



+8%

Workforce increase compared to the previous year



100%

OHSAS 18001 certified plants



Over

240,000

Training hours provided during the year



An aerial photograph showing a large group of people, mostly wearing white shirts and red scarves, holding hands in a circular formation on a grassy field. The formation is composed of several concentric rings, with the outermost ring being the most prominent. The people are arranged in a way that creates a sense of unity and teamwork. The background is a vast, green field with long shadows cast across it, suggesting a bright, sunny day.

4. Brembo People

**The richness
of so many cultures**

**to create a unique
great team**



The richness of so many cultures to create a unique great team

4.1 A Group that grows with talented people, where passion becomes work

The more than 10,600 people who work for Brembo every day with dedication and passion represent the company’s strategic wealth. Their knowledge and skills are the real competitive advantage behind the Group’s ability to innovate and pursue excellence when manufacturing all its products.



Aware of the huge strategic value of People, Brembo works constantly to boost, on the one hand, the sense of belonging and the motivation of everyone who works for the Group and, on the other, to consolidate its image as a “best place to work.”

As proof of this commitment the Group, as well as presenting itself as an “employer of choice” in the various job markets where it operates, has received awards and special recognition in this area. For example, in Italy, it took second place in the Reputation Institute’s annual ranking dedicated to the Italian companies most attractive to those seeking employment; it was named one of the “most attractive employers” in the Universum survey in the “Industrial Engineering and Manufacturing” category and it took first place in the Ranstad Employer Brand 2018, in the “latest technologies” category.

The Brembo brand’s major ability to attract talented people distinguished not only by their professional experience and abilities, but also by their passion, their upholding of the Group’s values and their ability to work very effectively with others, is also reflected in the major growth in the workforce recorded by the company during 2018, with a positive balance of 797 new staff compared to the previous year.

Brembo Group is thus able to rely on a young highly professional and qualified team, with 66% of the workforce having achieved a mid-high level of education and 23% having a university qualification, of whom more than 1,600 People, 15% of employees, trained in engineering or other technical-scientific disciplines.

Brembo is constantly looking for talents who stand out for their ability to make a personal contribution and develop in a continually evolving context, ready to tackle and anticipate the Group’s future challenges. The company has structured a search and selection process, defined within the framework of the Group’s specific Guidelines, also founded on the principles of diversity and equal opportunities, that allows each candidate’s skills and value to be appreciated fully and without discrimination. It also works to offer its people a stimulating work environment with concrete opportunities for professional growth and job stability, also in dialogue with the trade union organisations where present. As proof of this commitment on the matter of employment more than 81% of staff are hired with an indefinite-term contract. In addition, the Group, consistent with the contents of the Code of Basic Working Conditions, applies collective bargaining when the law or social system so require. In particular, as of today, 88% of the workforce is covered by a collective bargaining system.



10,634
Brembo
People



39.5
years:
average age



+797
People: headcount
increase in 2018,
+ 8% compared to 2017

People hired by geographical area⁸ and gender (No.)⁹

Geographical area	2016		2017		2018	
	Men	Women	Men	Women	Men	Women
Europe	472	151	582	144	748	152
America	360	79	454	96	475	113
Asia	202	24	282	59	317	49
Total	1,034	254	1,318	299	1,540	314

People terminated by geographical area⁸ and gender (No.)⁹

Geographical area	2016		2017		2018	
	Men	Women	Men	Women	Men	Women
Europe	298	60	347	86	532	99
America	232	36	174	30	333	78
Asia	78	20	110	25	184	34
Total	608	116	631	141	1,049	211

People hired and terminated by age⁹ in 2018

Age group	Hired	Terminated
<30	937	484
31-40	602	460
41-50	260	187
>50	55	129
Total	1,854	1,260

8 The three macro-areas include the countries specified below:

Europa: including Italy, Poland, United Kingdom, Czech Republic, Spain and other countries;

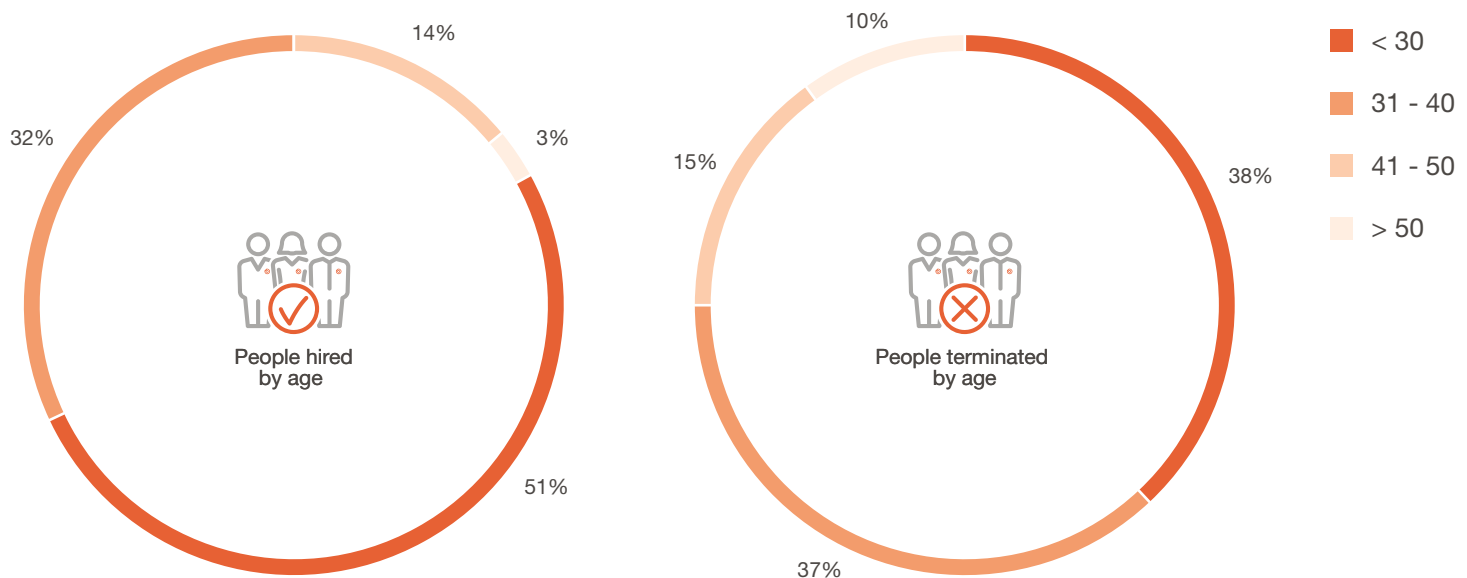
America: including Argentina, Brazil, United States and Mexico;

