PIERER Mobility AG

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES REPORT 2021 PIERER MOBILITY AG

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INTRODUCTION

Incorporating the risks and opportunities associated with climate change into the business activities of the PIERER Mobility Group goes hand in hand with its mission to design future-oriented mobility solutions and promote more climate-friendly mobility. It therefore understands a sustainable approach to mean, above all, the phased reduction of emissions over the entire product life cycle. For this reason, innovative technologies are embraced to help to reduce CO_2 emissions in order to combat climate change. In this context, the PIERER Mobility Group is looking at climate-related risks and opportunities in its business activities. It is disclosing these in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) relating to the reporting of climate-related information. From now on, this report will be updated and published annually.

While the detailed implementation plan and sustainability strategy that are designed to underpin future TCFD declarations are being developed, work is being done at the same time to develop and agree environmental targets (short and medium term) and a program of actions for the coming years.

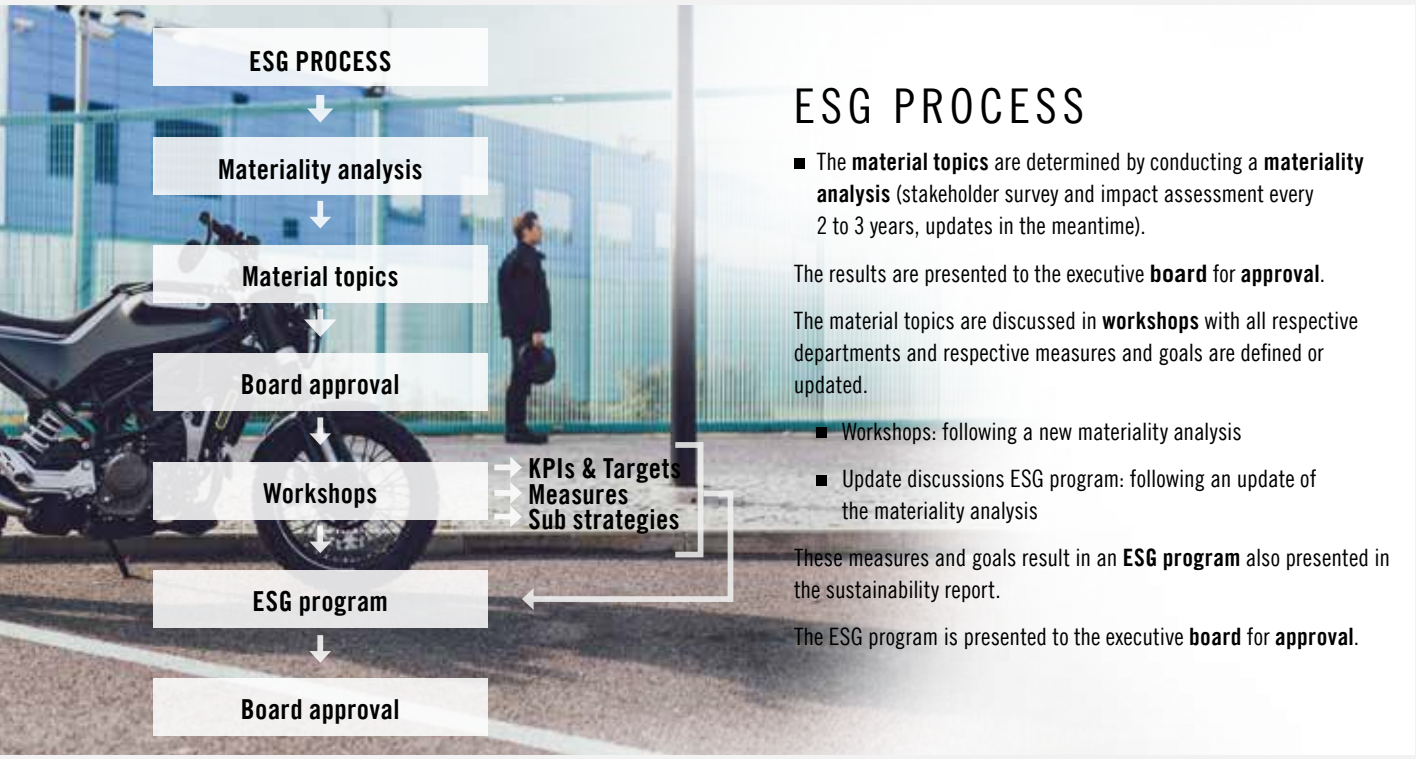
GOVERNANCE

The Executive Board of the PIERER Mobility Group is structured according to functional and business responsibilities. Just as they were in 2020, the business-related divisions are led by four members of the Executive Board. The following areas of responsibility focus on the group functions and business-related responsibilities:

- Chief Executive Officer / Overall Strategic Management, Product and Quality Management, Supply Chain, Strategic Projects, Sustainability;
- Finance / Controlling, Compliance, Risk Management;
- Sales, Customer Service, Joint Ventures;
- Human Resources, Organization, IT.

