

# Bugatti Rimac Non-Financial Reporting Directive

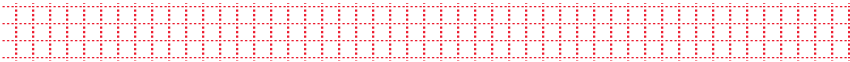


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*Reporting Year: 2023*

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# INTRODUCTION



## 1. Introduction

At Bugatti Rimac, we are dedicated to fostering a sustainable, ethical, and transparent business environment that aligns with the values of our stakeholders and the broader global community. This non-financial reporting document reflects our commitment to accountability beyond financial performance, addressing the environmental, social, and governance (ESG) aspects of our operations.

This report outlines our efforts in key areas such as greenhouse gas emissions reporting, human rights management, employee relations, and anti-corruption. By transparently sharing our progress, challenges, and goals, we aim to provide a clear picture of how we integrate these principles into our business practices.

We strive to mitigate our environmental impact, promote the protection of human rights across our value chain, and maintain zero tolerance for corruption in all forms.

This document serves not only as an account of our ongoing initiatives but also as a reaffirmation of our dedication to driving positive change for our stakeholders, the environment, and society at large to provide transparency about environmental, social, and governance matters.

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Signature

Mate Rimac

**Chief Executive Officer**

Signature

Christophe Piochon

**Chief Operating Officer**

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Signature

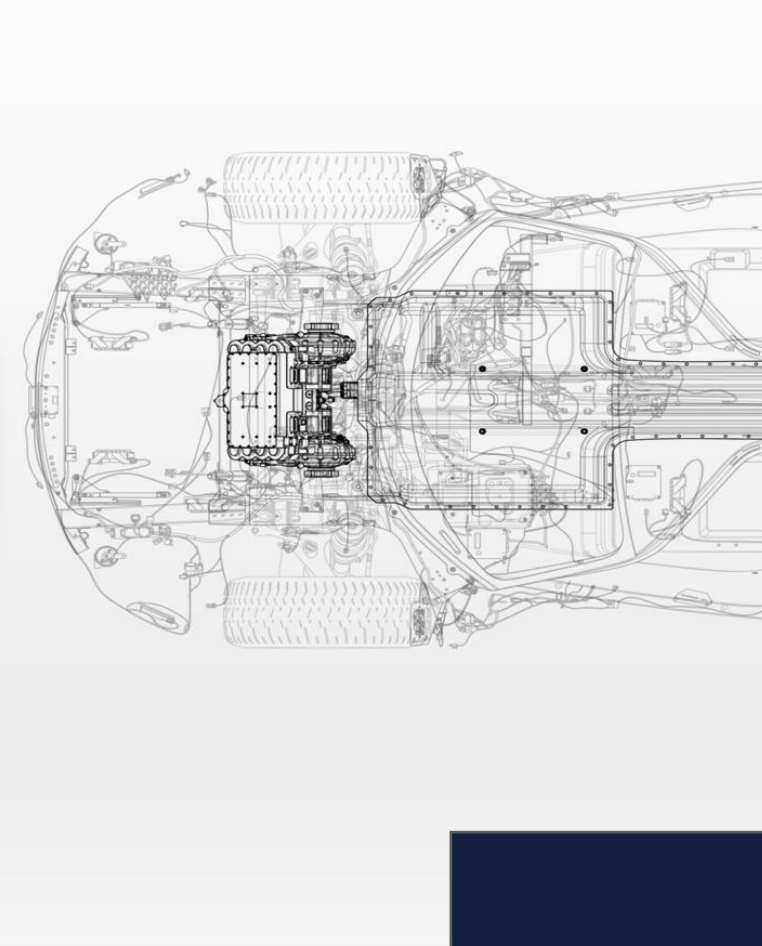
Larissa Fleischer

**Chief Finance Officer**

Signature

Emilio Scervo

**Chief Technical Officer**



# OUR BUSINESS MODEL





## 2. Description of the Company's Business Model

### Overview of Core Business Activities

Bugatti Rimac manages 2 major automotive brands, overseeing the design, sourcing, production, marketing and sale of iconic, ultra-luxury, high-performance vehicles.

Each brand division of Bugatti Rimac has a unique operational footprint, with different products lines, customer profiles, and core markets. The business models for each of these brand identities is outlined in the following sections.

