



3.

SUSTAINABILITY STATEMENT

This document is an extract from 2024 Annual Report.

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WE SUPPORT



Dear Stakeholder,

I am pleased to confirm that in 2024 as well Brembo N.V. reaffirms its support to the 10 United Nations Global Compact Principles in the areas of Human Rights, Labour, the Environment and Anti-corruption.

In this annual report on the achievements made, we disclose our ongoing commitments to integrating the 10 Principles into our Company's strategy, culture and daily activities, as well as to contributing to the United Nations' goals, in particular the Sustainable Development Goals.

Daniele Schillaci
Chief Executive Officer, Brembo N.V.

BREMBO AND THE UN GLOBAL COMPACT

Since 2021, Brembo N.V. has been a participant in the United Nations Global Compact, the world's largest strategic corporate citizenship initiative.

This initiative was established to promote a sustainable global economy that respects human and labour rights, environmental protection, and anti-corruption principles. Promoted by former UN Secretary-General Kofi Annan, more than 25,490 companies from 167 countries have joined the Global Compact, creating a new model for global collaboration.

The UN Global Compact requires companies to share, support, and apply a set of fundamental principles on human rights, labour standards, environmental protection, and anti-corruption within their sphere of influence.

By participating in this initiative, Brembo N.V. has joined a universal network of companies with a long-term strategic vision, oriented towards promoting a culture of sustainability, innovation, and reporting. The Global Compact provides an opportunity to share strategies and good business practices in response to global challenges, utilise ESG-related management tools and resources, and participate in specific working groups.

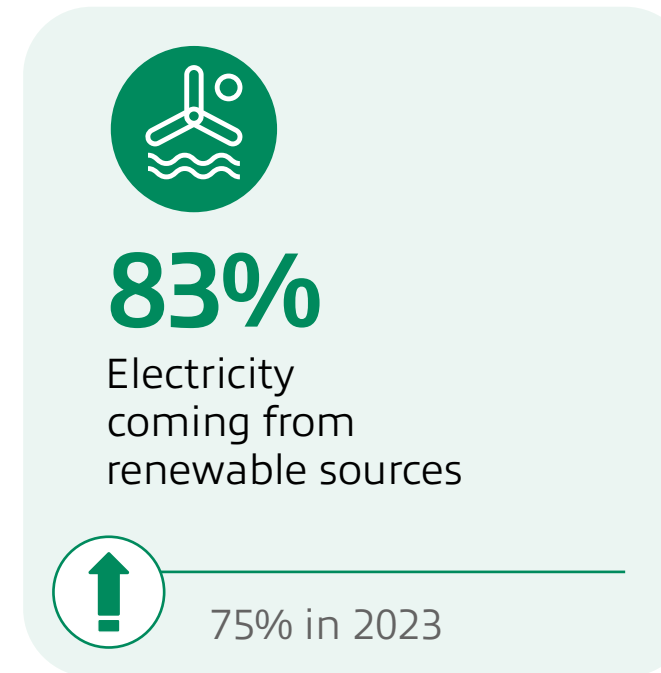
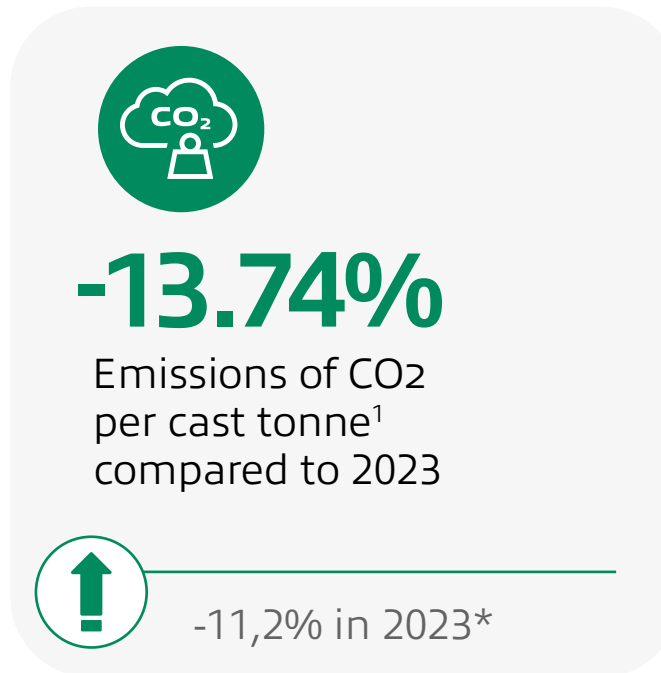
Further strengthening its commitment, Brembo N.V. has become a founding member of the UN Global Compact Network Italy, actively contributing to the Foundation's objectives and participating in its institutional activities and initiatives.

Recognising the growing importance of sustainability and the value of collaborative learning, Brembo N.V. actively participated in 2024 Global Compact Accelerator programs. These specialised programs, designed to embed SDG-aligned practices deep into business operations and across the value chain, accelerate progress and impact for the 2030 Agenda. Specifically, Brembo N.V. engaged with the Climate Ambition Accelerator, the Target Gender Equality Accelerator, and the Business & Human Rights Accelerator.

Brembo N.V.'s participation in the Global Compact testifies to its long-standing commitment to sustainability, which over the years has increasingly focused on numerous fronts, and adherence to the 17 Sustainable Development Goals defined by the UN 2030 Agenda.

SUSTAINABILITY HIGHLIGHTS

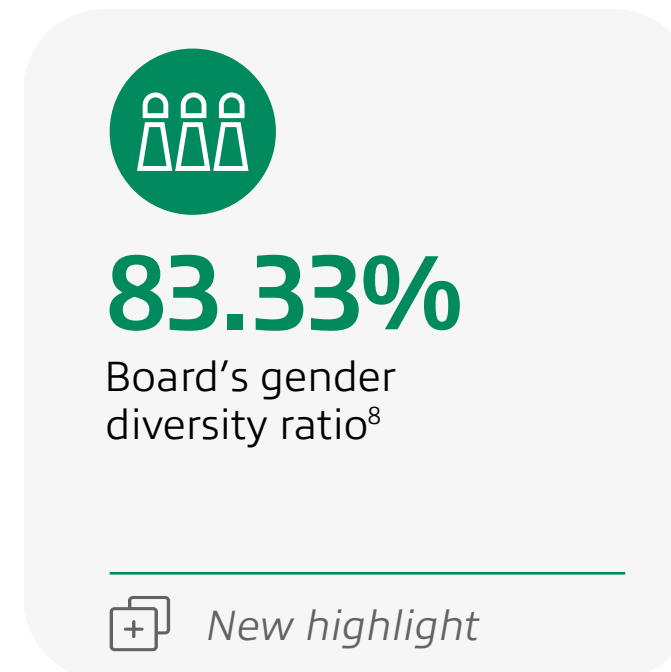
ENVIRONMENT



SOCIAL



GOVERNANCE



1 Scope 1 and market-based Scope 2 emissions, generated by foundries/gross tonnes of molten cast iron and molten aluminium (BSCCB S.p.A. included).

2 The plants failing within the ISO 14001 certification scope are operating industrial plants or plants that have been part of the Group for at least two years.

3 The plants failing within the ISO 50001 certification scope are operating industrial plants or plants that have been part of the Group for at least two years and with energy consumption exceeding 5,000 GJ.

4 The employees of Brembo Reinsurance AG, Brembo France, Brembo Thailand, which are not included in the scope of the Sustainability Statement, are also included.

5 This includes the costs of purchasing goods and services directly involved in the manufacturing of finished products, namely purchases of raw materials, components, semi-finished and finished products, ancillary materials and services (mostly transport, utilities, packaging and MRO). The scope of analysis was expanded to also include the provision of services not closely associated with production, such as costs of ICT and telephony, cleaning, security and canteen services. Tax and legal advice, insurance, sponsorships, business travel, recruitment and training activities, building leases and industrial assets are excluded.

6 For Brembo N.V.

7 In calculating the number of people trained on business ethics, a person is counted multiple times if they receive training on different topics. Business ethics include topics detailed in Code of Ethics, antibribery, 231 compliance or local compliance to prevent corporate criminal liability, GDPR, antitrust etc.

8 The Board's gender diversity is calculated as: (Total number of female members / Total number of male members)*100.

9 The ISO 27001 certified sites are the Italian sites of Brembo N.V. (Curno, Mapello and Stezzano), La. CAM. S.r.l., Brembo SGL Carbon Ceramic Brakes S.p.A., Brembo Poland Sp. Z.o.o. production hubs and Brembo Czech S.r.o.

* The 2023 calculation did not consider BSCCB S.p.A.

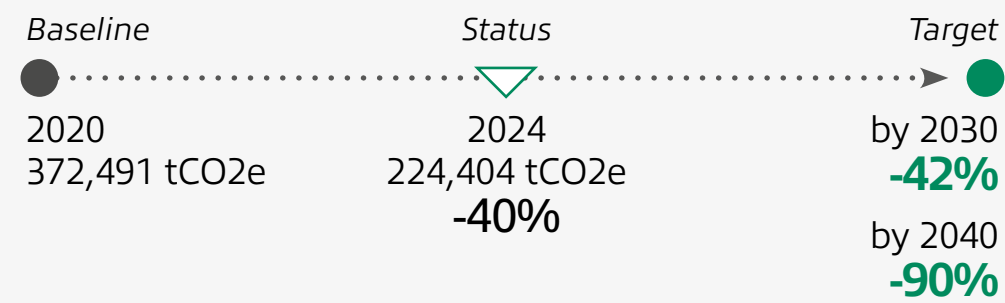
📈 Data improving.

GROUP SUSTAINABILITY PLAN

An excerpt of the Group Sustainability Plan "Turning Sustainability into Action" is reported below.

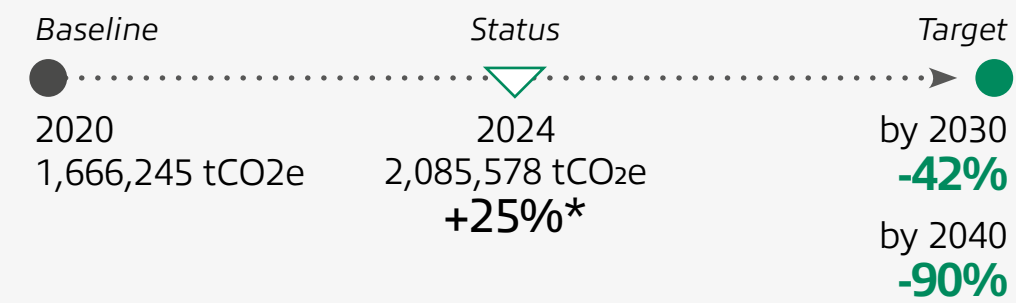
NET ZERO (SCOPES 1+2)

Achieving net zero emissions at Group level (Scope 1+2)



NET ZERO (SCOPE 3)

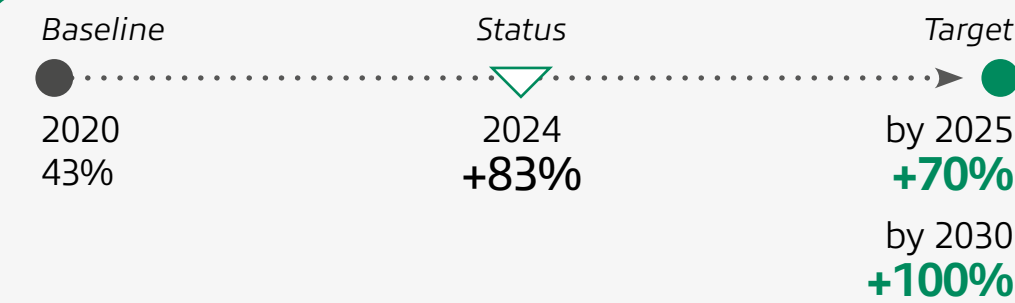
Achieving net zero emissions at Group level (Scope 3)



* In reduction compared to the 2023 value

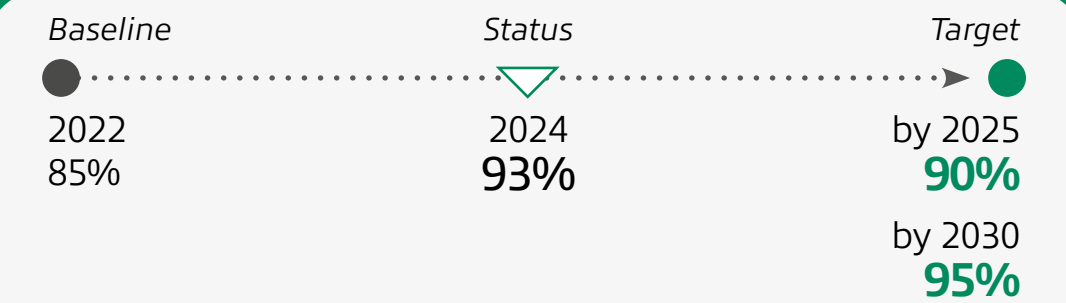
RENEWABLE ENERGY

Increasing renewable energy (%)



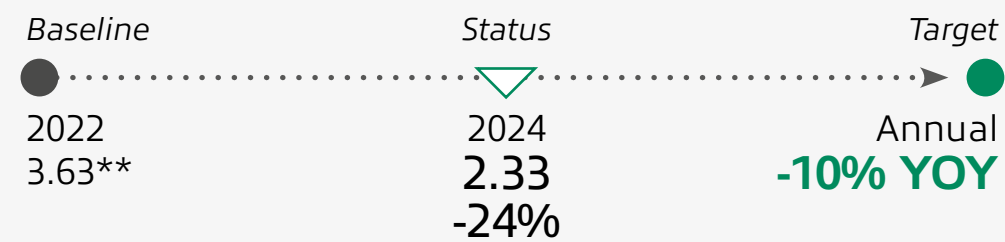
RECYCLED WASTE

Increase of recycled waste as proportion of total waste generated (%)



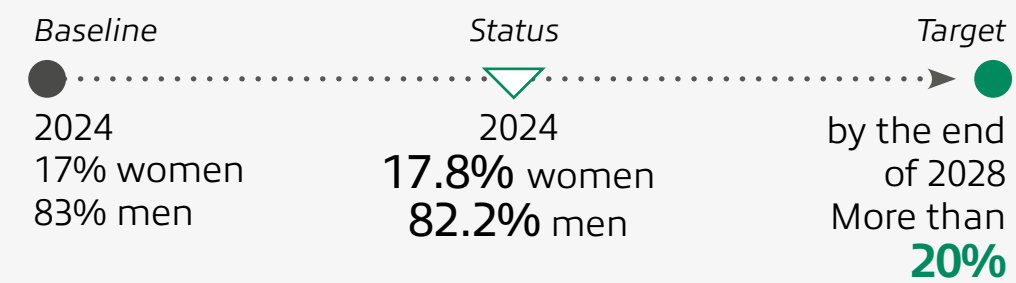
INCIDENT RATE

Continuous reduction of the incident rate



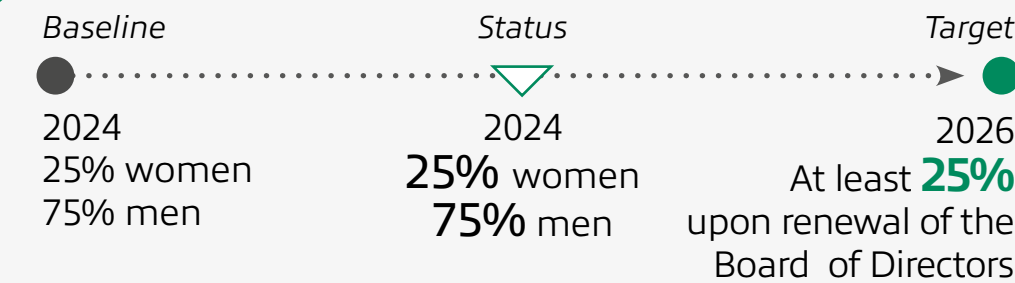
GENDER IN MANAGEMENT

The representation of each gender in the cluster of Management



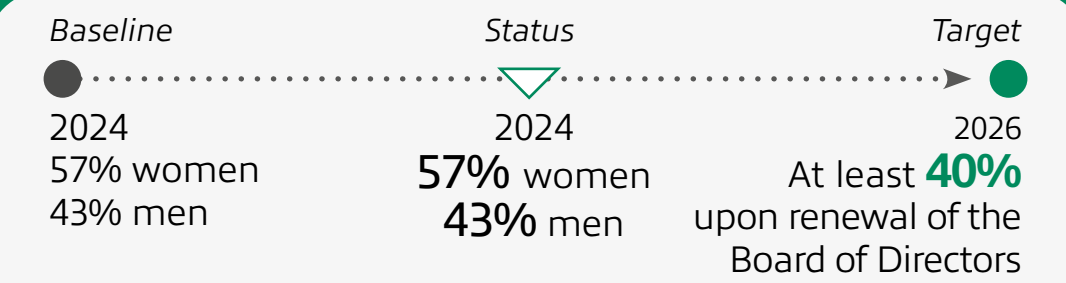
GENDER IN EXECUTIVE DIRECTORS

The representation of each gender in the cluster of Executive Directors



GENDER IN NON-EXECUTIVE DIRECTORS

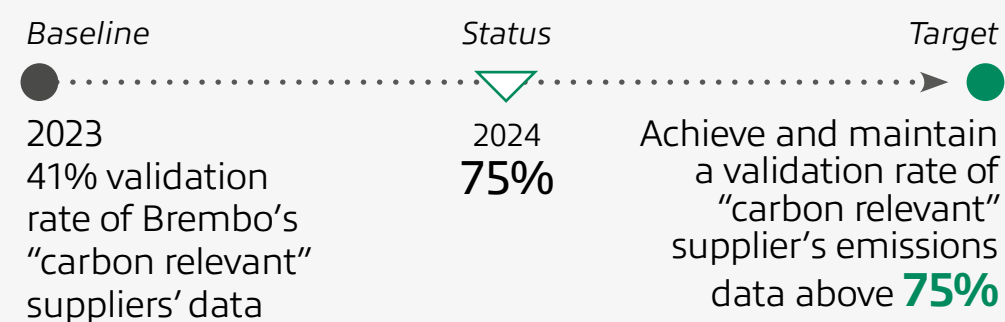
The representation of each gender in the cluster of non Executive Directors



** Recalculation according to ESRS

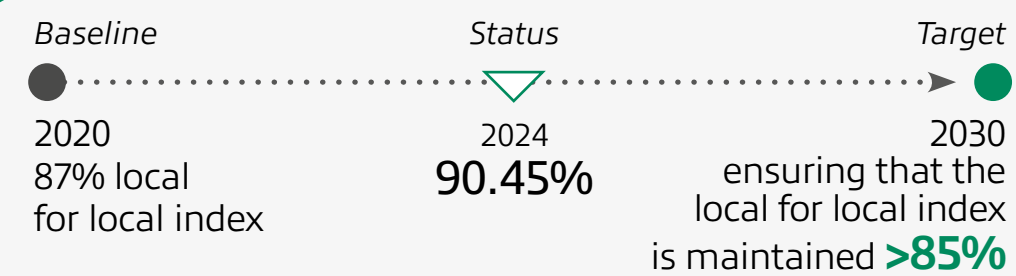
SUPPLIERS' CO2 EMISSIONS DATA COLLECTION

Ensure third-party validation of "carbon relevant"*** suppliers' primary emissions data related to Brembo's production, enhancing the reliability of Brembo's Scope 3 emissions calculation



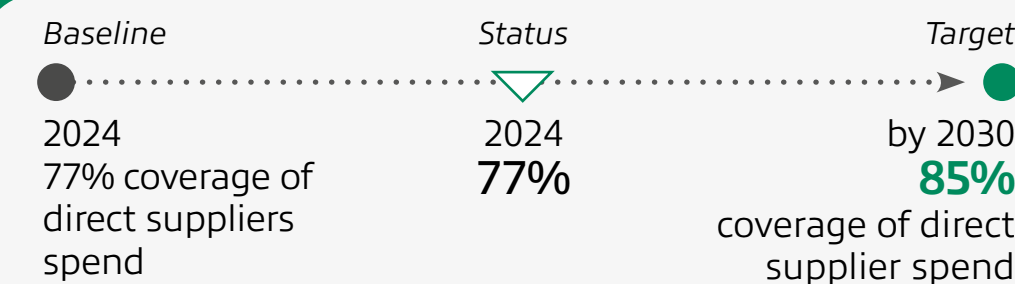
LOCAL FOR LOCAL INDEX

Prioritize localized supply chain where Brembo has production sites



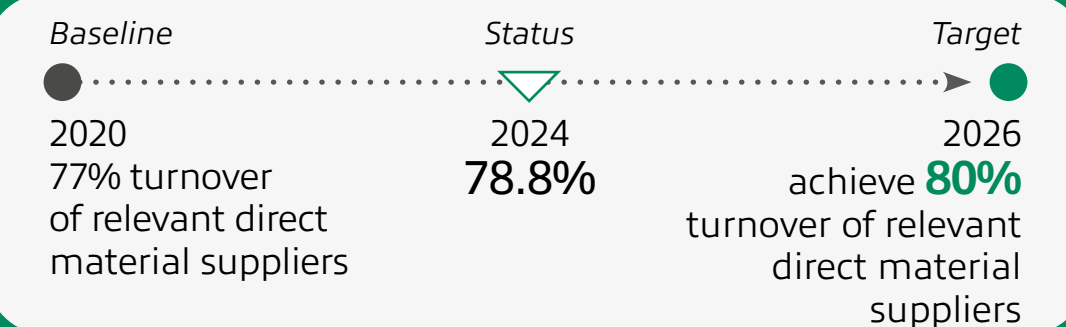
THIRD-PARTY SUPPLY CHAIN MONITORING THROUGH SELF-ASSESSMENT QUESTIONNAIRES

Extend the third party self-assessment questionnaire to cover significant portion of direct supplier spend



THIRD-PARTY SUPPLY CHAIN MONITORING THROUGH ON-SITE AUDITS

Extend the ESG assessment and monitoring of the supply chain

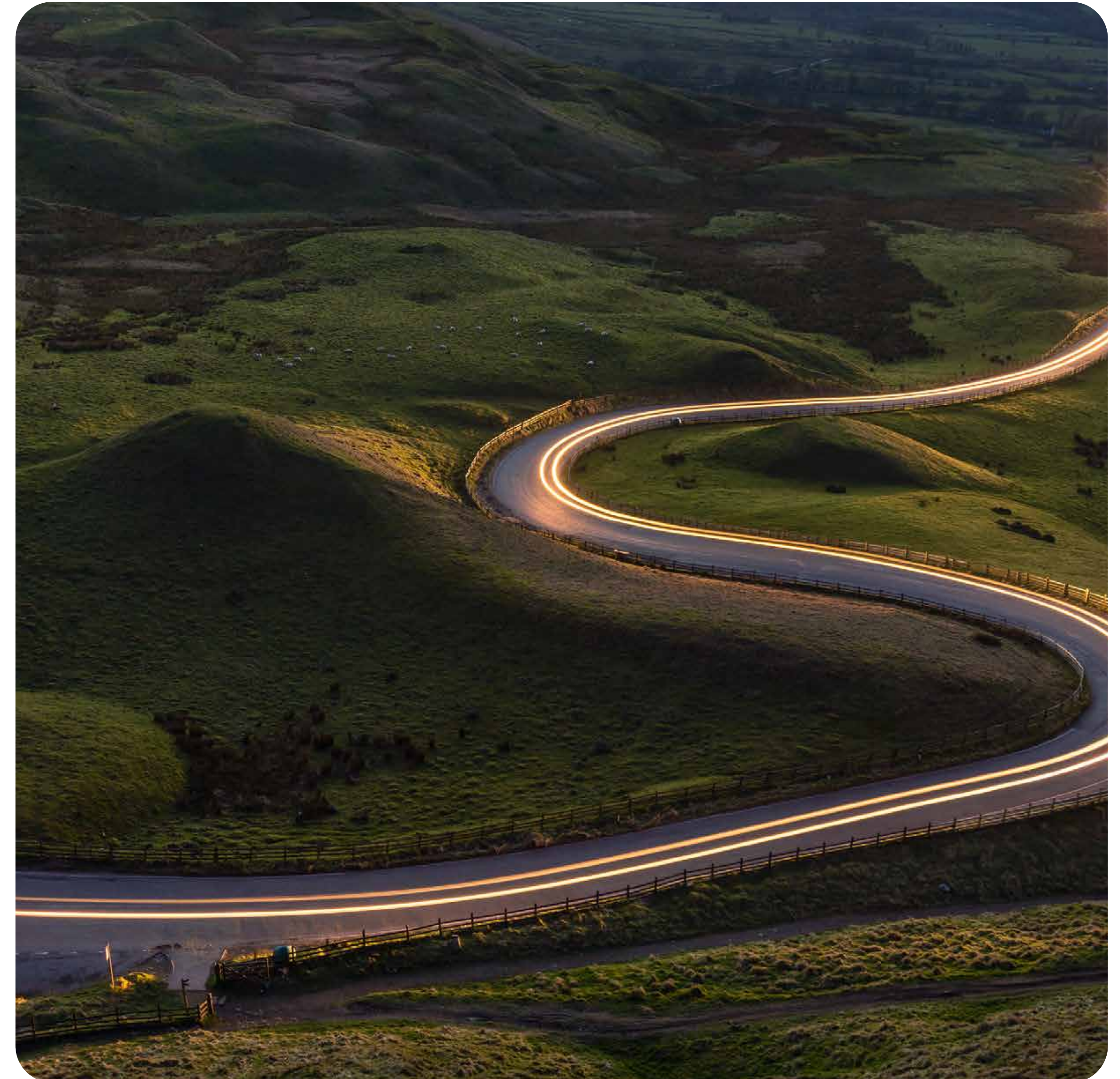


*** Around 300 suppliers



3.1 GENERAL DISCLOSURE

ESRS 2		
BP-1	General basis for preparation of sustainability statement	40
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IRO-2	Disclosure Requirements in ESRS covered by sustainability statements	52



ESRS 2

BP-1 GENERAL BASIS FOR PREPARATION OF SUSTAINABILITY STATEMENT

This Sustainability Statement has been prepared on a consolidated basis: its scope coincides with that of the Consolidated financial statement. As such, the scope of the sustainability statement does not include the companies valued using the equity method and the following entities due to the non operative nature:

- ____ BREMBO REINSURANCE AG
- ____ BREMBO POLAND MANUFACTURING SP.ZO.O.
- ____ BREMBO POLAND HERATECH SP. ZO.O.
- ____ BREMBO THAILAND LTD.
- ____ BREMBO AUSTRALIA PTY LTD
- ____ BREMBO FRANCE SAS

ESRS 1 allows companies to not yet incorporate the value chain impact for certain metrics. Brembo have made use of this exemption, by not including the impact of non-consolidated joint ventures and associates in the sustainability statements. Brembo does not have control over these entities, and will assess in the coming years how to incorporate these entities in its sustainability statements. The value chain exemption can be applied during the first three reporting years. Only data and information related to Brembo SGL Carbon Ceramic Brakes S.p.A. (Stezzano), over which the Group has operational control, is included in metrics where required by the ESRS standards and is well stated.

The double materiality assessment, detailed in the section "IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities", which forms the

basis for the preparation of this Sustainability Statement, has considered the Group's value chain. This includes both the activities directly carried out by the Brembo Group and those performed upstream and downstream of direct operations. For a detailed description of the Group's value chain, please refer to the subsequent section "SBM-1 Strategy, business model and value chain".

BP-2 DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES

This document marks the first year of reporting under the European Sustainability Reporting Standards (ESRS), resulting in a different structure for the Sustainability Statement compared to previous reports. It is important to note that no significant errors have been identified in prior reporting periods. Additionally, Brembo does not include information in its sustainability statement that arises from other legislation requiring the disclosure of sustainability information beyond what is prescribed by ESRS. Brembo defined the time horizons in accordance with the ones established by the ERM evaluation processes and adopted in the Financial Statement. Brembo defines the short-term time horizon as less than one year from current reporting period. On the other hand, the medium-term extends from the end of the short-term up to five years, while the long-term encompasses periods exceeding five years. The information presented in the sustainability statement complies with the qualitative characteristics outlined in Appendix B of the ESRS 1 standard, namely: Relevance, Faithful Representation, Comparability, Verifiability, and Understandability. Where necessary, any estimates related to value chain considerations and causes of uncertainty in the results have been described in the respective paragraphs, as well as any estimates

made in the calculation of the reported required metrics. Data concerning Scope 3 greenhouse gas emissions face intrinsic limitations due to the limited availability and relative accuracy of the information used to define both quantitative and qualitative aspects related to the value chain. In conclusion, for the reporting year 2024, there have been no notable events or situations that have significantly impacted the sustainability performance of the Brembo Group.

Brembo used the phase-in provision in accordance with the ESRS 1 Appendix C except for S1-7, S1-8, S1-13, S1-14.

Finally, Brembo has not defined any metrics beyond those explicitly required by the ESRS; the Group is committed to defining specific metrics for the identified material IROs that are not covered by an ESRS metric and to their periodic monitoring, particularly for topics regarding S2 value chain workers, S3 affected communities, and S4 consumers and end users (Consumers and end users).

GOV-1 ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Brembo has adopted a one-tier board structure as provided by laws of the Netherlands, with a Board of Directors consisting of Executive Directors and Non-Executive Directors. Based on the Board Profile and according to the policy on non-discrimination and diversity, Brembo's Board of Directors (BoD) includes 4 executive and 7 non-executive members of which 5 are female and 6 are male. This results in a gender diversity ratio of 83.33%¹⁰, while the percentage of independent Board

members is 55%. The BoD is tasked with overseeing impacts, risks, and opportunities¹¹.

- ____ MATTEO TIRABOSCHI – Executive Chairman
- ____ DANIELE SCHILLACI - Chief Executive Officer
- ____ CRISTINA BOMBASSEI – Executive Director
- ____ ROBERTO VAVASSORI – Executive Director
- ____ MANUELA SOFFIENTINI – Independent Director
- ____ ELISABETTA MAGISTRETTI – Independent Director
- ____ ELIZABETH MARIE ROBINSON – Independent Director
- ____ GIANCARLO DALLERA – Independent Director
- ____ GIANFELICE ROCCA – Independent Director
- ____ UMBERTO NICODANO – Not Executive Director
- ____ MICHELA SCHIZZI – Independent Director (candidate proposal by a group of minority shareholders)

Brembo has no representative of the workers in the Board of Directors.

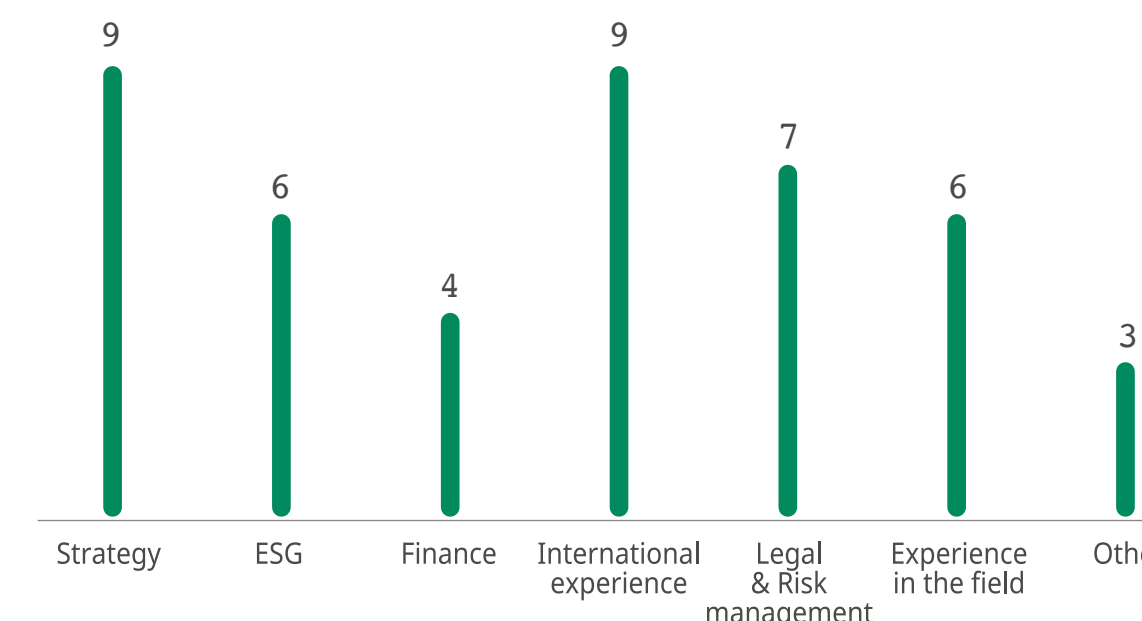
To enhance the Board's skills in these areas and in the sectors, products and geographic locations relevant to the Company, Brembo has organized several in-depth sessions during Board and Committee meetings, which are summarized in the table below.

¹⁰ The Board's gender diversity is calculated as an average ratio of female to male board members.
¹¹ For more information regarding the role of the BoD and other supervisory bodies, please refer to G1 GOV-1.

Table 1

Induction Session	Recipients	Date	(ESRS 2 GOV-1;21c,23a ESRS G1 GOV-1;5b) Activities Description
Remuneration and Appointment Committee	Members of the Remuneration and Appointment Committee	February 2024	Gender Representation and Pay Gap Analysis.
		July 2024	Gender Equality Certification.
		December 2024	Policy on non-discrimination and diversity under Dutch law. LTIP Benchmark Analysis.
Audit, Risk and Sustainability Committee	Members of the Audit, Risk and Sustainability Committee and Supervisory Committee	January 2024	Cybersecurity risks and plan of control.
		May 2024	Health and safety profiles in relation to site activities, maintenance and high-risk work.
		July 2024	Diversity, Equity and Inclusion Journey.
		October 2024	Sustainability Projects in the Supply Chain.
		December 2024	Non-financial reporting under Dutch law.
Induction for Directors	Non-Executive Directors	February 2024	Main aspects of the Dutch Corporate Governance Code. Liability of Non-Executive Directors under Dutch law. Shareholders' Meeting according to Dutch Law.
Induction for the BoD (follow-ups during Board meetings)	Executive and Non-Executive Directors	March 2024	Automotive market performance and outlook.
		May 2024	Gender Equality Certification.
		June 2024	Policy on non-discrimination and diversity under Dutch law.
		July 2024	New Code of Ethics.
		November 2024	Update on new Law 231 and adoption of new governance system following cross-border conversion.

In addition to the specific competencies listed in the table above, a short professional profile of each Director, with his/her personal and professional features, is included in the governance report section of the Annual Report and is also available on the Company's website¹². Furthermore, the members of the Board of Directors were surveyed to identify the skills they have acquired since 2023. The results, illustrated in the graph below, indicate that the "ESG" category was highlighted by six Board Members.



The Board of Directors, with the support of the Audit, Risk and Sustainability Committee, is tasked with defining the general guidelines of the Internal Control and Risk Management System (ICRMS), so that the main impacts, risks and opportunities pertaining to Brembo N.V. and its subsidiaries are properly identified, as well as adequately measured, managed and monitored. Moreover, the BoD is yearly informed of and has the responsibility to approve the Double Materiality Analysis — the methodology used to identify its material sustainability topics — and it is involved in the target setting of IROs. In this phase, the Board received information about the Group's IROs.

In addition, the Executive Directors are generally responsible for defining additional policies to effectively implement the guidelines, referring to best practice models. These policies are approved by Top Managers and reported to the Audit, Risk and Sustainability Committee which supports the Board of Directors on internal control and risk management issues, including those relevant from a sustainability perspective. Additionally, the Executive Director in charge of the Internal Control and Risk Management System (ICRMSD) is tasked with identifying the main corporate risks by executing risk management Guidelines and verifying their adequacy.

The Board of Directors has clearly defined the key roles and responsibilities within the Internal Control and Risk Management System (ICRMS). The ICRMS encompasses, according to their respective duties, the Administrative Bodies (Board of Directors, Audit, Risk and Sustainability Committee, Executive Directors, and particularly the ICRMSD), External Auditors Supervisory Committee, Internal Audit GCF, Sustainability & Risk GCF, and other

company roles and functions with specific tasks related to internal control and risk management.

These roles are organized based on the company's size, complexity, and risk profile.

Twice a year, the Audit, Risk and Sustainability Committee and the Supervisory Committee shall prepare a report of their deliberations and findings for the Non-Executive Directors and for the Board of Directors, illustrating how they carried out their duties in the financial year in accordance with the relevant Rules.

Management is also responsible for the effective implementation of the ICRMS within their respective areas. This is achieved through the collaboration and active contribution of all employees and partners at every level of their work activities, thereby creating not only economic but also ethical value for the Company.

To effectively implement the ICRMS guidelines, the Executive Director in charge has established the "Policies for the Management of the Internal Control and Risk Management System". These policies aim to outline the overall integrated structure, allowing the identification and management of the main Company impacts and risks. The System is designed considering the current organizational structure, legislative and regulatory framework, and best practices. This approach ensures continuous information flow among various parties, promoting greater efficiency and maximum mutual integration. To enhance the efficiency of the ICRMS and minimize overlapping activities, specific coordination procedures are in place among the different parties involved.

Coordination is ensured through constant information flow between the different parties involved in the ICRMS, participation in joint meetings to discuss ICRMS-related issues, dissemination of Internal Audit GCF reports, and circulation of minutes and reports from the Chairwoman of the Audit, Risk and Sustainability Committee to the Supervisory Committee. Risks are monitored at monthly meetings where results, opportunities, risks, and mitigation strategies are analysed for each business unit and geographical area.

GOV-2 INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

As previously stated, the Board of Directors, after a first consultation with the Sustainability Committee and with the Audit, Risk and Sustainability Committee and the Supervisory Committee is yearly informed of and has the responsibility to approve the Double Materiality Analysis — the methodology used to identify its material sustainability topics. In this phase the Board receives information about the IROs included within the scope of the double materiality assessment.

During the year, Brembo addressed the relevant risks identified through its risk management policy and procedure (for the list of material IROs, please see ESRS 2 SBM-3). The identification of sustainability risks was carried out through the analysis based on documents following: ERM Report, Climate Change Risk Assessment (CCRA) - Physical and Transitional Risks.

Supervisory Bodies and Board of Directors oversee Brembo sustainability strategy and target embedded in its Sustainability Plan, always considering industry best practices and the main global ESG trends.

GOV-3 INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

Brembo is provided both with a short-term Incentive Plan (2024 STIP) and a long-term Incentive Plan (2022-2024 LTIP) both designed by the Remuneration and Appointment Committee and approved by the Board of Directors. The 2024 STIP is designed to align the beneficiaries' organizational conduct and motivate them to achieve challenging targets. The 2022-2024 LTIP is set to push beneficiaries towards the Company's long-term strategies and the sustainability plan defined by the Company has formulated.

The 2024 STIP system provides for an entry gate relating to the Group EBITDA in absolute terms. This performance condition involves an on/off functioning mechanism that entails payment of the final pay-out to the beneficiaries solely in the event that the Group's operating and financial performance is in line with the established targets. Conversely, if the access entry gate is not reached, the system is not activated, resulting in non-payment of monetary incentives, regardless of whether the objectives in each STIP form are reached.

The LTIP is a pure monetary plan that allows participants to accrue a long-term incentive if the LTIP objectives

are met. The reward component of the pay-out curve is offset by the fact that for values below the entry point (corresponding to performance in line with the reference targets), no payment proportional to the performance objective shall be paid. The LTIP objectives are designed to reward the Group's financial and capital solidity, in line with the business plan and the results achieved over recent years in terms of stronger financial performance and productivity recovery. In 2024, therefore, Brembo's LTIP has completed its vesting period.

Concerning the 2024 STIP, the purely quantitative objectives assigned to the beneficiaries were identified and broken down according to different criteria that, in continuity with the past, include the key drivers of ESG (Environmental, Social and Governance) factors.

The ESG criteria were translated into a group sustainability index that constitutes 10% of the overall annual objective for Brembo's Executive Directors with the aim of promoting the application of a long-term sustainable business model.

The achievement of the LTIP incentive is instead tied to 4 Group key performance Indicators one of which is again the group sustainability index (Group's Carbon Footprint) at the end of the three-year period. The group sustainability index¹³ is defined as the Total amount of CO₂ emissions saved in the three years thanks to improvement actions (tonnes CO₂e) divided by Base year's Scope 1 and 2 CO₂ emissions (tonnes CO₂e) x 100 where the Base year for the three-year period corresponds to 2021.

¹³ Data used for calculation purposes include within the reporting boundary also Brembo SGL Carbon Ceramic Brakes S.p.A. (BSCCB S.p.A.), a joint venture between Brembo and SGL Group.

GOV-4 STATEMENT ON DUE DILIGENCE

Brembo has incorporated a due diligence process into its governance and business strategy through its policies and procedures. The focus is primarily on developing ESG analyses of suppliers, paying special attention to environmental and social factors, including human rights. Furthermore, in preparation for the upcoming implementation of the Corporate Sustainability Due Diligence Directive (CSDDD), the company is actively working to enhance its procedures and processes related to due diligence in both environmental and human rights aspects.

The fundamental elements of due diligence are directly integrated into the Disclosure Requirements defined in ESRS 2 and in the following specific ESRS, as illustrated below:

- a) Integration of due diligence into governance, strategy, and business model
 - ESRS 2 GOV-2
 - ESRS 2 GOV-3
 - ESRS 2 SBM-3
- b) Engagement of impacted stakeholders
 - ESRS 2 GOV-2
 - ESRS 2 SBM-2
 - ESRS 2 IRO-1
 - Specific ESRS: reflecting the different phases and purposes of stakeholder engagement
- c) Identification and assessment of negative impacts on people and the environment
 - ESRS 2 IRO-1 (including application requirements related to specific sustainability issues in the respective ESRS)
 - ESRS 2 SBM-3

- d) Actions to address negative impacts on people and the environment
 - Specific ESRS: reflecting the set of actions, including actions and targets, through which impacts and risks are managed.
- e) Tracking the effectiveness of the efforts and communicating undertaken by Brembo
 - ESRS 2 GOV-2
 - ESRS S2-4.

The outcome of the due diligence process is incorporated in the double materiality assessment.

GOV-5 RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

Throughout 2024, Brembo has started to develop a first internal control framework tailored for sustainability reporting with focus on a set of ESRS-linked to the social KPIs, mapping in the processes of established financial reporting controls, reporting software and systems, supporting documentation and sustainability data. This strategic initiative enhances the reliability and robustness of non-financial data, enabling Brembo to meet both internal organizational needs and specific legislative requirements with a structured and definitive approach. The scope and main features of this internal control system will ensure the integrity and accuracy of Brembo's sustainability reporting through annual assessment.

Brembo's risk assessment methodology for risk management is conducted under the overall ERM framework which follows the guidelines of ISO 31000. For each risk (including Sustainability Reporting risks) several

items are reported and identified, i.e. risk context, risk scenario and mitigation measures to prevent, control and transfer risk. Through its top-down risk mapping process, Brembo assesses at least once a year the main risks of the Group on both short-term and medium-term horizons involving all GBUs, GCFs and main Geographies.