Asia: including China, Japan and India.

9 The difference between headcount for the year being analysed/headcount for the previous year and the balance between people hired/terminated for the year being analysed is due to the treatment of terminations at 31/12 each year, in addition to the calculation of some other specific cases according to different national regulations. The figures referring to Brembo People on "International Assignment" are not counted in the number of people hired and terminated, but they are included in the year-end workforce figure. An International Assignment is an overseas posting that may range in length from six months to three years and is governed by a specific letter/contract. Brembo People on these postings are not included in the turnover table, as this is an intercompany transfer.



People hired and terminated by age



The Group believes that active collaboration with the higher education institutions (for example, including, amongst others, those in the Bergamo province, Italy, and the area of Homer, Michigan in USA), and the university institutions present in the various local areas where it operates, is a key part of its own talent search and selection process. In order to place itself as a point of reference for many talents, Brembo has set up structured and strategic partnerships with more than 30 Universities worldwide (including, amongst others, the most prestigious in Italy, the Bocconi campus in India, Politechnika Częstochowska in Poland, Kettering and Western Michigan in the USA). This heritage is mapped in detail through the annual structured “University Relations Mapping” process involving all the Group’s companies.

Together with many of these Universities, Brembo organises multiple “career days” and “campus recruiting” days to make contact with those about to graduate and new graduates interested in the Group, and inform them about the career opportunities that it offers. Particularly significant during 2018 were the multiple events organised in this regard in China, Italy, Poland, Czech Republic and the United Kingdom.

With reference to the world of work, maintaining these communication channels with the Universities is hence proving to be fundamental, both for promoting a constant interchange of experiences, and for multiplying the occasions for reciprocal knowledge and bringing together valued people interested in the world of Brembo and its wealth of job opportunities.



Some of the technical-scientific paths supported by Brembo:

Accademia del freno at the Polytechnic University of Milan

Begonnen: Learn German with Brembo, at the Polytechnic University of Milan

Masters in Automotive Engineering at the University of Modena and Reggio Emilia

Masters in Motor Racing Engineering

In this regard, another activity that plays a major role in developing such synergies is the organisation of specific training paths during which Brembo’s professionals and researchers make available their skills and experience to students. They do this both by giving students the opportunity to spend time in the company’s laboratories on thesis, research or internship projects and by providing Brembo specialists to teach as part of certain specific training initiatives, such as the Accademia del Freno organised and run directly at the Polytechnic University of Milan.

Collaboration with training and research Bodies and Institutions is also instrumental to promoting, within the reference areas, the development of essential technical and scientific skills to meet the constant market changes effectively, as well as investing in training and development of competences — and the subsequent employment of qualified resources — also in areas with low unemployment, such as for example in the Czech Republic, Poland and China.

In parallel, the company offers its collaboration in matching job supply and demand, through a series of initiatives. In fact, the Group takes an active part in the policy and management committees for the training offer of various universities, supports specific training programmes (Politechnika Częstochowska in Poland and Northants Engineering in the UK) and puts in place initiatives to support young people in actively approaching the world of work (Spring Arbor University in the USA and the Milan Polytechnic University in Italy).

Brembo has also created the “LIFT” Leaders’ International Fast Track programme, which is now in its third year, to provide young people with a further opportunity, support them in approaching the world of work in the best way and create a bridge with the world of education. This inter-functional training pathway, which is coordinated by the Parent Company, runs for more than two years and represents the opportunity for brilliant new graduates to take part in a job rotation scheme over three positions belonging to different business areas (production plants, platforms, technical and testing areas), including at least one in a non-Italian company. In addition, the young people are shadowed throughout the process by a mentor identified from amongst the line managers, a selected tutor in the Human Resources and Organisation Department and a sponsor belonging to the C-Suite (the Group’s first organisational line).

This Corporate level initiative is supplemented by others carried out at local level including the programmes for “Emerging Leaders” in the USA and Czech Republic, which form part of the general framework of the Group’s Talent Management processes and tools.

Brembo thus offers those embarking on their professional career in the Group — as an integral part of its Employee Value Proposition — a stimulating and positive environment, in which to develop and feel themselves to be leading players. This is confirmed — net of other consultation initiatives — by the results of the Group Engagement Surveys carried out every three years amongst all Brembo’s staff worldwide to collect in an anonymous form opinions on the business culture, level of motivation and engagement resulting from their own professional experience in Brembo.



