



# 2022 ESG REPORT

Brady Corporation



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Cover photo features the solar panels at Brady's Buffalo facility.





# ABOUT THIS REPORT

The Brady Corporation (“Brady” or “Company”) 2022 Environmental, Social and Governance (“ESG”) Report is presented as of July 31, 2022 and covers the period from August 1, 2021 to July 31, 2022, except where noted. This report follows the Global Reporting Initiative (“GRI”) sustainability and reporting framework.

This report contains forward-looking statements. Forward-looking statements will give current expectations or forecasts of future events and are not guarantees of future performance. They are based on management’s expectation and involve a number of business risks and uncertainties, any of which could cause actual results to differ materially from those expressed in, or implied by, the forward-looking statement. Some of these risks and uncertainties can be found in the Company’s filings with the Securities and Exchange Commission. While Brady believes all information in this report is accurate, such information is made without any warranty or guarantee and shall establish no legal duty on the part of Brady Corporation or its affiliates. Environmental metrics are based on available data and are often made in reliance on third-party supplier information.

# MESSAGE FROM THE CEO



From Russell Shaller:

Like many companies, Brady's ESG journey continues to take us down exciting new paths with lots of opportunities. And, like any journey, we are learning much along the way.

Social responsibility is inherent in Brady's own purpose - we exist to make the world a safer, more productive place. Our products help people get home safe at the end of the day, and that is something we are all proud of. And in this age of planned obsolescence, Brady designs products that are made to last. From labels known for their durability to printers serviced by a dedicated repair team - you won't find many of our products in a landfill.

Over the last year, we have dedicated resources to gather and analyze data, giving us a more complete picture of where we are and where we need to be. We have also seen the results of earlier initiatives pay off, as projects like our solar panels in sites around the world are beginning to demonstrate reductions in electrical usage. Meanwhile, our new product development process holistically considers where sustainability can play a role, from sourcing raw materials to packaging and everything in between.

As a company of nearly 6,000 employees, our most valuable assets are the people who work for us every day. Brady naturally

places a strong emphasis on workplace safety and on ensuring that all of our employees can do their jobs in a safe environment, where they are included, valued, and their voices are heard. We are intentional in our commitment to a diverse workplace and strive to grow our teams so that they represent the communities where we are located. From competitive benefits to Employee Resource Groups, training and career development opportunities, employees are supported during their careers at Brady.

Deeply rooted in Brady's values and our culture is our sense of community. We are proud of the contributions we make through our corporate foundation and of the individual donations of our time and products in the communities where our help is needed.

Finally, Brady's commitment to conducting business ethically and with integrity is evident in our governance practices, our company-wide policies and our Code of Ethics.

I hope you'll find our FY22 ESG report informative and that it sheds some light on the strides we continue to make as a company.



# ABOUT BRADY

## OUR PURPOSE

**Brady helps  
make the world  
a safer, more  
productive place**

# OUR VALUES

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Be Better Every Day



Own the Customer Experience



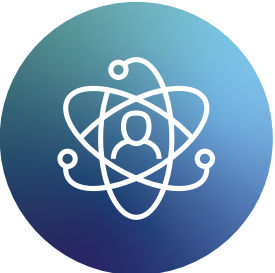
Deliver What You Promise



Differentiate through Innovation



Protect Our Future



Power Your Potential



Win the Right Way

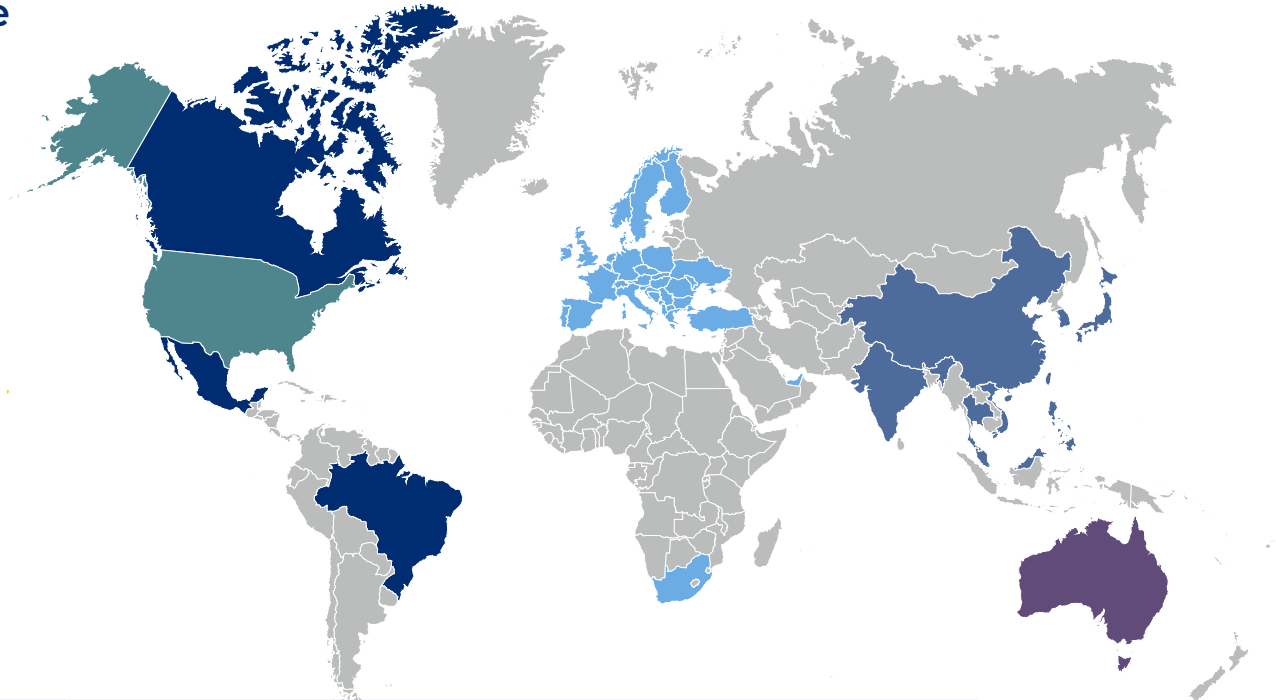
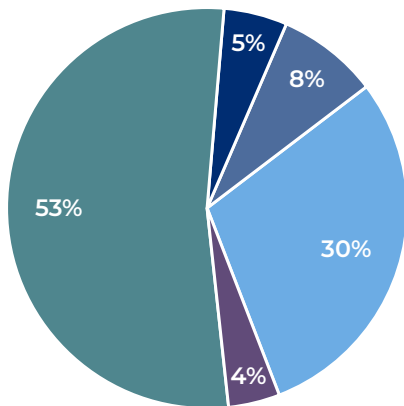


## FY22 AT A GLANCE



### Geographical Presence

FY22 Sales by Region  
(72 facilities in 33 countries)



Brazil, Canada, Mexico

China, India, Japan, Malaysia, South Korea, Singapore, Thailand, Vietnam

Belgium, Denmark, Finland, France, Germany, Hungary, Italy, Netherlands, Norway, Poland, Qatar, Saudi Arabia, Slovakia, South Africa, Spain, Sweden, Turkey, UAE, U.K.



38

Manufacturing  
and Distribution  
Facilities



\$58.5M

R&D Spend



\$193M

Operating Income

\$2.90

Class A Diluted EPS



\$150M

Net Income



# ESG PHILOSOPHY

Brady's ESG philosophy is grounded in delivering high performance products and services while reducing our environmental impact, being dedicated to our employees and communities, and ensuring business is done in a sound manner. This philosophy is made up of three core tenets that recognize the importance of managing risks as well as identifying opportunities to deliver value. They provide the foundation to deliver commitment to ESG and are integral to who we are, how we act, and how we manage our environmental footprint.



### People

Brady is dedicated to building a more equitable, diverse and inclusive community, and strives to respect the cultures, customs and values of all individuals and groups. Brady recognizes that we have the responsibility to promote and protect human rights. We pride ourselves on preserving and protecting people's health, safety, and well being.



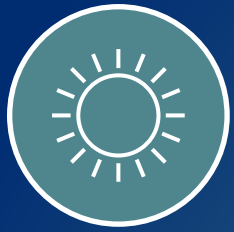
### Planet

We are focused on reducing the environmental impact on the planet and within communities. By operating sustainably, pursuing efficiencies, and reducing our use of natural resources, we can reduce our environmental footprint.



### Policy

Brady is committed to conducting business ethically and in a socially responsible manner. At Brady, we maintain the highest standards of integrity, comply with the law, and meet the needs of external stakeholders.



# ENVIRONMENTAL SUSTAINABILITY







# ENVIRONMENTAL SUSTAINABILITY

**Brady has a responsibility to be a good steward of the environment, no matter where we are in the world.** Our environmental priorities have been chosen where we know we can make the greatest impact, help the environment and where it makes good business sense. Our environmental efforts are focused both internally, by making our operations more environmentally-friendly, and externally, through our product development process and through helping our customers with their own environmental and safety needs.

To make the greatest impact, we have focused on four main priorities that guide our environmental approach:

- 01 | Reductions in our energy consumption and our overall carbon footprint
- 02 | Reductions in our waste-to-landfill through recycling and composting initiatives, scrap reductions, redesigning products where possible, and replacing packaging materials with sustainable or recyclable materials
- 03 | Thoughtfully integrating sustainability into the new product development process and ultimately launching environmentally sustainable products
- 04 | Listening to our customers to ensure our products help them in their own sustainability journeys







# BRADY FACILITIES WITH ISO 14001 CERTIFICATION

ISO 14001 is a set of standards put forward by the International Organization for Standardization (ISO). Its purpose is to clarify the best practices for organizations that wish to reduce their environmental footprint by adopting an effective environmental management system (EMS). EMS systems are designed to monitor and report upon the environmental sustainability of a firm, for both internal and external stakeholders. The following Brady facilities are ISO 14001-certified.