The result is the annual ERM report which is reviewed by the key governance and control roles/functions including the Executive Chairman, CEO, Internal Audit, Audit Committee and finally the Company board. The Internal Audit GCF considers the results of the ERM report in the development of the annual audit plan which is defined on a "risk based" approach.¹⁴

Brembo's internal control system for Sustainability Reporting will be grounded in the principles of the COSO Internal Control-Integrated Framework, which encompasses the Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities. This framework, complemented by the "Achieving Effective Internal Control Over Sustainability Reporting (ICSR)" guidelines published in March 2023, guides the Company's approach to internal control for non-financial reporting.

Under the COSO framework, the risk assessment process on social KPIs was executed in two main steps:

1. A comprehensive mapping of the reporting process was undertaken, starting from the initial data collection to the final integration of data into the Sustainability Statement, ensuring all intermediary phases were included.
2. This was followed by the identification of risks that could potentially compromise the integrity of sustainability

data. The existing mitigation measures were evaluated, and any unmitigated risks were given the highest level of priority, taking precedence over risks that were already partially or completely mitigated.

Among the primary risks identified were computational inaccuracies, erroneous data validation, and flawed data consolidation. To counter these risks, Brembo introduced specific controls and designated control owners tasked with the verification and correction of the processes susceptible to risk.

Brembo is actively working on the integration of the control matrix that emerged from the internal control framework related to ESRS, into its pre-existing Internal Control and Risk Management System (ICRMS). This strategic move aims to embed sustainability reporting into the core responsibilities of Brembo's internal functions, enhancing the overall governance framework. The frequency and methods of involvement of the supervisory body regarding risk management and control over sustainability reporting will be defined at the end of the process. While the integration process into the ICRMS is still underway, it is set to become a key component of the system.

¹⁴ For more information on the identification and evaluation of sustainability risks, please refer to the Double Materiality methodology.

SBM-1 STRATEGY, BUSINESS MODEL AND VALUE CHAIN

Brembo is the world leader and acknowledged innovator in the development of braking solutions for automotive vehicles and it currently operates in 18 countries on 4 continents, through its production and business sites, and employs over 14,000 people worldwide.

Table 2

Employees by country	u.m.	2024
Brazil	n	231
China	n	2,016
Czech Republic	n	1,264
Denmark	n	129
India	n	1,272
Italy	n	3,595
Japan	n	27
Mexico	n	1,868
Poland	n	2,446
Spain	n	538
UK	n	181
U.S.A.	n	742
Other	n	15
Total	n	14,324

Brembo's reference market is represented by the most important manufacturers of cars, motorbikes, commercial vehicles, racing cars and motorbikes to whom the Group offers a wide range of products and services:

- Cars:** Brembo is a prominent supplier to major car manufacturers, providing brake discs, callipers, wheel-side modules, and complete braking systems. The Company also serves the aftermarket segment with a variety of components, ensuring coverage for nearly all vehicles on European roads.
- Commercial Vehicles:** Brembo's range for commercial vehicles includes components for original equipment brake systems as well as replacement parts and maintenance products for light to heavy commercial vehicles.
- Motorbikes:** In the motorbike sector, Brembo offers brake discs, callipers, pumps, light alloy wheels, and complete braking systems to the world's most prestigious manufacturers. Europe, the United States, and Japan are key markets for Brembo in this sector.
- Racing:** Although it has a limited impact on overall revenues, the racing sector is of strategic importance for Brembo. The company provides braking systems and clutches for racing cars and motorbikes through leading brands such as Brembo Racing, AP Racing, and Marchesini. This sector is a testbed for innovation, with advancements often trickling down to Brembo's mass-produced products.

Despite a slight decline in global production of passenger cars and light commercial vehicles in 2024, Brembo continues to adapt to changing market dynamics, including shifts in demand for Battery Electric Vehicles (BEVs) and regional disparities in EV adoption.

The European automotive market faced challenges, with a 5% decline in 2024, while North America also saw a decrease of 1%. In contrast, China's light vehicle production grew by 4%, driven by government stimulus and demand for new energy vehicles. The medium and heavy commercial vehicle market experienced a 6% global production decrease, with Europe facing a significant 22% contraction. Overall, while Brembo's consolidated net sales remained stable at €3,840,643 thousand in 2024, the company is positioned to navigate ongoing changes in its significant markets and customer groups.

Given the diversity of services and products it offers, the Brembo Group is characterised by a particularly complex value chain. This process is divided into several key phases, encompassing the entire value chain from upstream stages to the Group's direct activities, through to the downstream use and end-of-life of the product. No one of these phases encompasses the following sectors: fossil fuel, chemicals production, controversial weapons nor the cultivation and production of tobacco. Below is a detailed description of the phases of Brembo's value chain:

UPSTREAM: PROCUREMENT

The first phase of Brembo's value chain involves the sourcing of materials. Brembo procures raw materials such as aluminium, scrap, and other essential materials like coke, graphite, calcium carbonate and other chemical additives. These materials are sourced either from direct extraction activities or through the direct purchase of recycled materials, such as scrap metal. In addition to raw materials, Brembo's upstream phases also involve the purchase of finished products and services, including brake pads, seals, rubber components, packaging, and outsourced services like painting and treatments.

DIRECT: DESIGN, DEVELOPMENT, AND PRODUCTION

The next phase includes the Group's direct activities, such as design, development, and production of finished products. Brembo invests significantly in Research & Development to continuously innovate and improve its products, including activities like road testing for product development. The melting of raw materials is a critical step where metals are melted to be transformed into components. These components are then machined and assembled through a production line. The efficiency and coordination of production are ensured by office and back-office activities.

DIRECT: SALES

Once production is complete, the products are sold to various customers. The main buyers include automotive and two-wheeler manufacturers. Additionally, Brembo sells its products to ITG, distributors, spare parts dealers, mechanics, and tuners for aftermarket activities and car and motorcycle upgrades. The products are also available through web channels, further expanding market reach.

DOWNSTREAM: USE AND END-OF-LIFE OF THE PRODUCT

The final phase of the value chain concerns the use and end-of-life of the product. Brembo braking systems are used by end-users, ensuring them high performance and safety. When products reach the end of their life cycle, Brembo engages in disposal and recycling activities, ensuring that materials are managed responsibly and sustainably.

In terms of significant sustainability-related targets linked to groups of products and services, Brembo has set a goal that complies with Euro 7 regulations to significantly cut PM10 and PM2.5 emissions by 80%, while also generating savings on the total cost of vehicle ownership without compromising performance. This target could be achieved through the Brembo Beyond Greenance Kit which ensures greater mileage and a significant improvement in the total cost of vehicle ownership, with an average reduction of 15%. This results in substantial cost savings over the vehicle's lifetime, a top priority for professional drivers of light commercial vehicles/long-distance fleets, and now also for sedans.

Even though Brembo has not yet performed an assessment of its current significant products and/or services, and significant markets and customer groups, in relation to its sustainability-related goals, the Group set up its sustainability plan, in which it identified objectives related to material issues. The plan was named Turning Sustainability into Action, to underline the intention to make its commitment to sustainability tangible and the desire to define objectives that are challenging and verifiable. In order to develop a consistent plan, the Sustainability Committee discussed each goal and periodically monitors its progress. An information tool was structured to ensure the objectivity of the monitoring. Objectives have a target year and their updated progress is presented annually in order to made adjustments if necessary.

SBM-2 INTERESTS AND VIEWS OF STAKEHOLDERS - GENERAL

The Company believes that stakeholder engagement is key to its business and that it contributes to sustainable long-term value creation. The Company fosters an effective dialogue with those stakeholders but may decide not to accommodate or accept any requests or invitations to enter into a dialogue with stakeholders, or to accommodate or accept such request or invitation under certain conditions. The form of this dialogue varies based on the topic and the type of stakeholder involved.

In the Table below the stakeholder engagement is summerized. For further information please refer to the stakeholder engagement policy.

Table 3

Stakeholder	Relationships	Engagement channels and activities	Purpose	How the outcome is taken into account
Investors	The Group establishes and maintains a constant and open relationship with its current and potential shareholders, institutional and private investors, financial analysts, market players and, in general, with the financial community	Annual meeting Feedback and support channels offered by the Investor Relations area Meetings, roadshows, and conference calls with analysts and investors Corporate website and dedicated email accounts Engagement survey on the relevance of material topics for Brembo	The aim of the engagement is to increase their level of understanding of the activities performed by the Group and to share the strategic actions and visions underlying Brembo's management, so they can make informed investment decisions	This assessment helps identify areas where the Company can strengthen its commitment and those where it can reaffirm its current approach
Customers	The Group engages customers through training and events and supports them via dedicated customer service channels	Daily activities and reports Joint development programmes Customer support channels Support and training network for Brembo expert professionals Surveys to identify customers' needs and expectations Corporate website The Group engages end users via social networks and customer service and feedback channels Engagement survey on the relevance of material topics for Brembo Dedicated events	With reliable and safe products and continuous product innovation, also in view of environmental performance, Brembo aims at maintaining and protecting the brand	This assessment helps identify areas where the Company can strengthen its commitment and those where it can reaffirm its current approach
End users	The Group engages end users via social networks and customer service and feedback channels	Customer support channels Corporate website Monitoring and interaction on social networks Feedback from vehicle and motorbike manufacturers Participation in trade fairs and events with engagement activities for new users and new generations	The aim is to provide them with safe and reliable products, information on the maintenance of braking systems and customer support services to fulfil their needs and expectations	This assessment helps identify areas where the Company can strengthen its commitment and those where it can reaffirm its current approach

Stakeholder	Relationships	Engagement channels and activities	Purpose	How the outcome is taken into account
Brembo people	The Group counts on more than 15,000 people worldwide with different backgrounds and experiences	Global engagement surveys and Pulse surveys Industrial Relations Internal communication channels (e.g., Red portal, MyB Magazine, Notice boards) Internal campaigns Town Hall meetings Communication and engagement regarding Group's objectives and performance	The aim is to maintain a safe, diverse and inclusive work environment, where people can pursue personal and professional growth. The Group has periodic discussions on related topics with the Company employee participation body, where applicable	This assessment helps identify areas where the Company can strengthen its commitment and those where it can reaffirm its current approach
Suppliers (workers in the value chain)	The Group relies on the contribution of many suppliers both for raw materials, components, indirect materials and services	Daily activities and reports Engagement survey on the relevance of material topics for Brembo Periodical surveys on specific topics Supplier portal Dedicated workshops	The aim is to work closely with them to guarantee compliance with environmental requirements, production improvements, safety, quality, production continuity, accompanying them towards an increasingly sustainable business	This assessment helps identify areas where the Company can strengthen its commitment and those where it can reaffirm its current approach
Local communities	The Group contributes to its local communities by offering various engaging activities, programmes, and partnerships and supports local cultural and social projects	Orientation and involvement of secondary school and university students, as well as targeted awareness and recruiting programmes and initiatives Relations discussions with the Public Administration Plant visits Social and cultural development activities Social media	The aim of the engagement is to gain insights on how to support social development in the communities where Brembo operates	This assessment helps identify areas where the Company can strengthen its commitment and those where it can reaffirm its current approach
Institutions	The Group interacts with international, national and local regulators by participating in international and national associations and with public decision-makers	Roundtables and initiatives involving discussion with institutions, at national and international level Hearings before parliamentary committees by associations	The aim is to ensure compliance with regulations and to discuss any relevant regulation developments regarding, for example, automotive non-exhaust emissions control	This assessment helps identify areas where the Company can strengthen its commitment and those where it can reaffirm its current approach

Stakeholder	Relationships	Engagement channels and activities	Purpose	How the outcome is taken into account
Future generations	The Group values the wellbeing of the people and planet while doing business and devotes attention to natural resource preservation, circular economy and protection of ecosystems and biodiversity	Environmental associations advocacy and scientific community analysis campaigns' monitoring Orientation and involvement of secondary schools and university students and related recruiting programmes Launch of targeted engagement projects Yearly incubator for innovative ideas powered by the new generations	The aim is to promote innovation, environmental awareness, and talent development to support social and environmental progress	This assessment helps identify areas where the Company can strengthen its commitment and those where it can reaffirm its current approach
Industry companies and competitors	The Group interacts with industry companies and competitors through advanced research projects for pre-competitive technological research in the sector	Participation in advanced research projects through Italian or European consortia	The aim is to collaborate in advanced research projects through Italian or European consortia to promote shared innovation and technological development	This assessment helps identify areas where the Company can strengthen its commitment and those where it can reaffirm its current approach
Insurance companies	The Group interacts with insurance companies to transfer the volatility of insurable risks	Visits to the Group's plants by the insurer for property, environmental, and liability risk assessments Roundtables and periodic meetings Engagement survey on the relevance of material topics for Brembo	The aim is to protect the Group from financial disruption especially in case of catastrophic losses	This assessment helps identify areas where the Company can strengthen its commitment and those where it can reaffirm its current approach
Trade associations	The Group is a member of many trade associations around the world	Roundtables and initiatives involving discussion with institutions, at national and international levels Participation in themed committees of trade associations Hearings before parliamentary committees Engagement survey on the relevance of material topics for Brembo	The aim is to keep up to date with best practices and trends, as well as deepen insight into emerging topics	This assessment helps identify areas where the Company can strengthen its commitment and those where it can reaffirm its current approach

The interests and views of Brembo's key stakeholders have been taken into account in relation to the strategy and business model. This was done through the impact materiality assessment process, in which the main stakeholders expressed their opinions regarding the direct and indirect impacts of the Group. Moreover, following the stakeholder engagement on impact materiality, no changes to Brembo's strategy and business model have been identified or are expected.

The administrative, management, and supervisory bodies are informed about the views and interests of affected stakeholders with regard to Brembo's sustainability-related impacts through the presentation of the stakeholder engagement results to the Sustainability Committee and the Board of Directors.

SBM-3 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Brembo's business strategy takes into account relevant impacts and risks, as well as opportunities that may arise. In particular, as it was already described in section GOV-5, the Group has implemented a Risk Assessment process – based on the risk evaluation carried out in coordination between the risk management function and the function to which the risk is associated. The same procedure applies to all risks, including those related to sustainability aspects, and is updated annually. This process guarantees the resilience of Brembo's strategy to impacts and risks and enhances its ability to take advantage of material opportunities.

The following table provide a description of the sustainability impacts, risks and opportunities considered material by the Brembo Group following the development of the double materiality analysis on which this Report is based.

Table 4

Topic ESRS	Sub-Topic	IRO	IRO Name	Value Chain		Impact Time horizon			Financial Time horizon	
				Direct	Indirect	Short	Medium	Long	Short	Medium Long
ESRS E1 - Climate Change	Climate change adaptation	Negative Impact	Reduction in energy availability due to energy-intensive production processes	■	■			■		
		Negative Impact	Climate change caused by greenhouse gas emissions	■	■	■	■	■		
		Risk	Increased exposure to catastrophic events following climate change, and the related unavailability of infrastructure, physical and technological (production stoppages, IT infrastructure issues)	■	■				■	■
	Climate change mitigation	Negative Impact	Reduction in energy availability due to energy-intensive production processes	■	■				■	
		Negative Impact	Climate change caused by greenhouse gas emissions	■	■	■	■	■		
		Positive Impact	Reduction of GHG emissions from end-users' cars thanks to the development of innovative technologies	■			■	■		
		Risk	External factors imposing changes/new Sustainability related objectives	■					■	■
		Risk	Potential negative outcome from sustainability audits conducted by clients	■					■	■
		Risk	Relationship with Clients in connection to the achievement of Net Zero objectives	■					■	■
		Risk	Energy transition of the automotive sector and the evolution of regulations related to climate change	■	■					■
		Risk	Extra costs following the purchase of GHG certificates	■						■
		Opportunity	Opportunities related to the growing demand for "green" products	■						■
	Opportunity	Opportunities to leverage stricter regulations on performance and carbon emissions by improving product requirements and production processes	■						■	
	Energy	Negative Impact	Reduction in energy availability due to energy-intensive production processes	■	■				■	
		Negative Impact	Climate change caused by greenhouse gas emissions	■	■	■	■	■		

Topic ESRS	Sub-Topic	IRO	IRO Name	Value Chain		Impact Time horizon			Financial Time horizon	
				Direct	Indirect	Short	Medium	Long	Short	Medium Long
				ESRS E2 - Pollution	Pollution of air	Negative Impact	Emissions of pollutants into the air	■	■	■
Risk	Environmental pollution following an accidental event	■							■	■
Risk	Compliance with environmental and chemical regulations, and the ability to grasp changes	■							■	■
Risk	Potential regulatory non-conformity of a Brembo product	■							■	■
Pollution of water	Negative Impact	Pollution of water resources			■	■				
	Risk	Environmental pollution following an accidental event	■						■	■
	Risk	Compliance with environmental and chemical regulations, and the ability to grasp changes	■						■	■
Pollution of soil	Risk	Environmental pollution following an accidental event	■						■	■
	Risk	Compliance with environmental and chemical regulations, and the ability to grasp changes	■						■	■
	Risk	Risk - Acquisition of a company with polluted subsoil	■						■	■
Substances of concern	Risk	Compliance with environmental and chemical regulations, and the ability to grasp changes	■						■	■
	Substances of very high concern	Risk	Compliance with environmental and chemical regulations, and the ability to grasp changes		■					■
ESRS E3 - Water and marine resources		Water	Negative Impact		Scarcity of water resources, particularly in areas of water stress, caused by the consumption of water in the production process	■	■		■	■

Topic ESRS	Sub-Topic	IRO	IRO Name	Value Chain		Impact Time horizon			Financial Time horizon		
				Direct	Indirect	Short	Medium	Long	Short	Medium Long	
				ESRS E4 - Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Negative Impact	Potential reduction of local biodiversity generated within Group's upstream value chain		■		■
Resources inflows, including resource use	Negative Impact	Depletion of natural resources due to the use of raw materials in the production process	■			■				■	
	Positive impact	Saving of primary materials thanks to the use of recycled and recyclable materials	■					■	■		
	Risk	Risk related to the unavailability of raw materials/components caused by a geopolitical situation		■				■	■		
ESRS E5 - Circular economy	Resource outflows related to products and services	Positive impact	Saving of primary materials thanks to the use of recycled and recyclable materials	■			■	■			
		Waste	Negative Impact	Soil occupation and pollution due to non-virtuous waste management and a risk	■	■	■	■			
ESRS S1 - Own workforce	Working conditions	Negative impact	Potential Injuries and/or occupational diseases of workers	■		■					
		Negative Impact	Violation of human rights, failure to respect equal opportunities in the workplace, failure to protect employees' wellbeing	■		■					
		Risk	potential negative outcome from sustainability audits conducted by clients	■					■	■	
		Risk	Employees' health and safety	■					■	■	



Topic ESRS	Sub-Topic	IRO	IRO Name	Value Chain		Impact Time horizon			Financial Time horizon		
				Direct	Indirect	Short	Medium	Long	Short	Medium	Long
				ESRS S1 – Own workforce (continue)							
Equal treatment and opportunities for all	Negative Impact	Violation of human rights, failure to respect equal opportunities in the workplace, failure to protect employees' wellbeing	■		■						
			■		■	■					
	Positive Impact	Development of skills and know-how through specific training activities	■		■	■					
			■		■						
Other work-related rights	Negative Impact	Violation of human rights, failure to respect equal opportunities in the workplace, failure to protect employees' wellbeing	■		■						
			■		■						
	Negative Impact	Breach of privacy and loss of sensitive employee data	■		■						
			■		■						
Risk	Potential negative outcome from sustainability audits conducted by clients	■					■	■			
		■					■	■			
Working conditions	Negative Impact	Workers' injuries and/or occupational diseases		■	■	■					
				■	■						
	Negative Impact	Violation of human rights		■	■						
				■			■	■			
Risk	Suppliers' compliance with Brembo's "sustainable procurement policy"		■				■	■			
			■				■	■			
Equal treatment and opportunities for all	Negative Impact	Failure to respect equal opportunities in the workplace		■	■						
				■	■						
	Positive Impact	Transparency and supply chain involvement in sustainable practices through monitoring and training programs	■		■	■					
			■		■						
Risk	Suppliers' compliance with Brembo's "sustainable procurement policy"		■				■	■			
			■				■	■			

Topic ESRS	Sub-Topic	IRO	IRO Name	Value Chain		Impact Time horizon			Financial Time horizon		
				Direct	Indirect	Short	Medium	Long	Short	Medium	Long
				ESRS S2 – Workers in the value chain (continue)							
Equal treatment and opportunities for all	Negative Impact	Failure to respect equal opportunities in the workplace		■	■						
			■		■	■					
			■		■						
Positive Impact	Transparency and supply chain involvement in sustainable practices through monitoring and training programs	■		■	■						
		■		■							
Risk	Suppliers' compliance with Brembo's "sustainable procurement policy"		■					■	■		
			■					■	■		
ESRS S3 – Affected communities											
Communities' economic, social and cultural rights	Positive Impact	Impacts on the social growth of local areas and communities	■			■		■			
ESRS S4 – Consumers and end-users											
Personal safety of consumers and/or end-users	Negative Impact	Consumer safety due to product non-conformities	■		■						
			■		■						
			■		■						
Positive Impact	Increased end-user safety through the implementation of innovative technologies in products	■			■						
		■									
Risk	Product liability and safety recalls	■						■	■		
		■						■	■		
ESRS S4 – Consumers and end-users											
Social inclusion of consumers and/or end-users	Risk	Potential errors in external and internal communications	■						■	■	
ESRS G1 – Business conduct											
Management of relationships with suppliers including payment practices	Negative Impact	Unfair payment practices towards suppliers	■		■	■					
Corporate culture	Risk	Potential misrepresentation and/or lack of reported data and objectives disclosed in sustainability reporting	■						■	■	
			■					■	■		
			■					■	■		
Corruption and bribery	Risk	Potential fraud attempts and/or administrative liability due to non-compliance with internal policies/procedures or local regulations	■						■	■	

In 2023, the Group had already assessed an internal exercise to prepare for the new double materiality assessment but the Non-Financial Information "NFI" for the Fiscal Year 2023 were prepared in accordance with the requirements of the GRI-2021 Standard of the Global Reporting Initiative. However, within the limits in which two different methodologies can be compared, no significant discrepancies were found in relation to that exercise.

For the current reporting year, Brembo has identified risks in accordance with the ERM methodology. No risks with a high probability of occurrence were identified on the short or medium-long term. All identified risks are considered to be potential, as a consequence Brembo do not disclose current financial effects for the reporting year. The group has implemented actions to mitigate its impacts, risks, and opportunities, which are described in detail in the sections dedicated to the ESRS topics.

IRO-1 DESCRIPTION OF THE PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

To define the material sustainability topics and, consequently, the contents of this sustainability report, the Brembo Group conducted a double materiality analysis, detailed below.

In accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD), the Brembo Group conducted a Double Materiality exercise following the European Sustainability Reporting Standards (ESRS). This exercise serves as the starting point for identifying material topics through the identification of impacts, risks, and opportunities (hereinafter referred to as "IROs")

that the Brembo Group generates for stakeholders, the environment, and people, as well as the effects arising from the environment and society that the Group itself faces. The adopted approach allowed for the structured and systematic identification of the main IROs related to the most relevant environmental, social, and governance topics for the Group's direct operations and along its value chain.

The Double Materiality analysis is based on Brembo enterprise risk management procedures, including due diligence, and involves active engagement with both internal and external stakeholders.

The ESRS Standard establishes that a sustainability topic can be material from one or both of the following perspectives:

- Impact perspective: A sustainability topic is material when it concerns the actual or potential, positive or negative impacts of the company on people or the environment in the short, medium, and long term. These impacts can arise from activities conducted under the direct control of the company as well as along its value chain.
- Financial perspective: A sustainability topic is material if it causes or may cause significant financial effects for the company, whether negative (risks) or positive (opportunities). These risks and opportunities can arise from activities conducted under the direct control of the company as well as along its value chain.

Therefore, to define the material sustainability topics, the Group conducted a double materiality analysis, detailed below.

The double materiality assessment is a continuous process that covers all of Brembo's business areas and sectors.

As a dynamic process, it may be influenced over time by changes in business structure, shifts in stakeholder expectations, regulatory changes, advancements in risk management, or other company needs.

IMPACT MATERIALITY

To define the material sustainability topics, the Brembo Group started with the identification and assessment of the impacts Brembo and its value chain generate on people and the environment.

This process was divided into the following phases:

1. Understanding the context in which the Group operates, including in terms of activities performed, business relationships, and geographies.

In defining the Group's material impacts on people and the environment, the following were considered:

- All production activities performed, as detailed in the previous paragraph "Disclosure Requirement SBM-1 – Strategy, business model and value chain".
- The most significant business relationships of the Brembo Group, as detailed in the previous paragraph "Disclosure Requirement SBM-1 – Strategy, business model and value chain".

2. Identification of the actual and potential impacts of the Group, also through engagement with its stakeholders.

Brembo has conducted specific stakeholder engagement activities in order to receive their input on material impacts. The engagement of internal and external stakeholders within the Group has been fundamental to the sustainability approach, allowing management to

identify material topics and define a sustainability strategy aimed at the continuous improvement of performance. For a detailed overview of the Brembo Group's stakeholders and the methods of engagement, please refer to the previous paragraph. "Disclosure Requirement SBM-2 – Interests and views of stakeholders".

3. Assessment of the relevance of the impacts and their prioritization

Regarding the assessment and prioritization of negative and positive impacts, two different evaluation scales were used:

Negative impacts	Positive impacts
Negative impacts were prioritized based on their likelihood of occurrence and their severity , determined by the combination of:	Positive impacts were prioritized based on their likelihood of occurrence, as well as their Scale and the scope in which they manifest
<ul style="list-style-type: none"> • Scale • Scope • Irremediability 	

In general, **Scale** indicates how severe an impact is; **Scope** indicates the breadth of the impact in terms of the stages of the value chain in which it occurs, while **Irremediability** indicates how difficult it is to remedy a negative impact.

In the case of **negative impacts**, whether potential or actual, that influence or could influence **human rights**, these were assessed in a manner **that prioritizes the severity of the impact over its likelihood**. Therefore, if a negative impact has a low probability of occurrence but high severity, the assessment is still considered at the maximum level.

Finally, the Brembo Group has divided impacts into four levels of relevance (as combination of magnitude and likelihood): not relevant, moderate, high, and very relevant. All the impacts that resulted as moderate or above have been considered material.

For more details regarding the time horizons, please refer to chapter BP-2 Disclosures in relation to specific circumstances.

For more information on the impacts identified by the Brembo Group, please refer to Table 4 in the Disclosure Requirement SBM-3 - Material impacts, risks, and opportunities and their interaction with strategy and business model.

FINANCIAL MATERIALITY

The next phase involved the analysis of Financial Materiality, for which an outside-in approach was adopted.

The analysis was conducted using two key documents from Sustainability & Risk GCF: the ERM Report and the Climate Change Risk Assessment (CCRA). After examining all the risks listed in the documents, including physical and transitional risks that may affect the Group, those relevant to sustainability issues were selected. Similar risks were grouped together, and the aggregated risk was assigned the highest score among those given by Brembo to the individual risks.

The process of identifying, assessing, and managing

risks is closely integrated into the Group's Enterprise Risk Management (ERM) system, in line with best practices and international standards. The results of the ERM process are regularly reported to Top Management, the Control and Risk Committee, the Sustainability Committee, and the Board of Directors (BoD) on a quarterly basis, ensuring constant oversight and effective strategic alignment.

At the same time, a desk analysis was used to map and evaluate potentially relevant sustainability-related opportunities. This process included a comparative study of the best practices of peers and competitors, as well as a thorough analysis of the Group's internal documentation and strategic objectives. The work was supported by recognized national and international sources, such as SASB¹⁵, MSCI¹⁶ and the S&P Global Sustainability Yearbook¹⁷. In this case, since opportunities are not mapped in the ERM, only those present in the CCRA and those identified through the desk analysis were considered.

The analysis was then integrated with risks and opportunities arising from Brembo's impacts and dependencies i.e. close relationships and interconnections between the Group suppliers, customers, resources, regulations, or other external entities on which Brembo relies for its operations and the achievement of its objectives.

Once all potential risks and opportunities were mapped, the evaluation process was conducted by aligning the methodology followed by the Group's ERM function with the guidelines of the ESRS. Specifically, the evaluation of risks and opportunities was carried out based on the

following two parameters:

- **Magnitude**, meaning the impact of the occurrence of the risk or opportunity on the Group's activities. The rating scale varies from irrelevant to critical;
- **Likelihood**: the probability of the risk occurring. The rating scale varies from remote to high.

For more details regarding the time horizons, please refer to chapter BP-2 Disclosures in relation to specific circumstances.

Unlike the criteria used for materiality thresholds in impact materiality, risks and opportunities have been divided into four level of magnitude: Irrelevant, moderate, relevant and critical (in accordance with ERM methodology). Only risks and opportunities with Relevant and Critical magnitude have been identified as material regardless of their likelihood.

For more information on the risks and opportunities identified by the Brembo Group, please refer to Table 4 in the Disclosure Requirement SBM-3 - Material impacts, risks, and opportunities and their interaction with strategy and business model.

¹⁵ Sustainability Accounting Standards Board.

¹⁶ Morgan Stanley Capital International.

¹⁷ Standard & Poor's Global.

**IRO-2 DISCLOSURE REQUIREMENTS
IN ESRS COVERED BY SUSTAINABILITY
STATEMENTS**

Table 5

Topic ESRS	Disclosure Requirement	page
2 – General Disclosure	BP-1 General basis for preparation of the sustainability statement	40
	BP-2 Disclosures in relation to specific circumstances	40
	GOV-1 The role of the administrative, management and supervisory bodies	40
	GOV-2 Information provided to and sustainability matters addressed by the Group's administrative, management and supervisory bodies	42
	GOV-3 Integration of sustainability-related performance in incentive schemes	42
	GOV-4 Statement on due diligence	43
	GOV-5 Risk management and internal controls over sustainability reporting	43
	SBM-1 Strategy, business model and value chain	44
	SBM-2 Interests and views of stakeholders	45
	SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	47
E1 – Climate Change	IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	50
	IRO-2 Disclosure Requirements in ESRS covered by the Group's sustainability statement	52
	E1 GOV-3 Integration of sustainability-related performance in incentive schemes	77
	E1 SBM-3 Climate change impacts, risks and opportunities and their interaction with strategy and business model	77
	E1 IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities	78
	E1-1 Transition plan for climate change mitigation	79
	E1-2 Policies related to climate change mitigation and adaptation	79
	E1-3 Actions and resources in relation to climate change policies	80
E1-4 Targets related to climate change mitigation or adaptation	81	
E1-5 Energy consumption and mix	83	
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	84	
E1-7 GHG removals and GHG mitigation projects financed through carbon credits	88	
E1-8 Internal carbon pricing	88	

Topic ESRS	Disclosure Requirement	page
E2 – Pollution	E2 IRO-1 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	88
	E2-1 Policies related to pollution	88
	E2-2 Actions and resources related to pollution	89
	E2-3 Targets related to pollution	89
	E2-4 Pollution of air, water, and soil	90
E3 – Water and marine resources	E2-5 Substances of concern and substances of very high concern	91
	E3 IRO-1 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	91
	E3-1 Policies related to water and marine resources	91
	E3-2 Actions and resources related to water and marine resources	92
E4 – Biodiversity and ecosystems	E3-3 Targets related to water and marine resources	92
	E3-4 Water consumption	93
	E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model	93
	E4 SBM-3 Biodiversity impacts, risks and opportunities and their interaction with strategy and business model	94
	E4 IRO-1 Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities	94
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E4-4 Targets related to biodiversity and ecosystems	94	
E5 – Circular economy	E5 IRO-1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	95
	E5-1 Policies related to resource use and the circular economy	95
	E5-2 Actions and resources related to resource use and the circular economy	95
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	S1-1 Policies related to own workforce	100	
	S1-2 Processes for engaging with own workers and workers' representatives about impacts	102	
	S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns	103	
	S1-4 Taking action on material impacts risks and opportunities on own workforce	103	
	S1-5 Targets related to impacts, risks and opportunities on own workforce	105	
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	S1-7 Characteristics of non-employee workers in the Group's own workforce	107	
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	S1-13 Training and skills development metrics	108	
	S1-14 Health and safety metrics	108	
	S1-16 Compensation metrics (pay gap and total compensation)	109	
	S1-17 Incidents, complaints and severe human rights impacts	109	
	S2 – Workers in the value chain	S2 SBM-3 Workers in the value chain impacts, risks and opportunities and their interaction with strategy and business model	109
		S2-1 Policies related to value chain workers	110
S2-2 Processes for engaging with value chain workers about impacts		111	
S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns		111	
S2-4 Taking action on material impacts, risks and opportunities on the value chain		111	
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	S3-1 Policies related to affected communities	113
	S3-2 Processes for engaging with affected communities about impacts	113
	S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns	114
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S4 – Consumers and end-users	S3-5 Targets related to material impacts, risks and opportunities on affected communities	118
	S4 SBM-3 Consumers and end-users impacts, risks and opportunities and their interaction with strategy and business model	118
	S4-1 Policies related to consumers and end-users	118
	S4-2 Processes for engaging with consumers and end-users about impacts	119
	S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	119
G1 – Business conduct	S4-4 Taking action on material impacts, risks and opportunities on consumers and end-users	120
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	G1 GOV-1 Role of administrative, supervisory and management bodies	122
	G1 IRO-1 Description of processes to identify and assess material impacts, risks and opportunities	123
	G1-1 Business conduct policies and corporate culture	123
	G1-2 Management of relationships with suppliers	126
G1-3 Prevention and detection of corruption and bribery	127	
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At the conclusion of the double materiality analysis, the disclosure requirements identified in the table below were deemed material, with the pages containing this information highlighted.

The following table also provides information included in this Notice derived from other legislative acts of the European Union in relation to Delegated Regulation 2023/5303 on the European Sustainability Reporting Standards, with an indication of the pages where they are located:

Table 6

Disclosure Requirement	Datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material (yes/no)	page
ESRS 2 GOV-1	21 (d) Board's gender diversity	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		yes	40
ESRS 2 GOV-1	21 (e) Percentage of board members who are independent			Delegated Regulation (EU) 2020/1816, Annex II		yes	41
ESRS 2 GOV-4	30 Statement on due diligence	Indicator number 10 Table #3 of Annex 1				yes	43
ESRS 2 SBM-1	40 (d) i Involvement in activities related to fossil fuel activities	Indicators number 4 Table #1 of Annex	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		no	44
ESRS 2 SBM-1	40 (d) ii Involvement in activities related to chemical production	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		no	44
ESRS 2 SBM-1	40 (d) iii Involvement in activities related to controversial weapon	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (29), Article 12 Delegated Regulation (EU) 2020/1816, Annex II		no	44

Disclosure Requirement	Datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material (yes/no)	page
ESRS 2 SBM-1	40 (d) iv Involvement in activities related to cultivation and roduction of tobacco			Delegated Regulation (EU) 2020/1818, Article 12 Delegated Regulation (EU) 2020/1816, Annex II		no	44
ESRS E1-1	14 Transition plan to reach climate neutrality by 2050				Regulation (EU) 2021/1119, Article 2(1)	yes	79
ESRS E1-1	16 (g) Companies excluded from Paris-aligned Benchmarks		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		yes	79
ESRS E1-4	34 GHG emission reduction targets	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		yes	81
ESRS E1-5	38 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				yes	83
ESRS E1-5	37 Energy consumption and mix	Indicator number 5 Table #1 of Annex 1				yes	83

Disclosure Requirement	Datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material (yes/no)	page
ESRS E1-5	40 to 43 Energy intensity associated with activities in high climate impact sectors	Indicator number 6 Table #1 of Annex 1				yes	83
ESRS E1-6	44 Gross Scope 1, 2, 3 and Total GHG emissions	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book - Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		yes	84
ESRS E1-6	53 to 55 Gross GHG emissions intensity	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book - Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		yes	86
ESRS E1-7	56 GHG removals and carbon credits				Regulation (EU) 2021/1119, Article 2(1)	yes	88
ESRS E1-9	66 Exposure of the benchmark portfolio to climate-related physical risks			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		no	phased-in

Disclosure Requirement	Datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material (yes/no)	page
ESRS E1-9	66 (c) Disaggregation of monetary amounts by acute and chronic physical risk 66 (a) Location of significant assets at material physical risk .		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk			no	phased-in
ESRS E1-9	67 (c) Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			no	phased-in
ESRS E1-9	69 Degree of exposure of the portfolio to climate-related opportunities			Delegated Regulation (EU) 2020/1818, Annex II		no	phased-in
ESRS E2-4	28 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				no	90
ESRS E3-1	9 Water and marine resources	Indicator number 7 Table #2 of Annex 1				yes	91
ESRS E3-1	13 Dedicated policy	Indicator number 8 Table 2 of Annex 1				yes	91

Disclosure Requirement	Datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material (yes/no)	page
ESRS E3-1	14 Sustainable oceans and seas	Indicator number 12 Table #2 of Annex 1				yes	92
ESRS E3-4	28 (c) Total water recycled and reused	Indicator number 6.2 Table #2 of Annex 1				yes	93
ESRS E3-4	29 Total water consumption in m3 per net revenue on own operations	Indicator number 6.1 Table #2 of Annex 1				yes	93
ESRS 2-SBM 3 - E4	16 (a) i	Indicator number 7 Table #1 of Annex 1				yes	94
ESRS 2-SBM 3 - E4	16 (b)	Indicator number 10 Table #2 of Annex 1				yes	94
ESRS 2-SBM 3 - E4	16 (c)	Indicator number 14 Table #2 of Annex 1				yes	94
ESRS E4-2	24 (b) Sustainable land / agriculture practices or policies	Indicator number 11 Table #2 of Annex 1				yes	94
ESRS E4-2	24 (c) Sustainable oceans / seas practices or policies	Indicator number 12 Table #2 of Annex 1				yes	94
ESRS E4-2	24 (d) Policies to address deforestation	Indicator number 15 Table #2 of Annex 1				yes	94
ESRS E5-5	37 (d) Non-recycled waste	Indicator number 13 Table #2 of Annex 1				yes	97
ESRS E5-5	39 Hazardous waste and radioactive waste	Indicator number 9 Table #1 of Annex 1				yes	97
ESRS 2-SBM3 - S1	14 (f) Risk of incidents of forced labour	Indicator number 13 Table #3 of Annex I				yes	100

Disclosure Requirement	Datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material (yes/no)	page
ESRS 2-SBM3 - S1	14 (g) Risk of incidents of child labour	Indicator number 12 Table #3 of Annex I				yes	100
ESRS S1-1	20 Human rights policy commitments	Indicator number 9 Table #3 and 11 Table #1 of Annex I				yes	101
ESRS S1-1	1 to 8, paragraph 21 Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions			Delegated Regulation (EU) 2020/1816, Annex II		yes	101
ESRS S1-1	22 processes and measures for preventing trafficking in human beings	Indicator number 11 Table #3 of Annex I				yes	101
ESRS S1-1	23 workplace accident prevention policy or management system	Indicator number 1 Table #3 of Annex I				yes	102
ESRS S1-3	32 (c) grievance/ complaints handling mechanisms	Indicator number 5 Table #3 of Annex I				yes	103
ESRS S1-14	88 (b) and (c) Number of fatalities and number and rate of work-related accidents	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		yes	108

Disclosure Requirement	Datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material (yes/no)	page
ESRS S1-14	88 (e) Number of days lost to injuries, accidents, fatalities or illness	Indicator number 3 Table #3 of Annex I				yes	108
ESRS S1-16	97 (a) Unadjusted gender pay gap	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		yes	109
ESRS S1-16	97 (b) Excessive CEO pay ratio	Indicator number 8 Table #3 of Annex I				yes	109
ESRS S1-17	103 (a) Incidents of discrimination	Indicator number 7 Table #3 of Annex I				yes	109
ESRS S1-17	104 (a) Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		yes	109
ESRS 2-SBM3 – S2	11 (b) Significant risk of child labour or forced labour in the value chain	Indicators number 12 and n. 13 Table #3 of Annex I				yes	110
ESRS S2-1	17 Human rights policy commitments	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				yes	110
ESRS S2-1	18 Policies related to value chain workers	Indicator number 11 and n. 4 Table #3 of Annex 1				yes	110

Disclosure Requirement	Datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material (yes/no)	page
ESRS S2-1	19 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		yes	110
ESRS S2-1	1 to 8, paragraph 19 Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions			Delegated Regulation (EU) 2020/1816, Annex II		yes	110
ESRS S2-4	36 Human rights issues and incidents connected to its upstream and downstream value chain	Indicator number 14 Table #3 of Annex 1				yes	112
ESRS S3-1	Human rights policy commitments	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				no	113
ESRS S3-1	17 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		no	113
ESRS S3-4	36 Human rights issues and incidents	Indicator number 14 Table #3 of Annex 1				no	114

Disclosure Requirement	Datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material (yes/no)	page
ESRS S4-1	16 Policies related to consumers and end-users	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				yes	119
ESRS S4-1	17 Non-respect of UNGPs on Business and Human Rights and OECD guidelines	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		yes	119
ESRS S4-4	35 Human rights issues and incidents	Indicator number 14 Table #3 of Annex 1				yes	120
ESRS G1-1	10 (b) United Nations Convention against Corruption	Indicator number 15 Table #3 of Annex 1					123
ESRS G1-1	10 (d) Protection of whistle-blowers	Indicator number 6 Table #3 of Annex 1				yes	126
ESRS G1-4	24 (a) Fines for violation of anti-corruption and anti-bribery laws	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		yes	128
ESRS G1-4	24 (b) Standards of anti-corruption and anti-bribery paragraph	Indicator number 16 Table #3 of Annex 1				yes	128



3.2 TAXONOMY

THE EU TAXONOMY REGULATION (No. 2020/852)

In alignment with the goals of the UN 2030 Agenda and the objective of achieving climate neutrality by 2050, the European Union has established a series of strategies and initiatives aimed at directing capital flows toward investments in assets and activities deemed sustainable. To support this effort, European institutions introduced Regulation (EU) 2020/852 (hereafter referred to as the "Regulation"), which provides reliable and standardized criteria and tools for identifying sustainable economic activities. This Regulation also enhances the comparability for financial institutions and investors regarding the environmental sustainability of investments associated with those activities.

In particular, the Regulation introduced a unified classification system, known as a "taxonomy," for economic activities. To qualify as "environmentally sustainable," these activities must contribute to achieving one or more of the following six environmental objectives:

- Climate change mitigation
- Climate change adaptation
- The sustainable use and protection of water and marine resources
- The transition to a circular economy
- Pollution prevention and control
- The protection and restoration of biodiversity and ecosystems.

