





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 2018 to December 31st 2018 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

Organization & Business	<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.</p> <p>The Group currently operates in 15 countries across 3 continents, through its production and business sites. Manufacturing plants are located in Italy, Poland (Czestochowa, Dąbrowa Gómicza, Niepołomice), the United Kingdom (Coventry), the Czech Republic (Ostrava-Hrabová), Germany (Meitingen), Mexico (Apodaca and Escobedo), Brazil (Betim), Argentina (Buenos Aires), China (Nanjing, Langfang), India (Pune) and the United States (Homer). Other companies in the Group are located in Spain (Zaragoza), Sweden (Göteborg), Germany (Leinfelden-Echterdingen), China (Qingdao), Japan (Tokyo) and Russia (Moscow) carrying out distribution and sales activities.</p> <p>In 2018 Brembo’s consolidated net sales amounted to € 2,640,011 thousand.</p>
Employees	<p>Brembo Group employs over 10,000 people worldwide. Brembo applies robust policies and procedures concerning all processes relevant to Human Resources. The Group provides continuous professional training with the aim of developing a special portfolio of talent in all geographies and professional families. This includes training relevant staff members on compliance requirements, human rights principles and health and safety. To guarantee the highest safety standards for our people, we have adopted an increasingly structured approach to workplace health and safety, which also takes into account the challenges and peculiarities associated with the Group’s geographical diversification. This approach is based both on compliance with local legal requirements, and on promoting targeted measures to steadily improve individual and collective workplace health and safety standards. Modern slavery forms part of Brembo’s Environmental, Social and Governance (ESG) risk analysis framework. To date this analysis has not identified any modern slavery risks with respect to our own employees.</p> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 20px;"> <div style="text-align: center;">  <p>10,634 Brembo People</p> </div> <div style="text-align: center;">  <p>91% Local managers born in the countries where they work for Brembo</p> </div> <div style="text-align: center;">  <p>36% Proportion of women on the BoD</p> </div> </div>

	<p>For more details about People/Employees see https://www.brembo.com/en/sustainability/stakeholders/brembo-people.</p>
<p>Supply Chain</p>	<p>Brembo cooperates with more than 5.300 suppliers located in more than 16 countries across the world. The goods and services that they supply are fundamental to Brembo's industrial processes and include: raw materials (such as ferrous scrap and cast iron goods, aluminum and refiners), components, auxiliary production materials, services and production assets (such as machinery). The overall annual value of those goods and services is more than 1,6 billion euro.</p> <p>We have established through our Environmental, Social and Governance (ESG) risk analysis that it is in our 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; has a defined structured process for the selection and the assessment of new suppliers and for the auditing of current suppliers.</p> <p>Suppliers are selected based on the quality, innovation and competitiveness of their products and services, as well as on their compliance with social, ethical, human rights, employees' right to work and to freely associate and environmental standards.</p> <p>Brembo regularly assess its most important and critical suppliers against these sustainability standards with the support of a specialist third party consultant. Assessments incorporate the use of on-site audits and self-assessment questionnaires, as detailed in section 3.</p> <p>Our supply chain</p>  <p>For more details about Supply Chain see: https://www.brembo.com/en/sustainability/stakeholders/supply-chain</p>

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 work for and on behalf of Brembo, (including third party suppliers) in order to support sustainable growth and protect the Group's reputation and values and ensure that we comply with all applicable laws and best practice. 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**

In 2018 the Group published, in the supplier's section of the Group's website, its Supplier Code of Conduct which 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 labour, human trafficking, health and safety at work, environmental protection and corruption.

The Supplier Code of Conduct is based on the guidelines set out in Brembo's sustainability policy and the values and principles in Brembo's Code of Ethics. It is also inspired by the UN Universal Declaration of Human Rights (which Brembo supports in all of its spheres of influence), the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, and the OECD Guidelines for Multinational Enterprises.

➤ **Code of Basic Working Conditions**

This code is an expression of the Group's acknowledgement that its employees are its most important resource and asset throughout its worldwide locations. It is also inspired by the above mentioned international standards and it explains the manner in which Brembo behaves as an organization and its expectations of its own business to prevent forced labour, human trafficking, child labour, modern slavery, corruption and discrimination.

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

This policy describes the requirements Brembo places on its managers, employees, agents, business partners and stakeholders to establish and maintain an environment free from discrimination. It is the expression of how the Group is committed to the principle that all persons shall have equal access to employment, facilities, services and programs without regard to personal characteristics not related to their performance, competence, knowledge, or qualifications.

