



Piaggio & C. Spa Modern Slavery Statement

This statement is published by Piaggio & C. SpA (hereinafter also “Piaggio” or “Group”) in accordance with the Modern Slavery Act 2015. It is intended to communicate the steps Piaggio has taken and is committed to take in the medium term to ensure the prevention of modern slavery and human trafficking within its business and supply chains.

Piaggio’s business and supply chains

- *Over 100 countries served*
- *4 production plants in Italy, 1 in India and 1 in Vietnam*
- *3 research centres in Italy, 2 in the United States of America, 1 in India, 1 in Vietnam and 1 in China*
- *Over 383000 two-wheeler vehicles and over 211000 three- and four-wheeler vehicles produced*
- *Over 1000 suppliers*
- *Over 6200 employees*

Piaggio, the largest European manufacturer of two-wheeler motor vehicles, which ranks among the world’s leading brands in the light mobility market (two-, three- and four-wheeler vehicles), is headquartered in Pontedera (Pisa, Italy) and has production plants and research centres around the world: Pontedera, Noale (Venice, Italy), Scorzè (Venice, Italy), Mandello del Lario (Lecco, Italy), Baramati (India, in the state of Maharashtra), Vinh Phuc (Vietnam). Piaggio produces engines at its plants both for internal production and to meet the demand of other manufacturers; all other components that constitute a vehicle are purchased externally and assembled in-company.

The Group also operates in China, in Foshan in the province of Guangdong, and in the USA, in Pasadena and Boston, with research centres that aim to develop

innovative mobility and transport solutions and technologies. The Group is also present in various other countries around the world with sales and distribution subsidiaries.

Policies

The Group supports and is committed to upholding the UN Guiding Principles on Business and Human Rights and the core labour standards set out by the International Labour Organisation. The Group recognises that it has a responsibility to take a robust approach to human rights (and modern slavery and human trafficking issues) and intends to continuously integrate and ameliorate the policies and controls it has in place to safeguard against any form of slavery, servitude, human trafficking and forced labour taking place within the business or the supply chain.

Piaggio companies must comply with local legislation and regulations and must conduct their activities in line with the Code of Ethics and its core values of honesty, integrity and respect for people. The Code of Ethics provides support to Piaggio’s commitments to being responsible and respectful, and it helps staff and contractors to make informed, ethical and legal decisions. Suppliers worldwide that wish to do business with Piaggio have to sign the general conditions of supply of the Group that include the Code of Ethics.

The Code of Ethics was last revised in 2017 with the introduction of an article specifically dedicated to the protection of human rights, aimed at preventing modern slavery. Through this article, the company expresses its commitment to recognising and ensuring the utmost respect for the principles that protect



human rights, as shared at international level and articulated in a number of international conventions, specifically with regard to respect for personal dignity, rights relating to personality and the prohibition of all forms of discrimination, in particular where employees are concerned.

As from 2019 Piaggio has started a gradual process that involves new suppliers to sign a "Sustainability Statement" in order for them to be included on the Supplier List for Italy and ensure compliance with Piaggio's ethical values throughout the production cycle and sales of its products.

Piaggio is committed to ensuring that its employees and contractors act ethically and with integrity and transparency in its business dealings.

To maintain the highest standards of ethical, moral and legal conduct, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

In view of the specificity and relevance of the Indian economy, the Code of Business Conduct & Ethics and the Whistle Blower Policy have been drafted and adopted since December 2016 for the Indian affiliate; the Whistle Blower Policy is specifically intended to protect and guarantee those who report any alleged violations of the Code, thereby also safeguarding the effective application of the Code itself. At the same time, again in view of the peculiarities of Indian society, a "Policy on Prevention of Sexual Harassment of Women in the Workplace" has been adopted by the Indian affiliate to prevent incidents of sexual harassment at the factory.

Risk assessment

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

The Group is committed, within the next two years, to mapping its supply chain and performing a risk assessment of both its operations and of its supply chain with the goal of identifying the areas having the highest risks in terms of human rights (including modern slavery and human trafficking issues). This will enable a prioritization of future due diligence activities on suppliers and will allow the development of an action plan concerning the scheduling of supplier audits.

Due diligence and supplier audits

Piaggio is convinced that accountability is a commitment that should not be confined within the company but should positively involve its stakeholders; this is why the Group's vast and complex supply chain, of both direct materials/components and services, is highly regulated and supervised so as to ensure its transparent management and thorough monitoring.

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



It will be among the goals of Piaggio, within the next two years, to introduce, within the above mentioned processes and procedures already in place, new criteria, specific to the issue of human rights (including modern slavery and human trafficking issues), with which to assess potential and current suppliers. The audits conducted by the Quality function could provide the instrument through which to monitor and evaluate such new criteria.

The timing of achieving the objectives stated above may be slowed by the consequences of Covid 19.

Performance indicators

Performance indicators are essential in order to assess the effectiveness of the measures implemented. During 2019 there were no whistleblowing procedures on human rights nor investigations carried out following whistleblowing concerns on human rights.

Training

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

This statement was approved by the Board of Directors of Piaggio & C. SpA on 27 July 2020.

Chairman and Chief Executive Officer
Roberto Colaninno

A handwritten signature in blue ink, appearing to read 'Roberto Colaninno', written over the printed name.

