



**PIAGGIO & C. S.p.A.**

**Compliance Programme**

**pursuant to**

**Legislative Decree**

**231 of 8 June 2001**

*Approved by the Board of Directors of Piaggio & C. S.p.A. on 30 October 2023*



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## CODE OF ETHICS

### Article 1 Purpose and content of the Code of Ethics

This Code of Ethics is an integral part of the Compliance Programme adopted by Piaggio & C. S.p.A. ("**Company**" or "**Piaggio**") and by Piaggio Group companies, and contains the rules, commitments and responsibilities aimed at ensuring that the conduct of recipients is always inspired by criteria of fairness, loyalty, transparency and mutual respect, and at preventing conduct that could constitute the types of crimes and/or administrative offences referred to in Legislative Decree 231/2001.

Piaggio carries out its internal and external activities in compliance with the principles contained in the Code of Ethics, in the belief that ethics in conducting business should be pursued in conjunction with the success of the company, in line with its Mission and Values<sup>1</sup>.

### Article 2 Recipients

The principles and provisions of the Code of Ethics are intended for the following (the "**Recipients**"):

- members of the Board of Directors;
- members of the Board of Statutory Auditors and other control and supervisory bodies of Piaggio and other Piaggio Group companies;
- managers, employees and external staff and partners linked to the Piaggio Group by contractual relations in any capacity, including occasional relations;
- third parties with which Piaggio Group companies have relations, also temporary, on the basis of a contract (collaboration, *partnership*, supply of goods or services, etc.).

### Article 3 Scope

The Code of Ethics applies to all Piaggio Group companies and is valid in all countries where they operate, taking into account their cultural, social and economic diversity.

Piaggio reserves the right to carry out internal audits to ensure the full application of the Code of Ethics by all Group companies.

Personnel shall adopt exemplary behaviour in compliance with the content and spirit of the Code of Ethics and are therefore required to

- keep informed and be aware of any updates;

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<sup>1</sup> To learn more: <https://www.piaggiogroup.com/it/gruppo/mission-e-valori>



- attend training courses aimed at maintaining awareness and understanding of the principles contained in the Code of Ethics;
- ensure that all employees in their unit/department are aware of the Code of Ethics;
- supervise and monitor the compliance of staff under their responsibility with the principles set out in the Code of Ethics;
- immediately stop any breach of the Code of Ethics and report the misconduct to the Code of Ethics Officer, who shall, in turn, report it to the legal department.

#### **Article 4 Objectives and Values**

The primary goal of the Company is to create value for its customers, shareholders and employees, respecting the environment and working conditions. The Company's industrial and financial strategies, and its resulting operative conduct, aiming at efficiency in the use of resources, are targeted to this goal. Piaggio contributes daily to a world where energy serves the community to create development, growth and a better quality of life for all. In fact, the Company has placed environmental, social and economic sustainability, together with innovation, at the heart of its corporate culture and is implementing a sustainable development system based on shared value creation, both inside and outside the company.

In pursuing this objective, the Company adopts the following general guidelines:

- as an active and responsible member of the communities in which it operates, the Company is committed to respecting the laws in force in countries where it operates, and the ethical principles which are commonly accepted in business management (transparency, fairness, loyalty and good faith), ensuring the same respect both within its organisation and externally, and is also committed to acting in compliance with rules for the protection of competition;
- it rejects and condemns the use of unlawful or improper conduct (with the community, public authorities, customers, employees, investors and competitors) to achieve its economic objectives; which it strives to achieve exclusively through an excellent performance in terms of the quality and economic benefits of its products and services, based on professionalism, experience, customer focus and innovation;
- it puts in place organisational strategies aimed at preventing any violation of the principles of lawfulness, transparency, correctness and loyalty, good faith and competition rules among its workers and external staff and partners and ensures that such strategies are respected and updated;



- it ensures compliance, through the adoption of appropriate instruments, with the strict prohibition on any corrupt practice, on requesting and/or giving favours; on collusive behaviour, solicitation, which is direct/indirect and/or through third parties; on personal advantages of any kind for oneself and/or others; on material benefits and/or any other advantage for third parties, regarding both private or public subjects (meaning both representatives of Italian and foreign governments);
- it guarantees the market and community in general full transparency of its actions, in compliance with principles of competition;
- it recognises competition as an integral part of the company's culture and policy, as well as a primary value of business activity, and is therefore committed to promoting fair competition, which serves the interests of the company itself, as well as those of all market operators, customers and investors in general;
- it pursues excellence and competitiveness on the market, offering its customers quality services, that efficiently meet their needs;
- the Company protects and empowers its human resources;
- it promotes activities and processes as environmentally compatible as possible through the use of advanced policies and technologies in the field of environmental protection, energy efficiency and sustainable use of resources;
- it pursues environmental protection standards through the implementation of adequate management and monitoring systems;
- it uses its resources responsibly, aiming at sustainable development, respect for the environment and for the rights of future generations.
- it adopts high standards of security and management of the personal data of its employees, customers and *stakeholders*;
- it invests in a sustainable manner, respecting local and national communities, promoting initiatives of cultural and social value, aware of the influence that its presence in the territory and its activities can have on individual conditions and on the economic and social development of society.

#### **Article 5 Shareholders**

The Company guarantees equal treatment for all shareholders, avoiding any preferential treatment.

#### **Article 6 Clients**



The Company aims at reaching excellency in the products and services that it offers, taking its clients' needs into account, and undertakes to do its utmost to meet their demands. Its objective is to guarantee a timely, qualified and competent response to the needs of its clients, behaving in a fair, courteous and cooperative manner.

### **Article 7 Community**

The Company intends contributing to the economic welfare and growth of the communities where it operates, through its activities, both in selling its products and in providing efficient and technologically advanced services.

In accordance with these objectives, and considering its responsibility towards shareholders and investors, the Company views research and innovation as primary conditions for growth and success.

The Company deals with local, national and international authorities in relations based on full and active cooperation and transparency, in compliance with laws in force, mutual autonomies, the economic objectives and values in the Code of Ethics.

The Company appreciates and may support social, cultural and educational initiatives aimed at promoting the individual and improving the quality of his/her lifestyle.

The Company does not give contributions, advantages or other benefits either to political parties, workers' trade unions or their representatives or candidates, in compliance with applicable regulations.

### **Article 8 Human resources**

Piaggio acknowledges the primary role of human resources, in the belief that the main factor of success of any enterprise is the professional contribution of the people working there, in a context of mutual trust and respect.

The Company protects health and safety in the workplace, and in carrying out its operations it believes that the respect of workers' rights is fundamental. The management of working relations is aimed at guaranteeing equal opportunities and at promoting everyone's professional growth.

### **Article 9 Human rights**

The Company recognises and ensures respect for the principles that protect internationally-shared human rights and workers' rights, as expressed in 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 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. It also 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.

#### **Article 10 Conflict of interest**

In their relationship of trust with the Company, employees and external staff and partners must use the resources of the Company and their working capabilities in the Company's interest, pursuant to the principles of the Code of Ethics.

In this respect, all employees and partners must avoid situations in which their personal and/or family member interests may influence their professional conduct, abstaining from any activity which could cause personal interests to conflict with the Company's interest or which could interfere with and affect the impartial, objective capacity to take decisions in the Company's interest.

Any conflict of interest, even indirect or potential, must be promptly reported to managers and to the supervisory body ("Supervisory Body") as established by the Compliance Programme (the "Compliance Programme" or the "Programme") of the Company and, in any case, the individual involved should abstain from the relative operative/decision-making process.

#### **Article 11 Environment**

Piaggio operates with the conviction that global growth must be sustainable in the common interest of current and future shareholders. Investments and industrial and commercial initiatives are therefore aimed at respecting the environment and public health.

Without prejudice to compliance with specific applicable regulations, the Company pays attention to environmental issues in its decisions, also adopting - where operationally and economically feasible and compatible - environmentally friendly production technologies and methods, with the aim of reducing the environmental impact of its activities.



## **Article 12 Protection of health and safety in the workplace**

Piaggio carries out its activities paying particular attention to the working environment and the safety of its personnel and third parties, setting the objective of constantly improving its performance in this area and promptly complying with current occupational health and safety regulations.

The responsibility of each Recipient towards his or her colleagues requires the utmost care to prevent risks of accidents. Each Recipient must therefore take the utmost care in performing his or her activities, strictly observing all the safety and prevention measures established to avoid any possible risk for himself or herself, colleagues and third parties.

In particular, Piaggio is committed to complying with current legislation on health and safety in the workplace. Recipients are required to comply with the instructions and directives issued by the individuals that Piaggio has delegated to oversee health and safety obligations in the workplace.

The use of narcotics as well as alcohol abuse in the workplace is prohibited.

## **Article 13 Industrial and intellectual property and copyright**

The Company undertakes to guarantee the protection of its trademarks, distinguishing signs, patents, models or drawings, as well as avoid the use of industrial and intellectual property of third parties, apart from cases allowed by law.

Therefore, Piaggio does not permit the use, under any circumstances and for whatever reason, of products with counterfeit trademarks and signs as well as the manufacture, marketing or any activity relating to products already patented by third parties or works covered by copyright and with regard to which it has no rights.

## **Article 14 Anti-money laundering**

The Company endeavours to prevent the use of its economic and financial system for the purpose of money laundering and financing terrorism by its customers and suppliers, verifying with utmost diligence the respectability of its commercial partners prior to establishing business relationships with the same.

## **Article 15 Corporate information**

The Company is firmly convinced of the importance of correct disclosure to the market, to investors and the community in general, as regards its own activities.

Respecting the need for confidentiality, which is required to manage its operations, Piaggio's main objective in its relations with all investors is transparency. In particular, the Company conveys this





objective to the market and its investors through its respect of criteria of correctness, clarity and equal access to information.

### **Article 16 Protection of personal data**

Compliance with the law is not simply a formal obligation for the Piaggio Group, but an all-important corporate value. As part of its social responsibility, Piaggio recognises the value of personal data protection as a modern and active right and is proactively committed to safeguarding the *privacy* and protecting the data of staff, external staff and partners, customers and business partners. Piaggio guarantees respect for the rights of data subjects and adopts policies, procedures and operating instructions to improve the security of applications and processing of personal data. It has made privacy by design and privacy by default a part of digitisation processes, as well as risk analysis and the protection of sensitive data.

Piaggio personnel are required to protect the confidentiality of data that comes into their possession or based on their functions, and to comply with all requirements of Regulation (EU) Regulation 2016/679 (the GDPR), and with the operating instructions on data protection for persons authorised to carry out processing, issued by Piaggio.

All information learned and data processed and managed by employees and external staff in the course of their work must be appropriately protected and may not be used, communicated or disseminated unless in compliance with applicable privacy legislation.