### BUGATTI AUTOMOBILES

CREATION OF A NEW SEGMENT IN THE AUTOMOTIVE INDUSTRY



SETTING NEW BENCHMARKS FOR THE BEST OF THE BEST



110 YEAR HISTORY



### RIMAC AUTOMOBILI



FIRST ALL ELECTRIC HYPERCAR



WORLD'S FASTEST ACCELERATING HYPERCAR  
1,900+hp EV PLATFORM



TECHNOLOGY PARTNER TO GLOBAL AUTOMOTIVE MANUFACTURERS

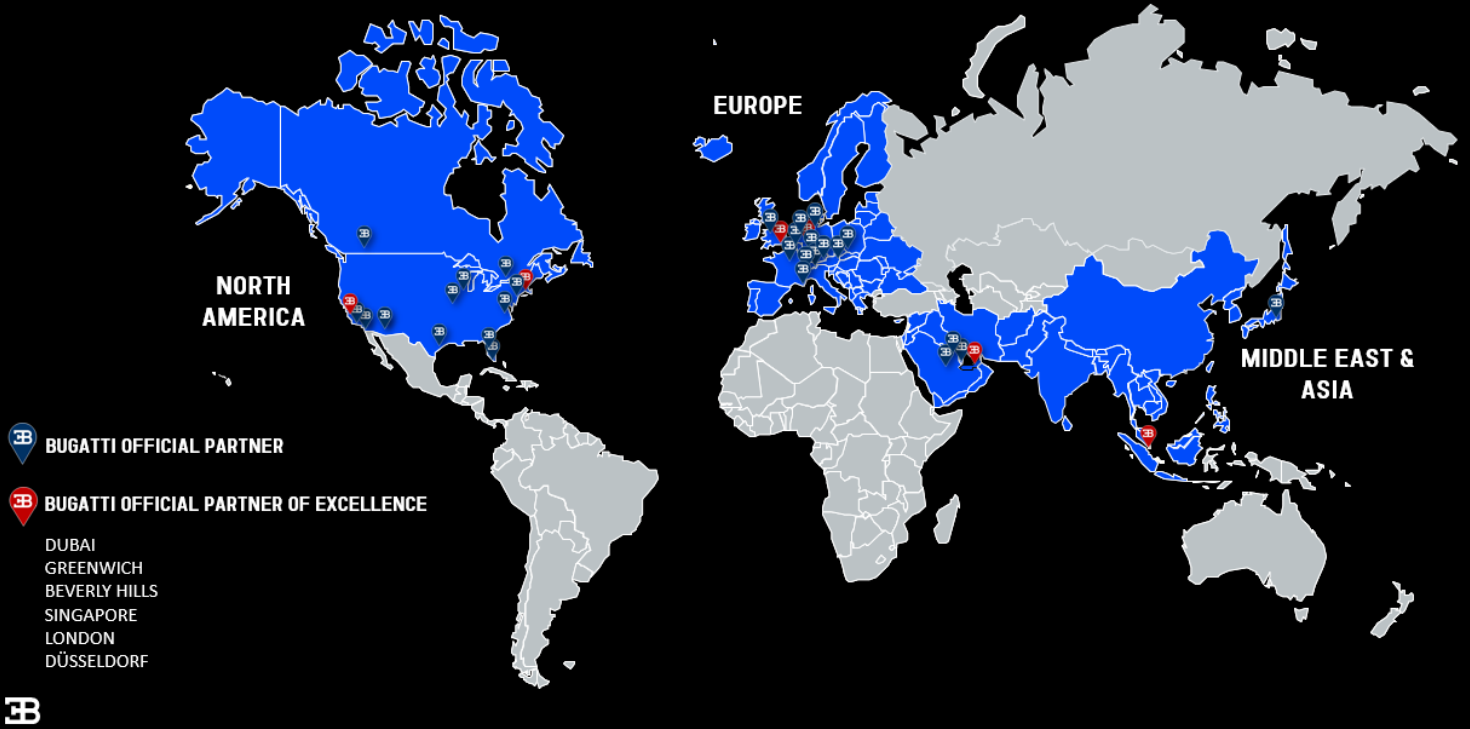
#### *Bugatti Automobiles*

Bugatti Automobiles has an expansive and rich history of designing iconic performance cars, establishing the pinnacle of performance and setting a new standard for the automotive industry. From its founding in 1909 by Ettore Bugatti, the company has continued defining a legacy of ultra luxury visionary designs, which can be seen in today's product line.

