

Brembo Modern Slavery Statement

This statement is made pursuant to Section 54 of the Modern Slavery Act 2015 (“the Act”) on behalf of Brembo S.p.A. (“the Company”) in respect of the financial year January 1st 2021 to December 31st 2021 and the subsidiary companies listed in the Annex to this statement. The Company is the parent of a group of companies referred to in this statement as Brembo or the Group. Brembo takes a group-wide approach to its human rights commitments.

The Company is committed to adopting, maintaining and improving systems and processes designed to eliminate slavery and human trafficking from its business and supply chains. This statement sets out the steps which the Company has and is taking to combat slavery and human trafficking.

1. Organization’s structure, business and supply chains

<p>Organization & Business</p>	<p>The Company is incorporated and organized under Italian Laws and is listed on the Milan Stock Exchange. The Group is a global leader and recognized innovator in brake disc technology for vehicles. It researches, designs, develops, manufactures, assembles and sells braking systems, vehicle wheels and light alloy and metal castings. It supplies high performance braking systems, as well as clutches and other components for racing, to the most important manufacturers of cars, motorbikes and commercial vehicles worldwide. In 2020 Brembo launched to the market its new mission to become an authoritative Solution Provider, integrating its products and services into harmonic, all-round solutions to meet the rapidly evolving needs of the automotive industry and anticipate the new mobility paradigms. The path that Brembo has outlined for its future is based on three pillars: a) Being an increasingly digital company (DIGITAL); b) Developing an ever more diverse and global footprint (GLOBAL); c) Becoming a reference brand for the new generations as well (COOL BRAND). Starting from 2021, the Group is committed to translating the company’s “Purpose” into practice through the three above mentioned strategy pillars with over a hundred people from different geographical areas and professional backgrounds directly engaged in ambitious and challenging project activities.</p> <p>The Group currently operates in 15 countries across 3 continents, through its production and commercial sites. Manufacturing plants are located in Italy, Poland (Czestochowa, Dąbrowa Górnicza, Niepołomice), the United Kingdom (Coventry), the Czech Republic (Ostrava-Hrabová), Germany (Meitingen), Mexico (Apodaca and Escobedo), Brazil (Betim), China (Nanjing, Langfang), India (Pune) and the United States (Homer). Other companies in the Group are located in Spain (Zaragoza), Sweden (Göteborg), Denmark (Svendborg), Germany (Leinfelden-Echterdingen), China (Qingdao), Japan (Tokyo) and Russia (Moscow) carrying out distribution and sales activities.</p> <p>In 2021 Brembo’s consolidated net sales amounted to € 2.777.556 thousand.</p>
<p>Employees</p>	<p>Brembo Group employs 12,225 people worldwide. Brembo applies robust policies and procedures concerning all Human Resources related processes. The Group, in line with the Pillars of its strategy and as explained in the Brembo Sustainability Report 2021, fosters the continuous growth, development and training of its people with the aim of feeding and unleashing talent in various geographies and professional families. This includes addressing specific training initiatives on compliance requirements, human rights principles and health and safety guidelines and procedures. The external factor represented by the Covid-19 pandemic impacted even in 2021 significantly with a focus on the management of remote working and online training initiatives. To</p>

guarantee the highest safety standards for its people, Brembo has adopted a structured approach to health and safety at workplace, which also takes into account the challenges and peculiarities linked to Group's geographical diversification. For an effective management of these issues the Group has implemented a special Workplace Health and Safety Policy by outlining the guidelines followed by Brembo. Such a policy has been updated in February 2020, on the occasion of the issuance of the Workplace Health and Safety Management System, which recognizes the new ISO 45001 standard as a replacement of the previous OHSAS 18001.

Furthermore, following the outbreak of the pandemic in 2020, the Company has followed very closely the developments in the spread of Covid-19, by adopting any measure required by the regulations in force from time to time, with the objective of protecting people, ensuring prevention, monitoring and containment of the pandemic at all its locations around the world. 2021 was also characterized by a series of "waves" that forced to maintain the highest standards of security, continuing to implement a series of initiatives launched the previous year. To ensure the full and effective implementation of the policy's provisions, the Group voluntarily submits to regular independent third-party audit to assess if workers' Health and Safety Management System has been effectively implemented in all manufacturing sites worldwide. The ISO 45001 certification of all the sites was confirmed for 2021 through special maintenance audits carried out by third-party institutions, from which no significant non-compliance was found. This approach is based both on verification of compliance with applicable laws and regulations in every country where the Group operates all, and on promoting targeted measures to steadily improve individual and collective workplace health and safety standards. Any forms of modern slavery are part of Brembo's Environmental, Social and Governance (ESG) risk analysis framework. So far this analysis has not identified any modern slavery risks with regards to Brembo employees.



