



2023

**ANNUAL
SUSTAINABILITY
REPORT**



Our thanks go out to all Brembo personnel who contributed to the preparation of the Disclosure of Non-Financial Information, and in particular to the members of the CSR Task Force — the working group that each day dedicates itself passionately to expanding and developing the many aspects of sustainability.

ANNUAL SUSTAINABILITY REPORT 2023

2023 CONSOLIDATED DISCLOSURE
OF NON-FINANCIAL INFORMATION
IN ACCORDANCE WITH LEGISLATIVE
DECREE No. 254/2016





NUMBERS TELL A STORY

Increasingly complex numbers and calculation methods narrate the history and progress of civilisation. Today, those same numbers that measure performance and results offer the opportunity to outline an ambitious strategy and reach new worlds to explore.

1 2 3 4 5 6 7 8 9 ...



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LETTER OF THE CHIEF CORPORATE SOCIAL RESPONSIBILITY OFFICER



Dear Stakeholders,

Brembo's CSR Department celebrated the 10th anniversary of its foundation in 2023 — both a milestone and an encouragement in our sustainability journey. Over the past ten years, we have made considerable progress and shaped our vision of a sustainable future. As every year, you will find the achievements and results of this process described in detail in this Consolidated Disclosure of Non-Financial Information.

2023 was a year of growth for Brembo, in spite of the global challenges and ongoing transformation of the automotive sector. Within this scenario, the Group's sustainability plan continued to steer our strategy, in keeping with the UN 2030 Agenda. Our activities embrace all ESG — Environmental, Social and Governance — aspects, taking account of their impacts on the Group and the Group's impacts on people, communities and the environment, thanks to the double-materiality methodology.

Our People are at the heart of everything we do. In 2023, we continued to invest in talent development, promoting an inclusive work environment that respects and supports each person's uniqueness. We are determined to continue to increase the wellbeing of our global team, which reached 15,652 people at 32 production and business sites in 15 countries.

They are the ones who create the Brembo of the future every day. The innovation that our People express is directed not only towards new products, but also towards ESG areas. We recognise this every year in the Brembo Sustainability Awards, which in 2023 reached their fifth edition, with 57 projects submitted.

Within this context of commitment and innovation, one of the pillars of our strategy is ensuring the Group's environmentally sustainable development. In 2023, CO₂ emissions per cast tonne decreased by 11.2% compared to 2022, and CO₂ emissions per unit of finished product also declined by 9.5% on the previous year. The use of electricity from renewable sources reached 75% of the total and 100% in three countries. Our ambitious goal is to reach Net Zero by 2040.

To increasingly involve also our supply chain in this process, in 2023 we organised the Net Zero Supply Chain Workshop, an event that involved around 300 key suppliers with the goal of speeding the process of decarbonisation of our supply chain.

In addition, based on the recommendations of the Task Force on Climate-related Financial Disclosures, work continued on a project to reinforce the Brembo Climate Change Risk Assessment, a broad, thorough analysis of the risks that climate change poses to our business and how best to deal with them.

In addition, in 2023 CDP once again recognised Brembo as a global leader for its action on climate change and water resource management, assigning it a score of A- in both categories.

Our social commitment also expanded. As our international programmes — among which I would like to mention the House of Smile in India — continued to meet with success, in 2023 we launched the Child Friendly Space project to support people hit by the earthquake that struck Turkey and Syria in February.

In addition, Brembo was System Partner to Bergamo-Brescia Italian Capital of Culture 2023, an initiative of extraordinary social, cultural and economic importance for the area in which the Group has its roots.

This year's activities and results are a cause for pride to us, while also encouraging us to keep doing more and better, with determination and passion, to support the positive, responsible development of our Group.

For all of this, I extend my sincere thanks to my team and all Brembo People, who together with us help spread and strengthen the culture of sustainability in our Company.

CRISTINA BOMBASSEI

Chief CSR Officer





UN GLOBAL COMPACT STATEMENT

Dear Stakeholder,

I am pleased to confirm that in 2023 as well Brembo S.p.A. 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 S.p.A.



BREMBO AND THE UN GLOBAL COMPACT

Since 2021, Brembo S.p.A. has been a participant in the United Nations Global Compact, the world's largest strategic corporate citizenship initiative that arose from the desire to promote a sustainable global economy, respectful of human and labour rights, environmental protection and the principles of anti-corruption.

Promoted by former UN Secretary Kofi Annan, more than 24,000 companies from 167 countries have so far joined the Global Compact, creating a new model for global collaboration. The UN Global Compact requires companies to share, support and apply in their sphere of influence a set of fundamental principles on human rights, labour standards, environmental protection and anti-corruption.

By participating in this initiative, Brembo S.p.A. has joined a universal network of companies with a long-term

strategic vision, oriented towards the promotion of the culture of sustainability, innovation and reporting.

The Global Compact provides an opportunity to share strategies and good business practices in response to global challenges, to use ESG-related management tools and resources and to be involved in specific working groups.

In 2022, together with 29 other businesses, Brembo contributed to drafting the Position Paper on "Sustainable Supply Chain Management: Responsibility and Opportunity for Businesses" to enhance the commitment of the private sector participating in the UN Global Compact and identifies the responsibilities and opportunities to engage all players across the supply chain in corporate sustainability strategies.

In 2023, Brembo participated in the

study by Global Compact Network Italia "Italian Business Commitment towards Net Zero" conducted in collaboration with IPSOS (a market analysis and research organisation) and presented to an international public for the first time at the COP28 in Dubai.

The study aims to outline the state of the art regarding the Climate Action and commitment of Italian companies and, in particular, their contribution to the Net Zero target, highlighting the drivers and barriers that characterise the Italian business community.

Brembo S.p.A.'s participation in the Global Compact testifies to its long commitment to sustainability, which over the years has featured an increasing focus on numerous fronts and adherence to the 17 Sustainable Development Goals defined by the UN 2030 Agenda.



DRIVEN BY OUR VISION

“TURNING ENERGY INTO INSPIRATION”

Electrification, digitalisation, autonomous driving and environmental sustainability are macro-trends that have been at the centre of the automotive world and the strategies of the market’s main players for some years.

Within this scenario, Brembo has been pursuing its mission of becoming a Solution Provider by proactively rising to the challenges posed by the ongoing transformation, focusing on the needs and desires of the new generations, which will be the users of tomorrow.

Brembo continues to invest significantly in innovation, driven by its vision “Turning Energy into Inspiration”, which encourages the Group to extend its sphere of influence to embrace energy management in its broader meaning, not only in terms of components, but also in its role as authoritative systems provider. In addition to innovative hydraulic and mechanical components, innovation is also applied to software and artificial intelligence: this combination allows to aim at a high added-value product and service integration in order to anticipate the new mobility paradigms.

SENSIFY is the tangible outcome of this vision: the first fluid-free intelligent braking system that constantly interacts with the driver with a view to shaping a world without accidents. Its launch on the market, planned for 2025, will truly revolutionise the automotive industry.

At the heart of the Group’s strategic vision there is also an overarching commitment to sustainability that has become a *modus operandi* within Brembo, permeating all activities, processes and products. This sustainability-driven approach is increasingly present also in the relationship with its People, with its supply chain and in the local areas in which the Group operates.

In 2023, the Group continued to implement strategic projects within the three Pillars — Digital, Global and Cool Brand — through dedicated working groups that leverage a shared leadership and the cross-cutting competencies of all parties involved, engaging all Group Regions and outlining the growth direction for the forthcoming future.

DIGITAL

The world has entered the era of artificial intelligence applications focusing on data processing. The ability to analyse and manage data is a crucial skill for continuing to grow and create innovation. Accordingly, Brembo has set itself an ambitious goal: becoming a company that, alongside the production of braking systems, is able to develop and offer all-round solutions to its customers through the widespread dissemination of a solid data culture within the Group and an increasingly data-driven approach. BREMBO SOLUTIONS is a brand new unit of the Group that develops breakthrough solutions based on the "AI-DOING" approach, which combines Brembo's experience in artificial intelligence and its application in the industrial field".

GLOBAL

Brembo has long ago embarked upon its decentralisation path and has now become a Group operating in 15 countries worldwide. Within this context, the Global Pillar aims to balance the Group's international footprint, not only from a commercial standpoint, but also in terms of technology and innovation, by developing and encouraging excellence at local level for the benefit of a global organisation whose mindset is based on multiculturalism, valuing of diversity and with inclusion as a shared value. One essential asset for achieving this goal is Revelia, Brembo's first e-commerce platform, created in China and dedicated to the consumer market. It seeks to establish a direct relationship with consumers, promote the brand with the younger generations and collect the data increasingly necessary to supporting the business strategy.

COOL BRAND

Brembo does not set limits on creativity and considers it essential to continuously engage in strengthening its brand, anchoring it to new trends that are reconfiguring mobility in line with the values and sensibilities of the new generations, especially Generation Z. The objective is thus to identify their passion, needs and tastes, and translate them into a unique brand experience able to generate tangible solutions. In 2023, the second edition of the Brembo Hackathon was successfully completed at the Brembo Inspiration Lab in Silicon Valley: participants immersed themselves in machine learning and artificial intelligence to revolutionise today's braking technologies, going beyond the traditional innovation processes, in line with Brembo's vision.



SUSTAINABILITY HIGHLIGHTS

THE GROUP



15

Countries in which the Group is present



9

Group brands



9

Research centres of the Group



13,654¹

Employees



412²
€ million

Net investments



3,849
€ million

Turnover

SUSTAINABILITY



13

CSR Ambassadors within the Group



28

CSR Champions within the Group



228

Ideas competing for the Brembo Sustainability Awards



15

Sustainability objectives published

COMPANY STRUCTURE



3,090

Brembo's employees trained on the Code of Ethics in 2023



45%³

Proportion of women in the BoD



11

Annual meetings of the Audit, Risk & Sustainability Committee (ARSC)



36.4%

Members of the BoD with ESG-related skills



100%⁴

ISO 27001 certified sites

PEOPLE



15,653⁵

Brembo People



over
350,000

Training hours provided in 2023



88%⁶

ISO 45001 certified plants

THE SUPPLY CHAIN



90.6%

⁷

Local supplies: supply from suppliers located in the same geographical areas where the Group operates



78.2%

Suppliers of direct materials that since 2015 have been involved in social and environmental audits (in terms of value of supplies)

SYNERGIES AND INNOVATION



3,902

Patents, utility models and designs



1,555 FTE

⁸

People employed on R&D activities



100%

⁹

Plants with IATF 16949 quality certification

ENVIRONMENT



-11.2%

Emissions of CO₂ per cast tonne¹⁰ compared to 2022



100%

¹²

ISO 14001 environmentally certified plants



52%

¹³

ISO 50001 energy certified plants



-9.5%

Emissions of CO₂ per unit of finished product¹¹ compared to 2022



75%

Electricity coming from renewable sources

LOCAL AREAS



3,675

€ million
Economic value distributed



over 5,000

Unique beneficiaries reached since the launch of the "House of Smile" project"



6

Action areas for social projects

Notes

- The employee of Brembo Reinsurance AG, which is not included in the scope in this document, is also included.
- Cash flows generated by net investments in property, plant, equipment and intangible assets, calculated as the sum of increases (net of decreases) in property, plant, equipment and intangible assets. The figure does not include Increases in leased assets.
- Minimum quota of the less-represented gender in the corporate bodies of listed companies (Law No. 160 of 27 December 2019), in force at the date of appointment of the Board of Directors (General Shareholders' Meeting of 20 April 2023) for the 2023-2025 term.
- The ISO 27001 certified sites are: the three Italian sites of Brembo S.p.A. (the Headquarters and the Curno and Mapello production hubs), La.CAM S.r.l., Brembo SGL Carbon Ceramic Brakes S.p.A., the three Brembo Poland Sp.z.o.o. production hubs and Brembo Czech S.r.o.
- The number of Brembo People includes employees and temporary workers.
- 36 plants out of 41 obtained the certification. SBS launched the process.
- 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 the 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.
- Full Time Equivalents – FTEs represent the workforce calculated based on the hours actually worked and/or paid by the company in which they are employed.
- The Zaragoza site is ISO 9001 certified since the IATF scheme does not apply to aftermarket sites. For the new plants of J.JUAN (Myasł and Jiaxing), which were ISO 9001-certified upon their acquisition, activities are underway to integrate them into the Brembo Quality Management System. This will lead to the IATF 16949 certification by Q1 2024.
- Scope 1 and market-based Scope 2 emissions, generated by foundries / gross tonnes of molten cast iron and molten aluminium.
- Scope 1 and market-based Scope 2 emissions, generated by finished products / total number of pieces manufactured.
- The plants falling within the ISO 14001 certification scope are operating industrial plants or plants that have been part of the Group for at least two years.
- The plants falling 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.



THE MAIN ECONOMIC, SOCIAL AND ENVIRONMENTAL CHALLENGES

According to the analyses of the International Monetary Fund's World Economic Outlook, the macroeconomic context was marked by considerable complexities in 2023. The main forces influencing the global economy continue to include the instability caused by the Russian invasion of Ukraine and the war in Israel, the increase in energy prices and delays in the procurement of raw materials.

In response to these challenges, Brembo has strengthened its commitment to monitoring the evolution of the geopolitical situation, for which it maintains a dedicated working group. Since the very first days of the Ukrainian crisis, the Group has taken proactive measures, blocking the sales of Aftermarket products in Russia and Belarus to mitigate direct impacts.

The increase in raw material and energy prices resulted in constant inflationary pressure, with European Central Bank interest rates up from 3.0% in February 2023 to 4.5% in September 2023. Brembo faced this challenge through price hedging strategies and attentive management of its supplies. In addition, the Group continued to implement mitigation measures for both energy and access to raw materials.

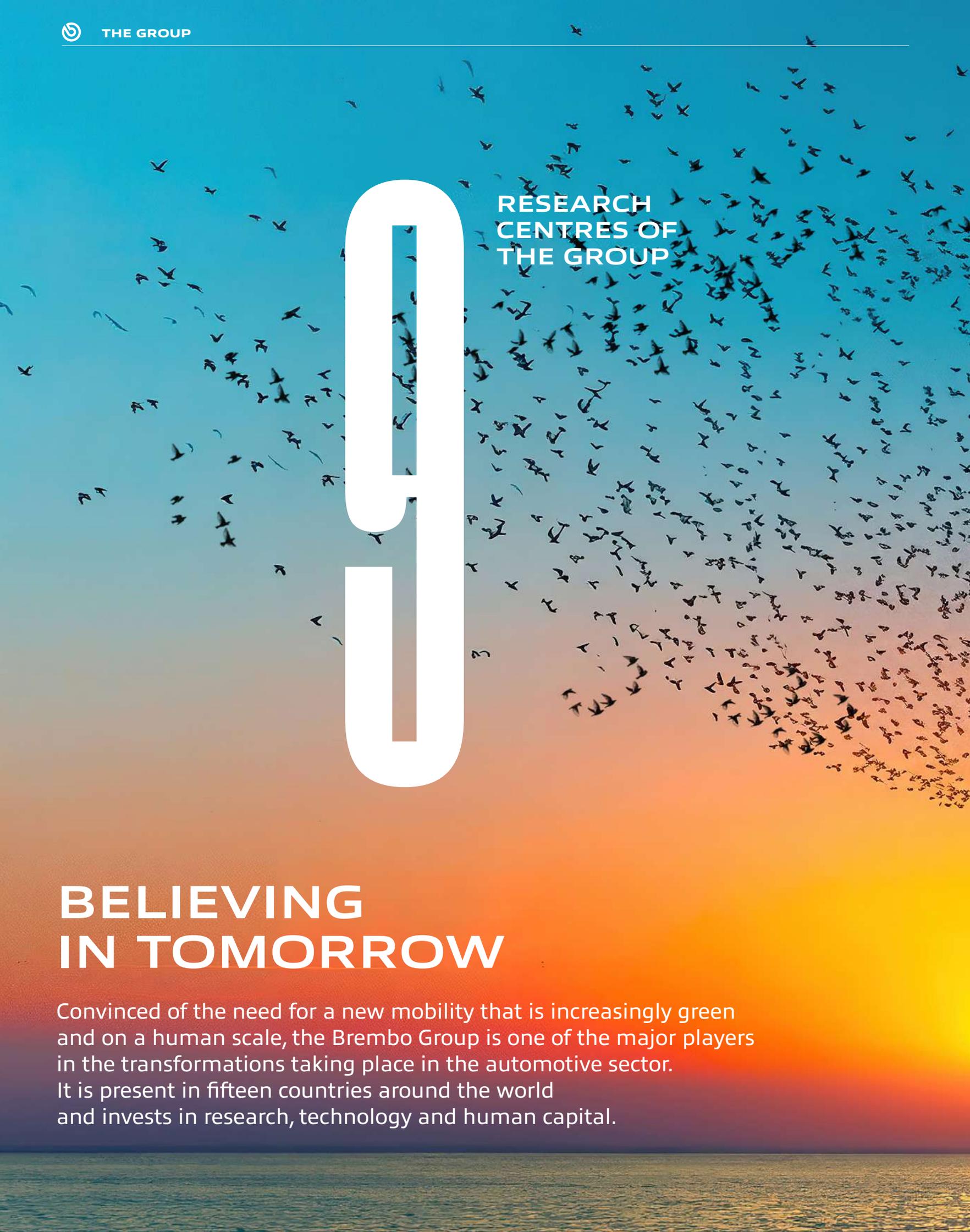
The energy crisis in Europe was dealt with at the political level through the REPowerEU agreement, designed to reinforce energy independence and expedite the green transition. Brembo is actively involved in this process, contributing to the diversification of energy sources and to the adoption of more sustainable practices.