Specifically, the Regulation categorizes economic activities into two classifications:

- **taxonomy-eligible:** an economic activity is considered taxonomy-eligible if it is listed in the delegated acts

of the Regulation and corresponds to one or more environmental objectives. If an activity is taxonomy-eligible, it has the potential to make a substantial contribution to the relevant objective.

- **taxonomy-aligned:** an economic activity is classified as taxonomy-aligned if, in addition to being taxonomy-eligible, it complies with the technical screening criteria and minimum safeguards outlined in the Regulation. To achieve this classification, the activity must:
 - meet the **substantial contribution criteria** defined by the Regulation for each activity, which scientifically describe the conditions necessary to significantly contribute to the achievement of the environmental objectives;
 - adhere to the **"Do No Significant Harm"** (DNSH) principle, ensuring that the activity does not cause significant harm to any of the other environmental objectives to which it does not substantially contribute;
 - comply with **minimum safeguards** that ensure respect for human rights and adherence to international legislation regarding workers' rights, taxation, fair competition, and anti-bribery measures.

If an activity is taxonomy-aligned, it may qualify as "environmentally sustainable." Article 8 of the Regulation outlines the reporting obligations within the Taxonomy, which currently apply to non-financial companies subject to the Non-Financial Reporting Directive. Since the Regulation came into force, it has been progressively supplemented and expanded to include new sectors and activities. For example, the publication of the Commission Delegated Regulation (EU) 2023/2485 introduced several amendments to the Climate Delegated Act, incorporating new activities and technical screening criteria.

Companies are required to report the proportion of turnover, operating expenditure (OpEx), and capital expenditure (CapEx) related to taxonomy-eligible activities in relation to all six environmental objectives defined by the "Environmental Delegated Act" (Commission Delegated Regulation (EU) 2023/2486) and the "Climate Delegated Act" (Commission Delegated Regulation (EU) 2021/2139) and its amendments.

COMPLIANCE ASSESSMENT WITH THE REGULATION

In line with the analysis performed during the previous reporting period, in 2024 the Brembo Group evaluated the effective contributions of its taxonomy-eligible economic activities to the six specified objectives and determined which of these activities can also be classified as taxonomy-aligned. Additionally, Brembo conducted a mapping of CapEx and OpEx associated with the purchase of products or services related to taxonomy-eligible and/or taxonomy-aligned economic activities, as well as individual measures aimed at maintaining low levels of emissions.

ELIGIBILITY ANALYSIS

The analysis led to the identification of the following economic activities conducted by Brembo that are associated with climate change objectives:

- **3.8 Manufacture of Aluminium:** This includes the capital expenditure (CapEx) and operating expenditure (OpEx) related to the casting of aluminium performed by Brembo, contributing to climate change mitigation.
- **3.9 Manufacture of Iron and Steel:** This encompasses the CapEx and OpEx associated with cast iron casting performed by Brembo, also aimed at climate change mitigation objective.
- **3.18 Manufacture of automotive and mobility components:** This refers to the CapEx, OpEx and Turnover linked to the manufacture and upgrading of mobility components for zero-emission personal mobility devices and of automotive and mobility systems which are essential for delivering and improving the environmental performance of the vehicle.¹⁸ It is noted that the Brembo Group, in the context of this activity, anticipates a turnover of zero due to the current challenges in making such an estimate. This decision arises from the need to enhance its methodologies for calculating and categorising regenerative braking systems and brakes with drag reduction technologies available in the market.

Additionally, an analysis was conducted regarding CapEx and OpEx related to the purchase of products or services associated with taxonomy-eligible economic activities and individual measures that enable these activities to reduce their emissions. In this instance, the assessment methodology was refined compared to the previous Sustainability Report to ensure that the classification of eligible activities for 2024 is more accurately aligned with Brembo's core operations, differing from the classifications

¹⁸ Compared to 2023, activity 9.1 Close to Market Research, development, and innovation was not considered relevant to Brembo as the amendments to the Climate Delegated Act introduced activity 3.18 Manufacture of automotive and mobility components, which includes both manufacture, repair, maintenance, retrofitting, repurposing and upgrade of mobility components for zero-emission personal mobility devices, relevant to Brembo's core business and research and development activities linked to these same areas. Therefore, research and development activities from activity 9.1 have been incorporated into activity 3.18.

of the previous period as the company aimed to provide a clearer depiction of its core activities.

Brembo has carried out a Climate Change Risk Assessment, but the activities reviewed do not encompass adaptation measures for climate change. As a result, these activities are not currently eligible for the CCA.

From this analysis, the economic activities deemed eligible in relation to the objectives of the Taxonomy are as follows.

Table 7

5.1 Construction, extension and operation of water collection, treatment and supply systems	Climate change mitigation	Costs relating to the maintenance and extension of the water supply or treatment systems within the Group's production plants
5.3. Construction, extension and operation of waste water collection and treatment	Climate change mitigation	Costs associated with maintenance and improvement interventions for the collection and treatment of wastewater and rainwater infrastructures within the Group's operational plants
6.5. Transport by motorbikes, passenger cars and light commercial vehicles	Climate change mitigation	Costs relating to the management and maintenance of the company fleet
7.2. Renovation of existing buildings	Climate change mitigation The transition to a circular economy (reference to activity 3.2)	Costs relating to the renovation of existing buildings within the Group's production and sales hubs
7.3. Installation, maintenance and repair of energy efficiency equipment	Climate change mitigation	Costs relating to the installation and maintenance of energy-efficient lighting and new air-conditioning systems
7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	Climate change mitigation	Costs relating to the installation, maintenance and repair of charging stations for electric vehicles in parking spaces attached to buildings
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	Climate change mitigation	Costs relating to the installation and maintenance of digital meters and systems for measuring on a continuous basis the energy performance of the production lines and buildings
7.6 Installation, maintenance and repair of renewable energy technologies	Climate change mitigation	Costs relating to the installation and maintenance of photovoltaic plants

Brembo has conducted a Climate Change Risk Analysis that meets some of the DNSH criteria for the Climate Change Mitigation Objective, but the activities considered do not currently include adaptation measures related to climate change as part of an adaptation plan derived from the climate risk analysis. Therefore, these activities are not eligible for Climate Change Adaptation (CCA).

It should be noted that, although the activities related to the gas and nuclear sectors included in the Complementary Delegated Act (Delegated Regulation 2022/1214) are not eligible, the relevant tables are still provided for further information.

ALIGNMENT ANALYSIS

For the purpose of assessing alignment with the objectives of climate change mitigation and adaptation, analyses have been conducted for each identified eligible activity to verify compliance with the criteria for substantial contribution and the "Do No Significant Harm" criteria established by each objective.

ACTIVITY - 3.8 ALUMINIUM PRODUCTION

Substantial contribution to climate change mitigation

Regarding aluminium production activities, the criteria for substantial contribution to climate change mitigation require that the greenhouse gas emissions of the activity do not exceed 1.484 tCO₂e per ton of aluminium produced, the average carbon intensity for indirect greenhouse gas emissions does not exceed 100 g CO₂e/kWh, and the electricity consumption for the production process does not exceed 15.5 Wh/t Al. Until the reporting year 2025, the Regulation indicates that compliance with two of the aforementioned criteria is sufficient to consider the economic activity aligned. All Brembo plants meet at least two of the aforementioned criteria. In particular, Mapello

(Italy), Nanjing (China), and Escobedo (Mexico) meet all three criteria, while Ostrava (Czech Republic) meets two out of three. For this reason, the activity is considered compliant with the substantial contribution criteria.¹⁹

Do No Significant Harm (DNSH)

For the activity, Annex I of the Climate Delegated Act provides DNSH criteria concerning four other objectives:

- **Climate change adaptation:** It is required that an analysis is conducted to identify and assess the vulnerability to physical climate risks, both chronic and acute, that impact the activity itself. Brembo has carried out an analysis of relevant physical risks across all its production facilities, considering scenarios for the short term (2023-2025) and long term (2030-2050) based on the IPCC RCP 8.5 scenario ("Fossil Fuel Driven Development"). For this reason, the criterion is considered met for all production sites.
- **Sustainable use and protection of water and marine resources:** Environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed with the aim of achieving good water status and good ecological potential as defined in Regulation (EU) 2020/852. A water use and protection management plan has been developed in consultation with relevant stakeholders. Where an Environmental Impact Assessment is carried out in accordance with Directive 2011/92/EU and includes an assessment of the impact on water, no additional assessment is required, provided the risks identified have been addressed. Consequently, the criterion is considered met for all the Business Units.

¹⁹ The plant in Ostrava (Czech Republic) meets the criterion related to tons of CO₂e per ton produced and the criterion related to electricity consumption.

- **Pollution prevention and control:** This criterion prohibits the use of certain substances classified as hazardous. Brembo ensures that all substances used are in compliance with European and local regulations and has launched a mapping project to identify hazardous substances in use, with the goal of finding potential alternatives. However, due to the current lack of complete data, the company prudently considers this criterion not met.
- **Protection and restoration of biodiversity and ecosystems:** Regarding this objective, the criterion requires that an environmental impact assessment or an equivalent examination has been conducted. Furthermore, it is essential that for sites situated in or near biodiversity-sensitive areas, a suitable assessment has been carried out. Brembo started an initial assessment of the biodiversity status in the regions where its plants are situated and based on the findings of this assessment, no relevant impacts have yet been identified nor the necessary mitigation measures been implemented. Consequently, the Group deems it appropriate to adopt a precautionary approach and considers the criterion not met.

**ACTIVITY -
3.9 IRON AND STEEL PRODUCTION**

Substantial contribution to climate change mitigation.

Regarding the iron and steel production activity, the criteria for substantial contribution to climate change mitigation require that the emissions from the production process related to coke (excluding lignite coke) used in the production process do not exceed 0.144 tCO₂e per ton of product (the only plant, Mapello, to which

this criterion applies does not meet it), and that the emissions related to the casting of pig iron do not exceed 0.299 tCO₂e per ton of product. Therefore, for the criterion related to iron casting, the iron and steel production facilities in Nanjing, Dabrowa, Escobedo, and Homer are compliant; however, the plants in Mapello (Italy) and Langfang (China) do not meet this criterion.

Do No Significant Harm (DNSH)

For the activity, Annex I of the Climate Delegated Act provides DNSH criteria concerning four other objectives:

- **Climate change adaptation:** It is required that an analysis is conducted to identify and assess the vulnerability to physical climate risks, both chronic and acute, that impact the activity itself. Brembo has carried out an analysis of relevant physical risks across all its production facilities, considering scenarios for the short term (2023-2025) and long term (2030-2050) based on the IPCC RCP 8.5 scenario ("Fossil Fuel Driven Development"). For this reason, the criterion is considered met for all production sites.
- **Sustainable use and protection of water and marine resources:** Environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed with the aim of achieving good water status and good ecological potential as defined in Regulation (EU) 2020/852. A water use and protection management plan has been developed in consultation with relevant stakeholders. Where an Environmental Impact Assessment is carried out in accordance with Directive 2011/92/EU and includes an assessment of the impact on water, no additional assessment is required, provided the risks identified have been addressed. Consequently, the criterion is considered met for all the Business Units.

- **Pollution prevention and control:** This criterion prohibits the use of certain substances classified as hazardous. Brembo ensures that all substances used are in compliance with European and local regulations and has launched a mapping project to identify hazardous substances in use, with the goal of finding potential alternatives. However, due to the current lack of complete data, the company prudently considers this criterion not met.
- **Protection and restoration of biodiversity and ecosystems:** Regarding this objective, the criterion requires that an environmental impact assessment or an equivalent examination has been conducted. Furthermore, it is essential that for sites situated in or near biodiversity-sensitive areas, a suitable assessment has been carried out. Brembo started an initial assessment of the biodiversity status in the regions where its plants are situated and based on the findings of this assessment, no relevant impacts have yet been identified nor the necessary mitigation measures been implemented. Consequently, the Group deems it appropriate to adopt a precautionary approach and considers the criterion not met.

**ACTIVITY - 3.18
MANUFACTURE OF AUTOMOTIVE
AND MOBILITY COMPONENTS**

Substantial contribution to climate change mitigation.

Regarding urban, suburban, and road passenger transport devices, the criteria for substantial contribution to climate change mitigation require that the direct (tailpipe) CO₂ emissions of the vehicles are zero. This includes vehicles in categories M2 and M3, as well as light-duty vehicles in

categories M1 and N1, which must also have zero CO₂ emissions as defined in Regulation (EU) 2019/631. Vehicles in category L must have tailpipe CO₂ emissions equal to 0 g CO₂e/km, and heavy-duty vehicles in categories N2 and N3 must not be dedicated to transporting fossil fuels and have a maximum laden mass not exceeding 7.5 tonnes to qualify as "zero-emission heavy-duty vehicles". Therefore, even though the majority of the products included in the category are intended for hybrid and electric cars, the group has opted to adopt a precautionary approach and considers the activity non-compliant with the substantial contribution requirements, although it is in line with some of its sections.

Do No Significant Harm (DNSH)

For the activity, Annex I of the Climate Delegated Act provides DNSH criteria concerning the following objectives:

- **Climate change adaptation:** It is required that an analysis is conducted to identify and assess the vulnerability to physical climate risks, both chronic and acute, that impact the activity itself. Brembo has carried out an analysis of relevant physical risks across all its production facilities, considering scenarios for the short term (2023-2025) and long term (2030-2050) based on the IPCC RCP 8.5 scenario ("Fossil Fuel Driven Development"). For this reason, the criterion is considered met for all production sites.
- **Sustainable use and protection of water and marine resources:** Environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed with the aim of achieving good water status and good ecological potential as defined in Regulation (EU) 2020/852. A water use and protection management plan has been developed in consultation with relevant

stakeholders. Where an Environmental Impact Assessment is carried out in accordance with Directive 2011/92/EU and includes an assessment of the impact on water, no additional assessment is required, provided the risks identified have been addressed. Consequently, the criterion is considered met for all the Business Units.

- **Transition to a circular economy:** The activity assesses the availability of and, where feasible, adopts techniques that support the reuse and use of secondary raw materials and re-used components in manufactured products. It also emphasizes design for high durability, recyclability, easy disassembly, and adaptability of products, along with waste management that prioritizes recycling over disposal. Information on and traceability of substances of concern throughout the life cycle of the manufactured products is also ensured. The Group considers it prudent to adopt a precautionary approach and assesses the activity as non-compliant with the specified DNSH criterion.

- **Pollution prevention and control:** This criterion prohibits the use of certain substances deemed hazardous. In light of this criterion, and considering the updates made in June 2023 and the related interpretative ambiguities encountered, the Group deems it appropriate to adopt a precautionary approach and considers the criterion not met.
- **Protection and restoration of biodiversity and ecosystems:** Regarding this objective, the criterion requires that an environmental impact assessment or an equivalent examination has been conducted. Furthermore, it is essential that for sites situated in or near biodiversity-sensitive areas, a suitable assessment has been carried out. Brembo started an initial assessment of the biodiversity status in the regions where its plants are situated and based on the findings of this assessment, no relevant impacts have yet been identified nor the necessary mitigation measures been implemented. Consequently, the Group deems it appropriate to adopt a precautionary approach and considers the criterion not met.

ACTIVITY – CAPEX C

ACTIVITY - 5.1 CONSTRUCTION, EXTENSION AND OPERATION OF WATER COLLECTION, TREATMENT AND SUPPLY SYSTEMS

Substantial contribution to climate change mitigation

The criteria for substantial contribution to climate change mitigation require that specific energy performance criteria have been met. As the Group does not have all the necessary evidence relating to construction, extension and operation of water supply or treatment systems at its production or distribution hubs, it has taken a prudential approach and considered the criterion not met.

Do No Significant Harm (DNSH)

For the said activity, Annex I to the Climate Delegated Act provides for DNSH criteria with respect to the other three objectives:

- **Climate change adaptation:** It is required that an analysis is conducted to identify and assess the vulnerability to physical climate risks, both chronic and acute, that impact the activity itself. Brembo has carried out an analysis of relevant physical risks across all its production facilities, considering scenarios for the short term (2023-2025) and long term (2030-2050) based on the IPCC RCP 8.5 scenario ("Fossil Fuel Driven Development"). For this reason, the criterion is considered met for all Group plants subject to the analysis.

- **The sustainable use and protection of water and marine resources:** Environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed with the aim of achieving good water status and good ecological potential as defined in Regulation (EU) 2020/852. A water use and protection management plan has been developed in consultation with relevant stakeholders. Where an Environmental Impact Assessment is carried out in accordance with Directive 2011/92/EU and includes an assessment of the impact on water, no additional assessment is required, provided the risks identified have been addressed. Consequently, the criterion is considered met.
- **The protection and restoration of biodiversity and ecosystems:** Regarding this objective, the criterion requires that an environmental impact assessment or an equivalent examination has been conducted. Furthermore, it is essential that for sites situated in or near biodiversity-sensitive areas, a suitable assessment has been carried out. Brembo started an initial assessment of the biodiversity status in the regions where its plants are situated and based on the findings of this assessment, no relevant impacts have yet been identified nor the necessary mitigation measures been implemented. Consequently, the Group deems it appropriate to adopt a precautionary approach and considers the criterion not met.

ACTIVITY 5.3. CONSTRUCTION, EXTENSION AND OPERATION OF WASTEWATER COLLECTION AND TREATMENT

Substantial contribution to climate change mitigation

The criteria for substantial contribution to climate change mitigation require that specific energy performance criteria have been met. As the Group does not have all the necessary evidence relating to construction, extension and operation of wastewater collection and treatment systems at its production or distribution hubs, it has taken a prudential approach and considered the criterion not met.

Do No Significant Harm (DNSH)

For the said activity, Annex I to the Climate Delegated Act provides for DNSH criteria with respect to the other four objectives:

- **Climate change adaptation:** It is required that an analysis is conducted to identify and assess the vulnerability to physical climate risks, both chronic and acute, that impact the activity itself. Brembo has carried out an analysis of relevant physical risks across all its production facilities, considering scenarios for the short term (2023-2025) and long term (2030-2050) based on the IPCC RCP 8.5 scenario ("Fossil Fuel Driven Development"). For this reason, the criterion is considered met for all Group plants subject to the analysis.
- **The sustainable use and protection of water and marine resources:** for this activity, the potential risks for the good condition or good ecological potential of bodies of water must be assessed and dealt with.

Even though these risks have been assessed, there is no evidence that in Brembo's plants wastewater is treated to a level suitable for reuse in agricultural irrigation, the criterion is therefore considered not met.

- **Pollution prevention and control:** Brembo is compliant with maximum permissible pollutant levels and sewage sludge usage but there is no evidence that appropriate measures have been implemented to avoid and mitigate excessive storm water overflows from the wastewater collection system. As such, according to a conservative approach, Group believes this activity is not compliant with such a DNSH criterion.
- **The protection and restoration of biodiversity and ecosystems:** Regarding this objective, the criterion requires that an environmental impact assessment or an equivalent examination has been conducted. Furthermore, it is essential that for sites situated in or near biodiversity-sensitive areas, a suitable assessment has been carried out. Brembo started an initial assessment of the biodiversity status in the regions where its plants are situated and based on the findings of this assessment, no relevant impacts have yet been identified nor the necessary mitigation measures been implemented. Consequently, the Group deems it appropriate to adopt a precautionary approach and considers the criterion not met.

ACTIVITY 6.5. TRANSPORT BY MOTORBIKES, PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES

Substantial contribution to climate change mitigation

The substantial contribution criteria for expenses incurred for the vehicle fleet require that such vehicles belong to a specific emission class that varies depending on the type of vehicle. For the current reporting year, the Group believes that the activity is consistent with the substantial contribution criteria solely for the fleet's electric and hybrid vehicles.

Do No Significant Harm (DNSH)

For the said activity, Annex I to the Climate Delegated Act provides for DNSH criteria with respect to the other three objectives:

- **Climate change adaptation:** For this activity, it is also expected that an analysis for the identification and assessment of vulnerability to chronic and acute physical climate risks that impact the activity itself will be conducted. Regarding the investments made in 2024 related to the vehicle fleet, following a conservative and cautious approach, and given that this is not an activity directly carried out by Brembo and in the absence of sufficient elements to allow for a complete assessment of compliance with the criterion, the Group considers the activity non-compliant with this DNSH criterion.
- **The transition to a circular economy:** vehicles must exhibit specific minimum reusability and recyclability features, and appropriate waste management practices must be implemented during the maintenance (use

phase) and at the end of the vehicle's life. By adopting a conservative stance and due to a lack of comprehensive information for a complete evaluation of suppliers' adherence to the criterion, the Group considers this activity to be non-compliant with the respective Do No Significant Harm (DNSH) criterion.

- **Pollution prevention and control:** vehicles must adhere to certain parameters relating to conformity, type approval, emissions, and efficiency. Some of the vehicles in the Group's fleet meet this criterion, as the parameters and characteristics in question are required by the European Union for all recently registered vehicles; however, due to having facilities outside the European Union, the Group, as a precautionary measure, considers this activity to be non-compliant with the criterion.

ACTIVITY 7.2. RENOVATION OF EXISTING BUILDINGS

Substantial contribution to climate change mitigation

The criteria for substantial contribution to climate change mitigation require that specific energy performance criteria have been met. Since the Group does not have all the necessary evidence relating to the work to construct the new buildings at its production hubs, according to a prudential approach, the criterion has been considered not met.

Do No Significant Harm (DNSH)

For the said activity, Annex I of the Climate Delegated Act provides for DNSH criteria with respect to the other four objectives:

- **Climate change adaptation:** It is required that an analysis is conducted to identify and assess the vulnerability to physical climate risks, both chronic and acute, that impact the activity itself. Brembo has carried out an analysis of relevant physical risks across all its production facilities, considering scenarios for the short term (2023-2025) and long term (2030-2050) based on the IPCC RCP 8.5 scenario ("Fossil Fuel Driven Development"). For this reason, the criterion is considered met for all Group plants subject to the analysis.
- **The sustainable use and protection of water and marine resources:** In relation to this objective, the criterion mandates specific plumbing techniques, including maximum water flow rates of 6 litres/min for taps, 8 litres/min for showers, a full flush volume of 6 litres and an average flush volume of 3.5 litres for WCs, and 2 litres/bowl/hour for urinals, with flushing urinals having a maximum full flush volume of 1 litre.

The Group acknowledges that it lacks full visibility for all the facilities within the scope. Therefore, the Group has decided to take a cautious approach and regards the activity as non-compliant with the specified Do No Significant Harm (DNSH) criterion.

- **The transition to a circular economy:** Concerning this objective, the criterion stipulates that a minimum of 70% of the waste produced during construction and demolition at a work site must be processed for recovery. Given that the Group does not possess complete oversight of all active construction sites at plants not directly operated by Brembo, the Group has decided to take a cautious approach and regards the activity as non-compliant with the DNSH criterion.
- **Pollution prevention and control:** Regarding this objective, building components and materials used in the renovation must emit less than 0.06 mg of formaldehyde per m³ and less than 0.001 mg of categories 1A and 1B carcinogenic volatile organic compounds per m³, tested according to relevant standards. A ban is established on the use of certain substances deemed hazardous. To avoid interpretative ambiguity, the Group deems it appropriate to take a prudential approach and consider the activity as non-compliant with the Do No Significant Harm (DNSH) criterion.

ACTIVITY 3.2. RENOVATION OF EXISTING BUILDINGS – CIRCULAR ECONOMY

Substantial contribution to circular economy

The criteria for making a substantial contribution to the circular economy objective mandate particular handling of construction waste, calculation of the building's life cycle Global Warming Potential, design for adaptability, retention of 50% of the original building during construction, and the utilisation of secondary raw materials. Due to the absence of complete documentation regarding the construction of new buildings at its production hubs, Brembo has adopted a cautious approach and determined that the criterion has not been satisfied.

Do No Significant Harm (DNSH)

For the said activity, Annex I of the Climate Delegated Act provides for DNSH criteria with respect to the other four objectives:

- **Climate change mitigation:** the buildings are not dedicated to extraction, storage, transport or manufacture of fossil fuels, the criterion has therefore been met.
- **Climate change adaptation:** It is required that an analysis is conducted to identify and assess the vulnerability to physical climate risks, both chronic and acute, that impact the activity itself. Brembo has carried out an analysis of relevant physical risks across all its production facilities, considering scenarios for the short term (2023-2025) and long term (2030-2050) based on the IPCC RCP 8.5 scenario ("Fossil Fuel Driven Development"). For this reason, the criterion is considered met for all Group plants subject to the analysis.

- **The sustainable use and protection of water and marine resources:** In relation to this objective, the criterion mandates particular techniques concerning certain plumbing systems. The Group acknowledges that it lacks full visibility for all the facilities within the scope. Therefore, the Group has decided to take a cautious approach and regards the activity as non-compliant with the specified DNSH criterion.
- **Pollution prevention and control:** a ban is established on the use of certain substances deemed hazardous. Also, to avoid interpretative ambiguity, the Group deems it appropriate to take a prudential approach and to consider the activity as non-compliant with the DNSH criterion.

**ACTIVITY 7.3.
INSTALLATION, MAINTENANCE AND
REPAIR OF ENERGY EFFICIENCY
EQUIPMENT**

Substantial contribution to climate change mitigation

Only a limited amount of expenses incurred for the installation and maintenance of energy-efficient lighting and new air-conditioning systems meet the substantial contribution criteria as they are included in the list of initiatives described within the Delegated Act.

Do No Significant Harm (DNSH)

For the said activity, Annex I to the Climate Delegated Act provides for DNSH criteria with respect to the other two objectives:

- **Climate change adaptation:** It is required that an analysis is conducted to identify and assess the vulnerability to physical climate risks, both chronic and acute, that impact the activity itself. Brembo has carried out an analysis of relevant physical risks across all its production facilities, considering scenarios for the short term (2023-2025) and long term (2030-2050) based on the IPCC RCP 8.5 scenario ("Fossil Fuel Driven Development"). For this reason, the criterion is considered met for all Group plants subject to the analysis.
- **Pollution prevention and control:** This criterion prohibits the use of certain substances classified as hazardous. Brembo ensures that all substances used are in compliance with European and local regulations and has launched a mapping project to identify hazardous substances in use, with the goal of finding

potential alternatives. However, to avoid interpretative ambiguity, the Group deems it appropriate to take a prudential approach and to consider the activity as non-compliant with the DNSH criterion.

**ACTIVITY 7.4.
INSTALLATION, MAINTENANCE AND
REPAIR OF CHARGING STATIONS FOR
ELECTRIC VEHICLES IN BUILDINGS
(AND PARKING SPACES ATTACHED TO
BUILDINGS)**

Substantial contribution to climate change mitigation

The criteria for making a substantial contribution to climate change mitigation include the installation, repair, and maintenance of electric vehicle charging stations within Brembo's plants. The criterion is deemed to be met, as Brembo has undertaken both the installation and maintenance of such charging stations.

Do No Significant Harm (DNSH)

The only DNSH criterion provided for by the Regulation with respect to activity 7.4 is that relating to the climate change adaptation objective. With regard to this objective, the criterion has been met due to initiatives at the Group's plants under analysis.

**ACTIVITY 7.5
INSTALLATION, MAINTENANCE AND
REPAIR OF INSTRUMENTS AND DEVICES
FOR MEASURING, REGULATION AND
CONTROLLING ENERGY PERFORMANCE OF
BUILDINGS**

Substantial contribution to climate change mitigation

With regard to the expenses incurred for digital meters and energy performance measurement systems, almost all the eligible activities meet the substantial contribution criteria as they are included in the list of initiatives described in the substantial contribution section. More specifically, Brembo's plant activities include the installation and maintenance of building automation and control systems, building energy management systems (BEMS) and lighting control systems and energy management systems (EMS).

Do No Significant Harm (DNSH)

The only DNSH criterion provided for by the Regulation with respect to this activity, is that relating to the climate change adaptation objective. With regard to this objective, the criterion has been met due to initiatives at the Group's plants under analysis.

**ACTIVITY 7.6
INSTALLATION, MAINTENANCE AND
REPAIR OF RENEWABLE ENERGY
TECHNOLOGIES**

Substantial contribution to climate change mitigation

Regarding the costs associated with the installation of photovoltaic panels, heat exchangers, and heat pumps, these activities align with the criteria for substantial contribution to climate change mitigation, as they are part of the list of initiatives outlined in the substantial contribution section. Therefore, there are different activities that do not meet the substantial contribution criteria.

Do No Significant Harm (DNSH)

The only DNSH criterion provided for by the Regulation with respect to activity 7.6 is that relating to the climate change adaptation objective. With regard to this objective, the criterion has been met due to initiatives at the Group's plants under analysis.

MINIMUM SAFEGUARD GUARANTEES

Ultimately, Brembo assessed adherence to the minimum safeguard guarantees, in line with the stipulations outlined in Article 18 of the Regulation. In particular, the OECD 2023 Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, as well as the principles and rights established by the eight fundamental conventions recognized in the declaration of the International Labour Organization (ILO) and the International Bill of Human Rights were considered.

Specifically, nine categories were evaluated: human rights policies, due diligence and risk assessment on human rights, management of human rights impacts, grievance mechanisms, consumer interests, anti-corruption, competition, and taxation.

Brembo ensures coverage of issues related to minimum safeguard guarantees through the adoption of specific tools such as corporate policies, guidelines, and organizational and operational mechanisms, particularly:

- Group code of ethic, whose rules apply to all employees of all Group Companies and to all those who operate to achieve the Group's objectives.
- 231 Model and whistleblowing procedures for reporting any violations of the code and the models themselves.
- Policies regarding diversity in the composition of the Administrative Body aimed at ensuring an ideal mix of skills and professionalism among the members of the Board of Directors, not only in terms of gender but also in terms of experience, professionalism, honourability, independence, age, and other relevant aspects provided by legislative provisions.

- Remuneration policy and related report published annually as better described in the paragraph "Remuneration Policies" of the chapter "ESRS S1 - Own workforce" and "ESRS G1 - Business conduct".
- Public communication on issues related to human rights and gender diversity and fundamental labour rights in the Group's present sustainability statement (for more information, see the chapters "ESRS S1 - Own workforce" and "ESRS S2 - Workers in the value chain").
- Policies and codes of conduct published on the Group's website, whose rules apply to all employees of all Group Companies and to all those who operate to achieve the Group's objectives: anti-corruption code of conduct, Brembo code of basic working conditions, Brembo policy on non-discrimination and diversity, sustainable procurement policy, general conditions of purchase of materials and services of Brembo. The codes and policies are described in detail in the chapter "ESRS G1 - Business conduct".
- Grievance mechanisms accessible to stakeholders through the Group's website.

Following this analysis, the Group verified that it has implemented all the safeguards provided for in Article 18 of the Regulation, while recognising the need to formalize some specific disclosures to ensure full compliance with the requirements of the OECD Guidelines and the UN Guiding Principles.

For further details regarding the safeguards related to minimum safeguard guarantees, please refer specifically to the chapters "ESRS S1-Own workforce", "ESRS S2-Workers in the value chain" and "ESRS G1-Business conduct" which delve into the Group's safeguards and results concerning human rights issues and the fight against corruption.

In cases of verification of minimum safeguard guarantees concerning products and services purchased by the Group and originating from eligible economic activities (specifically, for activities 5.1, 5.3, 6.5, 7.2, 7.3, 7.4, 7.5, and 7.6 for the Climate Change Mitigation objective and activity 3.2 for the Circular Economy Objective), companies are required to broaden the scope of analysis to the supply chain of eligible products and services.

In this context, the Group has implemented a specific procedural set to ensure and promote transparency and compliance with the principles outlined in its Ethical Code across the supply chain, as detailed in the chapter "ESRS S2-Workers in the value chain". Nevertheless, adopting a conservative and cautious approach, Brembo does not consider that it possesses adequate information to confirm that existing supply chain management practices ensure complete compliance of suppliers with the requirements of Article 8 of the Regulation.

ACCOUNTING POLICY AND CONTEXTUAL INFORMATION

The Group, in accordance with the guidelines of Annex 1-2 of the Disclosure Delegated Act²⁰, has calculated the Turnover, Capex, and Opex indicators in relation to the activities identified as eligible, assessing their specific weight with reference to their respective consolidated values.

Specifically, the following sections outline the methodological approaches used for the calculation of each indicator, providing an overview for both the denominators and the numerators.

The Group also clarifies that there is no alignment; in fact, the activities for which the appropriate calculations have been made are solely eligible.

TURNOVER KPI

The denominator for Turnover was determined through an analysis of the Group's statutory chart of accounts for the fiscal year 2024. Specifically, for this purpose, in accordance with § 1.1.1 of Annex 1 of the Delegated Regulation (EU) 2021/2178 (hereinafter "Disclosure Delegated Act"), the revenues from the Group's core activities were identified by considering the line item "Revenue from contracts with customers". These revenues, as described by IAS 1 paragraph 82 and the definition of Net Turnover in Directive 2013/34/EU, represent the proceeds from the sale of goods and services net of sales returns, VAT, and other taxes related to turnover. Consequently, the Group's Turnover for 2024 amounts to €3,840,643.00 thousand, as reported in the consolidated financial statements (Revenue from contracts with customers, note No. 20 of the consolidated financial statement at 31 december 2024).

Regarding the calculation of the numerator, although activity 3.18 - Production of automotive and mobility components was preliminarily identified as eligible, no revenues associated with it were recognised for the reporting period 2024. As previously mentioned, the Group is conducting analyses to refine its methodologies for calculating and identifying regenerative braking systems and brakes with drag reduction technologies.

20 Delegated Regulation (EU) 2021/2178.

OPEX KPI

§ 1.1.3.1 of the Disclosure Delegated Act establishes that the denominator of Opex must be calculated by identifying specific non-capitalised operating costs related to:

- Research and development
- Renovation measures for buildings
- Short-term leases
- Maintenance and repairs
- Any other direct expenses related to the daily maintenance of properties, plants and machinery.

To evaluate these items, the Group conducted a thorough analysis of the Group's accounting plan. Therefore, a detailed investigation was carried out to isolate all items attributable to the above components.

It is specified as follows:

- Regarding "any other direct expenses related to the daily maintenance of properties, plants and machinery," cleaning expenses for the plants were considered as suggested by FAQ No. 12 of the Commission Notice C (2022) 385/01 of 06.10.2022.
- For the personnel costs involved in ordinary maintenance and R&D activities, since it was not possible to derive the values directly through the analysis of the accounting plan, a detailed analysis of the cost centres was conducted using analytical accounting.

As a result, a value obtained for the denominator amounts to €283,827.54 thousand.

Regarding the numerator, the numbers associated with the identified eligible activities were extracted from the management system of the Group's companies, ensuring correspondence with the items of the consolidated accounting plan used for calculating the denominator. In particular, the following eligible activities were identified during the technical assessment:

- 3.8 Production of aluminium (Climate change mitigation);
- 3.9 Production of iron and steel (Climate change mitigation);
- 3.18 Production of automotive and mobility components (Climate change mitigation);
- 5.1 Construction, expansion, and management of water collection, treatment, and supply systems (Climate change mitigation);
- 5.3 Construction, expansion, and management of wastewater collection and treatment systems (Climate change mitigation);
- 6.5 Transport by motorcycles, cars, and light commercial vehicles (Climate change mitigation);
- 7.2 Renovation of existing buildings (Climate change mitigation and activity 3.2 for Circular Economy);
- 7.3 Installation, maintenance, and repair of energy efficiency devices (Climate change mitigation);
- 7.4 Installation, maintenance, and repair of electric vehicle charging stations in buildings (and in parking spaces related to the buildings) (Climate change mitigation);
- 7.5 Installation, maintenance, and repair of instruments and devices for measuring, regulating, and controlling the energy performance of buildings (Climate change mitigation);
- 7.6 Installation, maintenance, and repair of renewable energy technologies (Climate change mitigation);

With reference to point C²¹ of § 1.1.3.2, operating expenses — largely related to maintenance — were identified concerning other activities, including the construction, expansion, and management of water collection and treatment systems. Additionally, interventions related to transport by motorcycles, cars, and light commercial vehicles, renovation of existing buildings, installation and maintenance of energy efficiency devices, electric vehicle charging stations, and renewable energy technologies were considered.

CAPEX KPI

§ 1.1.2.1 of the Disclosure Delegated Act specifies that the denominator of Capex must incorporate increases in tangible and intangible assets incurred during the fiscal year before depreciation, impairment, and any revaluation, including those arising from revaluations and reductions in value for the fiscal year in question, and excluding changes in fair value. The denominator must also include increases in tangible and intangible assets resulting from business combinations.

In line with the above, the Group considered the increases related to intangible, tangible assets, and rights of use of leased assets for the denominator.

To obtain this data, the asset movement tables were used, isolating only the "acquisitions" row (Tangible fixed assets and Intangible fixed assets, items found in notes 1 and 2 of the consolidated annual financial report).

As suggested by § 1.1.2.1, the following references were used:

- IAS 16 Property, Plant and Equipment
- IAS 38 Intangible Assets
- IFRS 16 Leases

The Group's investments considered for the denominator amount to €500,360.00 thousand, as indicated in the notes to the consolidated financial statements. These investments were divided by type of activity, distinguishing between tangible, intangible assets, and rights of use (according to IFRS 16) of the increases that occurred during 2024, leading specifically to the following values:

- Intangible assets €47,090.00 thousand
- Tangible assets €363,964.00 thousand
- Rights of use €89,306.00 thousand.

Regarding the numerator of the KPI, the Group conducted a detailed analysis of the asset movements to identify the components associated with the activities deemed eligible during the technical assessment. In particular, since the Group operates in various territories, the approach used involved the participation of the administrative-accounting resources of all plants and Legal Entities within the consolidation perimeter. Detailed numbers were then obtained through extraction from the management systems.

²¹ Paragraph 1.1.3.2 of the (EU) Delegated Regulation 2021/2178: Operating expenses related to the purchase of output from economic Taxonomy-aligned economic activities and to individual measures enabling the target activities to become low carbon or to lead to greenhouse gas reductions as well as individual building renovation measures as identified in the delegated acts adopted pursuant to Article 10(2), Article 11(3), Article 12(2), Article 13(2), Article 14(2), and Article 15(2), of Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months.

The activities identified as sources of investments in 2024 include:

- 3.8 Production of aluminium (Climate change mitigation);
- 3.9 Production of iron and steel (Climate change mitigation);
- 3.18 Production of automotive and mobility components (Climate change mitigation);
- 5.1 Construction, expansion, and management of water collection, treatment, and supply systems (Climate change mitigation);
- 5.3 Construction, expansion, and management of wastewater collection and treatment systems (Climate change mitigation);
- 6.5 Transport by motorcycles, cars, and light commercial vehicles (Climate change mitigation);
- 7.2 Renovation of existing buildings (Climate change mitigation and activity 3.2 for Circular Economy);
- 7.3 Installation, maintenance, and repair of energy efficiency devices (Climate change mitigation);
- 7.5 Installation, maintenance, and repair of instruments and devices for measuring, regulating, and controlling the energy performance of buildings (Climate change mitigation);
- 7.6 Installation, maintenance, and repair of renewable energy technologies (Climate change mitigation);

With reference to point C²² of § 1.1.2.2, capitalised expenses related to other activities, energy efficiency, data processing, and renewable energy technologies were identified. Primarily, investments in tangible (plants, machinery, and buildings) and intangible (research and

development) activities were considered.

COMPARISON WITH THE PREVIOUS YEAR

Please refer to the tables below for details on the numerical and percentage variations of the KPIs required by the regulations.

It is specified that the variation of the KPIs compared to the previous year is not associated with a change in the accounting approach used in deriving the numbers and reporting the KPIs, but rather to the inclusion of additional activities compared to those considered in the previous year.

²² Paragraph 1.1.2.2 of the (EU) Delegated Regulation 2021/2178: Capital expenditures related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low carbon or to lead to greenhouse gas reductions, as well as to specific measures for the renovation of buildings identified in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2), and Article 15(2), of Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months.



Proportion of Capital Expenditures from products or services associated with Taxonomy-aligned economic activities– Disclosure for the Year 2024 (Data in €/k)

Table 9

Economic activities (1)	Code (2)	CapEx (3) K €	Proportion of CapEx, (4) %	SUBSTANTIAL CONTRIBUTION CRITERIA							DNSH CRITERIA ("DO NO SIGNIFICANT HARM")							Minimum safeguards (17) Proportion of CapEx aligned (A.1.) or eligible (A.2.), year 2023 (18) %	Category enabling activity (19) E	Category transitional activity (20) T
				Climate change mitigation (5) Y; N; N/EL	Climate change adaptation (6) Y; N; N/EL	Water (7) Y; N; N/EL	Pollution (8) Y; N; N/EL	Circular economy (9) Y; N; N/EL	Biodiversity (10) Y; N; N/EL	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water (13) Y/N	Pollution (14) Y/N	Circular economy (15) Y/N	Biodiversity (16) Y/N					
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)		0.00	0.00%																	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.00	0.00%																	
of which enabling																				
of which transitional																				
A.2 Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Collection and transport of non-hazardous and hazardous waste	2.3 CE	-	0.00%																	
Manufacture of aluminium	3.8 CCM	42.98	0.01%																	
Manufacture of iron and steel	3.9 CCM	6,311.68	1.26%																	
Manufacture of automotive and mobility components	3.18 CCM	8,302.74	1.66%																	
Construction, extension and operation of water collection, treatment and supply systems	5.1 CCM	1,831.08	0.37%																	
Construction, extension and operation of waste water collection and treatment	5.3 CCM	151.50	0.03%																	
Transport by motorbikes, passenger cars and light commercial vehicles	6.5 CCM	172.14	0.03%																	
Construction of new buildings	7.1 CCM		0.00%																	

Economic activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, (4)	SUBSTANTIAL CONTRIBUTION CRITERIA							DNSH CRITERIA ("DO NO SIGNIFICANT HARM")							Minimum safeguards (17)	Proportion of CapEx aligned (A.1.) or eligible (A.2), year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)	CAPEX PROPORTION / TOTAL CAPEX		
				Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Aligned Objective	Eligible Objective							
		K €	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	CCM	0.00%	4.29%		
Renovation of existing buildings	7.2 CCM / 3.2 CE	2,037.89	0.41%														0.44%			CCA	0.00%	0.00%		
Installation, maintenance and repair of energy efficiency equipment	7.3 CCM	612.67	0.12%														0.03%			WTR	0.00%	0.00%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5 CCM	133.19	0.03%														0.02%			CE	0.00%	0.41%		
Installation, maintenance and repair of renewable energy technologies	7.6 CCM	1,878.61	0.38%														0.12%			PPC	0.00%	0.00%		
CapEx of Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		21,474.48	4.29%														1.70%			BIO	0.00%	0.00%		
CapEx of Taxonomy-eligible activities Total (A.1 + A.2)		21,474.48	4.29%														1.70%							
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																								
CapEx of Taxonomy-non-eligible activities		478,885.52	95.71%																					
Total		500,360.00	100.00%																					

The regulation requires reporting the contribution of the same activity to multiple objectives in the case where the descriptions (for eligibility) are the same or the criteria for substantial contribution (for alignment) are met for each objective. Specifically:

- For the CE, activities 3.2 are the same as 7.2 of CCM.