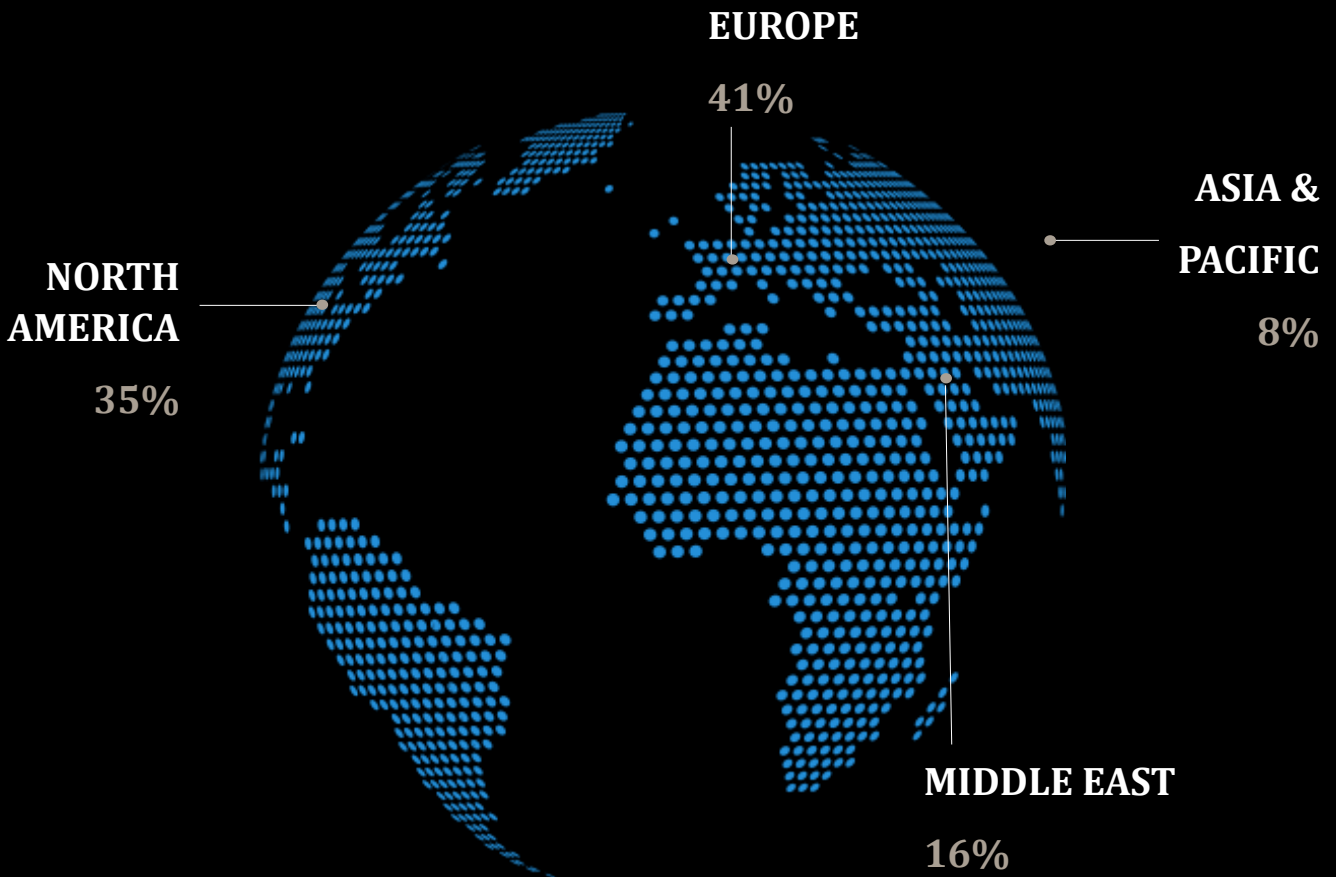
As of 2023, our core vehicle lines are the Bugatti Chiron, Mistral, and Bolide, with a whole new carline to be announced in 2024. These vehicles have received exceptional reception from the public and investors, with complete order books for all product lines. This is a testament to our innovative, engaging designs, robust customer base and unrivalled brand image.

# Our Dealer Presence and Global Network

**WORLDWIDE BUGATTI PARTNER NETWORK**  
34 PARTNER | 6 SERVICE PARTNER OF EXCELLENCE



## Distribution Of Bugatti Owners





### Rimac Automobili

Rimac Automobili was founded in 2009 from a love for automotive and with the vision to create high-performance cars for the electric era. Today, Rimac Automobili is a 1300-people strong technology powerhouse focused on designing, engineering and producing electric hypercars and high-performance EV components for the global automotive industry.

The Nevera and new Nevera R comprise Rimac Automobili’s core product offering, delivering unparalleled electric hypercars to the most discerning customers.

### Our Dealer Network and Global Presence



### Value Creation Framework

Bugatti Rimac as the portfolio company of Bugatti Automobiles and Rimac Automobili, currently has mission statements, visions and values defined at the brand level, with more details in the following sections. In 2025 we will be launching our portfolio level mission statement with a consolidated overview of our brand values.

Through these brand values and visions, we will deliver the best-in-class production and non-production cars to our customers, retaining a unique, unmatched brand identity.





