	Men	Women	Men	Women	Men	Women
EMEA and Americas	2,528	1,114	2,659	1,154	2,739	1,183
<i>of which Italy</i>	2,314	1,054	2,441	1,088	2,536	1,124
India	1,517	33	1,717	32	1,971	55
Asia Pacific	788	187	810	180	749	154
<b>Total</b>	<b>4,833</b>	<b>1,334</b>	<b>5,186</b>	<b>1,366</b>	<b>5,459</b>	<b>1,392</b>

Number of women employees at 31 December 2020 per geographic segment

	Fixed-term contract		Open-ended contract		Total		% Women
	Men	Women	Men	Women	Men	Women	
EMEA and Americas	15	2	2,513	1,112	2,528	1,114	30.6%
<i>of which Italy</i>	14	2	2,300	1,052	2,314	1,054	31.3%
India	322	10	1,195	23	1,517	33	2.1%
Asia Pacific	307	81	481	106	788	187	19.2%
<b>Total</b>	<b>644</b>	<b>93</b>	<b>4,189</b>	<b>1,241</b>	<b>4,833</b>	<b>1,334</b>	<b>21.6%</b>

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

Company employees by profession, gender and geographic segment as of 31 December 2020

Employee/staff numbers	Full time			Part time			% Part time
	Men	Women	Total	Men	Women	Total	
EMEA and Americas	2,485	913	3,398	43	201	244	7%
<i>of which Italy</i>	2,271	856	3,127	43	198	241	7%
India	1,517	33	1,550	0	0	0	0%
Asia Pacific	788	187	975	0	0	0	0%
<b>Total</b>	<b>4,790</b>	<b>1,133</b>	<b>5,923</b>	<b>43</b>	<b>201</b>	<b>244</b>	<b>4%</b>

Our companies apply laws passed by pertinent national legislation. The Group does not discriminate in any way against women who take maternity leave and makes every effort to facilitate the reconciliation of childcare and working life.

## YOUNG EMPLOYEES

The Group's largest population is in the 41-50 age group, as shown below.

### Company employees by professional category and age bracket at 31 December 2020

	up to 30		31-40		41-50		> 50		Total	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
<b>2020</b>										
Senior management	0	0	8	1	32	5	69	3	109	9
Middle management	2	0	176	29	253	33	177	26	608	88
White collars	174	98	441	147	337	164	315	87	1,267	496
Blue-collar workers	668	50	620	84	859	348	703	258	2,850	740
<b>Total</b>	<b>844</b>	<b>148</b>	<b>1,245</b>	<b>261</b>	<b>1,481</b>	<b>550</b>	<b>1,264</b>	<b>374</b>	<b>4,834</b>	<b>1,333</b>
	up to 30		31-40		41-50		> 50		Total	
<b>2019</b>	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Senior management	0	0	8	1	33	4	65	6	106	11
Middle management	4	1	175	27	262	31	182	22	623	81
White collars	203	98	467	154	357	158	317	99	1,344	509
Blue-collar workers	856	57	657	90	924	373	676	245	3,113	765
<b>Total</b>	<b>1,063</b>	<b>156</b>	<b>1,307</b>	<b>272</b>	<b>1,576</b>	<b>566</b>	<b>1,240</b>	<b>372</b>	<b>5,186</b>	<b>1,366</b>
	up to 30		31-40		41-50		> 50		Total	
<b>2018</b>	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Senior management	0	0	8	0	31	3	67	3	106	6
Middle management	3	2	176	22	249	35	167	24	595	83
White collars	187	95	491	153	382	155	322	97	1,382	500
Blue-collar workers	1,097	69	637	93	929	374	710	270	3,373	806
<b>TOTAL</b>	<b>1,287</b>	<b>166</b>	<b>1,312</b>	<b>268</b>	<b>1,591</b>	<b>567</b>	<b>1,266</b>	<b>394</b>	<b>5,456</b>	<b>1,395</b>

### Company employees up to 30 years of age by geographic segment as of 31 December 2020

<i>Employee/staff numbers</i>	up to 30	%
EMEA and Americas	158	4%
India	393	25%
Asia Pacific 2W	441	45%
<b>Total</b>	<b>992</b>	<b>16%</b>

## STAFF ENGAGEMENT

The Immsi Group aims to keep its employees up to date about its business performance and prospects, and to bring them closer to the strategies of senior management.

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 2020 NFS published by Piaggio & C. S.p.A..

## 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. The minimum notice to give in the case of major organisational changes depends on the country where the employee works and on local applicable legislation.

Committees have been set up within the individual companies to monitor and verify the application of the rules to combat and contain the spread of COVID-19 in the workplace. The committees set up at individual Piaggio sites were attended by Company Trade Union Representatives, and some committee meetings held at Intermarine were also attended by these Representatives.

### Italy

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

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

The National Collective Bargaining Agreement (CCNL) is valid throughout Italy. In the case of major organisational changes, provisions of law and of the relative collective bargaining agreement are complied with. In December 2019 negotiations for the renewal of the CCNL were started; talks were stopped at the beginning of March 2020 due to the Covid-19 emergency and resumed in September. As regards 2nd level bargaining, the negotiations which began in late 2017, ended with a collective agreement signed on 23 January 2020 with national and provincial branches of trade unions and trade union representatives of Pontedera, Noale, Scorzè and Mandello del Lario, for production units in Italy, valid up until 31 December 2022. This agreement was approved in February 2020 by workers in a referendum.

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

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

1. In December 2019, an agreement with local trade unions and trade union representatives was signed at the Ministry of Labour and Social Policies, to continue the Special Redundancy Fund for reorganisation at the Scorzè site from 9 January 2020 to 8 January 2021.