Proportion of Operating Expenses from products or services associated with Taxonomy-aligned economic activities – Disclosure for the Year 2024 (Data in €/k)

Table 10

Economic activities (1)	Code (2)	OpEx (3) K €	Proportion of OpEx, (4) %	SUBSTANTIAL CONTRIBUTION CRITERIA							DNSH CRITERIA ("DO NO SIGNIFICANT HARM")							Minimum safeguards (17) Proportion of OpEx aligned (A.1.) or eligible (A.2.), year 2023 (18) %	Category enabling activity (19) E	Category transitional activity (20) T
				Climate change mitigation (5) Y; N; N/EL	Climate change adaptation (6) Y; N; N/EL	Water (7) Y; N; N/EL	Pollution (8) Y; N; N/EL	Circular economy (9) Y; N; N/EL	Biodiversity (10) Y; N; N/EL	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water (13) Y/N	Pollution (14) Y/N	Circular economy (15) Y/N	Biodiversity (16) Y/N					
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)		-	0.00%																	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0.00%																	
of which enabling																				
of which transitional																				
A.2 Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Manufacture of aluminium	3.8 CCM	1,148.41	0.40%															0.43%		
Manufacture of iron and steel	3.9 CCM	10,158.40	3.58%															4.35%		
Manufacture of automotive and mobility components	3.18 CCM	1,610.66	0.57%															0.00%		
Construction, extension and operation of water collection, treatment and supply systems	5.1 CCM	110.64	0.04%															0.05%		
Construction, extension and operation of waste water collection and treatment	5.3 CCM	174.70	0.06%															0.00%		
Transport by motorbikes, passenger cars and light commercial vehicles	6.5 CCM	123.08	0.04%															0.08%		
Freight transport services by road	6.6 CCM	-	0.00%															0.03%		
Renovation of existing buildings	7.2 CCM /3.2 CE	1,049.42	0.37%															0.00%		
Installation, maintenance and repair of energy efficiency equipment	7.3 CCM	189.94	0.07%															0.02%		

Economic activities (1)	Code (2)	OpEx (3) K €	Proportion of OpEx (4) %	SUBSTANTIAL CONTRIBUTION CRITERIA							DNSH CRITERIA ("DO NO SIGNIFICANT HARM")							PROPORTION OF OPEX / TOTAL OPEX						
				Climate change mitigation (5) Y; N; N/EL	Climate change adaptation (6) Y; N; N/EL	Water (7) Y; N; N/EL	Pollution (8) Y; N; N/EL	Circular economy (9) Y; N; N/EL	Biodiversity (10) Y; N; N/EL	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water (13) Y/N	Pollution (14) Y/N	Circular economy (15) Y/N	Biodiversity (16) Y/N	Minimum safeguards (17) Y/N	Proportion of OpEx aligned (A.1.) or eligible (A.2.), year 2023 (18) %	Category enabling activity (19) E	Category transitional activity (20) T	Aligned Objective	Eligible Objective			
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4 CCM	24.74	0.01%																		CCM	0.00%	5.15%	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5 CCM	7.22	0.00%																			CCA	0.00%	0.00%
Installation, maintenance and repair of renewable energy technologies	7.6 CCM	10.15	0.00%																			WTR	0.00%	0.00%
Close to market research, development and innovation	9.1 CCM	-	0.00%																			CE	0.00%	0.37%
CapEx of Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		14,607.36	5.15%																			PPC	0.00%	0.00%
CapEx of Taxonomy-eligible activities Total (A.1 + A.2)		14,607.36	5.15%																			BIO	0.00%	0.00%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																								
CapEx of Taxonomy non-eligible activities (B)		269,220.18	94.85%																					
Total (A + B)		283,827.54	100%																					

The regulation requires reporting the contribution of the same activity to multiple objectives in the case where the descriptions (for eligibility) are the same or the criteria for substantial contribution (for alignment) are met for each objective. Specifically:

- For the CE, activities 3.2 are the same as 7.2 of CCM

Table 11

Activities related to nuclear energy

1.	The company engages in, finances, or has exposures to the research, development, demonstration, and implementation of innovative plants for the generation of electricity that produce energy from nuclear processes with a minimal amount of waste from the fuel cycle.	NO
2.	The company engages in, finances, or has exposures to the safe construction and operation of new nuclear plants for the generation of electricity or process heat, including for district heating or industrial processes such as hydrogen production, and improvements to their safety, using the best available technologies.	NO
3.	The company engages in, finances, or has exposures to the safe operation of existing nuclear plants that generate electricity or process heat, including for district heating or industrial processes such as hydrogen production from nuclear energy, and improvements to their safety.	NO

Activities related to fossil gases

4.	The company engages in, finances, or has exposures to the construction or management of plants for the production of electricity that use fossil gas fuels.	NO
5.	The company engages in, finances, or has exposures to the construction, refurbishment, and management of combined heat/cold and electricity generation plants that use fossil gas fuels.	NO
6.	The company engages in, finances, or has exposures to the construction, refurbishment, and management of heat generation plants that produce heat/cold using fossil gas fuels.	NO



3.3 ENVIRONMENT

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E1 - CLIMATE CHANGE

E1 GOV-3 INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

Climate-related considerations are factored into the remuneration of members of the administrative, management and supervisory bodies.

In particular, the Brembo's energy managers, along with the VPs Operations, Plant Directors / Plant Managers, and all plant personnel, are incentivised through specific monetary rewards tied to the development of new energy efficiency projects. Promoting energy savings — reflected in the rational use of energy and subsequent reduction in consumption — is a collective effort that engages all operational areas within the Group. Each area has been assigned specific targets to contribute to Brembo's overarching energy efficiency goals.

Moreover, each year, the corporate executive team is assigned targets related to enhancing sustainability as part of the short-term incentive plan (STIP). The beneficiaries of the STIP include Executives, Managers, and key employees of Brembo N.V., as well as the North America / China President & CEOs, Country General Managers, first-line management in Group countries, and other individuals in significant roles. Additionally, in 2022 Brembo introduced a new long-term incentive plan (LTIP): the 2022-2024 LTIP. The LTIP beneficiaries include not only the Executive Chairman and the Chief Executive Officer but also a selected group of approximately 60 members from the Group's management team, reflecting the complexity and responsibilities of their roles.

The inclusion of "ESG" (Environmental, Social, and Governance) metrics within the objective form dedicated to Top Management ensures the application of a sustainable business model in the long term. This has led Brembo to be recognised by CDP (Carbon Disclosure Project) as one of the world's leading companies for its commitment and ability to respond to climate change and water resource management.

Below is a table showing the percentage of remuneration associated with climate-related considerations.

Table 12

Remuneration linked to climate-related considerations	u.m.	2024
Percentage of remuneration linked to climate-related considerations	%	10

SUSTAINABILITY INDEX

Both the short-term Incentive Plan (STIP) and the long-term Incentive Plan (LTIP) include a group sustainability index based on the reduction of the company's greenhouse gas emissions. This indicator is closely linked to the Group's decarbonisation targets, thus demonstrating Brembo's increasing commitment to achieving excellent economic and financial performance without compromising the Company's core values, such as respect and protection of the environment. The "sustainability index"²³ — which was established in 2017 — still remains the metric chosen for measuring and monitoring the Group's performance in

sustainability. In particular, this index focuses on reducing tCO_{2e} emissions in alignment with Brembo's medium and long-term objectives, as outlined by the COP21 guidelines. The targets can be achieved through the implementation of energy efficiency projects and by increasing the proportion of renewable energy sources. For 2024, the "sustainability index" target has been set at 20% reduction and it has achieved a value of 25.2%.

Brembo offers non-monetary rewards, specifically through Internal Company Awards (e.g. "Brembo Excellence Awards", "Brembo Innovation Awards" (BIA) and "Brembo Sustainability Awards"). These initiatives encourage all Group employees to submit suggestions for improving efficiency and sustainability. Impactful ideas are recognized

by an internal jury, and the related communicated between June and July of the following year.

E1 SBM-3 CLIMATE CHANGE IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Regarding the classification of material climate-related risks, Brembo provides a detailed explanation for each identified risk. The Group distinguishes between climate-related physical risks and climate-related transition risks. Brembo's Enterprise Risk Management (ERM) process and the Climate Change Risk Assessment (CCRA) document.

Table 13

IRO	IRO Name	Physical or Transition risk
Risk 1	Risk related to climate change with increased exposure to natural catastrophes and possible related unavailability of infrastructure (e.g. production stoppages, ICT services breakdown)	Physical risk
Risk 2	Risk related to extra costs following the potential application of GHG certificates mechanism	Transition risk
Risk 3	Risk related to potential negative outcome from sustainability audits conducted by clients	Transition risk
Risk 4	Risk related to external factors imposing changes/new Sustainability-related objectives	Transition risk
Risk 5	Risk related to the relationship with Clients in connection to the achievement of Net Zero objectives	Transition risk
Risk 6	Risk related to the energy transition of the automotive sector and the evolution of regulations related to climate change	Transition risk
Opportunity 1	Opportunities related to the growing demand for "green" products	Transition opportunity
Opportunity 2	Opportunities to leverage stricter regulations on competitive advantage following the implementation of stricter regulations on of product and processes	Transition opportunity

²³ Data used for calculation purposes include within the reporting boundary also Brembo SGL Carbon Ceramic Brakes S.p.A. (BSCCB S.p.A.), a joint venture between Brembo and SGL Group.

Brembo conducted a climate change risk assessment to evaluate the Company's business resilience and the associated financial exposure to both the physical effects of climate change and the transition towards a low-carbon economy, leveraging scenario analysis and forecasting tools. The aim of the assessment was to comprehend potential vulnerabilities of the Group sites concerning physical risks and to identify meaningful insights – opportunities and risks in the medium/long term – that could constitute valuable inputs in defining and updating the Group's strategy. The assessment scope included Brembo and selected key suppliers' sites.

To address physical risks, a detailed analysis of each potential physical risk event that could affect Brembo or the selected key suppliers' sites has been carried out, examining the potential consequences on Business Interruptions (BI) and/or Property Damages (PD), in the short term (2024) and in the medium/long term (2030/2050). The long-term analysis of physical risks was performed considering the **RCP 8.5** scenario of the IPCC ("Fossil fuelled development") which is based on various assumptions regarding emissions, policies and likelihood of achieving high temperature levels in the future. This scenario does not assume future strengthening of policy actions and instead considers the hypothesis that governments will not pursue all announced goals. The related IPCC scenario assumes that:

- the radiative forcing continues to grow, reaching increase of 2°C by 2050 and 5°C in 2100;
- the push for economic and social development is coupled with the exploitation of abundant fossil fuel resources;
- consumption is oriented toward energy intensive lifestyles around the world, leading to rapid growth of the global economy;

- global population reaches a peak and starts declining in the 21st century.

The assessment results on physical risks highlighted that climate exposure of proprietary sites is increasing, with a focus on tornadoes, hail hazards, and water stress. The most economic-relevant exposures are river floods (three sites exposed) and hurricanes / tornadoes / windstorms (two sites exposed), but considering the mitigators in place, the overall potential economic exposure can be considered limited. In order to evaluate and limit its exposure, the Group analyzes exposures to natural catastrophes when building new plants from greenfield or acquiring sites.

The climate change risk assessment also led to the identification of opportunities to strengthen the Group's market position, increase market share and access new product segments, as well as to identification of transitional risks primarily related to consumer behaviours and regulatory constraints aimed at reducing environmental impacts. The identified climate-related opportunities and risks have been emphasized in the IPCC **RCP 1.9** climate-change scenario, which assumes that:

- The world shifts gradually, but pervasively, towards a more sustainable path to limit temperature under 1.5°C of warming;
- Countries fully implement their national targets to 2030 and 2050, and energy demand is met mainly through renewable sources;
- Consumption is oriented toward low emissions material growth and lower resource and energy intensity.

Within the same framework of physical risk analysis, transitional opportunities and risks has been evaluated on medium/long-term analysis (2030-2050), taking in

consideration the RCP 1.9 scenario and the corresponding socio-economic IPCC's SSP1 scenario ("Taking the Green Road"), which is based on various assumptions regarding future emissions, policies and economy. Additionally, the **NZE2050** scenario from the IEA has been applied to provide an in-depth analysis of the energy and automotive markets.

Brembo is dedicated to monitoring and managing its impacts, risks, and opportunities related to climate change. The company is actively committed to reducing its emissions and adapting its production activities to align with sustainable practices. This commitment extends to minimizing the environmental impacts of its operations and products, which are integral to Brembo's corporate strategy and sustainability plan. The transition to a low-emission economy is particularly relevant for the automotive sector in which Brembo operates. Indeed, the energy transition and evolving climate regulations may lead to significant investments and modifications to existing production processes, presenting both risks and opportunities for the Group. This transformation provides the chance to improve product performance and deliver value to customers.

E1 IRO-1 DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL CLIMATE-RELATED IMPACTS, RISKS AND OPPORTUNITIES

The double materiality assessment has led to the identification of the Impacts, Risks and Opportunities related to the matter of climate change and energy. The material IROs are listed below.

- **Positive impact - Reduction of GHG emissions from end-users' cars thanks to the development of innovative technologies:** Brembo is committed to strengthening the development of innovative products, designed from the outset with an eco-sustainable and circular design, in favour of sustainable mobility;
- **Negative impact - Reduction in energy availability due to energy-intensive production processes:** Failure in implementing energy efficiency measures, or failure in using the most efficient technologies, can lead to excessive energy and fossil fuel consumption;
- **Negative impact - Climate change caused by greenhouse gas emissions:** Climate change is caused by greenhouse gas emissions generated by both direct and indirect activities. Direct emissions (Scopes 1 and 2) come from the consumption of fossil fuels and electricity for owned buildings and facilities, the combustion of fuels for the company fleet, and the materials used during production phases. Indirect emissions (Scope 3) come from the transportation of company products by third parties and the purchase of services, materials, and finished products from suppliers, which result in greenhouse gas emissions during their production activities due to the consumption of non-renewable energy sources and inefficiencies in energy consumption management;
- **Risk - Energy transition of the automotive sector and the evolution of regulations related to climate change:** The energy transition and evolving climate regulations may lead to significant investments and modifications to existing production processes. This could lead to increased operational costs and potential disruptions in the supply chain;
- **Risk - Increased exposure to natural catastrophes following climate change, and possible related unavailability of infrastructure, physical and technological (e.g. production stoppages, ICT**

infrastructure issues): Climate change can heighten the risk of catastrophic events such as floods, storms, and wildfires. These events can disrupt production and damage physical assets (including IT infrastructure), resulting in extra costs and possible business interruption as described in the previous paragraph;

- **Risk - Extra costs following the extension of GHG certificates system:** In the case of extension of the Cap and Trade system, there would be the possible need to purchase greenhouse gas (GHG) certificates to offset emissions can lead to additional costs. These costs may rise in the future due to stricter regulations and general increased demand for certificates, impacting the company's profitability;
- **Risk - External factors imposing changes/new Sustainability-related objectives:** External factors, such as new government regulations or stakeholder pressures, may require Brembo to adopt new sustainability objectives or modify existing ones. These changes could necessitate significant investments and adjustments to business processes, increasing operational costs;
- **Risk - Relationship with Clients in connection to the achievement of Net Zero objectives:** In case of failure in meeting clients' expectations regarding carbon reduction, Brembo may lose contractual awardings and/or suffer reputational damage, negatively impacting sales and growth;
- **Risk - Potential negative outcome from sustainability audits conducted by clients:** obtaining negative results in client audits regarding sustainability aspects represents a risk for Brembo, as it can undermine client relationships and leading to a reduction or interruption of the partnership;
- **Opportunity - Opportunities related to the growing demand for "green" products:** By investing in sustainable technologies and developing low-impact

products, Brembo can attract new customers, increase market share, and enhance its reputation as a sustainability leader;

- **Opportunity - Opportunities to leverage stricter regulations on performance and carbon emissions by improving product requirements and production processes:** Stricter regulations on performance and carbon emissions offer Brembo the chance to improve product requirements and production processes. By adopting advanced technologies and optimising energy efficiency, the company can reduce operational costs, enhance product quality, and gain a competitive edge in the market.

Regarding the methodologies, assumptions, and tools used in identifying and assessing impacts, risks, and opportunities along its value chain, please refer to section ESRS 2 IRO-1 herein.

E1-1 TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

Brembo's Climate Transition Strategy aims to pursue the following strategic objectives:

1. **Company sustainability:** Presentation of Brembo's commitments in terms of environmental sustainability and resilient business evolution in a future low-carbon scenario.
2. **Regulatory and market context:** The transition roadmap is a tool to express Brembo's commitment in accordance with regulatory standards and international frameworks (e.g., Paris Agreement, CSRD, CDP).
3. **Concrete commitment to climate neutrality:** The objectives of the transition strategy are in line the reduction of greenhouse gas emissions consistent with achieving Net Zero by 2050, as envisaged by the European Union.

More specifically, Brembo is committed to significantly reducing its greenhouse gas emissions through targets aligned with scenarios oriented toward limiting global temperature increase to 1.5°C, as stipulated by the commitments made by the United Nations at the COP21 in Paris and the Net Zero criteria of the Science Based Targets initiative (SBTi). It should be noted that Brembo is not part of the EU Paris-aligned Benchmarks.

These targets are set within a short-term horizon to 2030 and a long-term horizon extending to 2040. The latter, or broader horizon, compared to medium-term industrial plans, demonstrates Brembo's foresight and ambition to precede the European Union's commitments to carbon neutrality by 2050. Brembo plans to submit its targets to the SBTi for validation.

For 2030 the objective is to achieve an absolute reduction of 42% in Scope 1 and Scope 2 market-based emissions compared to 2020 levels. This will be accomplished through a significant commitment to the use of renewable energy, leading to a total reduction in emissions from purchased electricity by adopting 100% renewable energy sources. Additionally, an absolute reduction of 42% in Scope 3 emissions is also anticipated compared to 2020 levels.

Looking ahead to 2040, the intensifies further. The goal is to reach a 90% reduction in Scope 1 and Scope 2 market-based emissions compared to 2020 levels. Scope 3 emissions target sees an absolute reduction of 90%. Finally, regarding residual emissions, those that cannot be reduced, (up to a maximum of 10% compared to 2020) will be neutralised through offset interventions that certify the permanent removal of CO2 from the atmosphere.

These objectives reflect Brembo's commitment to a transition in line with the principles of a global roadmap

for a Net Zero future. Moreover, in the coming years Brembo is committed to evaluating its locked-in emissions by conducting a study of the elements that could compromise the achievement of reduction targets.

Regarding the involvement of the transition plan by the administrative, management and supervisory bodies, the progress of Brembo's status towards the roadmap to Net zero is presented during the Board of directors meeting. A clear overview of the current data for Scope 1, 2 and 3 emissions is provided, along with future projections for the coming years. Specifically, assessing Brembo's position in relation to its goals is essential for highlighting the need for actions or investments in specific sectors and emission factors. Brembo is committed to implementing initiatives aimed at reducing its Scope 1, Scope 2, and Scope 3 emissions in order to achieve the climate targets established for 2030 and 2040. These activities involve assessing the feasibility of installing low-impact energy self-production facilities, such as photovoltaic, purchasing renewable energy certificates, upgrading machinery and utilities in its plants to more energy-efficient and less emission-intensive alternatives, and continuously enhancing the engagement of its supply chain through training activities and the establishment of climate-related requirements.

The information related to Brembo's objectives or plans (CapEx, CapEx plans, OpEx) that Brembo has for aligning its economic activities (revenues, CapEx, OpEx) with the criteria established in Commission Delegated Regulation 2021/2139, as well as an explanation of how the transition plan is embedded in and aligned with the Company's overall business strategy and financial planning, has not been disclosed with regard to financial the year 2024.

E1-2 POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

The Group has a structured system of policies and procedures aimed at managing the impacts, risks, and opportunities related to the prevention and monitoring of climate change and energy topics. The policies adopted by the Group not only aim to minimise negative environmental impacts but also to identify and exploit potential opportunities to continuously improve its practices.

Brembo has drafted the **environment and energy policy** to manage all the main environmental issues applicable to the Company in a transversal manner. In addition Brembo has developed its sustainable procurement policy to promote the culture of sustainability related to both environmental and social topics throughout the value chain. Please refer to the following table for an extended description of the contents and structure of the said policies.

Table 14

Key concepts	Scope of application	Responsible function	External standards	Policy availability and sharing
ENVIRONMENT AND ENERGY POLICY				
In line with the goals of the Paris Agreement to keep the increase in the planet's temperature below 1.5°C, Brembo aims to constantly reduce the CO2 footprint of its products and processes, as well as those of the supply chain. This is primarily achieved by promoting the abandonment of fossil resources, favouring renewable ones, and maximising the energy efficiency of its processes. Additionally, guided by the principles expressed by the Task Force on Climate-related Financial Disclosure (TCFD), Brembo identifies its physical and transitional risks, as well as the opportunities arising from the transition to a low-carbon economy.	Brembo has decided to apply the environmental and energy policy at the corporate level, including all plants.	The Chief Executive Officer of Brembo is responsible for the implementation of the global procedure for climate change and the environmental and energy policy, while local Plant Directors / Plant Managers are responsible for local procedures.	In light of the climate scenario of recent years and the growing interest of stakeholders in environmental and sustainability performance, Brembo has developed and maintains an Environmental Management System compliant with ISO 14001:2015 and ISO 50001:2018 standards. Brembo's environmental and energy policy is structured to comply with these standards. The policy also makes reference to the Paris Agreements and TCFD principles.	All those involved in the Group's activities, such as employees, contractors, suppliers, customers, and shareholders, can access Brembo's environmental and energy policy through Company's website and in all production areas of Brembo's plants.
SUSTAINABLE PROCUREMENT POLICY				
The Brembo Group is committed to promoting a culture of sustainability and ensuring responsible and sustainable procurement. Suppliers are required to adopt environmental protection policies based on the LifeCycle Assessment (LCA) principle and reduce CO2 emissions throughout the product life cycle. Suppliers must develop an ISO 14001-compliant environmental management system, optimise the use of natural resources, reduce the use of fossil energy, and properly manage waste. Additionally, Brembo requires transparency on emissions and the implementation of effective measures to reduce them.	The policy is distributed to the main global Brembo suppliers, requiring suppliers to reduce CO2 emissions and adopt sustainable practices throughout the product life cycle.	The Purchasing team is responsible for the update of the policy	The reference standards include ISO 14001 certification for environmental management systems and the OECD guidelines for supply chain due diligence.	Published on Brembo's website and on the Company's Intranet. In addition, Brembo shares the policy and requirements with suppliers through direct communications and requires transparency and collaboration for monitoring emissions and adopting sustainable measures.

Brembo's environment and energy policy addresses the company's commitment to mitigating climate change by reducing its GHG emissions, adapting to climate change through the identification of climate risks and the application of innovative solutions, and utilizing renewable energy resources by promoting the abandonment of fossil resources and maximizing energy efficiency.

As part of the Environmental Management System, Brembo has adopted specific procedures aimed at mitigating and preventing the emission of greenhouse gases from production plants, and in particular:

Brembo procedure "**Management and Monitoring of Greenhouse Gases**" establishes the requirements for the collection and accounting of greenhouse gases (GHG) emitted by production sites, ensuring relevance, completeness, consistency, transparency, and traceability. Risk management includes the appointment of a Process Owner (PO) and the definition of basic principles for the construction of the GHG inventory. Emissions are divided into scope 1, scope 2, and scope 3. The procedure includes the management of site and group data, the calculation of emissions for each scope, and the periodic verification of data. Additionally, Brembo sets objectives for reducing greenhouse gas emissions and a Sustainability Index²⁴ to reduce the carbon footprint.

²⁴ Data used for calculation purposes include within the reporting boundary also Brembo SGL Carbon Ceramic Brakes S.p.A. (BSCCB S.p.A.), a joint venture between Brembo and SGL Group.

E1-3 ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES

Brembo actively prevents negative material impacts and risks and fosters positive material impacts and opportunities concerning climate change (described in section IRO-1) through different actions.

First of all, in order to achieve Net Zero emissions, Brembo has established a Road Map that is continuously refined in response to technical, technological, and market developments. This Road Map encompasses the following actions:

1. **Advanced Monitoring:** Implementation of the Brembo Energy Platform, which utilizes smart factory principles to monitor and optimise energy consumption across key factory utilities.
2. **Replacement of Obsolete Systems:** Adoption of advanced technologies that offer high energy efficiency, thereby reducing the consumption of non-renewable resources.
3. **Dedicated Budget:** Allocation of funds during the investment planning phase specifically aimed at enhancing energy efficiency and reducing emissions.
4. **Losses Reduction:** Targeted initiatives, such as identifying and mitigating compressed air leaks, implementing automatic shutdowns of systems during non-productive periods, and recovering heat from compressor cooling circuits.

To ensure the effective implementation of this strategy and alignment with established objectives, the Environment and Energy area coordinates a working group that includes all relevant company functions. This Group collaborates in various ways to carry out improvement initiatives focused on reducing CO₂eq emissions.

Since 2015, Brembo's climate change policy has set progressively ambitious goals aligned with the UN commitments from the Paris COP21 to address the effects of climate change. To tackle climate change, Brembo has developed a strategy with actions aimed at achieving short, medium (2030), and long-term (2040) greenhouse gas emissions reduction targets for the entire Group.

Specifically, Brembo has established an annual sustainability target defined as a percentage of emissions avoided through improvements, such as the efficient use of all forms of energy and the increased utilisation of renewable energy, compared to the previous year's emission levels.

In 2024, the target of reducing CO₂eq emissions by 20% through improvement actions compared to the previous year's emissions was not only met but even exceeded, achieving a result of 25.2%. This success was driven by energy efficiency projects implemented across all of the Group's plants, as well as an increased share of renewable energy purchased in Poland, the Czech Republic, the US, Spain, and China.

Brembo has implemented key decarbonisation levers²⁵ to address emission sources directly under its control, focusing on energy consumption and production

processes. The primary strategies for achieving climate goals include enhancing energy efficiency and adopting renewable energy. Brembo's approach integrates technological, operational, and organizational measures to minimise environmental impact and reach the Net Zero target by 2040 through gradual steps.

In the pursuit of energy efficiency and process optimisation, key initiatives include the implementation of the Brembo Energy Platform for real-time monitoring of energy consumption the replacement of outdated plants with advanced, energy-efficient technologies, and the allocation of a dedicated budget for sustainability efforts. Additionally, targeted actions aim to reduce losses by addressing compressed air leaks, automating shutdowns during non-productive periods, and recovering heat from cooling circuits, of which contributes to a more efficient and sustainable operation.

As part of the transition to renewable energy, Brembo is evaluating the installation of facilities for the self-production of low-impact energy, including photovoltaic. The Company has purchased renewable electricity to cover 83% of its electricity consumption by 2024 and aims to achieve 100% coverage by 2030, effectively eliminating Scope 2 emissions.

Finally, Brembo is dedicated to innovation and environmental standards by establishing sustainability criteria for new plants and machinery from the design phase. The Group emphasize eco-sustainable products through innovative low-emission solutions and increased use of recycled raw materials to minimise the product life cycle's impact. Additionally, Brembo collaborates with different suppliers to reduce their Scope 1 and Scope 2 emissions, fostering sustainability strategies that align

with Brembo's corporate objectives. To date, there are binding requirements only for Scope 2, while for Scope 1, Brembo requests that suppliers undertake decarbonization actions in line with the sustainable procurement policy.

The information related to Brembo action plan (CapEx, OpEx) has not been disclosed with regard to financial the year 2024. However, investments related to climate change mitigation and energy efficiency are reflected in the disclosure related to the European Taxonomy regulation.

E1-4 TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

Brembo has established a set of measurable, outcome-oriented, and time-bound targets in its Transition Plan to effectively manage negative impacts and risks while promoting positive outcomes.

In line with the UNFCCC Paris Agreement's goal of limiting global temperature rise to below 1.5 °C, Brembo aims to achieve Net Zero emissions by 2040. This ambitious target is supported by a comprehensive roadmap designed to progressively reduce Scope 1, 2, and 3 greenhouse gas emissions.

Central to this strategy is the transition away from fossil fuels, the promotion of renewable energy sources, and the enhancement of energy efficiency across its processes.

By 2040, Brembo aims to achieve the following targets:

- Reduce absolute Scope 1 and market-based Scope 2 emissions by 90% compared to 2020 levels.
- Reduce absolute Scope 3 emissions by 90% compared

²⁵ Specific data about the achieved and expected GHG emission reductions, has not been disclosed with regard to 2024 reporting year.

- to 2020 levels.
- Neutralise absolute emissions by a maximum of 10% compared to 2020 levels.

Moreover, Brembo set intermediates targets to be achieved by 2030:

- Reduce absolute (market-based Scope 2) indirect emissions by 100%.
- Ensure that 100% of electricity used comes from renewable sources.
- Reduce absolute Scope 1 and market-based Scope 2 emissions by 42% compared to 2020 levels.
- Reduce absolute Scope 3 emissions by 42% compared to 2020 levels.

These targets are relative and are measured in tonnes CO₂eq. The baseline values in 2020 were:

- Scope 1 and Scope 2: 371,903 tonnes of CO₂eq;
- Scope 3: 1,666,245 tonnes of CO₂eq.

Table 15

Target (34a e 34b)	Base Year	Current progress	Current progress u.m.	Absolute value of total GHG emissions reduction
Total GHG	2,038,735	2,309,982	Tonnes of Co2eq	+271,247
Scope 1	73,755	108,135	Tonnes of Co2eq	+34,380
Scope 2 (location-based)	480,860	530,752	Tonnes of Co2eq	+49,892
Scope 2 (market-based)	298,736	116,268	Tonnes of Co2eq	-182,468
Scope 3	1,666,245	2,085,578	Tonnes of Co2eq	+419,333

2020 was chosen as the baseline is primarily due to the fact that it was the most recent year with the data present and structured. Brembo intends to update its baseline next year.

In terms of methodologies and key assumptions, the targets were established in alignment with the Science-Based Targets initiative (SBTi) Net Zero criteria, aimed at limiting the global temperature increase to well below 1.5°C. The company plans to submit its targets for validation to the SBTi.

Moreover, they were not set following conclusive scientific evidence, and only internal stakeholders have been involved in their definition. Since their adoption of the target, no changes have been made and the actual performance is in line with the defined targets.

Table 16

Target	Decarbonisation levers (34f, 16b)	Science-based target (34e)	Compatibility with limiting global warming (34e)	If yes, an explanation of that compatibility (16a)
Reduction Scope 1+2 (-42%) by 2030	Self-production of energy; purchase of green electricity certificates, electrification of the processes, Sustainable Design, Eco-sustainable Products	Yes	Yes	This target is compatible with limiting global warming to 1.5 degrees as it follows the Science Based Targets framework, and the trajectory leading to a -42% reduction in 2030 is align to reach the Net Zero goal by 2040
Reduction Scope 3 (-42%) by 2030	Supply chain involvement: Brembo actively collaborates with its suppliers to reduce their Scope 1 and Scope 2 emissions, encouraging them to adopt sustainability strategies aligned with corporate objective; Increase in the use of secondary materials	Yes	Yes	This target is compatible with limiting global warming to 1.5 degrees as it follows the Science Based Targets framework, and the trajectory leading to a -42% reduction in 2030 is align to reach the Net Zero goal by 2040
Reduction Scope 1+2 (-90%) by 2040	Self-production of energy; purchase of green electricity certificates, electrification of the processes, Sustainable Design, Eco-sustainable Products	Yes	Yes	This target is compatible with limiting global warming to 1.5 degrees as it follows the Science Based Targets framework, and the trajectory leading to a -90% reduction in 2040 is align to reach the Net Zero goal by 2040, neutralizing the remaining 10% by purchasing carbon credits
Reduction Scope 3 (-90%) by 2040	Supply chain involvement: Brembo actively collaborates with its suppliers to reduce their Scope 1 and Scope 2 emissions, encouraging them to adopt sustainability strategies aligned with corporate objective; Increase in the use of secondary materials	Yes	Yes	This target is compatible with limiting global warming to 1.5 degrees as it follows the Science Based Targets framework, and the trajectory leading to a -90% reduction in 2040 is align to reach the Net Zero goal by 2040, neutralizing also the remaining 10% by purchasing carbon credits
Neutralising the 10% remaining emissions of Scope 1 and 3 by 2040	Purchase of carbon credits	Yes	Yes	This target is compatible with limiting global warming to 1.5 degrees as it follows the Science Based Targets framework, and the trajectory leading to a -90% reduction in 2040 is align to reach the Net Zero goal by 2040, neutralizing also the remaining 10% by purchasing carbon credits

E1-5 ENERGY CONSUMPTION AND MIX

The following table provides a comprehensive overview of energy consumption of the Group for the years 2022,

Table 17

Energy consumption and mix ²⁶	u.m.	2024	2023	2022
Fuel consumption from coal and coal products (38a)	MWh	81,642	79,512	75,851
Fuel consumption from crude oil and petroleum products (38b)	MWh	35,147	33,057	15,044
Fuel consumption from natural gas (38c)	MWh	298,075	298,184	317,356
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources (38e)	MWh	197,111	287,763	333,305
Total energy consumption from fossil resources (37a)	MWh	611,975	698,516	741,557
Percentage of fossil sources in total energy consumption (AR 34)	%	40	44	50
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (37cii)	MWh	919,810	873,225	742,481
Consumption of self-generated non-fuel renewable energy (37ciii)	MWh	1,007	755	549
Total energy consumption from renewable sources (37c)	MWh	920,817	873,980	743,030
Percentage of renewable sources in total energy (AR 34) consumption	%	60	56	50
Total energy consumption related to own operations (37) (2)	MWh	1,532,791	1,572,496	1,484,587

2023, and 2024, expressed in megawatt-hours (MWh). It captures the dynamics of energy sourcing, detailing the consumption patterns across various fuel types, including fossil fuels and renewable sources.

Table 18

Energy intensity from activities in high climate impact sectors	u.m.	2024
Total energy consumption from activities in high climate impact sectors (41)	MWh	1,532,791
Net revenue ²⁷ from activities in high climate impact sectors used to calculate energy intensity	€ millions	3,841
Energy intensity from activities in high climate impact sectors (40)	MWh/€ millions	399,06

Table 19

Reconciliation to financial statements	u.m.	2024
Net revenue ²⁷ from activities in high climate impact sectors to calculate energy intensity and net revenue ²⁷ from activities other than in high climate impact sectors	€ millions	3,841
Net revenue ²⁷ Total (Financial Statements)	€ millions	3,841

Overall, in 2024, Brembo consumed slightly more than 1,532,791 MWh of energy, representing a decrease by 2.52% compared to 2023, resulting from the implementation of energy efficiency projects and a production decline aligned with the European automotive context.

A significant portion of this energy consumption comes from electricity, which constitutes 72.93% of the total energy use, amounting to over 1,117,928 MWh. This electricity is primarily utilised by the iron melting furnaces, with additional usage in the machining facilities and for the production of compressed air used in manufacturing processes. Furthermore, natural gas consumption, predominantly used in aluminium melting processes, totals over 298,075 MWh.

²⁶ The categories not presented in the table related to Scope 1 (AR 34) are null in Brembo, signifying the absence of the corresponding energy sources.

²⁷ Revenue from contracts with customers, note No. 20 of the consolidated financial statement at 31 december 2024.

E1-6 GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

The greenhouse gas (GHG) emissions for Scope 1, 2, and 3 emitted by the Brembo Group are presented below.

Scope 1

Table 20

Gross Scope 1 greenhouse gas emissions	u.m.	2024	2023	2022
GHG emissions from regulated emission trading schemes (ETS)	tCO ₂ eq	0.00	0.00	0.00
Of which GHG emissions from regulated emission trading schemes (ETS) (Investees)	tCO ₂ eq	0.00	0.00	0.00
Gross Scope 1 GHG emissions (48a)	tCO₂eq	108,135	107,117	100,927
Of which Gross Scope 1 GHG emissions (48a) (Investees)	tCO ₂ eq	690	656	801
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (48b)	%	0%	0%	0%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (investees)	%	0%	0%	0%

Scope 1 greenhouse gas emissions (GHG) pertain to the direct emissions produced from sources that are owned or controlled by an organization. These emissions represent the total sum of greenhouse gases, expressed in CO₂ equivalents. For Brembo, the direct climate-altering emissions arise from facilities, assets, and vehicles that the company directly manages. This category encompasses emissions resulting from various activities, including the combustion of fossil fuels in melting furnaces, leaks of refrigerant gases from air conditioning systems, and the use of fossil fuels in the corporate fleet.

The calculation of CO₂ equivalent emissions, which encompasses CO₂, CH₄, NO₂, and HFC emissions when applicable, was conducted in accordance with the guidelines

of the GHG Protocol. This calculation utilised emission factors published by various reputable sources, including:

- AIB (Association of Issuing Bodies)
- IEA (International Energy Agency)
- UK Department for Environment, Food and Rural Affairs and Department for Business, Energy and Industrial Strategy

- Eurostat
- EPA (Environmental Protection Agency)

Emissions from cooling gas leakages were also included in the calculations. This figure accounts for the amount of refrigerants released into the atmosphere, as recorded in special registers during periodic refills of air conditioning systems. In cases where such records are absent or there is no evidence of gas refills throughout the year, it is assumed that all gas contained in the air conditioning systems has been released into the atmosphere as a precautionary measure.

Scope 2

Table 21

Gross Scope 2 greenhouse gas emissions	u.m.	2024	2023	2022
Gross location-based Scope 2 GHG emissions (49a)	tCO₂eq	530,752	597,556	540,466
Of which Gross Scope 2 greenhouse gas emissions (Investees)	tCO ₂ eq	5,048	6,145	4,196
Gross market-based Scope 2 GHG emissions (49b)	tCO₂eq	116,268	174,427	188,722

Scope 2 greenhouse gas (GHG) emissions refer to the indirect emissions resulting from the generation of electricity purchased by Brembo, as well as from the heating of water/steam supplied to the Group through district heating systems. Through these purchases, Brembo indirectly contributes to the emissions generated by energy or heat suppliers.

As can be seen from the table above, the market-based scope 2 values decrease over time as Brembo continues its strategy of reducing Scope 2 emissions by purchasing an increasing percentage of renewable energy certificates,

aiming to cover with these certificates the 100% of its consumption by 2030.

The following table presents a detailed analysis of the contractual instruments used for managing greenhouse gas emissions, expressed in tonnes of CO₂ equivalent (tCO₂eq). The contractual instruments are divided into two main categories: unbundled instruments and bundled instruments. The table shows the emissions associated with each type of instrument, along with the percentage that each represents of the total contractual instruments used.

Table 22

Contractual instruments	Emissions (tCO ₂ eq)	Percentage of contractual instruments (%)	Types of contractual instruments
Guarantees of origin (GO)	260,912	47.8	Unbundled instruments
International renewable energy certificates (IRECs)	138,064	25.3	Unbundled instruments
Guarantees of origin (GO)	78,824	14.4	Bundled instruments
Photovoltaic by third party on site PPA	810	0.2	Bundled instruments
International renewable energy certificates (IRECs)	66,978	12.3	Bundled instruments

Brembo, where economically sustainable and feasible, prioritizes the purchase of power purchase agreements (included within the GO and IREC bundled), otherwise it uses GO certificates (for countries within the European Union) and IREC certificates.

The overall Scope 2 emissions were calculated using the market-based method, which reflects the total emissions associated with electricity consumption.

Scope 3

Scope 3 greenhouse gas (GHG) emissions refer to those emissions not included in the previous categories but are nonetheless connected to Brembo's value chain. This scope comprises a total of 15 categories, of which Brembo is included 9 in its calculations.

Table 23

Gross Scope 3 greenhouse gas emissions	u.m.	2024	2023	2022
Category 1 Purchased goods and services	tCO ₂ eq	1,485,806	1,651,476	1,302,211
Category 2 Capital goods	tCO ₂ eq	136,016	134,226	192,802
Category 3 Fuel and energy-related Activities (not included in Scope 1 or Scope 2)	tCO ₂ eq	74,994	84,319	83,959
Category 4 Upstream transportation and distribution	tCO ₂ eq	51,586	45,170	79,571
Category 5 Waste generated in operations	tCO ₂ eq	76,238	73,849	68,876
Category 6 Business travel	tCO ₂ eq	3,923	3,709	1,751
Category 7 Employee commuting	tCO ₂ eq	34,279	28,763	41,615
Category 9 Downstream transportation	tCO ₂ eq	189,986	172,365	142,610
Category 15 Investments	tCO ₂ eq	32,799	37,296	42,210
Gross Scope 3 GHG emissions (51)	tCO₂eq	2,085,578	2,241,173	1,955,606

In the calculation of Scope 3 categories, Brembo favors and uses mostly primary data; where these are not available, approximations are used, always following the indications given in the GHG Protocol. Specifically, for categories 1, 4, 5, 6, 7 and 9 of Scope 3 GHG emissions, it was necessary to rely on estimates and assumptions. These categories have a medium degree of uncertainty, primarily due to the emission factors used for quantifying category 1 and for the activity data used for categories 4,5,6,7 and 9. For the remaining categories, there is a low degree of uncertainty.

Specifically, the following methodologies were applied to Scope 3 emissions:

- Category 1: For aluminum suppliers, calculations were based on data from the current year, while for other suppliers, data from the previous year was utilized. Emissions were estimated using primary data of 190 relevant suppliers, and secondary data for all the other suppliers of goods and services. The methodology applied is the hybrid method as listed in the Technical Guidance for Calculating Scope 3 emissions by GHG Protocol.
- Category 2: The methodology applied is the average spend-based method as listed in the Technical Guidance for Calculating Scope 3 emissions by GHG Protocol. The figure represents the GHG emissions originated from the purchasing of new buildings, plants, machinery, industrial and commercial equipment and other assets.
- Category 3: The calculation methodology for this category includes Well-to-Tank (WTT) emissions related to electricity, district heating, and fuels, following the GHG Protocol guidelines.
- Categories 4, 5, 6, 7, and 9: The methodology applied is the distance-based method, as listed in the Technical

Guidance for Calculating Scope 3 emissions by GHG Protocol. Category 4 represents the amount of GHG emission produced by the transport of products between Brembo's factories and the transport of products to clients paid for by Brembo. GHG emissions were calculated starting from the kilometers covered by vehicles and the average weight transported. Category 5 also includes emissions from waste disposal, in accordance with GHG Protocol guidelines. Category 6 is related to employees' air and train travel. GHG emissions were calculated starting from the kilometers covered by each flight or train journey. For category 7 The figure is related to employees commuting from home to work and back. GHG emissions were calculated starting from the kilometers covered by each type of vehicle and category 9 represents the amount of GHG emission produced by the transport of products to clients paid by the clients. GHG emissions were calculated starting from the kilometers covered by vehicles and the average weight transported.

- Category 15: The methodology applied is the investment-specific method, as listed in the Technical Guidance for Calculating Scope 3 emissions by GHG Protocol. This amount represents the amount of GHG emission from equity investments of the reporting year, not already included in Scope 1 or Scope 2.