*Bugatti Automobiles*

The Bugatti brand Vision is to experience the pinnacle of performance and craftsmanship. We challenge the boundaries of aesthetics and dynamics to create the incomparable in products and experiences.



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**Dedication**

For the dedicated everything is possible

**Courage**

Courage is found in the extremes

**Excellence**

Excellence is in the details

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### *Rimac Automobili*

At Rimac Automobili we are passionate about engineering-led design and operating at the edge of possibility. As a business we never stop looking for innovative ways to push boundaries and overcome challenges to constantly raise the bar in high-performance.

#### Our Vision

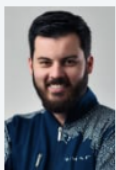
Our goal is to show the world amazing engineering through our electric hypercars and advanced technologies. But it wasn't always like that.

The original idea was to create the most powerful (electric) hypercar. However, the technology we needed didn't exist yet and the systems that were available simply weren't available to us an automotive startup back in 2009. It was clear we had to create everything ourselves. Ever since, we've been growing the talent and core competencies in-house.

#### Technology

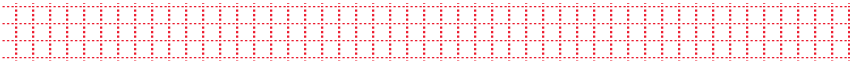
Our hypercars are at the brink of technology. They are designed, engineered and manufactured in-house and demonstrate what is possible when innovation and passion are given free rein.

Our engineering team creates core EV systems in-house, from power-dense drivetrain systems to a highly advanced autonomous-driving and unique user experience enabled through our infotainment technologies.



The story of Rimac Automobili is a story of beating all odds in spite of enormous challenges, an impossibly ambitious vision and many near-death experiences. It is also a story with great potential to grow beyond what we believe is possible, and I have made it my life's mission to take it there.

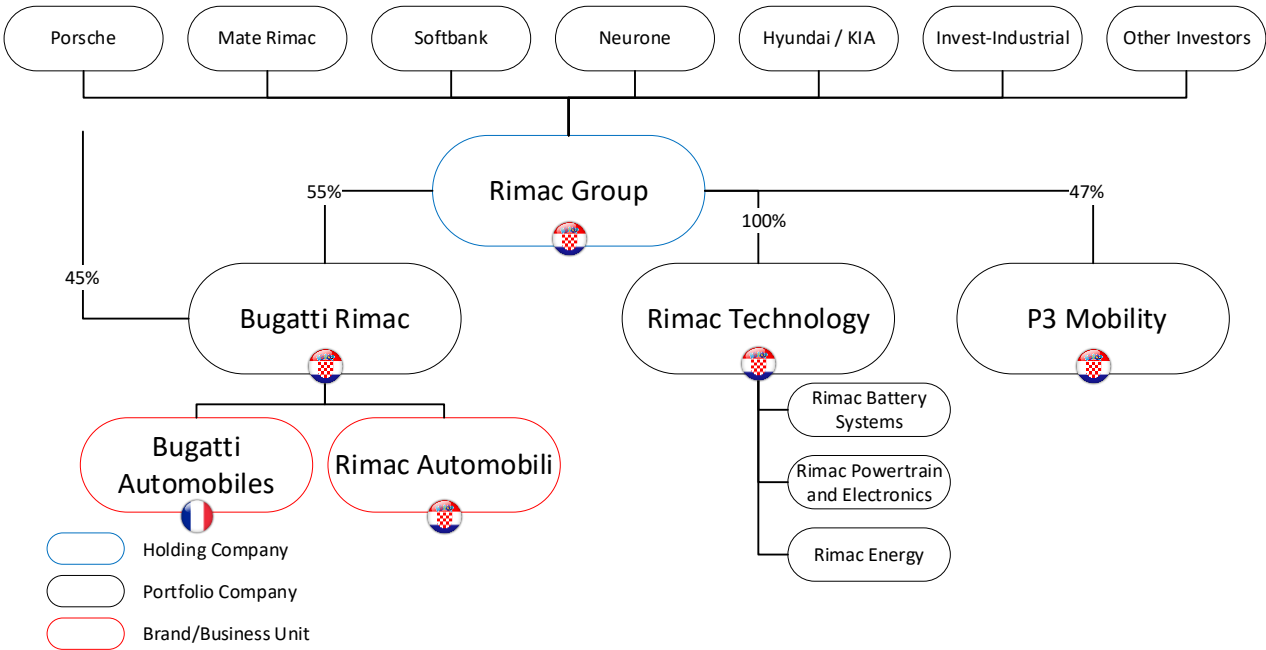
Mate Rimac / Founder of Rimac Automobili, CEO Rimac Group



### Organisational Structure

The Rimac Group has a 55% holding share in Bugatti Rimac, with the remaining 45% being owned outright by Porsche. Bugatti Rimac is the portfolio company of both Bugatti Automobiles and Rimac Automobili.

