



**PIAGGIO
GROUP**

**MODERN SLAVERY STATEMENT
FULL YEAR 2023**

Approved by the Board of Directors of Piaggio & C S.p.A. on 29 July 2024



INTRODUCTION

This document describes the measures taken by the Piaggio Group to ensure, as required by the UK “Modern Slavery Act 2015 - Section 54”, the absence of any form of “modern slavery, forced labor and human trafficking” within its organization and along its supply chain.

The content of this statement refers to the fiscal year ended December 31, 2023.

This Statement applies to Piaggio & C S.p.A. (the Parent Company) and its subsidiary Piaggio Limited Ltd, the selling agency that provides a sales promotion service and after-sales service in UK market.

THE ORGANIZATION

Piaggio & C. S.p.A. (the Holding) is a joint-stock company established in Italy and registered at the Register of Companies of Pisa. Its common shares are listed on the Mercato Telematico Azionario managed by Borsa Italiana S.p.A. (“MTA”).

Piaggio Limited is a joint-stock company established in England and registered at the Register of Companies of Orpington.

PIAGGIO GROUP PROFILE

The Piaggio Group, based in Pontedera (Pisa, Italy) is one of the world's leading manufacturers of powered two-wheelers and is also an international player in the commercial vehicle sector. Today it has three distinct areas of activity:

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

Piaggio has production plants and research centres around the world: Pontedera, Noale (Venice, Italy), Scorzè (Venice, Italy), Mandello del Lario (Lecco, Italy), Baramati (India, in the state of Maharashtra), Vinh Phuc (Vietnam) and Jakarta (Indonesia). Piaggio produces engines at its plants both for internal production and to meet the demand of other manufacturers. All other components that constitute a vehicle are purchased externally and assembled in-company.

The Group also operates in China, in Foshan in the province of Guangdong, and in the USA, in Pasadena and Boston, with research centres aimed at developing innovative mobility and transport solutions and technologies.

The Group is also present in various other countries around the world with sales and distribution subsidiaries.

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- *Over 100 countries served*
 - *3 production plants in Italy, 1 in the United States of America, 1 in India, 1 in Vietnam and 1 in Indonesia*
 - *2 research centres in Italy, 2 in the United States of America, 1 in India, 1 in Vietnam and 1 in China*
 - *Approximately 412,000 two-wheeler vehicles and 122,000 three- and four-wheeler vehicles produced*
 - *Over 1,000 suppliers*
 - *Over 5,900 employees with 15 of those being employed in the UK*
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The Group has succeeded in exporting a business model targeting innovation and establishing a strong link with the places in which it operates, pursuing a business philosophy characterised by a strong sense of social responsibility: a culture of safety, respect for people and the protection of natural resources are a common theme throughout the Group.

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

OUR SUPPLY CHAIN

Piaggio Group produces vehicles that are sold under its brand on the various markets around the world. The only exception regards vehicles purchased by the Chinese subsidiary Zongshen Piaggio Foshan (about 14,582 units in 2023, equivalent to 2.6% of vehicles sold).

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

Suppliers are selected based on the quality and competitiveness of their products and services.

Our operations impact local economies and whenever possible, we utilize local suppliers near major locations of operation. This generates direct and indirect income and employment opportunities in the communities where the business is located while minimizing transport-related environmental impacts.

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

The Piaggio Group is convinced that responsibility is a commitment which goes beyond the boundaries of the Company and must positively involve everyone in the Company-supplier chain.

The Group requires its suppliers to sign the Group's general terms and conditions of supply, which include the "Code of Ethics".

Supplier relations are defined by specific processes and procedures related to the selection, qualification, management and monitoring/assessment of suppliers. "Vendor Rating Campaigns", during which suppliers are evaluated on the basis of business and quality criteria, are performed twice a year. The Quality function regularly conducts onsite audits on the Group's direct material/component suppliers in order to ensure their effective compliance with the requirements

regarding the quality management system. For such suppliers the results of the audits undertaken are included in their Vendor Rating.

OUR POLICIES

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

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

Organisational model pursuant to Legislative Decree no. 231/2001

The internal control and risk management system of Piaggio & C. includes the Organisational, Management and Control Model for the prevention of corporate offences pursuant to Legislative Decree 231/2001 (“Model pursuant to Legislative Decree 231/2001”), which Piaggio & C. adopted in 2004, and which was last updated and approved by the Board of Directors of the Company on 30 October 2023.

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

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

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

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

The second part of the Model, called the 'special' section, formalises specific decision-making protocols to guide the company's activities in accordance with indications in the model, in relation to the individual groups of crimes which this section is divided into.

The Model pursuant to Legislative Decree 231/2001 – widely distributed by e-mail to all Piaggio Group employees in Italy, as well as published on the company Intranet – is constantly monitored and periodically updated. It is available on the corporate web site (www.piaggiogroup.com) in the section Governance/Governance System.

Pursuant to Italian Legislative Decree 231/2001 Piaggio & C. has also adopted a Code of Ethics as preliminary section of the aforesaid Model.