- ▶ Milwaukee, Wisconsin (Good Hope Road)
- ▶ Milwaukee, Wisconsin (Florist Avenue)
- ▶ Zele, Belgium
- ▶ Stockport, United Kingdom
- ▶ Ipswich, United Kingdom
- ▶ Penang, Malaysia
- ▶ Singapore
- ▶ Wuxi, China
- ▶ Beijing, China
- ▶ Shenzhen, China
- ▶ Bangalore, India
- ▶ Tokyo, Japan



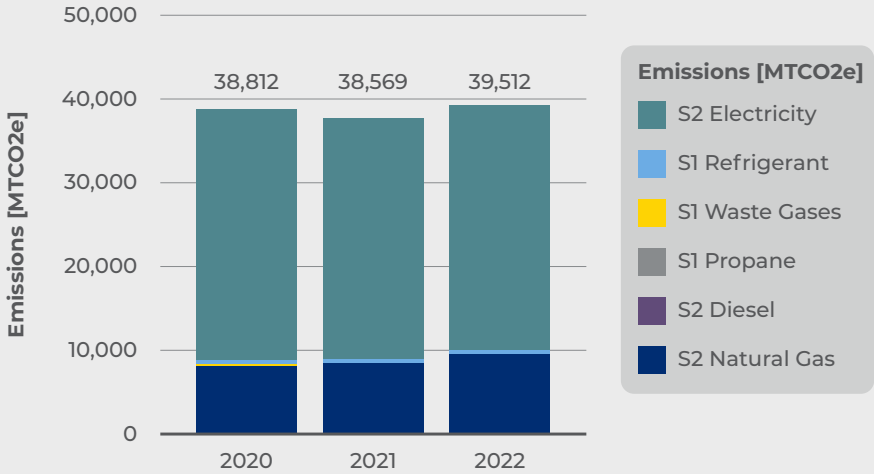
# ENERGY & EMISSIONS

## Climate Data

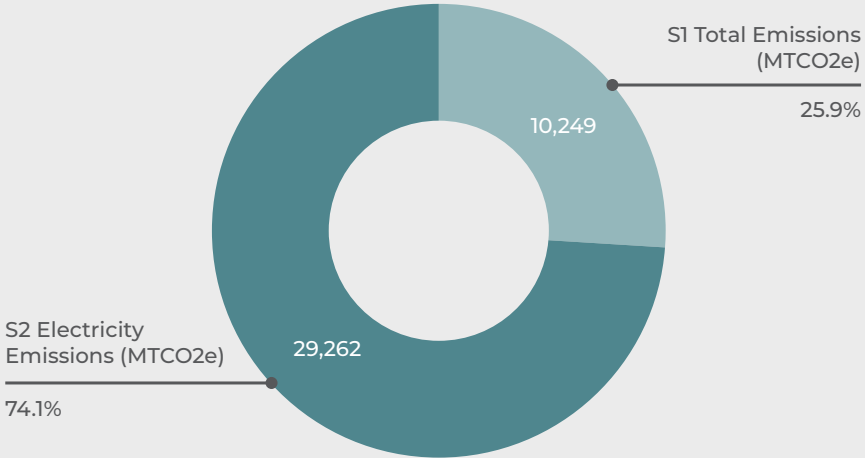
Brady's most direct impact on the environment relates to the natural resources and energy we consume. In this report we have provided data around our Scope 1 (direct) and Scope 2 (indirect) emissions from our operating facilities, either owned or leased, around the globe.

|  | 2020        | 2021        | 2022        |
|--|-------------|-------------|-------------|
| <b>CARBON INTENSITY (GHG Emissions / Net Sales):</b> | <b>3.5%</b> | <b>3.3%</b> | <b>3.0%</b> |

FY20 - FY22 ANNUAL EMISSIONS

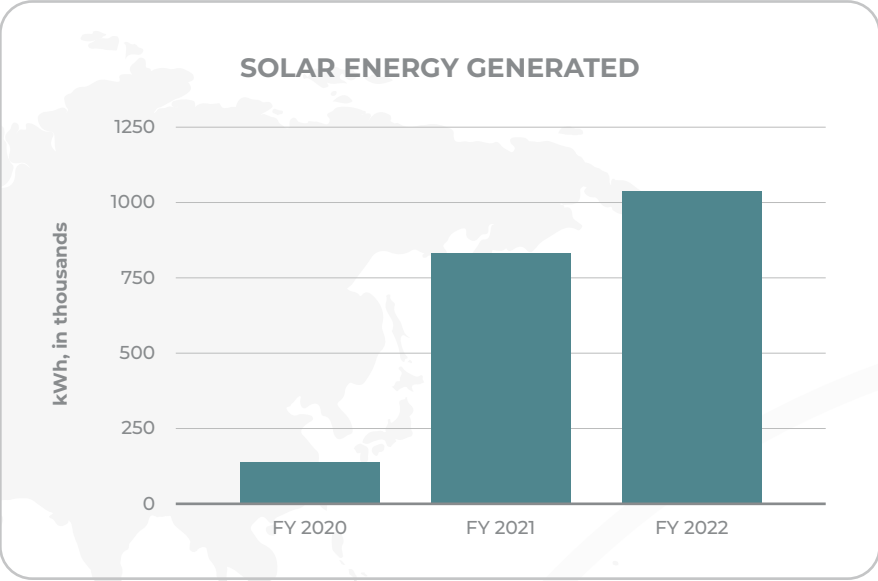
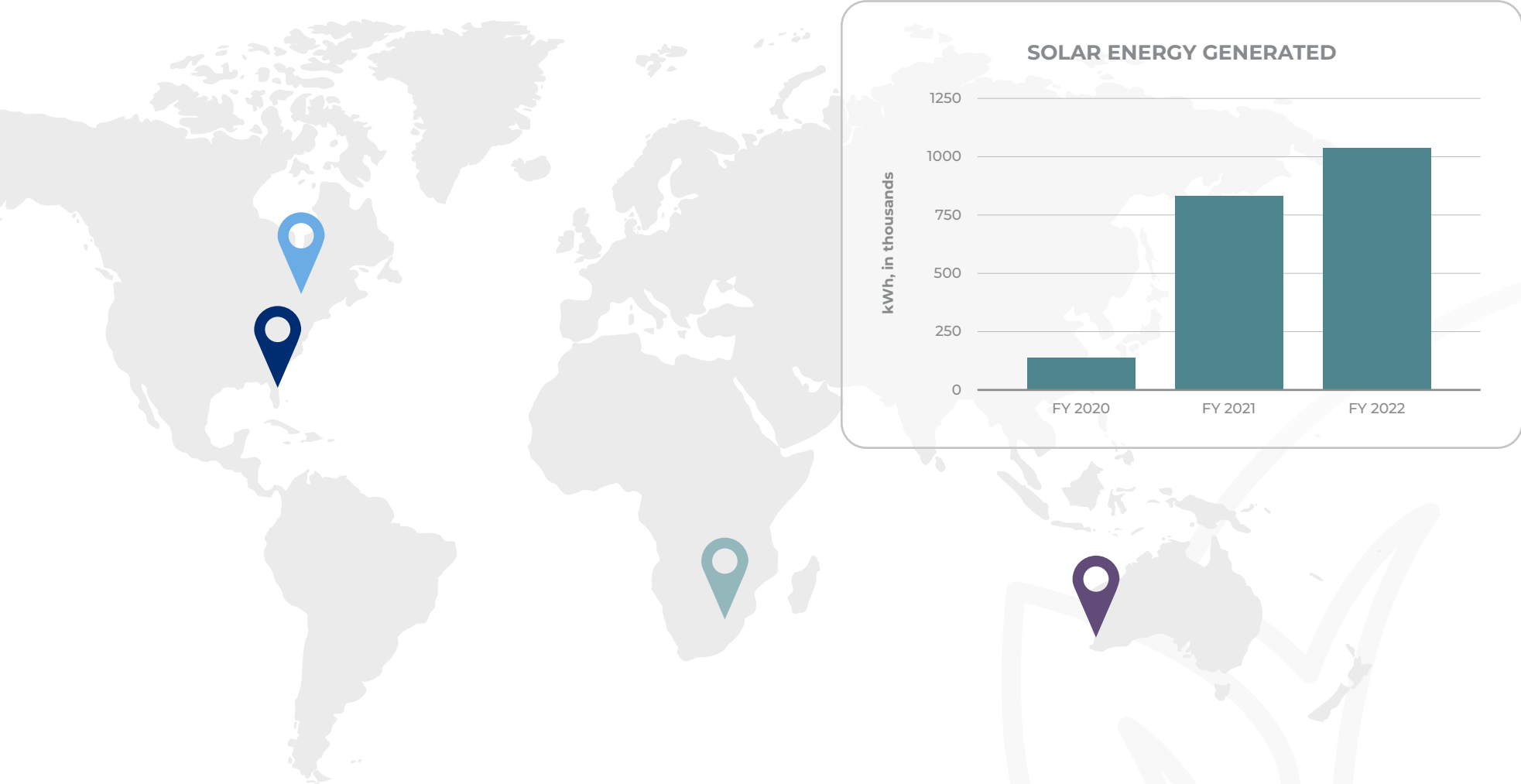


FY22 TOTAL EMISSIONS BY SOURCE



During the last several years, Brady has installed solar technology to make the most of the sun’s natural energy at certain facilities around the world. These solar panels partially offset our energy usage, thus reducing our environmental footprint. The sites where renewable energy sources support our effort to reduce greenhouse gas emissions include:

- ▶ Buffalo, New York, US
- ▶ Port Orange, Florida, US
- ▶ Randburg, South Africa
- ▶ Perth, Australia





#### ► **Buffalo, New York:**

In 2020 we took the opportunity to install 1,856 solar panels. In the first 12 months after installation, the solar panels produced 712,000 kilowatt hours (kWh) of electrical output and in 2022, the facility generated 729,950 kWh of power to help offset the carbon produced by using electricity and fuel for heating and cooling purposes.

#### ► **Port Orange, Florida:**

In May 2020, 837 individual 345-watt solar panels were installed at our Port Orange, Florida location. The solar panel system can generate electrical output of as much as 305 kilowatt hours. The high voltage DC electricity produced by the rooftop solar panels is converted into usable AC current by a bank of seven Solar Edge inverters. Each inverter can generate output of up to 43.2 kWh.

In fact, on sunny days, this facility has the ability to run entirely on solar power and be completely net zero. In 2022, the facility generated 291,662 kWh, which was over 60% of its electricity usage.

#### ► **Randburg, South Africa:**

Also in mid-fiscal year 2022, we installed 22 solar panels at our Randburg, South Africa facility. The solar panels are expected to generate over 50% of our current electricity usage which will positively impact monthly electric bills. Even though the panels weren't operational for the entirety of fiscal year 2022, they generated 6,503 kWh, which was over 20% of its electric usage for 2022.

#### ► **Perth, Australia:**

In mid-fiscal year 2022, our Perth location completed the installation of 86 individual 460-watt solar panels on the roof of the facility. This facility generated 12,498 kWh of solar power in 2022 (or 32% of its electricity usage) to help reduce our carbon footprint.



## Waste and Recycling Management

Brady's manufacturing plants operate with a consistent mindset to reduce the waste of materials used and generated in the manufacturing process - not only because it makes good business sense, but because it is good for the environment.

One of the primary areas where we are focusing our waste reduction efforts is with our packaging when shipping products. Brady's distribution centers are identifying new techniques to ensure our products are packed efficiently, safely and with minimal impact on the environment. For example, we are reducing or replacing plastic packaging with recyclable or biodegradable materials and where possible, replacing plastic packing pillows with kraft paper boxes.

Our employees are always generating new ideas for how we can be more efficient in production and reduce the amount of waste used in the production process. Two significant initiatives were undertaken last year that helped reduce scrap and waste.

### 1 Waste reduction and consolidated processes with new printer and laser cutter

In FY22, the Good Hope team in Milwaukee put a new printer and downstream laser cutter into service, significantly reducing waste from scrap material. The IJP9 is a roll-form UV inkjet printer which is paired with a laser cutter that cuts printed parts to a finished size. This new process allows for multiple orders to be printed under the same setup, which results in a reduction in materials needed per order compared to traditional printing methods. For example - the planned setup material for our popular double-sided tags was **reduced by 90%**. Additionally, the IJP9 does not require the types of wasteful consumables like printing plates and thermal transfer ribbons that are required in traditional print methods. By implementing the IJP-9, **three obsolete and energy inefficient manufacturing lines were retired**.





## 2 ToughStripe® liner improvement

One of Brady's signature products, ToughStripe floor marking tape, went through a major process change that resulted in significant waste reduction. ToughStripe was historically manufactured with a liner that was later removed and discarded. After months of R&D work, the new product is self-wound, much like a roll of masking tape, where there is no need for a liner. Over the last year, more than **1.1 million square yards of liner** were kept out of a landfill thanks to this process improvement. What's more – there was no change to the performance of the product.