2. At the same time, a procedure was started for a collective decrease in staff, approved by workers, and concerning 100 people overall, in order to promote an easier management of structural excesses.
3. The use of the Ordinary Redundancy Fund has resulted in a temporary suspension of the intervention of the Extraordinary Redundancy Fund.
4. At the Mandello del Lario production unit, the increase in work related to the summer production peak was managed in 2020 by using contractual multi-week hours, as well as agency workers.
5. In 2020, due to the public health emergency caused by the coronavirus, the shipbuilding sector also accessed the COVID furlough scheme (Cassa Integrazione Guadagni Ordinaria COVID) for the Sarzana site (from 16 March for three months for 193 employees and from 9 November to the end of 2020 for 184 employees) and for the Messina shipyard (for 65 employees from 23 March for three months).
6. Finally, the company Is Molas accessed the wage supplementation fund for 30 employees from March to May 2020.

Membership of trade union organisations at Italian sites at 31 December 2020 is shown in the table below:

	FIOM	UILM UIL	FIM	UGL	USB	Other CGIL/CISL/ UIL	Total	% of employees who are members of a trade union
<b>Industrial sector</b>								
Pontedera	85	251	262	106	51	1	756	35.1%
Noale and Scorzè/Quinto	110	1	148				259	50.5%
Mandello del Lario	37	2	28				67	64.5%
<b>Marine sector</b>								
Sarzana		40		17	5		62	31.6%
Messina	46	9	2				57	86.4%
<b>Property sector</b>								
Pula						4	4	8.3%
Total number of employees who are members of a trade union	278	303	440	123	56	5	1,205	

The table below provides a summary of the hours lost due to strikes from 2018 to 2020 at Piaggio group's sites in Italy:

		2020	2019	2018
<b>NO. OF HOURS LOST DUE TO STRIKES</b>	<i>General/category</i>	1,596	22,303	1,400
	<i>company</i>	15,816	8,292	14,526
	<b>TOTAL</b>	<b>17,412</b>	<b>30,595</b>	<b>15,926</b>
<b>% HOURS LOST compared to HOURS WORKED</b>	<i>General/category</i>	0.08%	1.18%	0.07%
	<i>company</i>	0.75%	0.44%	0.8%
	<b>TOTAL</b>	<b>0.83%</b>	<b>1.61%</b>	<b>0.83%</b>
<b>NO. OF DAYS LOST DUE TO STRIKES</b>	<i>General/category</i>	200	2,788	175
	<i>company</i>	1,977	1,036	1,816
	<b>TOTAL</b>	<b>2,177</b>	<b>3,824</b>	<b>1,991</b>

For more details on trade union representation of the Piaggio group in Italy, Vietnam and India, see the 2020 NFS published by Piaggio & C. S.p.A..



## Intermarine

		2020	2019	2018
<b>NO. OF HOURS LOST DUE TO STRIKES</b>	<i>General/category</i>	0	312	1,152
	<i>Company</i>	0	0	0
	<b>TOTAL</b>	<b>0</b>	<b>312</b>	<b>1,152</b>
<b>% HOURS LOST compared to HOURS WORKED</b>	<i>General/category</i>	0%	0.01%	0.33%
	<i>Company</i>	0%	0%	0%
	<b>TOTAL</b>	<b>0%</b>	<b>0.01%</b>	<b>0.33%</b>
<b>NO. OF DAYS LOST DUE TO STRIKES</b>	<i>General/category</i>	0	39	144
	<i>Company</i>	0	0	0
	<b>TOTAL</b>	<b>0</b>	<b>39</b>	<b>144</b>

No industrial unrest was reported for other Group companies, during the 2018 - 2020 period.

## 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.

The Group has identified prevention through training, information and awareness of safety issues as key drivers for spreading a culture and encouraging people to help maintain good working conditions, as well as to inspire commitment in people, guiding their behaviour and enabling them to carry out their tasks safely and responsibly in terms of Health and Safety in the Workplace. 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 in the Immsi Group to adopt very high safety management standards and to comply strictly with the applicable legislation. All workers, consultants and suppliers entering the Group's plants, sites and offices are obliged to comply with the safety management systems in place.

Immsi Audit S.c. a r.l. performs an annual audit, as part of compliance with Legislative Decree 231/01, on the adequacy of health and safety systems in the workplace in the various locations where the Immsi Group operates, including a specific audit of the entire Group in 2018.

Moreover, the Piaggio group has adopted very similar standards in all the countries in which it operates, regardless of the presence of less stringent regulatory constraints with respect to the Group's standards. From this perspective, the sites in Italy, Vietnam and India have an occupational health and safety management system certified by an accredited body. Audits are conducted annually and were successfully completed in 2020.

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

The concrete actions targeting occupational health and safety taken by the Piaggio group, as well as standards and policies of its Indian and Vietnamese subsidiaries, are detailed in the 2020 DNF published by Piaggio & C. S.p.A., as well as the accident frequency and severity indices at their foreign sites and the policies to combat the spread of Covid-19 adopted in India and Vietnam

Accident statistics (frequency and severity) 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.

## Accident Frequency <sup>1</sup>Index in Italy

	2020	2019	2018
<b>Industrial sector</b>			
Pontedera	1.2	1.4	1.2
Noale and Scorzè/Quinto	0.5	0.7	0.5
Mandello del Lario	1.1	0.5	0.7
<b>Marine sector</b>			
Sarzana	1.1	2.3	1.5
Messina	1.9	5.8	0.0
<b>Property sector</b>			
Pula	0.0	0.0	0.8

## Accident Severity index<sup>2</sup> in Italy

	2020	2019	2018
<b>Industrial sector</b>			
Pontedera	25.1	24.5	24.5
Noale and Scorzè/Quinto	8.6	15.1	11.6
Mandello del Lario	11.6	14.3	9.2
<b>Marine sector</b>			
Sarzana	29.3	36.6	20.8
Messina	37.9	77.4	0.0
<b>Property sector</b>			
Pula	0.0	0.0	10.9

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

No injury lasted longer than 6 months.