+5%
increase in the **Engagement Survey response rate**, compared to the previous edition.

For example, the most recent analysis carried out in 2017 and reported in early 2018 saw more than 74% of the workforce take part and highlighted a notable propensity for Brembo People to feel involved in the Group’s objectives and corporate project, consolidating the response rate growth trend for the fourth time running.



+77% **Average Engagement Index** at group level, rerecording an increase compared to the figure recorded by the previous edition.

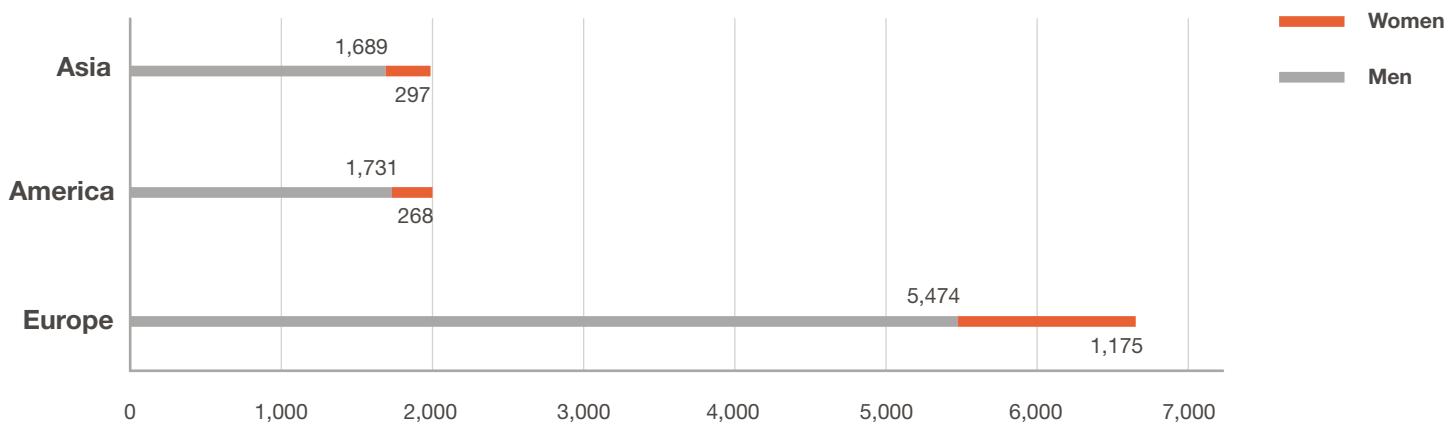


4.2 Different ways of being Brembo People

Brembo’s well-established global presence means that the company operates in very different contexts in economic and cultural terms. And it is in the Group’s nature to consider this diversity as one of its strengths. Brembo works daily to promote and enhance a culture that, since recruitment, values internal diversity, fostering an environment in which everyone’s point of view, voice, individuality and specific skills count and where everyone can not only feel an integral part of Brembo, but also contribute to the Group’s success.

An awareness of the value and the opportunities arising on diversity has led Brembo to create a highly multicultural team in which out of 100 Brembo People, 32 work in Italy, 20 in Poland, 15 in China, 9 in the Czech Republic, 9 in Mexico and 7 in the United States, while the remaining 8 are distributed between India, Brazil, the United Kingdom, Argentina, Spain, Japan and other countries.

Brembo People by geographical area* and gender (No.)



Geographical areas with the most significant personnel changes (in absolute terms) compared to 2017

Europe
+ 330 (from 64% to 62% of the total workforce)

America
+ 224 (from 18% to 19% of the total workforce)

Asia
+ 243 (from 18% to 19% of the total workforce)

As far as gender differences are concerned, men make up the predominant percentage of the total workforce. In fact, 84% of employees are men against a female component of 16%, which also reflects some of the intrinsic characteristics of the Automotive jobs market. The female component is in any case in line with the previous year and is more significant amongst

clerical staff, representing 25% of the workforce in this category. Brembo also promotes the integration of different age bands, giving a voice to the young and valuing the competencies of senior staff. More specifically, the distribution of People by age band sees 25% under 30, 33% between 31 and 40, 28% between 41 and 50 and 15% over 50.

* The three macro-areas include the countries specified below:
Europe: including Italy, Poland, United Kingdom, Czech Republic, Spain and other;
America: including Argentina, Brazil, United States and Mexico;
Asia: including China, Japan and India.

Brembo's focus on diversity and inclusion also takes shape in the recruitment into the company of people with disabilities, in accordance with the rules and practices laid down in applicable legislation. In particular, 157 people with disabilities were working in the company at 31 December 2018.

In brief, the nurturing of gender, generational and ability diversity is a priority for Brembo. In order to make a concrete contribution

in this area, the Group's training programmes train and support people with different types of initiatives, both ad hoc and relating to diversity issues within the broader framework of leadership programmes. Finally, these initiatives are supplemented by social events to disseminate a culture in which diversity is appreciated, such as for example the activities organised in the USA and Mexico to mark Women's Day.

People by age and gender (No.)