Further information on the members of the Executive Board and their areas of responsibility can be found from page 58 onward in the 2020 Annual Report.

In response to increasing stakeholder interest in environmental, sustainability and governance issues, ESG management is being expanded. The ESG team, comprising employees from Risk Management, Quality Management and Investor Relations, is in regular consultation with ESG officers/responsible persons from all specialist departments. The managing directors/divisional heads of the respective business units/ divisions are responsible for implementing the ESG process and for creating and achieving ESG targets. The targets are regularly monitored and approved by the Executive Board. Overall responsibility rests with the CEO.



ESG PROCESS

- The **material topics** are determined by conducting a **materiality analysis** (stakeholder survey and impact assessment every 2 to 3 years, updates in the meantime).

The results are presented to the executive **board** for **approval**.

The material topics are discussed in **workshops** with all respective departments and respective measures and goals are defined or updated.

- Workshops: following a new materiality analysis
- Update discussions ESG program: following an update of the materiality analysis

These measures and goals result in an **ESG program** also presented in the sustainability report.

The ESG program is presented to the executive **board** for **approval**.

Figure 1: ESG process of the PIERER Mobility Group

STRATEGY

The urgent need to take action to combat the ongoing process of climate change and to adapt to the unavoidable consequences of progressive warming brings both risks and opportunities for companies. Particularly in the area of mobility, consequences that can be expected and are already being seen are stricter regulations for vehicles and further requirements, but also increased interest from stakeholders in relation to climate-friendly mobility solutions. The development of alternative drive systems and the reduction of vehicle emissions are therefore also one of the key tasks for PIERER Mobility AG, both to counter risks associated with climate change at an early stage, but also to make the best possible use of emerging opportunities and potential. Furthermore, efficient and resource-saving use of materials is hugely important in the development and production. Thanks to its broad product range, the company has various levers at its disposal that enable a sustainable reduction in emissions in all mobility areas and along the entire life cycle - from product development and product manufacturing to product use. This includes, for example, the life cycle assessments for various products that are currently being established, with climate-relevant aspects also being regularly evaluated and integrated into the planning of various activities. The continuous optimization of internal processes and procedures is based on legal foundations, international norms and standards (ISO certifications, energy audits according to the Austrian Energy Efficiency Act (EEffG), GRI standards etc.). These measures and developments are thus directly linked to the objectives of the PIERER Mobility Group. An overview of all projects will be compiled in the program of actions and published with the Sustainability Report 2021 in March 2022.

When it comes to selecting and procuring raw materials and production materials, the group already takes account of various approaches to ecological issues and focuses heavily on these (such as the expansion of supplier verification). The group also documents the handling and use of hazardous substances in the production process (legally compliant implementation of the REACH regulation) and implements various projects for saving energy (including the provision/installation of photovoltaics).

For the production sites in Munderfing and Mattighofen/Austria, PIERER Mobility relies on local procurement strategies that generate lower transport costs and more environmentally friendly supply chains because shorter distances are traveled. Further information can be found on page 42 of the Sustainability Report 2020. When it comes to conversion work, preference is also given to selecting suppliers from the local region. At the same time, various approaches are being pursued in the distribution of products to further minimize transport routes and continuously reduce packaging material. More information about this can be found on page 48 of the Sustainability Report 2020.

Decarbonization strategy for Powered Two-Wheelers (PTWs) by 2050

One of the key pillars of the sustainability strategy is the decarbonization of transport. As an ACEM member at the KTM AG level, the PIERER Mobility Group is committed to providing propulsion solutions for PTWs that contribute to achieving the EU target of net zero emissions by 2050. The group therefore shares the ACEM strategy for decarbonization, which is aligned with the objectives of the European Green Deal and the Climate Change Act, as well as the Sustainable and Smart Mobility Strategy of the European Commission. This strategy provides the group with the guideline for addressing its key ESG topics of Alternative Drive Technologies, Vehicle Emissions and Research & Development in the ESG area of Sustainable Mobility.

European e-mobility competence for swappable battery system

The PIERER Mobility Group also participates at the level of KTM AG in a consortium for motorcycles with swappable batteries with Honda Motor Co. Ltd, Piaggio Group (PIA.MI) and Yamaha Motor Co. Ltd for motorcycles and light electric vehicles. The aim of the consortium is to develop solutions to customer concerns that focus on the future of electric mobility, such as range, charging time and charging infrastructure, as well as costs. This goal is to achieve this in line with four main objectives:

1. Developing common technical specifications for swappable battery systems.
2. Confirming the shared use of battery systems.
3. Promoting the consortium's common specifications with European and international standardization bodies and making them a standard.
4. Applying the consortium's common specifications globally.

The signing of the consortium agreement is an important step in ensuring that the group can continue to advance its clear strategic vision of electrically powered two-wheelers (PTW) and rapidly implement innovations. It is working together with its partners to develop a swappable battery system for vehicles in the low-voltage range (48 V) with up to 11 kW of power, based on international technical standards. The group is thus helping to ensure that electrically powered two-wheelers will continue to play a significant role in the future of urban and extra-urban mobility.