12,225
Brembo
People²⁰²¹



45%
Proportion of women
on the BoD

Supply Chain

Brembo cooperates with more than 6.700 suppliers located in more than 15 countries throughout the world. The goods and services that they supply are fundamental for Brembo's industrial processes and include: raw materials (such as ferrous scrap, aluminum, cast iron goods, binders and refining agents directly used in the Group's foundries), components, auxiliary production materials, services and production assets (such as machinery). The overall annual value of those goods and services is more than 1.9 million euro. Brembo has established through its Environmental, Social and Governance (ESG) risk analysis that it is in its supply chain where there is the greatest potential risk of modern slavery occurring.

Brembo actively promotes environment-friendly, socially responsible and sustainable workplaces and demands that suppliers adhere to and act by the same standards, principles and behaviors on issues such as human rights, health and safety at work, environmental protection and combatting corruption. Brembo communicates clearly to its suppliers what it expects from them in terms of sustainability and it has a defined structured process for the selection and the assessment of new suppliers and for auditing the current suppliers.

Suppliers are selected based on the quality, innovation and competitiveness of their products and services, as well as on their compliance with social and ethical standards human rights, employees' right to work and to freely associate and environmental standards.

Brembo regularly assesses its most important and critical suppliers against these sustainability standards with the support of a specialist third party. Assessments incorporate the use of on-site audits and self-assessment questionnaires, as detailed in section 3.



More details about Employees and Brembo Supply Chain are available on the yearly **Brembo Sustainability Report** (<https://www.brembo.com/en/sustainability/report-and-presentations>), which was published, on a voluntary basis, for the first time in 2017 as Brembo Sustainability Report 2016.

2. Brembo Policies on Slavery and Human Trafficking

➤ **Brembo Code of Ethics**

This code sets out the behavioral standards that must be adhered to by all those who, for whatsoever reason, work on behalf of Brembo in order to support sustainable growth and protect the Group's reputation and values and ensure that it complies with all applicable laws and best practice. This code encourages understanding and respect for the diversity of the countries in which Brembo operates and spreads a true culture of integrity in the relationship with all Group stakeholders. The third edition of the Code of Ethics, approved by the Board of Directors in December 2016, is available to employees and suppliers in the local languages of the countries where Brembo operates.

➤ **Brembo Supplier Code of Conduct**

Published in 2017, in the supplier's section of the Group's website, the Supplier Code of Conduct sets out the rules and principles that Brembo's suppliers are required to uphold and accept and suppliers' responsibilities with respect to human rights, forced labor, human trafficking, health and safety at work, environmental protection and corruption. It summarizes the principles with which the Group's suppliers are required to comply. This entails for suppliers a commitment towards adopting the same sustainability behaviors defined by the Group, and to transpose them into their own supply chain.

➤ **Code of Basic Working Conditions**

Introduced in 2011, this code highlights Brembo's commitment to the recognition that its most important asset is the workforce in all its worldwide sites. It sets out the underlying principles assuring a respect for workers' human rights. It is inspired by the main international sources and standards, including the United Nations Universal Declaration of Human Rights, the Tripartite Declaration of Principles concerning Multinational Enterprises, the ILO's Social Policy and the Guidelines for OECD Multinational Enterprises.

This document, which expresses Brembo's attention and commitment to employee protection and local development, has enabled Brembo to involve its own supply chain in this process and disseminate its own way of doing business ethically in accordance with the values set out in Brembo's Code of Ethics. In 2019, the Code was updated to include the issues associated with human trafficking and modern slavery.

➤ **Policy on non-discrimination and diversity**

Through this policy, Brembo recognizes and promotes the positive value of diversity and demonstrates its commitment to combating any form of discrimination, based on gender, ethnicity, political opinions and religious beliefs, civil status, family status, disability or any other personal condition.

In particular, Brembo undertakes to ensure that people shall have equal access to employment, facilities, services and programs only according to their knowledge, qualifications, competence performance and motivation and not with regards to other personal conditions.