Categories that are not included in the Greenhouse Gas Inventory due to their low significance relative to the other categories based on the significance analysis carried out in accordance with the GHG Protocol Standard are as follows:

- Category 8: In case any leased asset was used by Brembo, the tonnes CO₂e are included in our Scope 1 and Scope 2 figure, since Brembo has operational control over these assets.

- Category 10: This emission source is considered to be an extremely minimal portion of Brembo's overall emissions, and therefore considered as not relevant.
- Category 11: The braking system does not produce direct CO2e emissions through its use. In addition, Brembo is constantly investing in R&D to develop more sustainable brake systems that have less impact on the environment, such as braking systems designed to have a lighter weight to contribute to emission reduction of customers' vehicles on which they are installed.

- Category 12: This emission source is considered to be an extremely minimal portion of Brembo's overall emissions, and therefore considered as not relevant compared to the manufacturing of the whole final product/vehicle.
- Category 13: Downstream leased assets are not relevant to our Scope 3 emissions, since they would already be accounted for in our Scope 1 and Scope 2 inventory.
- Category 14: Brembo does not have any franchises.

Table 24

GHG intensity per net revenue ²⁸ (AR 53 and 54)	2024	2023	%
Total GHG emissions (location-based) per net revenue²⁸ (tCO2eq/€ million)	709,31	764.35	-7%
Total GHG emissions (market-based) per net revenue²⁸ (tCO2eq/€ million)	601,40	652.82	-8%

Total

Table 25

Retrospective	Milestones and target years *						
	Base year (2020)	Comparative (2023)	N (2024)	% N / N-1	2025	2030	2050 Annual % target / Base year
SCOPE 1 GHG EMISSIONS							
Gross Scope 1 GHG emissions (tCO2eq)	73,755	107,117	108,135	1%	N/A	N/A	N/A
Of which from Investees		657	690	5%			
Percentage of Scope 1	4%	4%	5%		N/A	N/A	N/A
GHG emissions from regulated emission trading schemes (%)	0%	0%	0%		N/A	N/A	N/A
SCOPE 2 GHG EMISSIONS							
Gross location-based Scope 2 GHG emissions (tCO2eq)	480,860	597,556	530,752	-11%	N/A	N/A	N/A
Of which from Investees		6,145	5,048	-18%			
Gross market-based Scope 2 GHG emissions (tCO2eq)	298,736	174,427	116,268	-33%	N/A	N/A	N/A
Of which from BSCCB S.p.A.		0	0	0%			

28 Revenue from contracts with customers, note No. 20 of the consolidated financial statement at 31 december 2024.

Retrospective		Milestones and target years *							
		Base year (2020)	Comparative (2023)	N (2024)	% N / N-1	2025	2030	2050	Annual % target / Base year
SIGNIFICANT SCOPE 3 GHG EMISSIONS									
Total Gross indirect (Scope 3) GHG emissions (tCO2eq)		1,666,245	2,231,173	2,085,578	-7%				
1	Purchased goods and services	1,142,975	1,651,476	1,485,806	-10%	N/A	N/A	N/A	
2	Capital goods	112,015	134,226	136,016	1%	N/A	N/A	N/A	
3	Fuel and energy-related Activities (not included in Scope1 or Scope 2)	92,654	84,319	74,994	-11%	N/A	N/A	N/A	
4	Upstream transportation and distribution	18,220	45,170	51,586	14%	N/A	N/A	N/A	
5	Waste generated in operations	58,817	73,849	76,238	1%	N/A	N/A	N/A	
6	Business travelling	639	3,709	3,923	6%	N/A	N/A	N/A	
7	Employee commuting	33,455	28,763	34,279	19%	N/A	N/A	N/A	
8	Upstream leased assets	160,428	-	-	-	N/A	N/A	N/A	
9	Downstream transportation	-	172,365	189,986	10%	N/A	N/A	N/A	
15	Investments	47,042	37,296	32,799	-12%	N/A	N/A	N/A	
Total GHG emissions (location-based) (tCO2eq)		2,220,860	2,935,846	2,724,465	-7%				
Total GHG emissions (market-based) (tCO2eq)		2,038,736	2,512,717	2,309,982	-8%				

Scope 1

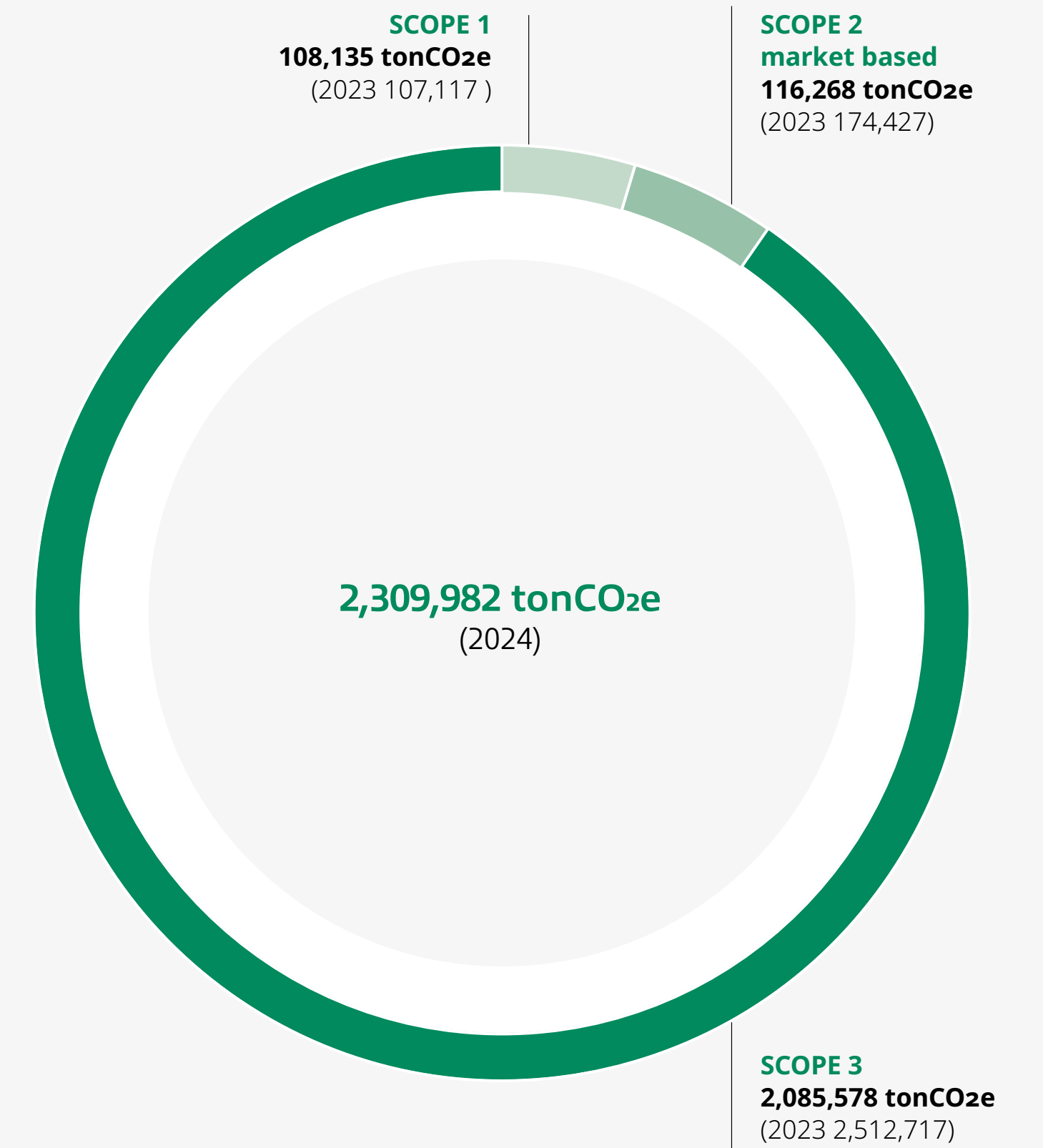
Scope 1 greenhouse gas emissions (GHG) pertain to the direct emissions produced from sources that are owned or controlled by an organization. These emissions represent the total sum of greenhouse gases, expressed in CO2 equivalents.

Scope 2

Scope 2 greenhouse gas (GHG) emissions refer to the indirect emissions resulting from the generation of electricity purchased by Brembo, as well as from the heating of water/steam supplied to the Group through district heating systems.

Scope 3

Scope 3 greenhouse gas (GHG) emissions refer to those emissions not included in the previous categories but are nonetheless connected to Brembo's value chain.



E2 - POLLUTION

E1-7 GHG REMOVALS AND GHG MITIGATION PROJECTS FINANCED THROUGH CARBON CREDITS

In order to neutralize the remaining 10% of CO₂ equivalent emissions by the year 2040, the company intends to implement measures that will either permanently remove or actively support the removal of greenhouse gases (GHGs) from the atmosphere through the acquisition of carbon credits. However, it is important to note that, at present, there are no initiatives in place specifically aimed at the removal of GHGs.

E1-8 INTERNAL CARBON PRICING

At present, Brembo does not utilise an internal price for CO₂ emissions. However, the Company is actively engaged in efforts to introduce carbon pricing within its business cases, with a target timeline of 1 to 2 years for implementation.

It is important to note that there are no critical assumptions made at this time to determine the carbon price applied, as the internal pricing scheme has yet to be established.

Additionally, since Brembo does not currently have an internal carbon pricing scheme in place, the disclosure regarding the consistency of the carbon price used in this scheme with the carbon price reflected in financial statements is not applicable.

E2 IRO-1 DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL POLLUTION-RELATED IMPACTS, RISKS AND OPPORTUNITIES

The double materiality assessment has led to the identification of Impacts, Risk and Opportunities related to the matter of pollution. The material IROs are listed below.

- **Negative impact – Emissions of pollutants into the air:** The production processes of components for braking systems of cars, motorcycles and commercial vehicles generate polluting emissions such as carbon monoxide (CO), nitrogen oxides (NO_x), fine particulate matter (PM), hydrogen sulphides (H₂S) and sulphur oxides (SO_x) which can potentially harm the environment and human health;
- **Negative impact - Pollution of water resources:** The production processes of braking systems could discharge pollutants deriving from the processing of cast iron and aluminium and/or from the painting process. These discharges may cause pollution of water resources, resulting in damage to the environment and potential risks to human health;
- **Risk - Potential regulatory non-conformity of a Brembo product:** In case of a non-conformity of a product in terms of emissions, Brembo may be exposed to extra costs, refunds, fines and interruptions to the customer's business. The same exposure would occur also in the case that such non-conformity is caused by a supplied component;
- **Risk - Environmental pollution following an accidental event:** In case of an accidental event (e.g. a fire) taking place at a Brembo's plant, environmental pollution may occur a consequence. In such cases, the competent authority could impose the

- interruption of activities thus leading to extra costs for decontamination and potential legal liabilities;
- **Risk - Compliance with environmental and chemical regulations, and the ability to grasp changes:** Increased environmental awareness and global agreements such as the Paris Climate Agreement lead to more restrictive regulations. Brembo faces the risk of not anticipating these changes, impacting operations with inefficiencies. Non-compliance, in relation with delays in authorizations, can cause production disruptions.
- **Risk - Acquisition of a company with polluted subsoil:** in order to expand its business, Brembo may decide to acquire a piece of land or an already existing company. Both scenario embed the risk of acquiring a productive area with polluted subsoil. In the event this is not timely discovered through the specific due diligence, Brembo may acquire liabilities and be exposed to sanctions and penalties.

In order to identify potential impacts, risk and opportunities related to pollution Brembo has considered all its production plants and the overall value chain as described in section ESRS 2 IRO-1 herein.

E2-1 POLICIES RELATED TO POLLUTION

The Group has a structured system of policies and procedures aimed at managing impacts, risks and opportunities related to the prevention and monitoring of pollution. The policies adopted by the Group not only aim to minimise negative impacts on the environment, but also to identify and seize potential opportunities to continuously improve its practices.

The policy and specific operating procedures related to the pollution of environmental matrices are described below:

Brembo has drawn up the “**environment and energy policy**”, designed to manage all the main environmental issues applicable to the Company. For the full description of the contents and interoperability between the various environmental ESRSs, please refer to chapter E1-2.

The details of the policy relating to the matter of pollution are listed below:

With regard to pollution, Brembo is committed to mitigating the impact of its emissions, especially those due to substances of very high concern (SVHC), on all environmental matrices, with particular attention to air, soil and water. In this regard, Brembo maintains an effective monitoring and updating system of its treatment plants in accordance with the Best Available Techniques, with the challenging goal of keeping emissions well below legislative limits. In addition, thanks to the continuous research for innovative materials and technical solutions, both in terms of process and product, Brembo aims to use less impactful substances, minimising its environmental impact both in the production and use of its products.

As part of its Environmental Management System, Brembo has adopted specific procedures aimed at mitigating and preventing the pollution of environmental matrices in its production plants, and in particular:

- The “**Management of emissions into the atmosphere**” procedure, which aims to establish the requirements and methods for the management and monitoring of polluting emissions generated by production processes and auxiliary activities.
- The “**Water cycle management**” procedure, which aims to establish the methods for managing the integrated water cycle at Brembo sites.

- The “**Management of Chemical Substances**” procedure, which aims to establish a methodology for the management of chemicals used within Italian sites, ensuring compliance with national and international chemical regulations.

E2-2 ACTIONS AND RESOURCES RELATED TO POLLUTION

With regards air emissions, Brembo recognizes that pollutant emissions from its production processes may adversely affect the health of communities adjacent to its facilities and pose risks to local flora and fauna. To mitigate these impacts, Brembo has implemented an Environment and Energy Management System that establishes common requirements across all Group plants, aimed at maintaining environmental risks well below the emission limits mandated by the legislation of the countries in which it operates. Each facility has developed appropriate monitoring plans to ensure that emissions from production processes, including odorous emissions, are limited to technological thresholds. Typical parameters monitored include those emitted during melting processes (such as powders, NOx, and SOx) and those generated by mechanical processing and painting processes (powders and VOCs), with emission values governed by local legislation. To further reduce pollution risk, Brembo mandates that each emission point be equipped with abatement systems that ensure atmospheric emissions are at least 60% lower than local legislative limits. Additionally, Brembo monitors the quantity of coolants (HFC and HCFC) released into the atmosphere, calculating the corresponding CO2 equivalent impact. The scope of these actions encompasses all emission points across Brembo’s facilities, ensuring that the internal requirements for abatement systems are uniformly applied.

The key actions related to air emissions are to be completed on an annual basis, with ongoing monitoring and assessment to ensure compliance and effectiveness.

In terms of water emissions, Brembo’s Environment and Energy Management System also addresses water usage. The Water Management procedure establishes requirements and restrictions to ensure the rational use of water resources and protection against potential accidental contamination. These requirements are binding for all Brembo facilities, ensuring uniform application of the procedure. Specifically, in cases of potential contamination due to water discharge, the procedure mandates limits that are up to 60% lower than those set by local regulations. Consequently, all sites are required to implement appropriate measures to maintain pollutant concentrations in discharges consistently below this threshold, utilising products with lesser environmental impact or employing advanced discharge water treatment technologies. Each plant conducts a risk and opportunities assessment for processes impacting water resources, leading to mitigation actions for areas identified as high risk or with significant opportunities. Furthermore, Brembo carries out - through the World Resource Institute’s (WRI) ACQUEDUCT methodology - an annual company-wide risk evaluation to assess exposure to water quality and availability risks at each Group site. As for air emission, the scope of these water management actions applies uniformly across all Brembo facilities, ensuring comprehensive adherence to the established requirements and the actions that are to be completed on an annual basis, with continuous monitoring and evaluation to uphold compliance and effectiveness.

The information related to Brembo action plan (CapEx, OpEx) has not been disclosed with regard to financial the year 2024.

E2-3 TARGETS RELATED TO POLLUTION

The target established by Brembo stipulates that pollutant concentrations in air and water discharges must be maintained at levels lower than 60% of the limits imposed by local regulations. The defined target level is absolute, measured in percentage (%), indicating the specific concentration levels to be achieved. The scope of this target encompasses all Brembo plants (direct operations) worldwide, ensuring comprehensive application across the company’s activities. Performance against the disclosed targets is monitored through annual measurements to ensure compliance with pollutant thresholds in air and water. The monitoring process confirms that the targets are being met as initially planned, with ongoing analysis of trends and significant changes in performance towards achieving the established targets. The target is not mandatory, and it is not required by legislation, affirming the commitment of the company to monitor these kinds of pollutants during its processes.

This target is closely aligned with Brembo’s policy objectives, reflecting the company’s commitment to preserving essential environmental matrices such as water, soil, and air. As part of its Environment and Energy Management System, Brembo has implemented an Air Emission, Soil, and Water Management procedure that imposes requirements and restrictions across all Group plants to ensure sustainable use and protection against pollution. This ambitious objective is supported by a robust monitoring system for the principal pollutants resulting from production processes and the installation of treatment plants in accordance with Best Available Techniques (BAT).

The methodologies and assumptions used to define the target are based on the recognition that pollutant

emissions from Brembo’s production may have direct negative effects on the health of adjacent communities and local flora and fauna. The Environment and Energy Management System has introduced common requirements across all Group plants to contain environmental risks well below the emission limits provided for local legislation. Each plant has established monitoring plans to ensure that emissions generated by production processes - including odorous emissions, which are not typically covered by legislative requirements - are limited to technological thresholds. Additionally, the Water Management procedure within the Environment and Energy Management System sets stringent requirements for rational water use and protection against accidental contamination.

The targets related to environmental matters are based on conclusive scientific evidence, with values derived from precise measurements conducted at plants subject to regular or ongoing spot checks. Emissions at each plant are calculated based on these measurements, taking into account the concentration of harmful substances, mass flow, and operating time.

There has been no involvement of stakeholders in the target-setting process for these material sustainability matters and there have been no changes to the targets, corresponding metrics, or underlying measurement methodologies, significant assumptions, limitations, sources, or data collection processes within the defined time horizon.

E2-4 POLLUTION OF AIR, WATER AND SOIL – GENERAL

Primary data is gathered from factories using the EE Data Collection system, which ensures a systematic approach to data acquisition. Once collected, this data is automatically transferred to the non financial reporting system for further processing. The emissions are reported by the sites that perform chimney monitoring, adhering to the necessary legislative requirements. Following this phase, the emission data is reprocessed based on the guidelines outlined in the procedure “Atmospheric emission management”, ensuring accuracy and compliance throughout the process.

Table 26

Pollutant Name ²⁹	u.m.	2024		
		Air	Water	Soil
Ammonia (NH3)	kg	195.47	-	-
Anthracene	kg	0.12	-	-
Arsenic and compounds (as As)	kg	0.56	-	-
Benzene	kg	763.97	-	-
Cadmium and compounds (as Cd)	kg	0.56	-	-
Carbon dioxide (CO2)	kg	1,263.95	-	-
Carbon monoxide (CO)	kg	571,520.16	-	-
Chlorides (as total Cl)	kg	-	1,757.38	-
Chlorine and inorganic compounds (as HCl)	kg	483.54	-	-
Chromium and compounds (as Cr)	kg	20.65	0.01	-
Copper and compounds (as Cu)	kg	97.67	-	-
Cyanides (as total CN)	kg	-	0.04	-
Fluorides (as total F)	kg	-	0.01	-
Fluorine and inorganic compounds (as HF)	kg	107.82	-	-
Lead and compounds (as Pb)	kg	11.65	-	-
Methane (CH4)	kg	6,462.99	-	-
Naphthalene	kg	0.90	-	-
Nickel and compounds (as Ni)	kg	30.00	0.65	-
Nitrogen oxides (NOx/NO2)	kg	144,164.11	-	-
Nitrous oxide (N2O)	kg	15,919.43	-	-
Non-methane volatile organic compounds (NMVOC)	kg	54,089.80	-	-
Particulate matter (PM10)	kg	351,934.91	-	-
Polycyclic aromatic hydrocarbons (PAHs)	kg	1.56	0.03	-
Sulphur oxides (SOx/SO2)	kg	90,906.79	-	-
Total nitrogen	kg	-	14.14	-
Total organic carbon (TOC) (as total C or COD/3)	kg	-	3.06	-
Total phosphorus	kg	-	1.50	-
Zinc and compounds (as Zn)	kg	202.82	0.23	-
Total	kg	1,237,932.32	1,777.06	-

Brembo has consolidated the emissions data, encompassing the amounts from facilities over which it has operational control. The substances listed in the table are those deemed applicable to the processes of Brembo. Consequently, these substances are not subject to monitoring, as they are not emitted.

the company exercises operational control. The measurement methodologies adopted for monitoring emissions include direct measurement through tools such as online analysers, as well as calculations based on site-specific data, thereby ensuring an accurate assessment of emissions. It is noted that it is not possible to make comparisons with previous years regarding emissions, as these are influenced by difficult-to-control variables, such as the production mix, which can significantly impact the quantity of substances emitted.

In the context of emissions reporting, Brembo has taken into account the emissions of pollutants to water, particularly in areas identified as being at water risk, including those experiencing high water stress.

Table 27

Emissions of pollutants to water in areas at water risk	u.m.	2024
Total emissions of pollutants to water occurring in areas at water risk	kg	1,731.98
Total emissions of pollutants to water occurring in areas of high-water stress	kg	1,731.98
Total water pollutants	kg	1,777.06
Percentage of total emissions of pollutants to water occurring in areas at water risk	%	97.5%
Percentage of total emissions of pollutants to water occurring in areas of high-water stress	%	97.5%

E2-5 SUBSTANCES OF CONCERN AND SUBSTANCES OF VERY HIGH CONCERN

This disclosure about substances of concern aims at providing an understanding of actual or potential impacts related to such substances, also taking account of possible restrictions on their use and/or distribution and commercialization. These substances may be present in the auxiliaries and in the raw materials used in the production processes, or in the purchased articles which compose the final goods.

For the annual report 2024, Brembo acknowledges the Substances of Concern (SoC) as Substances of Very High Concern (SVHC) listed in the latest 2024 ECHA Candidate List, dated 07th November 2024, in accordance with Article 59 of the REACH Regulation applicable at the European level, Substances with a harmonized classification (Annex. VI. Part 3, CLP - Regulation 2008/1272 and its amendments) that meets the requirements for specific health and environmental hazards, and Persistent Organic Pollutants (according to POPs Regulation - Regulation 2019/1021 and its amendments). Brembo is actively undertaking an analysis to identify a comprehensive list of these substances, especially for the Substances of Very High Concern (SVHC) at the group level, aiming to identify and prevent the possible impacts on environmental matrices and human health.

In light of all this, Brembo has made every effort to collect the necessary information from its suppliers to disclose the quantities of Substances of Concern (SoC) and Substances of Very High Concern (SVHC). However, as this involves third parties and pertains to 'value chain information', it has proven to be challenging. This difficulty arises from various factors, including existing contractual arrangements, the level of control exercised over the suppliers and the geographical spread of the manufacturing. In particular, the collection of data has been particularly difficult in extra-European

countries because outside of Europe the REACH Regulation is not applicable and entities follow a different legislative framework. Moreover, the adoption of different versions of the Globally Harmonized System (GHS), instead of the EU adaptation, in these countries may lead to a significantly different hazard classification of substances. This approach will require the Company to classify all the substances at Group level by following the EU criteria, sometime modifying the suppliers' classification.

Since a European standard methodology is missing, neither at Global level, Brembo is developing its method to gather reliable and accurate data from the supply chain. Actually, the preparation of an estimation did not yield reasonable and supportable information, as Brembo is unable to consider all the variables that characterise the semi-finished products used in the finished products. Unfortunately, sector averages or market proxies that could assist in the estimation are not available at this time. Furthermore, as stated in ESRS paragraph ESRS 1 - 5.2, paragraph 72, the incorporation of estimates must not result in information that fails to meet the qualitative characteristics of reliable data.

In light of the foregoing it has not been possible to gather complete and reliable information regarding Substances of Concern and Substances of Very High Concern for the Group during this initial year of disclosure. Since this also pertains to information that needs to be collected throughout the value chain, Brembo is utilising the transitional provision outlined in ESRS 1, Article 10-2, paragraph 133(b), which permits reporting on this information starting from subsequent years.

The data collection process is currently being enhanced and will be refined for next year's disclosure, which for year current disclosed is mostly qualitative. Brembo is collaborating with its value chain partners to gather all relevant data concerning Substances of Concern and Substances of Very High Concern.

E3 - WATER AND MARINE RESOURCES

E3 IRO-1 DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL WATER AND MARINE RESOURCES-RELATED IMPACTS, RISKS AND OPPORTUNITIES

The double materiality assessment has led to the identification of the following impact related to the matter of water management.

- **Negative impact - Scarcity of water resources, particularly in areas of water stress, caused by the consumption of water in the production process:** The processes of extracting bauxite, cast iron and producing braking systems could in general contribute to reduce the availability of water, particularly in areas of water stress.

In order to understand which sites are located in areas at "Extremely High Risk" and "High Risk", Brembo carried out an analysis based on WRI Aqueduct for Baseline Water Stress and WWF Water Risk Filter tools. The result stated that the owned sites located in risky areas are the following ones:

- 3 Mexican facilities located in the Rio Bravo river basin, Monterrey area
- 3 Chinese facilities, two of which located along the China's East Coast and one in Yongding He river basin, Hebei region
- 2 Indian facilities in India's East Coast and Krishna river basin
- 1 North American facility in North Atlantic Coast river basin, New Jersey
- 1 Italian facility in Po river basin
- 3 Spanish facility along the South-East Coast
- 1 Polish plant in Oder river basin

With regard to the methodologies, assumptions and tools used in identifying and assessing material impacts, risks and opportunities along Brembo's value chain, please refer to section ESRS 2 IRO-1 herein.

E3-1 POLICIES RELATED TO WATER AND MARINE RESOURCES

The Group has a structured system of policies and procedures aimed at managing the impact related to water management. The policies adopted not only aim to minimise negative impacts on the environment, but also to identify and exploit opportunities to continuously improve their practices.

Brembo has drawn up its "**environment and energy policy**", designed to manage all the main environmental issues applicable to the Company. Please refer to chapter E1-2 for the full description of the contents and interoperability between the various environmental ESRSs.

Brembo promotes the sustainable use of water resources along the entire value chain, with particular attention to geographical areas at water risk. The Company is committed to reducing water consumption by increasing reuse and recycling, minimising wastewater leakage and discharge. This goal is achieved through efficient water management practices, the adoption of innovative processes and the promotion of the use of alternative water sources, avoiding subtracting valuable resources from the local area. Brembo also recognizes that access to clean water and sanitation is a fundamental human right. Therefore, the Company ensures that all workers have access to WASH (water, sanitation, and hygiene) services at an appropriate level of standard, ensuring that their needs are met in a safe and sustainable manner.

Brembo has also developed and keeps constantly updated an Environmental Management System which includes the “**Water cycle management**” operating procedure, designed to establish the methods for managing the water cycle at all Brembo sites. In particular, the procedure addresses sustainable management of water resources in all phases of the production and auxiliary cycle, defining a process aimed at identifying water uses and consumption, determining areas of significant use and identifying opportunities for improvement. The procedure also regulates the management of pollutants in water, as reported in chapter E2-1.

Brembo has defined a strategy that promotes the rational use of water, progressively reducing its use in production processes and promoting supply from alternative sources, such as the recovery from other processes. As regards the risk of contamination of environmental matrices due to water discharge, the requirements of the procedure provides for equally stringent requirements: the limits to be observed are up to 60% lower than those established by local regulations. As a result, all sites are required to take measures to ensure that the concentration of pollutants in the discharges consistently remains below the limits over time, for example by using products or substances with a lower impact or by adopting wastewater treatment technologies. With a view to sustainable development, Brembo is committed to understanding the environmental impact of its products and services throughout their entire life cycle, with the aim of offering the market increasingly environmentally friendly solutions, improving the environmental performance of the products a stimulus to innovation and a competitive advantage for the Company.

Furthermore, during the product design phase, Brembo adopts the concepts of circular economy to promote

solutions that allow resources otherwise destined for waste to be made available again, minimising the use of virgin material.

Brembo is committed to improving the management of water resources, particularly in areas of high water stress. These areas are identified through the use of water risk assessment tools and specific geographical analyses.

Currently, Brembo operates fifteen plants located in regions classified as high water stress, all of which are governed by the Company’s policies and procedures related to water management.

It is important to note that no policies or practices concerning sustainable oceans and seas have been adopted, since this aspect is not applicable to the Brembo Group’s business operations.

E3-2 ACTIONS AND RESOURCES RELATED TO WATER AND MARINE RESOURCES

Brembo is committed to managing its material sustainability matters effectively, particularly in relation to water scarcity. The Company is currently exploring alternative sources of water for its plants affected by water scarcity. Most of the plants receive water from the public network to ensure continuity of supply throughout all seasons and to prevent any business interruptions due to predictable water rationing. The scope of this action is to ensure business continuity, avoid depriving the local community of fresh water, and control water costs to maintain affordability even in emergency situations. The key implementation projects are expected to be completed by 2030. Moreover, Brembo aims to identify all locations

where alternative water sources are necessary, particularly in plants located in high-risk water scarcity areas, and to determine the most efficient solutions for utilising these alternative sources.

Brembo has strategically designed its processes to avoid the need for water wherever possible. The disc machining plants have successfully transitioned to dry machining techniques, eliminating the requirement for wet cutting emulsions. Furthermore, all operations utilise closed circuit cooling systems that effectively cool the water and facilitate its recirculation multiple times. In addition to these measures, efficiency improvements have been implemented, such as installing flushing systems in toilets that reduce the volume of water used per flush.

A notable example of Brembo’s commitment to sustainable practices can be seen in its Mexican cast iron foundry, where a water reuse system has been built in 2024, with the objective to use an alternative source of water, in particular from the municipal wastewater treatment facility in Monterrey.

The information related to Brembo action plan (CapEx, OpEx) has not been disclosed with regard to financial the year 2024.

E3-3 TARGETS RELATED TO WATER AND MARINE RESOURCES

Brembo has established measurable outcome-oriented targets to assess progress in its sustainability efforts. The target established by Brembo centres on the measurement of water flows, aiming to translate the policy statement on the “responsible use of natural resources” into concrete actions. Specifically, the goal is for all Brembo plants to

achieve 100% measurement of water flows by 2025. The target is absolute and is expressed as a percentage of the measured flows. The scope of this target includes all Brembo activities, ensuring that precise measurements can be compared against both internal and external benchmarks and best practices. To meet this target, efforts will focus on installing meters in locations where they are currently absent and closely monitoring the installation programme to ensure successful achievement by 2025. The group has completed the installation of inlet water flow meters in all production plants as early as 2022 and will complete the installation of discharge and significant internal use meters this year. The accurate measurement can lead to potential water saving of 5-10%. No stakeholders were involved in the target-setting process, and there have been no changes to the targets or the associated metrics, methodologies, or assumptions.

The water targets set by Brembo are designed to allow for the detection of any abnormal consumption during operations, thereby enabling the implementation of improvement actions aimed at reducing water usage. The target relates to the reduction of water consumption, although it is not mandatory by legislation.

E3-4 WATER CONSUMPTION

The total Group's water consumption for 2024 is equal to 916,125.56 m³ (Table 30). The total water consumption in areas at material water risk, including those experiencing high-water stress, amounts to 250,432.38 m³. Additionally, the total water recycled and reused is 89,097.24 m³, while no water is currently stored.

Table 28

	u.m.	2024	2023	2022
Water consumption	m ³	916,125.56	988,880.00	966,230.00
Total water consumption in areas at water risk, including areas of high-water stress	m ³	250,432.38	242,870.00	223,210.00
Water recycled and reused	m ³	89,097.24	-	-
Water stored	m ³	0	-	-
Changes in water storage	m ³	0	-	-
Water intensity ratio	m ³ /€ millions	238.51	256.91	266.25
Water withdrawals	m ³	1,599,240.01	1,620,720.00	1,569,750.00
Water discharges	m ³	683,114.46	631,840.00	603,520.00

The process of water management and monitoring is governed by common requirements outlined in the procedure "Water cycle management", which supplement the regulatory requirements specific to each country. Primary data are collected through meter readings and bills, documented by the plants, and periodically compiled in the EE Data Collection. This data is then automatically transferred to the Non-Financial Reporting (NFR) system.

Regarding recycled and reused water, not all plants are able to provide measurements for the volume of this water.

E4 - BIODIVERSITY AND ECOSYSTEMS

E4-1 TRANSITION PLAN ON BIODIVERSITY AND ECOSYSTEMS IN STRATEGY AND BUSINESS MODEL

Brembo intends to carry out a resilience analysis on its value chain (upstream) over the next 1-2 years. The Group recognizes that the extraction of raw materials can lead to deforestation and environmental pollution. Moreover, the expansion of extraction sites, along with the construction of buildings and facilities, contributes to land consumption, which may result in a loss of biodiversity. In response to these concerns, Brembo started an initial assessment of the biodiversity status in the regions where its plants are located, focusing first of all on its own operations. The aim is to identify the sites located in areas with a higher concentration of biodiversity and entailing ecosystem-related physical, transitional and systemic risks related to ecosystems, in order to implement the necessary countermeasures. The methodological approach adopted took into account the areas surrounding the Brembo's plants (in a radius between 2 and 5 km) and evaluated three different variables concerning the state of biodiversity:

1. Land Use Categories in order to identify natural, semi-natural and anthropogenic environments;
2. The presence of species considering their conservation status according to the IUCN classification³⁰;
3. Areas of Ecological Interest, including protected areas, Natura 2000 sites, Ramsar sites, Important Bird Areas, national parks, etc., as required by local, regional, national and international planning tools.

The results of the analysis carried out were used for the calculation of thematic indicators, combined in order to obtain a Priority Value for Biodiversity, which allows the comparison between the sites and the identification of the level of sensitivity of the area in which they are located.

$$\text{Priority Index: } P_i = \text{PT}_i / \text{MaxPT}$$

where

$$\text{PT}_i = \text{Variable } 1_i * \text{Variable } 2_i * \text{Variable } 3_i$$

PT = Total Score

i = site

After identifying the sensitivity level of the areas where the sites are located and determining which plants may have the most significant impact on biodiversity, the Group outlined the necessary actions for improvement, prevention, and mitigation. The analysis did not involve stakeholder engagement.

30 International Union for Conservation of Nature.

E4 SBM-3 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

The Brembo Group, with the support of a specialised consultant, assessed the state of biodiversity in the areas surrounding of its plants, in order to identify the sites with the greatest presence of biodiversity and ecosystem-related physical, transitional and systemic risks related to ecosystems, and to implement the necessary activities. Although the Group owns sites located in or near potentially sensitive areas in terms of biodiversity, the Group's preliminary analyses indicate that the presence of the plants does not adversely affect these areas: no direct material negative impacts have been identified regarding land degradation, desertification or soil sealing, or the presence of protected species.

E4 IRO-1 DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL BIODIVERSITY AND ECOSYSTEM-RELATED IMPACTS, RISKS, DEPENDENCIES AND OPPORTUNITIES

The double materiality assessment led to the identification of the following impact related to the matter of biodiversity.

- **Negative impact – Potential reduction of local biodiversity generated within Group's upstream value chain:** Poor management of mining activities (Bauxite for aluminium, Graphite, Coke, Calcium Carbonate) can contribute to deforestation, air and water pollution. In addition, the surface extension of the extraction sites involves land consumption. Finally, the supply of these raw materials, if managed in an

unsustainable way, could affect the availability of virgin raw materials and natural ecosystems.

With regard to the methodologies, assumptions and tools used in the identification and assessment of material impacts, risks and opportunities along its value chain, please refer to the ESRS 2 IRO-1 herein.

E4-2 POLICIES RELATED TO BIODIVERSITY AND ECOSYSTEMS

The Group has set out its commitment to the protection and safeguarding of biodiversity in the Group's environment and energy policy, aimed at managing all the main environmental issues applicable to the Company across the board. For the extended description of the contents and interoperability between the various environmental ESRSs, please refer to chapter E1-2 policy.

Specifically, within its policy, Brembo is committed to the prevention and protection of biodiversity. In this regard, Brembo assesses exposure to biodiversity risk by ensuring that the interrelationships between environmental aspects such as climate change, water and natural resource management, as well as the sustainable development of local communities, are correctly identified and managed. All sites, including those close to natural areas, are covered by the environment and energy policy.

Due to the still exploratory analyses carried out, the Group's environmental and energy policy still does not explicitly support the traceability of products, components and raw materials with significant impacts (actual or potential) on biodiversity and ecosystems along the value chain. However, Brembo is committed to

extending the analysis of its impacts on biodiversity over the next two years.

E4-3 ACTIONS AND RESOURCES RELATED TO BIODIVERSITY AND ECOSYSTEMS

Brembo has conducted a comprehensive biodiversity screening to assess key aspects of biodiversity at each of the Group's plants. This screening has provided valuable insights into land consumption, the presence of threatened animal species, and the proximity of protected areas, enabling the Company to recognise any potential risks that its activities could pose to the surrounding environment. This proactive approach allows Brembo to adopt appropriate mitigation actions where necessary. The assessment did not reveal any risk linked to biodiversity that would need the implementation of remedial actions. In light of the positive impact the Company has on biodiversity, no direct actions have been implemented to avoid, minimise or restore negative effects. The screening was conducted in accordance with international biodiversity standards and databases, ensuring the incorporation of local knowledge as well as nature-based solutions. This included the use of resources such as Sentinel II Landcover for land use assessment, IUCN classification for the presence of species classified as at risk, and information on Natura 2000 sites, Ramsar sites, Important Bird Areas, and national parks.

The information related to Brembo action plan (CapEx, OpEx) has not been disclosed with regard to financial the year 2024.

E4-4 TARGETS RELATED TO BIODIVERSITY AND ECOSYSTEMS

Brembo has not established time-bound outcome-oriented targets related to biodiversity related to its own operations. This decision is primarily based on the understanding that biodiversity concerns are relevant to the upstream value chain, while they are not considered significant in relation to the company's direct operations. As a consequence of the expansion of the resilience analysis, measurable targets will be set also for upstream and downstream value chain areas in the next 1-2 years.

E4-5 IMPACT METRICS RELATED TO BIODIVERSITY AND ECOSYSTEMS CHANGE

ESRS 1 allows companies to not yet incorporate the value chain impact for certain metrics. Brembo have made use of this exemption. The value chain exemption can be applied during the first three reporting years.

E5 - CIRCULAR ECONOMY

E5 IRO-1 DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL RESOURCE USE AND CIRCULAR ECONOMY-RELATED IMPACTS, RISKS AND OPPORTUNITIES

The double materiality assessment led to the identification of the following IROs, in relation to the matters of resource use and the circular economy:

- **Positive impact - Saving of primary materials by using recycled and recyclable materials:** The use of scrap as the main raw materials leads to savings in virgin raw materials and incentive the circular economy, extending the life cycle of products.
- **Negative impact - Depletion of natural resources due to the use of raw materials in the production process:** The production of braking systems affects the environment due to the consumption of non-renewable natural resources, such as the metals needed for manufacturing of brake discs and pads. The extraction and processing of these metals require the removal of large amounts of resources from the subsoil, leading to the depletion of mineral reserves;
- **Negative impact - Soil occupation and pollution due to non-virtuous waste management:** Poor waste management of along the value chain could have a negative impact on the environment, in particular on air, water and soil. Uncontrolled waste management can cause pollution, degradation of natural resources and damage to biodiversity;
- **Risk - Unavailability of raw materials/components caused by a geopolitical situation:** The unstable international geopolitical context could lead to challenges in global supply chains, thus potentially compromising the supply of raw materials for Brembo plants with consequent business interruption.

In order to identify potential impacts, risk and opportunities related to resource use and circular economy Brembo has considered all its production plants and the overall value chain as described in section ESR5 2 IRO-1 herein.

E5-1 POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

The Group has a structured system of policies aimed at managing the impacts, risks and opportunities related to the use of resources and the circular economy. The policies adopted by the Group not only aim to minimise negative impacts on the environment, but also to identify and exploit opportunities to continuously improve its practices.

Brembo has drawn up the “**environment and energy policy**”, designed to manage all the main environmental issues applicable to the company across the board. For a more detailed description of the contents and interoperability between the various environmental ESR5s, please refer to chapter E1-2 policy. With regard to the use of resources and the circular economy, Brembo details its line of action within its environment and energy policy, dealing with the issues of design, production and use of goods aimed at minimising impact throughout the entire life cycle, and implying the adoption of the concepts of Circular Economy. In this regard, Brembo is committed to minimising the production of waste and increasing waste destined for recycling/recovery/reuse, achieving the goal of eliminating waste destined for landfill. The commitment to reducing the waste of non-renewable materials is explicitly mentioned, making the Group’s commitment more concrete and encouraging the classification of waste as secondary raw materials (MSM), the replacement of raw materials of primary origin with secondary raw

materials, the implementation of actions to reduce waste production in all phases of the production process and the optimisation of waste management according to the “Pyramid of Waste Sources”. Through its environment and energy policy, the Group also wants to ensure that the use of all environmental resources, necessary to meet its current needs, is managed responsibly so as not to damage and impoverish them for use by future generations and expresses its intention to keep the consumption of renewable resources within the limits of their replenishment.

As part of its Environmental Management System, Brembo has adopted specific waste management procedures. These procedures specifically outline, at a global level, the minimum requirements for identification, characterisation, classification, collection and storage. They provide also provide for the obligation to train staff and the qualification of suppliers, with an improvement plan aimed at reducing waste in landfills and promoting the use of secondary raw materials. In addition to the global guidelines, individual specific local operating procedures have been developed that adapt the obligations of the global procedure to local areas.

All operating policies and procedures allow Brembo to manage its impacts and risks relating to the use of resources and the circular economy.

E5-2 ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

Brembo actively prevents negative material impacts and risks and fosters positive material impacts concerning resource use and circular economy (described in section IRO-1) through different actions:

- **BY-Product Initiative:** Brembo is actively exploring opportunities to offer secondary materials generated from its processes (by-products) to various internal and external stakeholders.
- **ZWTL (Zero Waste to Landfill):** In 2024, the Pune plant in India will implement a Zero Waste to Landfill program, aimed at diverting all waste produced at the facility from disposal. Waste materials will be sent to a third-party partner that will process them for use as fuel in cement production.
- **Emulsion Treatment System:** The Ostrava plant in the Czech Republic and the Czestochowa plant in Poland have developed a treatment system for emulsions—a mixture of cutting oil and water used in machining processes. This system will regenerate the emulsion for reuse in production. The cleaning process is set to begin in 2025.
- **Secondary Materials Usage:** Brembo has developed a new calliper made from recycled aluminium, with manufacturing scheduled to begin in 2025.
- **Circularity Measurement:** Brembo is working on establishing a method to assess the circularity of its operations by applying existing standards, such as UNI 11820.

All actions are designed to minimise the volume of materials sent to landfills, reduce the reliance on new materials, and enhance the circularity of Brembo’s operations.