The PTW range up to 11 kW of power in particular is expected to embrace electric drives. Electric mobility will thus become the primary driver especially in urban regions - also in the form of e-bicycles, which in addition offer a health benefit. In other areas of application and power ranges or in market segments that are difficult to electrify, an approach that is open to the use of technology will be crucial for achieving a successful reduction in emissions as other alternatives based on the combustion engine could also be recommended here.

Furthermore, the group is pursuing the following strategies in its core areas, also with regard to sustainability and climate change:

- Development of technologies that provide for a further reduction in pollutant emissions for future generations of engines in vehicles with combustion engines.
- Electric platform strategy with Bajaj, India's second largest motorcycle manufacturer and CFMOTO in China for electric products in the two-wheeler segment (48 volts, 4-11 kW power). Part of this cooperation includes an open approach to different battery solutions in order to exploit the advantages of both integrated and removable batteries.
- Expansion of (e-)bicycle production capacity within the EU with MAXCOM in Plovdiv/Bulgaria, one of the largest bicycle manufacturers in Eastern Europe. The aim is to engage in more local sourcing, also with a view to having a sustainable procurement strategy, in order to bring component production back to Europe to shorten supply chains and improve availability.
- Strategic cooperation with VARTA, the leading European manufacturer of Li-ion battery cells, in the field of high-performance battery cells ("V4Drive" 21700 cell). The focus is on cooperation in the areas of research and development as well as industrialization of low-voltage battery platforms for vehicles from 250 watts to 20 kilowatts peak power which deliver a high range and performance. There is also a focus on topics such as the return, recycling and 2nd life of batteries.
- Research and development in the area of alternative drive technologies for powered two-wheelers - such as synthetic fuels (e-fuels) etc.

RISK MANAGEMENT - RISKS AND OPPORTUNITIES

The identification and assessment of climate-related risks are integrated as part of the Enterprise Risk Management (ERM) process into workshops with the respective functions.

Risk process

Risk management in the PIERER Mobility Group is a continuous process that serves to identify, assess, manage, report on and monitor opportunities and risks in the various business units. The basis for this is a standard, group-wide reporting system established on a monthly basis and ongoing monitoring of operational and strategic plans.

The group has a multi-level risk management system in which group-wide risks are identified by location or geographical area. Operational responsibility and the assessment of group-wide risks is performed by the risk management department of KTM AG and the local management and is reported directly to the Executive Board of KTM AG and monitored by the latter and the Group Executive Board. Risk workshops are conducted to facilitate identification, controlled at the level of KTM AG, and these workshops also include discussion of climate-related opportunities and risks. Responsibility for risk identification lies with the risk manager together with the respective divisional manager or their nominated representative. This risk manager is also responsible for ESG issues within the company, which is why an integrated approach makes sense and is technically feasible. Subsequently, the identified climate-related opportunities and risks are also worked through in an integrated manner in the other steps of the ERM process and are also incorporated into the ESG process to allow the definition of measures and targets.

In principle, the assessment of opportunities and individual risks with regard to probability of occurrence and the level of damage is carried out using a scenario-oriented approach consisting of best case (BC), most likely case (MLC) and worst case (WC) and is based on (a) risks that have actually occurred in the past, (b) benchmark values from the industry or (c) realistic expert assessments prepared in-house. In addition to the usual quantitative assessment, the methodology also envisages carrying out a qualitative assessment, which is particularly useful in the area of reputational climate-related opportunities and risks. A medium-term assessment allows for the consideration of interdependencies between individual risks as part of the company's overall risk exposure.

The main objective of risk management is active, continuous and controlled influencing of opportunities and risks, taking account of the corporate strategy, in order to deliberately manage the company's overall risk exposure and thus achieve an increase in the company value over the long term. Risk management measures are defined and evaluated by the respective risk owner. The risk manager is regularly informed about the status of the measures.

Climate-related risks and opportunities (outside in) and potential financial impacts