➤ **Suppliers contractual clauses**

Brembo has progressively introduced contractual requirement on suppliers to comply with its Code of Ethics, Suppliers Code of Conduct and other Codes of Conducts and Policies from time to time issued by Brembo and available on its website. If a supplier fails to follow these requirements, Brembo can require the supplier to implement a corrective action plan, which is then verified through audit activities, and reserves the right to suspend or terminate the business relationship.

➤ **Whistleblowing channels**

Brembo has established a whistleblowing channel (accessible by ordinary post, email, telephone, fax and through Brembo's website) for the timely reporting, by all employees and third parties, on a confidential basis and without fear of reprisal, of any non-compliance and irregularity concerning the main Brembo's codes of conduct and policies. Brembo's whistleblowing channels adhere to the following principles: assurance of anonymity and confidentiality of the reporting person, adequate protection against bad faith reports, consideration of anonymous reports only if appropriately detailed and supported by facts.

Beside the institutional whistleblowing channel, a specific mechanism has been put in place to gather any reports on behavior that does not comply with company policies related to basic working conditions and diversity and non-discrimination, including a dedicated email address working_conditions@brembo.it, which is accessible from both inside and outside Brembo.

3. Assessment processes in relation to slavery and human trafficking

Brembo's due diligence processes include actions to safeguard against human rights abuses in any part of its business and in its supply chain.

➤ **Supply Chain**

For Brembo, supply chain management is a priority and is essential to ensuring responsible suppliers, with a focus on environmental protection and the rights of workers and local communities. For this reason, the Group has defined over the years a structured supplier management process that aims to promote the development of stable relations with its partners, as well as to ensure continuous innovation, improvement of the quality and of the sustainability within its supply chain.

Such process can be summarize as follow:

Clear communication of what the Group expects from its suppliers. In light of the complexity of the business in which Brembo operates, the Group clearly communicates to its business partners the standards that Brembo requires, not only in terms of product quality and service and proper environmental management, but also in terms of appropriate working conditions and human rights. Brembo requests its suppliers to sign Brembo Supplier Code of Conduct declaring that they have adopted appropriate measures to safeguard workers' rights, employee's health and safety, counter corruption and minimize risks to the environment. On December 31st 2021, about 700 suppliers have adhered to the Supplier Code of Conduct. During 2021, Brembo embarked on a path to define the Brembo Sustainable Procurement Policy, incorporating the Purchasing Policy and the Supplier Code of Conduct, in order to formalize the principles that the Purchasing Global Central Function promotes in the field of Sustainability within its organization and in the relationship with its supply chain.

Supplier selection and assessment. Before awarding business to a new third party, Brembo requires suppliers to register onto "Brembo Supplier Portal" (a tool implemented in 2019 and further consolidated in 2020 to facilitate the exchange of information and documents with Brembo's suppliers) and to complete a pre-assessment questionnaire which includes also a dedicated section for checking sustainability parameters. The questionnaire also includes a CSR section, intended to assess aspects relating to safeguard workers' rights, counter corruption and minimize the risks for the environment. During 2021, 33% of the new suppliers activated were evaluated on ESG issues by completing the pre-

assessment questionnaire. This first analysis phase enables Brembo not to establish commercial relationships with suppliers who do not comply with the minimum requirements and allows it to identify in advance any critical issues regarding new potential suppliers and to implement corrective actions.

Once the pre-assessment and approval process has been completed, the supplier becomes part of the supplier base to which Brembo can award orders.

Brembo regularly carries out audit campaigns with the specific goal of assessing compliance with the sustainability standards mandated by the Group. Brembo has in place, starting from 2018, a Procedure for Managing CSR Audits which defines the policy for selecting suppliers involved in audits, the processes for managing third party-audits, related follow ups and any corrective actions. The parameters for selecting suppliers involved in CSR audits are: (i) the country of origin of the supplies, (ii) the turnover with the Brembo Group, (iii) the type of production process (with a particular focus on environmental and safety risks) and (iv) the results of any previous sustainability assessments.

Sustainability assessments are performed by specialized third parties through audit at the supplier's site, during working hours.