In any case, no specific time horizon has been established, as these initiatives are ongoing and integral to the product and process design.

The information related to Brembo action plan (CapEx, OpEx) has not been disclosed with regard to financial the year 2024.

E5-3 TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

To manage negative impacts and risks, Brembo has set two measurable, outcome-oriented and time-bound targets.

The first target is to **direct 95% of the total waste produced towards recovery processes** by 2030 encouraging all plants to divert waste from landfills, reduce the extraction of new raw materials, and promote a more responsible use of resources. In particular, the target relates to waste management and the correlated actions aim to identify alternative solutions to landfill disposal while also exploring opportunities to offer materials as by-products to other entities. It is directly aligned with the objectives of Brembo's environment and energy policy and applies to all plants within the Brembo Group, excluding upstream and downstream operations. It is a relative target measured as the percentage of waste directed towards recovery processes, calculated by dividing the waste sent for recovery by the total waste produced. The base year for measuring progress is 2022, during which the baseline value indicated that 85% of the total waste produced was directed towards recovery processes. Moreover, there is an intermediate target for 2025 set at 90%.

In terms of methodologies and key assumptions, the target was established in alignment with the 5R perspective, where each "R" represents a potential area of action: Refuse, Reduce, Reuse, Repurpose, and Recycle. Its aim is to facilitate the practical implementation of a circular economy approach, as outlined by the EU Circular Economy Framework and relates to the other recovery stage of the waste hierarchy. Moreover, it was not set following conclusive scientific evidence, and only internal stakeholders have been involved in its definition. Since the adoption of the target, no changes have been made and the actual performance is in line with the defined target.

Brembo waste management is globally defined to comply with the local legislation and to facilitate the possibility to divert waste from landfill.

The second target focuses on **keeping keeping the percentage of hazardous waste produced over the years below 5%**. This target as well is directly aligned with the objectives of Brembo's environment and energy policy and applies to all plants within the Brembo Group. It is a relative target expressed as the percentage of hazardous waste produced in relation to the total waste produced. The base year for measuring progress is 2022. The target has not been following conclusive scientific evidence, and only internal stakeholders have been involved in its definition. Since the adoption of the target, no changes have been made and the actual performance is in line with the defined one.

The target relates to the increase of circular material use rate and waste management. In fact, reducing the hazardous nature of waste may facilitate the recovery process and enhance the likelihood of third parties being interested in receiving the material as a by-product.

Moreover, it refers to the recycling stage of the waste hierarchy.

Both the targets are on a voluntary basis and not mandatory (not required by legislation).

E5-4 RESOURCE INFLOWS

The Group relies on the contribution of more than 6,600 businesses located in more than 15 countries throughout the world that provide essential goods and services for Brembo's industrial processes. The main raw materials purchased by the Group procures to make its products are ferrous scrap and aluminium ingots, which are used in foundries and then to manufacture discs and callipers. Brake discs are made from cast iron, mainly derived from recycled material originating from the ferrous scrap recovery chain or mechanical processing scrap.

Currently, Brembo favours primary aluminium in producing its callipers. However, in 2023, the Group started to progressively introduce the use of recycled in selected plants, increasing its share from 5% in 2023 to 18% in 2024 at a global level. As part of its ongoing efforts to increase the use of recycled materials, Brembo will extend the use of recycled to additional plants in 2025.

Furthermore, 88.84% of raw materials³¹ for Brembo's own cast iron foundries — and used to manufacture the main organization's main products — is recycled and consists of ferrous and cast-iron scrap.

For Brembo's internal cast iron foundries, the recycled material content is directly measured by weight, based

on the bill of materials for Brembo's products. For aluminium, the percentage of recycled content is defined within Brembo's specifications and requirements towards suppliers and recorded through their self-declarations.

In addition to raw materials, Brembo also procures a range of finished and semi-finished components, including seals, pads, small parts, chemical products and packaging materials such as cardboard and plastic, used for product packaging and distribution. Brembo is fostering the use of recycled inputs from its suppliers in the materials it procures for component production. For instance, in the highly CO₂-intensive aluminium bar supply chain, the input material contains around 59% recycled content.

Even though Brembo is increasing the percentage of recycled materials used in its production process, the company does not currently purchase recycled or certified biological materials, such as paper, cardboard, or wood, which are, however, not used as direct production inputs.

Since 2023, Brembo has been gathering data from a selected group of key suppliers to assess water usage and management in its upstream value chain. This includes information on the volume of water withdrawn, the specific sources of withdrawal, the quantity of water discharged, and the respective discharge destinations. This initiative is part of Brembo's ongoing efforts to gain deeper insights into water resource consumption across its upstream value chain, with the goal of optimizing water usage and minimizing environmental impact throughout its operations.

31 The total input recycled materials is 714,366 tonnes.

E5-5 RESOURCE OUTFLOWS

As previously stated, the main products and materials resulting from come out of Brembo's production process are discs and callipers. For some time now, Brembo has been working to apply circular economy principles to such products by using recycled raw materials or scrap that can now reach up to 90% of scraps as raw materials. The design process always considers product durability, which is continuously improved. For example, consumable components such as discs are now designed to have a lifespan equivalent to that of the vehicle itself.

This is achieved by using special coatings or materials that extend the useful life of the parts. However, concepts such as reusability, repairability, and remanufacturing are concepts not yet applicable to Brembo's products as they are subject to strict safety requirements and must comply with the highest homologation standards, which thus hinders such practices.

As such the expected durability of Brembo's products compared to the industry average is expected to be completely aligned so that the Group's callipers, discs and pads last as long as the market average.

Considering that both aluminium and cast iron are infinitely recyclable, and that they constitute the main raw material sourced by Brembo, the rate of recyclable content in Brembo's products is very high: 91.89% which means that Brembo's products can be almost entirely recycled. Packaging is not included in this computation.

To calculate the percentage in question, all recyclable materials (cast iron and alluminum) used as inputs in the production of finished products were considered and compared with the total amount of materials utilized.

The data were extracted directly from the company's collection systems, ensuring the use of primary information.

The table below illustrates the most representative waste categories of Brembo's production processes. Wastes not falling into these categories are aggregated under "other waste" items.

Table 29

Waste generated	u.m.	2024		Total
		Hazardous Waste	Non-hazardous Waste	
Waste diverted from disposal due to preparation for reuse	t	6,444	77,177	83,620
Waste diverted from disposal due to recycling	t	16,150	213,214	229,365
Waste diverted from disposal due to other recovery operations	t	3,131	137,884	141,014
Total waste diverted from disposal	t	25,725	428,275	454,000
Waste directed to disposal by incineration	t	609	16	624
Waste directed to disposal by landfilling	t	596	30,040	30,635
Waste directed to disposal by other disposal operations	t	2,354	628	2,982
Total waste directed to disposal	t	3,558	30,683	34,242
Total waste generated	t	29,283	458,958	488,241
Non-recycled waste	t	3,558	30,683	34,242
Percentage of non-recycled waste	%	12%	7%	7%

The waste management and monitoring process is regulated by common requirements expressed in the Waste Management Group procedure which are in addition to the regulatory ones defined at individual country level Primary data is collected by factories in working documents and periodically in EE Data Collection. The data is then automatically transferred to Non-Financial Reporting.

The following table presents data on hazardous and radioactive waste for the year 2024, highlighting the total amount of hazardous waste and specifying the portion of radioactive waste.

Table 30

Hazardous and radioactive waste	u.m.	2024
Total amount of hazardous waste	t	29,283
Of which total amount of radioactive waste	t	-

PEOPLE, FIRST AND FOREMOST

Supporting the professional and personal growth of each Brembo Person is at the core of everything we do. We promote diversity, inclusion, and equity, while leveraging the abilities and uniqueness of our talents. We also invest in the wellbeing of the local communities in which we operate.



3.4 SOCIAL

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S1 - OWN WORKFORCE

S1 SBM-3 OWN WORKFORCE IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

In the scope of this disclosure Brembo includes all individuals in its own workforce who may be materially affected by the company. This are all Brembo Group direct employees and two categories of non-employees: interns and temporary workers.

The double materiality assessment has led to the identification the Group's workforce related impact, risks and opportunities:

- **Positive impact - Development of skills and know-how through specific training activities:** The Group significantly invests in employee training, delivering numerous hours of training on technical skills and competences, organizational behaviours, health and safety, and the culture of diversity, equity, and inclusion, thereby enhancing people development and growth.
- **Negative impact – Potential injuries and/or occupational diseases of workers:** The activities for the manufacturing of braking systems, particularly in production plants, expose workers to risks of workplace accidents and/or occupational diseases.
- **Negative impact - Violation of human rights, failure to respect equal opportunities in the workplace, failure to protect employees wellbeing:** In case of non-compliance to Group practices, policies and codes (e.g. Code of Ethics, code of basic working conditions, policy on non-discrimination and diversity) there is a risk of a negative impact on both employees and non-employees on topics such as discrimination and denial of fair treatment, remuneration, benefits.

- **Negative impact - Breach of privacy and loss of sensitive employee data:** A potential failure of digital security systems can expose the Group to data breaches and cyberattacks, potentially causing privacy violations and loss of sensitive employee data.
- **Risk - employees' health and safety:** Reputational and operational risks for the Group, associated with the occurrence of incidents in the workplace.
- **Risk - potential negative outcome from sustainability audits conducted by clients:** Negative results in clients' audits regarding sustainability aspects (including human rights, health and safety, diversity and inclusion) pose a risk for Brembo, as it may impact client relationships leading to a reduction or termination of the partnership.
- **Risk - cyberattack causing system unavailability, information loss, and extortion:** The loss of sensitive employee data following a cyberattack is a potential risk for Brembo from a reputational and financial perspective, leading to costs for compensation, legal actions, and restoration of IT system restoration, where necessary.

Following the implementation of a transition plan to reduce negative environmental impacts or to reduce Green House Gases emissions, the Group has not identified any material impacts on its own workforce.

The materiality assessment carried out by the Group took into account the entire Brembo workforce. Brembo has not identified any specific category among its employees and non-employees who are more subject to risks than others or exposed to specific vulnerabilities, human rights violations, including forced labour and child labour, these have been identified as higher risk in the group's production phases (compared to administrative, commercial, and research and development activities) and in non-European countries such as China and Mexico.

As for the methodologies, assumptions, and tools used in identifying and assessing the impacts, risks, and relevant opportunities along the Group's value chain, please refer to section ESRS 2 IRO-1 herein.

Brembo acknowledges the importance of its workforce within its business model and is committed to managing the associated impacts, risks, and opportunities. Operating in an international and multicultural context, the Group emphasizes the value of diversity as a key asset, investing in projects and initiatives that promote awareness and strengthen the culture of diversity, equity, and inclusion. This includes creating opportunities for interaction and sharing among colleagues to foster the exchange of ideas and opinions. Brembo aims to actively engage employees in creating a positive, inclusive, and safe work environment, placing individuals at the center of every process and ensuring that employees feel comfortable and satisfied in their work.

For information on how interest, views and rights of Brembo's stakeholders inform its strategy and business model please refer to ESRS 2 SBM-2 (General Disclosure).

S1-1 POLICIES RELATED TO OWN WORKFORCE

The Group has a structured system of policies, procedures and codes in order to manage the impacts, risks and opportunities related to its workforce. These policies aim not only at mitigating and minimising potential negative impacts on both employees and non-employees and the related risks, but also at identifying and leveraging opportunities to continuously improve its practices and fostering a positive impact on its people.

Table 31

Key concepts	Scope of application	Responsible function	External standards	Policy availability and sharing	Key concepts	Scope of application	Responsible function	External standards	Policy availability and sharing
CODE OF ETHICS					HEALTH AND SAFETY POLICY				
The Brembo Code of Ethics outlines the standards of behaviour to promote sustainable growth and preserve the Company's reputation, addressing child labour, fair wages and benefits, forced labour, employees' right to work and free association, discrimination, safe and healthy working environment, working hours, concern for local populations and communities, corruption and extortion, and conducting business responsibly and with respect for the environment, etc.	The code applies to the Board of Directors, Company Directors, employees, and third parties who carry out activities with and on behalf of Brembo.	The Code of Ethics is approved by the Board of Directors of Brembo N.V. and by each Board of Directors of each Subsidiary.	Legislative Decree No. 231/2001 (231 Model), Corporate Governance Code (DCGC).	Published on the Company's intranet and Group's website. The Code of Ethics is available in several languages. Posted on Company's notice boards.	The policy provides an overall framework to ensure the health and safety of workers. It defines the objectives, principles and commitments set by the Group, while the formalisation of specific and operational aspects, such as emergency plans and specific risks, is entrusted to individual sites.	The policy applies to the entire Group and all businesses in which Brembo operates. It is consistent with the more general Brembo Vision and expresses the desire for Brembo to be recognized as a trusted partner, appreciated by all stakeholders.	The policy is signed by the Executive Chairman	ISO 45001 standard	Published on the Company's intranet and website. Posted on the Company's notice boards.
CODE OF BASIC WORKING CONDITIONS					POLICY ON NON-DISCRIMINATION AND DIVERSITY				
The code is intended as a general framework that can be integrated by local laws and regulations, specific collective bargaining agreements, and other agreements freely stipulated by its workforce and the Group.	The code applies to all individuals serving Brembo in any capacity.	The code is approved by the Board of Directors of Brembo N.V.	—	Published on the Company's intranet and Group's website. Posted on Company's notice boards.	The policy contains guidelines on how to promote the principles of Diversity, Equity, and Inclusion ("DEI") within the organization and disseminate a solid culture relating to these aspects. The policy also outlines the Company's specific targets in the area of diversity and inclusion. It covers all aspects of the employment relationship and requires responsibility and commitment from employer, the employees, and all relevant stakeholders for its proper application.	The policy applies to the entire Group and all businesses in which Brembo operates.	The policy is approved by the Board of Directors of Brembo N.V.	United Nations Universal Declaration of Human Rights, ILO Tripartite Declaration of Principles concerning multinational enterprises and social policy, OECD Guidelines for Multinational Enterprises, United Nations Global Compact Principles, International Bill of Human Right. The policy has been reviewed pursuant to best practice provision of the DCGC.	Published on the Company's intranet and Group's website. Posted on the Company's notice boards and made accessible to all employees.
STAKEHOLDER ENGAGEMENT POLICY					MODERN SLAVERY STATEMENT				
The policy provides a general framework for dialogue between the Group and its stakeholders, with particular attention to aspects related to the sustainability of the Group's strategy and its implementation.	The policy applies to the entire Group and all businesses in which Brembo operates	The policy is approved by the Board of Directors of Brembo N.V.	The policy has been reviewed pursuant to best practice provision of the Dutch Corporate Governance Code (DCGC)	Published on the Company's intranet and website.	Brembo annually publishes its modern slavery statement, outlining its commitments to human rights, including the fight against slavery and human trafficking in its direct operations and along the value chain.	The statement is applied to Brembo N.V. and to Group companies to which the Modern Slavery Act applies.	The statement is approved by the Board of Directors of Brembo N.V. and by the Board of Directors of the subsidiary to which the Modern Slavery Act applies	Modern Slavery Act 2015	Published on the Company's intranet and website
WHISTLEBLOWING POLICY					PERSONAL DATA PROTECTION POLICY ("BREMBO PRIVACY POLICY")				
Brembo has established the reporting Procedure to regulate internal whistleblowing channels that ensure the confidentiality of the identity of the reporting person, the person involved, and anyone mentioned in the report, as well as the content of the report and related documentation.	The reporting procedure applies to all reports received by Brembo N.V. through the whistleblowing channel.	Chief Internal Audit Officer	Directive (EU) 2019/1937, best practice provision of the 2.6.1 of the DCGC and Legislative Decree 24/2023	Published on the Company's intranet and website.	The policy lays down key principles relating to the protection of personal data and defines how these principles are implemented in Brembo regarding its workforce and defines the internal organization to manage privacy matters.	The policy applies to Brembo N.V. and its EU subsidiaries (including AP Racing Ltd., a subsidiary based in the UK).	Privacy Supervisory Board and the Privacy Reference Persons, with the support of the DPO.	EU General Data Protection Regulation (GDPR)	Published on the Company's intranet.

Brembo Group is committed to complying with all the laws in the various countries in which it operates. Through the adoption of the aforementioned policies, procedures and codes, Brembo aims to:

- Ensure the protection and safety of its employees, promoting corporate awareness and reducing workplace accidents and injuries.
- Guarantee fair working conditions, with the payment of fair wages, respect for the right to work, and freedom of association.
- Respect diversity and equal opportunities establishing and maintaining a discrimination-free environment.
- Create a work environment that promotes the principles of diversity, equity and inclusion, treating people fairly and equally regardless of gender, age, ethnicity, or other personal conditions or characteristics.
- Guarantee respect for human rights and eliminate every form of compulsory labour, slavery, child labour and human trafficking from its business and supply chains.
- Ensure the protection of information and personal data related to its employees and third parties, avoiding misuse and limiting data access in compliance with applicable laws and best practices for privacy protection.

Any changes or updates to these policies are periodically communicated to employees and non-employees, with regular training courses, particularly for the Code of Ethics. The company expects all its employees, collaborators, agents, business partners, and other stakeholders to operate for Brembo and participate in Brembo's projects, processes, events, or activities, establishing and maintaining a discrimination-free environment.

Brembo is committed to ensuring remedial measures in case of negative impacts on human rights, offering reporting channels such as the Legality Whistleblowing web platform and the Legality Whistleblowing mobile app. For reports related to other Brembo Group companies, the whistleblower can choose to send the report to the Parent company or to the local internal channel governed by a specific procedure, if available. The reporting procedure, available on the platform, outlines the methods for handling reports and the protections in place to ensure the safety of the whistleblower, prevent any form of reprisal. People & Organization (P&O) Managers of the People & Organization Global Central Function, present in the various organizational areas, are available to employees for any needs in this matter.

Brembo has made the safeguarding of occupational health and safety a key principle of its activity and its way of doing business. Legislative compliance and adherence to applicable requirements are a prerequisite for safe and healthy working conditions. The health and safety policy set forth is consistent with the more general Brembo Vision and expresses the desire for Brembo to be recognized as a trusted partner, appreciated by all stakeholders. Actions such as a structured prevention activity, a careful identification of hazards, a thorough assessment of opportunities and risks leading to action plans that allow for continuous improvement of performance, illustrate Brembo's commitment to ensuring safe and healthy workplaces for workers and other stakeholders. Brembo's primary objective of preventing the occurrence of accidents or work-related illnesses can be achieved by sharing responsibility for the implementation, maintenance and improvement of the Occupational Health and Safety Management System within the entire company's organization, to which everyone can contribute according to their own powers

and responsibilities. At the same time, the Management System is the tool used by Brembo to continuously seize opportunities for improvement and set new and more challenging objectives. The policy establishes a comprehensive framework for ensuring the health and safety of workers. It delegates the formalization of specific operational aspects, such as emergency plans and specific risks, to additional resources like Group guidelines and site procedures and instructions. To facilitate understanding and promote widespread dissemination, the policy, along with the guidelines and site procedures and instructions, is translated into local languages.

Regarding the issue of non-discrimination and diversity, the Group has adopted the policy on non-discrimination and diversity. Please refer to paragraph S1-1. This policy aims to maintain a work environment based on respect and actively commits to combating all forms of discrimination. The conditions and personal characteristics of each individual can never, in any way, represent the basis for any act of discrimination based on gender or gender change, sexual orientation, ethnicity (ethnic origin, nationality, and national origin), age, political opinions, religious beliefs, social origin, marital status, family status, disability, or any other condition and personal characteristic.

In particular, no form of intimidation, bullying, or harassment are tolerated, whether intentional or not. Any employee who, in good faith, believes that there may have been a violation of the policy or an incitement to violate the principles contained in the policy is required to report it. Violations of the policy must be assessed from a disciplinary perspective in accordance with applicable company rules and regulations, including, where certain conditions are met, the application of specific disciplinary measures based on the severity of

the situation. These measures may include corrective actions and/or disciplinary sanctions, in compliance with applicable legal, regulatory, contractual, and disciplinary frameworks.

S1-2 PROCESSES FOR ENGAGING WITH OWN WORKERS AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

Over the years, Brembo has established an active and ongoing dialogue with its internal stakeholders, grounded in the values of transparency, trust, and consensus in decision-making. This dialogue enables the Group to gain valuable insights into the relevant context and receive feedback on its operations, allowing for continuous improvement of the Company's impact both internally and externally. The main tools for engaging its workforce are: Brembo global engagement survey (GES) and the pulse survey, industrial relations, internal communication channels and campaigns, town hall meetings, engagement with regard to the Group's objectives and performance and the whistleblowing channel.

More in detail, the GES conducted every three years, involves all Group employees. The next GES is scheduled for the end of March 2025 to gather workforce perceptions. It will be followed by a thorough analysis and dissemination of the results to all employees. Based on these results, action plans will be developed and implemented to improve the identified areas. The pulse survey is a quick ad-hoc survey to assess improvements between the different GES cycles. It focuses on specific organizational areas and/or countries and assesses action plans' effectiveness. The operational responsibility for ensuring effective engagement with the workforce lies with the P&O GCF.

S1-3 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKFORCE TO RAISE CONCERNS

Brembo adopts a responsible approach in managing remedies for any material negative impacts on its employees that it has caused or contributed to. The remediation process aims to ensure that the measures taken effectively address the needs of the affected workers. The actions undertaken are evaluated with the objective of verifying that the implemented solutions have indeed resolved the identified issues. In this way, the Group ensures that the remedies provided are adequate and consistent with its social responsibility standards. Given the organizational model the company has adopted worldwide, the competent P&O Managers within the People & Organization GCF, allocated in the various organizational areas (Plants, Countries, Global Business Units, Global Central Functions) remain at the disposal of employees for any type of process-related need. Following any contact, a hierarchical escalation is activated, where necessary, leading up to the periodic People & Organization meetings among Chief People & Organization Officer, CEO and Executive Chairman, as provided in the annual Brembo Committee System. This document defines the system of meetings and committees that regulate the exchange of information and decisions within the Group, in full compliance with the variety of organizational dimensions that distinguish it (Businesses, Functions, Geographies), thus providing a structured and formalized sequence of meetings (Regional / Country Committees, Global Business Units, Global Central Functions) in which, if necessary, specific urgent and critical issues are properly addressed.

Regarding health & safety topics, Brembo provides remedies in case of potential injuries and/or occupational

diseases of workers through Occupational Health & Safety Management System described in details in section S1-1.

Brembo workforce can raise concerns or needs directly mainly through the internal whistleblowing channel, described in detail in section. The management and resolution of the governance received through the channel are regulated by the whistleblowing procedure, which is published on the Company's website.

In the case of data breaches within the EU Subsidiaries, subject to GDPR rules, Brembo's management of personal data breaches policy applies. It outlines the responsibilities and procedures to ensure that such breaches are managed correctly. The policy also specifies the steps, roles, and responsibilities involved.

Any authorised personnel who detects a breach is required to promptly report any anomaly that could indicate a breach to the area Privacy Reference Person, the Privacy Supervisory Board, and the Data Protection Officer (DPO). In the event of a breach involving personal data processed on IT systems, the IT department must also be notified promptly.

In the case of a breach, the DPO supports the Brembo team in order to implement the fulfillments required by the applicable laws, such:

1. The immediate cessation of the personal data breach (if it is still ongoing).
2. Support in preparing the notification to the Data Protection Authority, if the data breach poses a risk to the rights and freedoms of individuals, to be submitted within 72 hours of Brembo becoming aware of it.

3. The evaluation and support in determining whether it is necessary to communicate the personal data breach to the affected data subjects.

For the exercise of the rights provided for by the GDPR (Articles 15-21 GDPR) each data subject (employee or any third party) can contact the DPO by contacting the Company at its address or sending an email to the specific e-mail addresses indicated in the privacy notices, broken down by the different Brembo Group's geographical areas. These email addresses are periodically checked by the DPO and the authorized Reference Person for each geographical area. The DPO is immediately activated in order to allow Brembo to manage the request and to reply within the 30-day term established by the GDPR.

Brembo maintains a register where all data breaches and all received requests from data subjects are noted and documented.

That its employees are aware of and have confidence in the structures and processes available for raising their concerns. This is evidenced by the attendance rates at training courses and the number of complaints received. Protection policies against retaliation are in place for those who use these channels. Specifically, whistleblowers are protected from any form of retaliation by specific legal provisions, including the nullification of retaliatory acts. These protections also extend to individuals who facilitate the reporting, the whistleblower's colleagues, and individuals related to the whistleblower by emotional or familial bonds up to the fourth degree, as well as entities owned by the whistleblower.

S1-4 TAKING ACTION ON MATERIAL IMPACTS, RISKS OPPORTUNITIES ON OWN WORKFORCE

Brembo actively prevents negative material impacts and risks and fosters positive material impacts concerning its own workforce (as described in the section S1-SBM3) through different actions.

The first set of actions concerns to **human rights** which affects employment practices, health and safety, security and work environment, labour relations and the treatment of vulnerable groups and minorities. Brembo has proactively identified and implemented specific processes to mitigate the impacts and risks of human rights violations in these areas. Non-compliance can lead to serious human rights infringements, resulting in significant consequences for affected individuals and communities, such as loss of freedom or degrading treatment, as well as potential repercussions for the Brembo Group, including reputational damage, sanctions, and loss of business.

Current mitigation actions:

- Adoption of a global code of basic working conditions
- Implementation of anti-slavery and anti-bribery statements and protocols
- Mandatory training for new employees on Code of Ethics
- Conducting Responsible Business Alliance (RBA) audits
- Regular self-assessment of the code of basic working conditions
- Audits performed by Internal Audit GCF, including a focus on human rights topics.

Future mitigation plans:

- A 2025 audit plan by external auditor for Brembo N.V., according to the Italian Gender Equality Certification system (UNI/PdR 125:2022)

- A three-year audit plan by the Internal Audit GCF with an emphasis on human rights.

Furthermore, Brembo implemented a series of actions related to the **training** of own workforce. The current trend in technological innovation entails the use of automation, data analytics, artificial intelligence, software, and electronics across various company processes, both in manufacturing and non-manufacturing sectors. A potential delay in updating workforce skills could adversely affect processes, projects, and business development. For these reasons, Brembo provides to its own workforce several hours of training to ensure adequate human capital development.

Current mitigation actions:

- Strict and regular performance management system
- Talent Management System and Succession Planning
- Continuous improvement and enhancement of training and development offer managed by Brembo Academy to further support skill development and training initiatives, ensuring a competitive and innovative workforce prepared for future challenges.
- Internal R&D and Manufacturing Academies to disseminate knowledge within the Group
- Ongoing training for blue collars in Italy with the aim of promoting Industry 4.0 culture across all company levels (Life-Long Learning Hub)
- Campaign-driven skill mapping and assessment for functions/areas to develop and prioritize existing skill gap
- Partnerships in place with local universities, schools, research & development centres to develop specific courses on emerging trends.

Among the various actions adopted by the Group to address its impacts and risks, there are initiatives aimed at enhancing the **wellbeing of its employees**.

The wellbeing of Brembo employees is crucial for fostering a safe, positive, and productive working environment and ensure productivity.

Over the years Brembo has adopted remote work for different workforce categories and geographies in accordance with local laws and best practices balancing employees' flexibility and accountability, preserving the Company's culture and fostering a sense of belonging.

Current mitigation actions:

- Monitoring the implementation of the action plans derived from the last GES.
- Continuously tracking competitors in the labour market to evaluate Brembo's positioning on hybrid work.
- Maintaining and updating Brembo's hybrid work policies and procedures to ensure alignment with best practices.

Future mitigation actions:

- Conducting a new GES in 2025, followed by action plans and periodic pulse surveys.

To enhance **employee wellbeing** Brembo offered during 2024 several initiatives:

- "Brembo for You" and "Brembo for Family" conferences to promote health and wellbeing.
- Nutrition education desk.
- Psychological support helpdesk.
- Breast cancer prevention campaigns for women.
- Executive health check-ups.
- Managerial training programmes (e.g., training on unconscious bias, wellbeing, DEI).
- "Brembo Kids" programmes.
- Brembo sustainability week prioritizing eco-friendly practices and sustainable growth.

- Company seniority award.
- Scholarships award to deserving employees and children of employees.

Future mitigation actions:

- Implementation of DEI initiatives aligned with the strategic plan for gender equality.
- Enhance "Brembo for You" conference with topics like financial awareness, inclusive mindset, digital wellbeing.
- Organization wider team sport events.
- Celebrate environment days (e.g. food and used clothing collection).
- Celebrate culture days.

With regard to **diversity, equity and inclusion**, pursuant to best practice provision of the Dutch Corporate Governance Code (DCGC), Brembo defined its relevant diversity targets and achievements for which to report annually to the Dutch Social and Economic Council ("Sociaal Economische Raad" - SER). These diversity targets encompass the composition of the Board, as well as that of the Management but also other DEI aspects.

Current Mitigation actions:

- Brembo policy on non-discrimination and diversity that incorporates specific DEI targets published in July 2024.
- Establishment of a DEI committee to monitor D&I projects and track progress toward gender equality – related target achievement.
- Development of a DEI management system in accordance with established standards.
- Achieving Italian Gender Equality Certification (UNI/PdR 125:2022) for Brembo N.V.

Future mitigation actions:

- Maintain the Italian Gender Equality Certification to

further enhance diversity efforts.

Regarding the risk related to **sustainability audits**, Brembo adopts and is certified according to international standards in management systems (ISO) on Quality, Environment & Energy, Health & Safety and related audits are carried out by third-party auditors. In addition, Brembo plants carry out periodic self-assessments on Sustainability topics, coordinated by Sustainability&Risk GCF; this process facilitates the monitoring of Sustainability topics at local level, collecting updated information.

In relation to **cyber-attack**, Brembo is strongly motivated to protect this data as well, and for years now has implemented an information security management system, in line with the best market practices. This commitment is also underscored by the fact that, once again, all eligible plants have confirmed the ISO 27001 certification (Information Security Management System).

It is crucial for Brembo to ensure a **safe working environment for its employees** by reducing safety risks and minimising the incidence of work-related health issues. This objective is pursued through a combination of safety training and communication initiatives, along with the research and implementation of automation to minimise man-machine interactions wherever feasible.

Current mitigation actions:

- **Safety Communication Campaign:** To stimulate awareness and recognition of the importance of promptly reporting Near Misses and unsafe behaviors. In 2025, the campaign will begin at the Italian facilities and will subsequently extend to foreign sites.
- **Testing of Innovative Safety Support Systems:** In 2024, the system was analyzed and designed, and in the first half of 2025, a Proof of Concept (POC) will

be conducted to experiment with the use of artificial intelligence as a preventive tool for accidents and hazardous situations.

- **Initiatives for Highly Dangerous Activities:** Throughout 2024, workshops were held in all regions aimed at regulating and raising awareness among the operational structures of Brembo plants to reduce risks associated with occasional and high-risk work (maintenance activities, hot work, confined spaces, etc.). Additionally, the groundwork was laid for the digitization of permits related to such activities and the standardization of risk assessment.
- **WCM Safety Pillar:** To reinforce the continuous improvement process, the development of the WCM methodology was promoted in all facilities in 2024. In almost all plants, the application has expanded from a few model areas to a broader implementation, which will see further expansion in 2025. WCM is the programme launched in 2022 focused on designing continuous improvement standard methodology for the whole industrial footprint. The method is based on Lean Manufacturing system but tailored on specific Brembo needs.
- **Automation:** The health and safety department has contributed to the investment process for automation, which significantly impacts the improvement of the risk profile of our factories. Each operation has its own five-year investment plan.
- **Ergonomics:** To address ergonomic risks, and thus injuries and potential occupational diseases, innovative initiatives were pursued in 2024 regarding the introduction of ergonomic criteria during the design phase of production lines, which will continue in 2025, along with initiatives to study the feasibility of introducing exoskeletons.

Even though this action plan requires significant operational expenditures (Opex) and capital expenditures (Capex), as of today this information is not available with the proper level of accuracy.

Brembo employs communication and automation as key strategies to mitigate the negative impacts of “work-related accidents and illnesses of workers due to inadequate working conditions”, as well as to address the risk “Risk related to sustainability audits conducted by clients, with a potential negative result carried out by customers”. The effectiveness of Brembo’s initiatives is evaluated through internal and external audits, risk assessments, and the monitoring of incident rates, which are expected to decline alongside effective training. To identify the necessary actions in response to the potential negative impact of work-related accidents and illnesses, Brembo uses various tools, including top-down risk analysis, plant risk assessments, and the analysis of accident and near-miss trends. The Group also values the direct input of its employees by facilitating consultations and participation through health and safety committees, while considering audit results and benchmarking against action plans. Brembo is committed to ensuring that its practices do not cause or contribute to material negative impacts on its workforce by conducting periodic risk assessments focused on employee safety.

Human resources, financial resources, technological resources (BAT) are allocated to the management of Brembo’s material impacts. In particular:

- **Human Resources:** Each facility allocates specific human resources to safety, with one person dedicated full-time and the entire team working to enhance the safety of machines and equipment.
- **Financial Resources:** All investments made also include

a component aimed at improving the safety of new machines and equipment.

Moreover, each facility conducts an annual risk analysis to identify areas for improvement, with the goal of reducing the likelihood and/or impact of potential events.

The information related to Brembo action plan (CapEx, OpEx) has not been disclosed with regard to financial the year 2024.

S1-5 TARGETS RELATED TO MATERIAL IMPACTS, RISKS OPPORTUNITIES ON OWN WORKFORCE

Brembo has established several measurable, outcome-oriented, and time-bound targets to effectively manage negative impacts and risks while promoting positive outcomes. Brembo to managing negative impacts and risks, and advancing positive impacts has set several measurable, outcome-oriented and time-bound targets.

The Group is committed to achieving the following **Diversity, Equity, and Inclusion (DEI) targets** regarding gender representation³² within the organization:

1. **Executive Directors of the Board of Directors:** aim for at least 25% representation of each gender upon the renewal of the Board of Directors in 2026.
2. **Non-Executive Directors of the Board of Directors:** strive for at least 40% representation of each gender upon the renewal of the Board of Directors in 2026.
3. **Management Cluster (Executives and Managers at Group Level):** target more than 20% representation of each gender by the end of 2028.

There are also additional DEI targets focused on promoting diversity and inclusion across Brembo’s three main axes: gender, generation, and cultural background. They will be achieved through the implementation of relevant projects and initiatives for both the Group and local communities:

- a. Implementation of at least five initiatives per year: unit of measurement is the number of initiatives, base year is 2022 and baseline value was five initiatives.
- b. Promoting the renewal and delivery of training by overcoming unconscious prejudices (unconscious biases), and stereotypes fostering an inclusive working environment. The target is year on year and the goal is to enrich with pills dedicated to unconscious biases the 100% management training courses at a Group level.
- c. Ensuring that employees remain strongly motivated to participate in company life through extensive participation in the global engagement survey. The target is relative, and the goal is to ensure a response rate of at least 74% at the Group level in the next GES. Unit of measurement is the percentage of responses received, base year is 2021 and baseline value was 78%.
- d. Maintaining a high level of engagement, measured through the GES and ad-hoc pulse surveys. The target is relative, and its goal is to ensure an Engagement Index of at least 65% by the beginning of 2025 at the Group level. The target is relative, and the unit of measurement is the percentage of the Engagement Index. The base year is 2021 and the baseline value was 66%.

All these targets are in line with the objects of the policy on non-discrimination and diversity. Furthermore, Brembo did not engage directly with its workforce or workers’ representatives in the process of defining the targets, monitoring performance against them, or identifying improvements resulting from that performance.

³² Female / Male, in compliance with both Dutch law and the Dutch Corporate Governance Code.

S1-6 CHARACTERISTICS OF GROUP'S EMPLOYEES

Considering the data up to the 31 of December 2024, Brembo counted 14,324 employees.

Table 32

Characteristics of Group's employees - number of employees by gender	u.m.	2024				Total
		Male	Female	Other	Not reported	
Number of employees (head count), at end of period	n.	11,715	2,609	-	-	14,324
Percentage of employees by gender, at end of period	%	81.8%	18.2%	0%	0%	100%

Table 33

Characteristics of Group's employees - number of employees by country ³³	u.m.	2024				Total
		Male	Female	Other	Not reported	
Brazil	n.	218	13	-	-	231
China	n.	1,540	476	-	-	2,016
Czech Republic	n.	934	330	-	-	1,264
Denmark	n.	85	44	-	-	129
India	n.	1,242	30	-	-	1,272
Italy	n.	2,823	772	-	-	3,595
Mexico	n.	1,562	306	-	-	1,868
Poland	n.	2,101	345	-	-	2,446
Spain	n.	403	135	-	-	538
UK	n.	146	35	-	-	181
US North America	n.	630	112	-	-	742
						14,282

³³ For 50 or more employees representing at least 10% of its total number of employees.

Table 34

Characteristics of Group's employees - number of employees by contract type and gender, at end of period	u.m.	2024				Total
		Male	Female	Other	Not reported	
Number of permanent employees (50bi)	n	9,485	2,037	-	-	11,522
Number of temporary employees (50bii)	n	2,228	572	-	-	2,800
Number of non-guaranteed hours employees (50biii)	n	2	-	-	-	2
Total	n	11,715	2,609	-	-	14,324

Table 35

Characteristics of Group's employees - number of full-time and part-time employees, at end of period	u.m.	2024				Total
		Male	Female	Other	Not reported	
Number of full-time employees (52a)	n	11,652	2,385	-	-	14,037
Number of part-time employees (52b)	n	63	224	-	-	287
Total	n	11,715	2,609	-	-	14,324

Table 36

Employee turnover ³⁴	u.m.	2024				Total
		Male	Female	Other	Not reported	
Number of employees who have left Group	n	2,690	442	-	-	3,132
Total number of employees	n	11,715	2,609	-	-	14,324
Percentage of employee turnover	%	22.96%	16.94%	0%	0%	21.87%

³⁴ It includes number of employees who have left the company on FULL voluntary basis (i.e. employees with a permanent contract), on voluntary basis (i.e. planned end of fixed-term contract, retirement) and not on voluntary basis (i.e. dismissal).

S1-7 CHARACTERISTICS OF NON-EMPLOYEES IN GROUP'S OWN WORKFORCE

A "non-employee" is a person who is not directly employed by Brembo but can still perform activities on behalf of the company or contribute to its operations. These individuals may include temporary workers and interns.

For temporary workers, FTE is obtained by dividing the total paid hours by the number of hours worked in the month (number of working days excluding Saturdays and Sundays). The number of non-employees is reported at end of reporting period.

Table 37

Characteristics of non-employees in the Group's own workforce by gender	u.m.	2024				Total
		Male	Female	Other	Not reported	
Total number of non-employees (interns)	n ³⁵	176	101	-	-	277
Total number of non-employees (temporary workers)	FTE	882.12	214.65	0	0	1,096.77

S1-8 COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

72.28% of Brembo's employees are covered by collective bargaining agreements.

Table 38

Coverage Rate	Collective Bargaining Coverage		Social dialogue
	Employees – EEA (for countries with >50 empl. representing >10% total empl.)	Employees – Non-EEA (estimate for regions with >50 empl. representing >10% total empl)	Workplace representation (EEA only) (for countries with >50empl. representing >10% total empl)
0-19%		India	
20-39%	Poland		
40-59%			
60-79%	Denmark		Denmark
80-100%	Italy, Czech Republic, Spain, UK	Brazil, China, Mexico	Italy, Czech Republic, Poland, Spain, UK

35 The number of non-employees present at 31.12.2024.

S1-9 DIVERSITY METRICS

Brembo's top management, defined as the number of executives and managers within the Group, consists of 770 individuals, including 633 males and 137 females. This indicates that females account for 17.8% of Brembo's top management, while males account for the remaining 82.2%.

In terms of age distribution, 3,119 employees are under 29.9 years of age (21.77%), 8,759 are between 30 and 50.9 years old (61.15%), and 2,446 are over 51 years old (17.08%).

S1-10 ADEQUATE WAGES

All employees receive a fair wage that aligned with, where applicable:

- Official documents issued by the local government regarding minimum wage standards;
- Benchmarks established through collective bargaining agreements;
- Salary benchmarks supported by consultancy firms.

S1-13 TRAINING AND SKILLS DEVELOPMENT METRICS

The Brembo Academy is a corporate training school certified UNI EN ISO9001 EA37, which is also staffed by an internal trainers and certified Domain Experts, who transfer their knowledge within the Group through teaching and technical manuals. It ensures a structured, flexible and inclusive training and development offer differentiated by target population.

The training and development offer at Brembo addresses various needs across four key development areas:

1. organizational behavior and skill development;
2. technical skills relevant to Brembo's business;
3. compliance with legislative requirements;
4. Group culture.

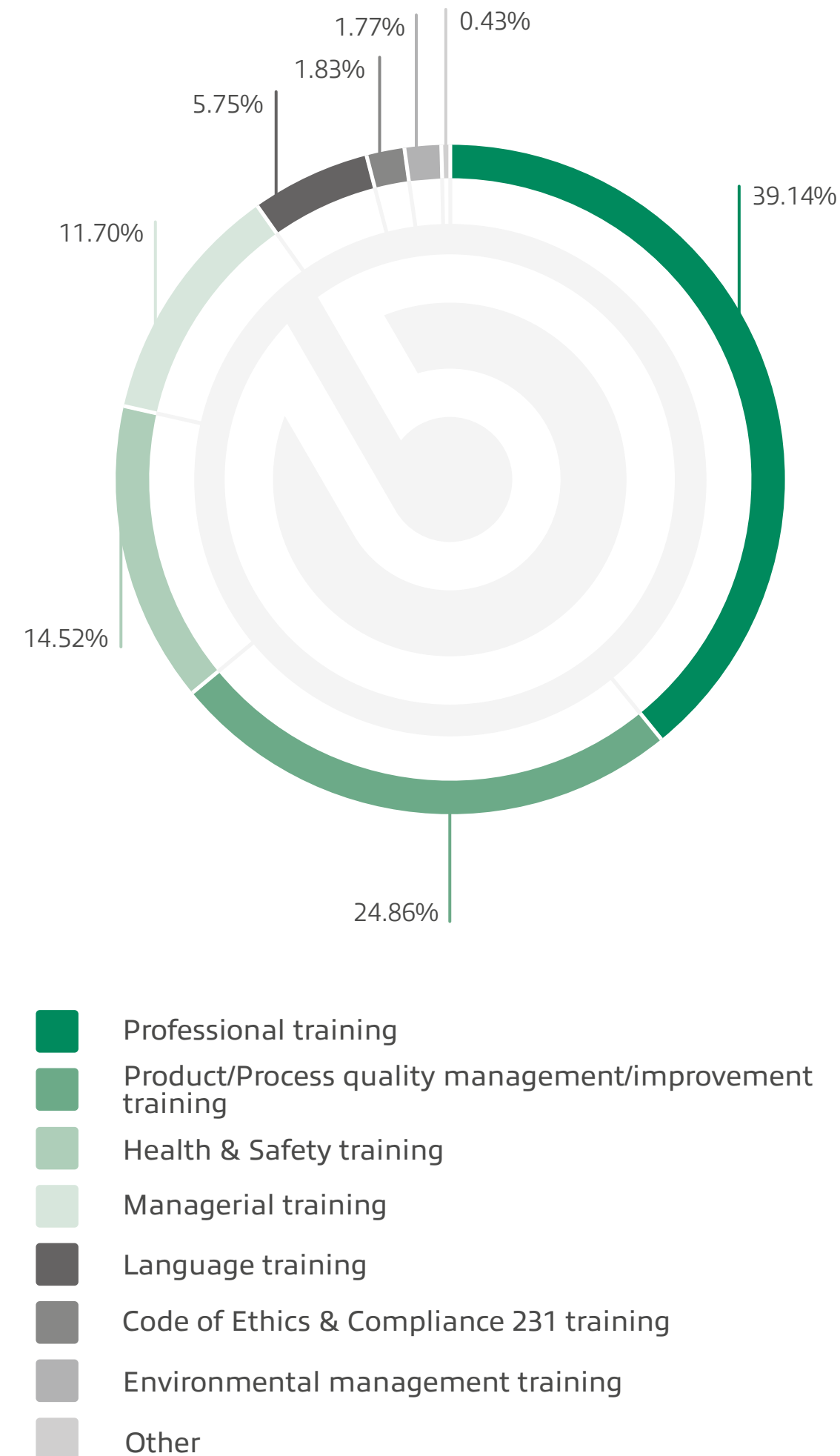
Training needs are gathered annually through the Global Training Needs Campaign and can be also integrated and updated throughout the year based on specific requests. Employees have the flexibility to select their own training courses through self-enrollment. While the training and development offer is coordinated centrally, the implementation thereof is managed by each country.