Climate-related risks		Potential financial impacts
Politics and law		
Climate and complaint-related regulations/driving bans	As a result of noise complaints, efforts to mitigate climate change, and deteriorating air quality, existing regulations/driving bans could be tightened/expanded or new regulations could occur.	Higher R&D costs for new solutions to comply with regulations, loss of value of existing models/extra costs for retrofitting, loss of sales due to smaller market (especially due to driving bans).
Increasing reporting requirements (EU taxonomy, updating of NFRD, ...)	Increasing reporting requirements in connection with climate-specific aspects could lead to additional financial expenses (personnel, software, etc.) and additionally to a higher risk of non-compliance with new requirements.	Costs of additional human resources, software solutions, audits etc..
Product liabilities - product lawsuits (another cause)	In addition to existing potential causes of product-related lawsuits, climate change-related regulations could add further causes of action that increase the risk of lawsuits.	Costs of legal proceedings
EU regulation on battery disposal	An amended regulation on battery disposal in connection with e-mobility as a measure to combat climate change could result in higher organizational costs.	Costs of research and development, possibly costs of collection and disposal processes (incl. labeling etc.).
Technology		
Loss of market position and technology/innovation position	Hesitation in the research and development of alternative drive technologies could worsen the market position and the position in relation to technology and innovation. If we were too late in addressing an increasingly relevant topic, competitors could overtake us in/through this area.	Loss of sales due to deterioration in market position and damage to reputation („Nokia effect“).
Incorrectly targeted R&D activities and investments	Focusing on a single alternative (e.g. e-technology only) or alternative(s) not gaining acceptance could prove to be a failure.	Investments and outlay yield no/insufficient return; at the same time high R&D (cost) outlay for reorientation to other or parallel developments; loss of sales due to deterioration in market position and damage to reputation.
Market		
Changes to customer behavior	Increasing awareness of the climate among consumers could lead to increased demand for alternative (more climate-friendly) mobility solutions and decreasing demand for (individual) mobility harmful to the climate.	Lower demand for PTW with a combustion engine

Climate-related risks		Potential financial impacts
Scarcity of resources/ raw material price increases	In particular, resources such as steel and aluminum could become more expensive on the market as a result of climate change-related effects (increased use of renewable energy, which is currently still more expensive, higher requirements for steel production, ...). A strong increase in demand for critical resources, e.g. for the increased production of batteries for e-mobility, could also lead to shortages of resources in the market.	Higher expenses for basic resources, materials and purchased parts; costs caused by production shutdowns due to sporadic shortage of raw materials; loss of sales due to interrupted production.
Reputation		
Reputational damage due to inadequate ESG performance, especially climate change mitigation and adaptation strategies	Inadequate performance in the area of climate change adaptation and mitigation strategies and the associated public image could cause key stakeholders to develop a negative or insufficiently positive image of the company and reduce or completely withdraw their support.	Reduced availability of capital (banks refuse loans or good terms); loss of sales due to boycott/reputational damage; higher costs in procurement if suppliers refuse to offer ESG-linked benefits:
Acute		
Extreme weather events (severe weather/storms with hail, flooding)	Extreme weather events (esp. floods, storms) could affect company's own production sites as well as those of suppliers and thus also cause interruptions in the supply chain or logistics.	Increased costs from maintenance/repair of buildings, IT and other infrastructure costs from production shutdowns caused by supply chain bottlenecks; loss of sales owing to interruptions to logistics (logistics of finished products for dealers, parts logistics for plants ...).
Chronic		
Increasing demand for cooling due to warming	Rising average and peak temperatures, even in Austria, could increase energy demand for cooling.	Increased costs for energy for cooling
Weather-dependent mobility behavior	Volatile weather patterns and increased temperatures could reduce demand for weather-dependent PTW in the long term.	Loss of sales due to lower demand

Climate-related opportunities		Potential financial impacts
	Politics and law	
Climate and complaint-related regulations	Regulatory measures such as the recently introduced carbon tax in Austria could make PTWs more attractive as a more fuel-efficient alternative to cars. Regulatory measures such as environmental zones or other driving bans related to the climate and air quality could make PTW more attractive as an alternative to the passenger car that is often exempt from these regulations.	Increasing sales/market share
	Technology	
Securing leading role on technology and availability of better technologies	Technical innovations and the market launch of new products in research and development, also on alternative drive technologies, could further strengthen the company's market position and the position in terms of technology and innovation and enable the relatively high research budget to be maintained. Rising demand for novel drive solutions could form the basis for increasing investments in research and accelerate the availability of even better technologies.	Increasing sales/market share
	Energy source	
Photovoltaic installations, air-source heat pumps	Operating costs for air conditioning and electricity consumption could be reduced by using the company's own photovoltaic installations and the energy thus generated, and by replacing the existing cooling/heating technology with heat pumps.	Reduced dependence on electricity prices thanks to self-sufficiency; lower heating costs thanks to low-temperature heating; possibly subsidies for modernization projects
	Products and services	
E-bicycles and e-motorcycles	Due to higher demand for low-emission and low-noise individual mobility solutions, the expansion of the product range to include e-bikes/-scooters (see E-Scooter Launch) and e-motorcycles in the low-power range could lead to increased sales.	Increased sales as a result of new product areas (e-scooters, e-bicycles) or low-emission alternatives to conventional combustion models.
IoT solutions in products	IIoT solutions in products could provide valuable information for climate change-related transport measures such as the expansion/improvement of bicycle infrastructure and thus serve as a new source of revenue.	New source of revenue from collaborations and the sale of the information collected.