In particular, Piaggio personnel are required to:

- acquire and process only necessary and relevant data directly related to their functions;
- not use the data for purposes other than those for which they were collected;
- store the data in such a way as to prevent unauthorised access by third parties;
- communicate and disclose data only within the scope of the procedures and operating instructions adopted by Piaggio, or with the prior authorisation of the person delegated to do so.

For details, Piaggio personnel are required to read the Global Governance *Policy* for the Protection of Personal Data.

### **Article 17 Sustainability**

Piaggio and Group companies undertake to prepare an annual Consolidated Non-Financial Statement ("NFS") in compliance with the best national and international standards, which focuses on the so-called



"three dimensions" of environmental, social and governance ("ESG") responsibility and guarantees the commitment to pursuing a sustainable development model<sup>2</sup>.

### **Article 18 Competition**

In order to ensure effective and ongoing compliance with regulations on competition, Piaggio conducts its business in accordance with principles of fairness, fair competition and transparency towards all operators on the market: therefore it operates in full compliance with applicable antitrust laws.

Piaggio and the Companies belonging to the Piaggio Group recognise that long-term success is intrinsically linked to business ethics and transparency. They therefore do not tolerate unfair or anti-competitive practices.

### **Article 19 Compliance with the Code of Ethics**

The Code of Ethics must be complied with by company bodies, management and employees, as well as all external partners, such as consultants, agents, suppliers, etc.

To pursue compliance with the principles of the Code of Ethics, Piaggio ensures:

- the maximum dissemination and awareness of the Code;
- its uniform interpretation and implementation;
- checks on reports of violations of the Code and the adoption of relevant sanctions in accordance with current legislation;
- the prevention and suppression of any form of retaliation against those who contribute to the implementation of the Code;
- the updating of the Code, on the basis of needs that arise from time to time also in the light of the above activities.

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<sup>2</sup> For all further information: <https://www.piaggiogroup.com/it/gruppo/mission-e-valori>



## GENERAL PRINCIPLES OF INTERNAL CONTROL

The Internal Control System represents the set of “tools” designed to provide reasonable assurance of achieving the objectives of operational efficiency and effectiveness; reliable financial and management information; compliance with laws and regulations, as well as safeguarding assets also against possible fraud.

The Internal Control System is a set of rules, procedures and organisational structures whose purpose is to monitor compliance with corporate strategies and which are applied at all the various levels of the organisation, regardless of how they are named (“**Operating Units**”).

The Compliance Programme is supplemented by specific control safeguards relating to individual business processes, drawn up by the respective organisational units.

The Piaggio Group regulatory framework consists of: Manuals or Policies, Management Procedures, Operating Procedures and Work Instructions.

These documents are issued by the various organisational areas and make up the Organisational System, the Quality Management System, the Safety Management System and the Environment Management System.

### ❖ **Scope of control**

Powers of representation must be conferred defining their limits in relation to the extent of inherent transactions and according to operating areas strictly related to assigned duties and the organisational structure.

Responsibilities must be defined and duly distributed, avoiding functional overlapping or operational allocations which focus critical activities on a single subject:

- no significant transaction of the Operating Unit can be originated/activated without adequate authorisation.

Operating systems<sup>3</sup> must be consistent with Company policies and the Code of Ethics:

- in particular, financial information must be prepared:
  - a) in compliance with laws and regulations, applicable accounting standards and international best practice;
  - b) in accordance with established administrative procedures;
  - c) as part of a complete and updated chart of accounts.

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<sup>3</sup> Procedures, organisation, processes, information systems, etc.



### ❖ Risk assessment

The objectives of the Operating Unit must be adequately defined and communicated to all relevant levels, in order to clarify and share the general approach of the unit.

Risks associated with the achievement of objectives must be identified, periodically providing for adequate monitoring and updating:

- negative events, potentially capable of threatening business continuity as well as protection of the environment, must be subject to specific risk assessment and alignment of protection and control systems;
- innovation processes concerning products/services, organisations and systems must provide for adequate implementation risk assessment.

### ❖ Control activities

Operational processes must be defined providing for adequate documentary or system support to allow for constant traceability in terms of consistency, coherency and responsibility:

- the Company's operational processes must constantly ensure its compliance with applicable laws, rules and, in general, regulations in force in Italy and in all countries where it operates, and also with internal procedures and provisions adopted;
- operational decisions must be traceable in terms of characteristics and justification and those having authorised, executed and verified individual activities must be identifiable;
- the exchange of information between contiguous phases/processes must provide for mechanisms (reconciliations, balancing, etc.) to ensure integrity and completeness of the data managed;
- human resources must be selected, recruited and managed in a transparent manner and in accordance with ethical values and Company defined objectives;
- the know-how and professional skills available within the Operating Unit in terms of consistency with assigned objectives must be analysed at regular intervals;
- personnel must be educated and trained to perform the assigned duties;
- goods and services for Company operations must be purchased based on a needs analysis and from adequately selected and controlled sources;
- working conditions and environment must be periodically verified in order to ensure the safety and health of workers;



- the certified environmental management system must be constantly monitored in order to comply with the requirements of environmental legislation.

#### ❖ **Information and Communication**

An adequate system of indicators by process/activity must be provided for, as well as relative periodic information flows to management.

Administrative and management Information Systems must be directed towards integration and standardisation.

Security mechanisms must ensure adequate protection/access to data and assets of the Operating Unit.

#### ❖ **Check**

The control system is supervised on an ongoing basis for related periodic assessments and constant alignment.



## CONDUCT GUIDELINES

This document is an integral part of the Compliance Programme contains the rules of conduct that all Recipients (including third parties) are required to adopt in order to ensure that their conduct is inspired by principles of fairness, loyalty, transparency and collaboration and to avoid actions that constitute crimes and administrative offences (particularly those referred to Legislative Decree 231/2001).

These Guidelines identify, albeit by way of example, conduct related to “do's” and “don'ts”, specifying in operational terms the principles of the Code of Ethics adopted by the Company.

### ❖ “Do's”

All Recipients must commit themselves to respect the laws and the regulations in force in all the countries in which the Company operates.

The functional managers must make sure that:

- all employees are aware of the laws and of the resulting conduct to follow; when in doubt about the conduct to follow, they should be adequately advised;
- an adequate programme of constant formation and sensitisation on the issues related to the Company's Code of Ethics should be carried out.

When participating in public tenders or competitions called by Public Administration ("PA"), as well as in any negotiations or contracts entered into with both the PA 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 the corresponding company procedures, avoiding any situation from which violation of laws and/or principles of fairness and transparency in the conduct of negotiations may arise.

Such negotiations must be conducted only by those previously and expressly authorised to do so, respecting roles and in accordance with corporate procedures. Adequate mechanisms for the traceability of information flows to 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 PA officials or third contracting parties, or which one has merely become aware of, must be immediately reported to the competent bodies.

The functional managers who are commonly in touch with the PA must:

- provide their staff with guidelines on the conduct to follow in formal and informal contacts with various public entities, according to the specific characteristics of their area of activity, sharing their knowledge of regulations and their awareness of situations liable to crime;



- ensure adequate tracing mechanisms as regards official information channels with the PA;
- maintain and request on the part of those having relations with the PA a conduct characterised by fairness, transparency, traceability and in good faith, respecting the roles and responsibilities attributed; strictly observe and enforce, also with specific reference to relations with the Public Administration, the company procedures aimed at abstractly identifying and tracking the functions and positions responsible and appointed for dealing 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 Company, are committed to the observance of the laws and regulations in force in all the countries where the Company operates; No relation will be initiated or continued with those who do not intend to comply with such principles. Any appointment of these subjects to operate as representatives and/or in the interest of the Company towards the PA, the mandate must be given in written form, with a specific binding clause to act in observance of the ethical-conduct principles adopted by the Company.

Identical conduct guidelines to those indicated for relations with the PA 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, public entities or the European Union, all Recipients involved in such procedures must:

- act fairly and be 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;
- use funding, once obtained, for the purposes for which it was requested and granted.

The people in charge of administrative/accounting functions must verify that each operation and transaction is:

- legitimate, consistent, congruous, authorised, verifiable;
- properly and adequately registered, so that the decision, authorisation and implementation process can be verified;



- supported by correct, authentic and appropriate documentation, to enable controls to be carried out at any time on the characteristics and reasons of the transaction, and the individuals authorising, carrying out, registering and checking the transaction to be identified.

All Recipients involved in preparing the financial statements or other similar documents (reports, prospectuses or other corporate disclosures addressed to shareholders, creditors or the public) must adopt appropriate conduct, provide the utmost collaboration, ensure completeness, transparency and clarity of information provided, accuracy of data and calculations, in accordance with current legislation and internal procedures adopted by the Company.

Directors and their assistants must:

- depict the Company's financial position and results truthfully, clearly and completely when drafting the financial statements, disclosures to the market or similar documents;
- duly respect the requests of information on the part of the board of statutory auditors and facilitate as much as possible the activities of control or auditing which are legally attributed to owners, other company bodies or external auditors;
- they must present the shareholders' meeting with complete acts and documents that match the accounting entries;
- provide the Supervisory Body with correct and complete information on the financial position and results.

Relations with the press - and in general with mass media - must be managed in accordance with principles of integrity, transparency, completeness and timeliness.

Only specifically authorised Recipients may communicate or disclose news concerning the Company, in compliance with the laws and regulations in force and with the internal procedures adopted by the Company concerning the management of price-sensitive information.

Employers, Senior Managers and Persons in charge, all employees and external service providers are required to apply and observe regulations on the protection of health and safety at work. In particular, in order to minimise potential risk of injury in the workplace, compliance with accident prevention regulations, as well as individual and collective preventive measures established and communicated by the Company through specific instructions, equipment and training programmes is required. In this context, employees must consider themselves responsible for an adequate management of safety and, therefore, must avoid exposing themselves or other workers to hazards which might cause injury or harm.





Relations with any third party (suppliers, external contract workers, commercial/financial partners) must be managed in compliance with internal procedures and characterised by impartiality, independence and transparency.

In particular, adoption of the predetermined rules and mechanisms to be complied with in selection procedures, as well as an adequate verification and monitoring system concerning proper execution of the services provided must be guaranteed.

Before establishing any business relationship with such parties, there must be a proper assessment of the information available relating to the commercial reliability of such counterparties, in order to ascertain their competence and fitness to properly and precisely fulfil the contractual obligations and the assigned tasks, as well as to avoid any possible involvement of the Company in operations suitable for encouraging receiving of stolen goods or laundering and/or reusing money or benefits of illicit origin.

In the execution phase, the competent functions must verify the legitimate origin of the goods delivered, refraining from their reception in the presence of a mere suspicion of illicit origin, as well as verify the proper nature of payments, with reference to full correspondence between recipients/originators of the payments and counterparties effectively involved in the transaction.