Accidents occurring in 2020 refer to employees of the Group and also temp workers (4).

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

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

As regards external companies operating at the Italian production sites of Intermarine, no injuries were recorded for 2020 or 2019 (1 in 2018 in Messina).

<sup>1</sup>The Frequency Index is:  $I_F = (\text{No. of accidents} * 100,000) / \text{Hours worked}$ .

The number of accidents is calculated considering only accidents in the workplace, excluding accidents reported pursuant to Article 53 of Italian Presidential Decree no. 1124/65. As of article 53, both commuting accidents and accidents not considered reliable (due to the lack of a violent cause or lack of a causal link or lack of work activity) are reported.

<sup>2</sup> The severity index is calculated as  $I_g = (\text{working days lost} / \text{hours worked}) * 100,000$ . In calculating the Index, working days lost because of all accidents were considered, excluding those reported pursuant to Article 53 of Presidential Decree no. 1124/65. As of article 53, both commuting accidents and accidents not considered reliable (due to the lack of a violent cause or lack of a causal link or lack of work activity) are reported.

Occupational diseases recorded at Italian sites of the Group and reported in this NFS are indicated below:

	2020		2019		2018	
	Reported	Acknowledged	Reported	Acknowledged	Reported	Acknowledged
<b>Industrial sector</b>						
Pontedera	61	(*)	75	(*)	70	(*)
Noale and Scorzè	0	0	0	0	0	0
Mandello Del Lario	0	0	0	0	1	0
<b>Marine sector</b>						
Sarzana	0	0	3	(*)	0	0
Messina	1	(*)	2	(*)	0	0

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

As regards the property and holding sector, no occupational diseases were reported during the 2018 – 2020 period.

### ***The Covid-19 emergency as regards workplace health and safety***

To respond to the COVID-19 emergency, the companies of the Immsi Group adopted organisational, procedural and technical measures and signed protocols aimed at preventing contagion in the workplace. These included measures to ensure social distancing, the sanitisation of workstations and communal areas, taking people's temperature at the site entrance, the adoption of specific PPE (e.g. distribution of masks and sanitising gels), participation in training sessions on contagion risk and prevention, as well as the introduction of remote working. This process was overseen by committees specifically set up at company level, including Prevention and Protection Service Managers and Workers' Representatives. Company control committees set up at individual Piaggio sites were attended by Company Trade Union Representatives. A number of committee meetings held at Intermarine were also attended by these representatives. At the same time, specific strategies to contain the virus were defined in collaboration with competent doctors for people who tested positive or were suspected to be positive.

## ***Relations with local communities***

Immsi Group companies are committed to initiatives that support local communities, also through sponsorships and donations to external projects. The aim is to foster the social, cultural and sporting achievements of communities as well as interest in research and progress in the field of health.

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 2020 NFS.

In particular, in 2020 the Piaggio group donated €250 thousand to the IEO CCM (European Institute of Oncology) Foundation and €100 thousand to Mantova Hospital (to help deal with the emergency caused by the COVID-19 pandemic).

Intermarine S.p.A. and Is Molsa S.p.A. are committed to engaging with local communities, through donations and sponsorships, and with specific stakeholders.

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.

## 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., Piaggio Advance Design Center, Piaggio Fast Forward Inc., Foshan Piaggio Vehicles Technologies Co. Ltd.;
- Marine sector: Intermarine S.p.A..

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., Pietra Ligure S.r.l. and Apuliae S.r.l. was not considered as material, given the low number of purchases made.

### Property and holding sector<sup>1</sup>

In 2020, the company Immsi S.p.A worked with 135 suppliers, purchasing commodities, materials, goods, products and services for approximately €2.8 million. Total payments made in the last year amounted to approximately €4.6 million. Nearly all purchases are sourced from Italian suppliers (97.8%).

In 2020, Is Molas S.p.A worked with 296 suppliers, purchasing raw materials, goods, products and services for approximately €3.8 million. Total payments made in the last year amounted to approximately €4.7 million.

The geographic distribution of purchases is shown below:

Geographic segment	2020	2019	2018
Italy <sup>1</sup>	98.8%	99.0%	98.8%
Abroad	1.2%	1.0%	1.2%

Note: the geographic area "Italy" corresponds to the definition of "local" as defined in GRI Standard 204-1. "Significant locations of operations" mean the resort of Is Molas at Pula (Cagliari).

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.

<sup>1</sup>The 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 real estate and holding sector, the definition of "significant locations of operation" required by the Standard GRI corresponds to the following locations:

- Immsi S.p.A.: with registered office in Mantua (MN) and property in Rome (RM);
- Is Molas S.p.A.: the registered office of Mantua and resort of Is Molas in Pula (Cagliari).

## Industrial sector<sup>1</sup>

Piaggio group produces vehicles that are sold under its brand on the various markets around the world. The only exception regards vehicles purchased by the Chinese subsidiary Zongshen Piaggio Foshan (about 17,210 units in 2019, equivalent to 2.8% 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 2020, Italian plants purchased merchandise and spare parts for an overall value of €384 million (excluding complete vehicles) from 680 suppliers. The first ten suppliers made up 19% of the purchases. The geographic breakdown of purchases is shown below. Payments to suppliers amounted to approximately €618 million.