In 2024, Brembo provided an average of 23.69 hours of training per employee. Specifically, women received an average of 17.55 hours, while men received 25.06 hours of training during the year. In terms of employee categories, white-collar workers received training hours at 31.43, managers and executives at 25.34, and blue-collar workers at 20.60.

A regular performance review is conducted at least once a year, based on criteria known to both employees and their direct managers, and may include self-evaluation and direct manager evaluation.

Remarkably, 97.91% of Brembo's employees participated in regular performance and career development reviews, with 82% male eligible and 18% female eligible employees.

The subjects of these performance reviews included executives and managers (4.93%), white-collar workers (28.79%) and blue-collar workers (64.20%).



S1-14 HEALTH AND SAFETY METRICS

At Brembo, 94% of employees and interns are covered by a health and safety management system, with this percentage increasing to 97.65% for temporary workers.

No fatalities were reported in 2024, neither from work-related injuries nor from work-related ill health. On the other hand, Brembo recorded a total of 77 work-related accidents: 64 involving its own employees and 13 involving temporary workers. Considering the total number of employees and hours worked, the overall rate of recordable work-related accidents is 2.33.

In 2024, there were 8 cases of recordable work-related ill health. The combination of ill health and work-related injuries and accidents³⁶ resulted in 3,876 days lost for employees and 242 days lost for non-employees. No cases of recordable work-related ill health were detected among former employees.

³⁶ The estimate made for the division of hours worked between men and women is based solely on the data from December, as is done every year. Therefore, it is important to note that slight deviations may occur if the data were considered on a monthly basis rather than using the consolidated percentage from December.

S1-16 REMUNERATION METRICS (PAY GAP AND TOTAL REMUNERATION) – GENERAL

GENDER PAY GAP

Brembo usually monitors both synchronous phenomena (such as the gender pay gap) and diachronic phenomena (such as the internal labor market map). When addressing the gender pay gap, it is also important to consider Brembo’s sector, which is highly male-dominant with many job profiles in STEM fields, whose university curricula are still predominantly male-dominant.

The Group’s diversity initiatives aim to balance gender representation in leadership and throughout the organization, and to achieve pay equity for equal qualifications and jobs. While Brembo uphold the principle of equal pay for equal work, it is important to note that the overall figures may be influenced by gender characteristics in the sector.

Brembo is dedicated to improving data and analyses to better understand gender pay differences and their root causes. The company is preparing for the EU pay transparency directive and continuously working on identifying and reducing pay gaps within the organization. Brembo is also finalizing a standard job architecture to address inequality and minimize structural differences.

In Brembo, the gender pay gap, defined as the difference in average pay levels between male and female employees expressed as a percentage of the average pay level of male employees, stands at 2.38% at Group level.

This indicates that, on average, male employees earn 2.38% more than their female counterparts at a global level and the final percentage is calculated according to the ESRS requirements as it follows: (average gross hourly pay level of male employees – average gross hourly pay level of female employees) divided by the average gross hourly pay level of male employees.

ANNUAL TOTAL REMUNERATION RATIO

The annual total remuneration ratio is calculated by considering the ratio between the annual total remuneration for the Group’s highest paid individual and the median employee annual total remuneration (excluding the highest – paid individual).

It differs from the internal pay ratio indicated in the remuneration report section (paragraph 4.5 e 4.6) because of the different calculation method.

Brembo has chosen to present the annual total remuneration ratio based primarily on the number of employees at Brembo N.V. that stands at 104,28. Brembo is a multinational company operating across three continents and multiple countries, each with varying cost of living standards, remuneration frameworks, and social contribution and taxation implications.

Including all employees within the Brembo Group to represent the annual total remuneration ratio would not accurately reflect, from a methodological perspective, the average pay and working conditions of its workforce. This is due to the fact that it would involve an excessively diverse set of incomparable elements as the denominator.

The value of annual total remuneration ratio calculated according to ESRS standards and taking into consideration the Group employees (median) as of 31 December, is equal to 185.52.

S1-17 INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS –GENERAL

In 2024, Brembo did not report any incidents of discrimination, harassment, or severe human rights violations. However, there were 14 complaints were submitted through the company’s whistleblowing channels for employees to raise concerns, with none reported to the National Contact Points for OECD Multinational Enterprises. As a result, Brembo did not incur any fines, penalties, or compensation for damages.

S2 - WORKERS IN THE VALUE CHAIN

S2 SBM-3 WORKERS IN THE VALUE CHAIN IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

The double materiality assessment has led to the identification of the Impacts, Risk and Opportunities related to the matter of the value chain’s workers of the Group.

- **Positive impact - Transparency and supply chain involvement in sustainable practices through monitoring and training programmes:** Brembo positively contributes to the development of a sustainable supply chain in the automotive sector through the selection and engagement of its suppliers on environmental and social criteria. This method of involvement is aimed at enhancing suppliers’ adoption of the best available practices, reducing their environmental and social impacts.
- **Negative impact - Workers’ injuries and/or occupational diseases:** Inadequate working conditions along the upstream and downstream Group Value Chain can lead to client/supplier workers’ injuries or occupational diseases, including physical harm from unsafe machinery, chronic health issues, and mental health problems due to stress and unsafe workplace environments.
- **Negative impact - Violation of human rights:** Along the complex and geographically dispersed value chain of the Group, in case of lack of monitoring of human rights compliance, improper labour practices and violations of workers’ rights may occur, in particular during the phases of primary materials production and in certain specific geographies where Brembo’s suppliers are located (e.g. Asia and Central America).

- **Negative impact - Failure to respect equal opportunities in the workplace:** in the event that suppliers do not implement adequate practices to guarantee equal opportunities, diversity and inclusion within their workforce, their employees may be exposed to discrimination based, inter alia, on gender, ethnicity, religion, disability, or sexual orientation.
- **Risk - Suppliers' compliance with Brembo's "sustainable procurement policy":** If Brembo's suppliers do not adhere to the environmental standards and working conditions established by the sustainable procurement policy, they may be deemed unsuitable for the supply relationship. Such scenario would also represent a risk for Brembo's reputation and business continuity.
- **Risk - Cyberattack causing the unavailability of systems, the loss of information and extortion:** the loss of sensitive supplier's data following a cyberattack is a potential risk for Brembo from a reputational and financial perspective, leading to extra costs for compensation, legal actions, and restoration of IT systems.

The Impacts, Risks and Opportunities reported above are mainly related to the upstream phase of the value chain, in particular to raw material suppliers (raw material extraction and processing phase).

With regard to the methodologies, assumptions and tools used in identifying and assessing material impacts, risks and opportunities along Brembo's value chain, please refer to section ESRS 2 IRO-1 herein.

Brembo considers the relationship with its value chain and its workers an important moment for dialogue and a mutual opportunity for growth and enrichment. In this sense, the Group's strategy provides for an increasing involvement of customers and suppliers with a community

perspective, as well as a synergistic contamination of skills and best practices. For this reason, Brembo is committed to prioritizing a local supply chain and selecting suppliers based on sustainability criteria, including safe workplaces and human rights.

For information on how interest, views and rights of Brembo's stakeholders inform its strategy and business model please refer to ESRS 2 SBM-2 (General Disclosure).

Workers in Brembo's value chain are divided into those in the upstream phases and those in the downstream phases. In particular, workers in the upstream phase are those involved in the production of direct and indirect materials (e.g. raw materials, components, utilities, tools, packaging) and services (e.g. painting, treatments, maintenance, logistics).

On the other hand, workers in the downstream phases, include mainly automotive manufacturers, downstream logistics services, and recovery and disposal activities. It should also be noted that the employees of Brembo's joint venture, which is a strategic supplier, are included.

S2-1 POLICIES RELATED TO VALUE CHAIN WORKERS

The Group has a structured system of policies and codes aimed at managing the impacts, risks and opportunities related to its value chain's workers. The policies adopted by the Group not only aim to minimise risks and negative impacts on workers in the value chain, but also to identify and exploit opportunities to continuously improve its practices.

Table 39

Key concepts	Scope of application	Responsible function	External standards	Policy availability and sharing
SUSTAINABLE PROCUREMENT POLICY				
The policy aims to promote sustainable and responsible procurement practices throughout Brembo's supply chain. In this sense, the Group requires its Suppliers to adopt them and to ensure compliance with them throughout the entire supply chain (i.e. Subcontractors). Compliance with and signing of the policy is a necessary condition for establishing and maintaining a business relationship with the Group.	The sustainable procurement policy is distributed to the main global Brembo suppliers.	The Purchasing Team is responsible for the updating the policy.	The policy is drawn up according to the values set out in Brembo's Codes of Ethics, which are inspired by the principles contained in the United Nations Universal Declaration of Human Rights, the ILO's Tripartite Declaration of Principles concerning Multinational Enterprises, the ILO's Social Policy, the OECD Guidelines for Multinational Enterprises and refers to the internationally recognised principles of the ISO 20400 standard.	Published on Brembo's website and on the Company's Intranet. In addition, Brembo is committed to adequately training its employees on the principles of the policy and encourages all suppliers to disseminate these principles through appropriate training of its employees and their suppliers.

All of the sustainability issues identified as relevant for Group value chain's workers are addressed within the sustainable procurement policy, through which Brembo asks its suppliers to, among other things:

- comply with regulatory requirements, laws and standards and ensure respect for human rights; including not to use child labour and any form of forced labour, not to tolerate any form of harassment and/or discrimination and to promote the positive value of diversity;
- protect the health and safety of its employees and the community;
- protect the security and integrity of the data and information exchanged that they use and store;

In addition to the sustainable procurement policy, the following documents also apply to workers in the value chain:

- the Code of Ethics, which specified that each Brembo supplier must comply with the values and principles expressed therein and in all the other Brembo document dedicated to suppliers, with the indication that failure to comply with these provisions may result in the termination of the supply relationship;
- the Modern Slavery Statement, that specifies the measures adopted by Brembo to eliminate slavery and human trafficking along its value chain through the implementation of specific systems and processes;
- the stakeholder engagement policy, where Brembo outlines the engagement processes in place with the workers in the value chain.

For further information on the policies mentioned please refer to paragraph S1-1.

S2-2 PROCESSES FOR ENGAGING WITH VALUE CHAIN WORKERS ABOUT IMPACTS

As already mentioned in the previous paragraphs, the methods of involvement and interaction with the workers in the value chain are addressed by the stakeholder engagement policy, and specifically for suppliers, also by the sustainable procurement policy, where the Group's commitment to creating a long-lasting relationship clearly emerges.

Engaging workers in the value chain is a fundamental element for Brembo for a process of mutual improvement.

In this regard for example, Brembo takes into account the perspectives of workers in the upstream value chain through supplier on-site Environmental, Social and Governance (ESG) audits. These assessments are conducted by a third-party auditor and include anonymous interviews with workers at the supplier companies³⁷, ensuring that their perspectives are taken into account in evaluating these companies' compliance with ethical and responsible business standards. The objective of these audits is to identify critical issues related to working conditions, compensation, working hours, health, safety, and environmental practices, while providing Brembo with clear visibility into any non-conformities raised by workers in the supply chain. They serve as a valuable channel for gathering workers' input and concerns, allowing Brembo to effectively address and manage both actual and potential impacts on labor conditions within the supply chain.

The channels for listening and engaging with suppliers include:

- Daily activities and reports of the Purchasing GCF
- A supplier Engagement Survey on the importance of material issues for Brembo
- A conflict Minerals Engagement Survey for the annual supplier survey of conflict minerals use
- Training for Purchasing GCF on Corporate Social Responsibility, with an in-depth look at the supply chain
- Brembo supplier portal.

These various forms of engagement could take place any time during the duration of the supplier's contract and could occur directly with the workers in the value chain, with their legitimate representatives, or through a system of delegations, depending on specific needs.

The Chief Purchasing Officer has operational responsibility for ensuring that the engagement with the supplier is implemented correctly and transparently, and that the results obtained influence the Company's strategic approach, where possible.

The effectiveness of the engagement mechanisms in place with regard to workers in the supply chain is assessed by observing improvements in sustainability assessment scores.

In addition, Brembo also has a whistleblowing mechanism in place to receive and manage reports from suppliers' and other value chain workers, allowing them to report any human rights violations. Brembo guarantees the confidentiality of the identity of those who report in good faith. Suppliers' workers are also involved annually in the process of identifying and

evaluating the actual or potential impacts that Brembo may generate on them. For information on the methods of engagement, please refer to chapter ESRS 2.

S2-3 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS

In accordance with its dedicated policies, Brembo adopts a responsible approach in managing remedies for material potential adverse impacts on workers in the value chain that it has caused or contributed to, and that were identified by the Group through the engagement methods described in the previous paragraph.

The effectiveness of the remedies is assessed through direct contact with the concerned stakeholders and the related follow-ups, with the aim of verifying that the solutions implemented have effectively solved the issues identified. In this way, the Group ensures that the remedies provided are adequate and consistent with its social responsibility standards.

As outlined in the sustainable procurement policy, for example, Brembo remediation process requires suppliers to develop and implement a Corrective Action Plan in response to any identified non-compliance. To ensure the effectiveness of these measures, Brembo conducts follow-up audits to verify that any issues or concerns from workers in the supply chain have been appropriately addressed and resolved. If the supplier violates the principles outlined within the policy, does not actively contribute to providing the requested information, or does not implement appropriate improvement plans, Brembo reserves the right to precautionarily suspend and/or terminate any business relationship early and with immediate effect.

Brembo ensures that the channels are accessible and known to all intended users through communications on the company website. Moreover, the company has in place policies regarding the protection of individuals that use them against retaliation as described in section S1-3.

S2-4 TAKING ACTION ON MATERIAL IMPACTS, RISKS AND OPPORTUNITIES ON VALUE CHAIN WORKERS

Brembo actively prevents negative material impacts and risks and fosters positive material impacts concerning value chain workers (as described in the section S2-SBM3) through different actions.

To prevent, address and remediate material impacts and risks that may arise, Brembo has established a procedure for following up on suppliers who formerly resulted in poor sustainability performance. This procedure applies to all suppliers across the Group and entails initiating follow-up actions on suppliers who either fall below a specified minimum score or violate any zero-tolerance non-conformities.

For on-site audits, suppliers are provided with a specific timeframe to address any identified non-conformities. The timeframe is determined by the severity of the issue. Furthermore, Brembo retains the right to immediately suspend or terminate contracts if the supplier breaches the conduct principles set forth in the policies referenced in earlier sections (such as the sustainable procurement policy, Code of Basic Working Conditions, and policy on non-discrimination and diversity) as well as the provisions of Brembo's general terms and conditions. Currently, Brembo is reviewing its supplier sustainability assessment

³⁷ (S2-2; 23) Auditors select a representative sample of the workforce, considering gender, job roles, pay levels, and, if applicable, immigrants and contractors. Interviews focus on health and safety, wages, and ethical-social issues.

procedure to redefine the follow-up process for on-site audits, with the goal of enhancing its approach to swiftly addressing any identified non-conformities.

Additionally, Brembo has implemented various initiatives aimed at delivering positive impacts for value chain workers. Specifically, the Company is committed to the continuously enhancing supplier performance through ongoing dialogue on sustainability topics. This involves offering consistent support to suppliers during one-to-one dedicated meetings, ensuring they are well-informed and aligned with Brembo's sustainability objectives.

Brembo actively tracks and evaluates the effectiveness of its actions and initiatives by monitoring improvements in sustainability scores and confirming the resolution of the detected non-conformities. This systematic approach helps to ensure that the desired positive outcomes for value chain workers are not only achieved but also sustained over time.

To address the performance of supply chain workers, Brembo employs a combination of self-assessments, on-site audits and other evaluation methods outlined in previous sections to identify suppliers with subpar sustainability performance. During the reporting period, Brembo has not recorded severe human rights issues and incidents connected to its upstream and downstream value chain.

For more information on how the Group tracks the effectiveness of policies and actions through targets, please refer to the following chapter.

The information related to Brembo action plan (CapEx, OpEx) has not been disclosed with regard to financial the year 2024.

S2-5 TARGETS RELATED TO MATERIAL IMPACTS, RISKS AND OPPORTUNITIES ON VALUE CHAIN WORKERS

In order to manage negative impacts and risks, and advance positive impacts, Brembo has set two measurable, outcome-oriented and time-bound targets.

The first target is about expanding the scope of suppliers' on-site ESG assessment and monitoring to cover 80% of purchasing spent on direct relevant suppliers by 2026.

This target is directly in line with the objectives of Brembo's sustainable procurement policy, as embeds ESG principles into supplier evaluation and engagement. Additionally, the audits are performed on Brembo's suppliers (upstream value chain), in all locations where the Group operates. By extending on-site ESG assessments and monitoring, the organization ensures that procurement practices actively support sustainability goals, such as reducing environmental impact, promoting ethical labour practices, and fostering responsible sourcing. It is a relative target and its unit of measurement is the percentage of spend coverage (expenditure towards audited suppliers / total expenditure on direct relevant suppliers).

The base year for measuring progress is 2020, during which the baseline value indicated that 70% of spend on direct relevant suppliers were assessed through on-site ESG evaluations.

In terms of methodologies and key assumptions, the target focuses on "direct relevant suppliers," i.e., to those suppliers that are essential to Brembo's core operations and sustainability objectives. Brembo considers that 80% of procurement spend on these relevant suppliers constitutes a significant threshold for driving change and

enhancing overall supply chain sustainability.

Since the adoption of the target, no changes have been made, and the data source used to calculate the percentage of coverage of Brembo's spend is Brembo's Purchasing systems. The target is monitored annually, and Brembo is currently on track to achieve it. There has not been a significant change in the performance of the Company, which has remained consistently above the target threshold over the years.

The second target focuses on ensuring that the Local for Local Index remains above 90%. By prioritising local procurement, the target reduces the environmental footprint associated with transportation and logistics, (e.g., greenhouse gas emissions and energy consumption). Maintaining a Local for Local Index above 85% supports the Group's aim to enhance local economic growth and resilience. The target is based on the spend in regions where Brembo operates and includes the purchase costs of goods and services directly related to the production of finished products, including the purchase of raw materials, components, semi-finished and finished goods, as well as auxiliary materials and services — primarily transportation, utilities, packaging, and maintenance, repair, and operations (MRO). Additionally, it includes services that are not strictly tied to production, such as information and communication technology (ICT) and telephony expenses, cleaning, security, and canteen services. However, costs associated with tax and legal advice, insurance, sponsorships, business travel, recruitment and training activities, property leases, and industrial assets are excluded. The base year for measuring progress is 2020, during which the baseline value was 87%, and the target is set to be maintained until 2030.

Since the adoption of the target, no changes have been made, and the data source used to calculate the percentage of coverage of Brembo's spend is Brembo's Purchasing systems. The target is monitored annually, and Brembo is currently on track to achieve it. There has not been a significant change in the performance of the Company, which has been increasing constantly over the years.

Regarding both targets, workers in the value chain were not engaged in the process of defining, monitoring performance against them, or identifying areas for improvement.

Brembo has not set specific targets or measurable objectives on value chain workers. However, Brembo is committed to developing appropriate targets and key performance indicators (KPIs) for the future reporting year.

S3 - AFFECTED COMMUNITIES

S3 SBM-3 AFFECTED COMMUNITIES IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Brembo includes within the scope of disclosure under ESRS 2 communities that may be materially affected by the company. In particular, these are the local communities in the countries where the Group operates through its production plants and research and development centres.

The double materiality assessment has led to the identification of the following material positive impact, in relation to the matter of affected communities:

- **Positive impact - Impacts on the social growth of local areas and communities:** The presence of the Group at the national and international level can contribute to the enhancement of positive external effects through the direct transfer of investments, technology, knowledge, and skills. The Group supports social development in the communities where it operates through donations or specific projects that are not related to its core business.

The materiality assessment conducted by the Group took into account the impacted communities, and Brembo did not identify any particular groups of people more subject to risks than others or exposed to particular vulnerabilities. Additionally, no significant negative impacts, risks, or opportunities have been identified in relation to the communities.

The insights gained from the materiality assessment inform and contribute to the adaptation of Brembo's strategy and business model and contribute to its

adaptation. By aligning its initiatives with the identified needs of local communities, Brembo aims to enhance its positive contributions to social growth. This proactive approach not only strengthens Brembo's commitment to sustainability but also fosters shared social value, reinforcing the company's role as a responsible corporate citizen in the regions where it operates.

Brembo recognizes that its operations have significant impacts on the social growth of local areas and communities, which are closely connected to the company's strategy and business model. As part of its commitment to the UN 2030 Agenda and the Sustainable Development Action Programme, Brembo actively engages with local communities.

For more information, please refer to chapter SBM-3 of the ESRS 2. With regard to the methodologies, assumptions and tools used in identifying and assessing material impacts, risks and opportunities along its value chain, please refer to the section ESRS 2 IRO-1 herein.

Brembo has always been committed to strengthening its relationships with the local community, specifically the community that operates within its facilities. The global presence of the Brembo Group offers a significant opportunity to enhance positive external impacts through the transfer of investments, technology, and skills. The Group actively promotes the growth of the local economy by supporting infrastructure, employment, and training programs, while recognizing the importance of fostering intellectual capital in the districts where it operates.

For information on how interest, views and rights of Brembo's stakeholders inform its strategy and business model please refer to ESRS 2 SBM-2 (General Disclosure).

S3-1 POLICIES RELATED TO AFFECTED COMMUNITIES

The Group does not have a specific policy aimed at managing the impacts, risks, and opportunities related to the affected communities, but references can be found within the Group's Code of Ethics and the stakeholder engagement policy. Through these documents, Brembo aims not only to mitigate and minimise potential negative impacts on communities but also to identify and leverage opportunities to continuously improve its practices and positive impact on the affected communities.

In its Code of Ethics, Brembo specifies that it considers the population and local communities of the countries in which it operates among its main stakeholders and is committed to promoting relationships with them in the forms provided for by the applicable laws in the various jurisdictions. Additionally, Brembo is committed to protecting the health of people, natural resources, and the environment by promoting sustainable and responsible industrial development, which is appreciated by local communities.

Within its stakeholder engagement policy, Brembo outlines the engagement processes with local communities (described in the following paragraph S3-2). For more information on the Code of Ethics and the stakeholder engagement policy, please refer to the Table in S1-1. Both documents refer to the positive impact described above.

Moreover, to ensure structured and strategic management of social initiatives, Brembo has set up the Socio-Cultural Sponsorship and Donation Committee at a central level. This body periodically brings together a few relevant Chief

GCF Officers with the aim of defining criteria, guidelines and priorities on which to focus sponsorship and donation activities in the social and cultural sphere, evaluating the initiatives to be supported, as well as monitoring the consistency and effectiveness of the projects promoted.

The primary responsibilities of the committee include defining the budget, criteria, and guidelines for selecting socio-cultural sponsorship and donation initiatives. Additionally, the committee analyzes proposals submitted by the Chief Legacy Officer, validating or rejecting their adoption as appropriate. It also monitors Brembo Group's commitments to align with intervention categories and enhances the company's engagement through a structured internal and external communication plan when necessary.

S3-2 PROCESSES FOR ENGAGING WITH AFFECTED COMMUNITIES ABOUT IMPACTS

For the projects that Brembo carries out in collaboration with the CESVI Foundation, Brembo engages with affected communities through a structured Complaints and Feedback Mechanism (PCFM) that is in line with the Core Humanitarian Standard on Quality and Accountability. The CESVI Foundation is an Italian non-governmental organization (NGO) founded in 1985 that focuses on international cooperation and humanitarian aid. Its main mission is to combat poverty and promote sustainable development in various parts of the world, with a particular emphasis on projects that improve the living conditions of vulnerable populations. The PCFM developed by the collaboration between the two realities ensures that community perspectives inform decision-making by incorporating feedback, operational complaints, and serious complaints related to project

implementation, staff conduct, and service quality.

Engagement occurs directly with affected communities and their representatives through various channels, including suggestion boxes, verbal complaints, emails and written complaints. Community consultations take place at different stages, from project design to implementation and monitoring, with quarterly reviews and annual accountability meetings to assess the effectiveness of the engagement. The Project Manager and MEAL (Monitoring, Evaluation, Accountability, and Learning) Officer are responsible for ensuring that feedback is recorded, addressed, and used to refine project strategies, while serious complaints are escalated to senior management. The effectiveness of engagement is assessed through periodic evaluations, follow-ups on complaints, and mechanisms designed to ensure inclusivity, particularly for marginalised groups such as women, children, and economically disadvantaged communities. Special efforts are made to engage these vulnerable populations using child-friendly feedback tools and community-level consultations that respect local traditions and decision-making processes. CESVI's engagement framework emphasizes cultural sensitivity and the inclusion of marginalized voices to ensure a participatory and respectful approach.

Moreover, the Company's commitment to the wellbeing of local communities translates into active management to protect the interests and health of people in affected areas. At the same time, Brembo contributes to economic and social development by promoting employment opportunities, developing local skills, and encouraging active participation in community initiatives. The global presence of the Brembo Group offers a significant opportunity to enhance positive external impacts through the transfer of investments, technology, and skills. The

Group actively promotes the growth of the local supply chain by supporting infrastructure, employment, and training programmes, recognising the importance of fostering intellectual capital in the districts. Furthermore, it makes its know-how available, reinforcing its commitment to social responsibility and the sustainable development of surrounding communities. The process of listening to the needs of the communities actively engages Brembo People at all levels, including Country General Managers and the voluntary roles of Sustainability Ambassadors and Sustainability Champions.

In addition, within the stakeholder engagement policy, Brembo outlines the methods for engaging affected communities. The following engagement tools are used:

- Orientation and engagement activities for high school students and university institutions, along with related recruiting programmes.
- Roundtable discussions and dialogues with Public Administration.
- Initiatives to open Brembo's plants to visits from workers' families ("Open House" days) in various countries where the Group operates.
- Initiatives to support the social and cultural development of the territories promoted by the Group.
- Channels for reporting violations of the Code of Ethics.
- Monitoring through media (press, specialised magazines, TV, web, social networks).

S3-3 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR AFFECTED COMMUNITIES TO RAISE CONCERNS

Brembo has determined that it will not report on "Processes to remediate negative impacts and channels for affected communities to raise concerns" as the process of Double Materiality has not identified any significant negative impacts on local communities. Instead, Brembo highlights its positive contributions to the social growth of local areas and communities. The Group's efforts are focused on fostering development, enhancing community wellbeing, and creating beneficial relationships with the regions in which Brembo operates. By prioritising initiatives that promote social advancement, the Group is committed to ensuring that its presence is a force for good, positively impacting the lives of individuals and the overall health of the communities it serves.

Brembo tracks the effectiveness of its initiatives through continuous dialogue with the local institutions and non-profits it collaborates with, requesting reports on the progress of projects and monitoring the achievement of set objectives.

S3-4 TAKING ACTION ON MATERIAL IMPACTS, RISKS AND OPPORTUNITIES ON AFFECTED COMMUNITIES

Brembo is aware that it is an important player in the economic and social fabric of the local areas in which it operates around the world, and this generates a deep sense of responsibility towards people, bodies and institutions, as well as the environment.

Over the years, the Group has developed a broad and

growing set of projects and initiatives to involve and support local communities, with the aim of bringing concrete support to areas of greatest social need through the projects promoted by the Socio-Cultural Sponsorship and Donation Committee.

These projects are conceived and developed in collaboration with the non-profit sector and local institutions and are oriented towards the following areas of intervention: education, training and research, environment and sustainability, sport, art and culture, social and child protection.

Listening to the needs of communities also involves Brembo People at a widespread level, including Country General Managers and the volunteer figures of Sustainability Ambassadors and Sustainability Champions who, by interfacing with the company's Sustainability & Risk GCF, bring to the Group's attention the needs that have emerged from local communities.

Building on this commitment to community engagement, Brembo is now poised to implement the Proaction Project Proposal, which will further enhance its efforts in addressing local needs through a structured and adaptable approach.

The Proaction Janata Vasahat – Pune Project Proposal (2024-2026) is a comprehensive initiative designed to address critical societal challenges by fostering sustainable development, community engagement, and stakeholder empowerment. It serves as a guiding framework or modus operandi that Brembo can adopt when engaging with local communities through projects, emphasising broad principles such as capacity-building, fostering collaboration, and sustainability. The project focuses on enhancing the educational path of underprivileged children and youth

by providing study assistance and facilitating digital learning via computer labs. The programme will offer after-school support across all subjects included in the school curriculum. Personalised attention will be given to each child to make learning engaging, thereby encouraging them to stay in school and complete their education with commendable grades. It also aims to empower families and community through counselling and awareness sessions fostering sustainable growth and development for all. In its first three months of operation, the center has worked diligently with its dedicated staff to deliver significant benefits to both children and community members, with a special focus on girls' education. The Company's aim is to ensure that girls complete their education and do not drop out of school or marry at a young age. Programmes include an Education Support Programme, a Digital Learning Programme, and various extracurricular activities. In the Study Support Programme, guidance is offered in subjects such as English, Math, and Marathi.

Additionally, children are engaged in fun games, height and weight measurements are conducted, and monthly health check-ups and parent-teacher meetings to monitor children's progress are held. In 2024, 54 girls and boys participated in educational support activities, children's life skills and psycho-social support and health checkups. 10 young people took computer classes. 21 community people were guided to obtain government documents and schemes. 32 women participated in awareness sessions.

BREMBO ALONGSIDE ACCADEMIA CARRARA AND GAMEC

Over the years, Brembo has been able to build an active and constant dialogue with the voices of the area in which it originated, collaborating with important companies that

also operate outside the business context.

After the important experience as a partner of Bergamo Brescia Italian Capital of Culture 2023, Brembo has chosen to give continuity to its commitment, collaborating with two major cultural institutions in the area: Accademia Carrara and GAMEC, the Gallery of Modern and Contemporary Art of Bergamo. In particular, the Company has decided to support the three-year programmes of both institutions, supporting artistic and cultural projects of social interest.

Brembo will serve as an Educational Partner for the Accademia Carrara from 2024 to 2026, supporting educational projects by La Carrara Educazione. This initiative aims to familiarise individuals with the museum from a young age and promote it as a welcoming place for all. Since 2016, La Carrara Educazione has offered activities for various groups, including schools and families, through guided tours, workshops, and teacher training. Brembo's support focuses on raising awareness of art and fostering the role of the museum as a venue for meeting, reflection and collective growth.

Brembo is also backing GAMEC's artistic and cultural projects from 2024 to 2026, including "Thinking Like a Mountain", which aims to engage local communities and reflect on sustainability through the participation of international artists.

Brembo has chosen to collaborate with Accademia Carrara and GAMEC due to their shared commitment to social and cultural initiatives, aiming to create value for the community and the local area.

A "HOUSE OF SMILES" DEDICATED TO MOTHERS AND CHILDREN IN INDIA

Brembo has been operating in Pune, India, for years, gaining insight into the local socio-economic dynamics and community needs.

In 2017, the Group launched the "House of Smiles" a project in collaboration with the CESVI Foundation, a multi-service hub designed to support urban slum communities in Pune. This initiative provides integrated services focused on child education, protection, and empowerment for women and children in vulnerable conditions. The project operates through three educational centres and a central HUB office.

Swadhar serves as a local partner within these structures, playing a key role in the House of Smiles (HoS) project, which stands as a beacon of hope for women, children, and families. Committed to making a meaningful impact, the project ensures access to education, protection, and nutrition services in a safe and stimulating environment. Through a diverse range of activities including early childhood development, kindergarten, study and support classes, family guidance, counselling, vocational training, e-learning, library services, and community awareness programmes — HoS fosters holistic growth and empowerment.

In 2024, a total of 1,372 beneficiaries participated in educational activities across various age groups. The kindergarten programme (ages 3 to 6) focused on enhancing cognitive, social, and fine motor skills, preparing children for formal schooling through educational play, nutritious supplements, a toy library, and festive celebrations. For school-aged children (6 to 14), support and study classes were conducted to improve academic performance, reintegrate school dropouts, and create a conducive learning environment. Activities included

numeracy and literacy skill-building, e-learning, library sessions, science exhibitions, and exposure to classical music and instruments, ensuring holistic development. These initiatives were led by trained teachers.

New initiatives were implemented in 2024: Toy House: Introduced for children aged 6 months to 6 years, this activity encourages mothers and caregivers to engage in educational play, fostering early development. Life Skills Education: Conducted in collaboration with the Dignity Academy Foundation, these sessions for adolescents (12-18 years) focus on self-awareness and communication through play. Art Therapy Workshops: Designed to promote emotional expression, mental wellbeing, and interpersonal skills through visual art. Spoken English Classes: A dedicated English teacher was appointed to support study and class students across all three centres. This pilot project aims to enhance English proficiency, boosting children's confidence and future opportunities.

The House of Smiles actively engages parents and the community through family counselling (individual and group sessions). The three educational centres also provide vocational training for young women in tailoring, beautician, and embroidery courses, awarding recognised certificates to support their economic and social independence, as well as awareness programmes on career guidance, parenting, education, health, and access to public welfare schemes. In 2024, 1,951 indirect beneficiaries participated in these awareness programmes, enhancing their skills and career prospects.

The Brembo Brake India Management team maintains a close partnership with CESVI operators to oversee the project and collaborates with Swadhar's local managers to ensure continuous engagement and support for women, children, and families benefiting from the House of Smiles.

THE “SCHOOL ON WHEELS” PROJECT TO REACH GIRLS AND BOYS IN INDIA WITH A MOBILE EDUCATIONAL SPACE

In 2019, Brembo launched the “School on Wheels” project in India, transforming a school bus into a mobile classroom in collaboration with Door Step School, a local NGO focused on educating children from vulnerable families. The initiative addresses three key challenges in primary education: non-enrolment, early school dropout, and learning stagnation, providing children with opportunities for a better future.

The “School on Wheels” bus is equipped with books, notebooks, computers and interactive teaching materials to support the literacy and study activities of over XY children using innovative teaching methods. Operating from Monday to Saturday, the project reaches the outskirts of Pune, engaging groups of 20-25 children at each stop.

The Door Step School team teaches children aged five to ten essential skills: reading, writing and counting, while also promoting self-care. The bus stops in designated areas for about two hours, allowing the entire community to access the mobile unit for reading activities. This initiative benefits both emerging readers and those who can read but lack access to books.

Additionally, the Door Step School team collaborates with parents to involve them in their children’s education, fostering continuity and support for learning. Monthly meetings with families and community visits are organized to share children’s progress and encourage parental engagement in their educational journey.

In 2024, with support from Brembo Brake India, a new educational space was inaugurated in Balajinagar, Pimpri-

Chinchwad, providing children with essential skills for their school and personal development.

SUPPORT FOR YOUNG PATIENTS AT TATA MEMORIAL HOSPITAL IN MUMBAI, INDIA

Tata Memorial Hospital in Mumbai is a leading centre for paediatric cancer care in India, where many families seek oncological treatments for their children. Since 2024, Brembo has supported St. Jude India Child Care Centers, an NGO collaborating with the hospital to assist young patients and their families during treatment.

The project provides free accommodation, nutrition programmes, and activities aimed at enhancing the psychological and emotional wellbeing of families. St. Jude’s approach emphasizes learning, offering personalised school programmes that allow children to continue their education through creative workshops, educational games and interactive lessons.

Emotional support is also vital, with activities like music therapy, yoga, and counseling sessions helping children process their emotions. Parents are also included in the programme, receiving support for emotional processing and economic independence through practical courses in various skills.

Families celebrate milestones together, fostering a community spirit and creating a supportive environment. Outdoor activities like cricket and volleyball promote socialisation and strengthen community bonds. This integrated approach enhances the overall wellbeing of children and families, helping them face treatment challenges with confidence and support from their community.

THE BREMBO FOREST IN KENYA AND SUPPORT FOR THE CHAKAN BIODIVERSITY PARK IN INDIA

Every tree is vital for the planet, providing oxygen and resources for humans, symbolizing sustenance, life and hope for the future. To celebrate its 60th anniversary in 2021, the Group donated a tree to every employee worldwide, establishing the first Brembo Forest in Kenya’s Lake Victoria region. The initiative, called “Brembo4Earth - A gift for you, our forest for the planet” was carried out in partnership with Treedom, resulting in the planting of 14 thousand trees, including both stem and fruit species tailored to the local environment.

The Brembo Forest contributes to the achievement of 10 of the 17 Sustainable Development Goals defined by the United Nations, bringing both environmental and social benefits. In particular, the project involves local communities in forest management and care, providing them with profitable agricultural alternatives.

In 2024, Brembo continued monitoring the Brembo Forest and supporting the Biodiversity Park in Chakan, India, in collaboration with the NGO Bosch & Forest using the “Miyawaki Method”. This technique, developed by the Japanese botanist Akira Miyawaki, utilised resilient native plants to restore abandoned land previously used for illegal dumping.

A key phase involved selecting species to create a sustainable ecosystem that enhances soil retention, cools the microclimate and absorbs pollutants and carbon dioxide. The biodiversity park is now accessible to the community and industrial workers, providing a green space for reconnecting with nature.

EMPOWERMENT AND SOCIAL INCLUSION FOR WOMEN AND CHILDREN BY THANE

In 2022, Brembo launched a project in Thane, India, to support mothers working in the textile sector with children care. In partnership with Proaction, a Day Care Centre (DCC) was established, operating five days a week. The DCC provides various socio-educational services, including educational support, arts and crafts workshops, sports activities, career guidance, karate classes, interactive learning classes, specialised English support sessions and healthcare. A fully equipped computer centre has been operating since June 2024 for the community children in Thane, staffed by a full-time teacher. The centre provides a three-month basic computer course consisting of six batches each with five students.

Two batches of 28 beneficiaries have successfully completed their training in 2024. Moreover, two community health camp (Dental camp and Eye camp) were organized for the community people, with 260 beneficiaries.

This multi-purpose space allows children to learn, explore and grow in a safe and stimulating environment that contributes to the enhancement of their learning skills and the improvement of their overall wellbeing. During 2024, 50 girls and boys participated in arts and crafts workshops, while 33 girls and boys (22 non DCC children + 11 DCC children) took part in career guidance sessions. In addition, a space with PC workstations was opened in 2024, designed to improve classroom interaction and make learning more dynamic and engaging.

In addition to educational support, 26 children had the opportunity to participate in karate courses and 43 children participated in summer camps with chess workshops, outdoor games and computer classes.

The mothers participating in the project are artisans from a nearby tailoring unit. The project is aimed at promoting their economic and social empowerment by providing health coverage, regular medical check-ups, and financial educational support to 27 children to prevent school dropouts and manage family emergencies. It also offers training and awareness courses to enhance mothers professional skills.

In 2024, the centre guaranteed health insurance to entire households, covering a total of 172 beneficiaries under the health insurance plan, including 48 artisans and 124 dependents (family members of the artisans). In addition, a total of 56 children benefitted from monthly health check-up sessions, 72 women benefitted from medical examinations and seven skills enhancement sessions were conducted for 26 women artisans.

Total unique beneficiaries in Thane project amount to 500. In conclusion, Brembo's two-year project in Thane is demonstrating a significant impact on the local community. Thanks to the Day Care Center (DCC), opportunities have been created for the care, growth and education of children, while mothers have received vital support for family management and personal development. Community computer classes, help students develop computer literacy and connect with the world of digital learning.

THE "DREAM CENTER" PROJECT TO ENSURE ACCESS TO EDUCATION FOR GIRLS AND BOYS IN RURAL CHINA

In rural China, many children face challenges in accessing quality education essential for their future. Since 2019, Brembo has collaborated with the Chinese NGO ADream.

org on the "Dream Center" project, which focuses on renovating schools and providing teacher training to improve teaching quality and stimulate students' aspirations through an innovative approach.

There are five active Dream Centers: Taizhou Experimental Primary School (Jiangsu), ZiXi Experimental Primary School (Jiangxi), Jietian Central Primary School (Jiangxi), Muye Township Central Primary School (Chongqing) and Jiangxi Ganzhou SiYuan Experimental School (Ganzhou), serving thousands of students (more than 11,200) and teachers (more than 450).

Brembo China also participated in "Tencent 99 Giving Day" contributing to the purchase of new educational material for the Centres. This initiative demonstrates that shared commitment can reduce social gaps and create new opportunities for change, ensuring that no one is left behind.

FOSTERING SYNERGIES TO SUPPORT RESEARCH AND INNOVATION

The strong propensity for innovation and research leads Brembo to pay particular attention to specialised education and training programmes aimed at young people, as well as to support advanced scientific research projects in fields of application that go beyond the automotive sector.

An example is the support for FROM, the Research Foundation of the Papa Giovanni XXIII Hospital in Bergamo, founded in 2008 with the aim of promoting the development of research projects within the Bergamo Hospital and playing an active role in the national and international clinical research landscape. FROM

is committed to enhancing and expanding research potential in all hospital sectors, with the aim of improving the quality of care and people's health.

Brembo supports the Mario Negri Institute, one of Italy's largest biomedical and pharmacological research centres, dedicated to promoting scientific culture through various initiatives that inform the scientific community and provide accessible drug information to citizens. In 2024, the Institute received the Edinburgh Medal, a prestigious award from the Edinburgh Science Charity, for its patient-centred research approach, which emphasizes transparency and the sharing of scientific and health information.

During the Covid-19 pandemic, Brembo's support for these organizations and for the Papa Giovanni XXIII Hospital in Bergamo made it possible to finance research projects conducted jointly for the study of the virus and its medium-long term consequences. The results of the research projects have been published in the most prestigious scientific and medical journals worldwide.