## Sustainability through excellent service

The Brady Technical Repair Team specializes in repairing and servicing all of the benchtop and portable printers in our product portfolio. A typical year sees the team processing up to **5,000 machines annually**. This means that we are able to keep more of our products in service, out of landfills, (and using Brady labels). While there are printers that arrive in a state beyond repair, that is not the end of their story. Our “e-waste” materials, whether worn out parts or whole goods, are carefully sorted from trash and standard recyclables and collected by an outside contractor who specializes in recovering a large percentage of the resources that would otherwise end up in landfills.







## SITE SPOTLIGHTS

At our sites around the world, we are investing in automation and digitization to streamline our processes and enable our teams to work more efficiently.

### Site consolidation in Tijuana

As part of our ongoing efforts to be more efficient, we reduced our footprint in Tijuana, Mexico by 101,376 square feet by consolidating two of our largest production facilities. Without a second building to cool or light, energy consumption dropped significantly, without causing a notable increase in the plant that is still operating. The trailing three year average tonnage of carbon dioxide coming from scope 1 and 2 emissions was 492 metric tons of carbon dioxide – the equivalent of annual greenhouse gas emissions from 96 passenger vehicles!





## Green Tier participation in Milwaukee, WI

Both of Brady's manufacturing sites in the Milwaukee, WI area became Tier 1 participants in the State of Wisconsin's Green Tier program in fiscal year 2022. Green Tier is a voluntary program in which participants commit to operating an audited and certified environmental management system and strive towards superior environmental performance.





**The Florist Avenue campus has been a Tier 1 participant since August 2021.** This site primarily manufactures the raw materials to support Brady manufacturing facilities worldwide. Additional operations at this site include sign manufacturing (fiberglass, metal photo and porcelain), research and development, information technology and procurement functions.

Significant environmental aspects here include water usage, air emissions, energy consumption, chemicals, and waste. In FY22, in its pursuit for superior environmental performance and to maintain good standing in the program, the Florist Avenue site accomplished the following:



**HVAC unit replacement**

Three HVAC units were replaced, with two additional units planned to be replaced this year.



**LED lighting**

Brady invested in and installed explosion-proof rated LED lights in four electrically classified manufacturing areas. Brady also installed an additional twenty occupancy sensors in office areas.



**Scrap recycling improvement**

Scrap impacts waste, air emissions, and water usage. Recognizing the impact scrap has on the environment, Brady committed to increasing yield, which indicates a reduction in scrap. Over the last year the Florist Avenue facility had a 3% improvement in yield.



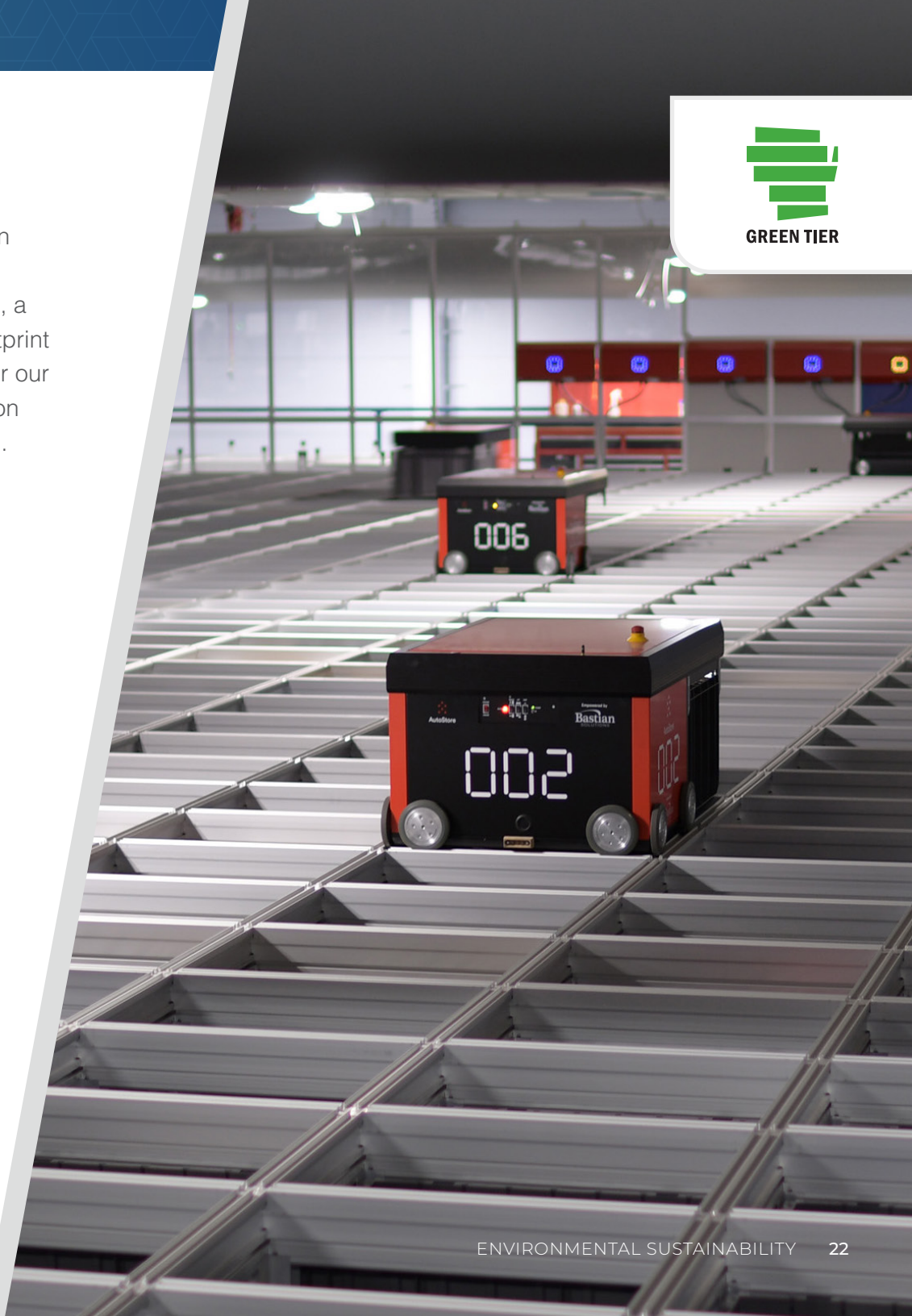


## A more efficient way to pick, pack and distribute

Brady's Good Hope Road location became a Tier 1 participant in March, 2022. At that site we are continuing our journey with the implementation of the new AutoStore automated storage system, a highly efficient vertical storage system which uses a smaller footprint and allows for a more efficient way to pick and pack products for our customers. AutoStore is state-of-the-art technology for distribution centers, utilizing 19 low-energy robots that recharge themselves.



Our sustainability journey at Good Hope also includes a focus on reducing waste and putting consistent processes in place for how we measure waste reduction.





## Production in Zele improves its ecological footprint

Brady's site in Zele, Belgium improved its carbon footprint by saving 40 tons of CO<sub>2</sub> in its production facility in FY22, thanks to reductions in energy consumption, primarily in the production facility.

### Energy scans

A list of priority actions was generated after conducting an energy scan of the Zele production facility in FY20. Ever since, continuous improvements have been made to optimize emission levels and to increase the facility's energy efficiency.

### New machines

New, cutting edge print engines in the production facility have been a major factor in Zele's overall energy efficiency. Newer Galaxie machines offer increased printing quality, speed and capabilities, all with smaller energy needs.





### **Highly efficient boiler**

Zelev also installed a high efficiency gas boiler to heat the facility. The increased efficiency of the installation helps reduce emission levels through a considerably lower consumption of natural gas. The new 290 Kw gas condensate boiler can heat the entire production hall, even though it is three times smaller than the previous 900 Kw installation.

### **Increased temperature control**

At the same time, the Zelev maintenance team improved the evacuation of heat generated by the vacuum pumps of the facility's inkjet print engines. Infrastructure changes allow the site to fully vent this heat outside the facility. Adjusted temperature levels in the Zelev server room also contributed to the facility's ecological footprint by reducing electricity consumption for cooling, without risking server malfunction.

- ▶ Total CO2 emission savings were calculated using the Greenhouse Gas Equivalencies Calculator, published by the EPA, which found a reduction in carbon dioxide of 40 tons for the Zelev facility in FY22.



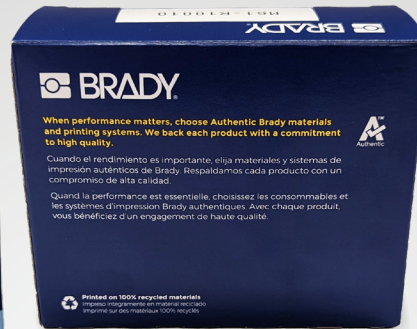
## Germany site takes action to support its local ecological diversity and reduce their carbon footprint

Infrastructure projects near Brady's site in Egelsbach, Germany have resulted in efforts to improve and maintain ecological diversity on our own property. Last year, the team installed insect houses and nesting boxes for birds, and planted wildflowers in the nearby meadow to provide necessary food for local animals. The site is also located next to a small wetland biotope, which is home to many animals and gives employees the opportunity to get outside and enjoy the surrounding nature.

In addition to being a home for neighborhood wildlife, the Egelsbach site uses a geothermal system for the entire building that is nearly carbon-dioxide neutral, allowing for more efficient heating and cooling.







**100%  
RECYCLED  
MATERIAL PAPERBOARD**

## PACKAGING IMPROVEMENTS

When creating the packaging for our products, a number of factors are taken into account, with the user experience at the forefront. Brady continues to make progress in converting packaging to more sustainable materials. We have removed plastic packaging and blister packs from many of our boxes, and are continuing to use cardboard that is both recyclable and made of recycled materials.

This past year, we also updated packaging for our portables materials, which included replacing bleached white paperboard boxes with 100% recycled material paperboard. That packaging also contains instructions printed on the box for how to remove and recycle plastic cartridges.



## Bio-based packaging at Signals in LaRoche, France

Our Signals brand in LaRoche, France, has been making a targeted effort to use eco-friendly alternative products wherever possible in packing and shipping products. It begins by determining the dimensions of boxes and cushioning paper to optimize packaging choices. Alternative eco-responsible products like those listed below are used wherever possible. The site has also reduced its waste by recycling cardboard packaging, paper, empty ink cartridges and scraps of raw materials from vendors. The packaging list below represents 75% of all consumables purchased at the site:



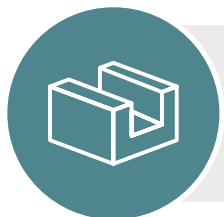
▶ All boxes are 80% recycled material and are recyclable.



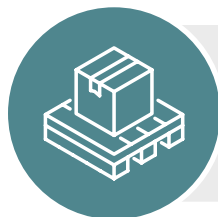
▶ All envelopes are 100% recycled material and are recyclable.



▶ All reams of paper used for package wedging are biosourced-recyclable.



▶ Large foam lip "U" profiles are 100% recycled material.



▶ Pallet caps are 50% recycled material.



▶ Plastic bags made of 50% recycled material.



# PRODUCTS WITH A PURPOSE

We pride ourselves on making a safer, more productive world, and our product offering is key to that. From keeping manufacturing facilities running safely using our signage, to identifying newborn babies in a hospital, to cleaning up oil spills, our products make a positive impact around the world. In the sections that follow, we highlight just a few of our products that make the world a better place.

