



## Goal 4

Quality  
education



## Goal 6

Clean water  
and sanitation



## Goal 8

Decent work  
and economic growth



## Goal 9

Industry, innovation  
and infrastructure



## Goal 12

Responsible  
consumption  
and production



## Goal 13

Climate  
action



THE GLOBAL GOALS  
GLOBAL SUSTAINABLE DEVELOPMENT GOALS

Global Sustainable  
Development Goals



# Innovating and making

thinking about  
future generations

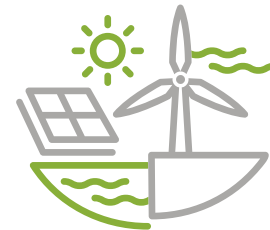




## Innovating and making thinking about future generations

### 2.1 Sustainability for Brembo

Corporate social responsibility is not an abstract concept for Brembo, but consists in daily concrete practices, designed to balance economic decisions against an assessment of their social and environmental impact in relation to the expectations of all Group stakeholders.



It is the path through which Brembo has worked to further strengthen the structure of this awareness and commitment, started at the end of the Nineties with an analysis of the value of the intangibles, aimed at measuring the company's ability to create value not only from an economic perspective, but also considering the social and environmental impacts, safeguards for employment, appreciation of human resources, promotion of employee safety and capacity for growth and innovation. In 1999, this analysis work was included in the first Intangible Capital Report which was followed by the publication, from 2004 to 2007, of the Value Report, a document describing the inter-relationship between the Group's economic results and its environmental and social performance.

Over the next few years this reporting approach combining financial and social responsibility information continued with the in-depth analysis, included in the Directors' Report on Operations, of aspects regarding the global macro-economic scenario, safety and environmental risks, company organisation, research and human resources.

Brembo has always paid particular attention to the development of global policies involving all Group companies in the areas of compliance, ethics, responsibility, sustainability and transparency. Brembo considers these values to be the foundation of the precious 'intangible' heritage formed by its brand, its reputation and the set of principles that characterise the way in which a socially responsible company acts.

### The Governance of Sustainability

The Group's willingness to operate in an increasingly responsible manner and to include sustainability in its business practices has prompted the implementation at Brembo of a Governance system which is dedicated to the auditing and management of these topics at Group level.

The key figure at the heart of Brembo's sustainability governance is the **Chief CSR Officer**, a role entrusted to the Director in charge of the Internal Control and Risk Management System. Besides interacting with the Audit, Risk & Sustainability Committee, the Chief CSR Officer is responsible for proposing, coordinating and deploying social responsibility projects and initiatives, monitoring action plans in the various organisational units (also in light of external best practices), analysing information

documents and stakeholders' requests regarding sustainability-related topics, as well as coordinating activities involved in the drafting of the yearly Disclosure of Non-Financial Information.

To support the Chief CSR Officer, Brembo has created a **CSR Steering Committee** consisting of the company's top management and the heads of the departments that are more closely involved with sustainability issues.

The Committee is tasked with determining the Sustainability Guidelines, adopting the relative policies, proposing a plan containing the environmental and social strategic objectives, approving the projects submitted by the Chief CSR Officer and validating the preparatory activities needed to launch the sustainability reporting process.

The CSR Steering Committee is also required to effectively oversee the stakeholder engagement process and the sustainability-related risks, as well as to assess the draft Disclosure of Non-financial Information.

Finally, in accordance with the provisions of Borsa Italiana's Corporate Governance Code, the Group has set up an **Audit, Risk & Sustainability Committee** within the Board of Directors, consisting of 3 Independent Directors, each with a 3 year term expiring upon the General Shareholders' Meeting called to approve the Financial Statements at 31 December 2019.

More specifically the Audit, Risk & Sustainability Committee provides support to the Board of Directors by analysing the sustainability policies and procedures, as well as the guidelines, the company goals with related processes linked to social and environmental topics, and by monitoring sustainability-

related international initiatives and actively involving the Group with such initiatives to raise the company's profile in the international arena. The Audit, Risk & Sustainability Committee is also required to express specialised opinions in relation to the identification of the main corporate risks, particularly those involving sustainability, environmental and social topics. Finally, the Committee analyses and assesses the draft Disclosure on Non-Financial Information, which is submitted for approval to the Board of Directors on a yearly basis.



### Learn more

**"Thinking responsibly, Acting concretely"**

Video on Brembo's Corporate Social Responsibility

## Brembo's sustainability management procedures

Brembo has adopted two procedures aimed at regulating the roles, activities, responsibilities and timetables relating to the preparation process of the Disclosure of Non-financial Information.

The **"Preparation Process of Consolidated Statement on Non-Financial Information"** procedure aims at describing the mechanisms and the operational process used for preparing the disclosure. It describes the stages, activities, roles, responsibilities and timetables of the business functions involved in the planning, information gathering, and control needed to implement

the reliability, consistency, traceability, timeliness, accuracy, comprehensiveness and substance requirements. Finally, it contains details relating to the validation process of data and information of a non-financial nature, as well as the activities underlying the NFI's drafting and its approval and verification.