The below graphic demonstrates the current organisational structure of our company, and associated entities.





POLICIES  
RELATED TO NON-  
FINANCIAL  
MATTERS



### 3. Policies Related to Non-Financial Matters

Bugatti Rimac has identified the critical need to build Sustainability practices into its' everyday culture, to ensure that all employees are aware of, and considerate of how our operations impact the environment and the society around us.

Across various ESG topics, we have outlined and committed to an ambitious set of goals and deliverables, to ensure that operations are not environmentally harmful, social wellbeing is actively promoted, and human rights standards are maintained across our supply chain.

The following sections detail our key plans and activities on these topics, which will be continually developed in future years to ensure compliance with regulatory requirements, as well as industry best practice.

#### Environmental Matters

2023 has been a transformative year for Bugatti Rimac, with sizeable investments in employment, and infrastructure. Part of this transformation has included the identification of ESG workstreams, with a particular focus on environmental impact management.

We have identified the need to capture and report on greenhouse gas emissions, Scope 1, 2 and 3 carbon emissions, and perform annual non-financial reporting disclosures. These workstreams are no small task, and our goals to achieve these milestones are reflective of our ambitious culture.

We will commit to onboarding ESG specialists to implement and support these reporting workstreams, liaising with 3<sup>rd</sup> party support agencies where required, to develop and implement sufficient reporting tools. Based on current timeline projections, we expect to have the first full reporting year of data available for 2024, with publication the year after. This may be subject to change depending on any changes to the governing regulatory requirements.

Environmental related items that we will address include, but are not limited to, GHG and CO2 emissions reporting for Scope 1, 2 and 3. Figures on water waste and management, uptake of renewable energy usage, and definition of green energy investments where suitable.



## Social and Employee-Related Matters

Bugatti Rimac are proud champions of equal employment. We embrace and celebrate a diverse cultural environment within the workplace. Our hiring policies are designed to prevent any individual from being prejudiced against for any protected characteristic, and throughout the employment of our team we prioritise and focus on employee wellbeing.

We strongly embrace health and safety, ensuring that our employees are protected from harm in the workplace. We recognise the importance of protecting our employees from harm, and our dedicated Health and Safety team will monitor topics such as operational incidents, near misses and workplace injuries.

## Human Rights

As part of our commitment to upholding Human Rights both within our business, and across our supply chain, Bugatti Rimac has been working to establish several policies that outline our commitment to these principles.

In 2024 we will be publishing our Supplier Code of Conduct, which will be issued to all high spend suppliers as well as newly onboarded suppliers, to ensure that our business partners understand, uphold and commit to our company values on social responsibility.

Additionally, we will be publishing our Responsible Procurement Policy which formally communicates these values and guiding principles to the wider public and shareholders. We will include more details on this topic in our next publication.

Further best practices have also been identified for implementation at the Bugatti Rimac group level, on items such as Modern Slavery Statements, and UFLPA Compliance. Previously, these documents have been managed by the individual business units, Bugatti Automobiles and Rimac Automobili respectively. Consequently, we are now looking to elevate these commitments and implement at the portfolio company level.

Bugatti Rimac is committed to upholding human rights in our operations, in line with the EU Charter on Fundamental Rights and the UN Guiding Principles on Business and Human Rights. We do not tolerate discrimination in any form, we respect the rights and equal treatment of our workforce and provide the facilities to employees to report unethical practices via our whistleblowing platform.



## Anti-Corruption and Bribery

Bugatti Rimac is committed to complying with anti-corruption laws, and it sets out the measures for the business and employees to manage and mitigate any risks of corruption. This applies to all relevant jurisdictions that Bugatti Rimac operates in, which is covered in the Anti-Corruption Policy (BR-RC-0004 v1.0).

## Whistleblowing

For any concerns related to the topics above or any other item, both employees and suppliers have access to our confidential whistleblowing platform, where breaches, suspected breaches, or concerns can be reported to the compliance team. These tools are readily available on our corporate websites and made available to our employees as part of our onboarding and training programmes.

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# POLICY OUTCOMES





## 4. Outcomes of Policies

### Environmental Outcomes

As several of our major workstreams are in development, the outcomes of the policies will not be fully detailed until post implementation. In partnership with third party specialists, we intend to publish comprehensive CO2 emissions reports, backed by data, to evidence how our Sustainability efforts are materialising into real, tangible, measurable outcomes, with a lasting positive impact.

### Social and Employee Outcomes

Our business remains focused and committed to generating positive outcomes for our employees, in terms of satisfaction, non-discrimination, and safety in the workplace. We have established a plan of action to engage our employees and obtain feedback via anonymous surveys to better understand what we do well, what we don't do well, and how we can improve.