	2016			2017			2018		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
< 30 years	1,878	308	2,186	2,000	351	2,351	2,274	361	2,635
31–40 years	2,532	533	3,065	2,709	555	3,264	2,874	584	3,458
41–50 years	2,041	487	2,528	2,240	553	2,793	2,381	605	2,986
> 50 years	1,115	148	1,263	1,254	175	1,429	1,365	190	1,555
Total	7,566	1,476	9,042	8,203	1,634	9,837	8,894	1,740	10,634

People by classification level and gender (No.)

	2016			2017			2018		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Manager	450	56	506	475	59	534	467	65	532
White-collar workers	1,690	593	2,283	1,845	653	2,498	2,036	685	2,721
Blue-collar workers	5,426	827	6,253	5,883	922	6,805	6,391	990	7,381
Total	7,566	1,476	9,042	8,203	1,634	9,837	8,894	1,740	10,634



+91%
of **Manager** were born in the country where they are working for Brembo today

A further sign of Brembo's commitment to developing an organisation that is as multicultural and as aware of local issues as possible, as well as deeply-rooted on the local territory, starting with the managerial team, is that the clear majority of local managers at all Group Companies comes from the local area: out of 532 Brembo managers in the different countries, 91% were born in the country where they are working.

In addition, on 21 March 2019 Brembo S.p.A. will be honoured at Assolombarda in Milan, as part of the **"Welcome. Working for refugee integration"** project, an award that the UNHCR, the UN

Refugee Agency, gives out to companies that have distinguished themselves in promoting the employment of refugees and supporting their integration in Italy.

With reference to the protection of diversity and respect for people and workers' human rights, Brembo has formalised, in addition to the provisions set out in the Group's Code of Ethics, the Code of Basic Working Conditions and the Policy on Non Discrimination and Diversity (both of which are available from <https://www.brembo.com/en/company/corporate-governance/codes-policies>). Both documents reflect and represent the universal beliefs of the Group and the foundations of the employer-worker relationship. In detail, they confirm and establish rules of conduct regarding on the one hand child labour, forced labour and the treatment of human beings, harassment, discrimination and corruption; on the



other hand regarding freedom of association and collective bargaining, the right to work, health and safety, working hours, remuneration, environment, sustainability, social commitment and relations with local communities.

In order to monitor the effective implementation and the respect of the Code of Basic Working Conditions and the Policy on Non Discrimination and Diversity, beside the supervision by the Human Resources & Organisation Department and the presence of the institutional Whistleblowing channel, a specific mechanism has been put in place to gather any reports on behaviour that does not comply with company policies, including a dedicated email address working_conditions@brembo.it, accessible from both inside and outside the company. Another channel for reporting, investigating and/or managing these issues is the usual upward hierarchy within the company, including the meetings provided for by the Brembo Agenda as part of the Brembo Committee System.

To this regard, in 2018 no episodes of discrimination at the workplace, nor violations of working practices were brought to Brembo’s attention.

Finally, the Group has defined more targeted tools for safeguarding diversity that are included in the framework of the local Employee Assistance Programs. For example, In Italy Brembo has for years run a “Sportello di Ascolto” (Listening Service) which offers employees the opportunity to meet and receive support from a professional outside the company, when they are faced with particular situations that present personal and temporary difficulties. In addition, the Group in the USA and the UK has set up structured EAPs that are available to employees in partnership with local operators and/or vendors.

Brembo is also a Group that promotes precise policies to create an inclusive work environment and define organisational tools able to improve people’s work-life balance. In this area the Group offers its employees the option to subscribe to part-time working schemes, which were taken up, in 2018, by 260 employees, of whom 81% were women.

Brembo People with part-time contracts by gender

2016			2017			2018		
Men	Women	Total	Men	Women	Total	Men	Women	Total
58	216	274	57	200	257	49	211	260

As far as family support is concerned, over the year Brembo organised “Family Days”, social events for employees, when personnel together with their family members are invited to take part in workplace visits and entertainment. During the year, these events were organised in numerous countries, including China, Poland and Czech Republic. In addition, in Italy Brembo runs the “Brembo Kids” programme for its staff with school-age children. As part of this project the Group has set up a recreational centre on the Stezzano site, which operates during the school summer holidays and offers facilities and services suitable for children aged from 3 to 11. The centre involves the children in fun and educational activities structured around programmes

where they try out different art forms with the aim of stimulating their creativity and teaching them how to share their ideas with others. Finally, in other countries such as the USA and Czech Republic, Brembo organises children’s events outside normal working hours so that employees’ children can get to know and visit their parent’s workplace.

Again regarding improvements in the balance between professional life and personal/family life, Brembo is promoting various initiatives for the benefit of its employees, such as for example revising Saturday work shifts in India, and the “Cafeteria Plan” project in Japan.





4.3 Training and development of skills

For Brembo, being able to rely on competent trained people means having the measure of the value that each employee personally contributes to achieving the common goals. It is for this reason that the Group aims to ensure continuous professional training and development with the aim of developing a special portfolio of talent in various geographies or professional families, developing potential and expanding the skills of its employees, whilst respecting the company's values and strategy. The Group also promotes the training of people able to experiment and innovate and tending strongly to the future, able to anticipate market trends, promote continual product and service innovation and offer customers high-quality solutions.