### GEOGRAPHIC LOCATION OF PURCHASES FROM SUPPLIERS FOR ITALIAN SITES

<i>Geographic segment</i>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>EMEA</b>	65.5%	67.5%	65.7%
<b>China+Taiwan</b>	20.3%	19.4%	20.8%
<b>Vietnam</b>	7.5%	6.0%	5.8%
<b>India</b>	5.7%	6.2%	6.7%
<b>Japan</b>	0.5%	0.4%	0.3%
<b>Others</b>	0.5%	0.5%	0.7%

Note: the geographic area "Emea" corresponds to the definition of "local" as defined in GRI Standard 204-1. "Significant locations of operations" mean the production sites of the Piaggio group in Italy. Pontedera (Pisa), Noale (Venice), Scorzè (Venice), Mandello del Lario (Lecco).

In 2020, plants in India purchased raw materials, merchandise and spare parts for an overall value of €197 million from around 568 of their own suppliers. The first ten suppliers made up 36% of the total purchases. Total payments amounted to approximately €303 million.

### GEOGRAPHIC LOCATION OF PURCHASES FROM SUPPLIERS FOR INDIAN SITES

<i>Geographic segment</i>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>India</b>	94.9%	96.0%	95.1%
<b>Other</b>	5.1%	4.0%	4.9%

Note: the geographic area "India" corresponds to the definition of "local" as defined in GRI Standard 204-1. "Significant locations of operations" mean the production site in Baramati (India).

In 2020, plants in Vietnam purchased merchandise and spare parts for an overall value of €199 million from 271 suppliers. The first ten suppliers made up 38% of the purchases. Total payments amounted to approximately €195 million.

### GEOGRAPHIC LOCATION OF PURCHASES FROM SUPPLIERS FOR VIETNAMESE SITES

<i>Geographic segment</i>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Vietnam</b>	59.1%	59.0%	53.3%
<b>China+Taiwan</b>	18.0%	18.4%	21.3%
<b>EMEA</b>	18.2%	18.2%	20.1%
<b>India</b>	1.2%	1.8%	2.0%
<b>Others</b>	3.5%	2.6%	3.3%

Note: the geographic area "Vietnam" corresponds to the definition of "local" as defined in GRI Standard 204-1. "Significant locations of operations" mean the production site in Vihn Phuc (Vietnam).

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

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

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

In line with the Piaggio 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, to protect and guarantee the complete independence between corporate areas involved in the procurement processes, as well as to place priority on 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 2020 NFS of the Piaggio group.

## Marine sector

In 2020, Intermarine worked with 802 suppliers, purchasing commodities, goods, products and services for a value of approximately €39.7 million. Total payments made in the last year amounted to approximately €45.7 million.

The geographic distribution of purchases is shown below:

<b>Geographic segment</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Italy</b>	80.2%	80.2%	84.4%
<b>EMEA (excluding Italy)</b>	19.7%	19.7%	14.8%
<b>Others</b>	0.1%	0.1%	0.8%

Note: the geographic area "Italy" corresponds to the definition of "local" as defined in GRI Standard 204-1. "Significant locations of operations" refer to Intermarine shipyards located at Sarzana (La Spezia) and Messina.

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 STANDARD INDEX FOR "IN ACCORDANCE" – CORE			
GRI Standard	#	Disclosure Title	References
<b>GENERAL DISCLOSURE</b>			
<b>ORGANIZATIONAL PROFILE</b>			
GRI 102: General Disclosures 2016	102-1	Name of the organization	Group profile
	102-2	Activities, brands, products, and services	Group profile The product and service dimension
	102-3	Location of headquarters	Group profile
	102-4	Location of operations	Group profile
	102-5	Ownership and legal form	Group profile <i>Corporate Governance</i>
	102-6	Markets served	Group profile The product and service dimension
	102-7	Scale of the organization	Group profile The social dimension - Developing human resources; Staff; Directors' Report and Financial Statements of the Immsi Group at 31 December 2020 ( <a href="http://www.immsi.it/it/investors/bilanci-relazioni">http://www.immsi.it/it/investors/bilanci-relazioni</a> ); Report on Operations and Consolidated Financial Statements of the Piaggio group at 31 December 2020 ( <a href="http://www.piaggiogroup.com/it/investor/bilanci-e-relazioni">http://www.piaggiogroup.com/it/investor/bilanci-e-relazioni</a> )
	102-8	Information on employees and other workers	The social dimension - Developing human resources; <i>Outsourced staff and contractors are not considered.</i>
	102-9	<i>Supply chain</i>	The supply chain
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	102-11	Precautionary Principle or approach	Corporate Social Responsibility risks
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	102-13	Membership of associations	The product and service dimension - Piaggio vehicles The products and services dimension - Intermarine vessels;
<b>STRATEGY</b>			
GRI 102: General Disclosures 2016	102-14	Statement from senior decision-maker	Letter from the Chairman
<b>ETHICS AND INTEGRITY</b>			
GRI 102: General Disclosures 2016	102-16	Values, principles, standards, and norms of behavior	Corporate Governance - Code of Ethics
<b>GOVERNANCE</b>			
GRI 102: General Disclosures 2016	102-18	Governance structure	<i>Corporate Governance</i> REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP ( <a href="http://www.immsi.it/it/governance-ita">http://www.immsi.it/it/governance-ita</a> )
<b>STAKEHOLDER ENGAGEMENT</b>			
GRI 102: General Disclosures 2016	102-40	List of stakeholder groups	Stakeholder engagement
	102-41	Collective bargaining agreements	The social dimension - Developing human resources - Industrial relations; <i>All employment at Italian sites of the Group is regulated according to the relevant National Collective Bargaining Agreement. For non-Italian sites of the Group, regulations and/or collective agreements are adopted. Local regulations and collective agreements where present are therefore adopted for 100% of the Group's employees.</i>
	102-42	Identifying and selecting stakeholders	Methodological note - Materiality analysis; Stakeholder engagement
	102-43	Approach to stakeholder engagement	Stakeholder engagement
	102-44	Key topics and concerns raised	Stakeholder engagement
<b>REPORTING PRACTICE</b>			
GRI 102: General Disclosures 2016	102-45	Entities included in the consolidated financial statements	Consolidated non-financial statement of the Immsi Group (Legislative Decree 254 of 30 December 2016) Directors' Report and Financial Statements of the Immsi Group at 31 December 2020 ( <a href="http://www.immsi.it/it/investors/bilanci-relazioni">http://www.immsi.it/it/investors/bilanci-relazioni</a> )
	102-46	Defining report content and topic Boundaries	Methodological note
	102-47	List of material topics	Methodological Note – Contents of the Statement