The objective of the third-party audits and self-assessment questionnaire is to identify critical factors affecting areas such as: working conditions, related remuneration and working hours, health and safety and the environment. The supplier that doesn't reach an acceptable score is required to develop corrective an action plan, which is then monitored by Brembo. In the event of a recovery plan not being prepared or put into effect, Brembo reserves the right to suspend and/or terminate in advance any commercial relationship and to seek compensation for loss, damage, expense or other costs incurred by Brembo which may result from breach and/or conduct by the supplier.

To date, Brembo has involved 99 suppliers in sustainability-related audits, of which 7 in 2021, covering 70,6%¹ of direct material relevant suppliers purchases value. A particular focus in the selection of suppliers to be audited in 2021 was applied to contract work suppliers, which Brembo evaluates from a safety point of view, just like its own production processes, in compliance with the requirements of ISO 45001 certification. The pandemic has had an important impact on the number of CSR audits and follow-up activities, in particular for on-site audits, in view of the Covid containment measures put in place. Brembo is committed to continuing its audit activities during 2022, considering the possibility of introducing remote methods compatible with the evolution of the Covid pandemic.

As a result of this structured process, the likelihood of the risk related to the suppliers compliance with Brembo requirements in terms of sustainability is confirmed as remote (< 5% of probability on a three-year basis) also for the year 2021.

Development and building capacity. The Group supports suppliers in improving continuously their performances and strengthening their innovation capacity. For this reason Brembo promotes opportunities for suppliers' development through collaborative initiatives that foster direct discussion and sharing of best practices.

➤ **Dedicated resources and self – assessment**

Brembo has resources in different Company's departments that are also addressing risks in the area of modern slavery and ensuring that appropriate measures are taken to assess, manage and minimize risk.

Brembo Group Companies are also periodically requested to self-assess against Brembo policies, procedures and standard in terms of Corporate Social Responsibility.

Furthermore Brembo is periodically subject to sustainability audit by its clients and by third parties as well as for Report Assurance Purposes.

¹ This activity is focused on Relevant Direct Suppliers which cover at least 80% of the purchasing turnover in three organizational areas: Commodity, Region, Global Business Units. Relevant Direct Suppliers are 201 in 2020. The list of Relevant Direct Suppliers is updated on a yearly basis according to the turnover of the previous year.

4. Effectiveness Monitoring

The Group employees are the eyes and ears of Brembo's business with respect to the risks of modern slavery occurring in the business or in the supply chains.

The ongoing training of Brembo employees on topics related to ethical practices and on procedures and policies is therefore important to the monitoring of the Group's risks in this area as are any reports made by employees or third parties via whistleblowing channels. However, Brembo also continues to monitor the effectiveness of this approach to these risk through the results of the due diligence and audits carried out on suppliers. To date no incidences of modern slavery in Brembo supply chain has been identified and it has not been necessary to terminate any supplier contracts as a result of a breach of human rights.

5. Training

Brembo disseminates to all employees the principles established in its Code of Ethics and in the main Code of Conducts and Policies and the values of good governance. Employees worldwide regularly receive training on ethics and compliance and are therefore aware of the need for them to be vigilant of the risks of modern slavery occurring in our business and supply chain. Training also focuses on how to report any concern employees may have.



6. Next Steps

During the course of the next financial year Brembo aims at consolidating and enhancing the processes already set up and continue with its monitoring and third parties assessment activities. On November 4th 2021, Brembo purchased 100% of the shares of J.JUAN SAU, a Spanish company specialized in the development and production of motorbike braking systems. During 2022 a gradual integration process is running on this new Group company also in terms of supply chain management and organization's alignment and employees' information and training.

As regards the Supply Chain, during 2022 Brembo Sustainable Procurement Policy will incorporate the principles that the Purchasing Global Central Function promotes in the field of Sustainability within its organization and in the relationship with its supply chain.

7. Approval of this Statement

This statement was approved by the Board of Directors of Brembo S.p.A. on 11th May 2022.

Brembo S.p.A.





On behalf of the Board of Directors

Cristina Bombassei

Director & Chief CSR Officer

ANNEX

COMPANY NAME	FINANCIAL YEAR	DATE ON WHICH STATEMENT APPROVED BY BOARD	SIGNATURE OF DIRECTOR
Brembo Poland Sp.zo.o.	2021	16.05.2022	
Brembo Czech s.r.o.	2021	16.05.2022	
Qingdao Brembo Trading Co.Ltd.	2021	16.05.2022	