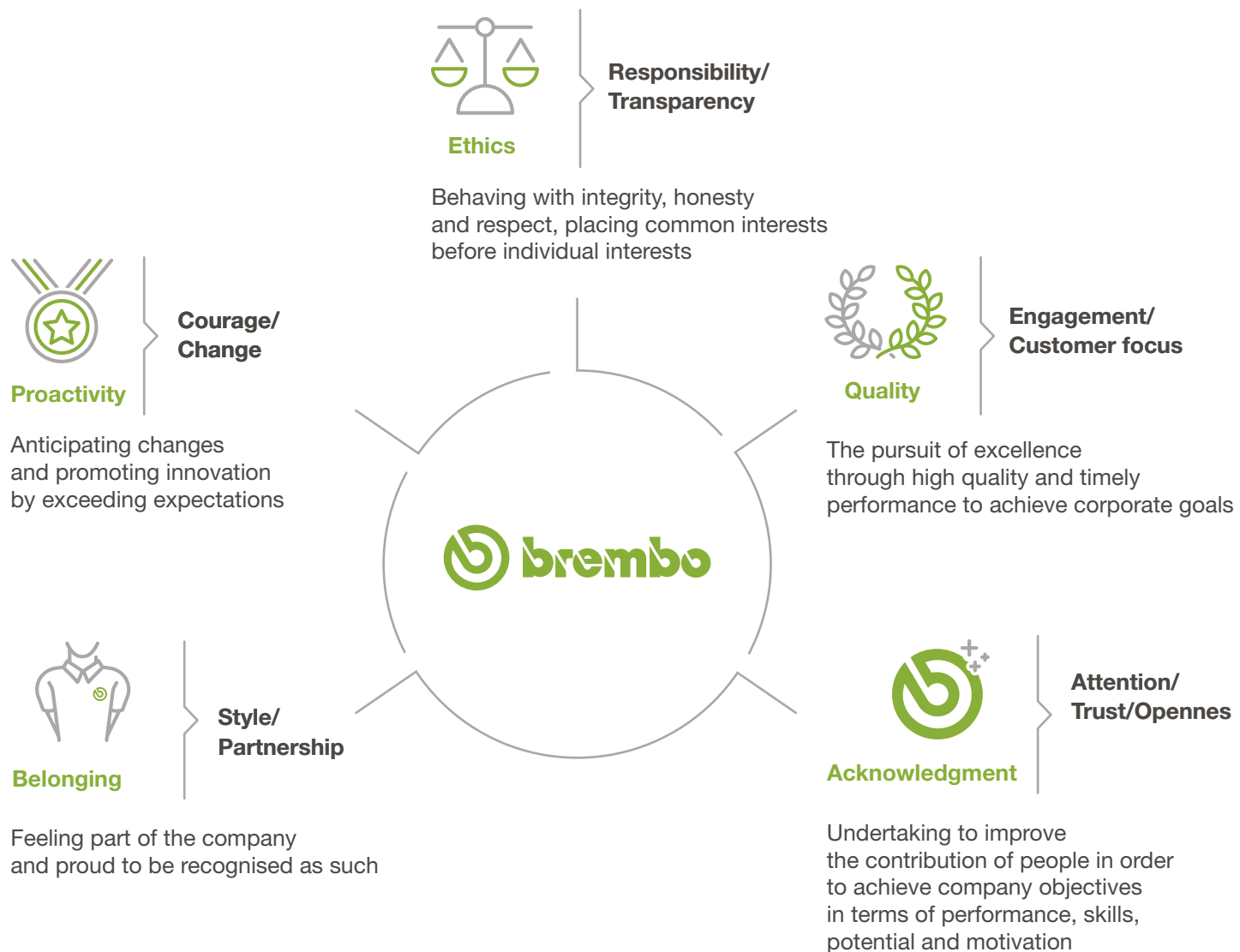
The **"Institutional Bodies involved in Corporate Social Responsibility"** procedure, on the other hand, describes the roles and responsibilities of Brembo's institutional bodies involved in Corporate Social Responsibility issues, regulating their relations and communication flows.



## 2.2 The Group's values

Ethics, quality, acknowledgement, proactivity and belonging are the five guiding values, enshrined in the company's Code of Ethics, that make up the wealth of Brembo's shared

culture, as well as a benchmark for conducting the company's business and operations in full respect for all the Group's stakeholders.



For further information: [www.brembo.com/en/company/corporate-governance/codes-policies](http://www.brembo.com/en/company/corporate-governance/codes-policies)









## 2.3 The history of CSR

Brembo has always been a responsible firm with regard to its employees, the environment, the community and all its stakeholders. By building itself upon solid values, it has always implemented practices and strategies that demonstrate its focus on the impact of its activities on the world around it.



### 1961

#### Origins and values

On January 11 1961, Emilio Bombassei and Italo Breda founded **Officine Meccaniche di Sombreno**, the original progenitor of today's Brembo.



### 1989

#### Associazione Brembo Italo Breda Foundation

Every year, this association awards study grants to Brembo employees and their children who have produced an outstanding academic performance.

### 1999

#### First Intangible Capital Report

This report documents Brembo's ability to create social and environmental value and to produce innovation.

**First automotive Quality certification (QS 9000 – AVSQ 94)**

### 2000

**First ISO 14001 Environmental Certification**

### 2001

**Financial Statements Oscar**  
(listed companies)

### 2003

**Adoption of the Code of Ethics on a Group level**

**First OHSAS 18001 Occupational Health and Safety Certification**

### 2004

#### First Value Report

The report supplements the information in the Group's Financial Report with details about environmental and social performance.

2005

Receipt of the National Prize  
for Corporate Social Responsibility,  
Città di Rovigo

2006

First Family Day in Poland

2007

**Publication of the Charter of Values**  
The document identifies and describes behaviours that  
reflect and express the company's values.  
**Open Day at the Stezzano site in Italy**

2009

Brembo North America takes part in the National Take  
Our Daughters And Sons To Work Day for the first time

2010

**The Brembo Kids educational project is launched in Italy**  
Hospitality project for the children of Group employees  
and during school holidays.



2011

**Brembo signs up to the Carbon Disclosure Project – Climate Change**

A programme designed to monitor and reduce greenhouse  
gas emissions.

**First edition of the Code of Basic Working Conditions Brembo  
hosts the 30th FARO Convention, Raw Materials Monitoring Centre**  
Event dedicated to suppliers.







## 2012

**Ambrogio Lorenzetti award for business governance  
(listed companies)**

**Launch of the Brembo WHP  
(Workplace Health Promotion) Project, Italy**

This project, in partnership with local institutions, promotes healthy lifestyles at work and at home.

**Launch of Brembo for Family, Italy**

This project, targeted at employees, offers opportunities for training and reflection on what it means to be a parent.

**Launch of Brembo to You, Italy**

This project aims to make people reflect upon individual wellbeing.

## 2014

**The Social and Cultural Sponsorships  
and Donations Committee is set up**

The Committee aims to guarantee structured sponsorship management on a Group level.

**First Family Day in the Czech Republic**

**First edition of the Policy on non discrimination and diversity**

**Launch of the "Brembo Strong" project in Brembo North America**

The project promotes a healthy lifestyle at work and at home.

## 2013

**Institution of the CSR Steering Committee and appointment  
of the Chief CSR Officer**

The Committee aims to promote and coordinate Brembo Group's sustainability efforts.

**Brembo India, Water Saving Project**

Safe reuse of water 2-3 times in the Pune plant thanks to a dedicated system.

**Sustainability Supplier of the Year Award from Fiat-Chrysler**

Brembo is recognised as the best supplier in terms of sustainability in the EMEA.

**Adoption of the Anti-Corruption Code of Conduct, which applies  
to all Group companies**



## 2015

**Biofilter, Iron Foundry in Mapello**

A natural filtration system for an 85% reduction in odours generated by the production system at the emission point.

**Sustainability audit by BMW, Car Division, Curno plant, in Italy**

**Support for the I Was a Sari Association, in India**

The association aims to improve the quality of life of the most disadvantaged Indian women by teaching them specialist tailoring skills.

**Launch of the Brembo Car Pooling Project**

The project facilitates travel between home and work thanks to an innovative web-based system.