	<b>102-48</b>	Restatements of information	Any changes in data reported in the 2019 NFS are appropriately indicated.
	<b>102-49</b>	Changes in reporting	Any changes in data reported in the 2019 NFS are appropriately indicated.
	<b>102-50</b>	Reporting period	Consolidated non-financial statement of the Immsi Group (Legislative Decree 254 of 30 December 2016)
	<b>102-51</b>	Date of most recent report	Consolidated non-financial statement of the Immsi Group (Legislative Decree 254 of 30 December 2016)
	<b>102-52</b>	Reporting cycle	Consolidated non-financial statement of the Immsi Group (Legislative Decree 254 of 30 December 2016)
	<b>102-53</b>	Contact point for questions regarding the report	Consolidated non-financial statement of the Immsi Group (Legislative Decree 254 of 30 December 2016)
	<b>102-54</b>	Claims of reporting in accordance with the GRI Standards	Consolidated non-financial statement of the Immsi Group (Legislative Decree 254 of 30 December 2016)
	<b>102-55</b>	GRI content index	GRI Content Index
	<b>102-56</b>	External assurance	Report on the limited audit of the Consolidated Non-Financial Statement

### MATERIAL TOPICS

GRI Standard	#	Disclosure	References	Omissions/Notes
<b>MARKET PRESENCE</b>				
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b> Explanation of the material topic and its Boundary <b>103-2</b> The management approach and its components <b>103-3</b> Evaluation of the management approach	Methodological Note – Contents of the Statement; The social dimension – Developing human resources - Personnel management policies		
<b>GRI 202: Market Presence 2016</b>	<b>202-1</b>	Ratios of standard entry level wage by gender compared to local minimum wage	The social dimension – Developing human resources - Personnel management policies - Rewarding	<i>Only a brief qualitative contribution is provided.</i>
<b>PROCUREMENT PRACTICES</b>				
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b> Explanation of the material topic and its Boundary <b>103-2</b> The management approach and its components <b>103-3</b> Evaluation of the management approach	Methodological Note – Contents of the Statement; The supply chain		
<b>GRI 204: Procurement Practices 2016</b>	<b>204-1</b>	Proportion of spending on local suppliers	The supply chain	<i>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.</i>
<b>ANTI-CORRUPTION</b>				
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b> Explanation of the material topic and its Boundary <b>103-2</b> The management approach and its components <b>103-3</b> Evaluation of the management approach	Methodological Note – Contents of the Statement; Corporate Governance - Fighting corruption		
<b>GRI 205: Anti-corruption 2016</b>	<b>205-3</b>	Confirmed incidents of corruption and actions taken	Corporate Governance - Fighting corruption	
<b>ANTI-COMPETITIVE BEHAVIOR</b>				
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b> Explanation of the material topic and its Boundary <b>103-2</b> The management approach and its components <b>103-3</b> Evaluation of the management approach	Methodological Note – Contents of the Statement; Corporate Governance - Compliance with laws and regulations		
<b>GRI 206: Anti-competitive behavior 2016</b>	<b>206-1</b>	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Corporate Governance - Compliance with laws and regulations	