The climate and environmental scenario remains a priority in terms of reflection and action. The COP28, held in Dubai, underscored that progress has been too slow in all areas of climate action: from reducing greenhouse gas emissions to strengthening resilience to climate change and financial and technological support for vulnerable countries. A plan of action was thus approved to speed the energy transition while reducing the consumption of fossil fuels in favour of greater development of renewable sources, and in particular of wind and photovoltaic energy, in order to achieve the goal imposed by the European Union Net Zero Emissions by 2050. The introduction of the Loss and Damage Fund at the COP28 this year is a step towards climate justice, by holding developed countries responsible for providing financial support to the most severely affected countries.

At the European level, the implementation of the Carbon Border Adjustment Mechanism (CBAM) is a significant progress to protect European companies against unfair competition. Brembo has adopted strategies consistent with the CBAM and will continue to contribute actively to the EU's climate efforts.

Lastly, Brembo has intensified its efforts to mitigate the effects of global supply chain disruptions. Collaboration with its supply base, onshoring of supply arrangements and constant dialogue with business partners have been crucial to ensuring supply continuity and priority.

Brembo thus faced economic, social and environmental challenges in 2023, proving its resilience and adopting proactive strategies to contribute to global economic and environmental sustainability.



RESEARCH
CENTRES OF
THE GROUP

BELIEVING IN TOMORROW

Convinced of the need for a new mobility that is increasingly green and on a human scale, the Brembo Group is one of the major players in the transformations taking place in the automotive sector. It is present in fifteen countries around the world and invests in research, technology and human capital.



15

COUNTRIES
IN WHICH
THE GROUP
IS PRESENT

9

GROUP
BRANDS

1. THE GROUP



15
Countries in which
the Group is present



9
Group
brands



9
Research centres
of the Group

1.1 GROUP PROFILE AND MAIN APPLICATIONS

The Brembo Group — a global leader and recognised innovator in brake disc technology for vehicles — designs, develops, manufactures, assembles and sells braking systems, vehicle wheels and light alloy and metal castings. It supplies high performance braking systems, as well as

clutches and other components for racing, to the most important manufacturers of cars, motorbikes and commercial vehicles worldwide.

The Group currently operates in 15 Countries on three continents.

FIGURES FOR THE THREE-YEAR PERIOD 2021 - 2022 - 2023



13,654¹⁴

Employees
12,225 – 12,956



412¹⁵
€ million

Net investments
210 – 282



3,849
€ million

Turnover
2,778 – 3,629



666
€ million

Ebitda
503 – 625



455
€ million

Net financial debt
412 – 502



305
€ million

Net profit
216 – 293

¹⁴ The employee of Brembo Reinsurance AG, which is not included in the scope of this document, is also included.

¹⁵ Cash flows generated by net investments in property, plant, equipment and intangible assets, calculated as the sum of increases (net of decreases) in property, plant, equipment and intangible assets. The figure does not include Increases in leased assets.

MAIN APPLICATIONS



73.5%

on total sales

CARS

This is Brembo's main area of operation and includes brake discs, brake calipers, wheel-side modules and complete braking systems, inclusive of the integrated engineering services that accompany the development of new models for car manufacturers. In addition to its Original Equipment Manufacturing (OEM) line, Brembo also provides components to the aftermarket segment, offering a wide range suited to nearly all vehicles on the road in Europe, including brake discs, pads, drums, brake shoes, drum brake kits and hydraulic components.



9.8%

on total sales

COMMERCIAL VEHICLES

This segment includes components for original equipment brake systems for manufacturers of commercial and industrial vehicles of all kinds (light and medium) and discs for heavy vehicles. In addition to its OEM line, Brembo offers replacement parts and maintenance products for commercial vehicle brake systems.



11.9%

on total sales

MOTORBIKES

This area includes brake discs and calipers, but also brake pumps, light alloy wheels and complete braking systems, intended for the models offered by the world's most prestigious manufacturers. Europe, the United States and the Asian countries are the most important markets for Brembo in this sector.



4.8%

on total sales

RACING

This segment includes the design and manufacture of braking systems and clutches for the racing sector, intended for teams participating in major racing competitions. Despite its limited impact on revenues, it is a market of strategic importance for the Group since it is a frontier sector for innovation by Brembo. The most advanced products, technologies, production concepts and cutting-edge development methods are conceived for the racing market and the benefits then trickle down to the series production designed by the Group for its customers. The racing line is rounded out by a range of products intended for enthusiasts, preparers and, more generally, those who wish to improve the look and performance of their vehicles using parts ready for the track.

1.2 DIGITAL TRANSFORMATION PROGRAM: FROM PRODUCT BUSINESS TO SOLUTION PROVIDER

Brembo is changing its essence, moving from brake manufacturer to Solution Provider: in this process, digital transformation is one of the essential steps. This journey does not distort Brembo's principles, rather it represents the Group's natural evolution: from manufacturer to solutions provider able to offer unique experiences, with an unconventional overview, guided by experience and a pioneering approach.

Under the guidance of the Chief Transformation Officer, who acts as Digital Pillar Leader, Brembo has thus defined its Digital Transformation Program with the aim of:

- simplifying, standardising and improving processes at Group level, making them faster, as well as more effective and efficient;
- becoming a reliable and innovative partner for its customers and suppliers, able to ensure quick, safe and transparent communication.

“Journey” is undoubtedly the best term to describe this global programme that Brembo is taking forward to realise its vision and become an attractive digital Company and the best business partner our customers can have.

In fact, “Journey” is precisely the terminology used internally to refer to the 11 Streams, which represent all sectors of the business, from purchasing to manufacturing, finance and sales, in which Brembo’s ambitious digital transformation has been conceived and organised, and which in 2023 saw more than 10 projects underway, in addition to the above-mentioned 11 journeys, which involved over 350 employees.

At the end of the path, businesses will be completely digitised and data driven, in other words driven exclusively by the ability to analyse and process large volumes of data in real time, developing in people an increasingly digital, open, data-driven mindset oriented to being a Solution Provider.

BREMBO'S STREAMS

1	INTEGRATED BUSINESS PLANNING	Anticipate market needs for new products / solutions and optimize Brembo resources and capabilities utilization to maximise growth and profitability
2	PRODUCT & SOLUTIONS DEVELOPMENT	Boost and accelerate Product Development Process with digital best practices aiming at optimizing time to market, product development costs and quality
3	SMART MANUFACTURING & WAREHOUSING	Improve visibility and performance across Operations leveraging IoT, Artificial Intelligence and Automation to successfully manage raising complexity
4	DIGITAL PROCUREMENT	Simplify and automatise the product procurement process, leveraging the synergies offered by digitalisation to optimise the procurement process timings and costs
5	DIGITAL FINANCE & CONTROLLING	Standardize controlling and administration by enhancing data visibility and simplifying/automating transactional process
6	CORPORATE CONTROL TOWER	Evolve Corporate processes into paperless, integrated and digital to enable smooth the Group operations and meet best-in-class performance standards
7	CONSUMER ENGAGEMENT (DIGITAL, MOTORSPORT, ...)	Strengthen Consumers intimacy across physical and digital channels, building a “One Brembo” Value Proposition
8	SALES & CUSTOMER SERVICE (OEM)	Partner with OEMs to support their innovation process through integrated solutions and ensure best-in-class service level and customer support
9	SALES & CUSTOMER SERVICE (AM)	Support the AM innovation process through integrated solutions and ensure best-in-class service level and customer support
10	PEOPLE & CHANGE MANAGEMENT	Simplify, standardise and digitise HR processes and orchestrate the adoption of a Brembo mindset: open, data driven, digital ready, and oriented to a Solution Provider approach
11	TECHNOLOGY & INNOVATION DELIVERY	Establish digital technologies as a strategic lever in developing innovative, data driven solutions for internal and external clients

All the Journeys are guided by a single Steering Committee, which harmonises the entire programme, while the monitoring of progress and the management of the actions to be addressed is entrusted to a dedicated manager for each Journey, relying on a programme management tool aimed at supporting the whole organisation in constantly monitoring the progress of the initiatives.

The programme is divided into three stages. The first “Discover & Describe” was concluded at the beginning of 2022, followed immediately by the central phase, “Design & Build”, which will see the implementation by 2026 of most of the technological solutions that will make up the new Brembo.

The third and final phase, “Run & Evolve” will begin to proceed in parallel with the second, in a timeframe aiming for 2026. The whole programme will be completed in 2030.

The Roadmap, described within the Programme Charter, was approved by the Steering Committee, with the involvement of the CEO, and also submitted to the attention of the Transformation Committee and the BMC (Business Management Committee).

The initial choices, underlying this transformation, were those relating to the new company ERP, the management system on which the different tools will be grafted, and the choice of the technological partners with whom to undertake the journey. The other initiatives adopted that will embrace all businesses are multiple and move along four drivers to make Brembo increasingly competitive: Innovation, Sustainability, Interconnection and Security.

INNOVATION

In recent years, the scenario in which each company operates has seen an increase in the risks associated with the security of their data and business continuity. The number of attacks suffered by companies, as well as the techniques used and the impacts undergone are reaching extremely significant levels. The Group is therefore increasingly committed to implementing the most effective technologies and controls to reduce impacts and protect both the Company and its customers and personnel. In fact, protecting know-how, confidential information and stakeholder data has always been among Brembo’s priorities, out of an awareness of the operational, strategic, reputational and economic damage that the Company may suffer.

An emerging new technology that has taken on growing importance in recent years is generative AI. Increasingly used in enterprise environments, generative AI confers many advantages at the level of business productivity, but also carries many risks in terms of data protection, compliance and intellectual property.

Yet, this technology has important applications in the protection of company information and cybersecurity. Since the Group is committed to innovation also in this area, it is gradually introducing it for data protection purposes as well.

SUSTAINABILITY

The challenge the Group decided to take up is to contribute to making Brembo a Company that is as sustainable as possible, recognising sustainability as an essential value, and at the same time guaranteeing quality services to the whole business. As the impact of a high-performance IT infrastructure on energy consumption can be significant, the Group’s attention has been focused precisely on this aspect. By adopting the “Cloud-first” principle — a pillar of Brembo’s corporate digital transformation —, a state-of-the-art infrastructure will be ensured. At the same time, our energy impact will be reduced, capitalising on what the best Cloud providers make available. In 2022, Brembo migrated the entire e-mail infrastructure, shutting down 90% of dedicated servers in server rooms, and improving service quality and availability.

Automation and paperless are, without a doubt, the terms that can best describe the results achieved in 2023. As digital signature, which has allowed to speed up and optimise company authorisation processes, while also enabling us to work wherever we go — in addition to reducing the environmental impact of printing documents, which are now shared solely in electronic format. Since digital signatures were introduced in Italy, 568 contracts have been signed, for a total of 3,317 pages not printed.

In a scenario like the one that is being designed — increasingly based on computerised services — such services must always be available and, above all, those who use them must be able to solve any problems as swiftly as possible. At a multinational like Brembo, this also means overcoming the time difference barrier.

To ensure clarity, speed and ease of use, Brembo People can now use a bot. This allows to easily monitor the status of their IT requests, without waiting for the intervention of a person who might not be available, but simply chatting with this easy-to-use, always available virtual assistant, regardless of their position and time zone.

INTERCONNECTION

In 2022, Brembo adopted Microsoft's Office 365 suite on the Cloud, significantly changing the way in which it collaborates. The "Brembo Space" is already the present, no longer just a goal to be achieved to improve the personnel's user experience. Thanks to these new tools, Brembo is now able to communicate in a more effective and efficient manner, everywhere and through any device. It is possible to plan the activities of "virtual teams" and track progress dynamically, working simultaneously on the production of the same content, while ensuring the security and quality of the data produced. The secure integration of all collaboration tools with those of the key partners, reducing their need to travel and rationalising face-to-face meetings, continued in 2023. The possibilities are countless and our journey in this globally connected world has only just begun. The benefits are already evident and confirm that the right path has been taken to increase Brembo's sustainability in the three pillars identified.

SECURITY

The Group's commitment to adhering to industry standards on information security continues to grow. As a proof of this, in 2023 for 100% of our sites subject to audits aimed at obtaining the ISO 27001 certification, the certification was confirmed. In particular, in 2023 it was obtained at 100% of sites in China — one of the most important regions for Brembo's business.

Extensive measures to protect information were adopted in 2023. In this regard, IT security was evaluated at 12 of the 25 sites using TISAX, an information security standard for the automotive industry managed by the ENX Association, used to evaluate and agree on security practices between companies through independent audits. The goal is to guarantee high standards of security in supply chains in the automotive industry.

Incident management controls were also reinforced in 2023. Thanks to the introduction of SOAR technology, the process of reacting to and containing security incidents and their impacts more quickly was automated and streamlined. SOAR technology, which makes it possible to automate analyses and actions that normally need to be done by an operator, enables instant intervention when problems are detected.

In addition, a very significant project for the governance of digital identity in the IT system was also launched. It will allow the Group to have easier control on data access, and to ensure optimised application of the principles of need-to-know and segregation of duties.

The implementation of the SOC service and improvement of log collection and analysis yielded their first results in 2023.

From January to December 2023, log collection increased by 49%. This made Brembo more aware of what is happening in its environment. In parallel, the number of use cases of anomalies provided to the SOC was increased in order to improve detection capabilities. Due to this increase in the number of use cases, the total number of incidents rose by 9%, but the average number of incidents per use case decreased from 17 to 5. In this way, Brembo has more information concerning its environment, more anomalies can be detected, while the existing controls are significantly reducing the negative impacts of any events.

In terms of awareness as well, the efficacy of our awareness-raising campaign is underscored by the results of the most recent phishing campaign, which shows a 32% decrease in the number of phishing victims.



In May 2023, Brembo launched “Brembo Solutions”, a brand new unit of the Group which combines Brembo’s experience in artificial intelligence and its application within industry in order to provide businesses with new digital solutions.

Brembo Solutions’ offer of digital expertise extends beyond the automotive market to help foster the adoption of more agile and innovative processes across other manufacturing and industrial sectors. The new unit’s solutions are based on Brembo’s successful and tangible improvements to its own production processes – an approach the company calls AI•Doing. The term AI•Doing makes reference to Brembo’s experience in

artificial intelligence (AI) algorithms and its practical application in the industrial field (Doing).

Using this approach, Brembo is applying advanced AI applications to ensure products are of the highest quality, as well as helping increase production efficiency. It is also developing data models, based on data science methods, to enable data-driven decision-making.

Brembo Solutions represents another important element of the Group’s industrial strategy. Thanks to this unit, Brembo becomes a solution provider even beyond the automotive sector. Through this innovation, Brembo is responding to market needs, making Brembo’s experience in digital inno-

vation available to all companies that want to improve their efficiency and competitiveness. Brembo Solutions develops tailor-made solutions for companies in various sectors, from textiles to food, and from the iron and steel industry to large-scale distribution, among others.

For more information on Brembo Solutions: www.brembosolutions.com



To learn more about
Brembo Solutions

1.3 BREMBO'S HISTORY

1960s

INNOVATION

Brembo is founded in 1961, near Bergamo, by Emilio Bombassei, his sons Sergio and Alberto, and his brother-in-law Italo Breda. The Company initially carries out mechanical production for third parties, serving clients such as Alfa Romeo and Pirelli. Thanks in part to a fortuitous event, it establishes a winning business model in 1964: producing car brake discs, the first in Italy. In 1965, Brembo has just 28 employees, but it is already focusing on innovation in both materials and production processes.

1970s

PERFORMANCE

Brembo invests in research and development, coming up with new solutions, and registers its first patent in 1970. It creates the first highly innovative disc brake system for Moto Guzzi in 1972. The turnaround comes in 1975, when Enzo Ferrari asks Brembo to equip his Formula 1 vehicles. Brembo enters the world of motor sport. This is followed by a partnership with MV Agusta for the MotoGP. Challenge and innovation: providing better and better performances becomes one of Brembo's distinguishing features.

1980s

COMFORT

Brembo devotes itself to studying innovative materials. In 1980, it develops the first aluminium caliper — adopted by Porsche, BMW, Lancia, Nissan and Chrysler among others — followed, in 1984, by the first carbon brake disc for Formula 1.

In addition to top performances, clients demand comfort and no noise or vibrations. The Company begins to carry out its first tests on a sophisticated dynamic test bench. In 1985, Brembo becomes a strategic supplier for industrial vehicles built by Iveco, Renault and Mercedes.