➤ **Suppliers contractual clauses**

Brembo has progressively introduced contractual requirement on suppliers to comply with our Code of Ethics, Suppliers Code of Conduct and other Codes of Conducts and Policies from time to time issued by Brembo and available our 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) and through which all employees and third parties can raise any concerns they may have, on a confidential basis and without fear of reprisal, about how colleagues are being treated or non-compliance within our business and supply chain.

Brembo's whistleblowing channels adhere to the following principles: assurance of anonymity and confidentiality of the person making the report, 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, including a dedicated email address working_conditions@brembo.it, which is accessible from both inside and outside the company.

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**

Before awarding business to a new third party, Brembo requires suppliers to adhere to the Brembo Supplier Code of Conduct and declare that they have adopted appropriate measures to safeguard workers' rights, employee's health and safety, counter corruption and minimize risks to the environment. In addition in the Supplier pre evaluation questionnaire there is a dedicated section with specific questions about CSR priority issues.

With the support of a specialized third party consultant, Brembo regularly carries out audit campaigns with the specific aim of assessing whether the Group's sustainability standards are being met.

The suppliers (of direct and indirect materials and services) are selected for audit on a risk based model that takes into consideration the following factors: (i) the supplier's significance in terms of supplies value (and actual or expected growth) (ii) risks linked to the countries in which the supplier operates, (iii) risk linked to the supplier's production processes (with a particular focus on environmental and safety risks) and (iv) the results of any previous sustainability assessments.

Sustainability assessments may be performed by a third party through audit at the supplier's site, during working hours and with a representative of Brembo with sustainability expertise being in attendance.

During 2018 Brembo also introduced a self-assessment questionnaire, with the aim of increasing the number of suppliers involved in the assessment.

Self-assessment questionnaires and or audits, assess different areas, including but not limited to risks associated with work conditions, child/forced labor, discrimination, discipline, harassment / abuse, freedom of association, labor contract standards, wages and benefits and working hours.

If the result of a Self-assessment questionnaire or an audit is not satisfactory, Brembo:

- will require suppliers to prepare and implement a recovery plan;
- will conduct documentary audits and/or additional in person audits to ascertain the effective implementation of the recovery plan.

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 any loss, damage, expense or other costs incurred by Brembo which may result from any breach and/or conduct by the Supplier.

➤ **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.

More details are available on Brembo Sustainability Report: <https://www.brembo.com/en/sustainability/report-and-presentations>

4. Effectiveness Monitoring

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

The ongoing training of our employees on topics related to ethical practices and our procedures and policies is therefore important to our monitoring of the Group's risks in this area as are any reports made by employees or third parties via our whistleblowing channels. However, we also continue to monitor the effectiveness of our approach to these risk through the results of the due diligence we carry out on suppliers, including audits performed on those suppliers. To date we have not identified any incidences of modern slavery in our supply chain and it has not been necessary to terminate any supplier contracts as a result of a breach of human rights.

5. Training

Brembo disseminates the principles established in its Code of Ethics and in the main Code of Conducts and Policies and the values of good governance to all employees. 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 chains and know-how to report any concern that they may have.



Over
240,000
Training hours provided during the year



1,606
Number of people trained
on ethical topics

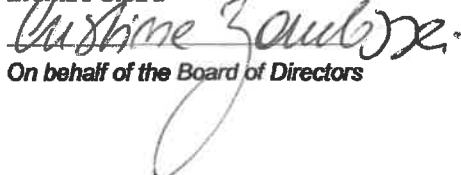
6. Next Steps

During the course of the next financial year Brembo aims to consolidate and enhance the processes already set up and continue with its monitoring and third parties assessment activities. Brembo aims to increase the percentage of audits on higher risk suppliers associated with the sourcing of direct materials and to launch campaigns on service suppliers.


7. Approval of this Statement

This statement was approved by the Board of Directors of Brembo S.p.A. on 29th July 2019.

Brembo S.p.A.


On behalf of the Board of Directors

ANNEX

COMPANY NAME	FINANCIAL YEAR	DATE ON WHICH STATEMENT APPROVED BY BOARD	SIGNATURE OF DIRECTOR
Brembo Poland Sp.zo.o.	2018	26th July 2019	
Brembo Czech s.r.o.	2018	29th July 2019	