Relations with customers (public or private) must be managed in full compliance with the criteria of honesty, courtesy, transparency and collaboration.

In particular, Recipients are required to:

- comply with all internal procedures to be implemented vis-à-vis customers envisaged by the Company;
- ensure customers are provided with complete and truthful information about the nature and intrinsic and extrinsic characteristics of the goods delivered.

More generally, all information provided in connection with any commercial, advertising and promotional activities for the presentation of the Company's products and services must be truthful and correspond to the characteristics and technical features of the products themselves.

All employees are required to comply with Company procedures for the correct use of assigned information technology equipment. Employees must comply with the physical/logical security configurations adopted by the Company, in particular for activities which:

- require the processing of data and information, the misuse of which can result in fraud against natural or legal persons (private organisations and, in particular, if the counterparty belongs to PA);



- require access to infrastructures and/or software, the use of which may give rise to fraudulent use.

With particular reference to the control/organisational aspects of crimes concerning the environment, the Company ensures:

- periodic monitoring of authorisations/licenses and in particular the scheduling of steps necessary to obtain and/or renew the same;
- a clear definition of roles, duties and responsibilities to ensure the necessary technical skills and powers for verifying, evaluating, managing, controlling and monitoring environmental risks;
- monitoring of compliance with laws and company regulations through the planning and execution of internal audits;
- precise compilation of compulsory registers and forms for waste management;
- monitoring to ensure the transport company has submitted waste identification forms within statutory deadlines.

Moreover, with specific reference to the Company activities in question, for the management of which the Company relies on third parties, personnel of entities involved are required, each within the scope of their powers and responsibilities, to:

- ensure that suppliers and other third parties (e.g. consultants), if required by rules and regulations, depending on the nature of the goods and services, provide evidence of compliance - on their part - with regulations concerning wastewater discharges and waste management and environmental protection, in accordance with Company procedures and contractual provisions;
- periodically update the file of authorisations, registrations and disclosures acquired from third party suppliers and promptly report to the competent function any deviations found;
- ascertain, prior to initiating the relationship, the respectability and reliability of service providers involved in waste management, also by acquisition and verification of environmental disclosures, certifications and authorisations made by the same or acquired in accordance with law, also requesting the commitment - by the same - to maintain said authorisation certificates valid and effective for the entire duration of the contract.

With specific reference to plant, those involved are required to plan and/or carry out plant maintenance in line with the corresponding maintenance plans, verifying correct operation of the same and reporting any anomalies to the appropriate persons in charge.

In order to protect intellectual and industrial property, the Company requires all research, design and development activities relating to new products to be carried out in full compliance with current



applicable national/international regulations, and with contractual commitments in place; In particular, it is necessary to verify in advance the previous existence of industrial property rights of third parties (registration of trademarks or other distinctive signs, inventions, industrial ornamental models, patents). Similarly, the Company requires appropriate controls on the origin of materials, components and products purchased in order to monitor and verify the absence of counterfeiting or alteration of trademarks and/or hallmarks.

Employees are expressly recommended to use only software, databases or intellectual property of others only after obtaining the relevant user licence or in any case in compliance with copyright legislation. It is also necessary to adopt preventive measures to protect and hold the Company harmless from any prejudicial consequences arising from claims by third parties concerning the alleged violation of intellectual property rights.

In the event of recruitment of nationals of third countries, the Company requires possession of a residence permit.

All Recipients (including members of the corporate bodies, senior managers, employees, external staff, partners, suppliers, consultants, etc.) are specifically reminded to report any violation or suspected violation of the Compliance Programme to the Supervisory Body.

The Supervisory Body protects whistleblowers from any detrimental effect that may derive from their reporting information. The Supervisory Body ensures confidentiality as regards the identity of such people, in compliance with laws in force.

The function managers must notify the Supervisory Body of the conducts that add to all crimes, concerning operative processes in their jurisdiction, that have come to their notice either directly or through notification from their partners.

In particular, in the case of the attempted extortion of an employee (or other staff) by a public officer, the following guidelines must be followed:

- the request must be ignored;
- the person in charge must be promptly notified;
- the person in charge must duly and formally notify the Supervisory Body.

#### ❖ “Don'ts”

In relations with PA officials (including in this definition any party or representative of the same, including the senior managers, officers or employees of the State or Public Bodies - hereinafter "Public



Administration employees" - and those in general exercising a public function<sup>4</sup>), be it in an institutional capacity or as a contracting counterparty, it is prohibited to:

- promise or offer (to them or to their relations, in-laws, friends, etc.) money, gifts or premiums, unless their value is moderate (trips, holidays and memberships in clubs, for example, are not considered of moderate value);
- examine or propose employment opportunities concerning such parties (or their relations, in-laws, friends, etc.), and/or commercial opportunities (or of any other kind) that may be advantageous to them;
- promise or offer them counselling of any kind and for any reason;
- make unjustified entertainment expenses or whose objectives are different from the mere promotion of the Company's image;
- promise or offer, also through other companies, jobs/services of personal utility (e.g. reconstruction works of buildings owned or used by them – or by relations, in-laws, friends, etc.);
- provide (or promise to provide), request or obtain information and/or classified documents, or data that may compromise the integrity or the reputation of either, or both parties;
- favour, in purchasing processes, suppliers and sub-suppliers that are recommended by such parties as a condition for the subsequent execution of activities (e.g. entrusting commissions, granting soft financing, or franchising).

Such actions and conduct are prohibited, whether they are carried out directly by the Company through its employees, or whether they are carried out indirectly through non-employees who act on behalf of the Company itself.

The same provisions must also be complied with in relations with any third party (suppliers, external staff, commercial/financial partners, customers, etc.). More generally, it is expressly prohibited to grant advantages of any kind and nature (also in the form, for example, of sponsorships, gifts, consulting appointments, awarding contracts, etc.) directly or indirectly in favour of those belonging to companies or private entities in order to unduly favour the interests of the Company (e.g. to obtain more favourable market conditions, disclosure of confidential information, award of a supply, etc.).

As regards the Public Administration it is also forbidden to:

- exhibit false or forged documents/data;
- subtract or omit to present authentic documents;

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<sup>4</sup> For the concept of Public Administration, Public Official and Public Service Officer, see the introduction to the Special Section.



- behave deceptively, so as to lead the Public Administration astray in the technical/economic assessment of the products and the services that are offered/supplied;
- • omit due information, so as to unduly influence the decisions of PA;
- • behave so as to unduly influence the decisions of PA;
- be represented by consultants or 'third parties' when such a situation can create conflicts of interest;
- abuse one's position as civil servant in order to obtain benefits and advantages for oneself or for the Company.

In general, it is forbidden for the Company to employ former Public Administration officers (or their relations, in-laws, friends, etc.) who have personally and actively taken part in business transactions with the Company, or who have endorsed requests made by the Company to the Public Administration.

During civil, criminal or administrative proceedings, it is prohibited to undertake (directly or indirectly) any unlawful action that may favour or damage one of the parties in the proceedings.

It is also prohibited to induce - with violence or threat, or by promising or giving money - a person not to make statements before the judicial authorities or to make false statements in order to favour the interests of the Company.

When using computer or telematic systems, it is prohibited, unless authorised, to access computer systems used by the PA or to change in any way their functioning, or carry out operations in any way on data, information or programmes contained in a computer or telematic system or relevant to said, in order to unduly obtain and/or modify information to the benefit of the Company or third parties, or in any case to obtain undue benefits for the same.

It is also expressly forbidden to use assigned Company information technology equipment for purposes contrary to the law, public order and morality; to engage in any conduct that may damage, alter or impair Company information and communication equipment, as it is also forbidden to abusively enter information systems protected by security measures.

It is forbidden for Directors and their assistants to:

- a) return contributions to their shareholders, or release them from the obligation to carry them through, except in cases of legitimate reduction of the share capital, and reduce the share capital or merge with other Companies (or separate from them), in violation of the laws in defence of creditors;
- b) distribute profits, or advances on profits that have not been made, or that have been destined for reserve; or distribute reserve funds that cannot be legally distributed;



- c) acquire or underwrite stocks or capital share issued by the Company or by the parent company, when prohibited by the law;
- d) fictitiously set up or augment the Company's capital by means of illegal operations.

It is expressly forbidden to:

- a) allow access to price-sensitive information to persons other than those who need the same in order to exercise their functions or normal business activity;
- b) allow access to such information by interested parties without the same having been informed of the consequent duties and obligations, as well as the sanctions resulting from violation of such duties and obligations;
- c) buy, sell or perform other transactions on securities of the issuer, directly or indirectly, on one's own behalf or on that of third parties, using price-sensitive information (*insider trading*);
- d) disclose price-sensitive information to third parties outside the normal course of business (*tipping*);
- e) recommend or induce others, on the basis of price-sensitive information, to perform transactions on securities (*tuyantage*);
- f) disseminate, via the media, including the Internet or any other means, information, rumours or false or misleading information regarding financial instruments of the issuer (market information manipulation);
- g) put in place buying/selling transactions or orders which:
  - provide, or are susceptible to providing, false or misleading indications concerning the supply, demand or price of financial instruments;
  - allow, through the action of one or more persons acting in concert, fixing of the price of financial instruments at an abnormal or artificial level;
  - use artifices or any other form of deception or expedient;
- h) put in place artifices capable of providing false or misleading signals concerning the supply, demand or price of financial instruments of the issuer;
- i) operate on treasury shares except within the scope of authorised programmes (e.g. treasury share repurchase transactions).

It is expressly forbidden for recipients of the Programme to put in place situations and conduct which might jeopardise the safety and quality of the workplace, organised according to the ISO 9001, ISO 14001 and OHSAS 18001 certified integrated quality, environment and safety management system adopted by the Company.



The Company and its employees must avoid being involved or adopting conduct which may constitute the crime of receiving stolen goods, money laundering or self-laundering, such as the acceptance or possession and/or reuse of proceeds (objects) deriving from illicit activities.

In general, it is expressly forbidden for Recipients to:

- accept and/or transfer for any reason, except via banks, electronic money institutions or Poste Italiane SpA, cash or bank or postal bearer passbooks or bearer securities in euros or in foreign currency, when the value of the transaction, even split, is in total greater than or equal to the limit prescribed by law;
- issue bank and postal cheques for amounts higher than those provided for by current legislation and which do not bear an indication of the name or company name of the beneficiary and the non-transferability clause;
- make payments to foreign current accounts of natural persons resident in Italy or of entities with registered offices in Italy;
- make payments to numbered current accounts or those at banks without a physical establishment;
- make payments to current accounts of banks operating in countries included in tax haven lists and in favour of offshore companies.

It is also expressly forbidden to purchase and/or receive goods of any kind and nature which are known or even only suspected of being of illegal origin.