1990s

THE WORLD

Brembo continues to grow: in 1995, the Company is listed on the Milan Stock Exchange. This marks the start of a strategic process that will lay the foundations for market and production globalisation. Brembo starts manufacturing in Spain, Poland and Mexico, and also for the US market, where Chrysler is its first client.

These are years of radical innovation, with the first monobloc brake calipers for cars and the first radial-mount calipers for motorbikes.

2000s

STYLE AND DESIGN

Brembo continues its expansion, encompassing Brazil, the UK, China, Japan, India and the USA. The braking system with carbon-ceramic discs makes its debut, winning the prestigious Compasso d'Oro in 2004: style and design characterise the world of Brembo more than ever before. The Brembo Research & Development Centre is opened in the Kilometro Rosso Science and Technology Park in 2007.

Its success in the world of sport continues: Brembo is world champion in the majority of racing championships.

From 2010 to 2020

ONGOING EVOLUTION

Always ready for new technological challenges, Brembo chooses industry 4.0, a real revolution in industrial automation to improve productivity and working conditions, as well as to best address the automotive sector's electrification process. The Group complements the launch of new sites and production lines at global level with the opening of the Research and Development department centres also in Poland, China, India and the USA. A milestone honours a history of success: in 2017, Brembo's President Alberto Bombassei is added to Detroit's Automotive Hall of Fame.

From 2020 onwards

TURNING ENERGY INTO INSPIRATION

In spite of the global challenges caused by the pandemics that hit the whole world in 2020, Brembo continued with determination its path of innovative development in the automotive sector. In 2020, the Group presented a new Vision and new Mission statement, aiming at becoming a Solution Provider to address the new challenges posed by mobility. In 2021, Brembo presented SENSIFY™, the first intelligent braking system that integrates the most advanced software with the Company's braking components — thus marking a significant step towards the implementation of the new

Mission statement. Brembo's evolution into a Solution Provider is also reflected in the definition of a new visual identity and a new logo with a simple and modern design. Presented in 2022, they express both the Company's legacy and path of transformation, for an ever-deeper dialogue with the digital native generations. In the same period, Brembo also launched Greenance, a range of products dedicated to the car, motorbike and commercial vehicle spare parts market, anticipating the low environmental impact needs without compromising performance.

2023

SPEEDING TOWARDS THE FUTURE

2023 was a year of growth, marked by significant challenges for Brembo. In a courageous, ambitious move, the Group invested over half a billion euros in reinforcing production in Mexico, China and Poland. It also stepped up the production capacity of the joint venture BSCCB in Germany and Italy and expanded the headquarters by purchasing the building designed by architect Richard Meier at Kilometro Rosso.

As part of the strategy of developing innovative solutions, the SENSIFY™ roadshow was a success, and received positive feedback all around the world, from Italy to the United States, China and Japan. Brembo Solutions was created in 2023 to provide solutions based on Brembo's experience in applying AI to industry. In product development, new cali-

pers were introduced, such as Octyma for cars and Hypure and GP4-MotoGP for motorbikes. In motorsports, Brembo celebrated the milestone of 500 Grand Prix victories in Formula 1, confirmed its presence in MotoGP by being named Braking Inspiration Partner and supplied 44 of the 62 vehicles competing in the 100th edition of The 24 Hours of Le Mans as Braking Technology Provider.

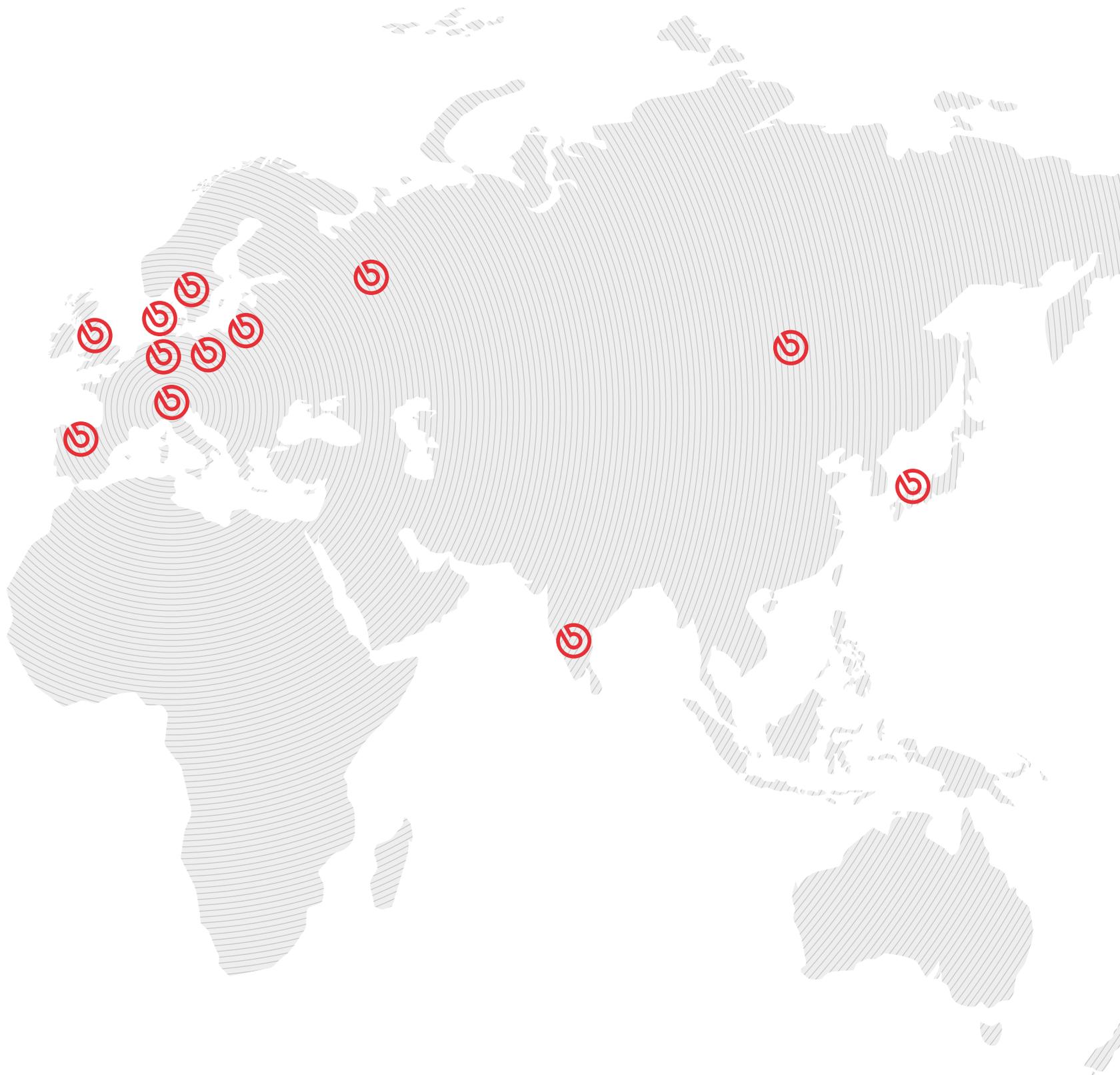
This process of innovation and growth bears witness to Brembo's commitment to increasingly be a benchmark player of the automotive industry, rising to the challenges of sustainability and staying on the cutting edge of the new mobility.



To learn more about
**MotoGP braking inspiration
 partner**

1.4 BREMBO'S GLOBAL FOOTPRINT





15
Countries
in the world



25
Manufacturing
sites



9
R&D centres
(including Brembo Inspiration Lab)

1.5 TARGET MARKETS AND BRANDS

Brembo's reference market is represented by the most important manufacturers of cars, motorbikes, commercial vehicles and racing cars and motorbikes.

In 2023, Brembo's consolidated net sales amounted to €3,849 million, with a 6.1% increase compared to €3,629 million in 2022.

Cars

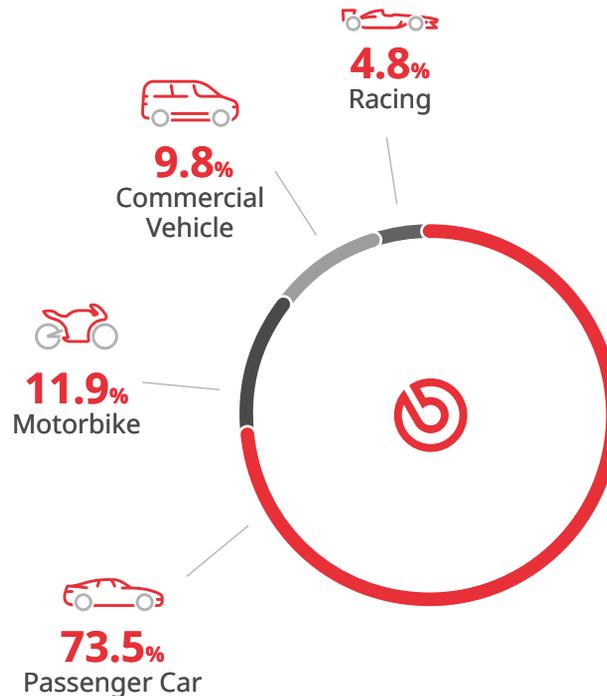
In 2023, the global light vehicle market increased by 9.5% on a year basis compared to 2022, with 83.6 million units sold. In the second half of the year, the uptrend surged, with monthly double-digit increases in percentage terms. Car registrations in the Western European market "EU14, EFTA and the United Kingdom" performed very well in 2023, with a 13.7% increase compared to 2022. All the main markets closed the year on a positive note: Italy (+19.3%), France (+14.7%), Spain (+17.4%), Germany (+7.6%) and the UK (+18.4%). Eastern Europe (EU12) also recorded a robust increase of car registrations (+34.9% compared to 2022). In Russia, light vehicle registrations closed 2023 with a 57.8% increase on the previous year. Sales in the United States also performed well, rising 15.7% overall compared to 2022. Brazil and Argentina recovered compared to the previous year, growing by 11.5% and 15.3%, respectively. With reference to Asian markets, in the twelve months of 2023 light vehicles sales rose by 6.1% in China compared to the same period of 2022 and confirmed the Country as the top global market with over 23.3 million vehicles sold throughout the year. This figure is largely attributable to exports and to the growth of many OEMs, especially those operating in the EV sector. The Japanese market also closed the year on a positive note, with a 13.4% sale increase compared to 2022.

Within this scenario, Brembo's net sales of car applications in 2023 amounted to €2,830 million, accounting for 73.5% of the Group's turnover, up by 7.2% compared to 2022.

Motorbikes

Europa, Stati Uniti e Giappone sono i più importanti mercati. Europe, the United States and Japan are Brembo's most important markets in the motorbike sector. When considering two-wheel vehicles alone, Europe closed 2023 with a 4.4% increase of registrations compared to 2022. In Italy, sales of motorbikes and scooters, considered together, rose by 15.8% compared to 2022. Consid-

BREAKDOWN OF NET SALES BY APPLICATION (% OF TOTAL)



ering only the registrations of motorbikes, growth was 14.9% (+21.5% for motorbikes with displacements over 500cc). Scooters rose by 20.6% on 2022. In the United States registrations of motorbikes, scooters and ATVs (All Terrain Vehicles, quadricycles for recreation and work) closed 2023 with a +1.5% increase on 2022. ATVs alone declined by 7.1%, while motorbikes and scooters together rose by 4.4%. The Japanese market, considering displacements over 50cc overall, improved by 23.0% overall during the twelve months of 2023. Analysing displacements over 125cc alone, it grew by 4% in 2023 compared to the same period of the previous year. Registrations of two-wheel vehicles increased by 9.1% in India compared to the previous year, while Brazil reported a 16.1% increase compared to 2022.

In this contest, Brembo's net sales of motorbike applications amounted to €457 million in 2023, down by 4.1% compared to €477 million for 2022.

Commercial and Industrial Vehicles

In 2023, the European commercial vehicles market "EU, EFTA and the UK" — Brembo's reference market — showed a 13.4% increase in registrations. In the reporting period, sales of light commercial vehicles (up to 3.5 tonnes) in Europe increased by 13.0% compared to 2022, with a growth on the previous year in all the main markets by sales volume: +9.3% in Germany, +6.4% in France, +18.0% in Spain, +18.8% in Italy and +18.7% in the UK. In Europe, the segment of medium and heavy commercial vehicles (over 3.5 tonnes) increased by 15.2% in 2023 compared to the previous year. Among the first five European markets by sales volume, a positive performance was reported by Germany (+24.2%), Spain (+14.2%), Italy (+12.3%) and France (+8.6%). In Eastern European countries (EU12) as well, sales of commercial vehicles over 3.5

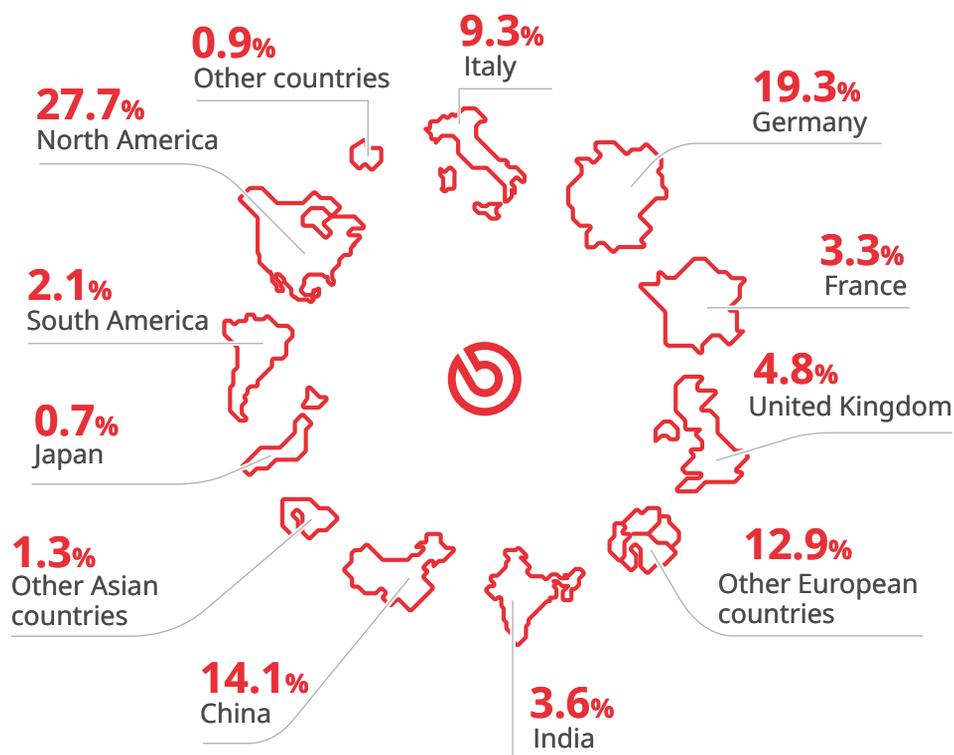
tonnes reported a positive performance in 2023, especially in Poland and Romania. In 2023, Brembo's net sales of applications in this segment amounted to €377 million, up 7.8% compared to €350 million for 2022.

Racing

In the racing sector, where Brembo has maintained undisputed supremacy for years, the Group operates through three leading brands: Brembo Racing (braking systems for race cars and motorbikes); AP Racing (braking systems and clutches for race cars); Marchesini (magnesium and aluminium wheels for racing motorbikes).

In 2023, Brembo's net sales of applications in this segment amounted to €184 million, up by 13.6% compared to €162 million for 2022.

BREAKDOWN OF NET SALES BY GEOGRAPHICAL AREA (% OF TOTAL)



THE BRANDS

Brembo markets its products with the following nine brands:



Brembo is the leading brand in the design and manufacturing of braking systems for high-performance road and racing cars and motorbikes and for commercial vehicles. Performance, Comfort and Design are the brand's distinctive traits, which make Brembo's products the most prestigious braking systems and components.



Brembo Racing is the Brembo brand for the racing market. It identifies all products bound for the world of car and motorbike racing. Brembo Racing products are designed to provide maximum performance under the most extreme conditions, and they are used by the best teams in the most prestigious F1, Indy, Nascar, Rally, MotoGP, Superbike, Enduro and Cross championships. Since December 2018, Brembo Racing is the exclusive supplier of braking systems for Spark Racing Technologies, the sole maker of Formula E championship racing single-seaters.



AP Racing is the leading brand in the production of brakes and clutches for racing cars and motorbikes. AP Racing designs, manufactures and assembles its cutting-edge, high technology products for the main Formula 1, GT, Touring and Rally teams.



AP represents a brand of excellence in the world market of car braking systems and components. It embodies a long history punctuated by creativity and achievement, which guarantees top-notch levels of product quality and performance.



Marchesini is the leading brand in the design, production, and marketing of light-alloy wheels for road and racing motorbikes.



ByBre, acronym for "By Brembo", is the brand dedicated specifically to braking systems for scooters and small and mid-power motorbikes.



Breco is the brand dedicated to the sale of discs and drums in the aftermarket channel. Breco discs are certified as original or original-equivalent.