<b>ENERGY</b>				
<b>GRI Management Approach 2016</b>	<b>103:</b>	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Methodological Note – Contents of the Statement; The Environmental Dimension; The Environmental Dimension - Energy consumption	
<b>GRI 302: Energy 2016</b>	<b>302-1</b>	Energy consumption within the organization	The Environmental Dimension - Energy consumption	<i>With reference to the industrial sector, data on the consumption of the Rome and Milan offices are not considered relevant.</i>
<b>WATER</b>				
<b>GRI Management Approach 2016</b>	<b>103:</b>	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Methodological Note – Contents of the Statement; The Environmental Dimension; The environmental dimension - Conserving water resources	
<b>GRI 303: Water 2016</b>	<b>303-1</b>	Water withdrawal by source	The environmental dimension - Conserving water resources	<i>With reference to the industrial sector, data on the consumption of the Rome and Milan offices are not considered relevant.</i>
	<b>303-3</b>	Water recycled and reused	The environmental dimension - Conserving water resources	<i>As regards this standard, available data only refer to the Indian and Vietnamese sites of the Piaggio group. As regards the management of waste water at Is Molas, all waste water from the hotel/resort 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 technical water discharge systems convey water via pipes to the original reservoir, closing the loop.</i>
<b>EMISSIONS</b>				
<b>GRI Management Approach 2016</b>	<b>103:</b>	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Methodological Note – Contents of the Statement; The Environmental Dimension; The environmental dimension - Emissions of CO <sub>2</sub> and other pollutants	
<b>GRI Emissions 2016</b>	<b>305-1</b>	Energy direct (Scope 1) GHG emissions	The environmental dimension - Emissions of CO <sub>2</sub> and other pollutants	
	<b>305-2</b>	Energy indirect (Scope 2) GHG emissions	The environmental dimension - Emissions of CO <sub>2</sub> and other pollutants	<i>With reference to the industrial sector, emissions of commercial sites (also excluding the Milan and Rome offices) are not included in reporting.</i>
	<b>305-7</b>	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	The environmental dimension - Emissions of CO <sub>2</sub> and other pollutants	<i>Only emissions of VOCs (volatile organic compounds) from the Piaggio group's sites are reported (from solvents used in painting). Data for the marine sector are available for 2019 and 2020, only for the Sarzana site. Data are not available for the property and holding sector.</i>
<b>EFFLUENTS AND WASTE</b>				
<b>GRI Management Approach 2016</b>	<b>103:</b>	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Methodological Note – Contents of the Statement; The Environmental Dimension; The Environmental Dimension – Avoiding contamination of soil and water sources	
<b>GRI Effluents and Waste 2016</b>	<b>306-2</b>	Waste by type and disposal method	The environmental dimension - Waste handling and recovery	
	<b>306-3</b>	Significant spills	The Environmental Dimension – Avoiding contamination of soil and water sources	
<b>ENVIRONMENTAL COMPLIANCE</b>				
<b>GRI Management Approach 2016</b>	<b>103:</b>	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Methodological Note – Contents of the Statement; Corporate Governance - Compliance with laws and regulations	

<b>GRI 307: Environmental compliance 2016</b>	<b>307-1</b>	Non-compliance with environmental laws and regulations	Corporate Governance - Compliance with laws and regulations	
<b>EMPLOYMENT</b>				
<b>GRI Management Approach 2016</b>	<b>103:</b>	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Methodological Note – Contents of the Statement; The social dimension - Developing human resources	
<b>GRI 401: Employment 2016</b>	<b>401-1</b>	New employee hires and employee turnover	The social dimension - Developing human resources; Staff	<i>The Group reports the turnover rate by professional category and geographic segment.</i>
	<b>401-2</b>	Benefits provided to full-time employees that are not provided to temporary or part-time employees	The social dimension – Developing human resources - Personnel management policies - Rewarding	
<b>LABOR/MANAGEMENT RELATIONS</b>				
<b>GRI Management Approach 2016</b>	<b>103:</b>	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Methodological Note – Contents of the Statement; The social dimension - Developing human resources	
<b>GRI 402: Labor/management relations 2016</b>	<b>402-1</b>	Minimum notice periods regarding operational changes	The social dimension - Developing human resources - Industrial relations	
<b>OCCUPATIONAL HEALTH AND SAFETY</b>				
<b>GRI Management Approach 2016</b>	<b>103:</b>	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Methodological Note – Contents of the Statement; The social dimension - Developing human resources	
<b>GRI 403: Occupational Health and Safety 2016</b>	<b>403-2</b>	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	The social dimension - Developing human resources - Occupational health and safety	<i>The standard is reported only indicating the frequency index and severity index for Italian production sites of the Immsi Group. Moreover, the number of occupational diseases reported and acknowledged, per production site, is provided.</i>
<b>TRAINING AND EDUCATION</b>				
<b>GRI Management Approach 2016</b>	<b>103:</b>	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Methodological Note – Contents of the Statement; The social dimension - Developing human resources	
<b>GRI 404: Training and Education 2016</b>	<b>404-1</b>	Average hours of training per year per employee	The social dimension – Developing human resources - Personnel management policies - Training	
	<b>404-2</b>	Programs for upgrading employee skills and transition assistance programs	The social dimension – Developing human resources - Personnel management policies - Development and careers	
	<b>404-3</b>	Percentage of employees receiving regular performance and career development reviews	The social dimension – Developing human resources - Personnel management policies - Assessment	
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>				
<b>GRI Management Approach 2016</b>	<b>103:</b>	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Methodological Note – Contents of the Statement; The social dimension - Developing human resources	
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	<b>405-1</b>	Diversity of governance bodies and employees	The social dimension - Developing human resources - Diversity and equal opportunity	<i>The information required by this standard regarding the Board of Directors is reported in the document "Report on Corporate Governance and Ownership Structure" (<a href="http://www.immsi.it/it/governance-ita">http://www.immsi.it/it/governance-ita</a>) Information on employees is set out in the chapter "Social dimension".</i>