Additionally, we take health and safety seriously, with dedicated resource in place to monitor workplace safety, and ensure the overall wellbeing of our employees. Improvements in our data collection methods will support our reporting capabilities and we look forward to sharing further information with our stakeholders in due course.

### Human Rights Outcomes

We continue to champion and uphold human rights throughout our operation and supply chain. We inform all of our employees about how to report suspicious activities or concerns with anonymity and support, whilst informing and encouraging our suppliers to do the same.

As detailed in this report, our Supplier Code of Conduct and Responsible Procurement Policy will provide further guidance and assurance on these measures, with reportable statistics. These data insights will support our internal activities and drive actionable measures to sustain socially ethical and compliant operations.

### Anti-Corruption and Bribery Outcomes

There have been no reported incidents via the whistleblowing platform regarding concerns of corruption or bribery. To ensure that employees are aware of the risks and reporting processes, the Compliance Team regularly organise training sessions and refresher courses for employees so that any potential risk is captured, reported and mitigated.

Internally, the team maintain a record of the number of employees at risk, and the number of those who are at risk who have completed the training to ensure suitable safeguards and monitoring practices are in place.

# PRINCIPLE RISKS AND RISK MANAGEMENT





## 5. Principal Risks and Risk Management

Addressing environmental risks is crucial for maintaining competitiveness and the brand reputation for Bugatti Rimac. By adopting proactive measures such as investing in sustainable technologies, aligning with evolving consumer values, and mitigating supply chain vulnerabilities, our business can navigate these challenges effectively and position themselves as leaders in a rapidly changing market.

The following sections highlight our identified risks and proposed mitigation strategies for topics related to ESG management.

### Environmental Risks

#### *Regulatory Changes*

**Risk:** Governments worldwide are increasingly implementing stringent environmental regulations, such as limits on vehicle emissions, carbon taxes, and bans on internal combustion engines (ICE) in certain regions. These regulations may increase costs and necessitate significant adjustments to manufacturing processes or product offerings.

**Mitigation Strategies:**

- Continue investment in research and development EV technology, through the Rimac division and associated business units.
- Enhance production of vehicles that comply with emission standards or exceed regulatory requirements.
- Collaborate with policymakers to stay ahead of upcoming regulatory trends.

#### *Climate Risks*

**Risk:** Changes in climate patterns, such as extreme weather events, could disrupt global supply chains and manufacturing facilities. Additionally, consumer preferences may shift toward eco-friendly vehicles, pressuring OEMs of ICEs to adapt their operations.

**Mitigation Strategies:**

- Diversify the supply chain to reduce reliance on regions vulnerable to climate risks.
- Transition production facilities toward renewable energy sources.
- Develop sustainability initiatives, such as low carbon, or carbon-neutral manufacturing and green logistics systems.



### *Reputation Risks*

Risk: Failing to address environmental concerns could harm the brands' reputation, especially as consumers increasingly prioritise sustainability.

#### Mitigation Strategies:

- Build a sustainability-driven brand narrative, highlighting the use of sustainable materials and eco-friendly technologies.
- Engage in carbon offset programs and promote transparent reporting on environmental initiatives.
- Partner with environmental organisations to demonstrate commitment to sustainability and report externally on our efforts to deliver sustainable results.

### Social and Employee-Related Risks

Proactively managing social and employee-related risks is critical for Bugatti Rimac to maintain its reputation, attract and retain top talent, and ensure operational stability. By fostering a safe, inclusive, and innovative work environment while aligning with social expectations, the company can build a resilient and forward-looking workforce capable of thriving in a dynamic industry.

### *Employee Safety and Well-Being*

Risk: Manufacturing processes can pose risks to employee health and safety, including exposure to hazardous materials, injuries from machinery, and ergonomic issues. A failure to prioritise safety can lead to accidents, legal liabilities, and reputational damage.

#### Mitigation Strategies:

- Maintain rigorous health and safety protocols in line with international standards.
- Provide regular training programmes on workplace safety and emergency response.
- Foster a culture of safety through clear communication and recognition programmes.

### *Diversity, Equity, and Inclusion (DEI)*

Risk: Failure to support DEI initiatives can result in a lack of innovation, reputational damage, and difficulty attracting diverse talent pools, particularly in global markets where diversity expectations are growing.

#### Mitigation Strategies:

- Establish clear DEI goals and report progress to enhance accountability.
- Implement bias training and inclusive hiring practices where required.



### *Workforce Retention and Skill Development*

Risk: The automotive industry is undergoing rapid transformation, companies risk losing competitiveness if they cannot retain or upskill their workforce.