Some of our core products that make the world safer and more productive include:



▶ Printers and identification labels



▶ Safety signage



▶ Pipe markers and valve tags



▶ Floor markings



▶ Lockout/tagout devices



▶ Spill control solutions



**We are proud to offer a wide range of products that protect our customers and their operations and are extremely passionate about working with businesses in the renewable energy industry.**

For example, Brady's highly durable labels, floor markings, signage, spill control and lockout/tagout products are helping biomass energy plants and wind turbine and substation operators keep their facilities running safely and efficiently. In addition, Brady's highly visible identification solutions can be found on the largest network of electric vehicle charging stations.





# Powering wind farm safety

Brady's highly durable identification and safety solutions help wind energy customers safely maintain and repair wind turbines. Chief among those solutions is the use of Brady's Lockout/Tagout procedures to neutralize electrical circuits during maintenance. Meanwhile, Brady's cable tags and labels, asset labels, floor marking and signs provide important visual information throughout the facilities.



## ► Ready for the sun

Not only do our labels and signs identify critical components of solar farms and substations, Brady's unique materials are UV resistant with 10-year outdoor reliability.



UV RESISTANT



10-YEAR OUTDOOR RELIABILITY







## SPC helps with flood clean up in Eastern Kentucky

After severe flooding devastated parts of Eastern Kentucky in July 2022, Brady SPC partnered with a local construction company to transport hundreds of clean up items to the areas hardest hit. Deemed one of the most devastating flood events in Kentucky history, SPC, which is based in Louisville, KY, was ready to help. SPC donated absorbents, buckets, and cleaning supplies to assist those impacted by the floods.







## Brady provides expert Lockout Tagout safety support to global cheese producer

When Royal Lactalis Leerdammer B.V. a production site of Groupe Lactalis, the world's largest dairy company, needed to implement Lockout/Tagout procedures, they sought guidance from Brady's team in Europe. Placing a high premium on workplace safety, the company wanted to create its own, dedicated Lockout/Tagout program, and sought advice from an established expert.

The Brady team created example procedures on a single machine, then expanded the program to include several more machines, including those to prepare milk for cheese production, conveyor belts and electrical cabinets. Brady also supplied all of the Lockout/Tagout tools needed to block access to energy control points - including SafeKey padlocks in multiple colors, and BBP12 Label Printers.

Maintenance specialists at Royal Lactalis Leerdammer can now work safely, and efficiently. After a machine intervention, all maintenance specialists remove their personal padlocks and restore the flow of energy so production can resume as planned.

## ECO-FRIENDLY R&D

Before a Brady product is ever launched, it undergoes a deep screening for regulatory and environmental compliance. Each new product is reviewed based on several criteria:



- ▶ The use of natural resources during manufacture and distribution



- ▶ The use (and elimination) of classified toxic or hazardous materials



- ▶ Opportunities to use recycled or renewed products in its production



- ▶ Efficient packaging



- ▶ Recyclability of the product



If a new product would be inefficient to manufacture or would result in a substantial amount of waste in the manufacturing process, it would be retooled or removed from our new product pipeline during this review.

R&D teams at Brady are examining current and future product lines for recyclability as well as sustainability of raw materials used. Over the next several years, as we launch new product lines, our customers will see those efforts in new and updated cartridge designs as well as expanded material offerings.



## Turning plastic bottles into identification

Brady PDC products offer an eco-friendly portfolio including name badges, lanyards, wristbands and event passes made from sustainable, biodegradable, and/or pre-and post-consumer recycled materials.



- ▶ Recycled P.E.T. ribbed or satin lanyards made from 100% post-consumer recycled polyester content sourced from recycled plastic bottles



- ▶ Lanyards comprised of rayon fibers made from bamboo



- ▶ Satin wristbands made from 100% post-consumer recycled polyester content sourced from recycled plastic bottles, with a reusable wood or bamboo closures



- ▶ Namebadges made from recycled acrylic or sustainable alderwood, so no new plastic is created



# OUR PEOPLE







## OUR PEOPLE

**A company is only as strong as the people who make up its workforce.** Our success depends on the right people, in the right roles, who are given the opportunities to grow as Brady grows. We are committed to attracting diverse talent, providing development opportunities along the way, and ensuring that they are rewarded for their results and their commitment to the company.

Across the company, Brady employees work towards one common goal – getting the job done for our customers. **And we get the job done at Brady by focusing on our greatest asset, our people.**

We know that a diversity of ideas and input will bring about the best solutions. In December 2022 we announced a restructuring of our company to ensure that we were leveraging our best ideas and resources globally, not just within our siloed divisions.

We are continuing to foster a culture of decisive action that is backed up by data.

Finally, we encourage our managers to empower people to make important decisions and call out where improvements need to be made.

This collaborative culture that values employee voices is what drives Brady's future success.

In the last three years, Brady has not implemented any large scale job cuts, and works diligently to retrain our employees rather than eliminate roles as new automation technologies are introduced. Additionally, Brady limits the use of non-regular employees, with only 11% serving as temporary or contract workers.

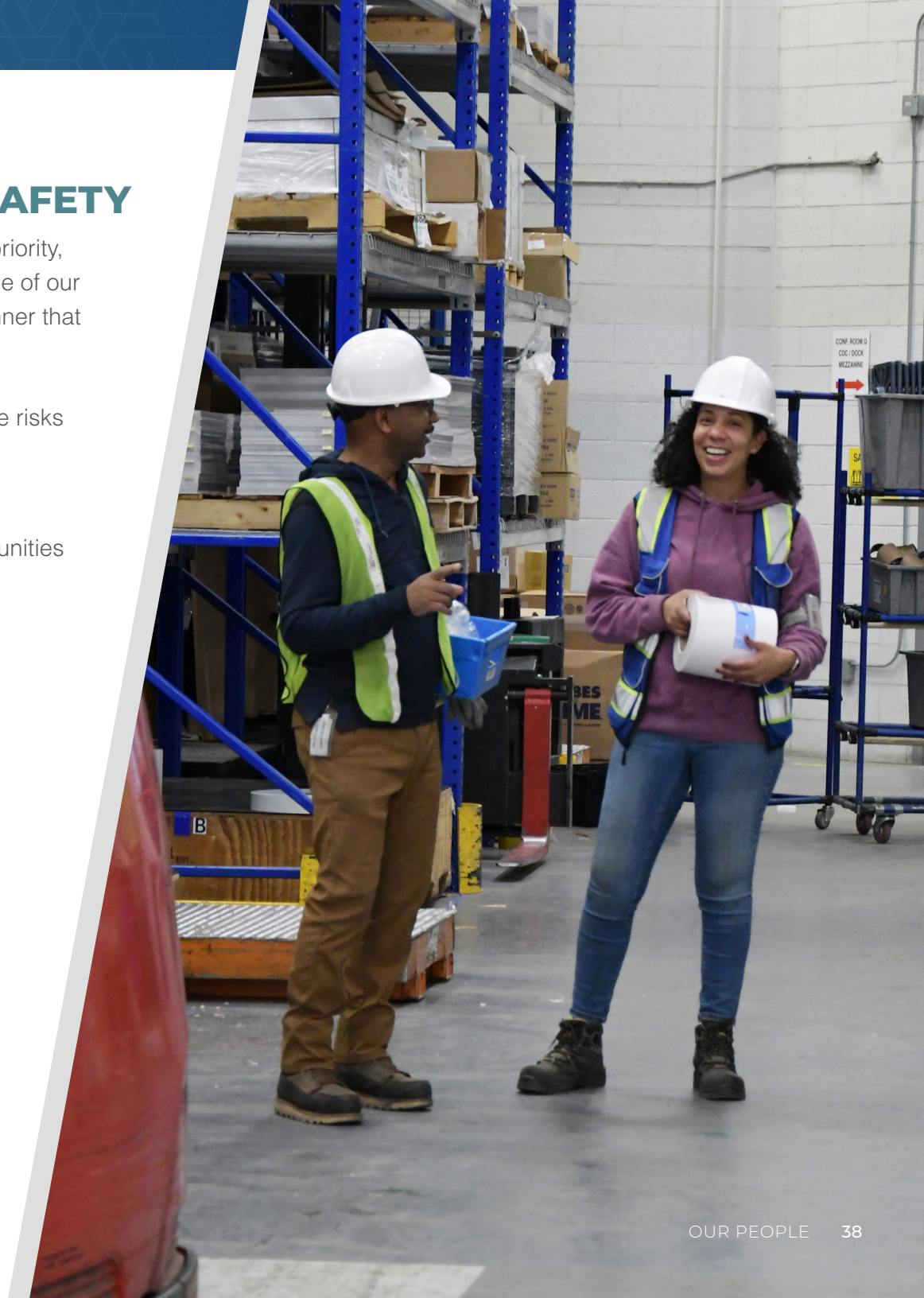




## WORKPLACE AND EMPLOYEE SAFETY

The health and safety of all our employees is always our top priority, and we apply principles and practices of safety in every phase of our operations. Our commitment to conducting business in a manner that protects the health and safety of our employees involves:

- ▶ Engaging all employees in proactively managing workplace risks to achieve zero injuries
- ▶ Providing workplaces that are safe and healthy for our employees, visitors, contractors, customers and the communities in which we operate
- ▶ Meeting or exceeding all applicable laws, regulations and other requirements regarding the safety, health and environmental impact of our operations and products
- ▶ Monitoring progress toward our goals and continuously improving our environmental, health and safety management system







**Maintaining a safe work environment is the responsibility of all Brady employees and requires teamwork.**

Our company is guided by an overall global Employee Health and Safety policy statement that sets the stage for business operations throughout the world. Additionally, a policy manual has been developed to aid in understanding the more detailed intricacies of our company policy, while allowing for varying regulations and customs. This manual provides guidance through a Plan-Do-Check-Act approach (PDCA) to address the various risks a business may encounter. Over time, Brady has arrived at certain internal standards and follows applicable external industry standards that are known for their reliability in yielding high quality products and for consistency in communicating accepted industry best practices. Such standards for risk assessment, machine safeguarding, lock out tag out (LOTO) procedures, ventilation, due diligence, and screen booth design/installation have been identified and followed.



All Brady sites are subject to the company's [Environment, Health, and Safety policies](#). The extent of the programs at each site are dictated by the level of risk and the characteristics of the operation as well as local rules and regulations. Many of the elements in this document are focused on manufacturing operations, however, all sites have covered elements.

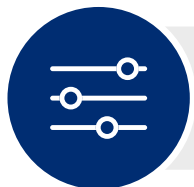
Various scenarios where exposure to hazards may exist are handled throughout this policy. In order to mitigate the risks of exposure, the following hierarchy shall be followed for managing potential chemical exposure in our operations:



▶ Eliminate hazardous materials where possible



▶ Choose less hazardous substitutes to reduce potential hazards



▶ Utilize engineering controls to control potential exposures



▶ Utilize administrative controls to reduce potential exposure



▶ Utilize personal protective equipment to reduce exposure

Independent of the control measures taken, each site must meet the American Conference of Governmental Industrial Hygienists' (ACGIH) Threshold Limit Values, manufacturer's recommendation, or the country requirement, whichever is the most stringent. Sites must use or retain a qualified person to evaluate employee exposure to chemical and physical agents.