	<b>405-2</b>	Ratio of basic salary and remuneration of women to men	The social dimension – Developing human resources - Personnel management policies - Rewarding	
<b>NON-DISCRIMINATION</b>				
<b>GRI Management Approach 2016</b>	<b>103:</b>	<b>103-1</b> Explanation of the material topic and its Boundary <b>103-2</b> The management approach and its components <b>103-3</b> Evaluation of the management approach	Methodological Note – Contents of the Statement; Corporate Governance - Code of Ethics; Corporate Governance - Compliance with laws and regulations	
<b>GRI 406: Non-discrimination 2016</b>	<b>406-1</b>	Incidents of discrimination and corrective actions taken	Corporate Governance - Compliance with laws and regulations	
<b>LOCAL COMMUNITIES</b>				
<b>GRI Management Approach 2016</b>	<b>103:</b>	<b>103-1</b> Explanation of the material topic and its Boundary <b>103-2</b> The management approach and its components <b>103-3</b> Evaluation of the management approach	Methodological Note – Contents of the Statement; The social dimension - Relations with local communities	
<b>GRI 413: Local communities 2016</b>	<b>413-1</b>	Operations with local community engagement, impact assessments, and development programs	The social dimension - Relations with local communities	<i>A brief summary of the quality of actions promoted by Group companies is presented. With reference to the industrial sector, see the 2020 NFS of the Piaggio group, with information on initiatives promoted by the Piaggio Fondazione (Foundation) and Museo (Museum).</i>
<b>COSTUMER HEALTH AND SAFETY</b>				
<b>GRI Management Approach 2016</b>	<b>103:</b>	<b>103-1</b> Explanation of the material topic and its Boundary <b>103-2</b> The management approach and its components <b>103-3</b> Evaluation of the management approach	Methodological Note – Contents of the Statement; The product and service dimension	
<b>GRI 416: Customer Health and Safety 2016</b>	<b>416-1</b>	Assessment of the health and safety impacts of product and service categories	The product and service dimension	<i>The percentage is not provided, but a qualitative contribution is indicated. With reference to the industrial sector, more details are given in the 2020 NFS of the Piaggio group.</i>
<b>MARKETING AND LABELING</b>				
<b>GRI Management Approach 2016</b>	<b>103:</b>	<b>103-1</b> Explanation of the material topic and its Boundary <b>103-2</b> The management approach and its components <b>103-3</b> Evaluation of the management approach	Methodological Note – Contents of the Statement; Corporate Governance - Compliance with laws and regulations	
<b>GRI 417: Marketing and Labeling 2016</b>	<b>417-3</b>	Incidents of non-compliance concerning marketing communications	Corporate Governance - Compliance with laws and regulations	
<b>COSTUMER PRIVACY</b>				
<b>GRI Management Approach 2016</b>	<b>103:</b>	<b>103-1</b> Explanation of the material topic and its Boundary <b>103-2</b> The management approach and its components <b>103-3</b> Evaluation of the management approach	Methodological Note – Contents of the Statement; Corporate Governance - Compliance with laws and regulations	
<b>GRI 418: Customer Privacy 2016</b>	<b>418-1</b>	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Corporate Governance - Compliance with laws and regulations	
<b>SOCIOECONOMIC COMPLIANCE</b>				
<b>GRI Management Approach 2016</b>	<b>103:</b>	<b>103-1</b> Explanation of the material topic and its Boundary <b>103-2</b> The management approach and its components <b>103-3</b> Evaluation of the management approach	Methodological Note – Contents of the Statement; Corporate Governance - Compliance with laws and regulations	
<b>GRI 419: Socioeconomic Compliance 2016</b>	<b>419-1</b>	Non-compliance with laws and regulations in the social and economic area	Corporate Governance - Compliance with laws and regulations	

**Table Of Correspondence Legislative Decree No. 254/2016 - Material Topics – GRI Standards**

<b>Topic under Legislative Decree no. 254/16</b>	<b>Topic</b>	<b>Risks identified</b>	<b>Policies adopted</b>	<b>Topic specific standard/disclosure</b>
<b>Environmental</b>	<b>Energy efficiency and emissions reduction</b>	Corporate Social Responsibility Risks chapter	<p>Product and service dimension chapter - Certifications of the Immsi Group The environmental dimension chapter</p> <p>Please note: - an Environmental Policy is established for the industrial sector; - an Integrated Quality, Environment and Safety Policy is adopted for the marine sector; - the Environmental Management System certified according to UNI EN ISO 14001: 2015 only refers to the industrial and naval sectors as defined in the "Group profile" chapter; - for the property and holding sector, environmental issues are managed based on the management principles adopted by other companies in the industrial and marine sectors, which are defined in a formalised policy;</p>	<b>302-1:</b> Energy consumption within the organization
	<b>Conserving water resources</b>			<b>305-1:</b> Energy direct (Scope 1) GHG emissions
	<b>Waste handling</b>			<b>305-2:</b> Energy indirect (Scope 2) GHG emissions
	<b>Broad-ranging</b>			<b>305-7:</b> Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions
				<b>303-1:</b> Water withdrawal by source
				<b>303-3:</b> water recycled and reused
				<b>306-3:</b> Significant spills
				<b>306-2:</b> Waste by type and disposal method
				<b>307-1:</b> Non-compliance with environmental laws and regulations
<b>Social</b>	<b>Responsible management of the supply chain</b>	Corporate Social Responsibility Risks chapter	<p>Product and service dimension chapter - Certifications of the Immsi Group The supply chain chapter</p> <p>Please note: - for the industrial sector, the ISO/TS 16949 quality standard was adopted (Supplier quality systems) for the two production sites. Moreover, a policy is adopted to qualify and periodically evaluate suppliers based on technical/professional/financial criteria in line with international standards - Group companies manage this issue through the adoption of specific formalised procedures intended to regulate the selection of suppliers and purchasing processes.</p>	<b>204-1:</b> Proportion of spending on local suppliers
	<b>Product/service safety and reliability</b>			<b>416-1:</b> Assessment of the health and safety impacts of product and service categories
	<b>Product/service innovation</b>			
	<b>Broad-ranging</b>			<b>419-1:</b> Non-compliance with laws and regulations in the social and economic area