Mitigation Strategies:

- Offer continuous learning opportunities, such as training in emerging technologies and cross-functional skills.
- Provide career development pathways and succession planning.
- Cultivate a supportive work environment with flexible work options and wellness programmes.
- Recognise and reward employee contributions to boost engagement and retention.

### Human Rights Risks

Managing human rights risks in operations and supply chains are of critical importance to Bugatti Rimac, given its reliance on complex supply chains. Addressing these risks requires proactive due diligence, supplier engagement, and alignment with international compliance standards. By implementing robust mitigation strategies, the company can uphold its ethical commitments, protect its reputation, and foster long-term resilience and trust among stakeholders.

### *Labour Exploitation in Supply Chains*

Risk: Automotive supply chains are often globally expansive, which can expose the company to risks such as child labour, forced labour, and poor working conditions.

Mitigation Strategies:

- Conduct thorough due diligence and regular audits of high-risk suppliers to ensure compliance with international labour standards.
- Collaborate with third-party certification bodies like the Responsible Minerals Initiative (RMI) to ensure ethical sourcing.
- Partner with NGOs or local organisations to monitor high-risk regions and address labour exploitation issues.
- Implement a strict Supplier Code of Conduct and terminate relationships with non-compliant suppliers.



### *Non-Compliance with Global Human Rights Standards*

Risk: Failure to align with international human rights frameworks such as the UN Global Compact, UN Guiding Principles on Business and Human Rights, or the OECD Due Diligence Guidance for Responsible Business Conduct could result in reputational damage and loss of stakeholder trust.

#### Mitigation Strategies:

- Integrate human rights due diligence processes into all business operations, including risk assessments and remediation plans.
- Regularly train employees and suppliers on human rights standards.
- Publish annual reports on non-financial disclosures to enhance accountability and transparency.

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## Anti-Corruption and Bribery Risks

Bugatti Rimac may be exposed to potential bribery and corruption risks due to our global reach, reliance on complex supply chains, and luxury brand profile. Mitigating these risks requires a comprehensive approach, including clear policies, due diligence, employee training, and advanced monitoring systems. Some examples of risks and mitigation strategies for this category are detailed below.

### *Bribery in Supply Chain Operations*

Risk: Our Supply Chain extends across multiple countries, some with high corruption indices. Some suppliers, contractors, or intermediaries may engage in bribery to secure contracts, expedite payment, or bypass standard practices. This could expose us to legal, financial, and reputational risks.

#### Mitigation Strategies:

- Implement a comprehensive supplier code of conduct explicitly prohibiting bribery and corruption, ensuring that suppliers sign and acknowledge compliance.
- Conduct due diligence and sanction checks on all high-risk suppliers, third-party partners, and where required, customers.



### *Whistleblower Retaliation and Reporting Mechanisms*

Risk: Employees or business partners may hesitate to report bribery or corruption due to fear of retaliation or mistrust in the reporting system. If this lack of reporting happens, then this can result in unethical practices occurring without report.

#### Mitigation Strategies:

- Maintain anonymous and secure whistleblowing mechanisms for employees and partners to report suspicious activities.
- Protect whistleblowers from retaliation through enforceable policies.
- Regularly review and address whistleblower reports to demonstrate the company's commitment to integrity.
- Promote an ethical corporate culture where employees feel empowered to speak up.

### *Monitoring and Auditing Challenges*

Risk: Inadequate monitoring of global operations and supply chains can make it difficult to identify and address corruption risks in a timely manner.

#### Mitigation Strategies:

- Utilise specialist 3<sup>rd</sup> party software to monitor and capture potential operational risks.
- Conduct regular, independent audits of high-risk areas, suppliers, and customers.
- Maintain internal compliance teams to provide control, support and guidance.
- Implement robust internal controls for reporting, procurement, and approvals.



# NON-FINANCIAL KEY PERFORMANCE INDICATORS





## 6. Non-Financial Key Performance Indicators (KPIs)

Bugatti Rimac is aware of the importance of transparency and reporting key metrics to measure the success and effectiveness of our sustainability strategy. Whilst we are in the early stages of development, we have identified several key areas to measure and continue to improve on for future years. The following sections relate to non-financial KPIs and highlight our intended strategies for areas where we need to grow our capabilities.

### Environmental KPIs

As highlighted in this report, Bugatti Rimac are taking proactive measures to develop a comprehensive suite of environmental KPIs in line with industry standards and best practice.

We are working with external development partners to deliver a comprehensive suite of environmental metrics, including Scope 1, 2 and 3 emissions for our operations, and figures on environmentally sustainable initiatives. More details will be available in our following report for 2024.