The Company expressly forbids improper disclosure or violation of industrial and intellectual property rights and copyright, as well as its own and third-party trade secrets.

With reference to the principles of conduct regarding the environment, it is forbidden for Recipients of this Programme to:

- put in place conduct intended to violate the provisions concerning waste management, emission sources and discharges of industrial wastewater containing hazardous substances;
- falsify or alter the environmental disclosures to the Public Administration, including data and information relating to emissions into the atmosphere to be disclosed to the monitoring Authorities (e.g. ARPA, Provincial Administration);
- abandon or store waste in an uncontrolled manner and discharge the same, in solid or liquid state, in surface and underwater;
- conduct waste management activities in the absence of specific authorisation for disposal and recovery of the same, or in the event of revoked or suspended authorisation;
- mix different categories of hazardous waste (or hazardous with non-hazardous waste);



- violate the disclosure requirements, keeping of compulsory registers and forms for waste management;
- falsify/alter, and/or compile waste analysis certificates with incorrect and/or untruthful information concerning the nature, composition and physical-chemical characteristics of said waste, also with reference to the SISTRI - Handling Area;
- perform or participate in organised activities directed at illegal waste trafficking;
- prevent access to sites by control authorities;
- discharge industrial wastewater containing hazardous substances without authorisation or after the same has been suspended or revoked;
- violate the obligation to provide for, upon occurrence of a potential event which could contaminate the site, implementation of necessary preventive and remediation measures, providing timely notification to the competent authorities;
- violate the emission limit values or the provisions established by the authorisation in operating a plant as well as the air quality limit values provided for by current legislation;
- sell, buy, receive, transport, import, hold, transfer, abandon or unlawfully dispose of highly radioactive material.

#### ❖ **Sanctions**

Conduct which does not comply with the provisions of the Code of Ethics and these Guidelines, regardless of any other type of criminal action taken against the offenders, will result in disciplinary measures being taken in accordance with laws in force and/or collective bargaining agreements in effect and the provisions of the Programme in the section dedicated to the Disciplinary System.

Violations of the provisions and rules of conduct contained in the Code of Ethics and Conduct Guidelines and any commission of the crimes provided for by Legislative Decree 231/2001, put in place by Third Parties which, although not belonging to the Company, act on behalf and/or in the interest of the same (such as outsourcers, consultants and service contractors) are sanctioned in accordance with the provisions of the specific contractual clauses included in their contracts. Such clauses may include, without limitation, the right to terminate the contract and/or the payment of penalties.

The imposition of sanctions may involve, in addition, the prohibition of establishing new contractual relations with the parties involved, unless the Board of Directors decides otherwise.

#### ❖ **Communications to the Supervisory Body**





In order to facilitate communication to the Supervisory body of any fact or circumstance concerning the Programme, Piaggio has put in place the internal reporting channel, which can be accessed online at: <https://www.piaggiogroup.com/en/governance/codice-etico>.



## GENERAL SECTION



## 1. INTRODUCTION

### 1.1 LEGISLATIVE DECREE 231 OF 2001: REGULATIONS ON THE ADMINISTRATIVE LIABILITY OF LEGAL ENTITIES, COMPANIES AND ASSOCIATIONS WITH OR WITHOUT LEGAL PERSONALITY.

Legislative Decree 231 of 2001, implementing Delegated Law 300 of 29 September 2000, introduced in Italy “*Regulations on the administrative liability of legal persons, companies and associations, including those without legal personality*” (“Legislative Decree 231/2001” or the “Decree”), which is part of a broad-ranging legislative process to combat corruption and which brought Italian legislation on the liability of legal persons into line with a number of International Conventions previously signed by Italy.

Without contradicting the constitutional principles according to which *criminal liability is personal and legal persons cannot be held liable for criminal conduct (societas delinquere non potest)*, the Decree introduced a system of administrative liability (substantially comparable to criminal liability) for legal persons, which is in addition to the liability of the natural person who is the actual perpetrator of the crime and which aims to involve, in the punishment of the crime, the entities in whose interest or advantage the crime was committed.

This administrative liability exists only for the crimes listed in Legislative Decree 231/2001 (“Predicate Crimes”), the commission or attempted commission of which entails, in addition to the application of financial penalties, disqualification sanctions (bans) which may also be ordered as a precautionary measure and have permanent effects (e.g. (e.g. confiscation of the price or value of the crime, suspension or removal from office of authorisations, licences, concessions, exclusion from facilitations, financing, contributions, up to and including a permanent ban on carrying out the activity).

### 1.2 PERSONS SUBJECT TO LEGISLATIVE DECREE 231/2001

The persons who, by committing a crime in the interest or to the advantage of the Entity, may result in its liability are listed below:

- a) individuals who hold senior positions (representatives, directors or managers of the Organisation or of one of its organisational units that have financial and functional independence, or individuals who are responsible for the management or control: “Senior Corporate Officers”;
- b) natural persons subject to the direction or supervision of one of the Senior Corporate Officers (“Subordinates”).

It is not necessary for Subordinates to have an employment relationship with the organisation, since this notion also includes “*those people who work that, although not <employees> of the organisation, have a relationship*”



*with it such as to lead to the assumption of a supervisory obligation on the part of the management of that organisation: for example, partners in joint-venture operations, external staff who work on a regular basis, suppliers, distributors, consultants, external staff”.*

In fact, according to prevailing case law, those situations in which a particular task is entrusted to external staff who are required to perform the task under the direction or control of Senior Corporate Officers, are also relevant for the purposes of the entity's administrative liability.

However, it should be pointed out that the entity is not liable, as specifically provided for by law (Article 5, paragraph 2 of the Decree), if the aforementioned persons acted solely in their own interest or in the interest of third parties. Their conduct must therefore be referable to the “organic” relationship whereby the acts of the natural person can be attributed to the Organisation.

The concepts of "interest" and "advantage" have been clarified by the report accompanying Decree 231/2002 and confirmed by case law.

Interest is assessed *ex ante*, i.e., at the time of the commission of the crime, with reference to the intention of the agent: if the latter acted in order to obtain an advantage for the company (as well as for himself), the company is liable even if the advantage is not subsequently materially achieved.

Instead, the advantage is assessed *ex post* and in an objective sense: if the company has received a financial or other advantage, it is liable even if the agent's intention was not to for it to take advantage.

In culpable offences - for example, with reference to crimes relating to safety in the workplace - the verification of the existence of an interest or advantage obtained by the organisation as a result of the crime is reduced to ascertaining the saving in expenditure realised from the violation of precautionary provisions (Court of Cassation, 4th Criminal section, sentence no. 16713/2018, Court of Cassation, Criminal Section, sentence no. 48779/2019, Court of Cassation, Criminal Section, sentence no. 3157/2019, Court of Cassation sentence, Criminal Section, no. 3731/2020).

Articles 6 and 7 of Legislative Decree 231/2001 provide for specific forms of exemption from the administrative liability of the entity for crimes committed in the interest or to the advantage of the same by both Senior Corporate Officers and Subordinates.

In particular, in the case of crimes committed by Senior Corporate Officers, Article 6 of the Decree provides for exemption if the entity proves that:

- a) management has adopted and efficiently put into effect, before the crime was committed, compliance programmes designed to prevent those types of crimes in question;



- b) responsibility for supervising the functioning of and compliance with the Programme, and its updates, has been entrusted to a body of the entity with independent powers of initiative and control;
- (c) the persons who committed the crime acted by fraudulently circumventing the Programme;
- d) there was neither insufficient supervision nor a lack of supervision by the Supervisory Body.

As regards Subordinates, Article 7 of the Decree provides for exemption from liability in the event that the entity has adopted and effectively implemented, prior to the commission of the crime, a programme capable of preventing crimes of the kind committed. In particular, the effective implementation of the programme, pursuant to Article 7, paragraph 4 of the Decree, requires:

- (i) a periodic review and possible amendment thereof if significant violations of the requirements are identified, or if changes occur in the organisation or activity;
- (ii) a disciplinary system capable of penalising failure to comply with the other measures indicated in the programme.

However, the Entity's exemption from liability is not determined by the mere adoption of the programme, but by its effective implementation, to be achieved through the implementation of all the protocols and controls necessary to limit the risk of the commission of the crimes that the company intends to prevent. In particular, with reference to the characteristics of the programme, the Decree, in Article 6, paragraph 2, specifically provides for the following preparatory steps for its proper implementation:

- (a) the identification of activities within the scope of which there is a possibility of crimes being committed;
- b) the provision of specific protocols aimed at planning the formation and implementation of the Entity's decisions in relation to the crimes to be prevented;
- (c) the identification of the methods for managing financial resources suitable for preventing the commission of such crimes;
- (d) the provision of information obligations with the Supervisory Body;
- e) the introduction of an appropriate disciplinary system to sanction failure to comply with the measures indicated in the Programme.

### **1.3 PREDICATE CRIMES**

The Decree refers to the following categories of crime:

- (i) crimes against the Public Administration (Articles 24 and 25);



- (ii) computer crimes and unlawful data processing (Article 24 bis);
- (iii) organised crime (Article 24 ter);
- (iv) crimes relating to counterfeiting money, public credit cards, revenue stamps and identification instruments or signs (Article 25 bis);
- (v) crimes against industry and trade (Article 25 bis.1);
- (iii) corporate crimes (Article 25 ter);
- (vii) crimes for the purposes of terrorism or subversion of democracy (Article 25 quater);
- (viii) female genital mutilation practices (Article 25 quater 1);
- (ix) crimes against the individual (Article 25 quinquies);
- (x) market abuse crimes (Article 25 sexies):
- (xi) crimes of manslaughter or serious or very serious bodily harm, committed in breach of the rules on health and safety at work (Article 25 septies);
- (xii) crimes of receiving, laundering, self-laundering and using money, goods or benefits of unlawful origin (Article 25 octies);
- (xiii) crimes on copyright infringement and related crimes (Article 25 novies);
- (xiv) crime of inducement to refrain from making statements or to make false statements to the legal authorities (Article 25 decies);
- (xv) environmental crimes (Article 25 undecies);
- (xvi) transnational crimes, introduced by Law 146 of 16 March 2006;
- (xvii) crime of the employment of illegally staying third-country nationals (Article 25 duodecies);
- (xviii) crimes of racism and xenophobia (Article 25 terdecies);
- (xix) fraud in sports competitions, unlawful gaming or betting and gambling using prohibited equipment (Article 25 quaterdecies);
- (xx) Tax crimes (Article 25 quinquiesdecies);
- (xxi) Contraband crimes (Article 25 sexiesdecies).

In view of the analysis of the company context, the activity carried out by the Company and of the areas potentially subject to the risk of crime, only the crimes covered in the individual Special Parts – which should be referred to for their exact identification – were considered relevant and therefore specifically examined in Piaggio’s Compliance Programme.