Brady uses an internal system to track all workplace incidents. Users can input, track and manage work-related injuries as well as report unsafe conditions. Brady collects data for three types of workplace incidents:

# 01

**Near misses and close calls -**  
Situations in which no injuries actually occurred, but there was an opportunity for an injury due to an unsafe situation

# 02

**First aid events -**  
Minor workplace injuries that only required first aid

# 03

**OSHA-reportable events -**  
Workplace injuries that are required to be reported to OSHA or the non-US equivalent organization

|                                  | FY20              | FY21              | FY22              |
|----------------------------------|-------------------|-------------------|-------------------|
| <b>Total Recordable Injuries</b> | <b>48</b>         | <b>39</b>         | <b>34</b>         |
| TRIR                             | 0.773             | 0.688             | 0.547             |
| <b>Lost Time Cases</b>           | <b>38</b>         | <b>21</b>         | <b>22</b>         |
| LTIR                             | 0.612             | 0.37              | 0.35              |
| <b>Total Hours Worked</b>        | <b>12,419,786</b> | <b>11,344,649</b> | <b>12,430,183</b> |

\* **Total Recordable Incident Rate** = (Total Number of OSHA Reportable Events \* 200,000) / total number of hours worked by employees per year

**Lost Time Case Rate** = (Total Number of Lost Time Injuries \* 200,000) / total number of hours worked by employees

*Note: While the calculation is OSHA-based, it is applied globally to standardize our metrics.*



## Audits and inspections of facilities

As part of our commitment to providing a safe work environment, Brady's Environmental, Health and Safety (EHS) team leads safety and environmental audits at all of our manufacturing, laboratory operations, and distribution facilities. The EHS team performs safety and environmental audits to ensure Brady locations are compliant with internal policies as well as local laws and regulations. Each location receives a score as well as documented findings and opportunities for improvement. Local EHS site personnel and site management are responsible for creating action plans in response to the audit findings, which are monitored by the EHS team to ensure corrective actions have been taken. In addition, Brady engages an external third-party to perform independent audits at our larger locations on a rotating basis. The external audit focuses on safety, compliance with Brady's internal policies as well as local laws and regulations.





## Employee training

Staying true to our own purpose to make the world a safer, more productive place, Brady requires thorough training for all employees on their individual job responsibilities. All new employees receive health and safety training as part of their onboarding process. In addition, job-specific training related to our health and safety protocols are conducted regularly. Required safety training is recorded and tracked at all ISO14001 Brady facilities.





## COMPLETE COMPENSATION AND BENEFITS

We believe that a meaningful career is more than just the work that our employees do. That's why we pride ourselves in offering competitive benefits - and so much more. No matter where our employees are in the world, Brady's goal is to provide employees with a compensation and benefits package that is externally competitive, internally fair and rewards outstanding performance. As a global company, we tailor our compensation and benefits to align with local practices.

**In the United States, we offer generous health and financial benefits, including:**

### Health

- ▶ Medical, Dental and Vision Coverage
- ▶ Employee, Spouse and Dependent Life Insurance Coverage
- ▶ Disability Insurance Coverage
- ▶ Tobacco Cessation Program
- ▶ Healthy Pregnancy Program
- ▶ Discounts to a large network of gyms, nutritional programs, and other fitness-related merchandise
- ▶ Employee Assistance Programs that provide mental health support and assistance, and that can help solve personal problems including family issues, financial concerns and finding childcare
- ▶ Paid vacation and holidays
- ▶ Adoption and surrogacy assistance
- ▶ Parental leave

### Financial

- ▶ Health Savings Account
- ▶ Flexible Spending Accounts for medical and dependent care
- ▶ 401(k) retirement savings program with options to contribute on a pre-tax or roth (after-tax) basis, with Company matching contributions
- ▶ Other Brady-sponsored retirement saving plans to encourage our employees to save for retirement
- ▶ Auto, Homeowners and Renters Insurance Coverage
- ▶ Identity theft protection
- ▶ Employee Stock Purchase Plan
- ▶ Tuition reimbursement

### Social

- ▶ Matching gift program
- ▶ Dollars for Doers, which provides a monetary contribution to non-profit organizations where Brady employees volunteer
- ▶ Scholarship program for children of Brady employees

## Transparency in our total compensation package

At the beginning of each new calendar year, Brady employees in the United States receive a statement of their total compensation package for the previous year. The statement details their total pay, inclusive of overtime, bonuses or profit sharing, as well as the monetary value of the benefits they have elected. Employee contributions and corporate matches to 401k plans and other retirement benefits are also clearly detailed.



### New family-friendly benefits for US employees

To support employees who are expanding their families, this year we added one week of paid parental leave as well as adoption and surrogacy assistance.

### A culture of flexibility

We strive to ensure our employees are supported when things happen - from kids getting sick to a flooded basement and everything in between. An open door policy gives employees the ability to work with management when the unexpected happens or when greater flexibility is called for.



### Brady Scholarship Program

Administered through the National Merit Scholarship Corporation, Brady is proud to offer up to five, \$5,000 annual scholarships each year to eligible children of Brady employees.





## Project Wellbeing launches for Belgium employees

Our team in Zele launched Project Wellbeing, which empowers employees to plan and participate in activities aimed at improving collaboration and engagement. Project Wellbeing covers six key themes: community, happiness at work, mental balance, physical health, social contact and inspiring leadership. For each theme, Brady volunteers organize events throughout the year. The key to Project Wellbeing's success is involving a mix of employees from throughout the site and assigning each pillar an owner.

### ► Initiatives have included:



New leadership workshops, based on a brainstorming session with local managers and team leaders on what is needed to be a great leader.



Meet and greet lunch break where employees meet colleagues from other teams to get to know each other better and to gain a better understanding of their jobs and responsibilities.



A Christmas market organized on an evening in December, where the money was donated to a local community in Zele.



## DIVERSITY, EQUITY AND INCLUSION

- ▶ True to our purpose to help make a safer, more productive world, **so is our commitment to our own workplaces.**

We are One Brady — made up of unique people who bring their individual talents, experiences and backgrounds to work every day. We thrive when each person has the opportunity to reach their full potential. By committing to a diverse workforce, we are committing to developing an employee base that is fully representative of race, ethnicity, gender identity, sexual orientation, education level, experience, age, ability, and so much more. And by being able to safely bring their full selves to work, our employees can embrace and contribute to the collaborative culture that drives Brady's growth.



## ▶ Global Female Representation

▶ Total Women

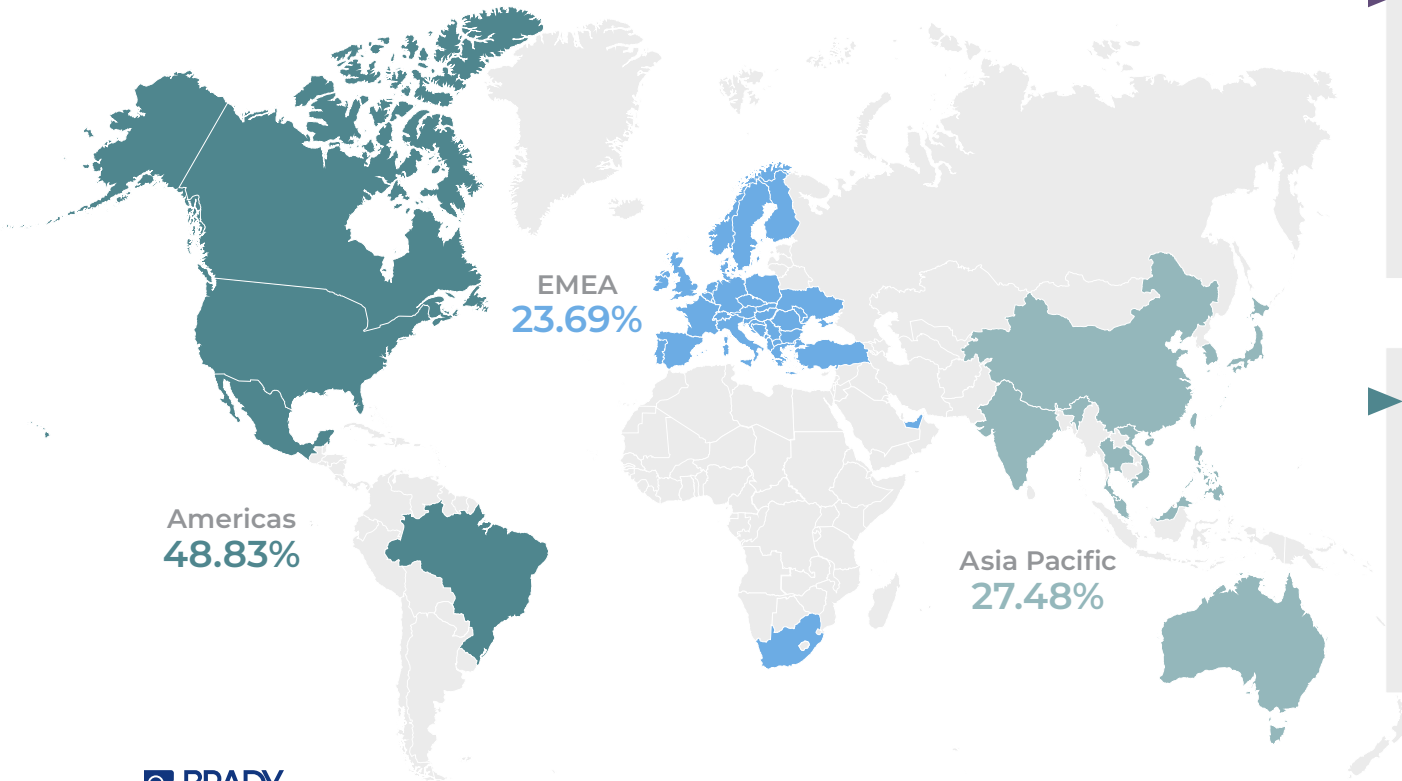
**42.9%**  
Female

▶ Total Women in Management Roles

**37%**

| Management Levels |      |        |
|-------------------|------|--------|
|                   | Male | Female |
| Executive         | 70%  | 30%    |
| Senior Management | 78%  | 22%    |
| Middle Management | 63%  | 37%    |
| Lower Management  | 52%  | 48%    |

## ▶ Employee Breakdown by Region



## ▶ Average Tenure

**7.57**  
years

## ▶ US Ethnicity

**32%**  
BIPOC

33% of Brady's independent board directors are women.

## A more diverse workplace

A more diverse workplace includes diversity at the highest levels in our organization.

- ▶ In 2022, Brady was recognized by Milwaukee Women's Inc for the number of women on our Board of Directors as well as in senior leadership roles.



### ▶ Going pink with Securimed brand

With the health sector as a main vertical for the Securimed brand, the team in Cappelle La Grande, France raised funds for the French Pink October project to support breast cancer research. Of the 70 Securimed employees, 80% are women.



### ▶ Encouraging girls to explore STEM careers

Brady employees participate in Discovery World's annual Girls in STEM event, giving girls hands-on demonstrations of Brady's printers, scanners, labels and wristbands.





▶ **Celebrating traditions around the world**

In Malaysia, Singapore and China, Brady employees celebrate the Chinese New Year or Spring Festival with lion dance performances, traditional meals and office decorations.

▶ **Recognizing and thanking our veterans**

Brady is proud to employ veterans throughout the organization, filling key roles in field sales, tech support, product management, operations and more.







## Diversity in our hiring

We are proud to be a global company with a diverse group of employees speaking more than 25 languages. Our employees represent a wide variety of backgrounds, experiences, and education, with their own unique racial, ethnic, and gender identities.

Brady has a long history of supporting diverse college students through scholarships, mentoring and tutoring programs. We partner with local universities to attract and retain diverse talent from our own backyards. At several sites around the U.S., we have also partnered with local non-profit organizations that provide job-training and mentoring to people looking to gain employment.