Thus the Group defined training programmes structured so as to respond to the training requirements of the entire corporate population, ensuring a differentiated and inclusive

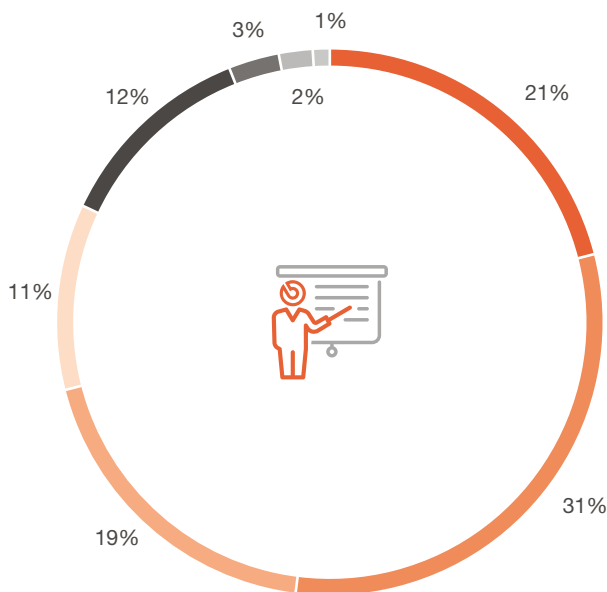
offer, designed to involve the different professional families on all levels. In 2018, each employee received 23 hours of training on average, with this figure reaching an average of 37 hours per year for white-collar workers, around 30 hours for managers and around 17 hours for blue-collar workers. Over the course of the year, 40% of People participated in training about human rights and the associated procedures (Code of Ethics included), for a total of more than 3,200 hours.



Over 240,000
hours of training
provided in 2018.
In 2017: over 195,000

over 97% of training
hours was delivered
in classrooms

Training provided by type of content (% on total hours)



- Training on product/process quality management and improvement
- Professional training
- Health and Safety training
- Managerial training
- Language training
- Training on environmental management
- Code of Ethics and compliance with Leg. Decree 231/2001
- Other

Average hours of training by professional classification level

	2016	2017	2018
Managers	27	29	30
White-collar workers	32	38	37
Blue-collar workers	15	12	17

Average hours of training by gender

	2016	2017	2018
Men	21	20	23
Women	17	17	20

Average hours of training by employee

	2016	2017	2018
	20	20	23

To control and manage training activities, Brembo defined a specific Group procedure (a pillar of the quality system, together with the Organisation Management Procedure) that

defines the methods and organises the various phases of the process, starting with identifying the annual training needs of the corporate population.

More specifically, Brembo defines the annual training plan based on a survey of the specific areas and topics which individual organisational units believe need to be analysed in more depth, also taking account of the views expressed in the Brembo Managerial Competencies Model and Technical Competencies Libraries, where — such as for example in the case of Manufacturing and ICT functions — the technical competencies required within specific professional families at global level are mapped and formalised, also in the context of other company projects and processes relating to Digital Transformation.

In addition, Brembo offers its employees the opportunity to take part in special coaching, mentoring and tutoring programs, where needed, so as to personalise their own personal and professional development path. Thanks to these programmes the Group aims to nurture and empower its People, involving them proactively in defining their own personal learning and development path.

Lifelong learning

As proven by numerous university and economic studies and researches, training and learning are fundamental requirements for people's personal and professional development, not only when they start their employment experience, but right through their career. It is for this reason that the Group has promoted various training projects to ensure that employees are kept up to date on given areas of cutting-edge skills and that all employees receive ongoing retraining, including those more experienced.

For example, as far as Italy is concerned, Brembo launched its own Lifelong Learning Hub in 2018, following the entry into force in the National Employment Contract for the Metalworking sector of mandatory "Lifelong Learning" for all workers covered by the contract, through the legal provision of 12 hours training for 2018 and the same number for 2019. This is a dedicated lifelong learning centre which aims to provide the foundations for understanding Industry 4.0 and involving about 1,900 employees every year. The programme during 2018 involved

Italian employees only and the Group is examining the possibility of expanding the programme into other sites worldwide.

2018 already saw some of these sites organise entire weekly intensive training sessions that, as well as touching on specific topics, introduced employees to the actual Lifelong Learning concept and allowed them to see first-hand the importance of each person's proactive attitude in the continual process of learning and employability. Examples of such initiatives are the Learning Weeks in the Czech Republic and the Treinamentos Integrados in Brazil.

Finally, promoting lifelong learning and improving work-life balance is a further action level in this area. The Group is working to facilitate and support Executive Research Doctorates under employment contracts in Italy and On-Site degree programs (in collaboration with Spring Arbor University) in the USA, as well as provide scholarships in Italy and Brazil to employees who, as well as working, are following advanced study programmes on their own behalf.



Passion is one of the elements that influence people's performances and has always been one of the most important features of the Brembo People. For this reason three Leadership Programs centered on passion were provided in China:

Passion Lead for the country's Management Team;

Passion Engine for the first organisational level (including plant managers);

Passion Wing for production oversight personnel.

Over the past three years, the Group's Training and Development catalogue was further enriched (both regarding managerial and technical-specialist topics) through inclusion in the broader framework of personal development and skill enhancement designed to support the talent management and succession planning system in place within the Group for years, focused on several annual phases that, following completion of the Performance Reviews in the different countries worldwide, leads every geography, business area and function to create its own Talent Portfolio, which is later consolidated centrally by the Development Committees attended by Top Management.

Fostering knowledge sharing among the Brembo Group's competence centres



The Brembo Academy of Brembo S.p.A. was set up to promote the invaluable know-how developed by the various offices and teams in Brembo companies around the world. This authentic corporate training school, with UNI EN ISO 9001 quality certification, draws solely upon the knowledge of teachers from within the company, pursuing the objective of enabling structured sharing of the Brembo expertise across the Group.