### Social and Employee KPIs

Bugatti Rimac has taken several steps to engage and report on key social metrics, such as employee satisfaction via surveys, and diversity metrics. With regards to workplace health and safety, our teams are focused on ensuring that our operations are safe for all employees. As we mature our systems and reporting capabilities more detailed figures will be available in due course.

### Human Rights KPIs

As part of the Sustainability Strategy, Bugatti Rimac will develop a Supplier Code of Conduct which will be issued in 2024 to all new suppliers, high spend, and high-risk suppliers. The number of signed policies will be a KPI for the Procurement Team who will work with, and manage the risks associated with our supply chain.

Currently, the whistleblower platform remains live for suppliers and employees to report concerns or known incidents of human rights violations.

For 2023, there were no reported incidents or identified causes for concern for Bugatti Rimac.

### Anti-Corruption and Bribery KPIs

We hold anti-corruption training sessions with our employees periodically and issue our policies to all employees upon the start of their tenure with us. All documentation is continually available for individuals to access, and we encourage individuals to contact their compliance representative if they are ever in doubt.

# SUMMARY





## 7. Conclusion

Our team at Bugatti Rimac are embarking on a new and exciting journey to embrace Sustainable practices into our culture and everyday work. We anticipate the next few years will be transformative in our approach to managing and implementing ESG solutions into our businesses.

We remain committed to delivering comprehensive solutions for environmental and social issues, with robust, reliable governance practices in place to support growth.

We anticipate that our journey will continually evolve, with new initiatives and solutions being offered up year on year, and we will adapt our strategies to allow for flexibility and adoption of new ideas.

This document comprises our initial landscape assessment of our policies, outcomes and KPIs, including our strategic approach to risk management. The impacts of these topics will be far reaching for our business, and we are excited to create innovative solutions, generate meaningful insights, and deliver lasting results.

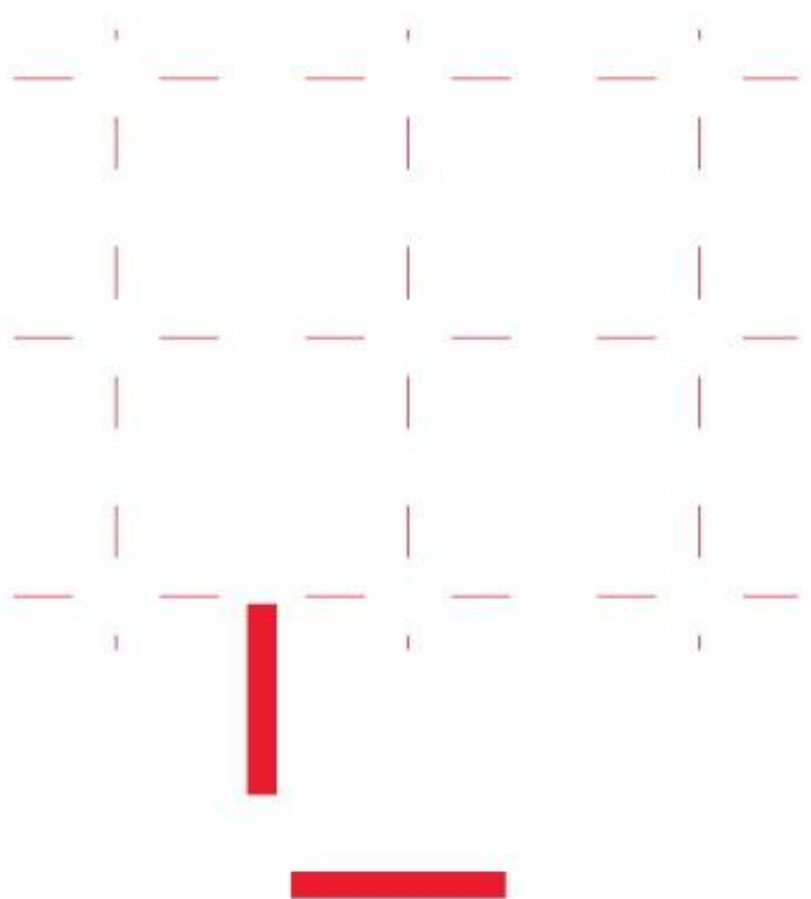
Our team will continue to embrace the principles of sustainable practices into all elements of our business operations and provide future updates to the public, investors, and employees alike, to ensure that these crucial workstreams receive the attention and recognition they deserve.

We at Bugatti Rimac are delighted to welcome you on this journey with us and look forward to the transformative years to come.

Thank You  
Bugatti Rimac



# BUGATTI RIMAC



Bugatti Rimac D.o.o.

Title  
Bugatti Rimac Non-  
Financial Reporting  
Directive

Author  
Adam Gibbs

Reporting Year  
2023