**We are proud of what we've done to create a diverse workforce, and we are committed to making even greater progress in the future.**



## A culture of inclusion

Brady's emphasis on collaboration is reliant upon a culture that values inclusion. Further, Brady has a zero tolerance policy for workplace harassment or abusive behavior.

In the United States, employees have the opportunity to participate in three Employee Resource Groups, and we actively encourage underrepresented groups to consider forming similar organizations to suit their needs.

Brady's oldest and largest ERG is the **Women's Leadership Alliance**, whose mission is to engage, encourage and empower female employees. A blend of in-person, virtual and hybrid events ensures that people can network one-on-one and have the opportunity to learn from guest speakers from their desk. Last year, the WLA held a speed mentoring event with Brady leadership, hosted a career exploration day for high school girls, and participated in virtual events with topics on mental health, personal branding, and women in IT. In addition to the Milwaukee chapter, the WLA is represented with a chapter in India and within the People and Healthcare Solutions brand.





**Brady's Emerging Professionals** group has offered programming to early career professionals since 2017. Last year's activities included hosting a welcome reception for interns and guest Brady speakers on topics like how to maximize their LinkedIn profiles and Brady's M&A and Business Development process.

Our newest ERG, **The Alliance**, has a focus on current and future Black employees. The Alliance's purpose is to attract, retain, empower, and inspire Black employees, and to help members achieve their fullest potential across the spectrum of professional development and employment opportunities at Brady. The Alliance launched in February during Black History Month and is up to more than 50 members.







# SOCIAL IMPACT







# SOCIAL IMPACT

**Brady has a proud history of taking care of the communities around us.** We are always seeking ways to support our employees so that they can bring their best selves to work every day. And we continue to invest in our communities through the Brady Corporation Foundation and several other initiatives.

From Tokyo to Buffalo, Milwaukee to Roncq, our employees make sure Brady is an important part of their communities.



# INVESTING IN OUR COMMUNITIES THROUGH THE BRADY FOUNDATION

## ▶ OUR VISION

**The Brady Corporation Foundation supports organizations in the communities where we operate.** We fund organizations that develop leaders, support educational programs and strengthen communities. We believe that the best outcomes happen when data, research and proven methodologies intersect with lived experiences, inclusive representation, and diverse leadership. Through this, our goal is to make our communities better, safer, and more equitable places to live and work.

**Brady has a proud legacy of giving back**, from the days when Bill Brady founded the company. Today the Brady Corporation Foundation believes in funding organizations where we can be part of the solution - through our employees, our company resources and even in the jobs we need to fill. Brady's philanthropic giving is primarily focused in three areas: Leadership, Educational Programming, and Strengthening Communities.

In addition, Brady has pledged to specifically support organizations that address racial equity issues and have targeted programming that seeks to improve the lives of black, indigenous, and people of color (BIPOC) in our communities. We are particularly interested providing support for the following areas:

- ▶ Support for early childhood, elementary and secondary education programming to help BIPOC students achieve success.
- ▶ Support for basic needs programming that helps address gaps that low-income BIPOC people are confronted by, including housing stability and other initiatives that build strong families.



**\$1.0M** in FY22



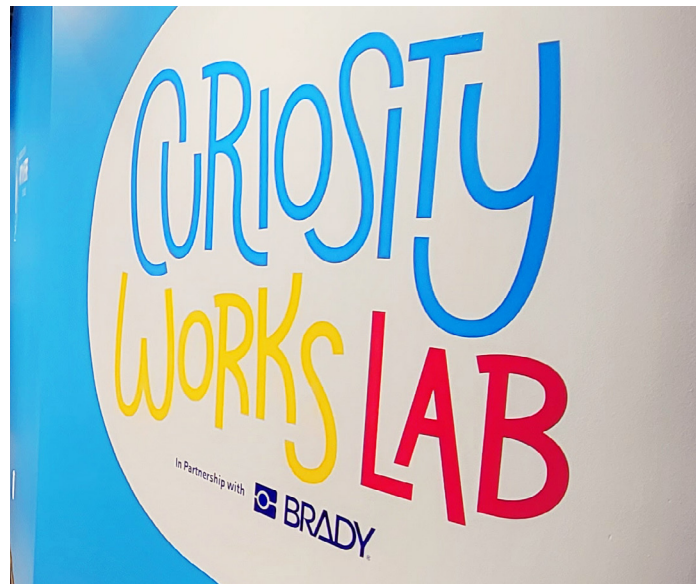
- ▶ Eighth graders at St. Marcus School in Milwaukee, WI learn to dissect a brain during a biology lesson, thanks to Brady Foundation grants that fund the purchase of a science curriculum.
- ▶ At the Conejo Free Clinic in Santa Clarita Valley, California, near Brady's PDC headquarters, hundreds of low income adults and children receive free, high quality medical and dental care, funded in part by the Brady Foundation.



**\$535,856** IN  
RACIAL EQUITY GRANTS







## DISCOVERY WORLD CURIOSITY WORKS LAB

Milwaukee kids are learning exciting STEM concepts in the recently opened Curiosity Works Lab at Discovery World Museum. The Brady Foundation sponsored the renovation of the workshop and learning space, and Brady employees worked with the museum's team on the space's branding and curriculum, which is offered through summer camps and weekend workshops. Popular programs include Simple Circuits and Simple Machine labs, and learning about print screening. The lab curriculum helps fill important gaps in science curriculum for elementary aged students.

# \$100,000

Capstone grant to  
Discovery World



# HELPING YOUNG PEOPLE EXPLORE CAREER OPTIONS

Brady employees have embraced the opportunity to share their own career journeys with youth in Milwaukee.

- ▶ High school boys from Operation Dream participate in mock interviews with Brady employees and learn about careers in manufacturing.



- ▶ Members of Brady's Women's Leadership Alliance offer insight to PEARLS girls into their roles and the journey that led them to where they are now.







## WALKING THE WALK

Every year, Brady employees at each US site on the same day channel their passion and participate in the Brady Walk. Driven entirely by employees, people nominate, vote on and select which non profit organizations they'd like to support each year.

Now in its 12th year, the Brady Walk has contributed more than \$1 million to organizations that our employees care deeply about.

Over the years, Brady employees have walked for suicide prevention, cancer care and treatment, pet and wildlife rescues, veterans housing, and so much more. Each cause shares one common and prevailing theme – they have a personal connection to Brady employees.

In 2022, Brady donated **\$113,500** to **19 organizations** around the country just through the Brady Walk.

SCAN OR CLICK TO PLAY VIDEO





## BRADY INDIA SAVES OVER 200 LIVES WITH EMPLOYEE BLOOD DRIVE

With the demand for blood higher than ever, Brady India's Corporate Social Responsibility team partnered with a local organization, Lions Blood Bank, to host an employee blood drive. The event took place over two days at the Bangalore Plant and India Shared Services. Nearly 100 employees donating, 82 units of blood were collected. This is equal to saving 246 lives!

One third of Brady India employees donated to save lives.





## HUMANITARIAN RELIEF IN TURKEY

The earthquake that devastated parts of southern Turkey and Syria on Feb. 6 continues to impact people in the region. Many Brady employees, including those in Turkey and Germany, have relatives and friends in the affected region, and received first-hand reports about the difficult situation in the days that followed. Subsequently, the Brady team in Germany started to look for ways to support the earthquake relief efforts.

Employees discovered that a Turkish radio station was coordinating donations with the help of an organization from the Rhine-Main region of Germany. The team quickly went to work identifying products that would provide immediate assistance to the rescue and relief teams in Turkey. They put together two pallets full of safety gloves and shoes, protective clothing, helmets, disinfection materials and other safety products.

Brady provides safety products to support relief efforts





# GOVERNANCE, ETHICS & INTEGRITY







# GOVERNANCE, ETHICS & INTEGRITY

**We are committed to the highest level of ethical conduct every day at all of our facilities around the world.** Driven by the oversight of the Board of Directors and the Brady leadership team, the tone at the top of the organization prioritizes ethical conduct in every aspect of our business.

It is a priority for Brady's Board of Directors and leadership team to advance ESG and align with a philosophy that continues to promote, implement and sustain these programs within the company.





## BOARD OF DIRECTORS

Brady is committed to a governance structure that is independent and responsive to the interests of our shareholders. Our Board of Directors regularly meets, at least annually, in executive session without management, to facilitate communication among the independent directors. For more information regarding the composition of our Board of Directors and the charters for each committee, please see our [Corporate Governance](#) section on our website.



## Board Diversity and Independence

Ultimate responsibility for the governance of Brady Corporation resides with the Board of Directors. The nine-member team of directors includes four female directors, and all non-executive directors are independent. Annually the Board reviews each director's eligibility to be determined independent under NYSE listing standards and applicable law. All directors are elected annually by the holders of Brady's Class B voting shares. The Board engages in strong governance practices including the following: having separate independent Chair of the Board and CEO positions; conducting annual Board and committee self-evaluations; providing director access to Brady's management and independent advisors; and director stock ownership guidelines. We value a board made up of individuals with an impressive blend of personal and professional attributes to ensure a diverse and healthy representation with different points of view. Our directors are highly qualified and have a diverse set of skills, backgrounds and perspectives, with 22% of our directors representing a diverse racial or ethnic background.



**Board Director Nancy Gioia**, retired Director, Global Electrical Connectivity and User Experience for Ford Motor Company, shares her career journey and perspectives on women in technical roles with Brady's Women's leadership Alliance.

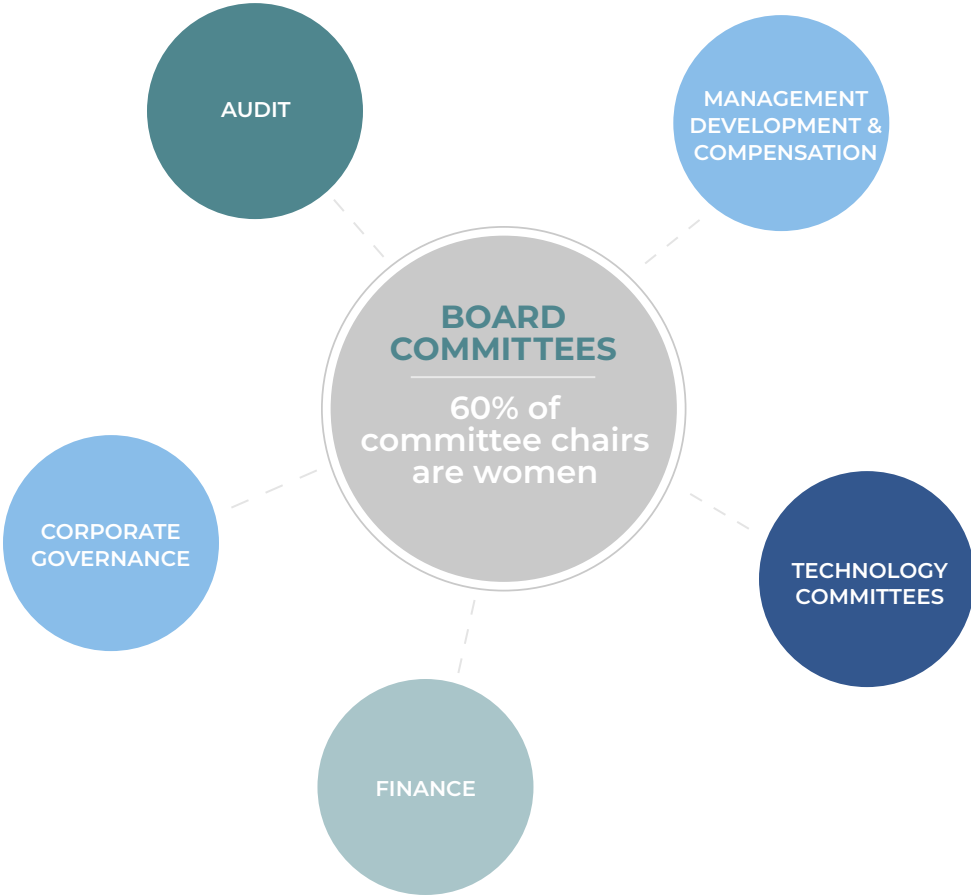


The chart below illustrates the tenure and diverse backgrounds represented on our Board (as of March 31, 2023):

|                         | Patrick Allender | Dr. David S. Bem | Dr. Elizabeth P. Bruno | Joanne Collins Smee | Nancy L. Gioia | Vineet Nargolwala | Bradley C. Richardson | Dr. Michelle E. Williams |
|-------------------------|------------------|------------------|------------------------|---------------------|----------------|-------------------|-----------------------|--------------------------|
| <b>Tenure</b>           | 15               | 3                | 19                     | <1                  | 9              | <1                | 15                    | 3                        |
| <b>Age</b>              | 76               | 54               | 55                     | 66                  | 62             | 50                | 64                    | 61                       |
| <b>Gender</b>           | M                | M                | F                      | F                   | F              | M                 | M                     | F                        |
| <b>Race / Ethnicity</b> | C                | C                | C                      | C                   | C              | A                 | C                     | B                        |