SBS Friction is a cutting-edge brand in the development, production and sale of aftermarket brake pads and friction materials for motorbikes, scooters, ATVs/UTVs, special cars and industrial applications, as well as for wind turbines. The product range also include brake discs, clutch kits, brake shoes, brake plates and other components.



J.Juan is a leader in the development and manufacturing of metallic braided brake hoses and is also specialised in the production of motorbike braking system components.

THE 2023 AWARDS

GASGOO JINJI AWARDS	Brembo was named as one of the “Top 100 players of China’s New Automotive Supply Chain for 2023” thanks to its pioneering intelligent braking system SENSIFY™.
LINGXUAN AWARDS	Brembo Beyond Greenance Kit won the “Gold Award of the Chassis and Tire Forward-Looking Category” at the eighth Lingxuan Awards, held in 2023.
CLEPA AWARD	In October 2023 Brembo was recognised by Clepa as “Top Innovator” in the “Green” category with the Brembo Beyond Greenance Kit.
2023 BEST PRODUCT INNOVATION AWARD - GEELY AUTOMOBILE GROUP	At the “Architecture & New Energy Core Suppliers Talkfest” organised by the Geely Automobile Group, Brembo won the “2023 Best Product Innovation” award.
FEARLESS CONQUEST-IRON FACE HERO AWARD	In August 2023, M-Hero bestowed on Brembo the “Fearless Conquest—Iron Face Hero Award” for the significant support and collaboration in development, validation and mass production in the M-Hero 917 project.
2023 BEST INNOVATION AWARD - ZEEKR	The Zeekr Supplier Day 2023 was held in Chengdu, China, on 27 April 2023. Brembo won the Zeekr 2023 “Best Innovation Award” for its innovative 6-piston caliper supplied to the Chinese brand for the first time.
BEST BRAND 2023	Brembo confirmed as “Best Brand”. In 2023 as well, the readers of specialist German magazines voted for the Italian Group in a series of surveys in which the brands considered to be most prestigious amongst the different brake system producers were chosen. Brembo was revealed as the favourite brand of Auto Motor und Sport, Tuning, Motorsport Aktuell, Motorrad, Sport Auto and PS Sport Motorrad Magazine readers.
AAPEX AWARD	The Beyond EV Kit was named best product at the Automotive Aftermarket Products Expo (AAPEX).
RED DOT AWARD	In June 2023, Brembo was awarded the Red Dot Award for its 19RCS Corsa Corta RR - Race Replica, in the Product Design category. The award represents one of the most important and prestigious design competitions, which selects and celebrates the best creations that combine innovation and aesthetics.
SUPPLIER MEET AWARDS - ROYAL ENFIELD	At the Vendor Meet for the manufacturer Royal Enfield, on 28 July 2023 Brembo Brake India was named strategic partner for performance in terms of quality, obtained thanks to an excellent PPM score, which allows it to support customers, enabling them both to overcome quality problems in the field and respond to quality problems relating to the line in real time. Royal Enfield appreciates and rewards the initiatives adopted by Brembo Brake India, also in the sustainability area. These include energy saving projects (recovery of heat from compressors, full LED lighting and improved ventilation system), renewable energy development projects (plant’s rooftop solar installation and reduction of natural gas in painting booths) and water conservation projects.
SVENDBORG CLIMATE AWARD	SBS Friction recently obtained the prestigious “Svendborg Climate Award”, promoted by GO2Green and Svendborg Municipality. This award was created to reinforce the commitment to the ecological transition and celebrate those who already stand out for their concrete actions. It aims to offer sustainable examples of work organisation and daily life to inspire more people and companies to adopt a more environmentally friendly lifestyle.
ECOVADIS	Brembo received the “Gold Sustainability Rating 2023” from EcoVadis, a French company that is currently the largest provider of corporate sustainability assessments, with a global network of over 100,000 companies in 200 industrial supply chains and more than 175 countries. Based on 21 sustainability criteria, the EcoVadis rating assessed Brembo’s performance in four key areas: the environment, work and human rights, ethics and sustainable procurement. At the end of the monitoring process, the Group was awarded a score of more than 70 out of 100, placing it in the top 5% companies in the ESG arena.
ESG IDENTITY IGI COMPANY 2023	In 2023, Brembo was confirmed as a Top Performer for ESG Identity in the Integrated Governance Index (IGI).

**WORKPLACE HEALTH PROMOTION (WHP) 2023**

For the twelfth year running, Brembo (Stezzano site) received WHP accreditation (Workplace Health Promotion), confirming its constant commitment in providing its employees with high health and wellness standards.

FARO DEL MEDITERRANEO - ITALIAN CHAMBER OF COMMERCE IN BARCELONA

The Italian Chamber of Commerce in Barcelona bestowed the “Faro del Mediterraneo” award on Brembo for its excellence and leadership. Each year, this award is given to one Spanish and one Italian company for their international trajectory and the ties that they have formed between the two countries at the economic, commercial and cultural level.

RSA ARAGON SEAL

The Aragon Social Responsibility Plan was launched at the end of 2015. The goal is to promote socially responsible practices among the greatest possible number of companies, organisations and self-employed professionals in the community. For having successfully completed the Aragon Social Responsibility Plan, on 14 July 2023 the Aragon Institute for Development (IAF) granted Corporación Upwards '98 S.A. the “Aragon Social Responsibility Seal”.

PREMIO TRÓCOLA

In September, Corporación Upwards '98 S.A. received the “Most Important Supplier Award” at the Premio Trócola gala, held by the specialist magazine Autopos at the Goya Theater in Madrid, where the entire Spanish aftermarket sector gathered. The award is based on votes by the country’s most important manufacturers and distributors.

“BEST SERVICE AND ATTENTION” AWARD - SERCA GROUP

The Serca distribution group (NEXUS) awarded Corporación Upwards '98 S.A. recognition for the best service and attention. This award is the result of the assessment by each partner of the group, a leading distributor of car parts in Spain.

CDP

Brembo obtained a significant result in the CDP Water and CDP Climate questionnaires, achieving an A- score, an important recognition of the Group’s commitment to environmental sustainability. This score reflects Brembo's efforts to effectively manage and reduce its impact on water resources and greenhouse gas emissions — two crucial problems for the planet. The result encourages Brembo to continue its current journey, striving to further improve its performance in terms of resource management and its contribution to the fight against climate change.

A YEAR OF GREAT VICTORIES FOR THE BREMBO GROUP: MILESTONE OF 600 TITLES IN MAJOR MOTORSPORT COMPETITIONS CROSSED



Brembo, world leader in the manufacture of braking systems – ended 2023 with 70 world titles in the main two- and four-wheel racing competitions. Noteworthy successes included its third consecutive Formula 1 championship with Max Verstappen and Oracle Red Bull Racing, the victory by Pecco Bagnaia of the Ducati Lenovo Team in MotoGP, the domination of Alvaro Bautista of Aruba.it Racing-Ducati in WorldSuperbike and the wins by Pedro Acosta in Moto2 and Jaume Masiá in Moto3.

At The 24 Hours of Le Mans, Brembo triumphed in the Hypercar category, and in Formula 1 it reached the significant milestone of 500 GP races won in nearly 50 years of participation. Brembo continues to dominate in MotoGP, Moto2, Moto3 and World Superbike. For the eighth consecutive season, the Group supplied all the riders — 31 in total — who took part in at least one MotoGP race. Brembo stands out for the successes achieved in 35 riders’ world champi-

onships and 36 constructors’ world championships won with the main MotoGP teams.

In electric motorsports, 2023 was a triumph: Brembo continues its fifth consecutive season as exclusive supplier to all 22 full electric Gen3 single-seaters in the FIA Formula E championships and is participating in its fifth consecutive championship in the FIM MotoE World Cup, supporting the 18 electric Ducati vehicles.

Brembo’s constant presence consolidates its position as a point of reference in the motorsport racing world. In addition to the aforementioned Formula 1, Formula E, MotoGP, Moto2, Moto3 and WorldSuperbike championships, mention should also be made of the WEC, GT, IMSA, EWC, Nascar, MXGP, Enduro, Trial, Formula 2, Formula 3, WRC, Super Formula, MotoAmerica and Porsche Supercup, for a total of more than 600 world titles won between 1975 and today in the various categories.

1.6 STOCK PERFORMANCE

For a listed company, the value of its stock is an important indicator of its credibility and reputation. For this reason over the past few years the Group has paid particular attention to the brand's trust and relational capital and its competitive positioning. Brembo's stock closed 2023 at €11.10, a

6.2% increase compared to year-start, reaching the low for the period on 30 October (€10.02) and its high on 28 February (€14.92). During the same period, the FTSE MIB index closed upwards 28%, whereas the BBG EMEA Automobiles Parts index rose by 14.7%.

BREMBO'S STOCK PERFORMANCE IN 2023



1.7 ETHICAL AND SUSTAINABLE FINANCE

In line with previous years, sustainability matters are moving an increasing amount of capital at a financial level. The markets recognise the impact of risks arising from climate change, biodiversity loss and degradation of social conditions, on the actual and potential growth of the economy. In response to this scenario, Brembo has begun a process aimed at leveraging the sustainability practices that have always been a part of the Group, seizing the opportunities offered by sustainable finance.

In 2020, the Group obtained a medium-/long-term “positive loan” of €300 million from BNL of the BNP Paribas Group, the residual value of which at 31 December 2023 was

€200 million. The financial terms of the loan improve when precise sustainability goals are met. Such goals are constantly monitored and measured.

Brembo is committed to a plan to constantly reduce emissions thanks to improvements in production facilities through efficient energy use and the use of renewable energy sources. This plan is part of a broader strategy that also seeks to reinforce its capability to develop low environmental impact products. This is thus a two-fold objective — supporting the transition towards sustainable mobility and significantly reducing GHG emissions and the environmental impact of Brembo’s production sites.

1.8 THE EU TAXONOMY REGULATION No. 2020/852

In line with the goals of the UN 2030 Agenda, with the aim of achieving climate neutrality by 2050, the European Union has defined a series of strategies and initiatives aimed at directing capital flows towards investments in assets and activities deemed sustainable. In this regard, European institutions therefore introduced the Regulation (EU) 2020/852 (hereafter also referred to as the “Regulation”), which aims at providing reliable and common criteria and tools to identify sustainable economic activities, and at ensuring financial institutions and investors greater comparability regarding the degree of environmental-sustainability of an investment associated with that activity.

In particular, the Regulation introduced a unified classification system or “taxonomy”, of economic activities that, in order to qualify as “environmentally sustainable” must contribute to achieving one or more among 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, according to the Regulation, economic activities are broken down into:

- **taxonomy-eligible:** an economic activity is taxonomy-eligible if it is listed in the delegated acts of the Regulation, in correspondence with one or more environmental objectives. If taxonomy-eligible, the activity has the potential to contribute substantially to the objective of reference;
- **taxonomy-aligned:** an economic activity is taxonomy-aligned if, in addition to being taxonomy-eligible, it is carried out in compliance with the technical screening criteria and the minimum safeguards. Accordingly, it has to:
 - meet the **substantial contribution** criteria defined by the Regulation for each activity. On a scientific basis, they describe the conditions to be met to substantially contribute to reaching the environmental objectives;
 - **Do No Significant Harm (DNSH)** to any of the other environmental objectives to which the economic activity does not substantially contribute;
 - comply with the **minimum safeguards**, ensuring respect for human rights and international legislation on workers’ rights, taxation, fair competition and bribery.

If an activity is taxonomy-aligned, it may thus qualify as “environmentally sustainable”.

Article 8 of the Regulation defines the reporting obligations within the Taxonomy, applicable to date to non-financial undertakings subject to the Non-Financial Reporting Directive. After the Regulation entered into force, it was progressively supplemented and extended to include new sectors and activities, as was the case, for instance, with the publication of the Commission Delegated Regulation (EU) 2023/2485, which made several amendments to the Climate Delegated Act, both in terms of new activities and technical screening criteria.

If in 2021, first year of application of the legislation, companies had only to report the proportion of the turnover, op-

erating expenditure (OpEx) and capital expenditure (CapEx) of taxonomy-eligible activities with respect to the objectives relating to climate change – *Climate change mitigation and Climate change adaptation*¹⁶, in this new reporting year companies such as Brembo must also disclose the same quantitative indicators (KPIs) for the taxonomy-eligible economic activities with respect to the other four environmental objectives defined by the “Environmental Delegated Act” (Commission Delegated Regulation (EU) 2023/2486). As for 2022, it is still mandatory to report the proportion of the turnover, CapEx and OpEx of the taxonomy-aligned activities only with respect to the objectives relating to climate change.

COMPLIANCE ASSESSMENT WITH THE REGULATION

As of 2021, in accordance with the Regulation, Brembo discloses the information required associated with the proportion of the turnover, CapEx and OpEx related to taxonomy-eligible activities.

In 2023, the Brembo Group continued the analysis of its taxonomy-eligible economic activities in order to assess their

effective contribution to the aforementioned six objectives and understand if and which of these can also be considered to be taxonomy-aligned. Moreover, a mapping of any CapEx and OpEx was made in relation with the purchase of products or services referring to taxonomy-eligible and/or taxonomy-aligned economic activities and to individual measures enabling activities to maintain a low level of emissions.

ELIGIBILITY ANALYSIS

The analysis resulted in the identification of the following economic activities performed by Brembo, associated with the climate change objectives:

- **3.8 Manufacture of aluminium** with reference to the CapEx and OpEx attributable to the casting of aluminium performed by Brembo (*Climate change mitigation and Climate change adaptation Objectives*);
- **3.9 Manufacture of iron and steel** with reference to the CapEx and OpEx attributable to cast iron casting performed by Brembo (*Climate change mitigation and Climate change adaptation Objectives*);

- **9.1 Close to market research, development and innovation** with reference to the CapEx and OpEx attributable to the research and development activity linked to experimental development projects of solutions and technologies which contribute to the reduction of greenhouse gas emissions (*Climate change mitigation Objective*).

The activities identified, performed by Brembo at its sites, do not generate a direct turnover for the Group. Moreover, an analysis of any CapEx and OpEx was also made in relation with the purchase of products or services referring to taxonomy-eligible economic activities and individual measures enabling the activities to reduce their level of emissions¹⁷.

¹⁶ Taxonomy activities which refer to Climate change mitigation and Climate change adaptation are included in Annex I and II of the “Climate Delegated Act”. Commission Delegated Regulation (EU) 2021/2139.

¹⁷ Annex I to the Commission Delegated Regulation (EU) 2021/2178, paragraph 1.1.2.2 (c).

Based on this analysis, the following economic activities qualified as taxonomy-eligible with respect to the Taxonomy objectives:

ACTIVITY	OBJECTIVE	REFERENCE WITHIN BREMBO
5.1 Construction, extension and operation of water collection, treatment and supply systems	<ul style="list-style-type: none"> • Climate change mitigation • Climate change adaptation 	Costs relating to the maintenance and extension of the water supply or treatment systems within the Group's production plants
6.5. Transport by motorbikes, passenger cars and light commercial vehicles	<ul style="list-style-type: none"> • Climate change mitigation climatici 	Costs relating to the management and maintenance of the company fleet
6.6. Freight transport services by road	<ul style="list-style-type: none"> • Climate change mitigation 	Costs for long-term lease of vans for freight transport
7.1. Construction of new buildings	<ul style="list-style-type: none"> • Climate change mitigation • Climate change adaptation • The transition to a circular economy (reference to activity 3.1) 	Costs relating to the construction of new buildings within the Group's production and sales hubs
7.2. Renovation of existing buildings	<ul style="list-style-type: none"> • Climate change mitigation • Climate change adaptation • 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	<ul style="list-style-type: none"> • Climate change mitigation • Climate change adaptation 	Costs relating to the installation and maintenance of energy-efficient lighting and new air-conditioning systems
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	<ul style="list-style-type: none"> • Climate change mitigation • Climate change adaptation 	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	<ul style="list-style-type: none"> • Climate change mitigation • Climate change adaptation 	Costs relating to the installation and maintenance of photovoltaic plants
8.1. Data processing, hosting and related activities:	<ul style="list-style-type: none"> • Climate change mitigation • Climate change adaptation 	Costs relating to server management and data centre lease
2.3. Collection and transport of non-hazardous and hazardous waste	<ul style="list-style-type: none"> • The transition to a circular economy 	Costs for the installation and maintenance of waste collection and waste sorting systems within the Group's production sites
2.2 Urban waste water treatment	<ul style="list-style-type: none"> • The sustainable use and protection of water and marine resources 	Costs for the installation and maintenance of waste water collection and separation systems within the Group's production sites

ALIGNMENT ANALYSIS

In order to assess alignment with the climate change mitigation and climate change adaptation objectives, for each taxonomy-eligible activity identified analyses were

thus carried out to check compliance with the substantial contribution criteria and the “Do No Significant Harm” criteria by each objective.

