

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 2022 to December 31st 2022 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 & Business, People and Supply Chain

<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. Guided by its Mission to become a Solution Provider and its Vision "Turning Energy into Inspiration", which drives Brembo to expand its own sphere of influence on energy management in its broadest sense, not only as component, but also as an authoritative systemist, Brembo continued to invest in a significant way in innovation.</p> <p>In the course of 2022 Brembo continued the implementation of its strategy within the three Pillars - Digital, Global e Cool Brand - through dedicated project teams, who take advantage of a distributed leadership and transversal skills of the participants and involve all Group Regions.</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), Spain (Barcelona), Czech Republic (Ostrava-Hrabová), Germany (Meitingen), Mexico (Apodaca and Escobedo), Brazil (Betim), China (Nanjing, Langfang and Jiaxing), 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, while in the United States (Sunnyvale – California) a company for software development, data science and artificial intelligence has been established.</p> <p>In 2022 Brembo’s consolidated net sales amounted to € 3.629.111 thousand.</p>
<p>Employees</p>	<p>Brembo Group employs 12,956 people worldwide. Brembo applies robust policies and procedures concerning all Human Resources related processes. The Group, in line with the Pillars of its strategy, promotes growth, development and the continuous strengthening of skills and competencies, believing strongly that it is knowledge and skills of each person that determines the real competitive advantage useful to anticipate and overcome future challenges in the dynamic context in which it operates. This includes addressing specific training initiatives on compliance requirements, human rights principles and health and safety guidelines and procedures. After termination of the Covid-19 pandemic emergency period, Brembo institutionalized its remote working rules in Italy and continued to organize online training initiatives and promote online</p>

meetings. To 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 was updated in February 2020, on the occasion of the issuance of the Workplace Health and Safety Management System, which recognizes the ISO 45001 standard as a replacement of the previous OHSAS 18001.

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 2022 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.





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 2.393 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.

For Brembo, the management of the supply chain is a priority and it is essential to ensure a responsible supply system that respects the environment, the rights of workers and local communities. As anticipated in the last year's statement, during 2022 the new Brembo Sustainable Procurement Policy (as detailed in paragraph 2 below) has been issued in order to incorporate the principles applied by the Purchasing Global Central Function in the field of Sustainability within its organization and in the relationship with its supply chain. 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.

	<p>Brembo regularly assesses its most important and critical suppliers against these sustainability standards with the support of a third party specialist. Assessments incorporate the use of on-site audits and self-assessment questionnaires, as detailed in section 3.</p> <div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;">  <p>88% Local supplies, i.e., supply from suppliers located in the same geographical areas where the Group operates</p> </div> <div style="text-align: center;">  <p>74.10% Suppliers of direct materials that since 2015 have been involved in social and environmental audits (in terms of value of supplies)</p> </div> </div>
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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 Codes of Conduct and 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 Sustainable Procurement Policy**

By this Policy, published in 2022 in the supplier’s section of the Group’s website and incorporating and replacing the former Brembo Supplier Code of Conduct and Purchasing Policy, Brembo wants to collect the new regulations, but above all to accompany its suppliers towards an approach to increasingly sustainable business. In fact, this Policy has a broader scope (compared to Brembo Supplier Code of Conduct), containing codes of conduct that suppliers are required to apply, but also pushing to act responsibly and sustainably, far beyond rules and codes. This policy has been distributed to the main Brembo global suppliers, which are obliged to subscribe to and respect it. This, in fact, provides audits, monitoring, training and corrective action programmes to support collaborative suppliers.