#### **1.4 FUNCTION OF THE COMPLIANCE PROGRAMME**

The adoption of the Programme, which is optional under law and not mandatory, has been seen by Piaggio as a significant opportunity to actively prevent crimes by strengthening its corporate governance and internal control system, and by disseminating suitable ethical and behavioural principles.

The Programme is a tool to guide the behaviour of persons/entities that operate within the Company and to promote, at all levels of the company, lawful and proper conduct. Its adoption will also impact positively on the prevention of any crime or offence under the legal system.

In line with the Code of Ethics and Conduct Guidelines adopted by the Company – which are an integral part of it – the Programme identifies the rules and procedures that must be followed by all the Recipients, or by those people, such as employees, company bodies, service companies, consultants and partners, who work on behalf of or in the interest of the Company in processes at risk of Predicate Crimes being committed.

In preparing the Programme, Piaggio used the Guidelines issued by Confindustria in accordance with Article 6, paragraph 3 of the Decree, as a basis.

According to the provisions of Legislative Decree 231/2001, the Programme envisages a Supervisory Body, appointed by the Board of Directors of the Company, which is responsible for ongoing oversight of legal compliance through monitoring activities. The Programme establishes the Supervisory Body's composition, duties and powers, its requirements in terms of autonomy, independence, professionalism and continuity of action, and its eligibility requirements, term in office and reasons for termination. The Supervisory Body thus constituted is then given internal rules that set out its functioning.

The Programme has been drawn up with the aim of providing a certain measure of security against the commission of crimes: it is only possible to commit predicate crimes by fraudulently circumventing its provisions and not complying with company procedures. All the business activities that carry a risk of crime are, in fact, proceduralised and structured in such a way as to ensure the separation of tasks between those who perform the crucial phases or activities of an at-risk process.

#### **1.5 METHODOLOGY USED TO PREPARE PIAGGIO'S COMPLIANCE PROGRAMME**

The Programme was drafted in relation to Piaggio's specific corporate context.

As suggested by Confindustria Guidelines, last updated in June 2021, the analysis of the corporate context and subsequent identification of potential risks were the starting point for identifying “at-risk” processes, i.e. those processes potentially involved in the commission of Predicate Crimes, as well as the possible ways in which they could be committed.



This first phase of mapping the at-risk processes was followed by an assessment of the Company's existing internal control system for the prevention of the Predicate Crimes, and its possible alignment in terms of the ability to effectively counter the identified risks.

The Programme - adopted in 2004 - has been adapted at regular intervals in relation to corporate changes that have taken place over time, and to legal developments over the years, that have introduced new Predicate Crimes.

## **1.6 INFORMATION AND TRAINING**

The Programme is brought to the attention of internal and external stakeholders through dedicated communication activities and its publication on the Company website. In order to ensure its proper understanding and dissemination, the HR function prepares and implements – also according to the instructions of the Supervisory Body – an annual training plan to promote awareness of the principles and ethical standards set out in the Programme. The training initiatives are differentiated according to people's role and responsibility, in the belief that effective implementation of the Programme is also ensured by an adequate training of its Recipients.

The annual training plan provides for:

- basic e-learning training for all personnel, which allows timely and widespread dissemination of the contents common to all personnel - applicable legislation (Legislative Decree 231/2001 and predicate crimes), the Programme and its functioning, the contents of the Code of Ethics - and is enhanced by self-assessment and learning tests.
- specific classroom activities for function managers operating in at-risk processes/areas of activity where there is a greater risk of illegal conduct, during which the principles of control and conduct which they should observe in performing their activities are described.
- insight modules in the case of updates to regulations or internal procedures.

The training courses (classroom, e-learning, any insight modules) are mandatory. breach of this obligation constitutes a disciplinary offence.

## **1.7 GOVERNANCE STRUCTURE OF PIAGGIO**

Founded in 1884, Piaggio & C. S.p.A. designs, manufactures and sells motorised two-, three- and four-wheeler vehicles, ranking among the leading global manufacturers of two-wheeler.





The Company is organised according to the traditional administration and control model set out in Articles 2380 bis and following of the Italian Civil Code: and consists of the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors.

The system aims to guarantee the proper and responsible management of the company, in order to promote confidence among shareholders, customers and partners. The Company's governance is based on a coherent and integrated system that includes company delegated powers and authorities that are regularly updated in light of both legal developments and changes in the company's organisational system. The system of delegated powers is documented and traceable so as to facilitate its reconstruction a posteriori.

Wide-ranging powers for the ordinary and extraordinary administration of the Company have been delegated to the Chairman and Chief Executive Officer, with the exception of the powers reserved to the Board of Directors.

The Board has a central role in connection with corporate organisation and is responsible for the functions and strategic guidelines, as well as the verification of the existence of necessary controls to monitor the performance of Piaggio and Group companies. The Board has all powers for the management of the company and for this purpose can approve or execute all actions considered necessary and/or useful for the implementation of the objects of the company with the exception of those reserved by law and by the Articles of Association for the Shareholders' Meeting.

The Board of Statutory Auditors oversees correct governance and the adequacy the organisational, administrative and accounting structure of the Company, and its proper functioning.

The Corporate Governance System adopted by Piaggio conforms to the principles set out in the Governance Code for Listed Companies (the "Governance Code") drawn up by Borsa Italiana S.p.A. and last amended on 31 January 2020, and to national and international best practices. The Code helps to define the Company's overall corporate governance structure, by governing the set of rules and procedures to which the company bodies refer to steer their course of action and to comply with their various responsibilities towards its stakeholders. Piaggio has also adopted a Code of Ethics aimed at defining a set of corporate ethics principles with which the Company identifies. The Company requires its company boards, its employees and all those who cooperate in any way in the pursuit of corporate interests to comply with this Code. The Business Ethics Committee was established in 2008. It develops rules and regulations for organisational conduct within the Group in line with international best practices on Corporate Social Responsibility and monitors the actual implementation of the provisions of the Code of Ethics.



## 2. DISCIPLINARY SYSTEM

### 2.1 INTRODUCTION

Article 6 of the decree relates the exemption of direct liability of the entity to the adoption and effective implementation of a compliance programme that is able to prevent the commission of the criminal offences covered by the decree and requires the introduction of “*an appropriate disciplinary system to punish failure to comply with the measures set out in the programme*”, which therefore becomes an integral part of the Compliance Programme as a whole.

Accordingly, the disciplinary system is an essential part of the Compliance Programme for the entity to qualify for the “exemption” established by the above-mentioned legislation.

### 2.2 DISCIPLINARY SYSTEM

The Disciplinary System identifies infringements of the provisions contained in the Programme and/or the procedures referred to therein, as well as the disciplinary measures that the Company can use for the respective types of violations.

All the infringements and the related penalties are specifically laid out in the annexed table.

The Compliance Programme, including the disciplinary system, because of the importance of its application, must be formally declared binding for all Recipients and, therefore, must be displayed, as required by Article 7, paragraph 1 of Law 300/1970, “*by posting in a place accessible to all.*”

Compliance with the provisions and rules of conduct laid down in the Programme constitutes fulfilment by the Company’s employees of the obligations under Article 2104, paragraph 2 of the Italian Civil Code; the content of the Programme is a substantial and integral part of these obligations.

It is understood that the application of disciplinary penalties for employees will take account of the proportionality principle under Article 2106 of the Italian Civil Code, considering, for each case, the objective severity of the act that constitutes the violation, the level of blame, any recurrence of such conduct, as well as the intentional nature of the conduct itself.

The application of the penalties provided by the Disciplinary System for violation of the provisions contained in the Programme is independent of any criminal proceedings initiated by the legal authorities and their outcome.

The Company retains the right to claim for any damage and/or liability that may result from conduct by employees and external staff in breach of the Compliance Programme.



### **2.2.1 MEASURES APPLICABLE TO NON-EXECUTIVE EMPLOYEES**

In accordance with Article 7 of Law 300 of 30 May 1970 (“Workers’ Statute”), the penalties applicable to employees of the Company and any applicable special regulations, are those provided by law and the sanction system laid down in the employment contract, namely:

- verbal reprimand;
- written reprimand;
- fine worth up to three hours of basic salary;
- suspension from work and pay (for up to three days);
- dismissal with notice;
- summary dismissal

### **2.2.2 MEASURES APPLICABLE TO EXECUTIVE EMPLOYEES**

In the event of violation by executives of the provisions of the Programme and/or in the procedures referred to therein, they will be subject to the most appropriate measures in accordance with the provisions of the law and by the "National Collective Legal and Economic Bargaining Agreement for Industrial Executives”.

If the violation of the Programme and/or the procedures referred to therein by the executive is serious enough to undermine the relationship of trust with the Company, then the penalty can also be dismissal for cause.

Without prejudice to the obligations of the Company arising from the Workers’ Statute, the actions by employees and executives that constitute violations of the programme are as follows (accompanied by the related penalties):

## **DISCIPLINARY SYSTEM**

INFRINGEMENTS	NON-EXECUTIVE EMPLOYEES (Penalties under Articles 23-24-25 letters a) and b) General Rules - Section 3 of the Metalworking Collective Bargaining Agreement)	SENIOR MANAGEMENT
Substantial non-compliance with the provisions identified in the “General Principles of Internal Control” with reference to the Scope of Control.	Verbal warning Written warning Fine worth up to three hours of basic salary Temporary suspension from work and deduction of pay for up to three days Dismissal with notice	Appropriate measures consistent with the National Collective Bargaining Agreement for Industrial Executives
Non-compliance with the provisions identified in the “General Principles of Internal Control” with reference to Risk Assessment, Control Work, Information and Communications, and Monitoring.	Verbal warning Written warning Fine worth up to three hours of basic salary Temporary suspension from work and deduction of pay for up to three days Dismissal with notice	Appropriate measures consistent with the National Collective Bargaining Agreement for Industrial Executives
Failure to comply with conduct set out in the "Code of Conduct".	Fine worth up to three hours of basic salary Temporary suspension from work and deduction of pay for up to three days Dismissal with notice	Appropriate measures consistent with the National Collective Bargaining Agreement for Industrial Executives
Non-compliance with the specific controls set out in the Special Sections due to negligence, without exposing the Company to an objective situation of danger.	Written warning Fine worth up to three hours of basic salary Temporary suspension from work and deduction of pay for up to three days Dismissal with notice	Appropriate measures consistent with the National Collective Bargaining Agreement for Industrial Executives
Failure to notify the Supervisory Body.	Verbal warning Written warning Fine worth up to three hours of basic salary Temporary suspension from work and deduction of pay for up to three days Dismissal with notice Summary dismissal	Appropriate measures consistent with the National Collective Bargaining Agreement for Industrial Executives.