## 2016

### SOSSteniamoci

In partnership with the NGO Cesvi, this project supports a group of unaccompanied foreign minors living in Bergamo, helping them on their way to achieving social and economic independence.

**Brembo signs up to the Carbon Disclosure Project – Water**  
Programme designed to monitor and reduce water consumption



## 2017

**Publication of the first Sustainability Report** (on a voluntary basis)

**Definition of a CSR Management System for the Group**

**Sustainability audit by Volkswagen, Dabrowa plant, in Poland**

**Inclusion in the A-list Climate Change 2017 by CDP (CO<sub>2</sub> emissions)**

Recognition to Brembo because of its ability to respond to climate change (Carbon Disclosure Project).

**Brembo-CESVI Houses of Smile in India**

In partnership with the NGO Cesvi, a services hub and three educational centres for women and children in the slums of Pune.

**House of Smile and I was a Sari receive the Impresa Awards prize**

Set up by the Indo-Italian Chamber of Commerce and Industry, in the "Community Development (Society) Awards 2017" category.



## 2018

**Adherence to the sustainable development goals of the 2030 Agenda**

Brembo becomes an advocate of the Sustainable Development Guidelines. The Group launches an internal communication campaign to raise awareness about this topic amongst all Brembo employees around the world.

**Worldwide Publication of the Supplier Code of Conduct**

**Launch of the Internal Communication Campaign on Safety at Work**

**Integrated Governance Index**

No.1 manufacturing company amongst those assessed for the integration of sustainability in its company strategies.

**The CDP renews Brembo's inclusion into the Climate Change (CO<sub>2</sub> emissions) A-list for 2017 and includes it into the Water Security A-list**

Brembo's capability to respond to climate change and to protect water resources is recognised (Carbon Disclosure Project).





## 2.4 Dialogue with Stakeholders

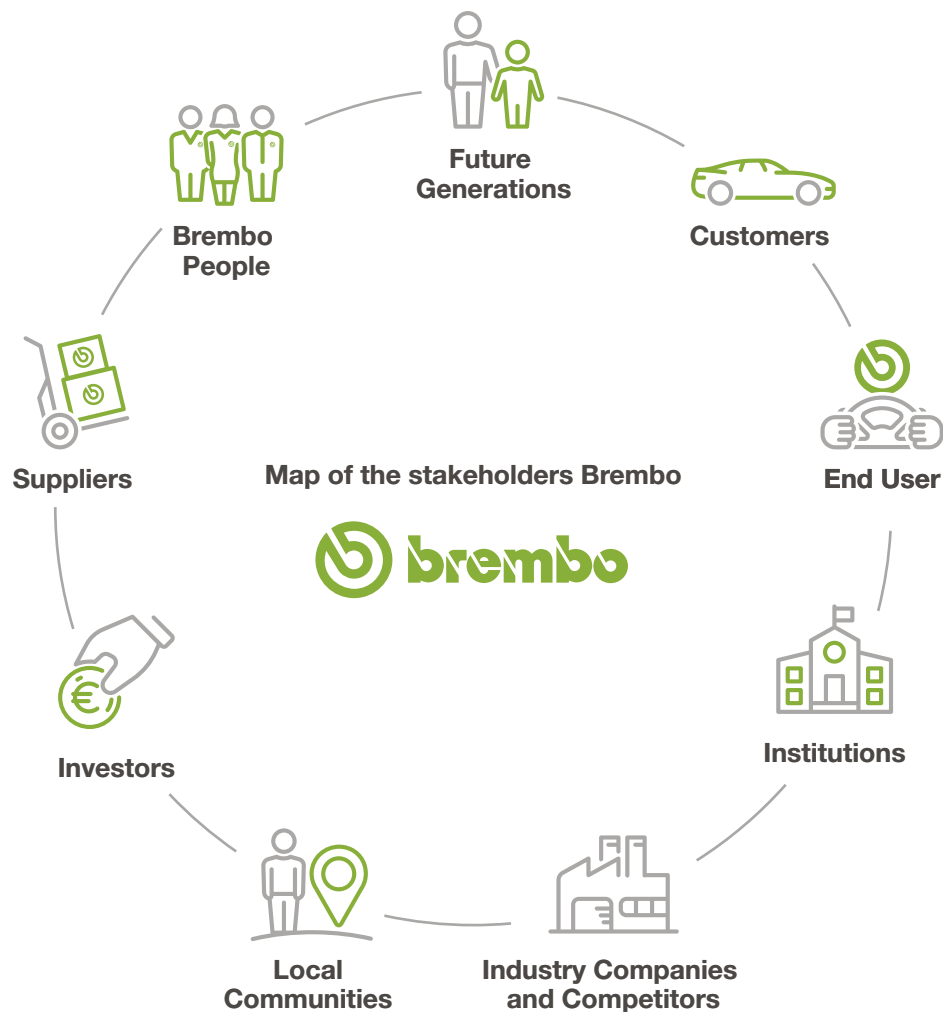
Over the years Brembo has established an active and constant dialogue with its internal and external stakeholders, based on the values of transparency, trust and consensus in decisions. Thanks to this dialogue the Group has the opportunity to obtain important information about the reference context and receive feedback on its operations, so that it can continually improve the impact of the company's activities on the environment and on society.

Through this process of listening and dialogue, Brembo is able to assess the extent to which it is understanding and satisfying the expectations and interests of its stakeholders and identify




the areas in which to increase its commitment and those in which to confirm the approach adopted.

Establishing ongoing, mutually fruitful dialogue requires:

- the identification of key stakeholders with which to promote periodic dialogue initiatives: to this regard, the map of stakeholders, which includes the associated expectations, has been drawn up thanks to internal investigations within the company structures responsible for the daily management of relations with the respective stakeholder categories;
- the definition of the most appropriate methods of ensuring stakeholder engagement.






The following table sums up the listening and engagement tools and the expectations of all the Group's stakeholders, illustrating the various interests to which Brembo is required to respond.