ACTIVITY - 3.8 MANUFACTURE OF ALUMINIUM

Substantial contribution to climate change mitigation

With regard to the manufacture of aluminium, the criteria for substantial contribution to climate change mitigation require that the greenhouse gas emissions of the activity not exceed 1.484 tCO_{2e} per tonne of aluminium manufactured, the average carbon intensity for indirect greenhouse gas emissions not exceed 100 g CO_{2e}/kWh and electricity consumption in the manufacturing process not exceed 15.5 Wh/t Al.

According to the Regulation, until the 2025 reporting year it is sufficient to comply with two of the above criteria to consider the economic activity taxonomy-aligned. However, Brembo has decided to adopt the more stringent criterion starting in 2023, and to consider only activities that meet all three criteria, i.e. those carried out at the plants in Mapello (Italy) and Escobedo (Mexico)¹⁸, to meet the substantial contribution criterion.

Do No Significant Harm (DNSH)

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

- Climate change adaptation: an analysis is to be performed to identify and assess vulnerability to chronic

and acute physical climate-related risks that have an impact on the activity concerned. Brembo has carried out an analysis of relevant physical risks at all its manufacturing plants, considering short-term (2023-2025) and long-term (2030-2050) scenarios, on the basis of IPCC RCP 8.5 scenario (“Fossil fuel-based development”). Accordingly, the criterion is considered to have been met.

- The sustainable use and protection of water and marine resources: an analysis of environmental risks is required in order to achieve good water condition and a water management and use plan. The criterion is considered to have been met for all manufacturing plants.
- Pollution prevention and control: a ban is established on the use of certain substances deemed hazardous. Also in light of the update applied in June 2023 and the ensuing interpretative ambiguity, the Group deems it appropriate to take a prudential approach and to consider this criterion not to have been met.
- The protection and restoration of biodiversity and ecosystems: the criterion for this objective requires an assessment of environmental impact or equivalent examination. The criterion is thus considered to have been met for all manufacturing plants.

¹⁸ The plants in Nanjing (China) and Ostrava (Czech Republic) were not considered taxonomy-aligned, despite meeting the criterion relating to tonnes of CO_{2e} per tonne manufactured and the criterion relating to electricity consumption in the manufacturing process.

ACTIVITY - 3.9 MANUFACTURE OF IRON AND STEEL

Substantial contribution to climate change mitigation

With regard to the manufacture of iron and steel, the criteria for substantial contribution to climate change mitigation require that emissions from the manufacturing process relating to coke (excluding lignite coke) used in the manufacturing process not exceed 0.144 tCO_{2e} per tonne of product and that emissions from iron casting not exceed 0.299 tCO_{2e} per tonne of product. Accordingly, the manufacture of iron and steel at the manufacturing plants in Nanjing, Dabrowa, Escobedo and Homer meets the substantial contribution criteria.

Do No Significant Harm (DNSH)

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

- Climate change adaptation: with regard to this activity as well an analysis is to be performed to identify and assess vulnerability to chronic and acute physical climate-related

risks (listed in section II of the Appendix) that have an impact on the activity concerned. In light of the analysis of the physical climate-related risks performed by Brembo, the criterion is considered to have been met.

- The sustainable use and protection of water and marine resources: an analysis of environmental risks is required in order to achieve good water condition and a water management and use plan. The criterion is considered to have been met for all manufacturing plants.
- Pollution prevention and control: a ban is established on the use of certain substances deemed hazardous. Also in light of the update applied in June 2023 and the ensuing interpretative ambiguity, the Group deems it appropriate to take a prudential approach and to consider the activity as non-compliant with the DNSH criterion.
- The protection and restoration of biodiversity and ecosystems: the criterion for this objective requires an assessment of environmental impact or equivalent examination. The criterion is thus considered to have been met for all manufacturing plants.

ACTIVITY – 9.1 CLOSE TO MARKET RESEARCH, DEVELOPMENT AND INNOVATION

Substantial contribution to climate change mitigation

With regard to close to market Research, Development and Innovation, the substantial contribution criteria require that the activity research, develop or provide innovation for technologies, products or other solutions dedicated to one or more economic activities for which the technical screening criteria have not been defined in the Commission Delegated Regulation, and that enable these activities to meet the respective criteria for substantial contribution to climate change mitigation. In the absence of sufficient elements to permit a full assessment of compliance with the criterion, according to a conservative, prudential approach the Group believes the activity is not aligned with the substantial contribution criteria.

Do No Significant Harm (DNSH)

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

- Climate change adaptation: with regard to this activity as well an analysis is to be performed to identify and assess

vulnerability to chronic and acute physical climate-related risks (listed in section II of the Appendix) that have an impact on the activity concerned. In light of the analysis of the physical climate-related risks performed by Brembo, the criterion is considered to have been met.

- 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. The criterion is therefore considered to have been met.
- The transition to a circular economy: for this activity, the potential risks for circular economy objectives arising from the technology, product or solution of another type to which the research refers must have been assessed and dealt with. In the absence of sufficient elements to permit a full assessment of compliance with the criterion, according to a conservative, prudential approach the Group believes this activity is not compliant with such a DNSH criterion.
- Pollution prevention and control: for this activity, all potential risks relating to a significant increase in polluting

emissions arising from the technology, product or solution must have been assessed and dealt with. In the absence of sufficient elements to permit a full assessment of compliance with the criterion, according to a conservative, prudential approach the Group believes this activity is not compliant with such a DNSH criterion.

- The protection and restoration of biodiversity and ecosystems: for this activity, the potential risks to the good con-

dition or resilience of ecosystems or the state of preservation of habitats and species arising from the technology or product subject to research must have been assessed and dealt with. In the absence of sufficient elements to permit a full assessment of compliance with the criterion, according to a conservative, prudential approach the Group believes this activity is not compliant with such a DNSH criterion.

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 maintenance and extension of water supply or treatment systems at its production or distribution hubs, it has taken a prudential approach and considered the criterion not to be met.

Do No Significant Harm (DNSH)

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

- Climate change adaptation: with regard to this activity as well an analysis is to be performed to identify and assess

vulnerability to chronic and acute physical climate-related risks (listed in section II of the Appendix) that have an impact on the activity concerned. In light of the analysis of the physical climate-related risks performed by Brembo, the criterion is considered to have been met.

- 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. The criterion is therefore considered to have been met.
- The protection and restoration of biodiversity and ecosystems: the criterion requires an assessment of environmental impact or equivalent examination. All the work sites at Group's facilities comply with this criterion.

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 other three objectives:

- Climate change adaptation: with regard to this activity

as well an analysis is to be performed to identify and assess vulnerability to chronic and acute physical climate-related risks that have an impact on the activity concerned. With regard to the investments undertaken in 2023 in connection with the vehicle fleet, according to a conservative, prudential approach, as the activity is not directly performed by Brembo, and in the absence of sufficient elements to permit a full assessment of compliance with the criterion, the Group believes the activity not to be compliant with such a DNSH criterion.

- The transition to a circular economy: this requires that vehicles possess certain characteristics of reusability and recyclability and that measures be taken to manage waste during the use phase (maintenance) and end-of-life phase.

According to a conservative approach, in the absence of sufficient elements to permit a full assessment of compliance with the criterion by suppliers, the Group believes this activity is not compliant with such a DNSH criterion.

- Pollution prevention and control: this requires that vehi-

cles adhere to certain parameters relating to conformity, type approval, emissions and efficiency. The vehicles of the Group's fleet meet this criterion, since the parameters and characteristics in question are required by the European Union for all recently registered vehicles.

ACTIVITY 6.6. FREIGHT TRANSPORT SERVICES BY ROAD

Substantial contribution to climate change mitigation

The substantial contribution criteria for expenses incurred for freight transport vehicles 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 other three objectives:

- Climate change adaptation: with regard to this activity as well an analysis is to be performed to identify and assess vulnerability to chronic and acute physical climate-related risks that have an impact on the activity concerned. With regard to the investments undertaken in 2023 in connection with the freight transport vehi-

cles, according to a conservative, prudential approach, and in the absence of sufficient elements to permit a full assessment of compliance with the criterion, the Group believes the activity not to be compliant with such a DNSH criterion.

- The transition to a circular economy: this requires that vehicles possess certain characteristics of reusability and recyclability and that measures be taken to manage waste during the use phase (maintenance) and end-of-life phase. According to a conservative approach, in the absence of sufficient elements to permit a full assessment of compliance with the criterion by suppliers, the Group believes this activity is not compliant with such a DNSH criterion.
- Pollution prevention and control: this requires that vehicles adhere to certain parameters relating to conformity, type approval, emissions and efficiency. The vehicles of the Group's fleet meet this criterion, since the parameters and characteristics in question are required by the European Union for all recently registered vehicles.

ACTIVITY 7.1. CONSTRUCTION OF NEW 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 and sales hubs, according to a prudential approach for activities not directly performed by the Group, the criterion has been considered not to have been met.

Do No Significant Harm (DNSH)

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

- Climate change adaptation: with regard to this activity as well an analysis is to be performed to identify and assess vulnerability to chronic and acute physical climate-related risks that have an impact on the activity concerned. The criterion has been met due to initiatives at the Group's plants under analysis.

- The sustainable use and protection of water and marine resources: this requires specific techniques relating to certain plumbing systems, in respect of which the Group believes it does not have complete visibility for all plants included in the scope. Accordingly, the Group deems it appropriate to adopt a prudential approach and consider the activity not to be compliant with such a DNSH criterion.
- The transition to a circular economy: this requires that at least 70% of waste generated during construction and demolition at a work site be prepared for recovery. Since the Group does not have full visibility of all active work sites at plants not directly managed by Brembo, it deems it appropriate to adopt a prudential approach and consider the activity not compliant with such a DNSH criterion.
- Pollution prevention and control: a ban is established on the use of certain substances deemed hazardous. Also in light of the update applied in June 2023 and the ensuing interpretative ambiguity, the Group deems it appropriate to take a prudential approach and to consider the activity as non-compliant with the DNSH criterion.
- The protection and restoration of biodiversity and ecosystems: the criterion requires an assessment of environmental impact or equivalent examination. All the work sites at Group's facilities comply with this 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 and sales hubs, according to a prudential approach, the criterion has been considered not to have been met.

Do No Significant Harm (DNSH)

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

- Climate change adaptation: with regard to this activity as well an analysis is to be performed to identify and assess vulnerability to chronic and acute physical climate-related risks that have an impact on the activity concerned. The criterion has been met due to initiatives at the Group's plants under analysis.
- The sustainable use and protection of water and marine resources: with regard to this objective, the criterion requires specific techniques relating to certain plumbing systems, in respect of which the Group believes it does not have complete visibility for all plants included in the scope. Accordingly, the Group deems it appropriate to adopt a prudential approach and consider the activity not to be compliant with such a DNSH criterion.
- The transition to a circular economy: with regard to this objective, the criterion requires that at least 70% of waste generated during construction and demolition at a work site be prepared for recovery. Since the Group does not have full visibility of all active work sites at plants not directly managed by Brembo, the Group deems it appropriate to adopt a prudential approach and consider the activity not compliant with such a DNSH criterion.
- Pollution prevention and control: a ban is established on the use of certain substances deemed hazardous. Also in light of the update applied in June 2023 and the ensuing interpretative ambiguity, the Group deems it appropriate to take a prudential approach and to consider the activity as non-compliant with the DNSH criterion.
- The protection and restoration of biodiversity and ecosystems: the criterion for this objective requires an assessment of environmental impact or equivalent examination. All the work sites at Group's facilities comply with this criterion.

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

Substantial contribution to climate change mitigation

With regard to expenses incurred for the installation and maintenance of energy-efficient lighting and new air-conditioning systems, the activity meets the substantial contribution criteria as it is included in the list of initiatives described.

Do No Significant Harm (DNSH)

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

- Climate change adaptation: with regard to this activity

as well an analysis is to be performed to identify and assess vulnerability to chronic and acute physical climate-related risks that have an impact on the activity concerned. The criterion has been met due to initiatives at the Group's plants under analysis.

- Pollution prevention and control: a ban is established on the use of certain substances deemed hazardous. Also in light of the update applied in June 2023 and the ensuing 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 7.5 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, the activity meets the substantial contribution criteria as it is included in the list of initiatives described in the substantial contribution section.

Do No Significant Harm (DNSH)

The only one DNSH criterion provided for by the Regulation with respect to the activity 7.5 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

With regard to the expenses incurred for the installation of photovoltaic panels, the activity meets the substantial contribution criteria as it is included in the list of initiatives described in the substantial contribution section.

Do No Significant Harm (DNSH)

The only one DNSH criterion provided for by the Regulation with respect to the 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.

ACTIVITY 8.1. DATA PROCESSING, HOSTING AND RELATED ACTIVITIES

Substantial contribution to climate change mitigation

The criteria for substantial contribution to climate change mitigation require that specific energy efficiency criteria have been met by data centres, as verified in a third-party audit. As the Group does not have all the necessary evidence relating to data centres at its production and sales hubs, it has taken a prudential approach and considered the criterion not to be met.

Do No Significant Harm (DNSH)

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

- Climate change adaptation: with regard to this activity as well an analysis is to be performed to identify

and assess vulnerability to chronic and acute physical climate-related risks that have an impact on the activity concerned. The criterion has been met for data centres at the Group's plants under 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. The criterion is therefore considered to have been met.
- The transition to a circular economy: For this objective, the criterion requires that electronic devices and the substances they contain satisfy a series of technical specifications. In this regard, the Group deems it appropriate to adopt a prudential approach and considers the criterion not to be met, as it does not have all the necessary information.

Lastly, it should be noted that for the activity 5.1 Construction, extension and operation of water collection, treatment and supply systems no alignment analysis was performed since it is not required in the first year after the Environmental Delegated Act entered into force.

Since several among taxonomy-eligible activities fall within the scope of both the climate-related objectives (specifically: 3.8, 3.9, 7.1, 7.2, 7.5, 7.6, and 8.1), the Group also performed the alignment analysis with respect to the climate change adaptation objective, as provided for in June 2023. Moreover, it should be noted that, contrary to the above mentioned activities, activities 6.5 and 6.6 are not deemed as taxonomy-eligible¹⁹ also for the climate change adaptation objective because no climate risk analysis was carried out in relation to them.

Although several DNSH criteria are met for some activities, the criterion for substantial contribution to climate change adaptation, which is the same for all taxonomy-eligible activities, requires that the adaptation solutions with respect to the climate-related risks identified are identified.

These adaptation solutions must comply with specific requirements that the Group believes it has not been implemented within the terms set forth by the Regulation. Activities proved not to be aligned with respect to the climate change adaptation objective.

Lastly, it should be noted that for the activities 2.2 Urban waste water treatment and 2.3 Collection and transport of non-hazardous and hazardous waste no alignment analysis was made since it is not required in the first year after the Environmental Delegated Act entered into force.

¹⁹ In line with the indications of the FAQ 18 of the October 2023 Commission Notice

MINIMUM SAFEGUARDS

Lastly, Brembo analysed compliance with the minimum safeguards, in accordance with the provisions of Article 18 of the Regulation. In particular, the OECD Guidelines for Multi-national Enterprises, the United Nations Guiding Principles on Business and Human Rights and the principles and rights set out in the eight core conventions identified in the International Labour Organisation (ILO)'s Declaration on Fundamental Principles and Rights at Work and the International Charter of Human Rights were taken into consideration.

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

Brembo ensures that the topics relating to minimum safeguards are dealt with through the adoption of specific tools such as the company policies, guidelines and organisational and operational mechanisms, and in particular:

- the Group's Code of Ethics, whose provisions apply to all employees of all the Group Companies and all parties acting for achieving the Group's objectives;
- the 231 Models of the Group Companies and whistleblowing procedures for reporting any breaches of the Code and Models;
- diversity policies for the Governing Body's composition aimed at ensuring an optimal combination of skills and professional background among the members of the Board of Directors not only with regard to gender, but also experience, professionalism, integrity, independence, age and other relevant aspects, as provided for by applicable laws;
- the Remuneration policy and the related report published annually, as described in greater detail in paragraph "Remuneration policies" of the section "Company structure";
- the disclosure on issues relating to human rights, as well as gender diversity and fundamental labour rights in the Group's Disclosure of Non-Financial Information (for greater details, see the sections "People" and "The Supply Chain");

- the policies and codes of conduct published on the Group's website and whose provisions apply to all employees of all the Group Companies and all parties acting for achieving the Group's objectives; the Anti-bribery Code of Conduct, Brembo's Code of Basic Working Conditions, Brembo's Policy on Non Discrimination and Diversity, Supplier Code of Conduct, Brembo General Terms and Conditions of Purchase Direct Materials and Services. the above mentioned codes and policies are described in detail in paragraph 3.2 "Responsible business management system" of the chapter "Company structure";
- grievance mechanisms accessible to stakeholders through the Group's website.

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

For further details concerning the measures relating to minimum safeguards, see in particular the chapter "Company structure", "The supply chain" and "People", in which additional information is provided regarding the Group's measures and results in relation to the issues of human rights and the fight against corruption.