INFRINGEMENTS	NON-EXECUTIVE EMPLOYEES (Penalties under Articles 23-24-25 letters a) and b) General Rules - Section 3 of the Metalworking Collective Bargaining Agreement)	SENIOR MANAGEMENT
At-risk conduct (as listed in the Special Sections).	Verbal warning Written warning Fine worth up to three hours of basic salary Temporary suspension from work and deduction of pay for up to three days	Appropriate measures consistent with the National Collective Bargaining Agreement for Industrial Executives
Forms of at-risk conduct (as listed in the Special Sections) that actually result in an act that also exposes the Company to an objective situation of danger.	Temporary suspension from work and deduction of pay for up to three days Dismissal with notice Summary dismissal	Appropriate measures consistent with the National Collective Bargaining Agreement for Industrial Executives
Conduct unequivocally and intentionally directed at committing a crime sanctioned in the decree.	Dismissal with notice Summary dismissal	Appropriate measures consistent with the National Collective Bargaining Agreement for Industrial Executives
Any other form of conduct that potentially gives rise to the imposition on the Company of the measures established by the decree.	Fine worth up to three hours of basic salary. Temporary suspension from work and deduction of pay for up to three days Dismissal with notice Summary dismissal	Appropriate measures consistent with the National Collective Bargaining Agreement for Industrial Executives.
Conduct that has resulted in application of the measures established by Decree.	Temporary suspension from work and deduction of pay for up to three days Dismissal with notice Summary dismissal	Appropriate measures consistent with the National Collective Bargaining Agreement for Industrial Executives
Substantial non-compliance with the provisions set out in the “Rules on Whistleblowing”, with particular reference to the breach of measures for the protection of whistleblowers and to reports that prove to be groundless and are made with gross negligence or malice.	Verbal warning Written warning Fine worth up to three hours of basic salary Temporary suspension from work and deduction of pay for up to three days Dismissal with notice Summary dismissal	Appropriate measures consistent with the National Collective Bargaining Agreement for Industrial Executives



INFRINGEMENTS	NON-EXECUTIVE EMPLOYEES (Penalties under Articles 23-24-25 letters a) and b) General Rules - Section 3 of the Metalworking Collective Bargaining Agreement)	SENIOR MANAGEMENT
Substantial non-compliance with the requirements set out in the "Antitrust Compliance Manual", with particular reference to violation of the guidelines on conduct in Part I, Part II and Part III of the Manual, committed with serious negligence or intent.	Verbal warning Written warning Fine worth up to three hours of basic salary Temporary suspension from work and deduction of pay for up to three days Dismissal with notice Summary dismissal	Appropriate measures consistent with the National Collective Bargaining Agreement for Industrial Executives

\* Non-compliance and forms of conduct by employees in breach of the rules set out in this Compliance Programme entail the imposition of disciplinary penalties which, in accordance with Legislative Decree 231/2001, are applied on a proportional basis as provided for in Article 2106 of the Italian Civil Code, taking into account – for each specific case – the objective severity of the act that constitutes the violation, the level of blame, any recurrence of such conduct, as well as the intentional nature of the conduct itself.

### 2.2.3 MEASURES AGAINST COMPANY DIRECTORS

For violations committed by top managers, the Supervisory Body shall promptly inform the entire Board of Directors and Board of Statutory Auditors, in order to adopt appropriate measures including, for example, convening the General Shareholders' Meeting in order to take the most appropriate decisions required by law, and/or the withdrawal of delegated powers granted and/or removal from office or a position.

### 2.2.4 MEASURES TAKEN AGAINST AUDITORS

Upon notice of violation of the provisions of Legislative Decree 231/2001 by one or more statutory auditors, the Supervisory Body must immediately inform all members of the Board of Statutory Auditors and the Board of Directors.

The persons/entities that receive the notice from the Supervisory Body can take, in accordance with the articles of association, appropriate measures including, for example, convening the General Shareholders'



Meeting in order to take the most appropriate decisions required by law, and/or the withdrawal of delegated powers conferred and/or removal from office.

### **2.2.5 MEASURES AGAINST THIRD PARTIES**

Violations of the provisions and rules of conduct contained in the Code of Ethics and Conduct Guidelines and any commission of the crimes provided for by Legislative Decree 231/2001, put in place by Third Parties which, although not belonging to the Company, act on behalf and/or in the interest of the same (such as outsourcers, consultants and service contractors) are sanctioned in accordance with the provisions of the specific contractual clauses included in their contracts. Such clauses may include, without limitation, the right to terminate the contract and/or the payment of penalties.

The imposition of sanctions may involve, in addition, the prohibition of establishing new contractual relations with the parties involved, unless the Board of Directors decides otherwise.

## **3. COMPLIANCE COMMITTEE**

### **3.1 ROLE AND COMPOSITION**

The Decree relates the entity's exemption from direct liability to the adoption and effective implementation of a compliance programme that is able to prevent the commission of the criminal offences considered by such legislation and requires the establishment of a Supervisory Body within the entity that has '*autonomous powers of initiative and control*' and is specifically assigned the '*task of supervising the operation and compliance of the programme and keeping it up-to-date*'.

For smaller companies, there is an exception that allows the management body to be directly allocated the functions of the Supervisory Body but it is abundantly clear that this alternative solution does not apply to Piaggio, which has a supervisory body appointed by the Board of Directors at its meeting on 12 March 2004.

Piaggio's Supervisory Body supervises the functioning of the programme in order to verify its suitability and detect any deficiencies that must be reported to the Management Board so that it can eliminate them. As required by the Decree and the Confindustria Guidelines approved on 7 March 2002, and last updated in March 2021, the Supervisory Body has autonomy, independence, professionalism and continuity of action. It therefore follows that the Supervisory Body's decisions cannot be challenged by the entity's organisational structures, as this would undermine the essential requirement for it to be autonomous and also the necessary independence of its members.



The basic requirements of the Supervisory Body must be understood in relation to its functions and the duties assigned to it by law.

In particular, **autonomy and independence** must be understood in the sense that the position of this body inside the entity must be such as to guarantee the independence of its control activities from all forms of interference and/or influence by any component whatsoever of the entity – especially the management board which, instead, is one of the parties subject to supervision. Autonomy and independence are assured by putting the Body in the highest possible hierarchical position, for example “reporting” to the absolute highest level of company management. This must be accompanied by not giving the Supervisory Body operational tasks that, by making it party to operating decisions and activities, would undermine its objective judgement when carrying out checks on conduct and the Programme.

As for the requirement of **professionalism**, this refers to the set of knowledge and techniques that the unit must possess in order to effectively carry out its work. This includes specialist techniques typical of people who perform “inspections” but also provide advice. Reference is evident - by way of example to - statistics; risk analysis and assessment techniques; measures for their containment (authorisation procedures; cross-checking mechanisms; etc.); the flow-charting of procedures and processes for the identification of weaknesses; interview techniques and questionnaire development; psychological aspects; fraud detection methodologies, etc. These are techniques which may be used as a preventive measure, to adopt - when drawing up the Programme and making subsequent amendments - the most appropriate measures to prevent, with reasonable certainty, the commission of these crimes (advisory-type approach); or they may be used a posteriori, to ascertain how a crime of the type in question was committed and who did it (inspection-type approach); or, even, to verify that current day-to-day behaviour effectively complies with written procedures.

With reference to legal expertise instead, it should not be forgotten that the rules in question are essentially criminal rules and that the control system envisaged by the Decree aims to prevent the commission of actions that could facilitate the commission of predicate crimes or that could be considered to be at-risk. Knowledge of the structure of crimes and how they are committed is therefore essential, which may be ensured through the use of internal resources or external consultants.

**Continuity of action suggests** – especially in large and medium sized companies – the presence of an internal structure dedicated exclusively, on a full-time basis to supervision of the Programme without (as mentioned) operational responsibilities that could lead it to take decisions with income/financial effects. In view of the above, the optimal and necessary solution to adequately oversee Piaggio’s Compliance Programme has been to have a Supervisory Body composed of external (or mixed members with an





external Chairman), which may appoint representatives within the company who are responsible for reporting to the Supervisory Body and therefore ensuring reporting relationships.

These representatives, appointed for each production unit, assume the status of “persons responsible” for the task in question.

The Board of Directors of the Company, in compliance with legal requirements, has appointed a Supervisory Body that takes the form of a board composed of three members identified based on the following criteria:

- a member of the Board of Statutory Auditors of Piaggio;
- the Piaggio manager in charge of the legal and compliance and/or internal control functions
- an external professional with the necessary requirements, who is appointed Chairman.

The Piaggio Supervisory Body meets at least every quarter. Extraordinary meetings may also be convened by the Chairman as often as necessary in accordance with corporate situations.

The Supervisory Body has a *Regulation on its composition, structure and functioning*, which it has approved, describing its operations and internal organisation, supervisory activities and the management of reports.

### **3.2 REASONS FOR INELIGIBILITY AND/OR INCOMPATIBILITY OF THE MEMBERS OF THE SUPERVISORY BODY**

Reasons for ineligibility and/or incompatibility of the members of the Supervisory Body include:

- working or having worked in the last three years for the Independent Auditors of the Company or other Group companies, or taking part as a statutory auditor or person responsible for statutory audit or management and supervision in the audit of the financial statements of the Company or another Group company;
- having family, spousal or family-in-law ties within the fourth degree with the members of the Board of Directors or the Board of Statutory Auditors of the Company or subsidiaries;
- being engaged in economic and/or contractual relations with the Company, its subsidiaries and/or their directors, directly or indirectly, except for full-time employment, for consideration or free of charge, to such an extent that would compromise independence;
- having performed – in the three years prior to their appointment – administrative, management or control functions in companies subject to bankruptcy, compulsory winding-up or equivalent proceedings or in companies operating in the credit, financial, securities or insurance sector subject to extraordinary administration;



- being temporarily barred or suspended from the managerial positions of legal entities and businesses;
- being ineligible or subject to forfeit under Article 2382 of the Italian Civil Code;
- being subject to preventive measures under Law 1423 of 27 December 1956 or Law 575 of 31 May 1965 as amended, unless rehabilitated;
- having a conviction or having settled by plea bargain, even if not definitive and including suspended sentences, unless rehabilitated, for:
  - ✓ one of the crimes envisaged by Royal Decree 267 of 16 March 1942 (Bankruptcy Law);
  - ✓ one of the crimes envisaged under Title XI of Book V of the Italian Civil Code (companies and consortia),
  - ✓ one of the crimes against the public administration, against public trust, against property, against the public economy, or for a tax crime;
  - ✓ one of the crimes identified by the rules governing banking, financial, securities, and insurance activities and by the laws relating to markets, transferable securities, and payment instruments; any other crime committed with criminal intent, subject to not less than one year;
- having been the recipient of a decree ordering trial for at least one of the crimes contemplated in Legislative Decree 231/2001, without prejudice to a subsequent acquittal sentence or without prejudice to the effects of rehabilitation.