➤ **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, which has been revised and integrated with the Brembo DEI Charter in 2022, Brembo aims at maintaining a respectful working environment and actively stands up against discrimination. Personal conditions cannot

lead to any discrimination based on gender or gender reassignment and sexual orientation, ethnicity (including ethnic origin, nationality and national origin), belonging to minority, political opinions and religious beliefs, social origin, civil status, family status, disability 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, competences, performance and motivation and not with regards to other personal conditions. All employees shall be helped and encouraged to develop their potential. Their talents and resources shall be fully utilized to enable the organization to thrive. Brembo acknowledges and promotes the value of diversity and takes a zero-tolerance approach to any form of discrimination such as harassment (including gestures, language, posture and physical contact). It is our goal to contribute positively to the success of the Company by promoting a diverse and inclusive workplace which supports an engaged high-performance culture. The Policy seeks to promote a more diverse, inclusive and representative workforce whilst ensuring that the best qualified, skilled and experienced people are attracted, hired, developed and retained. From prevention and protection against all forms of discrimination to initiatives aimed at enhancing diversity and guaranteeing inclusion is Brembo ongoing mission. Brembo DEI Charter (Diversity, Equity and Inclusion) explains in a nutshell the principles and meaning of inclusiveness in Brembo by suggesting a few virtuous behaviors to adopt every day.

➤ **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 Brembo 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. During 2022 Brembo monitored the regulatory developments on whistleblowing rules (both at European level — Directive (EU) 2019/1937 — and at national level) and implemented all the activities necessary to adapt Brembo procedures to the new regulations.

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 summarized as follows:

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 Sustainable Procurement Policy declaring that they have adopted appropriate measures to safeguard workers' rights, employee's health and safety, counter corruption and minimize risks to the environment. Currently the Sustainable Procurement Policy is undersigned by approximately 300 of the 700 main suppliers to which the greater quota of the purchase turnover is imputable.

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 2022, 25 new "relevant" ¹ suppliers (constituting 24% of the new suppliers activated during the year) were selected and activated taking into account criteria of environmental and social nature, by filling in 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 a corrective 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 117 suppliers in sustainability-related audits, of which 18 in 2022 as on-site audits, covering 74,1% ² of direct material relevant suppliers purchases value.

¹ Relevant Suppliers are those suppliers that belong to certain merchandise categories or that entertain with Brembo a business exceeding specific thresholds for each company of the Group.

² 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 2022. The list of Relevant Direct Suppliers is updated on a yearly basis according to the turnover of the previous year.

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 areas, that are also addressing risks in the field 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 standards 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.

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 essential 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 risks through the results of the due diligence and audits carried out on suppliers. To date no incidences of modern slavery in Brembo supply chain have 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.


**over
400,000**
Training hours
provided in 2022


3,987
Brembo's employees
trained on the Code of
Ethics in 2022

6. Next Steps

During the course of the next financial year Brembo aims at consolidating and enhancing the processes already set up and continuing with its monitoring and third parties assessment activities.

As regards the company J.JUAN S.A.U., purchased by Brembo at the end of 2021, the year 2022 a gradual integration process has been implemented: the company joined Brembo codes and policies mentioned above, holding specific training to the employees, started to apply to its supply chain Brembo standards and tools and during the 2023 will continue with the goal to reach a complete alignment.

In order to adhere to the most established international standards on sustainability due diligence throughout the entire supply chain, Brembo, using an external service provider, has set up a digital platform whose use will take place from 2023. This platform implements the self-assessment questionnaire SAQ 5.0 defined as part of the Drive Sustainability initiative promoted by the world's leading OEM Automotive manufacturers and will allow Brembo to adhere to the sustainability guidelines applicable to its supply chain.

During 2023 Brembo has planned to switch to new Whistleblowing system and tool, in order to comply with the UE Directive 2019/1937 that has been implemented by the single EU countries.

7. Approval of this Statement

This statement was approved by the Board of Directors of Brembo S.p.A. on 9th May 2023.

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.	2022	<i>OMISSIS</i>	<i>OMISSIS</i>
Brembo Czech s.r.o.	2022	<i>OMISSIS</i>	<i>OMISSIS</i>
Qingdao Brembo Trading Co.Ltd.	2022	<i>OMISSIS</i>	<i>OMISSIS</i>
J.JUAN S.A.U.	2022	<i>OMISSIS</i>	<i>OMISSIS</i>