In cases of verification of the minimum safeguards for products and services purchased by the Group and originating in taxonomy-eligible economic activities (specifically, for activities 5.1, 6.5, 6.6, 7.1, 7.2, 7.3, 7.5, 7.6 and 8.1), companies are required to expand the scope of analysis to the supply chain of eligible products and services. In this regard, Brembo has prepared a set of procedures defined to ensure transparency and observance of the principles laid down in its Code of Ethics throughout its supply chain, as described in the chapter "The supply chain". However, according to a conservative, prudential approach, Brembo does not believe that it has sufficient information to ensure that current supply chain management practices ensure full alignment of its suppliers with Article 8 of the Regulation.

Accounting policy and contextual information

In accordance with the indications of Annex I to the Disclosures Delegated Act²⁰, the Group calculated the KPIs related to Turnover, CapEx and OpEx for activities identified as taxonomy-eligible, assessing their specific weight with reference to the respective consolidated amounts.

Specifically, here below are illustrated the methodological approaches used to calculate each KPI, providing a general overview for both denominators and numerators.

Turnover KPI

The Turnover denominator was determined through an analysis of the Group's statutory chart of accounts for 2023. In particular, the consolidated item concerning the Group's revenues was considered. To this end, in accordance with paragraph 1.1.1 of Annex 1 to the Disclosures Delegated Act, the revenues of the Group's core business were identified by considering the line item "Revenue from contracts with customers". These revenues represent amounts derived from the sale of products and the provision of services after deducting sales rebates²¹ and value added tax and other taxes directly linked to turnover. Accordingly, the Group's Turnover for 2023 was €3,849,220 thousand, as shown in the consolidated financial statements (Revenue from contracts with customers, note No. 20 to the consolidated annual financial report).

With regard to calculation of the numerator, in accordance with the requirements of Annex 1 to the Disclosures Delegated Act, as the Group has not identified any taxonomy-eligible activities according to the criteria laid down in the Regulation, it presented a numerator value of 0 for 2023.

OpEx KPI

Paragraph 1.1.3.1 of Annex 1 to the Disclosures Delegated Act states that the denominator of the OpEx must be calculated by identifying specific non-capitalised operating expenses relating to:

- Research and Development
- Building renovation measures
- Short-term lease
- Maintenance and repair
- Any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment.

To determine the value of these items, Brembo conducted a thorough analysis of the Group's chart of accounts. Accordingly, a broad investigation was conducted to isolate all items attributable to the above components. In particular, with regard to "any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment", plant cleaning expenses were taken into consideration²².

For the cost of personnel involved in the above activities, as it was not possible to obtain the related numbers directly from an analysis of the chart of accounts, cost centres were analysed through analytical accounting. The value resulting from this analysis for the denominator is €260,030 thousand.

The approach used for the numerator involved a more detailed and broader analysis than that applied to the denominator. The numbers associated with the identified taxonomy-eligible activities were extracted from the management system of Group companies, ensuring correspondence between the items of the consolidated chart of accounts used to calculate the denominator.

In particular, Brembo identified the following taxonomy-eligible activities:

- 3.8 Manufacture of aluminium (Climate change mitigation)
- 3.9 Manufacture of iron and steel (Climate change mitigation)
- 5.1 Construction, extension and operation of water collection, treatment and supply systems (Climate change mitigation)
- 6.5 Transport by motorbikes, passenger cars and light commercial vehicles (Climate change mitigation)

²⁰ Commission Delegated Regulation (EU) 2021/2178.

²¹ As described by IAS 1, paragraph 82, and in the definition of "net turnover" of the Directive 2013/34/EU.

²² As suggested by the FAQ 12 of the October 2022 Commission Notice (2022/C 385/01).

- 6.6 Freight transport services by road (Climate change mitigation)
- 7.3 Installation, maintenance and repair of energy efficiency equipment (Climate change mitigation)
- 7.6 Installation, maintenance and repair of renewable energy technologies (Climate change mitigation)
- 9.1 Close to market research, development and innovation (Climate change mitigation).

With regard to paragraph 1.1.3.2(C)²³, the Group identified operating expenses relating to other activities, such as the renovation of buildings, management of the vehicle fleet, energy efficiency operations, data centre management activities and renewable energy technologies. The main costs considered were maintenance costs and short-term lease costs.

CapEx KPI

Paragraph 1.1.2.1 of Annex I to the Disclosures Delegated Act provides that the CapEx denominator shall cover additions to tangible and intangible assets during the financial year considered before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes. The denominator shall also cover additions to tangible and intangible assets resulting from business combinations.

For the denominator, the Group therefore took into account the increases relating to intangible assets, property, plant and equipment, and right of use assets. This data was obtained from tables relating to changes in assets, isolating only the “acquisitions” row (Property, plant and equipment and Intangible assets, presented in notes 1 and 2 of the consolidated annual financial report)²⁴.

The Group’s investments, considered for the denominator, thus amount to €433,548 thousand, as indicated in the explanatory notes to the consolidated financial statements.

These investments have been broken down by type of asset, distinguishing between property, plant and equipment, intangible assets and rights of use assets (according to IFRS 16) with respect to the increases that occurred in 2023, resulting in the following specific values:

- Investments in intangible assets of €43,733 thousand;
- Investments in property, plant and equipment of €369,084 thousand;
- Increases of leased assets of 20,731 thousand euro.

With regard to the numerator of the KPI, the Group conducted a detailed analysis of changes in assets to identify the components associated with assets deemed eligible. In particular, as the Group is present in various territories, the approach taken involved engaging all the administrative and accounting personnel of all plants and legal entities within the scope of consolidation. Detailed numbers were then obtained by extracting them from management systems.

The activities identified as source of investments in 2023 included:

- 2.2 Urban waste water treatment (The sustainable use and protection of water and marine resources)
- 2.3 Collection and transport of non-hazardous and hazardous waste (The transition to a circular economy)
- 3.8 Manufacture of aluminium (Climate change mitigation)
- 3.9 Manufacture of iron and steel (Climate change mitigation)
- 5.1 Construction, extension and operation of water collection, treatment and supply systems (Climate change mitigation)
- 6.5 Transport by motorbikes, passenger cars and light commercial vehicles (Climate change mitigation)
- 7.1 Construction of new buildings (Climate change mitigation)
- 7.2 Renovation of existing buildings (Climate change mitigation)

²³ Paragraph 1.1.3.2(C) of the Commission Delegated Regulation (EU) 2021/2178: OpEx related to assets or processes associated with Taxonomy-aligned (Taxonomy-eligible) economic activities, including training and other human resources adaptation needs, and direct non-capitalised costs that represent research and development..

²⁴ As suggested by paragraph 1.1.2.1, the following standards were used as reference: • IAS 16 Property, Plant and Equipment • IAS 38 Intangible Assets • IFRS 16 Leases.

- 7.3 Installation, maintenance and repair of energy efficiency equipment (Climate change mitigation)
- 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings (Climate change mitigation)
- 7.6 Installation, maintenance and repair of renewable energy technologies (Climate change mitigation)
- 8.1 Data processing, hosting and related activities (Climate change mitigation).

With regard to paragraph 1.1.2.1(C)²⁵, capitalised expenses were identified relating to other activities, such as the construction and renovation of buildings, vehicle fleet, energy efficiency operations, data processing and renewable energy technologies. In parallel, investments in tangible (property, plant and equipment) and intangible assets (research and development) were taken into account.

Comparison with the previous year

As required by the Disclosures Delegated Act, 2023 is the first fiscal year in which non-financial undertakings within the scope of application must provide comparisons with the previous year.

Please refer to the KPI summary tables for the details of the changes in the numbers and percentages of indica-

tors required by the regulations.

As required by point 1.2.1 “Accounting policy” of the Disclosures Delegated Act, “where the application of any calculations has changed since the previous reporting period, non-financial undertakings shall explain why those changes result in more reliable and relevant information and provide for restated comparative figures”.

Accordingly, it is specified that the change in KPIs compared to 2022 is to be associated with the inclusion of additional activities beyond those considered in the previous financial year, as well as with a change in the accounting approach taken to deriving numbers and the reporting of KPIs. Specifically, in order to be more consistent with the regulatory requirements for calculating the OpEx, the analysis carried out this year led to the inclusion of certain items relating to specific maintenance accounts. In addition, accounts relating to auxiliary materials were excluded from the calculation, as they are not associable with the categories mentioned in Annex 1-5.

In particular, the assessment as to whether to include or exclude given line items of the chart of accounts was made in reference to the specific categories relating to the Disclosures Delegated Act.

Information concerning the various assets, as presented in the previous fiscal period, is presented below.

INITIAL VALUE OPEX FY 2022

CODE	ACTIVITY	INITIAL VALUE FY 2022	INITIAL (%) VALUE FY 2022
3.8	Manufacture of aluminium	12,833	6.81%
3.9	Manufacture of iron and steel	16,399	8.71%
7.6	Installation, maintenance and repair of renewable energy technologies	3,055	1.86%
9.1	Close to market research, development and innovation	4,701	2.50%
Total		37,438	19.87%

²⁵ Paragraph 1.1.2.1(C) of the Commission Delegated Regulation (EU) 2021/2178: CapEx 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 individual 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 TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED AND TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2023 (DATA IN € THOUSAND)

ECONOMIC ACTIVITIES (1)	CODE(S) (2)	ABSOLUTE TURNOVER (3)	PROPORTION OF TURNOVER (4)	SUBSTANTIAL CONTRIBUTION CRITERIA						CIRCULAR ECONOMY (9) %	BIODIVERSITY AND ECOSYSTEMS (10) %
				CLIMATE CHANGE MITIGATION (5) %	CLIMATE CHANGE ADAPTATION (6) %	WATER AND MARINE RESOURCES (7) %	POLLUTION (8) %	Y; N; N/EL %	Y; N; N/EL %		
		€ thousand	%	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 %	
A. TAXONOMY-ELIGIBLE ACTIVITIES											
A.1 Environmentally sustainable activities (Taxonomy-aligned)											
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.00	0.00%								
A.2 Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)											
Turnover of Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.00	0.00%								
Total (A.1 + A.2)		0.00	0.00%								
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES											
Turnover of Taxonomy-non-eligible activities (B)		3,849,220	100.00%								
Total (A + B)		3,849,202	100.00%								

KEY TAXONOMY TABLE

	SUBSTANTIAL CONTRIBUTION CRITERIA	"DO NO SIGNIFICANTLY HARM" CRITERIA	CATEGORY
Y	Taxonomy-eligible and Taxonomy-aligned activity with the objective	The activity is compliant with the DNHS criteria	
N	Taxonomy-eligible, but not Taxonomy-aligned activity with the objective	The activity is not compliant with the DNHS criteria	
N/EL	Taxonomy-non-eligible for the objective		
E			Enabling
T			Transitional

**PROPORTION OF TURNOVER /
TOTAL TURNOVER**
DNSH CRITERIA ("DOES NOT SIGNIFICANTLY HARM")

CLIMATE CHANGE MITIGATION ⁽¹¹⁾	CLIMATE CHANGE ADAPTATION ⁽¹²⁾	WATER AND MARINE RESOURCES ⁽¹³⁾	POLLUTION ⁽¹⁴⁾	CIRCULAR ECONOMY ⁽¹⁵⁾	BIODIVERSITY AND ECOSYSTEMS ⁽¹⁶⁾	MINIMUM SAFEGUARDS ⁽¹⁷⁾	PROPORTION OF TAXONOMY-ALIGNED TURNOVER, YEAR 2022 ⁽¹⁸⁾	CATEGORY (ENABLING ACTIVITY) ⁽¹⁹⁾	CATEGORY (TRANSITIONAL ACTIVITY) ⁽²⁰⁾	TAXONOMY-ALIGNED PER OBJECTIVE	TAXONOMY-ELIGIBLE PER OBJECTIVE	
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	E	T			
										CCM ²⁶	0.00%	0.00%
										CCA ²⁷	0.00%	0.00%
										WTR ²⁸	0.00%	0.00%
										CE ²⁹	0.00%	0.00%
										PPC ³⁰	0.00%	0.00%
										BIO ³¹	0.00%	0.00%

- 26 CCM: Climate change mitigation.
27 CCA: Climate change adaptation.
28 WTR: Water and marine resources.
29 CE: Circular economy.
30 PPC: Pollution.
31 BIO: Biodiversity and ecosystems.



PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2023 (€ THOUSAND)

ECONOMIC ACTIVITIES (*)	CODE(S) (2)	ABSOLUTE CAPEX (3)	PROPORTION OF CAPEX (4) %	SUBSTANTIAL CONTRIBUTION CRITERIA						CIRCULAR ECONOMY (9) %	BIODIVERSITY AND ECOSYSTEMS (10) %
				CLIMATE CHANGE MITIGATION (5) %	CLIMATE CHANGE ADAPTATION (6) %	WATER AND MARINE RESOURCES (7) %	POLLUTION (8) %	Y; N; N/EL %	Y; N; N/EL %		
		€ thousand	%	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 %	
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)											
Urban waste water treatment	2.2 WTR	58.4	0.01%	N/EL	N/EL	Y	N/EL	N/EL	N/EL	N/EL	
Collection and transport of non-hazardous and hazardous waste	2.3 CE	82.4	0.02%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	N/EL	
Manufacture of aluminium	3.8 CCM/ 3.8 CCA	154.94	0.04%	Y	Y	N/EL	N/EL	N/EL	N/EL	N/EL	
Manufacture of iron and steel	3.9 CCM / 3.9 CCA	2,780.97	0.64%	Y	Y	N/EL	N/EL	N/EL	N/EL	N/EL	
Construction, extension and operation of water collection, treatment and supply systems	5.1 CCM/ 5.1 CCA	174.64	0.04%	Y	Y	N/EL	N/EL	N/EL	N/EL	N/EL	
Transport by motorbikes, passenger cars and light commercial vehicles	6.5 CCM	18.11	0.00%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	
Construction of new buildings	7.1 CCM/ 7.1 CCA / 3.1 CE	1,500.29	0.35%	Y	Y	N/EL	Y	N/EL	N/EL	N/EL	
Renovation of existing buildings	7.2 CCM/ 7.22 CCA / 3.2 CE	1,913.66	0.44%	Y	Y	N/EL	Y	N/EL	N/EL	N/EL	
Installation, maintenance and repair of energy efficiency equipment	7.3 CCM/ 7.3 CCA / 3.3 CE	129.35	0.03%	Y	Y	N/EL	Y	N/EL	N/EL	N/EL	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5 CCM / 7.5 CCA	95.64	0.02%	Y	Y	N/EL	N/EL	N/EL	N/EL	N/EL	
Installation, maintenance and repair of renewable energy technologies	7.6 CCM / 7.6 CCA	516.80	0.12%	Y	Y	N/EL	N/EL	N/EL	N/EL	N/EL	
Data processing, hosting and related activities	8.1 CCM / 8.1 CCA	12.55	0.00%	Y	Y	N/EL	N/EL	N/EL	N/EL	N/EL	
Close to market research, development and innovation	9.1 CCM	0.00	0.00%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	
CapEx of Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		7,437.75	1.72%								
Total (A.1 + A.2)		7,437.75	1.72%								
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES											
CapEx of Taxonomy-non-eligible activities (B)		426,110	98.28%								
Total (A + B)		433,548	100.00%								



PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2023 (DATA IN € THOUSAND)

ECONOMIC ACTIVITIES ⁽¹⁾	CODE(S) ⁽²⁾	ABSOLUTE OPEX ⁽³⁾	PROPORTION OF OPEX ⁽⁴⁾ %	SUBSTANTIAL CONTRIBUTION CRITERIA						BIODIVERSITY AND ECOSYSTEMS ⁽¹⁰⁾ %
				CLIMATE CHANGE MITIGATION ⁽⁵⁾ %	CLIMATE CHANGE ADAPTATION ⁽⁶⁾ %	WATER AND MARINE RESOURCES ⁽⁷⁾ %	CIRCULAR ECONOMY ⁽⁸⁾ %	POLLUTION ⁽⁹⁾ %		
	€ thousand		%	Y; N; N/EL %	Y; N; N/EL %	Y; N; N/EL %	Y; N; N/EL %	Y; N; N/EL %	Y; N; N/EL %	
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1 Environmentally sustainable activities (Taxonomy-aligned)										
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%							
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/ 3.8 CCA	1,110.75	0.43%	Y	Y	N/EL	N/EL	N/EL	N/EL	
Manufacture of iron and steel	3.9 CCM / 3.9 CCA	11,300.50	4.35%	Y	Y	N/EL	N/EL	N/EL	N/EL	
Construction, extension and operation of water collection, treatment and supply systems	5.1 CCM / 5.1 CCA	138.55	0.05%	Y	Y	N/EL	N/EL	N/EL	N/EL	
Transport by motorbikes, passenger cars and light commercial vehicles	6.5 CCM	211.16	0.08%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	
Freight transport services by road	6.6 CCM	74.19	0.03%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	
Installation, maintenance and repair of energy efficiency equipment	7.3 CCM / 7.3 CCA / 3.3 CE	44.58	0.02%	Y	Y	N/EL	Y	N/EL	N/EL	
Installation, maintenance and repair of renewable energy technologies	7.6 CCM / 7.6 CCA	3.71	0.00%	Y	Y	N/EL	N/EL	N/EL	N/EL	
Close to market research, development and innovation	9.1 CCM	3,832.56	1.47%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	
OpEx of Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		16,716.01	6.43%							
TOTAL (A.1 + A.2)		16,716.01	6.43%							
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES										
OpEx of Taxonomy-non-eligible activities (B)		243,314	93.57%							
Total (A + B)		260,030	100%							

32 The figure reported (9.05%) does not match with the figure reported in the previous fiscal year. For further details, please refer to the final paragraph "Comparison with the previous year".