Climate-related opportunities		Potential financial impacts
Battery business	The batteries required for electric mobility could represent a new source of revenue if they are developed and sold in-house.	Boost to revenue through the sale of batteries for own e-products.
Reputation		
Intensification of ESG performance and integration of ESG into corporate strategy	Intensifying ESG performance and gradually integrating ESG (especially climate protection) into the corporate strategy could significantly increase the company's reputation among its stakeholders.	Increased sales thanks to better reputation with potential and existing customers; better conditions on the financial market thanks to better ESG performance and rating results.
Markets		
Expansion of existing market volumes: Individual mobility in urban areas	As a result of climate-related driving bans, increasingly enforced traffic calming measures in inner cities with the associated shortage of parking spaces and expansion measures for two-wheeler infrastructure, two-wheelers (incl. motorcycles, e-bikes, scooters, e-motorcycles) could replace cars as the dominant form of individual mobility in urban settings.	Increased sales from more sales of small-volume PTWs, e-scooters, e-motorcycles and e-bikes for use within cities.
Improved competitive position thanks to pioneering role with alternative drive technologies	The change to a new (lower-emission or zero-emission) technology could turn the structure of the market upside down and create the opportunity for market leadership by taking on a pioneering role with alternative drive technologies.	Expansion of market share leading toward market leadership with associated increases in revenue.
Expansion of the depth of added value	Due to climate-related changes (regulations, supply chains that are unstable or no longer economically viable), the business case for in-house production of components or products that were previously purchased could emerge.	Avoidance of increased procurement costs, higher revenues by selling self-produced components.

The **scenario analysis** is currently under development. The aim is to present this in the next report.

ENVIRONMENTAL MANAGEMENT

In the first half of the 2021 financial year, work was carried out on the implementation of an environmental management system in accordance with ISO 14001:2015. This was integrated into the existing management system with the associated processes. The certification, which was completed in mid-2021, is part of the environmental strategy and involves the development, logistics and production sites of the PIERER Mobility Group in Munderfing and Mattighofen/Austria. Every employee will be trained on the environmental management system and will therefore be required to act in an ecologically responsible manner. The plan is to provide mandatory training on proper waste separation for all production employees by the end of June 2022, which is then also set to be made available online and will be mandatory for all other employees. In addition, the plan is to deliver a mandatory training course on environmental management by December 2022. Both training courses are to take place once for each employee within the scope of the ISO 14001 certification (in future, when each new employee joins the company). In the course of implementation, our environmental targets were also defined and the expansion of waste management was driven forward (for more details, see “Key figures and targets”).

Energy and water consumption

At the beginning of the ISO 14001 implementation, a determination and evaluation of the materiality of the environmental aspects in the company took place in the form of workshops with key employees from the R&D, Production / Infrastructure and Purchasing departments. The evaluation method covered both direct and indirect environmental aspects and also included emergency situations. Both energy and water consumption were classified as not significant on the basis of the current production processes. Nevertheless, in order to further reduce energy consumption, a target was set to reduce the energy demand in the production halls (see also table on page 13).

In 2020, the annual drinking water consumption throughout the environmental management system [1] was 15,000 cubic meters. This is equivalent to roughly 4.5 m^3 per employee at the ISO 14001 certified sites in Mattighofen and Munderfing and is therefore very low. Water is mainly used for social areas and for cleaning purposes. Water consumption in the production process is extremely low.