Group stakeholders	Feedback and engagement tools	Stakeholders' expectations and interests with regard to Brembo
<b>Investors</b> 	<ul style="list-style-type: none"> <li>• General Shareholders' Meeting</li> <li>• Feedback and support channels offered by the Investor Relations function</li> <li>• Meetings, roadshows (approximately 10 a year) and quarterly conference calls with analysts</li> <li>• Corporate website and dedicated e-mail accounts</li> </ul>	<ul style="list-style-type: none"> <li>• Increase in the value of the Brembo Group's shares</li> <li>• Reduction of the risks associated with the investment</li> <li>• Transparency of Corporate Governance structures, long-term strategy and objectives, management actions and company performance, as also extended to the environmental and social arena</li> </ul>
<b>Customers</b> 	<ul style="list-style-type: none"> <li>• Daily activities and reports of the Business Units: Car and Commercial Vehicle Systems Division, Brake Discs Division, Motorbikes, Aftermarket and Performance Group</li> <li>• Joint development programmes</li> <li>• Supplier assessment questionnaires and qualification processes</li> <li>• Customer support channels</li> <li>• Support and training network for Brembo Expert repair professionals</li> <li>• Surveys to identify customers' needs and expectations for the development of new products</li> <li>• Events with customers</li> </ul>	<ul style="list-style-type: none"> <li>• Product reliability and safety</li> <li>• Reliability and flexibility of production processes to ensure business continuity and delivery times</li> <li>• Constant product innovation, including the improvement of environmental performance and attention to product design</li> <li>• Support for joint development of custom solutions</li> <li>• Technical support for the network of repair and maintenance service professionals in the transfer of know-how</li> <li>• Protection of the value of the Brembo brand as a distinctive element for vehicles and motorbikes</li> </ul>
<b>End User</b> 	<ul style="list-style-type: none"> <li>• Customer support channels</li> <li>• Monitoring and interaction on social networks</li> <li>• Feedback from vehicle and motorbike manufacturers</li> </ul>	<ul style="list-style-type: none"> <li>• Reliability and safety of Brembo products</li> <li>• Information about proper brake system maintenance</li> <li>• Protection of the value of the Brembo brand as a distinctive element for vehicles and motorbikes</li> </ul>





Group stakeholders	Feedback and engagement tools	Stakeholders' expectations and interests with regard to Brembo
<b>Brembo People</b> 	<ul style="list-style-type: none"> <li>• Internal climate (every 3 years), job satisfaction and engagement surveys</li> <li>• Trade union roundtables</li> <li>• Daily activities and reports of the Human Resources and Organisation function</li> <li>• Channels for receiving reports of violations of the Code of Ethics, Code of Basic Working Conditions and Policy on Non Discrimination and Diversity</li> <li>• Internal communication activity (Intranet portal, house organ and notice boards)</li> <li>• Training activities concerning organisational behaviour</li> </ul>	<ul style="list-style-type: none"> <li>• Safe work environment, where the health and mental and physical wellbeing of individuals are protected</li> <li>• Job stability</li> <li>• Opportunities for personal and professional growth</li> <li>• Training and skill development processes</li> <li>• Remuneration policies and merit-based incentive systems</li> <li>• Inclusion and appreciation of diversity</li> <li>• Transparency and engagement with regard to company objectives and performance</li> </ul>
<b>Suppliers</b> 	<ul style="list-style-type: none"> <li>• Daily activities and reports of the Purchasing function</li> </ul>	<ul style="list-style-type: none"> <li>• Timely and proper fulfilment of contractual conditions</li> <li>• Continuity of supply requests</li> <li>• Possibility of developing strategic partnerships to improve activities</li> </ul>
<b>Local Communities</b> 	<ul style="list-style-type: none"> <li>• Orientation and involvement of secondary school and university students and related recruiting programmes</li> <li>• Roundtables and discussions with the Public Administration</li> <li>• Initiatives involving the opening of Brembo's facilities to visits from workers' families ("open door" days) in various countries where the Group is present</li> <li>• Initiatives in support of the social and cultural development of local communities promoted by the Group</li> <li>• Whistleblowing mechanism for alleged violations of the Code of Ethics</li> <li>• Monitoring through the media (press, specialist publications, TV, Web and social networks)</li> </ul>	<ul style="list-style-type: none"> <li>• Support to the world of schools, also through a willingness to host students on alternating school-work paths</li> <li>• Collaboration with Universities and research centres in the development and spread of engineering, technical and scientific knowledge and skills</li> <li>• Offering of job opportunities and transparent, merit-based recruitment processes</li> <li>• Creation and protection of employment within the Group and its ancillary businesses</li> <li>• Development of production and logistics processes that safeguard environmental conditions and the health of populations near Brembo's production facilities and those of the suppliers</li> <li>• Participation and support by Brembo in cultural development and social inclusion projects</li> </ul>

Group stakeholders	Feedback and engagement tools	Stakeholders' expectations and interests with regard to Brembo
<b>Institutions</b> 	<ul style="list-style-type: none"> <li>• Roundtables and initiatives involving discussion with institutions, at national and international level</li> <li>• Hearings before parliamentary committees</li> </ul>	<ul style="list-style-type: none"> <li>• Ensuring full compliance with and observance of applicable legislation</li> <li>• Contributing to the development of regulations concerning the monitoring of polluting emissions in the automotive sector through the sharing of know-how and of specific industry knowledge</li> <li>• Promotion of local development and the achievement of the objectives established by the international agenda</li> <li>• Monitoring of the process to manage social and environmental risks throughout the value chain</li> </ul>
<b>Future Generations</b> 	<ul style="list-style-type: none"> <li>• Focus on the awareness campaigns of environmental associations and on analyses of the scientific community</li> </ul>	<ul style="list-style-type: none"> <li>• Fight against atmospheric pollution and global warming</li> <li>• Conservation of natural resources and circularity of the economy</li> <li>• Protection of ecosystems and natural biodiversity</li> <li>• Contribution to the achievement of the UN Sustainable Development Goals</li> </ul>
<b>Industry Companies and Competitors</b> 	<ul style="list-style-type: none"> <li>• Participation in the proceedings and themed committees of trade associations</li> </ul>	<ul style="list-style-type: none"> <li>• Involvement in the analysis of the industry's performance and needs to define common strategies for improving the sector and developing industry-wide policies</li> <li>• Strengthening industrial relations, including in view of pre-competitive collaboration on certain key aspects, such as improving sector sustainability</li> <li>• Protection of freedom of competition</li> </ul>





## Dialogue with the key players in the automotive industry

Promoting constructive dialogue with institutions and encouraging discussion between the industry's key players are two important aspects for Brembo to strengthen its brand on the market and increase its competitiveness. The Group is a member of various associations and takes part in working groups at both local and international level. It is committed to

working in partnership with an industry-oriented approach that allows the automotive and motoring sector to grow, innovation to be stepped up and progress achieved in the general interest.