If, during office, a reason for forfeit arises because one of the subjective eligibility requirements described above is no longer met, the member concerned shall immediately inform the other members of the Supervisory Body and the Board of Directors.

### 3.3 REASONS FOR TERMINATION OF OFFICE

The reasons for termination of the entire Supervisory Body must be kept separate from those affecting individual members.

The Supervisory Body's term in office may be ended for one of the following reasons:

- **end of term**: the members of the Supervisory Body remain in office until the approval of the financial statements for the third year following the appointment year and can be reappointed; pending the appointment of the new members of the Supervisory Body, the members must fulfil their mandate within the Body for a further three months, after which the Board of Directors must immediately appoint the new Supervisory Body;



- **resignation of the majority of members of the Supervisory Body**: must be formalised by means of a written communication sent to the Board of Directors;
- **removal from office** of the Supervisory Body by the Board of Directors.

In order to guarantee the absolute independence of the Supervisory Body, removal from office can only take place for just cause.

Just cause of removal from office means the occurrence of one of the following:

- serious negligence in the performance of the tasks associated with the office, including breach of confidentiality obligations;
- a sanction imposed on the Company, even if not on a permanent basis, pursuant to Legislative Decree 231/2001, related to an alleged omission or insufficient supervision, including through negligence, of the Supervisory Body.

Removal from office for just cause is ordered by resolution of the Board of Directors, after having heard the opinion of the Board of Statutory Auditors.

In case of expiry, removal from office or resignation, the Board of Directors appoints the new Supervisory Body without delay.

On the other hand, an individual member's appointment may end:

- if the office or corporate role held is abolished;
- due to resignation, formalised by written communication to the Board of Directors;
- if one of the reasons for forfeit and/or incompatibility set out in section 4.2 arises;
- due to removal from office on the part of the Board of Directors.

An individual member of the Supervisory Body can only be removed from office for just cause, understood to mean the hypotheses applicable to the entire Supervisory Body (as above) and also the following hypotheses:

- in the event of breaches of non-disclosure obligations which members of the Supervisory Body are subject to, or cases in which the member has acted with gross negligence or malice;
- the occurrence of serious and proven reasons that compromise the autonomy or independence of judgement of the individual member;
- appointment to operational functions and responsibilities within the company's organisation that are incompatible with the requirements of "autonomy and independence" and "continuity of action" inherent to the Supervisory Body;

In addition, the Supervisory Body or one of its members may be removed from office for one of the following reasons:



- having direct or indirect shareholdings in the Company, such as to permit significant control or influence, or that would compromise their independence;
- unjustified absence, during the business year, at two consecutive meetings of the SB.

Also in this case, removal from office is ordered by resolution of the Board of Directors, after having heard the opinion of the Board of Statutory Auditors.

In the event of the resignation, forfeit or incompatibility of one of the internal members of the Body without the concurrent termination of their company role, the Board of Directors shall redefine the composition of the Body to allow for the appointment of a new member.

In the event of termination of an external member, they remain in office until their replacement, to which the Board of Directors attends without delay.

In both cases, the newly appointed member's term in office expires at the same time as the other members of the Supervisory Body.

### **3.4 DUTIES AND POWERS OF THE SUPERVISORY BODY**

The following duties are assigned to the Supervisory Body:

- ✓ verify the practical suitability of the Programme, overseeing its updates and constant alignment, and where appropriate suggesting corrections and/or improvements to the Board of Directors (e.g. following the entry into force of new regulations, organisational changes or new activities, or in the event of significant breaches of the Programme's requirements);
- ✓ supervise the functioning and observance of the Programme, specifically:
  - verify the application of the Programme and its compliance through ethical auditing, which consists of identifying and promoting continuous ethical improvement within the Company through an analysis and evaluation of processes for monitoring compliance with the procedures set out in the Programme;
  - monitor initiatives for promoting knowledge and understanding of the Code of Ethics. Specifically: overseeing ethical communication and training activities; analysing proposals for reviewing company policies and procedures with significant impacts on corporate ethics and proposing hypothetical solutions for the assessment of the Internal Control Committee;
  - autonomously organising a supervisory programme in the various sectors of activity, ensuring – also with the support of internal structures – its actual implementation through scheduled control activities;



- provide regular annual reports to the Board of Directors on the results of the audit activities carried out;
- examine and evaluate the information and reports received regarding compliance with the Programme as well as breaches of its provisions, including those reported by the heads of the Company's individual production units;
- ensure that appropriate disciplinary measures are taken against persons who violate the provisions of the Programme, proposing – where deemed necessary – the application of specific penalties in accordance with the provisions of the disciplinary system;
- evaluate the work plan prepared with the help of Internal Audit, for the dissemination of the Programme within the Company, and its periodic reports;
- contribute to the preparation of training plans and monitor the fulfilment of training obligations;
- assess the proper management of financial resources, in accordance with the standards and procedures of the Programme.

For the performance of its duties, the Supervisory Body has all powers necessary to conduct timely and effective supervisory activities, including, but not limited to the following:

- ✓ carrying out audits and inspections, even without prior notice or prior authorisation;
- ✓ performing spot checks on operating processes in order to ascertain any company actions that do not comply with current requirements;
- ✓ arranging, where deemed appropriate, hearings of personnel who can provide useful advice or information on any problems or violations of the Programme;
- ✓ obtaining information and accessing any kind of corporate documentation, in accordance with privacy regulations, including through specific requests to the relevant functions, provided that no employee can refuse to provide the Supervisory Body with the documentation and information requested;
- ✓ appointing a general contact person responsible for assisting the Supervisory Body in carrying out its duties.

The Supervisory Body may also request (including through a pre-appointed member) to attend ordinary or extraordinary meetings of shareholders and meetings of the Board of Directors (under no circumstances do members of the Supervisory Body have the power to intervene by expressing opinions on corporate decisions taken within these bodies), as well as meetings of the Board of Statutory Auditors. The Supervisory Body is also granted an annual budget to carry out its tasks, thereby guaranteeing its



autonomy and independence. A Budget, which is decided annually on a proposal by the Body. If necessary, the Supervisory Body may also assign additional resources, subject to a written and reasoned request.

To undertake its tasks, the Supervisory Body is supported by the Internal Audit function and the compliance function of the legal and corporate office for the tasks entrusted to it. From time to time, it may also be assisted by other personnel of the Company or the Group, when the supervisory activities require professionals with specific skills. In this case, all personnel used will continue to report to their hierarchical superior but will be functionally overseen by the Supervisory Body and will report to it for the assigned tasks. In addition, the Supervisory Body, in the performance of its duties and under its direct oversight and supervision, may have the technical support of external consultants and professionals, who will provide required opinions within its budget and financial availability.

The activities of all members of the Supervisory Body (including "internal" members) must be adequately remunerated.

The remuneration paid to members of the Supervisory Body is set and allocated by the Board of Directors upon appointment or renewal.

### **3.5 INFORMATION FLOWS TO THE SUPERVISORY BODY**

Information flows are an essential component of an internal control system for preventing the commission of Predicate Crimes, as they are useful for knowing and managing risks in a timely manner. Without an efficient information system that enables the company to know (and anticipate) the risks associated with the conduct of its business, it is not possible to set up response actions and control activities.

Information flows are regulated by Article 6, paragraph 2, letter d) of Legislative Decree 231/2001, which establishes that the Programme must “*provide for information obligations vis-à-vis the body responsible for supervising the functioning and observance of compliance programmes*”.

Thanks to appropriately structured information flows, the Supervisory Body is made aware of the organisation’s affairs regarding compliance matters: in fact, the range of information does not only include economic and financial information, but also, for example, information relating to production and commercial activities, developments in technology, and the issue of rules and regulations that could have an impact on the company's business.



The information flows must be: (i) suitable to effectively represent the monitored event (signalling capacity); (ii) reliable, in the sense that the reported data must be true and correct; (iii) up-to-date, since the information must be as current as possible with respect to the observation period.

In accordance with the aforesaid regulations, the Company has established a system of information flows to the Supervisory Body in order to enable the efficient and effective performance of its supervisory tasks.

The Organisational Manual MO-04 “*Information Flows to the Supervisory Body*” defines in detail the methods of “institutional” communication to the Supervisory Body and all the information that must be provided in relation to at-risk processes and the categories of crimes that are applicable in the abstract. The procedure also identifies the corporate functions responsible for periodically informing the Supervisory Body, the frequency of the flows and their subject matter.

The Company has a systematic and structured reporting system for significant issues/matters, which may trigger controls and further investigation by the Supervisory Body in order to ascertain any malfunctions or breaches of the provisions of the Programme. All Recipients of the Programme must also inform the Supervisory Body of any fact or circumstance that may constitute – or may only give rise to suspicion of – a breach or potential breach of any provision of the Programme (including the Code of Ethics and the Conduct Guidelines) that could be relevant for the purposes of the decree; as well as any information concerning the commission or alleged commission or reasonable danger of the commission of Predicate Crimes.

a) In general, information about the following must be sent immediately to the Supervisory Body (ad hoc reports) by the persons responsible:

- measures and/or information from the judicial police, or any other authority, concerning the conduct of investigations involving, for crimes covered by the Decree, the Company, its employees or members of its corporate bodies;
- inquiry committees or internal reports from responsibility for the alleged Predicate Crimes covered by the Decree has emerged;
- litigation in progress (as claimant and defendant) when the counterparty is a public body or entity (or equivalent) and, upon their conclusion, the relative outcomes;
- requests for legal assistance sent by employees in the event of legal proceedings against them and in relation to crimes under the Decree, unless expressly prohibited by the legal authorities;





- the actual implementation, at all levels of the company, of the Programme, with evidence of disciplinary proceedings carried out and any penalties imposed, or of orders to dismiss such proceedings with the relevant reasons;
- visits, inspections and audits by the competent bodies (by way of example only: Revenue Agency, Tax Police) and, upon their conclusion, any findings and penalties imposed;
- any orders received from the hierarchical superior of one of the Recipients of the Programme found to be in conflict with the law, internal regulations or the Programme itself.

b) the Supervisory Body must also be sent all relevant information to ensure the Programme is in line with the purposes set out in the Decree, including information concerning:

- particularly significant operations carried out in the context of at-risk processes and activities;
- the statement on the truthfulness and completeness of the information contained in corporate communications;
- internal/external audit projects that have critical aspects and opportunities for improvement, with relevance pursuant to Legislative Decree 231/2001;
- the findings of the audit activities carried out by the *Internal Audit* function which are of common relevance to the controls carried out by the Supervisory Body;
- change in and/or development of corporate information systems;
- all reports of suspected or ascertained violations of the Programme, through the procedures adopted by the Company in implementation of the regulations in force in this field.