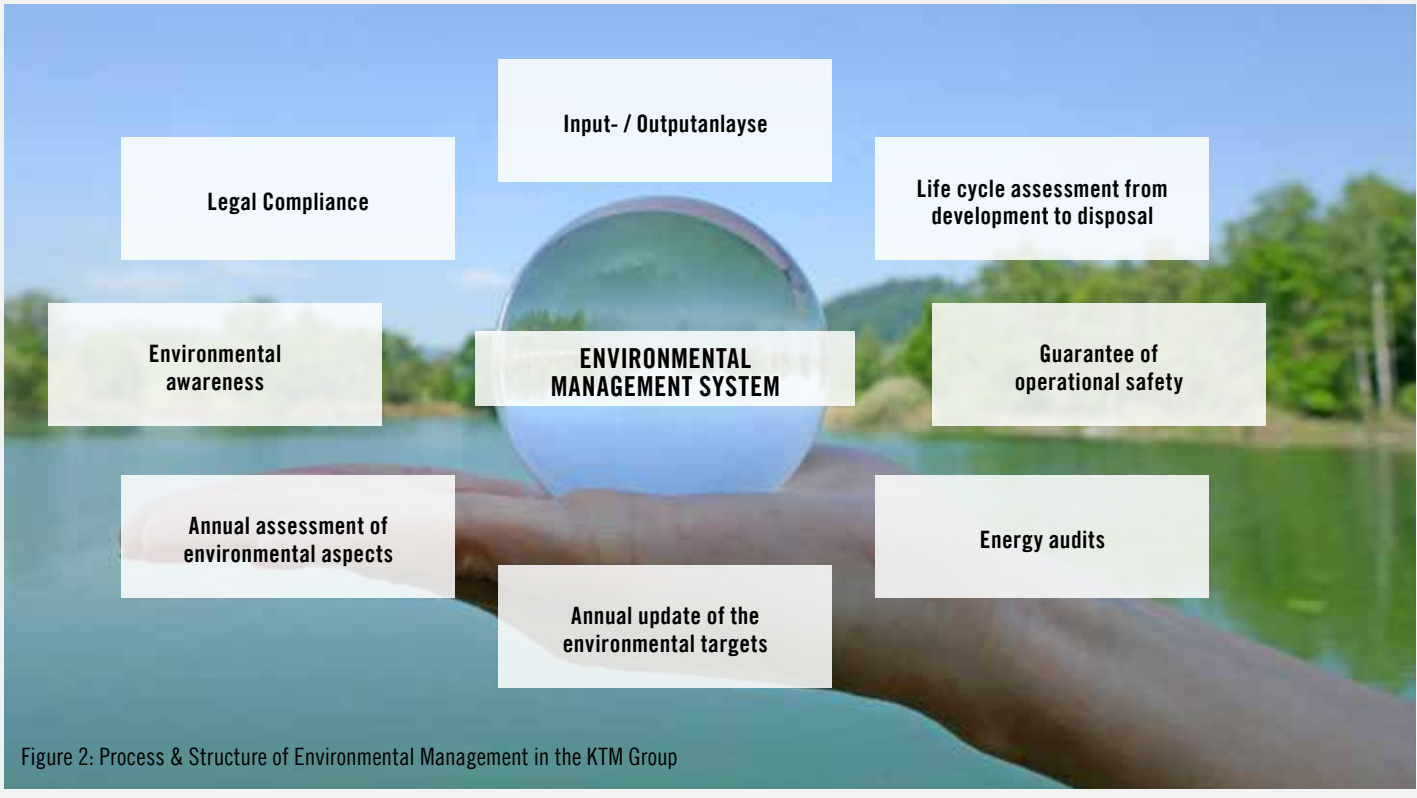


Figure 2: Process & Structure of Environmental Management in the KTM Group

1 The scope of the environmental management system includes the companies of KTM AG with the areas of vehicle assembly, development, spare parts warehouse, engine construction, mechanical production, logistics center as well as KTM Components with the areas of suspension, exhaust and frame. Improved data quality and also the pandemic meant that the annual consumption of drinking water was lower than in the previous year. The annual consumption volume of 15,000 cubic meters includes water consumption from production (2020: 3,364 m^3).

Energy efficiency

The current energy situation was surveyed as part of the energy audit report. PIERER Mobility AG has already implemented various energy saving projects. For example, the operating hours of the outdoor lighting at all sites have been reduced by using timer switches. In addition, the following two goals were defined in the course of implementing an environmental management system. Firstly, the electrification of the passenger car fleet (20% by the end of 2022) and, secondly, the increased use of LED lighting in the production halls (for example, conversion within vehicle assembly by September 2021) are to be advanced in the next few years.

Furthermore, with one of the largest photovoltaic installations in Austria on the roof of the KTM logistics center in Munderfing, the group is taking a further step toward a resource-saving future. The electricity is fed into the public grid and enables a broader use of renewable solar energy in the region. In addition to the photovoltaic installation on the logistics center and the House of Brands, the decision has already been taken to also equip the new building of the second logistics center with a photovoltaic installation.

Measures to reduce vehicle emissions

An important aspect in the development of road-registered = homologated vehicles is reducing emissions of exhaust gases and noise, which are caused by the combustion process itself, for example, and also by any evaporative emissions of the hydrocarbons (= fuel) contained in the vehicle. The aim is to launch products on the market that meet the latest environmental standards. From 1.1.2021, only Euro 5 vehicles will be produced for the EU area and for operation on public roads (see EU Regulation 168/2013 on the Euro 5 requirements on page 53 in the Sustainability Report 2020;) as well as further information also in the paragraphs further on “Key figures: Greenhouse gas emissions in CO_2 equivalents” and “Fleet emissions (Scope 3)”). In addition, we are working with project partners on concepts for sustainable mobility in urban living spaces. In particular, energy-efficient, electrically powered two-wheelers represent a significant part of the solution (such as the EMotion research project - see on page 38 of the Sustainability Report 2020 and at https://www.emotion-project.at/). PIERER Mobility AG therefore understands a sustainable approach to mean above all the phased reduction of emissions over the entire product life cycle. Thanks to many years of intensive development work in the field of electric traction systems for PTW, a substantial technology platform has been created in addition to the first products available on the market. This will enable further vehicles powered by alternative energy to be launched on the market in the years ahead.