At international level the Group collaborates with the following associations/organisations:

Association	Main objectives
<b>CLEPA - European Association of Automotive Suppliers</b>	Brings together the automotive suppliers at European level, representing their interests in dealings with the European institutions, the United Nations and related organisations, including ACEA, JAMA and MEMA. Brembo is currently holding the Presidency of CLEPA.
<b>CAEF - European Foundry Association</b>	Brings together and represents the foundry sector's operators at European level.
<b>MADE S.c.a.r.l.</b>	The Competence Centres are highly specialised centres set up by the Italian Ministry of Economic Development. The Competence Center, established in the form of a S.c.a.r.l. with the name of "MADE", aims to teach SMEs about the digital strategies and technologies dedicated to industry, including collaborative robotics and use of big data, distance maintenance, virtual design and man-machine interaction, cyber-physical production systems (digital technologies supporting the factory).
<b>EIT Raw Materials</b>	EIT Raw Materials represents an innovation community (KIC), part of the European Institute of Innovation and Technology (EIT) — an independent body directly funded by the EU to support the promotion of economic growth and the creation of sustainable jobs — which is committed to ensuring accessibility, availability and sustainable use of raw materials for the economy and citizens.
<b>EIT Manufacturing - MADE BY EUROPE</b>	This innovation community (KIC), part of the European Institute of Innovation and Technology (EIT) — an independent body directly funded by the EU to support the promotion of economic growth and the creation of sustainable jobs — aims to give a fresh boost to the European manufacturing industry's competitiveness.
<b>SAE - Society of Automotive Engineers</b>	SAE International is a global association of engineers and technical experts employed in the automotive, aerospace and commercial vehicle production industry, which promotes collaboration, sharing of expertise and professional development of its members.
<b>UNECE - United Nations Economic Commission for Europe</b>	Its main aim is to promote economic integration amongst its 56 member states in Europe, North America and Asia.

At national level the Group takes an active part in the initiatives of the following associations and organisations:

## Italy



- **CONFINDUSTRIA:** represents manufacturers and service providers operating in Italy, promoting the protection of their legitimate interests in relations with institutions, public administrations and economic, political, trade union and social organisations. Brembo is the general representative for large enterprises within the association's General Council.
- **AIDAF, Italian Family Business:** founded in 1997 by Alberto Falck and a group of entrepreneurs who share the same principles, AIDAF aims to be a point of reference for Italian family businesses.
- **ANFIA:** brings together more than 260 Italian enterprises operating in the motor vehicle construction, conversion and equipment sectors for the individual and collective transport of people and goods.
- **ANCMA:** represents manufacturers of motorbikes and their components operating in Italy, safeguarding their interests and promoting the resolution of economic, technical and regulatory problems in the industry.
- **ASSOFOND:** represents the Italian foundry sector in its relations with national, European and international economic, political and social institutions, administrations, and organisations.
- **ASSONIME:** an association of Italian joint stock companies. It studies and discusses issues concerning the Italian economy's interests and development. In June 2017, the Brembo's Chairman was appointed a member of the Board of Directors for the 2017-2018 two-year period.
- **AIR:** the Associazione Italian Investor Relations promotes the role of the Investor Relations Officer (IRO) within the financial community.
- **AIRI:** the Italian Association for Industrial Research plays an active role in promoting national and international cooperation in industrial research
- **AODV:** association of Regulatory Body members pursuant to Legislative Decree 231/2001.
- **ACI:** with more than one million members, the Italian Automobile Club (ACI) is the largest free association in Italy that represents and safeguards the interests of the Italian automobile sector, and promotes the sector's development through dissemination of a new mobility culture.
- **Italian-Chinese Chamber of Commerce:** fosters the develop-

ment of economic and commercial relations between Italy and China through information and training initiatives, seeking opportunities for Italian enterprises interested in the Chinese market and Chinese enterprises wishing to operate in Italy.

- **Italian-Russian Chamber of Commerce:** contributes to the development of economic, commercial, technical, legal, scientific and cultural collaboration between Italy, the Russian Confederation and other CIS states.
- **Italian Chamber of commerce and industry for Spain:** promotes economic and commercial relations between Spain and Italy.
- **Lombardy Mobility Cluster:** this is one of the nine Technology Clusters recognised by the Lombardy Region, for which it acts as institutional representative for Research and Innovation; it covers the automotive, nautical, railway, and intermodality sectors (transport and infrastructures).
- **Italian National Transport Cluster:** the National Technology Cluster "Trasporti Italia 2020" (CTN Tra.IT2020) is an association recognised by the Italian Ministry of Education, Universities and Research as a reference for the land and maritime mobility vehicles and systems sector.
- **Italian National Technological Cluster "Fabbrica Intelligente":** an association that includes large and medium-small sized enterprises, universities and research centres, business associations and other stakeholders operating in the advanced manufacturing sector. The association is recognised by the Italian Ministry of Education, Universities and Research as a driver of local sustainable economic growth throughout the entire national economic system, encouraging innovation and specialisation of national manufacturing systems.
- **Sodalitas Foundation:** a network of enterprises, volunteers and colleagues committed to generating shared value, promoting the culture of partnerships seeking to build a future of growth, sustainability, inclusion and development throughout the community.
- **GEO – Green Economy Observatory:** a collaborative platform, promoted by IEFE Bocconi, for businesses and entities in all the sectors interested in the issues of sustainability and the circular economy.

Brembo is also part of the following associations: **IBC (Industrie Beni di Consumo)** for barcodes; **OICA** – Organisation Internationale des Constructeurs d'Automobiles; **ACEA** – Association des Constructeurs Européens d'Automobiles; **CUNA** – Technical Commission for Automobile Standardisation; **Albo Research laboratories;** **AICIP** – Italian association of consultants and experts in business and enterprise intellectual property; **AIPI** – Italian Interior Designers Association; **UNI** – Italian national body for standardisation; **WG 16 ISO 26262**



– Functional Safety Expert Member of TC22/SC3/WG16 “ISO 26262 working group”; **AUTOSAR** (Safety Group) – Automotive Open System Architecture; **ASM** – American Society for Metals; **FIA** – Italian Automobile Federation; **IEEE** Computer Society; **NED COMMUNITY** – Italian association of non-executive and independent directors; **ASFOR** – Italian association for managerial training; **AIGI** – Italian Company Lawyers Association; **Forum** of the Secretaries of the Boards of Directors of FTSE-MIB Companies; **ISPI** – Institute of International Political Studies; **Club FARO** – Organisation for the optimised acquisition of raw materials and non-ferrous materials.

## Poland



- **PKPP Lewiatan**: brings together enterprises operating in the country, encouraging the protection of their legitimate interests in relations with public institutions and trade union organisations.
- **Silesia Automotive & Advanced Manufacturing Association – Katowice Special Economic Zone**: industrial cluster whose goal is to support the development of strategic competencies for the automotive sector.

In Poland Brembo is also a member of the **Foundry Foundation of Krakow University of Science and Technology**.