Code of Ethics

The Code of Ethics was last updated in 2023, with the introduction of new articles on the following topics: antitrust and competition; personal data protection; ESG; whistleblowing.

The company undertakes in the Code to recognise and ensure respect for the principles that protect human rights shared at international level and expressed in international conventions: in particular, respect for personal dignity, the rights of the person and the prohibition on all forms of discrimination. These principles, already present in the company as they are a part of the Code of Ethics, have been made explicit, in order to bring the code into line with the social and ethical values inspiring the Piaggio Group's activities.

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

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

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

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

Guidelines for respecting human rights

Piaggio is aware that slavery and human trafficking can occur in many forms, such as forced labour, child labour, domestic servitude and related forms of workplace abuse.

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

Ethic Code: Article 7- Human Rights

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 Organization, 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.

Group companies comply with national and international laws and regulations and conduct their activities in compliance with the Code of Ethics.

RISK ASSESSMENT

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. Risk scenarios applicable to Group operations are mapped, involving all organisational units, and are updated on an annual basis. These scenarios are grouped referring to external, strategic, financial or operational risk, also considering sustainability issues and in particular "ESG" ("Environmental, Social, Governance related") risks, i.e. which are related to environmental aspects, personnel, social matters, human rights and the fight against active and passive corruption. For a more detailed analysis of all the risks identified by the Piaggio Group, see the Report on Operations in the 2023 Consolidated Financial Statements. Here below the risks concerning human rights and slavery are analysed.

Supply chain

Piaggio considers that the greatest risk to the safeguarding of human rights (including modern slavery and human trafficking issues) could be found in its supply chain, as this is the area where operations and managerial oversight are out of the Group's direct control. Also within the supply chain, certain areas and suppliers may result having a higher risk than others.

To prevent this risk suppliers all over the world, who wish to do business with Piaggio, must sign the Group's general supply conditions, which include the Code of Ethics.

Employees

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

Piaggio operates globally with employees in Europe, the Americas and Asia. It promotes diversity in age, culture, ethnics, religion, political opinion, civil status, gender, physical ability, sexual orientation, encouraging different ways to achieve and reach the highest levels of performance within a single and broader-ranging organisational set-up of the Group. The integration of disabled

people into the workforce is also made possible in practice by the accessibility of company facilities and the existence of a relative company procedure.

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

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

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

The sites in Italy, India, Vietnam and Indonesia have an Occupational Health and Safety management system certified by an accredited body. Audits are conducted annually and were successfully completed in 2023. Finally, the Vietnamese plant obtained FAMA¹ certification last October to be able produce vehicles with the 'Walt Disney' logo.

Human rights

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

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

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

Piaggio considers the proper practice of whistleblowing to be a key component in ensuring the effectiveness of its compliance programmes and is committed to ensuring that all of its activities are conducted ethically and with the highest integrity. All persons in contact with the organisation as part of their work activities play a key role in reporting and preventing violations of laws, procedures and internal policies and in maintaining the highest standards of ethical, moral and legal conduct. For this reason, the Company encourages its employees and anyone who has a working

¹ FAMA Facility And Merchandise Authorisation.

relationship with the organisation to report any suspicions of misconduct, with the guarantee of full confidentiality. No retaliatory measures against the reporting person or persons close to him/her will be tolerated.

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

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

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

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

Based on prevention and control measures established in the Code of Ethics and adopted by all Group subsidiaries, the potential risks related to these aspects are residual and minor.

PERFORMANCE INDICATOR

Performance indicators are essential in order to assess the effectiveness of the measures implemented.

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

In order to carry out an examination of what had been reported and in compliance with the principles of confidentiality, the Vietnamese company promptly set up an ad hoc committee, composed of a representative of the HR function, the Legal function, and a trade union representative.

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

TRAINING

The Group understands the importance of providing regular training on human rights topics, such as modern slavery and human trafficking, in order to raise awareness and increase commitment across the Company and within the supply chain. Since respect for human rights is one of the fundamental principles of Piaggio's Code of Ethics and the latter is attributed to each new employee and is a common asset of the Company, so far it has not been deemed necessary to establish training courses specifically aimed at the issue of human rights.

OUR COMMITMENT FOR THE FUTURE

Piaggio is dedicated to continuously improving its approach to addressing modern slavery. This includes regularly monitoring and improving its process, procedures and activities to prevent any form of human rights violation and to ensure adequate protection of ethical principles, workers' rights and environmental protection within their business and their supply chain aiming to a continuous improvement.

Piaggio is assessing how to obtain ratings or opinions from third-party bodies of suppliers' compliance with ESG principles in order to prepare for the compliance required by the new CSRD (Corporate Sustainability Reporting Directive) that will come into force next year.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes Piaggio Group's slavery and human trafficking statement for the financial year ending 31 December 2023.

This statement has been approved by the Board of Directors of Piaggio & C S.p.A. on 29 July 2024.



Michele Colaninno
(Chief Executive Officer)