<b>Topic under Legislative Decree no. 254/16</b>	<b>Topic</b>	<b>Risks identified</b>	<b>Policies adopted</b>	<b>Topic specific standard/disclosure</b>
<b>Concerning personnel</b>	<b>Developing human capital</b>	Corporate Social Responsibility Risks chapter	<p>The social dimension chapter – Developing human resources - Personnel management policies</p> <p>Note 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.</p>	<p><b>202-1:</b> Ratios of standard entry level wage by gender compared to local minimum wage</p> <p><b>401-1:</b> New employee hires and employee turnover</p> <p><b>401-2:</b> Benefits provided to full-time employees that are not provided to temporary or part-time employees</p> <p><b>402-1:</b> Minimum notice periods regarding operational changes</p> <p><b>404-1:</b> Average hours of training per year per employee</p> <p><b>404-2:</b> Programs for upgrading employee skills and transition assistance programs</p> <p><b>404-3:</b> Percentage of employees receiving regular performance and career development reviews</p> <p><b>405-1:</b> Diversity of governance bodies and employees</p> <p><b>405-2:</b> Ratio of basic salary and remuneration of women to men</p>
	<b>Health, safety and wellbeing of human capital</b>		<p>The product and service dimension chapter - Certifications of the Immsi Group</p> <p>The social dimension chapter - Developing human resources - Occupational health and safety</p> <p>Note that: - for the industrial sector, an Occupational Health and Safety Management System is adopted in accordance with ISO 45001:2018 (for the Italian and Vinh Phuc plants) and BS OHSAS 18001:2007 (for the 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.</p>	<p><b>403-2:</b> Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities</p>
<b>Respecting human rights</b>	<b>Respecting human rights</b>	Corporate Social Responsibility Risks chapter	<p>Corporate Governance chapter</p> <p>The Code of Ethics of Immsi S.p.A. and Group companies was revised in 2017, introducing a specific article on principles safeguarding the human rights and workers. With reference to the Piaggio group, it should also be noted that the Policy on Prevention of Sexual Harassment of women at the workplace is currently in force.</p>	<p><b>406-1:</b> Incidents of discrimination and corrective actions taken</p>
<b>Fighting corruption</b>	<b>Fighting corruption</b>	Corporate Social Responsibility Risks chapter	<p>Corporate Governance chapter</p> <p>Code of Ethics of each Group company; Model 231 of each Group company.</p>	<p><b>205-3:</b> Confirmed incidents of corruption and actions taken</p>
<b>Broad-ranging topics</b>	<b>Transparency and company integrity</b>	The topic of "Transparency" is considered as broad-ranging and covering all topics referred to in Legislative Decree 254/16. Therefore, a specific correlation with individual items in this table of correspondence is not indicated. Reference is made to this table as regards all other topics addressed.		

## ***Independent auditor's report on the consolidated non-financial statement***

*pursuant to article 3, paragraph 10, of Legislative Decree No. 254/2016 and article 5 of CONSOB Regulation No. 20267 of January 2018*

To the Board of Directors of Immsi SpA

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016 (the "Decree") and article 5 of CONSOB Regulation No. 20267/2018, we have undertaken a limited assurance engagement on the consolidated non-financial statement of Immsi SpA and its subsidiaries (the "Group" or "Immsi Group") for the year ended 31 December 2020 prepared in accordance with article 4 of the Decree, presented in the specific section of the "Directors' report on operations" and approved by the Board of Directors on 19 March 2021 (the "NFS").

### ***Responsibilities 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 with the "Global Reporting Initiative Sustainability Reporting Standards" defined in 2016 and updated to 2019, by the GRI - Global Reporting Initiative (the "GRI Standards"), identified by them as the reporting standard.

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

Moreover, the Directors are responsible for identifying the content of the NFS, within the matters mentioned in article 3, paragraph 1, of the Decree, considering the activities and characteristics of the Group and to the extent necessary to ensure an understanding of the Group's activities, its performance, its results and related impacts.

Finally, the Directors are responsible for defining the business and organisational model of the Group and, with reference to the matters identified and reported in the NFS, for the policies adopted by the Group and for the identification and management of risks generated or faced by the Group.

The Board of Statutory Auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

### ***PricewaterhouseCoopers SpA***

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### ***Auditor's Independence and Quality Control***

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants published by the International Ethics Standards Board for Accountants, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality and professional behaviour. Our audit firm adopts International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains an overall quality control system which includes processes and procedures for compliance with ethical and professional principles and with applicable laws and regulations.

### ***Auditor's responsibilities***

We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the NFS with the Decree and with the GRI Standards. We conducted our work in accordance with International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information (“ISAE 3000 Revised”), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. The standard requires that we plan and apply procedures in order to obtain limited assurance that the NFS is free of material misstatement. The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

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

In detail, we performed the following procedures:

1. analysis of the relevant matters reported in the NFS relating to the activities and characteristics of the Group, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree and with the reporting standard adopted;
2. analysis and assessment of the criteria used to identify the consolidation area, in order to assess their compliance with the Decree;
3. comparison of the financial information reported in the NFS with the information reported in the Immsi Group's consolidated financial statements;
4. understanding of the following matters:
  - business and organisational model of the Group with reference to the management of the matters specified by article 3 of the Decree;
  - policies adopted by the Group with reference to the matters specified in article 3 of the Decree, actual results and related key performance indicators;
  - key risks generated and/or faced by the Group with reference to the matters specified in article 3 of the Decree.

With reference to those matters, we compared the information obtained with the information presented in the NFS and carried out the procedures described under point 5 a) below;



5. understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the NFS.

In detail, we held meetings and interviews with the management of Immsi SpA and Piaggio & C. SpA and with the personnel of Is Molas SpA and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the NFS.

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

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

### **Conclusion**

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of Immsi Group for the year ended 31 December 2020 is not prepared, in all material respects, in accordance with articles 3 and 4 of the Decree and with the GRI Standards.

Verona, 8 April 2021

PricewaterhouseCoopers SpA

*Signed by*

Alessandro Vincenzi  
(Partner)

*Signed by*

Paolo Bersani  
(Authorised signatory)

*This report has been translated from the Italian original solely for the convenience of international readers. We have not performed any controls on the NFS 2020 translation.*