KEY FIGURES AND TARGETS

As part of implementing the environmental management system according to ISO 14001:2015, an environmental program with the following **environmental targets** was defined for the current year:

Environmental aspect	Program	Target	SDGs
Emergency preparedness	Revision of the site-specific emergency plans	Implemented, in force since 06/2021	
	Renewal of all safety-relevant floor markings in the production area	Implemented in Q3 2021	
Packaging material used	Uniform labeling of waste collection containers in production	Implemented in Q3 2021	
	Increased use of recyclable packaging in vehicle assembly	Ongoing project	
Waste logistics	Standardization of waste management concepts at the production sites in Munderfing and Mattighofen	Implemented in Q3 2021	
	Optimization of waste separation	Reduction of residual waste by 10%	
Energy consumption	Installation of photovoltaic systems on roofs of KTM AG ■ House of Brands, for self-supply; ■ Logistics center, 4 MW of electricity for the public grid (operator Ökosolar); ■ Logistics center 2, 3 MW of electricity for the public grid (operator Ökosolar).	 Completed, in operation since 2019 Completed, in operation since 2021 Implementation in 2022	
	Conversion to LEDs in vehicle assembly	Implemented in Q3 2021	
	Electrification of the vehicle fleet	20% (share of electric and hybrid vehicles) by end of 2022	
Carbon footprint	Optimization of deliveries at consignment warehouse	Reduced number of incoming goods (quantification is being worked on)	
	Sale and intensive development of electric vehicles	Reduction of specific CO_2 emissions of 0.8% per year [2]	
Legal compliance	Implementation of legal compliance software	Implementation by the end of 2021	

2 The calculation is based on the average CO^2 emissions of our reported vehicle fleet, which in 2020 were: 78.44 g/km and in 2019 were: 79 g/100 km (see further information in the paragraph "Fleet emissions (Scope 3)")

Key figures: Greenhouse gas emissions in CO_2 equivalents

Within the organizational structure of KTM AG, in addition to the actual vehicle assembly, there are also manufacturing upstream operations, such as frame construction and exhaust production, which form part of the energy-intensive industry due to the high proportion of joining and machining process steps. At the sites of the PIERER Mobility Group, greenhouse gas emissions are generated directly through the combustion of fossil fuels (Scope 1 emissions) and indirectly through district heating and electricity consumption (Scope 2 emissions). This means that the percentage of greenhouse gas emissions (in CO_2 equivalents) associated with the production or assembly of our products is around 1%. The majority of greenhouse gas emissions, around 99%, are generated during the use phase of the vehicles sold (Scope 3 emissions)..

GRI 305-1, 305-2, 305-3

PIERER Mobility Group CO_2 footprint		**2020**		**2019**		**2018**
Greenhouse gas emissions according to greenhouse gas protocol (Scope 1-3):	in t CO_2-e	in per cent	in t CO_2-e	in per cent	in t CO_2-e	in per cent
Scope 1: Direct greenhouse gas emissions	**5,678.49**	**0.67%**	**6,565.99**	**0.83%**	**6,084.24**	**0.88%**
Emissions from natural gas procurement at PIERER Mobility Group sites [1]	3,295.77	58.04%	3,688.60	56.18%	3,339.65	54.89%
Emissions from vehicle fleet	1,565.46	27.57%	1,619.37	24.66%	1,762.38	28.97%
Emissions from test benches	817.26	14.39%	1,258.02	19.16%	982.21	16.14%
Scope 2: Indirect greenhouse gas emissions "location based" [2]	**4,927.95**	**0.58%**	**5,495.59**	**0.70%**	**5,279.79**	**0.76%**
Emissions from district heat procurement [2]	44.71	0.91%	121.06	2.20%	127.50	2.41%
Emissions from electricity procurement at PIERER Mobility Group sites [1]	4,883.24	99.09%	5,374.53	97.80%	5,152.29	97.59%
Scope 2: Indirect greenhouse gas emissions "market based" [2]	**2,011.46**	-	-	-	-	-
Emissions from district heat procurement and electricity procurement	2,011.46	-	-	-	-	-
Scope 3: Indirect greenhouse gas emissions	**834,556.37**	**98.75%**	**776,723.49**	**98.47%**	**681,914.83**	**98.36%**
Emissions from commuter traffic with aircraft	738.05	0.09%	6,790.99	0.87%	7,881.07	1.16%
Emissions from commuter traffic with private vehicles	33.01	0.00%	46.75	0.01%	49.13	0.01%
Emissions from commuter traffic with rental cars	61.03	0.01%	125.35	0.02%	417.85	0.06%
Emissions from commuter traffic with train [3]	1.74	0.00%	0.00	0.00%	0.00	0.00%
Emissions from commuter traffic with cab [3]	16.26	0.00%	0.00	0.00%	0.00	0.00%
Emissions paper [3]	1,617.20	0.19%	0.00	0.00%	0.00	0.00%
Pollutant emissions from vehicles (Emissions) [4]	832,089.09	99.70%	769,760.40	99.10%	673,566.78	98.78%
Total footprint "location based"	**845,162.82**	**100.00%**	**788,785.07**	**100.00%**	**693,278.86**	**100.00%**
Total footprint "market based"	**842,246.33**	-	-	-	-	-

Emissions per vehicle sold "location based" [2]	**2020**	**2019**	**2018**
specific greenhouse gas emissions:			
t CO_2-e per vehicle sold (Scope 1-2)	**0.05**	**0.06**	**0.06**
t CO_2-e per vehicle sold (Scope 1-3)	**3.68**	**3.82**	**3.84**

The conversion factors of the Austrian Federal Environment Agency and the UK Department for Environment, Food & Regulatory Affairs (DEFRA) 2016, 2018, 2019 & 2020 were used to calculate the CO2 equivalents.