## Spain



- **SERNAUTO**: brings together enterprises operating in the sector of motor vehicle spare part equipment production, looking after their relations with key national and international organisations.
- **ANCERA**: brings together independent equipment retailers for vehicles, spares, tyres and accessories operating in Spain with the aim of encouraging collaboration and innovation in the automotive sector in order to reinforce safety and improve productivity.
- **FEMZ**: Federation of Metal Societies of Zaragoza. This organisation operates on a provincial level, bringing together entrepreneurs working in the iron and steel industry.
- **CAAR - Aragon Automotive Cluster**: promotes the development of the largest European industrial cluster for the automotive sector.

## United Kingdom



- **MIA - Motorsport Industry Association**: the main world commercial association for the Motorsport, Performance Engineering, Services and Tuning sectors.

## United States



- **OESA - Original Equipment Supplier Association**: brings together the main enterprises operating in the United States automotive sector with the aim of promoting industry supply chain collaboration and safeguarding mutual interests.
- **SAE Brake Executive Board** State Bar of Michigan.
- **MMSDC - Michigan Minority Supplier Development Council**: an organisation committed to developing economic growth among minority communities.
- **AASA - Automotive Aftermarket Suppliers Association**: an association of aftermarket component manufacturers that aims to promote a collaborative environment.
- **Brake Manufacturer's Council**: a committee dedicated to providing and maintaining communications with legislative or regulatory authorities, whose actions may affect braking system parts around the world.
- **MiX - Modern Industry Expertise**: a consultation council for aftermarket executives with the objective of educating and tackling business concerns from the standpoint of millennials.
- **AMCHAM - US Chamber of Commerce**: promotes encounters between professionals from different companies for the purposes of sharing knowledge and opportunities.
- **MIC - Motorcycle Industry Council**: industry association of manufacturers, distributors and other players in the motorcycle market.
- **SEMA** - Specialty Equipment Market Association.
- **SME** - Society of Manufacturing Engineers.
- **PRSA** - Public Relations Society of America.
- **Women of Auto Care Council**.

Brembo is also a member of various local Chambers of Commerce that encourage the development of economic activities in the state of Michigan, including the **Plymouth Chamber of Commerce** and **Michigan Chamber of Commerce**.



## Mexico



- **CAINTRA:** represents and promotes the interests of the industrial community in the Nuevo Leon region.
- **CANACINTRA:** represents, defends and promotes the interests of the country's industrial community, with a particular focus on the development, sustainability, innovation, competitiveness and integration of industries.



## Argentina

- **AFAC - Asociacion Fabricantes de Autopartes y Componentes:** an association that brings together manufacturers in the Argentinean car components industry.



## Brazil

- **FIEMG and SINDIPEÇAS:** an association of businesses that promotes the development of trade and mediates collective bargaining with the Trade Unions.



## Japan

- **JSAE - Society of Automotive Engineers of Japan:** Japanese society that promotes the development of automotive science and technology.

## China



- **Italy-China Foundation:** brings together the Italian business world operating in China and Chinese companies operating in Italy with the aim of facilitating flows of people, ideas, capital, goods and services between Italy and China, improving Italy's presence in China and in Chinese institutions so as to foster commercial trade and strengthen cultural and business relations between the two countries; since 2018 Brembo's Chairman has been Chairman of the Foundation's Board of Directors.
- **Nanjing Association of Enterprises with Foreign Investment:** association that promotes foreign business investments.

In addition, Brembo is a member of various industry associations including the **Hebei Machinery Industry Association** and **Langfang Equipment Industry Association**.



## India

- **Society of Indian Automobile Manufacturers:** brings together and represents the main motor vehicle and component manufacturers.
- **Confederation of Indian Industry:** promotes industrial development in India, representing the interests of the business community and fostering collaboration with the Government and civil society.
- **Maharatta Chamber of Commerce & Industries:** an association for the industrial and economic development of the Pune region.
- **International Market Assessment India Pvt. Ltd:** an association offering consultancy services. Brembo participates in the CEO & CFO forum.
- **Indo-Italian Chamber of Commerce and Industry:** promotes trade between India and Italy.
- **Automotive Research Association of India:** industrial research association formed by the automotive industry, the Ministry for Industry and the Indian Government.
- **Automotive Component Manufacturers Association:** association representing the interests of the Indian automotive industry.



## 2.5 The materiality matrix

Brembo is aware of how important it is to identify the topics that are relevant for its stakeholders and to choose the contents of this Disclosure to provide an understanding of the activities carried out by the Group, its performance, its results and the impact produced by them, also considering the principles of the GRI Standards of materiality, inclusiveness, sustainability context and completeness.

For this reason, the Group carries out an annual a materiality analysis process to define the structure and contents of the Disclosure of Non-Financial Information, in order to identify the areas in which the Group's activities may have the greatest impact on natural ecosystems, as well as on the wellbeing of

the community, individuals and all of the Group's stakeholders. When applying the sustainability reporting standard set forth by the GRI's Global Sustainability Standard Board, the material sustainability aspects were evaluated in terms of their capacity to have a significant influence on stakeholder decisions and opinion, as well as in relation to their impact on Group performance.

The analysis process, conducted by the Chief CSR Office, with the involvement of top management and supported by an external consultancy firm specialised in the analysis, monitoring and reporting of the business activity's social, environmental and economic impact. This process was organised into four main phases:



The phase of identification of sustainability topics that are material for the Group's industry and situation is based on the assessment of the following different information sources:

- ▶ corporate documents, including, among others, the Group's Annual Report, the Organisation, Management and Control Model according to Legislative Decree No. 231/2001, presentations, press releases and transcriptions of conference calls with financial analysts, minutes of the Shareholders' General Meeting, the Code of Ethics, Brembo's Policy on Non Discrimination and Diversity, the Code of Basic Working Conditions, as well as the Anti-bribery Code of Conduct, the "My Brembo" house organ, Health and Safety, Environment and Energy and Quality performance monitoring reports;
- ▶ external documents such as reports analysing scenario changes, prepared by the World Economic Forum and the GRI amongst others (Sustainability Topics - What Do Stakeholders Want to Know?), questionnaires evaluating Brembo's sustainability performance sent by the main Customers, benchmarking analysis carried out on the main competitors, Internet searches, Brembo's press clippings;
- ▶ international standards and multi-stakeholder initiatives, including the Sustainable Development Objectives, the UN

Global Compact, the United Nations "Protect, Respect and Remedy" framework, the OECD Guidelines for Multinational Enterprises, the European Commission's CSR Agenda for Action, GRI standards 101, 102, 103, 200, 300 and 400, the SASB standard, UNI ISO 26000 Guidance on Social Responsibility of Organisations and the CDP (Carbon Disclosure Project) Climate Change and Water questionnaires.