**PROPORTION OF OPEX /
TOTAL OPEX**

DNHS CRITERIA ("DOES NOT SIGNIFICANTLY HARM")

CLIMATE CHANGE MITIGATION ⁽¹¹⁾	CLIMATE CHANGE ADAPTATION ⁽¹²⁾	WATER AND MARINE RESOURCES ⁽¹³⁾	CIRCULAR ECONOMY ⁽¹⁴⁾	POLLUTION ⁽¹⁵⁾	BIODIVERSITY AND ECOSYSTEMS ⁽¹⁶⁾	MINIMUM SAFEGUARDS ⁽¹⁷⁾	PROPORTION OF TAXONOMY-ALIGNED (A.1) OR -ELIGIBLE (A.2) OPEX, YEAR 2022 ⁽¹⁸⁾	CATEGORY (ENABLING ACTIVITY) ⁽¹⁹⁾	CATEGORY (TRANSITIONAL ACTIVITY) ⁽²⁰⁾
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	E	T
							0		
							0.00%		
							2.13%		
							3.28%		
							0.00%		
							0.00%		
							0.00%		
							0.00%		
							0.00%		
							1.56%		
							2.09%		
							9.05%		
							9.05 ³² %		

	TAXONOMY-ALIGNED PER OBJECTIVE	TAXONOMY-ELIGIBLE PER OBJECTIVE
CCM	0.00%	6.43%
CCA	0.00%	6.32%
WTR	0.00%	0.00%
CE	0.00%	0.00%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

10

SUSTAINABILITY
OBJECTIVES
PUBLISHED

AN ANNIVERSARY TO BE CELEBRATED

It is the tenth anniversary of the Corporate Social Responsibility Department, which has taken a strong, systematic approach to the environment, social and governance matters — always a part of Brembo's identity. This path continues to be strengthened, through a tangible daily commitment.

220

IDEAS COMPETING
FOR THE BREMBO
SUSTAINABILITY
AWARDS

13

CSR
AMBASSADORS
WITHIN THE GROUP

20

CSR
CHAMPIONS
WITHIN
THE GROUP

2. SUSTAINABILITY



13

CSR Ambassadors within the Group



28

CSR Champions within the Group



228

Ideas competing for the Brembo Sustainability Awards



15

Sustainability objectives published

2.1 SUSTAINABILITY FOR BREMBO

To Brembo, sustainability has now become a distinctive trait integrated into the Group's business model and guides its growth and development, year after year. Sustainability is part of Brembo's strategic vision — "Turning Energy Into Inspiration" — within the framework of the Digital, Global and Cool Brand pillars.

This commitment started in the late 1990s:

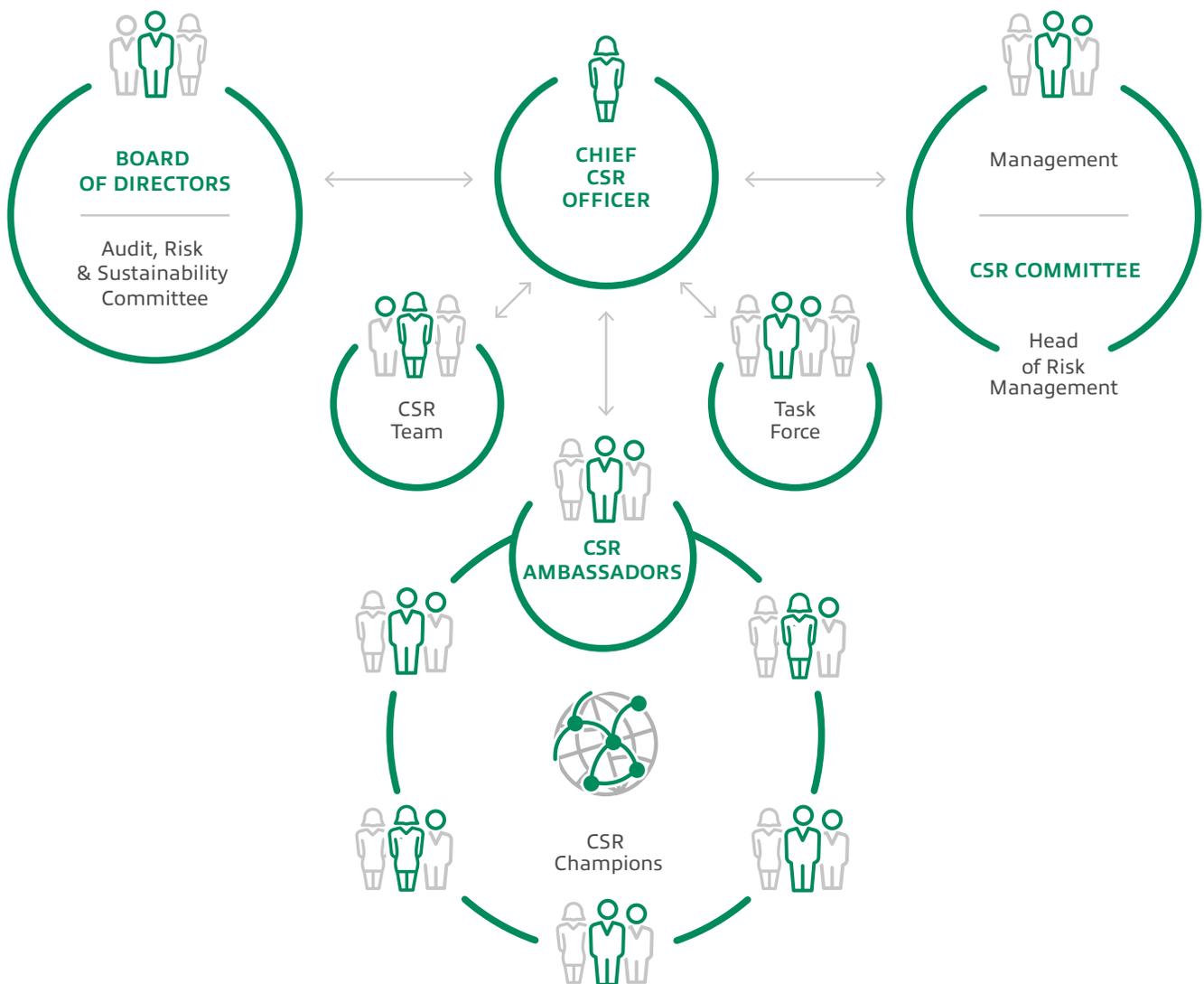
- Late 90s:** Brembo is beginning to commit to analysing the value of intangibles by evaluating its ability to create not just economic, but also social, environmental and other value.
- 1999:** The drafting of the first Intangible Capital Report formalises this process.
- 2004-2007:** The Value Report is published, emphasising the close relationship between the Group's economic results and its environmental and social performance.
- 2008 - 2015:** The reporting process continues through the inclusion of the sustainability performance into the company's business model. Aspects such as the macro-economic scenario, safety and environmental risks, company organisation, research and human resources are included in the Directors' Report on Operations within the Financial Report.
- 2016:** The Group publishes its first Sustainability Report (on a voluntary basis).
- 2017 to date:** The Group reports its environmental and social performance within its Disclosure of Non-Financial Information which also includes all the policies that have since always been part of its actions at global level in the areas of compliance, ethics, responsibility, sustainability and transparency. The document illustrates the values that Brembo considers to be the foundation of the precious 'intangible' heritage formed by its brand, its reputation and the set of principles that characterise the way in which a socially responsible company acts.

2.2 THE GOVERNANCE OF SUSTAINABILITY

The Group's willingness to operate in an increasingly responsible manner and include in all respects sustainability in its business practices has prompted the implementation at Brembo of a Governance system that is dedicated to supervising and managing these topics at global level.

The key figure at the heart of Brembo's sustainability governance is the **Chief CSR Officer**, a role entrusted to the Director in charge of the Internal Control and Risk Management System.

Besides interacting with the Audit, Risk & Sustainability Committee, the Chief CSR Officer is responsible for proposing, coordinating and deploying social responsibility projects and initiatives, monitoring action plans in the various organisational units (also in light of external best practices), analysing information documents and stakeholders' requests regarding sustainability-related topics, as well as coordinating activities involved in the drafting of the annual Disclosure of Non-Financial Information.



To support the Chief CSR Officer, Brembo has set up a dedicated **Task Force**, consisting of experts belonging to the various Global Central Functions (GCF) involved in sustainability matters, with the task of thoroughly analysing — each within its remittance — specific aspects in the field of corporate projects, as well as data collection for the Disclosure of Non-Financial Information.

In particular, one internal resource within the Communication GCF area deals with the promotion and communication of sustainability projects, collaborating on an ongoing-basis with the CSR team. In the same way, a resource from Human Resources & Organisation GCF collaborates on an ongoing basis with the team’s project planning.

Brembo has also set up a **CSR Committee** consisting of the company’s top managers and the heads of the GCFs that are more closely involved with sustainability. The Committee is tasked with determining the Sustainability Guidelines, adopting the related policies, proposing a plan containing the environmental and social strategic objectives, approving the projects submitted by the Chief CSR Officer and validating the preparatory activities needed to launch the sustainability reporting process.

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

Lastly, in accordance with the provisions of Borsa Italiana’s Corporate Governance Code, the Group has set up an **Audit,**

Risk & Sustainability Committee within the Board of Directors, consisting of 3 Independent Directors, each with a 3-year term. The current Committee was appointed on 20 April 2023 and will remain in office until the General Shareholders’ Meeting called to approve the Financial Statements at 31 December 2025.

The Audit, Risk & Sustainability Committee supports the Board of Directors, on the basis of an adequate preliminary analysis process, in its evaluations and decisions concerning the internal control system and risk management, sustainability matters and interaction with stakeholders. In particular, this Committee analyses and expresses opinions on the sustainability policies and procedures, as well as the guidelines and the company goals with related processes linked to social and environmental topics. Moreover, the Committee monitors sustainability-related international initiatives and actively involves the Group with such initiatives to raise the company’s profile in the international arena. It also expresses its opinions in relation to the identification of the main corporate risks, particularly those involving sustainability, environmental and social topics. Finally, it analyses and assesses the draft Disclosure of Non-Financial Information, which is submitted for approval to the Board of Directors on a yearly basis.

In this context, it should be noted that the Audit, Risk & Sustainability Committee reports to the Board of Directors, at least on a half-yearly basis, upon the approval of the annual and six-monthly report, on the activity performed, as well as the adequacy of the internal control



and risk management system and, in any case, upon the first meeting of the Board of Directors should significant issues emerge during its meetings.

With regard to the activities carried out in 2023 by the Audit, Risk & Sustainability Committee, please refer to the 2023 Brembo Corporate Governance and Ownership Structure Report (Paragraph 9.2).

CSR Ambassador and **CSR Champion** positions were created in 2019 to raise awareness of sustainability at the various Brembo plants worldwide and to establish a direct, active communications channel. Their mission is to spread a CSR culture, promote activities and support local initiatives relating to sustainability, in addition to interacting regularly with the CSR GCF to share information, events and projects in favour of sustainable development. The differences between the two positions are the level of responsibility and scope of action: CSR Ambassadors operate at the level of the region/legal entity and rely on assistance from the CSR Champions

who operate at the site level and report the information to the appropriate CSR Ambassador. In 2023, the CSR Ambassadors and CSR Champions took part in dedicated sessions, both to train on environmental issues (e.g. the Sustainability Self-Assessment, the Sustainability Report, the Brembo Sustainability Awards competition, third-party sustainability audits and a session dedicated to the activities relating to the Pillars and the Gen Z Forum) and share projects and initiatives. At the end of 2023, there were 13 CSR Ambassadors and 28 CSR Champions at work within the Group.

Starting in 2023, a Sustainability Self Assessment (SSA) was implemented, marking a significant step towards more integrated governance. This is a self-assessment questionnaire based on the main requests from the Group' stakeholders, industry best practices and third-party audit requests. The project's goal is to periodically collect and monitor the status of each plant and legal entity within the Group with regard to ESG matters, identifying any improvement actions.



BREMBO'S SUSTAINABILITY MANAGEMENT PROCEDURES

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

In particular, the **"Preparation Process of Consolidated Disclosure of Non-Financial Information"** procedure aims at describing the mechanisms and the operational process used for preparing the disclosure, in accordance with GRI Sustainability Reporting Guidelines. It describes the stages, activities, roles, responsibilities and timetables of the GCFs involved in the planning, information gathering, and control needed to implement the reliability, consistency, traceability, timeliness, accuracy, completeness and substance requirements. Lastly, the procedure also contains details relating to the validation process of data and information of a non-financial nature, as well as the ac-

tivities underlying the drafting of the Disclosure of Non-Financial Information and its approval and verification.

An important role in this process is played by the Task Force responsible for collecting data for the preparation of the Disclosure of Non-Financial Information, supported by the CSR Team in day-to-day activities.

As of 2019, Brembo implemented software, called "b-Sustainable" (formerly CSR 365), to collect the data and information included in the Disclosure of Non-Financial Information in order to improve the traceability of approval processes and minimise the risks of error in the data collection and consolidation phase.

This procedure was updated by the Board of Directors on 17 December 2020, with the favourable opinion of the Audit, Risk & Sustainability Committee of 10 December 2020, so as to report on the collection process

through the "B-Sustainable" tool.

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

The **"Requests from stakeholders"** procedure is aimed at illustrating the proper information and responsibility flow when answering to stakeholders on sustainability-related topics.

The CSR GCF is responsible for coordinating answers, availing to this end of the support of the Task Force.

The procedure was updated in 2023 following the development of an IT tool that allows for better monitoring of requests. In addition, training sessions were provided to the sales area to illustrate the new tool.

THE GROUP'S VALUES

Ethics, Quality, Acknowledgement, Proactivity and Belonging are the five guiding values, enshrined in the company's Code of Ethics, that make up the wealth of Brembo's

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



For further information:
www.brembo.com/en/sustainability/esg/governance/codes-policies

2.3 THE HISTORY OF CSR

Brembo's strong focus on people, the environment, the community and its representatives has always been a distinguishing feature of the Group, which has shown itself to be responsible and capable of responding to the needs of all its stakeholders.

Building upon solid values, since its early years Brembo has implemented practices and strategies that demonstrate its focus on the impact of its activities on the world around it, while also ensuring a perfect balance of economic growth, social development and environment protection.



1961

Origins and values

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

1989

Scholarships were provided for the first time to employees and their children

1999

Publication of the **Intangible Capital Report**

Automotive Quality certification
(QS 9000 – AVSQ 94)

2000

ISO 14001 Environmental Certification

2001

Financial Statements Oscar (listed companies)

2003

Adoption of the Code of Ethics on a Group level

OHSAS 18001
Occupational Health and Safety Certification

2004

Publication of the **Value Report**

2005

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

2006

First **Family Day** in Poland

2007

Publication of the **Charter of Values**



Opening of the Stezzano Kilometro Rosso campus site, in Italy

2009

Brembo North America takes part in the **National Take Our Daughters and Sons To Work Day**

2010

Creation of the **Brembo Kids** in Italy: recreation centre for the employees' children

**2011**

Completion of the first **CDP** questionnaire - Climate Change

2012

Ambrogio Lorenzetti Award for business governance (listed companies)

Launch of the Brembo WHP (Workplace Health Promotion) Project, Italy **Brembo for Family, Brembo to You in Italy**: meetings for discussion about healthy lifestyles, what it means to be a parent and individual wellbeing

2013

Appointment of the **Chief CSR Officer** and institution of the **CSR Steering Committee³³** and **CSR Task Force**

Brembo India, Water Saving Project

Sustainability Supplier of the Year Award from Fiat-Chrysler

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

**2014**

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

First Family Day in the **Czech Republic**

Publication of the **Policy on Non Discrimination and Diversity**

Launch of the **"Brembo Strong"** project in **Brembo North America** aimed at promoting a healthy lifestyle at work and at home for employees

³³ It should be noted that the CSR Steering Committee, set up in 2013, changed its name to CSR Meeting in 2020 and again to CSR Committee in 2021.