Precisely in order to strengthen the ability of Brembo experts to transfer their knowledge, discoveries and best practices, the training path held by trainers of the Brembo Academy was updated and relaunched. The Academy offers numerous courses: from more technical and engineering-related courses, held by R&D Academy experts, to courses focused on the efficient organisation of manufacturing and office processes, with the editions of the "Brembo Lean Office".

What is more, the coverage of the Brembo Production Laboratory System or BPS Lab programme, developed at the Curno site in 2014 for the first time, was expanded on a global level in the past

three years. All the Group personnel were given the opportunity to attend training courses in classrooms located in different countries and created specifically to make it possible to carry out practical experiments that simulate production processes, aimed at improving everyone's technical skills in accordance with the Brembo Production System criteria, with a view to ongoing improvement.

In December 2018, the Academy of Brembo S.p.A. was officially added to the Lombardy Region's register of accredited operators for Professional Education and Training services, and therefore it can now provide such services — also in a publicly recognised manner — in addition to lifelong learning, permanent, qualification and specialisation training programmes.

Finally, December 2018 saw the Brembo Academy of Brembo S.p.A. rank second in the Markets and Competitiveness area — Masters and Academy Mention for the Manufacturing Academy project within the framework of the Fourth year of the Adriano Olivetti Prize organised by AIF (Italian Association of Trainers).

4.4 Professional growth through recognition of merit

The individual performance and professional development assessment plans represent important levers for ensuring continual improvement and the permanence in Brembo of talents and skills, providing People on the one hand with well-defined career developments and on the other with the certainty of being able to build their own professional pathway within the Group.

Given the importance attributed by Brembo to the assessment of People's performance and development, the Group has defined special processes at world level, designed to regulate the performance management and assessment flows, as well as define special management tools. These processes are representative of Brembo's Human Resources Management Model, which is based on measures of performance, competencies, potential and motivation.

In addition, the system for professional development and for recognising each person's contribution to the Group's success

is based on the constant sharing of business expectations with employees, defining expected performance and accurately assessing the results achieved during the year.

For the white-collar worker population Brembo's assessment process focuses on the *Brembo Yearly Review*, an opportunity for discussion between managers and employees, during which the year's results are analysed, the future objectives to be pursued are defined, along with the preparation of any improvement plans, and future growth paths are identified.

The performance assessment for employees working along the production lines, on the other hand, falls under the Brembo Production System and is based on a multi-functional and multi-competency analysis of individuals in relation to specific metrics and matrices.

In 2018, 80% of Brembo People (80% of men and 78% of women) were included in a periodical and structured performance assessment process, with a rate varying from 78% for blue-collar workers to 84% for managers.

Brembo people involved in the regular performance assessment process* out of the total of the category to which they belong

	Men	% on total men	Women	% on total women	Total	% on total
Managers	396	83%	50	85%	446	84%
White-collar workers	1,567	85%	527	81%	2,094	84%
Blue-collar workers	4,621	79%	702	76%	5,323	78%
Total	6,584	80%	1,279	78%	7,863	80%

* Data refer to the 2017 performance assessment process ended in April 2018 and to workforce at 31 December 2017.

In order to further promote the personal and professional development of its People, Brembo is encouraging the use of internal mobility tools, allowing employees to access new job opportunities within the Group through the *Internal Job Posting* which, where present, advertises worldwide open positions

currently unfilled and collects applications. This is supplemented by other tools including *Job Rotation* which allows people to express their willingness to change function/role even regardless of the opportunities available at that specific moment.



4.5 Safeguarding workers' health and wellbeing

For Brembo safety does not mean just ensuring its braking systems' performance; it is also about promoting the value of safety across all its manufacturing sites. This principle is promoted and supported through general programmes and targeted measures.

To guarantee the highest safety standards for their own People, Brembo has adopted an increasingly structured approach to workplace health and safety, which also takes into account the challenges and peculiarities linked to the company'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 standards. For an effective management of these issues the Group has issued a formal Health and Safety Policy outlining the guidelines followed by Brembo in respect of workplace health and safety. The document, which was approved by Brembo's Chairman, has been distributed to all the Group's employees and contractors and was made available on the corporate Intranet to provide all those interested with detailed information about optimal behaviour in Health and Safety matters.

The Group's approach as part of the Health and Safety Policy entails analysing potential sources of risk for its personnel and putting the most effective solutions into place to prevent, reduce and, where possible, eliminate such risks: from appropriate handling of substances and processes to the correct operation, maintenance and control of machinery, all through an intensive People training. Moreover, Brembo analyses and assesses every instance of an injury or near-miss through a tried-and-tested standard procedure to identify the causes and implement the appropriate corrective measures.

The Health and Safety Policy adopts as its own the principles set out in the OHSAS 18001 standard, which acquires concrete expression both at a Group and local hub level in dedicated manuals and procedures which together constitute Brembo's Workplace Health and Safety Management System. To ensure the full and effective implementation of the policy's provisions, the Group voluntarily submits to regular independent third-

party audits to verify that the employee safety Management System has been effectively implemented at all the different manufacturing sites. Furthermore, at local level all manufacturing sites undergo a third-party statutory yearly audit to verify and ensure compliance with all applicable laws and regulations in every country where the Group operates.