# Board Committees

The Board of Directors has five standing committees including Audit, Management Development & Compensation, Corporate Governance, Finance, and Technology Committees. Each committee plays a critical role in various environmental, social and governance topics.



Dr. Michelle Williams  
- ESG Liaison

## ESG Governance

Our board plays a critical role in determining the strategic direction and risk management oversight especially as it pertains to ESG within Brady. In 2022, the Board of Directors elected Dr. Michelle Williams as the ESG Liaison to further efforts around sustainability and inclusivity within the organization. ESG efforts are reported to the full board annually in May. Each quarter, board committees review an update on their respective ESG areas of oversight.



# EXECUTIVE LEADERSHIP

Brady's executive leadership team is made up of experienced professionals with deep knowledge in their field. Four of the executive leaders are female, and two are financial experts.

## Executive compensation: Committed to best practices

As part of Brady's pay-for-performance philosophy, the Company's compensation program includes several features that maintain alignment with shareholders:



Emphasis on variable compensation



Stock ownership requirements



Clawback provisions



Performance thresholds and caps



Insider trading and anti-hedging policy



Annual risk reviews



**Executive compensation philosophy and objectives:**

We seek to align the interests of our executives with those of our shareholders by evaluating performance on the basis of key financial measurements that we believe closely correlate to long-term shareholder value. To this end, we have structured our compensation program to accomplish the following:

- ▶ Allow the Company to attract, retain, motivate, develop and reward talented executives;
- ▶ Deliver compensation plans that are both internally equitable when comparing similar roles and levels within the Company and externally competitive when comparing to the external market and the Company’s designated peer group;
- ▶ Maintain an appropriate balance between base salary and short-term and long-term incentive opportunities;
- ▶ Provide integrated compensation programs aligned to the Company’s annual and long-term financial goals and realized performance in order to reward the successful creation of long-term shareholder value;
- ▶ Recognize and reward individual initiative and achievement with the amount of compensation each executive receives reflective of the executive’s level of proficiency within his or her role and their level of sustained performance;
- ▶ Institute a pay-for-performance philosophy where the level of rewards is aligned to Company performance results.

**Elements of executive compensation**

Our total compensation program includes five elements used to attract, retain, motivate, develop and reward our executives:

- Base salary
- Annual cash incentives
- Long-term equity incentives
- Employee benefits
- Perquisites



## Our compensation philosophy

is to allocate a significant portion of total compensation to long-term compensation (equity incentive awards) in order to align the achievement of performance goals for our executives with shareholder interests.

For fiscal 2022, equity incentive awards comprised 65% of Mr. Shaller's total target compensation in his role as President, Chief Executive Officer and Director of the Company and on average, 37% of the total target compensation of the other named executive officers.

Our compensation structure is designed to be competitive, with a significant portion delivered as performance-based.

The following table describes the purpose of each compensation element and how that element is related to our pay-for-performance approach:

| Compensation Element   | Purpose   | Performance Alignment   |
|--|---|---|
| <b>Base salary</b>   | A fixed level of income used to attract and retain executives by compensating for the primary functions and responsibilities of the position. | Base salary increase depends upon individual performance, job proficiency and market competitiveness.   |
| <b>Annual cash incentive award</b>   | To attract, retain, motivate and reward executives for achieving or exceeding annual performance goals at total Company and division levels.  | Financial performance and individual performance of each executive determines the amount of the respective executive's annual cash incentive award.   |
| <b>Annual long-term equity incentive awards: time-based stock options, time-based RSUs and PRSUs</b> | To attract, retain, motivate and reward executives for the successful creation of long-term shareholder value.                                | <p>An assessment of executive leadership, experience and expected future contribution, combined with market data, are used to determine the amount of equity granted to each executive.</p> <p>Time-based stock options are inherently performance-based in that the value is dependent upon the increase in the Company's stock price.</p> <p>Time-based RSUs are intended to facilitate retention and to align executives with the creation of long-term shareholder value.</p> <p>PRSUs are intended to align executives with long-term financial goals and the creation of long-term shareholder value.</p> |

Be Bold. Be Decisive.  
**Be Curious.**



## CODE OF ETHICS

**The Brady Code of Ethics (“Code”)** is the foundation of our global commitment to ethical and legal requirements, and is reviewed annually by the Board of Directors. The Code applies to all Brady employees, officers and members of the Board of Directors. We also expect our suppliers, sales agents, consultants, representatives, independent contractors and other professional service providers to observe the same standards of conduct and business ethics when conducting business with or for Brady.



## The Code is available in 14 languages and establishes a clear set of ethical and behavioral standards for our entire company to follow.

The Code is periodically updated to reflect changes in laws, regulations and company policies. All employees must annually complete an ethics training course and a review of our Code. The training requires participants to navigate through hypothetical situations in which employees face ethical dilemmas in the workplace. Globally, we require 100 percent completion of the ethics training by all of our employees. The completion status of the annual employee training module is reported to the Audit Committee of the Board of Directors.



## Ethics Hotline & Reporting

Employees are encouraged and expected to immediately report all potential unethical conduct. Any potential violations of our Code of Ethics, company policy or the law should be reported by our employees through one of the following channels:

- ▶ Their direct manager or local human resources representative
- ▶ Any manager senior to their manager in their manager's reporting structure
- ▶ Brady's General Counsel by phone at (414) 358-6608
- ▶ The Internal Audit Department
- ▶ The Ethics Hotline by phone at (877) 781-9309 or by email through [www.bradyethics.com](http://www.bradyethics.com)

An independent third party administers our Ethics Hotline, which is available globally 24 hours per day, seven days per week and allows callers to confidentially raise an ethics or compliance concern. The Director of Internal Audit and Brady's legal team are automatically notified when a new claim is submitted to the hotline. The Internal Audit Director is responsible for responding, reviewing and investigating claims reported through the Ethics Hotline. Quarterly, the Internal Audit Director informs the Audit Committee of the Board of Directors of the claims that have been reported through the Ethics Hotline or from any other sources.







## WIN THE RIGHT WAY

A core Brady value and our commitment to the highest standard of ethical behavior

### Our non-retaliation policy

We encourage our employees to voice any questions or concerns regarding unethical conduct. Therefore, we will never tolerate retaliation against anyone for reporting a possible violation in good faith or for participating in an investigation. Reporting in good faith means that an employee must provide a complete and honest report of a concern. Anyone who deliberately makes a false accusation will be subject to discipline.

### Anti-corruption and anti-bribery policies

Brady's anti-corruption compliance policy establishes requirements for employees, directors, officers and other representatives performing duties on Brady's behalf, to comply with ethical and legal standards. The policy also establishes anti-corruption standards that our third parties (including distributors, agents, service providers, customers, and others with whom we do business) should consult and to which they should adhere. This policy requires compliance with not only the US Foreign Corrupt Practices Act ("FCPA"), but other applicable anti-bribery laws where we do business.

Brady's Code of Ethics also states that any kind of commercial bribery will not be tolerated, whether done directly or through a third party. The anti-corruption policy described above helps employees to understand what is considered acceptable regarding business gifts and entertainment.

### Insider trading policy and required training

Brady's Insider Trading Policy prohibits hedging and other monetization transactions in Company securities by officers, directors and employees. The prohibition of hedging transactions includes financial instruments such as prepaid variable forwards, equity swaps, collars and exchange funds. The Insider Trading Policy also prohibits the pledging of Company stock as collateral for loans or holding Company securities in a margin account by officers, directors or employees. Employees who are identified as "insiders" are required to take annual training on our Insider Trading policy, which is documented in our Global Learning Center.

### Expense reimbursement and travel policy

Our Expense Reimbursement & Travel Policy applies to all employees of Brady Corporation, its subsidiaries, and its affiliates, with respect to business-related expenses and travel. The policy covers travel and related expenses, entertainment and employee engagement activities, meals, miscellaneous expenses including gifts, and personal expenses. The policy describes approval requirements for all business expenses.

### Political contributions

As stated in our Code of Ethics, Brady has a policy against making contributions to political candidates or campaigns. The code also states that employees are prohibited from using Company property, facilities, time or funds for political campaigns. The Brady Foundation also states in its bylaws that it may not make contributions to political candidates or campaigns.

## Enterprise and risk management

Risk is a part of doing business - which also makes it part of day-to-day management. Brady aims to develop and formalize risk management activities to ensure that risks and mitigation plans are well understood at all levels within the company and are transparent to all stakeholders. It is management's responsibility to manage risk.

As a global industrial company, Brady has many different areas of risks which include strategic, operational, financial, compliance and many others. Brady has an Enterprise Risk Management ("ERM") program in order to identify, assess and manage our risk exposure.

Consistent with our leadership structure, our Board of Directors provides a risk oversight role while management has the day-to-day responsibility of assessing and managing our risk exposure. Brady's ERM committee includes members from our business, operations, finance, HR, IT, legal and compliance departments. This committee is responsible for understanding and actively managing Brady's strategic, operational, financial and compliance risks. On an annual basis, the ERM committee performs a Company-wide risk assessment during which the likelihood and potential impact of various risks in our business are assessed to arrive at an overall risk rating. Any ESG related-risks are included and evaluated as part of the ERM process. Additionally, the ERM committee is responsible for maintaining well-defined risk response plans for Brady's highest-rated risks. At least annually, Brady's management presents the ERM committee's material risks and their potential impact to the Audit Committee of the Board of Directors.

More information regarding Brady's significant risks can be found on pages 8-12 of our fiscal 2022 Form 10-K.