BREMBO AND ATALANTA: SPORT AS AN EDUCATIONAL AND SOCIAL VALUE

Sport is a powerful tool for personal and collective growth, promoting inclusion and enhancing talent. Brembo supports the social role of sport and shares educational values, such as loyalty, teamwork and continuous improvement, with Atalanta, which young athletes can apply both on and off the field.

Since 2018, Brembo has collaborated with Atlanta, particularly as the Top Partner of the Youth Sector. A key aspect of this partnership is the Brembo Award, which

recognizes deserving players from the Under 15 to the Primavera based on sports performance, school results, and behavior. In 2024, the Award was presented by Cristina Bombassei, Brembo's Executive Director and Chief Legacy Officer, during a ceremony attended by 400 young players and staff.

Brembo also supports the "School at the Stadium" project, promoting knowledge of rules, discrimination prevention and fair play. Additionally, Brembo is involved in Atalanta's summer football Camps for children aged 7 to 14, which enjoy significant participation every year.

DEEPSTAMBH FOUNDATION: MANOBAL PROJECT

The Deepstambh Foundation is committed to empowering individuals, particularly those with disabilities, orphans, transgender individuals, and underprivileged youth, through a comprehensive range of educational and training programmes, including preparation for competitive examinations, higher education support, and skills training. With a notable partnership with Brembo, the foundation enhances its impact by providing residential training and education at the Manobal Pune centre, where sponsored students receive mentorship, accessible study materials, and financial assistance. This collaboration has led to significant achievements, such as the successful placement of 470 students in government jobs and numerous others in various sectors. Brembo's support has been instrumental in enabling students like Vaibhav Sherki and Sachin Kharade to overcome personal challenges and achieve their academic and career goals, exemplifying the transformative power of this partnership in fostering social inclusion and development within marginalised communities.

ST. JUDE INDIA CHILDCARE CENTRE: HOME AWAY FROM HOME

The St. Jude India ChildCare Centre, supported by Brembo, operates a “Home Away from Home” project at the Kharghar location in Mumbai, catering to young cancer patients and their families. Between December 2023 and November 2024, the centre supported 117 families, for a total of 351 beneficiaries, by providing safe, hygienic accommodations, nutritional support, transportation to hospitals, educational sessions, and emotional wellbeing activities. Recreational and therapeutic interventions, such as yoga, art, music therapy, and skill development programmes, benefitted both children and parents, fostering a community-focused environment of healing.

Educational themes and creative learning engaged children, while parents participated in vocational and recreational activities. Special occasions like festivals and Mother’s Day were celebrated to bring joy and cultural exchange. These initiatives not only eased treatment adherence but also improved the psychological and emotional resilience of families.

Looking ahead, St. Jude’s aims to expand its capacity with new facilities under construction at the ACTREC campus, set to open by April 2025, to further support families across 11 cities. The initiative exemplifies holistic care, fostering recovery and community among patients and their caregivers.

The information related to Brembo action plan (CapEx, OpEx) has not been disclosed with regard to financial the year 2024.

S3-5 TARGETS RELATED TO MATERIAL IMPACTS, RISKS AND OPPORTUNITIES UNAFFECTED COMMUNITIES

Brembo has not set specific targets or measurable objectives related to Local Communities for 2024. However, Brembo is committed to developing appropriate targets and key performance indicators (KPIs) for the future reporting year.

S4 - CONSUMERS AND END-USERS

S4 SBM-3 CONSUMERS AND END-USER IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

In defining its strategy and business model, Brembo includes within the scope of disclosure under ESRS 2 the interests, rights, and opinions of consumers and end users.

The double materiality assessment has led to the identification of the following IROs, in relation to the consumers and end users:

- **Positive impact - Increased end-user safety through the implementation of innovative technologies in products:** Brembo invests in Research and Development activities to develop innovative products and lead to increased safety of vehicles using Brembo components, resulting in higher safety standards for end users.
- **Negative impact – Consumer safety due to product non-conformities:** Being braking system a safety component by definition, in case of product non-conformity the end-user’s safety may be threatened.
- **Risk - Product liability and safety recalls:** If a defect is detected once the product is on the market, it may result in one or more of the following consequences: product liability by the claims end-customer, safety recall campaign, warranty intervention (in case of a non-safety-related defect). The consequence for the Company would be an impact in terms of extra costs, reputation and/or relationship with clients.
- **Risk - Potential errors in external and internal communications:** Incorrect disclosure could represent a risk for Brembo, as it can damage its corporate reputation, lead to penalties and negatively influence the market choices of end users and, consequently, clients.

With regard to the methodologies, assumptions and tools used in identifying and assessing material impacts, risks and opportunities along its value chain, please refer to the section ESRS 2 IRO-1 herein.

The safety of end users cannot be separated from the quality of Brembo’s products. For this reason, Brembo is committed to managing its impacts and risks and defines its strategy to ensure the production of excellent products with safety, quality, and reliable performance. Furthermore, through the use of innovative technologies, Brembo aims to enhance the performance of its braking systems, ensuring maximum reliability and safety for the end user.

For information on how interest, views and rights of Brembo’s stakeholders inform its strategy and business model please refer to ESRS 2 SBM-2 (General Disclosure).

The analyses conducted by the Group for identifying and evaluating impacts, risks, and opportunities did not lead to the identification of specific groups of end-users to focus on. The impacts, risks, and opportunities identified by the group therefore refer to the drivers of vehicles equipped with brake components manufactured by Brembo.

S4-1 POLICIES RELATED TO CONSUMERS AND END-USERS

The Group has a structured system of policies and codes aimed at managing the impacts, risks, and opportunities also related to end users.

The policies adopted by the Group not only aim to minimise negative impacts on end users, but also to identify and leverage opportunities to continuously improve its practices.

Table 40

Key concepts	Scope of application	Responsible function	External standards	Policy availability and sharing
QUALITY POLICY				
Brembo Group's quality policy ³⁸ defines Brembo's intentions and strategies regarding the quality and safety of its products and processes. The policy is centred on the ability to constantly innovate products, processes, and services to provide the highest level of quality and performance excellence. The policy emphasizes the Company's focus on health, safety, environmental protection, ethics, sustainability, and legal compliance, both internally and throughout its supply chain.	The policy applies to all Brembo products and processes.	The Quality function is responsible for defining the policy together with EC.	The policy is consistent with ISO 9001 and IATF 16949 standards.	Public on the Company's Intranet.

Brembo has implemented a Quality Management System compliant with the IATF 16949:2016 standard. This system, characterized by Guidelines common to all the Group's plants, allows best practices to be transferred from one plant to another, as well as all the sites to be managed according to the same standards and quality indicators. The effectiveness of the Quality Management System is verified periodically through specific internal system and process audits and through third-party audits with regard to compliance with IATF 16949, annually, as well as ISO 26262 and ASPICE, on specific projects. Like other management systems, in newly opened sites the Quality Management System is implemented when production gets underway, and certification audits are normally carried out around twelve months after plant is commissioning.

All sites are certified according to the IATF 16949:2016 standard except for Zaragoza site, which is ISO 9001 certified as the IATF scheme does not apply to

aftermarket sites. The Myasl and Jiaying plants, which were recently acquired, will obtain IATF 16949 certification respectively by 2025 and 2026 as soon as integration activities are completed.

S4-2 PROCESSES FOR ENGAGING WITH CONSUMERS AND END-USERS ABOUT IMPACTS

Brembo Group not only is committed to complying with quality standard and law's requirement but also aims to is ensuring transparency in communications and establishing lasting relationships with its stakeholders, including end users. For this reason, Brembo has adopted the stakeholder engagement policy which defines the methods of dialogue between the Group and its stakeholders including end user and customers (refer to the Table in S1-1).

One example of a process used to engage consumers and/or end-users is the Brembo Claims Hunter project, a new digital tool that continuously identifies posts, comments, and discussions on the web that can represent the voice of the customer. This tool allows the Quality GCF to analyse customer feedback in an aggregated manner, extract insights, and define areas for product improvement along with potential enhancements. The project enables the Company to respond more effectively to user needs. The technology behind Brembo Claim Hunter uses advanced algorithms that filter and classify the collected data, ensuring precise and detailed analysis. This helps Brembo to maintain a constant dialogue with consumers and continuously improve its products. Moreover, Brembo has adopted a channel through which consumers and end users can raise their concerns as described in G1-1.

In particular, in the case of the Aftermarket GBU and product issues, the end user can write directly to Brembo or contact their dealer, who will then liaise with Brembo to obtain all the necessary information for the prompt resolution of the problem.

Additionally, the Quality GCF periodically monitors news, particularly from government agencies, regarding recall campaigns already activated in the market and potentially related to Brembo products, in order to detect "early warnings" of any issues impacting the quality and safety of the Company's products.

Based on this information, a risk exposure analysis for Brembo is carried out with all the necessary functions, and depending on the assessed risk exposure level, an appropriate work plan is defined to adequately eliminate the highlighted risk exposure.

S4-3 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CONSUMERS AND END-USERS TO RAISE CONCERNS

To ensure product safety and quality and prevent potential negative impacts, Brembo adopts a preventive/proactive approach in managing its processes, allowing it to anticipate problems and intervene to prevent them, with a view to continuous improvement. Specifically, during the design and development phases, FMEA/FMECA analyses are conducted, both for products and processes, to identify both product and process characteristics with potential impacts on end-user safety, so they can be systematically managed and controlled throughout the production chain (product development, internal process, and supplier process).

Additionally, specific courses on FMEA products and process are periodically provided. During the development phase, a testing plan is implemented, conducted both on benches and vehicles, to ensure that products meet the required specifications. During the production phases, specific controls (covering 100% of the products) are carried out to ensure that all requirements, particularly those related to product safety, are met.

At the core of this approach, Brembo implements a solid "Project Management" process (known as "Stargate") which, through the planning and management of specific control points (gates) and the management of any recovery plans, allows for the verification of the correctness and completeness of the activities carried out, ensuring that the product is ready for mass production in full compliance with the defined requirements.

38 The current policy in force is dated 24/07/2017, and there have been no significant changes to the policies during the reference year.

With Brembo Academy support, many people were trained over years with dedicated e-learning and through a workshop dedicated to employees within Platforms.

A similar approach is followed in managing the entire supply chain, from the selection and qualification of suppliers to the control of compliance with agreed supply conditions. This is done through a structured evaluation and approval process based on objective and measurable parameters, through visits aimed at verifying the ability to meet the required quality standards and the involvement of suppliers from the early stages of development.

Given the importance of the Brembo Product Development System (BPDS) for Brembo, Quality GCF, with the support of Brembo Academy, periodically provides specific courses on BPDS aimed at training new people joining the Group in platform roles, as well as to standardise the development methodology within all Platforms and all Global Business Units.

At plant level, product quality and safety are continuously monitored through specific indicators (e.g., customer PPM, internal scraps) which are then further analysed centrally.

Annually, the Quality GCF (Central Quality Function) prepares the Quality Plan which consolidates the quality targets for individual GBU/Plants and for the Group, with respect to specific indicators monitored quarterly within dedicated Committees and others evaluated on a half-yearly basis and included in a specific document (Quality Report). In particular, to measure product quality and safety, indicators (customer PPM and incidents) are used, considering the number of defects sent to the customer divided by cause, criticality index (which measures the disturbance to the customer), and severity index (which

measures the impact of non-conformities on the end user's safety). Moreover, any market recalls and/or special statuses attributed by the customer to the production units in case of deviations from the defined standards are also monitored.

S4-4 TAKING ACTION ON MATERIAL IMPACTS, RISKS AND OPPORTUNITIES ON CONSUMERS AND END-USERS

Brembo has established specific guidelines to manage all product non-conformities reported by customers, detailing responsibilities and operating procedures. For each non-conformity, a structured Problem-Solving process is implemented. This process allows for the identification of causes, the implementation of appropriate corrective actions to eliminate them, and the standardization of solutions on similar products/processes to prevent the recurrence of the issue.

Brembo managed all product issues, both during development and in serie production, through "Eureka", internally designed tool which brings all information, into a single repository and facilitates the understanding of causes and the sharing of solutions among all plants. Whether internal to Brembo or reported by the customer, all issues are thus managed through a common problem-solving methodology. The goal is to use shared knowledge to proactively address potential issues, preventing recurrence in other plants and/or on similar products. The system also provides real-time reporting of open issues and their management, resolution times, and ongoing problems.

Moreover, Brembo has developed a so called "Warranty analyser" which aims to automate the analysis of

warranty data so as improve product reliability and trigger product improvement plans. This entails the development of a structured and unified tool for warranty analysis, implementing predictive models for warranty trend evolution, and enabling ad hoc product reliability analysis.

Brembo has also defined a guideline for the management of potential recall campaign. It illustrates the responsibilities and operating modalities for the implementation, in the shortest time possible, of a set of activities and actions aimed at minimising the general risks connected with the introduction or circulation on the market of a non-conforming product potentially risky for the end user's safety or health.

To conclude, the key actions taken and/or planned to prevent, mitigate and remediate impacts, and to address risks during the reporting year are as follows:

- Integration to Brembo Quality Management System for all the newly acquired companies to have common guidelines in all the Group's plants that allows all the sites to be managed with the same standards and quality indicators.
- Quality GCF organization with dedicated people for Manufacturing Quality and Technical Problem solving in order to continuously improve problem solving management and methodologies reducing product nonconformities.
- Collection, management and audit on mandatory regulatory requirements in order to guarantee legal compliance and minimize potential risk in corporate reputation.

The information related to Brembo action plan (CapEx, OpEx) has not been disclosed with regard to financial the year 2024.

S4-5 TARGETS RELATED TO MATERIAL IMPACTS, RISKS AND OPPORTUNITIES ON CONSUMERS AND END-USERS

During 2024, Brembo set a measurable outcome-oriented target, in line with the Quality Management System:

- Percentage of plants certified according to the IATF 16949:2016 standard

As of 2024, 100% of the sites are certified according to the IATF 16949:2016 standard with the exception of Zaragoza and Shandong (BRGP), which is ISO9001 certified as the IATF scheme (does not apply to aftermarket sites). The recently acquired Myasl and Jiaying plants will obtain the IATF 16949 certification respectively by 2025 and 2026 as soon as integration activities are completed. The target is in line with the Quality Management System characterised by Guidelines common to all the Group's plants and allowing best practices to be transferred from one plant to another, as well as all the sites to be managed with the same standards and quality indicators. The effectiveness of the Quality Management System is verified periodically through specific internal system and process audits and through third-party audits relating to compliance with IATF 16949. Like other management systems, in newly opened sites the Quality Management System is implemented when production gets underway, and certification audits are normally carried out around twelve months after plant is commissioning.

Brembo has not set specific targets or measurable objectives. However, Brembo is committed to developing appropriate targets and key performance indicators (KPIs) for the future reporting year.



3.5 GOVERNANCE

G1 - BUSINESS CONDUCT

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G1 - BUSINESS CONDUCT

G1 GOV-1 ROLE OF ADMINISTRATIVE, SUPERVISORY AND MANAGEMENT BODIES

Brembo's Board of Directors (BoD) is the key body that guides the Group's ethical conduct, ensuring legality, transparency and responsibility in its actions, and establishes its strategic direction, integrating social and environmental considerations into corporate decisions to ensure the creation of sustainable value in the long term.

It oversees the implementation of the codes of conduct, ESG policies and risk management and control systems, and it's responsible for verifying the adequacy of the organizational, administrative and accounting structure and of the controls necessary to monitor the performance of the Company and the Group, collaborating closely with Top Management to promote a corporate culture focused on integrity and compliance with ethical and sustainability principles.

The BoD is collectively responsible for decisions, even if decisions are prepared and/or taken by individual Directors, who may only exercise the powers explicitly assigned to them never powers beyond those of the BoD itself as a whole. In addition, Executive Directors, such as the Executive Chairman and the Chief Executive Officer, must always inform the other directors in a clear and timely manner about the exercise of their powers and major developments in their responsibilities.

Starting 24 April 2024, with the Cross-Border Conversion, Brembo has adopted a one-tier board structure as provided by laws of the Netherlands, composed of Executive and Non-Executive Directors, the latter being also in charge of supervising the Executive Directors'

activities in accordance with the Dutch Corporate Governance Code. The Board of Statutory Auditors has ceased to exist.

To complete its governance structure, Brembo has established an audit, risk and sustainability committee ("Audit, Risk and Sustainability Committee") in continuity with the past, with audit tasks in accordance with Dutch statutory and regulatory provisions.

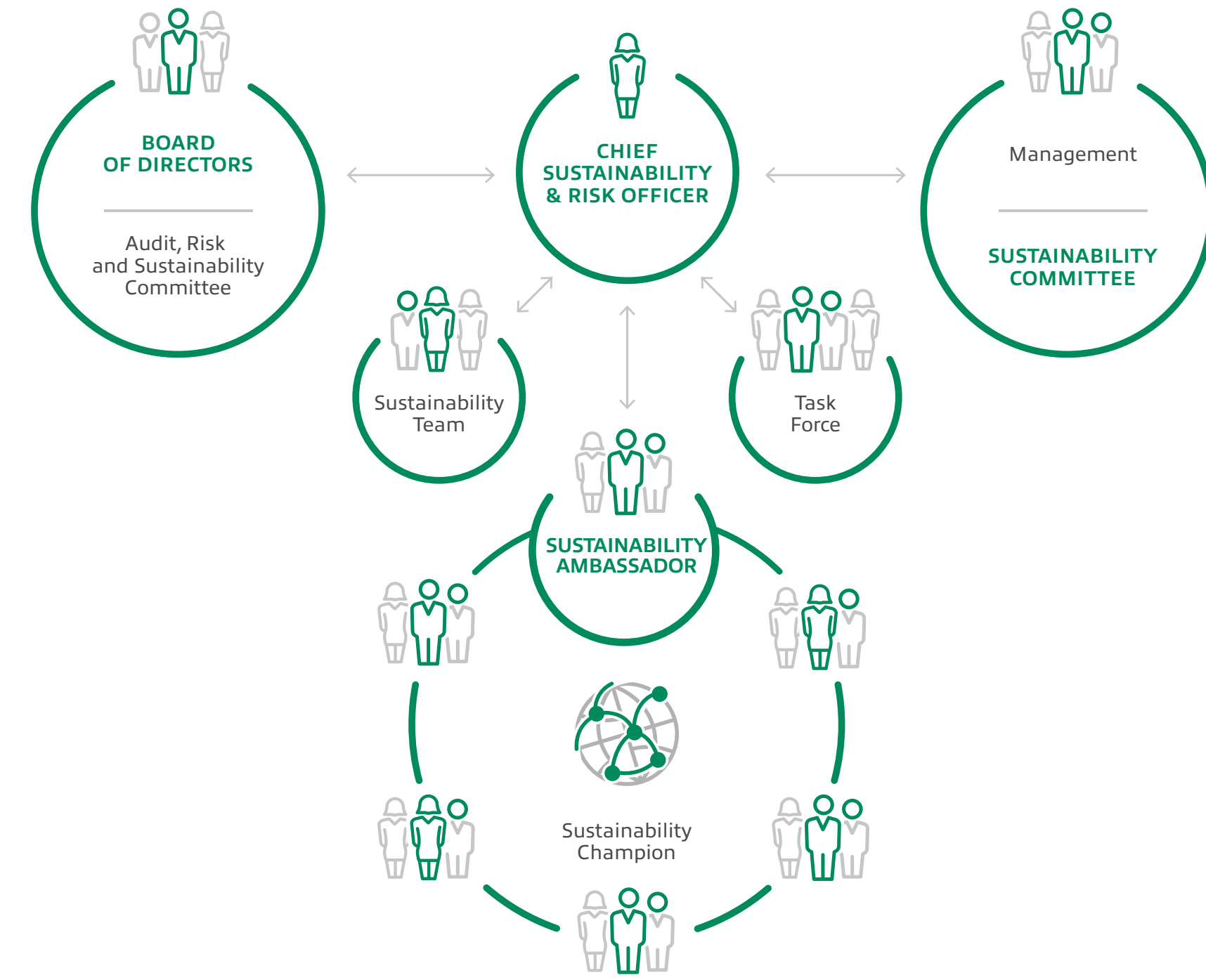
The Audit, Risk and Sustainability Committee:

- assists the Board of Directors and the Non-Executive Directors' decision-making on the supervision of the integrity and quality of the Company's financial and sustainability reporting and the effectiveness of the Company's internal risk management and control system;
- reviews the Company's financial reporting process, the systems of internal control and risk management, the external audit process, sustainability issues related to the Company's activities and the interactions with its stakeholders, and the Company's process for monitoring compliance with laws and regulations and its Code of Ethics, as well as such other matters, which may be specifically attributed by the Board of Directors from time to time.

On the other hand, the Supervisory Committee appointed by the Board of Directors pursuant to Legislative Decree no. 231 of 8 June 2001 (the "Legislative Decree 231") has been maintained after the Cross Border Conversion and it continues to monitor that the Company acts in compliance with the organizational, management and

control model according to article 6 of the Legislative Decree 231 (the "231 Model"³⁹) and propose any updates required under Italian law.

For information on the specific responsibilities of the administrative, management and supervisory bodies in terms of business conduct and other additional information on the Group's governance structure, please refer to section ESRS GOV-1 herein.



³⁹ The Italian "231 Model" refers to the organizational and management model established under Legislative Decree No. 231/2001. It aims to prevent corporate crimes and administrative offenses within organizations. The model requires companies to implement specific internal controls, procedures, and protocols to promote ethical behavior and compliance with legal standards. Adopting the "231 Model" Brembo benefits from reduced liability in the event that a crime is committed by its employees or representatives. The model emphasizes the importance of a corporate culture that prioritizes integrity and accountability.

G1 IRO-1 DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS BUSINESS CONDUCT MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

The double materiality assessment has led to the identification of Impacts, Risks and Opportunities related to the matter of business conduct.

- **Negative impact - Unfair payment practices towards suppliers:** Being a key player in its business sector, Brembo Group can be a key customer for its suppliers, especially for small and medium-sized ones. Therefore, the possible implementation of suboptimal payment practices could negatively impact the activities of the suppliers themselves, causing them economic difficulties and, in worst case scenario, bankruptcy.
- **Risk - Potential misrepresentation and/or lack of reported data and objectives disclosed in sustainability reporting:** A lack and/or incorrect representation of qualitative and quantitative data in sustainability reporting represents a significant risk for Brembo, as it can damage its corporate reputation, lead to penalties for regulatory non-compliance, negatively influence investors' decisions and undermine stakeholder confidence.
- **Risk – Potential fraud attempts and/or administrative liability due to non-compliance with internal policies/ procedures or local regulations:** In case of non-compliance with laws and regulations the Company may face potential legal and regulatory consequences. This may include fines, penalties, and other legal actions.

With regard to the methodologies, assumptions and tools used in identifying and assessing material impacts, risks and opportunities along its value chain, please refer to section ESRS 2 IRO-1 herein.

G1-1 BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

The Group has a structured and organized system of policies, which applies to the entire Group (the “Brembo Compliance Systems” based on the “Corporate and Compliance Tools”) and is at preventing, managing and mitigating potential impacts and risks related to business conduct and ensuring a high ethical standard in conducting business and the continuous improvement of its operating practices.

A well-built compliance program adapts to regulatory changes, minimizes risks and drives business growth. In particular, the, Brembo Legal Compliance System, as an integral part of the Internal Control and Risk Management System, provides for:

- i) the implementation at Group level of the general principles of behaviour defined by the Parent (Brembo Corporate and Compliance Tools) to guarantee the maintenance of common high ethical standards;
- ii) Brembo N.V.'s adoption of the 231 Model and the setting up of a Supervisory Committee tasked with constantly monitoring the functioning, appropriateness and effectiveness of the said 231 Model;
- iii) the adoption by each Subsidiary of a compliance plan in accordance with local regulations governing Administrative/Criminal liability;
- iv) addressing, communication and control guidelines on compliance matters at a Group level, issued by the Executive Chairman, and the power of the Chief Executive Officer to guarantee that such guidelines are implemented at all levels, both in Italy and abroad;

- v) the performance of monitoring and auditing of relevant compliance activities by “second level control” entities and by the Internal Audit GCF;
- vi) the establishment of a whistleblowing channel, to ensure the reporting of misconduct or violations of the Code of Ethics and the Brembo Compliance Tools, of Brembo 231 Model and any anomalies or weaknesses in the Company’s Internal Control System.

Brembo Corporate and Compliance Tools mean all the instruments (documents, codes, oversight mechanisms and control procedures) implemented by the Parent at global level, and include, in particular: (i) the Code of Ethics; (ii) the Brembo Compliance Guidelines; (iii) the 231 Model; (iv) the Antibribery Code of Conduct; (v) the Antitrust Code of Conduct, as described below.

Table 41

Key concepts	Scope of application	Responsible function	External standards	Policy availability and sharing	Key concepts	Scope of application	Responsible function	External standards	Policy availability and sharing
ORGANIZATION, MANAGEMENT AND CONTROL MODEL ACCORDING TO LEGISLATIVE DECREE NO. 231/2001 "231 MODEL"					ANTITRUST CODE OF CONDUCT				
Voluntary document (due to Dutch office) aimed at ensuring legal compliance, preventing offences, including through the identification of Sensitive Activities, and improving business practices and preventing/monitoring the risk that offences related to business conduct will be committed.	The 231 Model applies to all members of the Board of Directors (including the Executive Chairman and the Chief Executive Officer), Directors, Coworkers and Third Parties performing duties for or on behalf of Brembo NV, whether directly employed by Brembo NV.	Brembo's BoD is the highest body responsible for implementing and updating the Model, supported by the Supervisory Committee that monitors its adequacy and efficiency.	Confindustria Guidelines (2021 ed.)	Public on the Company's Intranet website and on the Brembo website, except for the most sensitive parties. Training provided to all those who work with or within the Company, or who are directly or indirectly involved in risky activities. Brembo implements training programmes to ensure in-depth knowledge of the Model by all those who work with or within the Company, or who are directly or indirectly involved in risky activities. All Subsidiaries are informed about the 231 Model and its updates by the Corporate. Business partners are also indirectly informed of the introduction of the 231 Model through compliance obligations included in the contractual agreements by the Group.	The Code raises awareness among corporate functions of compliance with competition rules, providing simple and accessible guidance on antitrust constraints, risk situations and correct behaviour.	It applies to employees of Brembo N.V. and its subsidiaries in the EU and forms a model of reference for the other extra-EU compliance programmes.	The Code was approved by the BoD of Brembo N.V. and the Executive Chairman, with individual effect, was delegated by the BoD to make any changes necessary to comply with laws and regulations.	Compliance with applicable laws in all countries in which it conducts business.	Public on the Company's Intranet website. Training and awareness - raising session are periodically organized with expert lawyers to disseminate the rules and behaviours provided for by the Code.
BREMBO COMPLIANCE GUIDELINES					ANTIBRIBERY CODE OF CONDUCT				
The Guidelines summarise the main rules of conduct to prevent wrongdoing, identify areas of risk and ensure high ethical and compliance standards in all companies, preventing criminal liability.	All Subsidiaries must adopt, implement, and possibly integrate, the Guidelines at local level also to prevent from criminal liability being transferred to Brembo N.V.	The Guidelines are approved by the Board of Directors of Brembo N.V. and the Board of Directors of each Subsidiary.	Best Practices	Public on the Company's Intranet website.	The Code aims to: ensure principles of transparency, outline permitted conduct, ensure compliance with the anti-corruption regulations in force in all jurisdictions in which Brembo operates and ensure the highest levels of integrity by defining, among other things, Brembo's policy on the acceptance and offer of gifts, hospitality and entertainment.	It applies to all employees and other individuals or companies performing duties on behalf of Brembo whether directly employed by it.	The Code is approved by the Board of Directors of Brembo N.V. and by the Board of Directors of each Subsidiary. Any changes made to the Code is shared with the Audit, Risk and Sustainability Committee and with the Supervisory Committee and is then approved by the Board of Directors.	Compliance with applicable anti-corruption laws in all countries in which it conducts business.	Public on the Company's Intranet website and on the Brembo website. Trainings and awareness on Anticorruption provided to Group employees.
					CODE OF ETHICS				
					Please refer to ESRS S1 – 1 section herein				

As a basic principle of business conduct, Brembo Group is committed to complying with laws in the various countries in which it operates, its corporate culture is based on a policy aimed at prevention of the corporate criminal liability of companies, in line with the principles and methods of the 231 Model but also with reference to local laws of the countries where Brembo operates.

This involves:

- a risk assessment based on the potential offences/risks applicable to the subsidiary's business;
- identification of sensitive areas with a view to assessing which corporate areas/sectors are at risk of commission of the offences;
- the adoption of preventive procedures/measures to avoid the commission of offences;
- dissemination and training;
- monitoring and auditing of the sensitive activities and preventive procedures/measures.

Currently, the Brembo Compliance System is based on three levels of compliance:

- 1) the implementation by each subsidiary of the local compliance programme, by each subsidiary according to local law;
- 2) the Brembo Compliance Guidelines to maintain high ethical standards throughout the Group, while and also preventing potential corporate liability of the Corporate for crimes offences committed at subsidiaries;
- 3) the adoption by the Headquarters of the 231 Model by the Headquarters and appointment of an independent and autonomous body for its supervision, (the Supervisory Committee - SC).

To avoid possible conflicts between the local compliance programme and the guidelines issued at central level, the Principle of Prevalence applies: where local requirements are less stringent than those of the Headquarter, the latter will prevail in the definition of the local compliance programme.

Another important factor in the Brembo compliance system and therefore in the definition and maintenance of the corporate culture at global level is the relationship between the Corporate Supervisory Committee (the Italian SC) and the Top Management of each Subsidiary, i.e. the figure appointed by the local Board of Directors for the implementation of the compliance program in the Subsidiary itself. The two bodies are periodically in contact through meetings and exchanges of reports or questionnaires, to monitor the risks of non-compliance.

In order to identify, report and verify any episodes or conduct that are unlawful or in conflict with Brembo's internal regulations, Brembo, in compliance with the Directive (EU) 2019/1937, has adopted a Whistleblowing Procedure that establishes and regulates the internal channels for reporting misconduct and irregularities.

Brembo has implemented an official reporting channel, i.e. a dedicated platform aimed at properly and timely

managing reporting of violations related to:

- regulatory provisions within the scope of Brembo Group's activity;
- 231 Model (with the involvement of the Supervisory Committee, where necessary);
- other Brembo corporate codes of conduct, policies and procedures.

Through, computer methods and encryption tools, this platform guarantees the confidentiality of the identity of the reporter, the persons involved, as well as the content of the report and the related documentation.

The reporting channel is managed by the Brembo's Internal Audit GCF, an autonomous office with staff specifically trained to manage the reporting channel, as specified in the procedure relating to whistleblowing reports and as requested by the relevant EU Directive.



Any person related to Brembo Group’s business, such as employees and collaborators, suppliers and customers, shareholders and persons with administrative, management, control, supervisory or representative functions has the opportunity to report - through the dedicated channels - any cases of violations and irregularities without fear of potential retaliation; the system is structured according to the legislation in force in the country in which Brembo operates. Specifically:

- in compliance with the current European Directive (2019/1937), at the European subsidiaries (including the Headquarters) a software is in place for handling whistleblowing reports;
- in non-EU subsidiaries, different tools are in place (the Red Flag software in the U.S. and Mexico , the AloEtica software in Brazil, or dedicated email boxes at subsidiaries where a dedicated software is not implemented).

The whistleblower may choose to send the report to the Parent Brembo N.V. or to the local internal channel.

The mechanism is regulated by a specific company procedure available on the Intranet or on the website.

Brembo has implemented different kinds of information and/or training reserved to all employees:

- e-mail communications;
- news on the Intranet and on the plants’ notice boards
- news in the Company house organ;
- the procedure is available in the Intranet and on the website.

A specific module is included in the training courses dedicated to new hires and in the refresher sessions on

safety & compliance training courses.

More generally, Brembo provides various training methods regarding business ethics, aimed at making interested parties aware of the provisions of the compliance system, the reasons for implementing the latter and the main conduct to be adopted to prevent the commission of offence.

The training methods vary, in terms of content and mode, depending on the role of the recipients, the level of risk associated with the area in which they operate, as well as on whether they are entitled to represent Brembo vis-à-vis third parties. In addition to the training delivered in a “traditional” way through classroom lessons, another method involves the distribution of multimedia materials to employees (managers, middle managers and office workers) for self-learning. This particular mode of training delivery has been considered particularly effective as it allows:

- to keep track of the documentation used for training purposes and the recipients of the training;
- to certify of course attendance, with monitoring of the beginning and end of each course;
- to monitor the effectiveness of the course through its review based on the score obtained in the test-out.

Every year the training plan is submitted for review to the Supervisory Committee, which on a quarterly basis also receives an update of the numbers of the trained persons.

In order to ensure compliance with the regulations and maintain virtuous business conduct, for improve a group culture of prevention purposes, the Group has identified the functions that are most at risk of episodes of active and passive corruption in the different sensitive areas:

- Executive Chairman, CEO and other Executive Directors
- GCFs:
 - Business Development GCF
 - Legal and Corporate Affairs GCF
 - People & Organization GCF
 - Purchasing GCF
 - Sustainability and Risk GCF
- Other GCFs with specific areas:
 - Administration & Finance GCF with Tax, Treasury, Import/Export areas
 - Industrial Operations GCF with Environment & Energy, Health & Safety, Real Estate Development areas and Plants
 - R&D GCF with Intellectual Property Rights area
- GBUs with specific areas:
 - Logistics
 - Sales

G1-2 MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

In pursuit of a virtuous process of continuous improvement of product quality and risk management, Brembo constantly monitors the indicators relating to the quality and cost of supplies, assessing the risks inherent in the supply chain, such as the increase in the supplier’s dependence on Brembo and Brembo’s dependence on the supplier, and financial solidity, thus highlighting possible critical situations.

Approximately 90% of procurement⁴⁰ comes from local suppliers, i.e. suppliers located in the same geographical

areas in which the Group operates, as Brembo aims to improve the efficiency, responsiveness and sustainability of the supply chain, while supporting the local economies in which it is located.

The Group also provides incentives to its Purchasing team members, aimed at encouraging the team to prioritize sustainable practices in procurement decisions. For example, a significant share of Purchasing staff and executives have performance objectives that include targets designed to enhance suppliers’ sustainability performance, i.e. their environmental management practices and adherence to sustainable production processes.

These targets are linked to the performance of suppliers providing products and services to Brembo, both direct and indirect and they are measured against suppliers’ ESG scores (e.g., scores obtained through ESG questionnaires or on-site third-party audits) as well as the participation to other ESG initiatives (e.g., suppliers’ emissions data collection campaign for Scope 3 calculation).

With the aim of guaranteeing solidity and quality throughout its supply chain, Brembo has defined a structured process for the evaluation and approval of new key suppliers. The first phase of the process involves inviting suppliers to register on the Brembo’s procurement platform and completing a pre-assessment questionnaire. This first phase of analysis allows Brembo to perform a preliminary screening of potential suppliers and refrain from establishing commercial relationships with those who do not comply with the minimum

⁴⁰ This includes the purchase costs of goods and services directly involved in the production of finished goods, i.e. the purchase of: raw materials, components, semi-finished and finished products, auxiliary materials and services – mainly transport, utilities, packaging and MRO. The provision of services not strictly associated with production, such as ICT and telephony costs, cleaning, security and canteen services, is also included. Tax and legal advice, insurance, sponsorships, business travel, recruitment and training activities, property leases and industrial assets are excluded.

requirements, to identify in advance any critical issues relating to new potential suppliers and to implement corrective actions accordingly. The questionnaires are analysed by the Purchasing, Administration & Finance, Quality and Sustainability & Risk Global Central Functions (GCFs) with the aim of assessing operational, financial and sustainability risk profiles. Once the pre-assessment phase has been successfully completed, direct material suppliers receive site visits from the Quality GCF to verify that quality and process requirements are effectively met. Once the approval process has been completed, the supplier becomes eligible for new business awarding. The assignment of a specific supply takes place through the benchmarking of the various offers received on the basis of the following evaluation criteria:

- A. Compliance with technical specifications
- B. Technological and innovation capabilities
- C. Quality and service
- D. Economic competitiveness
- E. Sustainability performance

In the area of sustainability, since 2023, over 600 direct and indirect suppliers have been invited to register on a digital platform managed by an external provider to complete an ESG assessment questionnaire. This questionnaire is based on the SAQ 5.0 model, which was established as part of the Drive Sustainability

initiative led by major global players in the automotive industry. This allows Brembo to align itself with the sustainability guidelines of its reference supply chain, ensuring timely compliance with emerging regulations and the most consolidated international sustainability due diligence standards. During the pre-assessment phase, suppliers are evaluated based on the outcomes of this assessment and Brembo's Sustainability department is responsible for the evaluation of any suppliers not reaching a minimum acceptable threshold. Part of the indirect suppliers, which have not been identified as critical for Brembo and are not exposed to significant ESG risks, are required to only complete a simplified questionnaire instead, encompassing also ESG topics.

In addition, in collaboration with external independent auditors, Brembo has been conducting third-party ESG audits on suppliers for years with the specific aim of assessing compliance with the sustainability standards imposed by the Group. With regard to this initiative, in 2024 Brembo launched a review of the ESG audit management procedure — established in 2018 — to strengthen the Group's approach to managing supplier non-conformities on a global scale and improve oversight throughout the supply chain. This procedure defines the criteria for the selection of suppliers involved in audits, the processes for managing third-party audits, the related follow-ups and any corrective actions. It also establishes minimum expectations for suppliers, including specific scoring requirements and threshold levels, to ensure alignment with Brembo's ESG standards.

The parameters for selecting suppliers involved in ESG audits are: the country of origin of the supplies, the turnover with the Brembo Group, the type of production process, as well as any other ESG indicators (i.e., outcomes from previous ESG assessments). The objective of third-

party audit aims at identifying critical issues impacting areas such as: working conditions, pay and working hours, health, safety, management systems and the environment. For each non-conformity reported, suppliers are required, to develop corrective action plans, which are then monitored by Brembo using the same third-party assessor. To date, Brembo has involved 160 suppliers in sustainability-related audits certified by third parties, of which 31 in 2024 (25 direct suppliers and 6 indirect suppliers). Of these, 8 (7 direct suppliers and 1 indirect supplier) were identified as having significant negative environmental and social impacts, both potential and actual. Without suspending collaboration, Brembo has agreed on environmental and social improvement actions with each of these suppliers and follow-up audits were planned to remedy the non-conformities detected, in line with the Group's objective of accompanying its suppliers towards an increasingly sustainable approach to business.

Finally, it should be noted that, although currently Brembo does not have a specific and formalised policy governing any late payments, a procedure is in force for European markets that defines payment terms in accordance with the relevant EU directive, while in other countries Brembo complies with local payment practices.

G1-3 PREVENTION AND DETECTION OF CORRUPTION OR BRIBERY

As mentioned in paragraph (G1-1) Business conduct policies and corporate culture, Brembo has adopted an Antibribery Code of Conduct worldwide to prevent, detect and address allegations of active and passive corruption, in line with the principles set out in the Code of Ethics and according to international best practices. Both documents are integral parts of the 231 Model.

The purpose of the Antibribery Code of Conduct is to ensure transparency, provide clarity on acceptable behavior and comply with relevant anti-corruption legislation wherever in the world one is conducting business for Brembo. The aim of the Code is to ensure that the highest standards of integrity are maintained. The code also sets out Brembo's policy on the giving and receiving of gifts, hospitality and entertainment, and one's responsibilities. According to the Antibribery Code of Conduct no one — director, officer or other employee, consultant, agent, representative, supplier or business partner — shall, directly or indirectly, give, offer, request, promise, authorise, solicit or accept bribes or any other perquisite (including gifts or gratuities, with the exception of commercial items universally accepted in an international context of modest economic value, permitted by applicable laws and in compliance with the Code and all applicable practices and procedures) in connection with their work for Brembo at any time or for any reason. In addition to the assignment of specific responsibilities detailed by the Antibribery Code, a further preventive measure for acts of corruption is the separation of Internal Audit GCF from management, whose function is precisely to investigate allegations or episodes of corruption and bribery that could also involve the management itself.

Consequently, the Chief Internal Audit Officer is not responsible for any operational area, has direct access to all the information necessary for the performance of his duties and reports on his/her or her work at each meeting of the Audit, Risk and Sustainability Committee (ARSC) and the Supervisory Committee. The Internal Audit global central function should also inform the Board and the Chair of the ARSC without delay if, in the performance of its duties, it discovers or suspects an instance of material misconduct or irregularity.

In addition, it can rely on the existing entity-level controls which contribute to mitigate corruption and bribery risk, such as delegation of authorities and power of attorney, segregation of duties, the 231 Model and the related training on 231 compliance; remuneration policy, accounting policies, internal audits on group legal entities, investigations performed as a result of Whistleblowing reporting, whistleblowing communication campaign.

Finally, process-entity controls are in place in procurement, production, real estate development, finance, human resources, research & development, marketing, sales, logistics and more generally in all the subprocesses which could generate a bribery and corruption risk.

As already mentioned, the Antibribery Code of Conduct, like other relevant Group policies, is available to all company employees and stakeholders, as it is published in full on the Company's Intranet website and on the Brembo website.

In addition, new hires are provided with an information package (National Collective Agreement, Code of Ethics, welcome kit, etc.), aimed at ensuring awareness of the Company principles. New hires will be required to provide Brembo with a signature on a dedicated register certifying that they have received the information package.

For further details on anti-corruption and anti-bribery training activities, please refer to section G1-1.

With regard to the training provided specifically to administrative, management and control bodies, it should be noted that upon their first appointment, directors are trained on the compliance system, and in particular on the Code of Ethics and on the 231 Model, which also includes anti-corruption rules. Subsequently, when various updates are made to the Code of Ethics, the Antibribery Code and the 231 Model, the new applicable regulations, sensitive activities and safeguards implemented by the company are presented to them.

G1-4 INCIDENTS OF CORRUPTION OR BRIBERY

Brembo currently has no legal proceedings outstanding for corruption or bribery. As such, the number of convictions and the amount of fines for violation of anti-corruption and anti-bribery laws for Brembo in 2024 is 0.

As consequence, no convictions or fines have been registered in 2024. For this reason, no remediation actions were needed.

G1-6 PAYMENT PRACTICES

Brembo group's contractual terms of payment are in line with main regulations (e.g. for EU, n° 2011/7 Directive). At Worldwide level, Brembo's average standard contractual payment terms are around 60 days. In 2024, the average time taken to pay an invoice from the date when the contractual payment term starts to be calculated was of around 67 days.

This average expresses the Group's average performance across all supplier categories and regions.

The calculation consider all invoices paid during year 2024.

To calculate the days of payables outstanding, the invoice amounts are weighted for the related payment days (theoretical and actual) in order to obtain the overall weighted average.

In 2024, no material legal proceedings started in connection with claims for late payments to suppliers.