100%

of Brembo's plants in full operation is OHSAS 18001:2007 certified

With reference to recently built sites, the implementation of the Management System starts at the same time as the production activity, and certification audits are generally carried out about 12 months after the new plant reaches full production.

Health and Safety audit results and annual performance verification, activity planning and medium-/long-term goal setting are entrusted to the Health & Safety and the Manufacturing committees which meet on a six-monthly and four-monthly basis, respectively. The meetings are also attended by the Chief Executive Officer, top managers and relevant plant managers. Moreover, on a site level, in keeping with rules established by the Group, committees or work groups meet to discuss aspects of health and safety. All the workers are represented in these groups.

The strong attention towards health and safety issues, and the systematic approach used to manage such issues, have led to a generalised decrease compared to the previous year in work-related accidents across the Group. More specifically, the accident frequency rate dropped by 27% compared to 2017, whilst the level of severity was 25.6% lower. The company also measured the absenteeism rate of Brembo S.p.A.'s employees for 2018¹⁰.

Regrettably, last year Brembo however reported its first ever fatality, which saw the involvement of an employee of the Group's Chinese foundry, brought about by non-compliance with safety procedures on the part of the employee himself.

¹⁰ The absenteeism rate is the percentage of hours of sick leave, strike, accidents and leave hours net of statutory national holidays and annual leave. In 2018, the absenteeism rate was 5.4%.

This event had no major criminal or civil consequences for Brembo. To prevent the occurrence of similar accidents, the Group provided additional health and safety training to all the employees of the involved production plant, and made some technical improvements to the plants.

Finally, in 2018 Brembo reported 14 cases of occupational diseases among its employees, but none directly related to the job performed by them.

Accident severity rate, accident frequency rate and occupational disease rate*

	2017			2018		
	Men	Women	Total	Men	Women	Total
Accident severity rate** (No. of total days of absence due to accident / No. of hours worked) x1,000	0.25	0.11	0.23	0.18	0.09	0.17
Accident frequency rate*** (No. of accidents / No. of hours worked) x 200,000	1.63	1.56	1.62	1.28	0.66	1.18
Recorded occupational disease rate (No. of cases of occupational diseases / No. of hours worked) x 200,000	0.14	0.07	0.13	0.09	0.39	0.14

* The calculation of reported accident rates takes into account only accidents occurred to employee that have taken place at the workplace. The "Appendix" section also provides the rates of accidents involving subcontractors, temporary workers and accidents which occurred while travelling. Compared to the 2017 Disclosure on Non-financial Information, the method used to calculate accident rates has been aligned to GRI Standards requirements. Therefore, as of this year accident rates are calculated in relation to the hours worked.

** The severity rate is not inclusive of the fatality involving a Group employee in 2018 and the days lost to recognised professional illnesses. Absence days are calculated as the calendar days of absence after the day of the accident.

*** The frequency rate takes into account both accidents with lost days and those without lost days apart from the day on which the incident occurred (e.g., medical treatment or change in work duties).

	2017			2018		
	Men	Women	Total	Men	Women	Total
Workplace accidents by gender (%)	85%	15%	100%	92%	8%	100%

Brembo pays constant attention to the health and safety of all those people who, despite not being Group employees, operate in the company plants or office facilities, and for whom a 0.96

accident rate was reported, down 20% compared to 2017. Finally, last year there were no reported accidents involving contractors working at the Group's premises.



People training on workplace health and safety

For Brembo, employee training on health and safety matters constitutes an essential part of making the working environment increasingly safer. For this reason, and consistently with current regulations, Brembo has set up some general health and safety training courses for its employees, especially new recruits. Moreover, Brembo provided further training to all employees directly involved in managing and coordinating Health and Safety. Some courses were also held to promote and sensitise employees about safe practices. Additionally, during the same year the Group designed some specialised health and safety courses aimed at meeting the needs of specific categories of employees exposed to different levels of risk, and at transferring appropriate knowledge, skills and values which are needed to “work safely”. More specifically,



Over 46,000 hours of training regarding Health and Safety provided in 2018

the following training initiatives were carried out by the Group last year:

- ▶ **“10 Life Saving Behaviours”**: consisting of specific training courses across all major sites to raise awareness about, and implement the “10 Life-Saving Behaviours” which all employees must comply with in the workplace.



- ▶ **CMSE - Certified Machinery Safety Expert:** following a pilot project held in Plymouth (USA), the Group kickstarted a training initiative aimed at employees of technologic areas; the initiative's goal was to improve the specialised knowledge and skills on machinery and production plant safety, to then implement them in the design of new facilities.
- ▶ **Course on ergonomics:** as with the previous initiative, last year Brembo also started a training initiative about the principles of ergonomics in the workplace, with the aim of minimising ergonomic risks.

In addition, in the wider, more positive and inclusive sense of Promoting Workplace Health, a number of sensitisation and prevention initiatives regarding specific illnesses were carried out in each site, such as: "Health Week" in the Czech Republic;

"Pink Week" (on breast cancer) and "Blue Week" (on prostate cancer) which ran in Mexico and Brazil respectively, and targeted programmes against tobacco addiction conducted in the United States, Poland and Italy. Moreover, Brembo supports a variety of sports-related initiatives promoting the positive values of physical exercise, including the Brembo Sporting Event in the Czech Republic, Running, Volleyball and Football Teams in Poland, Brembo Ski in Italy. Worthy of note in this context are also "Brembo Strong", a wellness corporate programme carried out in the USA aimed at encouraging healthy behaviour alongside discounts on medical insurance; and "Agita Betim" in Brazil, a yearly programme conducted with the participation of the local government to promote ergonomic activities, exercise at the workplace, health screenings and health guidance.