# Brady Facilities with Quality Management Systems Certifications

Brady is committed to providing safe, quality products to all of our end users. To ensure this, Brady has adopted applicable Quality Management Systems (QMS) at the below facilities:

- ▶ Milwaukee, Wisconsin
- ▶ Zele, Belgium [ISO9001]
- ▶ Bratislava, Slovakia [IATF 16949]
- ▶ Good Hope Road [AS9100 & ISO9001]
- ▶ Banbury, United Kingdom [IATF 16949]
- ▶ Penang, Malaysia [ISO9001]
- ▶ Florist Avenue [ISO9001]
- ▶ Egelsbach, Germany [IATF 16949]
- ▶ Xiamen, China [ISO9001]
- ▶ Camden R&D Facility [AS9100]
- ▶ Roncq, France [IATF 16949]



## Supply Chain Responsibility

From our banking relationships to our suppliers to our distributors, we are committed to doing business with companies that operate with the highest level of integrity and ethical standards. All of the companies in our supply chain are expected to follow our environmental, social and governance principles. The Brady Supplier Manual provides the general requirements and expectations for doing business with Brady.

### Forced Labor and Human Trafficking

As part of our commitment to human rights, Brady does not use or do business with companies who use slave labor, and we have a dedicated policy on Forced Labor and Human Trafficking. In accordance with various global, regional, country- or state-specific regulations, including the California Transparency in Supply Chains Act of 2010 and the U.K. Modern Slavery Act of 2015, we are committed to monitoring our global supply chain to avoid involvement in any kind of forced labor and/or human trafficking and enforcing controls designed to ensure forced labor and human trafficking are not present in our supply chain. We require our suppliers, contractors and other business partners to comply with our Forced Labor and Human Trafficking policy. Any suppliers who provide Brady with products or services greater than \$500,000 annually are required to certify on an annual basis their conformity with our expectations on freely chosen employment, child labor avoidance and humane treatment of employees.

### Conflict Minerals

We require all of our suppliers to follow our Conflict Minerals Policy. This policy establishes the expectation that our suppliers will not source any Conflict Minerals (cassiterite, columbite-tantalite, gold and wolframite and their derivatives, tin, tantalum and tungsten) from the eastern provinces of the Democratic Republic of Congo and the adjoining countries. We expect all of our suppliers to source materials from socially responsible suppliers. It is our policy to comply with all applicable regulations issued by the Securities and Exchange Commission regarding conflict minerals, including annually publishing a [Conflict Minerals Report](#).







## Cybersecurity

Brady Corporation works to ensure a secure environment through a multilayered, data-driven approach. Our top initiatives include:

- ▶ Advanced phishing and social engineering detection capabilities
- ▶ Frequent security awareness campaigns educating our employees
- ▶ An extensive vulnerability management program to reduce risk
- ▶ Modernizing infrastructure with advanced cyber capabilities

We assess our programs against third-party compliance and framework requirements including PCI, SOX, and CIS. We have established procedures for responding to incidents, including when and how to engage with internal management, stakeholders and law enforcement.

## Data privacy

Brady and its subsidiaries recognize and respect the privacy rights of individuals (data subjects) concerning any personally identifiable information (PII) that Brady collects, processes, or maintains, and we give control over that PII to the data subject.

Brady's policies, as well as its data protection and privacy program, seek to establish and maintain the highest standards of data protection and privacy in compliance with leading jurisdictions. We specifically look to the European General Data Protection Regulation (GDPR), as well as the California privacy regulations known as CCPA and CPRA, for guidance. Brady has voluntarily chosen to apply these high standards globally in order to minimize data risks to our customers, vendors, and employees by providing a comprehensive and consistent level of data protection and privacy everywhere we do business. We make adjustments to meet local requirements where necessary.



### We commit that any PII we collect will be:

- 1 Collected and processed lawfully, fairly, and in a transparent manner
- 2 Collected for specified, explicit, and legitimate purposes and that Brady will be transparent in how the PII is going to be used
- 3 Adequate, relevant, and limited to only what is necessary
- 4 Accurate and, where necessary, kept up-to-date
- 5 Retained only for as long as necessary
- 6 Processed and stored in an appropriate manner to maintain security

We have established procedures for responding to data subject requests and data breaches or other incidents, including when and how to engage with internal management, stakeholders and regulatory bodies.



# GRI CONTENT INDEX WITH REFERENCE

|                         |   |
|-------------------------|---|
| <b>Statement of use</b> | Brady Corporation has reported the information cited in this GRI content index for the period August 1, 2021 - July 31, 2022 with reference to the GRI Standards. |
| <b>GRI 1 used</b>       | GRI 1: Foundation 2021  |

| <b>GRI STANDARD</b>                    | <b>DISCLOSURE</b>  | <b>LOCATION</b>   |
|--|--|---|
| <b>GRI 2: General Disclosures 2021</b> | 2-1 Organizational details   | Pages 5-8 and 67<br>Brady Corporation 2022 Form 10-K - Pages 3-7    |
|  | 2-2 Entities included in the organization's sustainability reporting             | Pages 7 and 48  |
|  | 2-3 Reporting period, frequency and contact point                                | Pages 3 and 85  |
|  | 2-7 Employees  | Pages 7, 37, and 48<br>Brady Corporation 2022 Form 10-K - Pages 6-7 |
|  | 2-8 Workers who are not employees  | Page 37   |
|  | 2-9 Governance structure and composition   | Pages 65-69<br>Brady Corporation 2022 Form 10-K - Pages 57-60       |
|  | 2-10 Nomination and selection of the highest governance body                     | Page 67<br>Brady Corporation 2022 Form 10-K - Page 60               |
|  | 2-11 Chair of the highest governance body  | Page 67<br>Brady Corporation 2022 Form 10-K - Page 60               |
|  | 2-12 Role of the highest governance body in overseeing the management of impacts | Page 69<br>Brady Corporation 2022 Form 10-K - Pages 60-61           |
|  | 2-13 Delegation of responsibility for managing impacts                           | Page 77<br>Brady Corporation 2022 Form 10-K - Pages 60-61           |
|  | 2-14 Role of the highest governance body in sustainability reporting             | Page 69<br>Brady Corporation 2022 Form 10-K - Page 60               |
|  | 2-15 Conflicts of interest   | Brady Corporation 2022 Form 10-K - Pages 60, 92-93                  |
|  | 2-16 Communication of critical concerns  | Page 75<br>Brady Corporation 2022 Form 10-K - Pages 60, 93          |
|  | 2-17 Collective knowledge of the highest governance body                         | Pages 65-69<br>Brady Corporation 2022 Form 10-K - Pages 57-60       |
|  | 2-18 Evaluation of the performance of the highest governance body                | Pages 65-69<br>Brady Corporation 2022 Form 10-K - Pages 57-60       |
|  | 2-19 Remuneration policies   | Brady Corporation 2022 Form 10-K - Pages 62-92                      |

| GRI STANDARD   | DISCLOSURE   | LOCATION   |
|--|--|--|
| <b>GRI 2: General Disclosures 2021</b>                 | 2-20 Process to determine remuneration   | Brady Corporation 2022 Form 10-K - Pages 62-92                 |
|  | 2-21 Annual total compensation ratio   | Brady Corporation 2022 Form 10-K - Pages 88-89                 |
|  | 2-22 Statement on sustainable development strategy   | Pages 4, 9   |
|  | 2-23 Policy commitments  | Pages 73-76  |
|  | 2-24 Embedding policy commitments  | Pages 73-76, 79  |
|  | 2-26 Mechanisms for seeking advice and raising concerns  | Pages 75-76<br>Brady Corporation 2022 Form 10-K - Pages 60, 93 |
| <b>GRI 201: Economic Performance 2016</b>              | 201-1 Direct economic value generated and distributed  | Pages 7-8<br>Brady Corporation 2022 Form 10-K                  |
|  | 201-2 Financial implications and other risks and opportunities due to climate change                     | Brady Corporation 2022 Form 10-K - Pages 8-11                  |
| <b>GRI 205: Anti-corruption 2016</b>                   | 205-1 Operations assessed for risks related to corruption  | Page 77<br>Brady Corporation 2022 Form 10-K - Pages 8-11       |
|  | 205-2 Communication and training about anti-corruption policies and procedures                           | Pages 75-76<br>Brady Corporation 2022 Form 10-K - Pages 60, 93 |
| <b>GRI 302: Energy 2016</b>                            | 302-1 Energy consumption within the organization   | Page 14  |
|  | 302-3 Energy intensity   | Page 14  |
|  | 302-4 Reduction of energy consumption  | Page 14  |
| <b>GRI 305: Emissions 2016</b>                         | 305-1 Direct (Scope 1) GHG emissions   | Page 14  |
|  | 305-2 Energy indirect (Scope 2) GHG emissions  | Page 14  |
|  | 305-4 GHG emissions intensity  | Page 14  |
|  | 305-5 Reduction of GHG emissions   | Page 14  |
| <b>GRI 306: Waste 2020</b>                             | 306-1 Waste generation and significant waste-related impacts   | Pages 12, 17-18, 21, 26-27                                     |
| <b>GRI 308: Supplier Environmental Assessment 2016</b> | 308-1 New suppliers that were screened using environmental criteria                                      | Page 79  |
|  | 308-2 Negative environmental impacts in the supply chain and actions taken                               | Page 79  |
| <b>GRI 401: Employment 2016</b>                        | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | Page 44  |
|  | 401-3 Parental leave   | Pages 44- 45   |



| GRI STANDARD   | DISCLOSURE  | LOCATION   |
|--|---|--|
| <b>GRI 403: Occupational Health and Safety 2018</b>  | 403-1 Occupational health and safety management system  | Pages 38-39<br>Brady Corporation 2022 Form 10-K - Pages 6-7      |
|  | 403-2 Hazard identification, risk assessment, and incident investigation  | Pages 39-41<br>Brady Corporation 2022 Form 10-K - Pages 6-7      |
|  | 403-3 Occupational health services  | Pages 39-41<br>Brady Corporation 2022 Form 10-K - Pages 6-7      |
|  | 403-4 Worker participation, consultation, and communication on occupational health and safety                       | Pages 38-43<br>Brady Corporation 2022 Form 10-K - Pages 6-7      |
|  | 403-5 Worker training on occupational health and safety   | Page 43<br>Brady Corporation 2022 Form 10-K - Pages 6-7          |
|  | 403-6 Promotion of worker health  | Pages 44, 46<br>Brady Corporation 2022 Form 10-K - Pages 6-7     |
|  | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Pages 38-43<br>Brady Corporation 2022 Form 10-K - Pages 6-7      |
|  | 403-8 Workers covered by an occupational health and safety management system  | Pages 7, 38-43<br>Brady Corporation 2022 Form 10-K - Pages 6-7   |
|  | 403-9 Work-related injuries   | Page 41<br>Brady Corporation 2022 Form 10-K - Pages 6-7          |
|  | 403-10 Work-related ill health  | Page 41<br>Brady Corporation 2022 Form 10-K - Pages 6-7          |
| <b>GRI 404: Training and Education 2016</b>          | 404-2 Programs for upgrading employee skills and transition assistance programs                                     | Page 43  |
| <b>GRI 405: Diversity and Equal Opportunity 2016</b> | 405-1 Diversity of governance bodies and employees  | Pages 48 and 67-69<br>Brady Corporation 2022 Form 10-K - Pages 7 |
| <b>GRI 408: Child Labor 2016</b>                     | 408-1 Operations and suppliers at significant risk for incidents of child labor                                     | Page 79  |
| <b>GRI 409: Forced or Compulsory Labor 2016</b>      | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor                      | Page 79  |
| <b>GRI 413: Local Communities 2016</b>               | 413-1 Operations with local community engagement, impact assessments, and development programs                      | Pages 54-63  |
| <b>GRI 415: Public Policy 2016</b>                   | 415-1 Political contributions   | Page 76  |



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