For the purposes of disclosing the first Sustainability Report for the reporting year 2016, the mapping process had led to the identification of 65 Topics that are potentially significant for the Group. The internal team has selected the 28 amongst them that are deemed most significant based on its own professional judgement and these were then submitted to the company's top management for their assessment. Three aspects were considered to be a prerequisite at the base of Brembo's sustainability model and so were not subject to further materiality analyses:

- ▶ the creation of economic value sustainable in the long term;
- ▶ the adoption of an effective and transparent governance system;
- ▶ the constant focus on compliance regarding standards and regulations.

## The materiality matrix

In 2018 Brembo involved representatives of the company's top management in a process aimed at assessing and updating the materiality matrix. In line with the work carried out in 2017, the Group's top management was asked to assess the relevance of the material aspects both in terms of how they represent Brembo, and how they interpret the stakeholders' viewpoint, based on their own professional experience.

In particular, during specific interviews, top management assessed the material topics, prioritising them and updating their positioning within the matrix. These assessments were collected for the 14 topics identified as most material in 2017 with the aim of reviewing the relevance associated with each one, taking into account the way the main industry trends are evolving and

their economic-financial and reputational impact, as well as the strategies defined by Brembo. These meetings also assessed the other 14 topics identified as less relevant during 2017, to identify whether these can be integrated with the company priorities. Following this analysis the topic "responsible use of water resources" was added to the most relevant topics in the 2018 materiality matrix. Top management's involvement was also fundamental for identifying potential new material issues to be included in the materiality analysis process for 2019.

Finally, the interviews were useful for starting the process of identifying potential stakeholders outside the Group to be involved in the process for evaluating material topics in future years.

The discussion with top management revealed how the material topics have to be considered more and more as a way of making sure that business decisions are in line with the aspects considered material by the Group and its stakeholders, as well as for meeting the automotive sector's global challenges. Some of the main megatrends that can substantially influence Group decisions and operations include:

- **Future mobility:** the sector in which Brembo operates is experiencing a profound transformation that reflects the new electric propulsion systems, autonomous driving and integration of different vehicle systems, where the car is increasingly able to carry out independent actions and provide assistance to the driver in real time. In particular, the development of alternative-fuel cars, electric cars and

autonomous driving cars will determine the market's future competitive context. So, it will be essential in this scenario that Brembo fully understands these trends and develops solutions that anticipate market changes;

- **Growth of the Sharing Economy:** recent years have seen a gradual change in the type of final user, with an ever decreasing number of car owners alongside a rise in users of car sharing services. In this scenario companies that run large car fleets will be more competitive, with a resultant reduction in the number of customers and a general increase in market competitiveness. In addition, as well as the emergence of ever larger customers, this will also lead to stakeholders seeing the materiality of the topics related to responsible and sustainable supply chain management and ethical business management.





The result of the material topics assessment activities described above is represented graphically in a diagram, indicated below, within which the 15 most significant topics are positioned along two axes:

- ▶ the abscissa axis reflects the materiality of the Topics for Brembo;
- ▶ the ordinate axis reflects the materiality of the Topics for the Group's main stakeholders

The 2018 Matrix was examined and approved by the Board of Directors on 17 December 2018, after examination by the Audit, Risk & Sustainability Committee in the meeting of 6 December 2018. The different colours of the Topics identify the stakeholder category most influenced by the various sustainability aspects.



In 2018, the materiality matrix confirmed once again how the continual promotion of ethical behaviours within the Group is an essential prerequisite for carrying out the company's operations built on the production of a safe and quality product. A product created from a process of continuous innovation, the result of the enhancement and development of the people working for the Group.

In particular, the strong relevance attributed to the **product quality and safety** topics became apparent after the interviews. In fact, these are two fundamental aspects for ensuring Brembo's competitive edge and meeting the numerous customer requirements. The priority attributed to these topics is also the result of a global legal scenario and market trends that emphasise the need for greater attention to be paid by companies such as Brembo to product quality and safety, together with a concrete commitment to the effective management of risks inherent in end consumer safety.

Another very important aspect is **occupational health and safety**. Given how the scenario and trends in the reference sector are evolving, Brembo is aware of the importance of adopting a structured approach to workplace health and safety, in line with the distinctive issues caused by the Group's geographical diversification.

The **Supply Chain development** topic in the 2018 matrix showed a rise in its relevance, as confirmed in the Purchasing Department's and the entire company's commitment to managing purchases responsibly, paying particular attention to the supply chain's impact on the local communities, market choices and customer expectations.

In line with the past year the **Brembo People** development topic occupies a significant position in the materiality matrix. In fact, the personal and professional growth of employees is a key element on which the company's success is based, as well as being an area on which it is important that the Group focuses its attention. In a broader sense people development is a key driver for increasing personal motivation and reinforcing Brembo's reputation as a "best place to work".

Finally, the analysis carried out by the Group's top management added the **Responsible Use of Water Resources** topic to those most relevant for the Group, in consideration both of the impacts of the Group's production processes and the ever greater attention paid at global level to aspects related to the scarcity of water resources.

15 topics identified as material are reported precisely in the document, with an increasing level of detail depending on their relevance for the Group and the stakeholders. A description of these topics is given below, to provide a greater understanding:

### Product quality and safety



Innovation to improve the safety of all product components: mechanical strength, integration with advanced electronics, etc. Maximum safety guarantee for the brake systems marketed. Offering customers products with high-quality standards to ensure excellent performance, consistent with the target market segment (top-range vehicles).

### Occupational Health and Safety



Promotion of working conditions that ensure full compliance with the right to health and the safeguarding of the physical wellbeing of employees through management systems that allow workplace accidents and occupational diseases to be prevented.

Promotion of healthy and ergonomically-sound workplaces. Investment in infrastructure and training and in disseminating a safety culture.

### Brand value and reputation



Promotion of the Brembo brand's distinctive features. Protection of Group's reputation and brand value.



## Product and process innovation



Constant process and product innovation to ensure an improvement in product quality, also in order to reduce environmental impacts.

Capacity to grasp the opportunities that digitalisation offers for transforming production and logistic flow planning, supporting the customers' need to be able to rely on an extremely flexible supply chain, able to meet requirements with "just in time" arrangements.

## Business Ethics



Dissemination of and training on the Code of Ethics, the Antibribery Code of Conduct, the Antitrust Code of Conduct, the 231 Model and the Local Compliance Programmes.

Controls on effective implementation of the Model according to Legislative Decree No. 231/2001, the Code of Ethics and other codes of conduct, effective management of violation reports and adoption of safeguards against retaliation.

Internal and external mechanisms for reporting behaviours that are unethical, and do not conform to company standards or are illegal.

Incentive systems that promote and recognise the commitment to manage one's own responsibilities/activities with a view to ongoing improvement in business sustainability.

## Supply chain development



Propriety and integrity in all phases of the commercial relationship with suppliers, from their qualification to assignment of supplies up to payment and resolution of any dispute.