The breast cancer awareness campaign in Mexico

Brembo's commitment to promoting health protection for its employees stretches well beyond the limits of regular company activities and work-related risks. This is what lies behind the various training and awareness-building initiatives undertaken by the Group, as shown by the breast cancer awareness campaign organised last year at the Escobedo and Apodaca plants in Mexico.

At the time of the initiative, the company's medical facility

organised several training sessions to inform women on the subject of breast cancer and to stress the importance of prevention when dealing with this particular illness.

All the women who took part in the initiative had the opportunity to undergo a free medical check and were given a pink T-shirt — the symbol of the initiative — which was also worn on the International Day against Breast Cancer.





Dialogue and open discussion for continual improvement

The trend for ongoing improvement in the Group's health and safety performance over the years can certainly also be attributed to the involvement of Brembo People as active players in the accident prevention model.

Local Health & Safety Committees	At all Group sites, the workers and management meet periodically to discuss open health and safety issues and identify specific solutions. The workers involved are the site team representatives.
Prevention through information sharing	In order to encourage information sharing and discussion about problems, an IT portal facilitates the prompt communication and analysis of information regarding incidents, accidents or near misses at the various Group sites, improving management effectiveness and above all efficiency in preventing incidents. In fact, the platform facilitates the analysis of each event and the identification of the root causes, as well as makes it possible to structure the information in a single archive accessible to all Group sites. In this way, the plants not involved in the incident are able to rapidly assess whether what happened could repeat itself at their facility and to implement appropriate preventive actions.
Promoting worker wellbeing	The Group's commitment to promoting the health and wellbeing of its workers has received recognition from the Associazione Confindustria Bergamo, which rewarded Brembo together with other firms in the area for its participation in the WHP – Workplace Health Promotion project, for which the Group has been one of the main advocates since 2011. This initiative, in partnership with the local health authorities and Bergamo's entrepreneurial association, is designed to promote healthier lifestyles and eating habits among workers of the companies involved. On the basis of recommendations from the World Health Organisation, Brembo employees (Stezzano plant) have been involved in an awareness-raising process regarding individual behaviours that can have the biggest effect on people's health and psychological and social wellbeing, such as cigarette and alcohol addition, a sedentary lifestyle, eating habits and driving style.
Safety Improvement Program for the Cast Iron Foundries	During the year Brembo launched a programme to improve safety standards in the Group's Cast Iron Foundries. A workshop was set up to launch the project, dedicated to the representatives of all the foundries and those responsible for Health, Safety and Environment, maintenance and technologies, during which the main areas for improvement for raising safety levels inside all the cast iron foundries were identified. In particular, the meeting analysed the intrinsic safety issues for plant and processes, behaviour in the workplace and specific risks. This working group then identified a number of lines of action, which gave rise to specific improvement projects that were started immediately.

Communication campaign on health and safety issues

During the year, Brembo launched the first global communication campaign on health and safety issues, created after a long preparation process personally involving the employees of all the Group's plants, proving Brembo's major focus on workplace health and safety issues.

With this initiative, the Group raised the awareness of employees on health and safety issues through a process leading to everyone feeling responsible for themselves and for other people.

In particular, the Brembo group wanted to use this initiative to:

- disseminate and stimulate a shared Brembo safety culture throughout the Group;
- boost the motivation of Brembo's People to continually improve every safety-related aspect;
- increasingly improve safety performance and the related indicators (accident frequency index and gravity index), focusing attention on the behavioural causes that contribute to accidents and near misses;
- spread awareness that safety is based on principles such as

responsibility, choice, personal and collective commitment and that priorities are non-negotiable.

In addition, this communication campaign was conducted respecting the cultures of each country in which the Group operates, thanks to the organisation, in each of the world's regions, of individual interviews, Focus Groups and workshops involving the people who work in the various production plants, in order to understand which main messages to convey regarding safety. Thanks to this work, the Group was able to identify common values and thinking in the world's different regions regarding the issue of health and safety, which accompany more specific views reflecting the distinctive features and sensitivity in the various countries in which Brembo operates.

This process created a campaign that focuses attention and individual responsibility on workplace health and safety, thanks to a series of images in which People in the Group act as direct spokespersons and witnesses to deliver simple incisive messages on the topic.





Methods and tools supporting workers' health and safety

L.O.T.O. (Lockout-Tagout)	In order to improve health and safety management in the workplace, a guideline has been drawn up in relation to the L.O.T.O. standard, which defines the criteria to be used for the management of hazardous energy sources, describing the correct methods to be adopted, for example, during machinery and system maintenance, cleaning and set-up phases.
Brembo Best Practice	Brembo has created a new section on the company's Intranet portal, dedicated to collecting and sharing Safety Best Practices implemented in the Group's plants. Best Practices represent the best solutions identified in the various production plants to resolve specific problems in the Health and Safety area and are therefore suggestions, opportunities and examples for continual improvement in workplace safety.
10 Life Saving Behaviours	Brembo has used a series of workshops to identify 10 safety principles, which serve as a rule book for ensuring that People are working in a work environment that is increasingly safe. The 10 lifesaving behaviours have been brought to the attention of the entire workforce through special training courses, the distribution of dedicated cards and gadgets and the publication of articles on the House Organ MyBrembo and on the company's Intranet.