1) Evaluation excluding KTM Innovation GmbH, Avocodo GmbH and PIERER E-Bikes GmbH.

2) In 2018 and 2019, calculation with "location-based" emissions. Emissions from district heat procurement at the KTM Sportcar GmbH site. From 2020, emissions will also be calculated according to "market based". For a better traceability, the calculation of the emission shares in % in the reporting year was waived here and "location based" was used for the CO^2 emissions per vehicle sold (the difference between "market and location based" is very small and therefore negligible).

3) New in the evaluation as of 2020.

4) Emissions are calculated on EU homologation data on fuel consumption according to WMTC and taking into account the average annual mileage and average service life. The Enduro Competition models are homologated in a mechanically and electronically throttled condition. Often, however, the motorcycles are used, on their own responsibility of the customer, in unthrottled condition at amateur and professional racing events. This results in significantly higher consumption and greenhouse emissions. For the first time, KTM models sold directly by Bajaj Auto in the reporting year were also considered and the values for the base year 2016, 2018 and 2019 were adjusted.

Motorcycles sold in the B2C (retail) business were used for the calculation of the useful life, as well as X-Bow (excl. e-bikes): number of vehicles used for the calculation 229,536 (previous year: 206,544). Motorcycle models that are not eligible for registration (e.g. motocross, cross country, sport minicycles) were not considered due to an insufficient database (missing consumption and mileage data). In 2020, a total of 270,407 motorcycles were sold (previous year: 280,099).

According to the Kyoto Protocol, there are seven main greenhouse gases that contribute to climate change: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF6), and nitrogen trifluoride (NF3). CO2-e is the universal unit of measurement used to indicate the global warming potential (GWP) of each of the seven greenhouse gases, expressed as the GWP of one unit of carbon dioxide. It is used to assess the release (or avoidance of release) of various greenhouse gases on a common basis.

Greenhouse gas emissions per vehicle sold (Scope 1 – 3)

Thus, greenhouse gas emissions per vehicle sold in the production phase (Scope 1-2) were 0.05 t CO_2-e (previous year: 0.06 t CO_2-e) and in the use phase (Scope 1-3) were 3.68 t CO_2-e (previous year: 3.82 t CO_2-e). For the first time, motorcycles sold directly by Bajaj in the financial year were also included in the calculation. There was thus an adjustment or clarification of the calculation with the KTM models also including India retrospectively for 2019 and 2018.

Flottenemissionen (Scope 3)

The calculations for CO_2 emissions and fuel consumption of the sold vehicle fleet are based on the specifications and assumptions of the World-Harmonized Motorcycle Test Cycle (WMTC). This method was chosen because it provides a globally harmonized approach. Previously, the calculations were based on the specifications and assumptions of the New European Driving Cycle (NEDC) or the voluntary commitment of the ACEM (European Association of Motorcycle Manufacturers). With the introduction of the WMTC test cycle and the EURO 4 emissions standard on January 1, 2016, the reporting year 2016 was chosen as the base year. To allow better understanding, the vehicle consumption is not stated in joules, but in l / 100 km as usual.

The average CO^2 emissions of our reported vehicle fleet in 2020 were 78.44 g/km [3] (internal calculation of Pierer Mobility AG). This means that we reduced CO_2 fleet emissions by 0.65 g/km in the reporting year, also thanks to the growth in sales of electrified and ICE models with small and medium displacements (< 900cc) (2019: 79.09 g/km). Between 2016 and 2020, PIERER Mobility AG thus reduced the CO_2 emissions of its newly sold vehicles by 3.43% (2019: 2.64%).

The introduction of new models with drive technologies featuring lower fuel consumption and emissions continues to have a positive impact on our average fleet values. Average fuel consumption in the 2020 reporting year was 3.4 l/100km [4]. Fleet fuel consumption was reduced by 2.75% compared to the 2016 base year (2016: 3.5 l/100km). This equates to a total energy saving of 741.04 gigajoules in the 2020 reporting year. [5]

3 Since 01/2016, all L-category vehicles in the EU must be registered according to the new type test emissions. cycle WMTC. This concerns all two-, three-, or four-wheeled vehicles according to Article 4 and Appendix I (Enduro motorcycles (L3e-AxE (x = 1, 2 or 3)), trial motorcycles (L3e-AxT (x = 1, 2 or 3)) and heavy off-road quads (L7e-B)) of EU Regulation 2013/168/EU which are intended to be driven on public roads. The fleet value is based on the homologated test values according to WMTC.
4 The consumption is based on the homologated test values according to WMTC.
5 Calculation in gigajoules (GJ) based on Net CV according to DEFRA for "Petrol (average biofuel blend)".

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