More details on this may be found in section 4 below.

c) An additional channel for reporting and transmitting documents (so-called periodic flows) is also set up in accordance with the express request of the Supervisory Body, in order to facilitate supervision of the Programme's effectiveness; for more details of the flows set out below by way of example only, please refer to the Company's specific procedure (procedure MO-04) relating to:

- changes in the company structure;
- information on any acquisitions/disposals of shareholdings and other extraordinary transactions;
- changes in at-risk processes and activities that are relevant under the Decree;
- information on changes in the organisation or company procedures in force (quarterly);
- updates on the system of powers and authorities (quarterly);
- information on topics discussed at board meetings and relevant to the supervisory activity performed by the body (quarterly);





- the list of tenders - and their status - (with regard to any international/national/local public or public-relevant tenders) in which the Company has participated (quarterly);
- documents relating to the application for, disbursement and use of public funding (every six months);
- documents summarising any sponsorship, donation and gift initiatives for public entities (every six months);
- periodic reporting on occupational health and safety, and, in particular:
  - (i) the minutes of the periodic meeting referred to in Article 35 of Legislative Decree 81/2008 (annual)
  - (ii) information on the approved annual expenditure/investment budget in order to carry out necessary and/or appropriate security improvements
  - (iii) all data on occupational accidents occurring on the Company's premises (annual);
- any updates to the Risk Assessment Report (annual);
- any reports by the Company-appointed Doctor of abnormal situations found during periodic or scheduled check-ups (every six months);
- audits - conducted internally or through consultants - on Health, Safety and Environmental aspects (every six months);
- audits of risk areas, instrumental areas and/or at-risk activities, referred to in the Programme (every six months);
- the (annual) financial statements, together with the notes;
- specific assignments given to the independent auditors other than the periodic (half-yearly) audit assignment;
- communications, by the Board of Auditors and the independent auditors, of any critical issues that have arisen, even if resolved (quarterly);
- the receipt for sending the MUDs (Modello Unico Dichiarazione Ambientale - Single Environmental Declaration Form) to the relevant Chambers of Commerce for each premises/facility.

Finally, as part of the **periodic flows**, all transactions that deviate from the adopted procedures as well as from the general control system must be adequately and promptly reported in order to allow the entire system of *reporting* of Piaggio to be constantly aligned with all requirements.

Periodic flows must be guaranteed, even in the case of a negative outcome.



The information received by the Supervisory Body shall be used for the purpose of improving the planning of control activities, and shall not require a systematic verification of all the facts reported, as the decision to take action following a report is at the discretion and responsibility of the Body.

### **3.6 REPORTING OBLIGATIONS OF THE SUPERVISORY BODY**

To ensure the Programme's preventive effectiveness and its practical implementation, the Supervisory Body is required to regularly inform the Board of Directors and the Board of Statutory Auditors of its supervisory activities and its findings, and to propose any corrections and improvements to the Programme.

To this end, the Supervisory Body sends a written report, every six months, to the Board of Directors and the Board of Statutory Auditors on the following matters:

- reports received by the Supervisory Body and any proposals for amending/updating the Programme;
- any proven violations and proposed disciplinary sanctions against the persons responsible;
- the status of updates to the Programme and any legislative updates regarding Legislative Decree 231/01, above all on the introduction of new types of Predicate Crimes;
- the evidence contained in “event” and “periodic” information flows;
- the functioning and implementation of the Programme, with attached summary of the audits carried out and their outcomes;
- the audit plan for the next financial year;
- the results of audits on sensitive processes.

Where the audit activities are of common relevance to the audit activities carried out by the Internal Audit function, the Supervisory Body and Internal Audit exchange and share the results of such audits.

In the event of serious anomalies in the functioning and observance of the Programme or of a breach of its provisions, the Supervisory Body reports these promptly to the Board of Directors.

Likewise, notice from the legal authorities or other sources of the commission of a crime or suspected crime that could potentially involve the Company must be immediately notified by the Supervisory Body to the Board of Directors.

The Supervisory Body may be convened at any time by the Board of Directors. In turn, the Supervisory Body may request – if it deems it appropriate or necessary – to be heard by the Board of Directors, in order to report on particular events or situations relating to the functioning of the Programme and compliance with it, and if necessary, asking the Board of Directors to take action. In addition, the



Supervisory Body may – if it considers it necessary or appropriate – ask to be convened by the Board of Statutory Auditors.

#### **4. RULES ON *WHISTLEBLOWING***

On 10 March 2023, Legislative Decree 24 was approved, on the “Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law”. The decree was published in the Gazzetta Ufficiale [Official Gazette] on 15 March 2023 and came into force on 30 March 2023, replacing Law 179 of 30 November 2017, also known as the *Whistleblowing* Law.

*Whistleblowing*, which is of Anglo-Saxon origin, came about with the aim of providing a system to protect people reporting irregularities and/or wrongdoings they become aware of in the workplace.

With the entry into force of Legislative Decree 24/2023, an integrated system of rules was introduced into the Italian legal system, addressing both the public and the private sector, with the aim of encouraging the reporting of crimes that undermine the public interest, *i.e.* the integrity of the entity.

The above-mentioned reports may concern not only unlawful conduct relevant under the Decree and violations of the Compliance Programme, but also all breaches of national law (administrative, accounting and criminal offences) and European law.

The scope of application of the rules in question has been broadened and now refers to a set of obligations and protections that differ depending on the subject of the breach, the public or private nature of the *whistleblower*, as well as the size of the entity and the applicability of the Decree to the latter.

The safeguards foreseen for whistleblowing cases have been strengthened and essentially operate on two levels, with the introduction of the procedure for reporting through external channels and public disclosure, which complements the already existing procedure for reporting through internal channels.

In order to modernise and consolidate existing internal reporting channels, Piaggio & C. S.p.A. has also adopted a Group Whistleblowing Policy. The result is a new internal reporting channel, which can be accessed online at: <https://www.piaggiogroup.com/it/governance/codice-etico> (“**Channel**”), which replaces the previous reporting channels established under the Programme.

The Channel was created to allow anyone to safely share any information concerning serious crimes related to violations of the law and/or the internal control system (*e.g.* Code of Ethics, Compliance Programme, internal policies and procedures), which have occurred or are very likely to occur in the organisation. The Whistleblower must have reasonable grounds to believe that the information shared is



true (principle of good faith) and that it falls within one of the subject areas specified in the Piaggio Group Whistleblowing Policy.

Reports sent through the Channel can be addressed directly to the attention of the Supervisory Body.

The alternative internal channel whereby reports may be submitted by letter to be sent to the attention of the Supervisory Body at the address: Viale Rinaldo Piaggio, 25 Pontedera (PI) 56025, Italy.

Piaggio guarantees the full confidentiality of the identity of the person making the report and of other persons concerned by the report, and any information provided will be treated with the utmost diligence. Reports sent in bad faith will not be accepted, nor will any retaliatory measures towards the reporter or persons close to him/her be tolerated.

In order to encourage the use of the internal procedure, private entities are required to set up an internal communication channel, through which whistleblowers can submit detailed reports of unlawful conduct, which allows for the timely and effective handling of reports and which guarantees, at the same time, the confidentiality of the whistleblower and of the person involved or referred to in the report, as well as the content of the report and of the documentation attached to it.

In the event that the prohibition on retaliatory or discriminatory acts against the whistleblower is circumvented for reasons directly or indirectly linked to the report, or in the event of abuse, the entity must impose appropriate sanctions, in addition to the provisions of the Sanctions System, on anyone who violates the aforementioned measures to protect the whistleblower, as well as on anyone who makes, with malice or serious misconduct, reports that turn out to be unfounded.

It is up to the Supervisory *Body/Office in charge of whistleblowing*, as the recipient of whistleblowers' reports, to ensure proper compliance with applicable regulatory provisions. In this regard, the Supervisory Body/Officer in charge of whistleblowing:

- verifies the adequacy of the information channels set up in application of the Whistleblowing rules;
- ensures compliance with the prohibition on direct or indirect retaliatory or discriminatory acts against the whistleblower;
- manages the process of analysing and evaluating reports;
- monitors the correct use of information channels by whistleblowers in order to discourage the use of the communication tool to report facts or circumstances that turn out to be unfounded.

The proper functioning of the Whistleblowing system presupposes that the persons concerned are adequately informed about the system and are enabled to make use of the mechanisms for reporting crimes or irregularities.



Accordingly, the Supervisory Body/Officer in charge of whistleblowing is responsible for overseeing the training of the Company's employees and external staff, in agreement with the other corporate functions responsible for the matter, informing them of:

- the changes introduced by applicable legislation;
- the disciplinary sanctions provided for to protect whistleblowers, which supplement the disciplinary system already envisaged in the Programme;
- the correct use of reporting channels.

Finally, the Decree gives a supervisory role, also regarding private entities, to the National Anti-Corruption Authority, which manages the external channel and intervenes in the event of retaliation against whistleblowers.

The Company has adopted the Piaggio Group *Whistleblowing Policy* which applies to: (i) all employees, managers, directors, volunteers and paid or unpaid trainees of the Piaggio Group ("**Personnel**"); (ii) shareholders and persons belonging to the administrative, management or supervisory body of a company, including non-executive members and agents, as well as persons working under the supervision and direction of contractors, subcontractors and suppliers ("**Third Parties**"); (iii) former staff members and persons who are to enter into an employment relationship in cases where relevant information has been acquired during the selection process or other pre-contractual negotiations ("**Parties in the employment context**") (collectively "**Whistleblowers**").

The Policy has also modernised and consolidated its internal reporting channels, already existing under the Piaggio Compliance Programme. The result is a new internal reporting channel, which can be accessed online at: <https://www.piaggiogroup.com/it/governance/codice-etico> ("**Channel**"), which replaces the previous reporting channels established under the Programme.

The Channel was created to allow anyone to safely share any information concerning serious crimes related to violations of the law and/or the internal control system (*e.g.* Code of Ethics, Compliance Programme, internal policies and procedures), which have occurred or are very likely to occur in the organisation. The Whistleblower must have reasonable grounds to believe that the information shared is true (principle of good faith) and that it falls within one of the subject areas specified in the Piaggio Group *Whistleblowing Policy*.

Reports sent through the Channel can be addressed directly to the attention of the Supervisory Body.

The alternative internal channel whereby reports may be submitted by letter to be sent to the attention of the Supervisory Body at the address: viale Rinaldo Piaggio, 25 Pontedera (PI) 56025, Italy.



Piaggio guarantees the full confidentiality of the identity of the person making the report and of other persons concerned by the report, and any information provided will be treated with the utmost diligence. Reports sent in bad faith will not be accepted, nor will any retaliatory measures towards the reporter or persons close to him/her be tolerated.