Collaboration inside the supply chain through stable commercial relations, assistance with investment and reinforcement of management skills.

## Brembo People Development



Performance management, through the regular appraisal of all staff and definition of structured and formalised career development paths.

Retention and development of critical staff and related skills, planning of their succession.

Programmes for managing skills and promotion of training/life-long learning.

International mobility opportunities for Brembo People.

## Product design and style



Expression of product quality also by focusing on its design and aesthetics.

## Partnership with customers and co-design



Partnerships in the automotive supply chain for product innovation and development.

Capacity to monitor market trends, reactivity in understanding the most promising innovations and quickly adapting its own offer to such developments.

## Effective management of emissions in the atmosphere



Control and reduction of climate-altering gas emissions generated by production processes.

Use of technologies/systems to reduce greenhouse gas emissions.

Purchase of energy from renewable sources and development of renewable energy plants.

Efficiency in the logistics and reduction of greenhouse gas emissions.

Reduction of other noxious emissions (e.g., nitrogen oxides - Nox, sulphur oxides - Sox, fine particulate matter - Pm10, volatile organic compounds, etc.).



## Energy efficiency



Reduction of direct and indirect energy consumption.  
Management of energy performance and energy policies.  
Investment in energy efficiency with a particular focus on innovation and the adoption of the best available technologies.

## Talent attraction and partnerships with Universities



Capacity to attract and retain talents and key expertise within the Group also through relations with Universities.

## Responsible use of water



Reduction of water consumption in the production processes, also by reusing water in multiple processing cycles.  
Thorough monitoring of quantities of water drawn, consumed and recycled.  
Systematic analysis of water discharges re-entering the environment after industrial use.  
Adoption of product treatment technologies and plant that allow water to be replaced with dry alternatives.

## Local and global development



Globalisation strategy and implications for the areas of localization.

Awareness of the Group's role in developing a local ancillary industry in areas where it operates, contributing to the creation of infrastructures, employment, training and development of the local business fabric.

Promotion of a local managerial class in the various geographical areas where the Group operates.

Containment of the industrial site's negative impacts, particularly on the environment and local ecosystems.

## Effective waste management



Reduction of hazardous waste production and proper disposal/recycling.

Promotion of scrap reduction and recycling initiatives.

The materiality analysis carried out by the Group has led to the identification of the topic (within the 28<sup>4</sup> topics initially analysed), expressly required by Decree 254, "Promotion of diversity and equal opportunity"; although this topic has not been identified by Brembo's top management as being one of the most material topics for the Group, it is reported in this Disclosure, since its social importance is recognised.

<sup>4</sup> The following topics have also been analysed, in addition to the 15 topics shown in the matrix: Benefits and work-life balance for all Brembo's people; protecting trade union freedom and workers' rights; promotion of diversity and equal opportunity; listening and strategic alignment of Brembo's People; customer satisfaction; relationship with local communities and stakeholder engagement; product eco-innovation; Conflict Minerals; protection of soil against polluting leakage and substances; responsible selection of materials; due environmental and social diligence in relations with suppliers and business partners; collaboration with suppliers and promotion of supplier driven innovation; participation in system/sector initiatives.



## 2.6 The 2030 Agenda: the Sustainable Development Goals and priorities for Brembo

### The global Agenda for Sustainable Development and the Sustainable Development Goals (SDGs)

On 25 September 2015, the governments of the 193 United Nations member states signed the 2030 Agenda for Sustainable Development, a programme containing 17 Sustainable Development Goals (SDGs) as a 'call to action' to all member states in an effort to steer the world along a sustainable path for the benefit of the people, the planet and prosperity.

Working for people, eradicating poverty in all its forms, working for the planet through conscious consumption and production, and working for prosperity, making sure that all of humanity can benefit from economic, social and technological progress, are the fundamental requirements for sustainable development.

In order to make a tangible contribution to the implementation of the Global Agenda, the UN members states set themselves 17 shared sustainable development goals, with 169 targets to be reached by 2030. "Shared goals" means that all countries and all individuals are called upon to contribute, drawing up their own sustainable development strategy and involving all

components of society: an active role is therefore also required from businesses, which can use their resources and skills to make a fundamental contribution to achieving the SDGs.

Aware of its global innovator role, Brembo decided to endorse the 2030 Agenda, advocating the sustainable development guidelines for all 17 goals. As a first step following the official endorsement and in accordance with international best practice, Brembo has identified the links between the priorities defined in the materiality matrix and analysed their impact on each of the Global Agenda's goals. For this purpose, the CSR office has identified the SDGs towards which it believes it can contribute the most through its activities, with a deadline for 2030.

Here are 3 SDGs in particular that stood out following a questionnaire submitted to the Group's top management (SDG 8, SDG 9 and SDG 12), whilst 3 more emerged from the analysis of the main projects and activities carried out by Brembo during the year (SDG 4, SDG 6 and SDG 13).

## SUSTAINABLE DEVELOPMENT GOALS



The result of this activity is summarised in the table below.

	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
Product quality and safety			●						●			●	●				
Occupational Health and Safety			●	●				●									
Brand value and reputation																●	●
Product and process innovation						●			●			●	●				
Business Ethics					●					●						●	
Supply chain development	●		●	●				●	●	●		●	●			●	
Brembo People Development				●	●			●									
Product design and style												●				●	
Partnership with customers and co-design									●			●					
Effective management of emissions in the atmosphere							●		●				●				
Energy efficiency							●		●		●	●	●				
Talent attraction and partnerships with Universities	●			●				●		●							
Responsible use of water						●					●	●		●			
Local and global development		●	●	●				●	●	●	●					●	
Effective waste management												●		●			

In the table there are six SDGs that have been highlighted and identified as Group priorities, towards which initial contributing steps have already been undertaken:

- ▶ **GOAL 4:** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
- ▶ **GOAL 6:** Ensure availability and sustainable management of water and sanitation for all.
- ▶ **GOAL 8:** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
- ▶ **GOAL 9:** Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.
- ▶ **GOAL 12:** Ensure sustainable consumption and production patterns.
- ▶ **GOAL 13:** Take urgent action to combat climate change and its impacts.

## Conveying SDGs within Brembo

In full agreement with SDG Compass — the guide for companies on how to implement the Agenda 2030 — Brembo believes that its commitment towards the achievement of the 2030 SDGs should start first and foremost with the dissemination and promotion of SDGs across the entire corporate structure. The communication campaign promoting awareness and

sensitisation towards sustainable development goals was devised namely out of this belief.

The first action in this direction was the creation of the 2019 Brembo calendar explaining the SDGs, which was distributed to the Brembo's employees worldwide.