2015

- **Biofilter**, Cast Iron Foundry in Mapello, Italy
- **Sustainability audit by BMW**, Car Division, Curno plant, in Italy
- Support for the **I Was a Sari Association**, in India
- Launch of the **Brembo Car Pooling Project** in Italy

2016

- Launch of the **SOSteniamoci** project in partnership with the NGO **Cesvi**
- Completion of the **first CDP questionnaire – Water Security**

2017



- Publication of the **first Sustainability Report** (on a voluntary basis)
- Definition of a **CSR Management System** for the Group
- **Sustainability audit by Volkswagen**, Dabrowa plant, in Poland
- Inclusion of **Brembo** in the **A-list Climate Change 2017** by CDP (CO2 emissions)

- Launch of the project - **House of Smile Brembo India - Cesvi**
- **House of Smile** and **I was a Sari** receive the **Impresa Awards** prize

2018

- **Adherence to the sustainable development goals** of the 2030 Agenda
- Worldwide Publication of the **Supplier Code of Conduct**
- Launch of the **Internal Awareness-raising Campaign on Safety at Work**



- **Brembo** again included into the **Climate Change A-list** and inclusion into the **Water Security A-list of CDP**
- Inclusion in the **Integrated Governance Index**

2019

- The roles of **CSR Ambassador** and **CSR Champion** were created

- Launch of the **Sustainability Awards**

- Project **"We support SDGs"**

- Cluster de Automoción de Aragón – assignment of the **Social Responsibility Prize to Brembo Corporacion**

- **PFCA Green Status** award

- **"Welcome - Working for refugee integration"** recognition from the **UNHCR** to the **"SOSSteniamoci"** project

- Inclusion of Brembo into the **Sustainability Map** of the organisation **CSR Natives**

- Signing of the **CEOs Call to Action** of the **Fondazione Sodalitas**

- Launch of the **"School on Wheels"** project in collaboration with the **NGO Door Step School in India**

- Awarding, for the second year, of the **AA score** by **CDP** (Climate Change and Water Security)



2020

- **Daimler Supplier Award 2020**

- **Supplier Quality Excellence Award 2020** bestowed by **General Motors**

- **Corporate Social Responsibility Award 2020**, awarded by the **European Union's Chamber of Commerce in China (EUCCC)**. Brembo ranked second

- **Brembo S.p.A.** and **Brembo Poland** awarded with the **"silver"** status by the **Achilles platform EcoVadis' GOLD CSR Rating**

- **EcoVadis' GOLD CSR Rating**

- Assignment of an **AA score** by **CDP** for the third year (Climate Change and Water Security)

- Launch of the **Dream Center** project in China in partnership with the **NGO Adream**.



2021



Assignment of an **AA score by CDP for the fourth year** (Climate Change and Water Security)

The Brembo Forest is created in Kenya in partnership with Treadom

Main Sponsor of the Sustainability Gallery at the **Science Museum (MUSE)** in Trento

Collaboration with the Italian newspaper *Corriere della Sera* for the **"Towards 2030 — roads to the sustainable future"** podcast

Participation in the **INPROVES Project** for the development of a new generation of electric motors

First edition of the internal engagement initiative **Gen Z Forum**

APP Brembo Check for identifying and combating product counterfeiting

Launch of SENSIFY™, the new pioneering intelligent braking system

2022



Assignment of an **AA score by the CDP** for the fifth consecutive year (Climate Change and Water Security)

Collaboration with the **MUDEC** for the creation of the exhibition **"The Art of Breaking – an engaging exhibition about brakes"**

Implementation of the new **Brembo's Sustainable Procurement Policy**

"Put Your Face on It" campaign to share the important role that each person has in creating a sustainable world

Iveco Sustainability Together Award 2022 awarded during the **"BEYOND - Iveco Group Days"** thanks to the innovative spring Enesys - Energy Saving System ®

Update to the Policy on Non Discrimination and Diversity and Brembo DEI Charter

Collaboration with the **non-profit CESVI** as part of the **Safe Haven** project, involving the provision of a hotel in Poland to host the most fragile individuals fleeing the Russia-Ukraine conflict



2023

Ten years of the CSR area: A point of reference in the promotion of sustainable practices, Brembo's CSR GCF is celebrating its tenth anniversary this year. Over the past ten years, the GCF has guided the Group in defining and implementing the strategies that put sustainability and ethics at the heart of the company's operations. This milestone represents concrete recognition of the constant dedication to a more responsible, sustainable future



Launch of the online sustainability e-learning course "Turning Sustainability into Action" in the CSR GCF's tenth anniversary year. The course aims to spread the Group's sustainability culture and main activities through three modules dedicated to environmental, social and governance (ESG) aspects

Launch of the Sustainability Self-Assessment: a self-assessment questionnaire based on stakeholders' requests and best practices and administered to the Group's legal entities/countries and sites to collect and periodically monitor the state of progress on ESG matters

Release of the first Stakeholder Engagement Policy, which defines the Group's stakeholder engagement methods

Involvement in audits by the Responsible Business Alliance (RBA), the world's largest industry coalition, with over 150 leading companies, dedicated to corporate social responsibility in global supply chains, according to the "Validated Assessment Programme" (VAP), aimed at verifying onsite compliance and conducting effective, shareable audits



Launch of the Child Friendly Space project in collaboration with the CESVI Foundation: a project dedicated to supporting women and children affected by the earthquake in Turkey in February 2023

Assignment of a double A- score by the CDP: Brembo was confirmed among the leading companies at global level for its actions against climate change and for water management (Climate Change and Water)

Bergamo Brescia Italian Capital of Culture 2023: Brembo has decided to support Bergamo Brescia Italian Capital of Culture 2023 as a system partner, an exceptionally important initiative that is committed to gathering energy and listening to the protagonists of the local area in which Brembo has its roots, promoting reflections on the present and possible future

House of Smile: the project, in collaboration with the **CESVI Foundation**, reached over 5,000 beneficiaries (children and women) since its inauguration in 2015

BERGAMO
BRESCIACapitale Italiana
della Cultura

2.4 DIALOGUE WITH STAKEHOLDERS

Over the years, Brembo has established an active and constant dialogue with its internal and external stakeholders, based on the values of transparency, trust and consensus in decisions. Thanks to this dialogue the Group has the opportunity to obtain important information about the reference context and receive feedback on its operations, so that it can continually improve the impact of the company's activities on the environment and on society. Through this process of listening and dialogue, Brembo is able to assess the extent to which it is understanding and satisfying the expectations and interests of its stakeholders by identifying the areas in which to increase its commitment and those in which to confirm the approach adopted. Testifying to its commitment to building solid relationships with its stakeholders, in 2023 the Group published the

“Brembo Stakeholder Engagement Policy”, which defines the channels of dialogue between the Group and its stakeholders.

Establishing ongoing, mutually fruitful dialogue requires:

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

BREMBO'S STAKEHOLDERS



The following table sums up the listening and engagement tools and the expectations of all the Group’s stakeholders, illustrating the various interests to which Brembo is required to respond. In addition to the tools listed in the table, anyone connected to the Group’s activities — such as employees, contractors, suppliers, customers,

shareholders and individuals in administration, management, control, supervisory or representation functions — can report any violations through a dedicated reporting channel (for further information, see the Brembo Stakeholder Engagement Policy, available from the website www.brembo.com).

GROUP STAKEHOLDERS	FEEDBACK AND ENGAGEMENT TOOLS	STAKEHOLDERS' EXPECTATIONS AND INTERESTS WITH REGARD TO BREMBO
Investors 	General Shareholders’ Meeting Feedback and support channels offered by the Investor Relations area Brembo Shareholder Engagement Policy Meetings, roadshows and conference calls with analysts and investors Corporate website and dedicated e-mail accounts Engagement Survey on the relevance of material topics for Brembo	Increase in the value of the Brembo Group’s shares Reduction of the risks associated with the investment Transparency of Corporate Governance structures, long-term strategy and objectives, management actions and company performance, as also extended to the environmental and social arena
Customers 	Daily activities and reports of the Global Business Units: Aftermarket, Discs, Motorbikes, Performance and Systems. Joint development programmes Supplier assessment questionnaires and qualification processes Customer support channels Support and training network for Brembo Expert repair professionals Surveys to identify customers’ needs and expectations for the development of new products Corporate website Engagement Survey on the relevance of material topics for Brembo Dedicated events	Product reliability and safety Reliability and flexibility of production processes to ensure business continuity and delivery times Constant product innovation, including the improvement of environmental performance and attention to product design Support for joint development of custom solutions Technical support for the network of repair and maintenance service professionals in the transfer of know-how Protection of the value of the Brembo brand as a distinctive element for vehicles and motorbikes and of the ingredient branding strategy
End User 	Customer support channels Monitoring and interaction on social networks Feedback from vehicle and motorbike manufacturers Participations in trade fairs and events with engagement activities for new users and new generations	Reliability and safety of Brembo products Information about proper brake system maintenance Protection of the value of the Brembo brand as a distinctive element for vehicles and motorbikes Interaction with, and reaction to, the new digital activities in new engagement areas and areas relating to new generations

GROUP STAKEHOLDERS	FEEDBACK AND ENGAGEMENT TOOLS	STAKEHOLDERS' EXPECTATIONS AND INTERESTS WITH REGARD TO BREMBO
<p>Brembo Employees</p> 	<p>Global Engagement Survey and Pulse Survey</p> <p>Industrial relations</p> <p>Internal communication channels (eg., Red portal, My B Magazine, information notice boards)</p> <p>Internal communication campaigns</p> <p>Town hall meetings</p> <p>Communication and engagement with regard to the Group's objectives and performance</p>	<p>Transparency and engagement with regard to Company objectives and performance</p> <p>Discussions of related topics with the company employee participation body, where applicable</p>
<p>Suppliers</p> 	<p>Daily activities and reports of the Purchasing GCF</p> <p>Engagement Survey on the relevance of material topics for Brembo</p> <p>Conflict Minerals Engagement Survey for the annual Supplier Survey in relation with their use of conflict minerals</p> <p>Cobalt Engagement Survey and Mica Engagement Survey</p> <p>Corporate Social Responsibility-related training provided to the Purchasing GCF personnel, with an in-depth analysis of the supply chain</p> <p>Brembo Supplier Portal</p> <p>Workshops dedicated to suppliers</p>	<p>Timely and proper fulfilment of contractual conditions</p> <p>Continuity of supply requests</p> <p>Possibility of developing strategic partnerships to improve activities</p> <p>Attention to human resources management, in particular to workplace health and safety as a primary risk factor</p> <p>Reduction of the environmental footprint, with particular regard to the monitoring of climate risks</p>
<p>Local Communities</p> 	<p>Orientation and involvement of secondary school and university students and related recruiting programmes</p> <p>Roundtables and discussions with the Public Administration</p> <p>Initiatives involving the opening of Brembo's facilities to visits from workers' families ("open door" days) in various countries where the Group is present</p> <p>Initiatives in support of the social and cultural development of local communities promoted by the Group</p> <p>Whistleblowing mechanism for alleged violations of the Code of Ethics</p> <p>Monitoring through the media (press, specialist publications, TV, Web and social networks)</p>	<p>Support to the world of schools, also through a willingness to host students on alternating school-work paths</p> <p>Collaboration with Universities and research centres in the development and spread of engineering, technical and scientific knowledge and skills</p> <p>Offering of job opportunities and transparent, merit-based recruitment processes</p> <p>Creation and protection of employment within the Group and its ancillary businesses</p> <p>Development of production and logistics processes that safeguard environmental conditions and the health of populations near Brembo's production facilities and those of the suppliers</p> <p>Participation and support by Brembo in cultural development and social inclusion projects</p> <p>Support in favour of centres of medical research</p> <p>Support in favour of local communities through the distribution of personal protective equipment</p>

GROUP STAKEHOLDERS	FEEDBACK AND ENGAGEMENT TOOLS	STAKEHOLDERS' EXPECTATIONS AND INTERESTS WITH REGARD TO BREMBO
<p>Institutions</p> 	<p>Roundtables and initiatives involving discussion with institutions, at national and international level</p> <p>Hearings before parliamentary committees through the associations</p>	<p>Ensuring full compliance with and observance of applicable legislation</p> <p>Contributing to the development of regulations concerning the monitoring of polluting emissions in the automotive sector through the sharing of know-how and of specific industry knowledge</p> <p>Promotion of local development and the achievement of the objectives established by the international agenda</p> <p>Monitoring of the process to manage social and environmental risks throughout the value chain</p>
<p>Future Generations</p> 	<p>Focus on the awareness campaigns of environmental associations and on analyses of the scientific community</p> <p>Orientation and involvement of secondary school and university students and related recruiting programmes</p> <p>Launch of targeted engagement projects Annual incubator for innovative ideas powered by the new generations</p>	<p>Fight against atmospheric pollution and global warming</p> <p>Conservation of natural resources and circularity of the economy</p> <p>Protection of ecosystems and natural biodiversity</p> <p>Contribution to the achievement of the UN Sustainable Development Goals</p>
<p>Industry Companies and Competitors</p> 	<p>Participation in the proceedings and themed committees of trade associations</p> <p>Participation in advanced research projects through Italian or European consortia (e.g. The LIFE Programme: the EU's funding instrument for the environment and climate action)</p>	<p>Involvement in the analysis of the industry's performance and needs to define common strategies for improving the sector and developing industry-wide policies</p> <p>Collaboration through advanced research projects for pre-competitive technological development</p> <p>Protection of freedom of competition</p>
<p>Insurance Companies</p> 	<p>Engagement Survey on the relevance of material topics for Brembo</p> <p>Visits to the Group's plants by the insurer for property risk assessment</p> <p>Periodic audits by the insurer regarding liability risks</p>	<p>Effective risk management system, in particular risks of product and product recall Civil Liability losses and those related to accidents and occupational diseases</p> <p>Definition and implementation of technical and organisational measures aimed at preventing and controlling risks related to losses to property and activity</p>
<p>Trade Associations</p> 	<p>Roundtables and initiatives involving discussion with institutions, at national and international level</p> <p>Hearings before parliamentary committees</p> <p>Engagement Survey on the relevance of material topics for Brembo</p>	<p>Ensuring full compliance with and observance of applicable legislation</p> <p>Contributing to the development of regulations concerning the monitoring of polluting emissions in the automotive sector through the sharing of know-how and of specific industry knowledge</p> <p>Promotion of local development and the achievement of the objectives established by the international agenda</p> <p>Monitoring of the process to manage social and environmental risks throughout the value chain</p>

IALOGUE WITH THE KEY PLAYERS IN THE AUTOMOTIVE INDUSTRY

Dialogue with institutions and discussion with major players in the sector are the lifeblood necessary to maintain relationships of trust with stakeholders and ensure being able to remain up to date with industry developments. It is for this reason that Brembo is a member of various associations and takes part in working groups at both local and international level. It is committed to

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

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

ASSOCIATION	MAIN OBJECTIVES
AUTOSAR (Safety Group) - Automotive Open System Architecture	A global development alliance founded in 2003 that brings together companies, suppliers, service providers and businesses in the automotive, semiconductor and software sectors to create an open, standardised software architecture for vehicle system electronic control units
CLEPA - European Association of Automotive Suppliers	Brings together the automotive suppliers at European level, representing their interests in dealings with the European institutions, the United Nations and related organisations, including ACEA, JAMA and MEMA. Brembo is a member of the Board
UNECE – United Nations Economic Commission for Europe	Its main aim is to promote economic integration amongst the 56 member states in Europe, North America and Asia

At national level the Group takes an active part in the following initiatives:



ITALY

AIDAF - Italian Family Business: founded in 1997 by Alberto Falck and a group of entrepreneurs who share the same principles, AIDAF aims to be a point of reference for Italian family businesses.

AIRI: the Italian Association for Industrial Research plays an active role in promoting national and international cooperation in industrial research. Brembo is a member of the Board.

AODV: association of Regulatory Body members pursuant to Legislative Decree 231/2001.

ANCMA: represents manufacturers of motorbikes and their components operating in Italy, safeguarding their interests

and promoting the resolution of economic, technical and regulatory issues in the industry.

ANFIA: brings together more than 260 Italian enterprises operating in the motor vehicle construction, conversion and equipment sectors for the individual and collective transport of people and goods. Brembo is a member of the Board of Directors.

ASPEN INSTITUTE ITALIA: a private, independent, international, nonpartisan non-profit association. The Institute analyses problems and challenges currently faced by politics, economy, culture and society, with a particular focus on the Italian and international business community. Its mission is the internationalisation of the country's business, political and cultural leadership through free exchange of ideas and between people of various origins to identify and promote common values, knowledge and interests. Brembo takes part with interest in the roundtables and conferences organised by the Aspen Institute as a Tavole Rotonde e Conferenze organizzate da Aspen.

ASSONIME: represents Italian joint stock companies. It studies and discusses issues concerning the Italian economy's interests and development. In June 2017, the Brembo's Chairman Emeritus was appointed a member of the Board of Directors for the 2017- 2018 two-year period.

Italian-Russian Chamber of Commerce: contributes to the development of economic, commercial, technical, legal, scientific and cultural collaboration between Italy, the Russian Confederation and other CIS states.

Lombardy Mobility Cluster: this is one of the nine Technology Clusters recognised by the Lombardy Region, for which it acts as institutional representative for Research and Innovation; it covers the automotive, nautical, railway, and intermodality sectors (transport and infrastructures). Brembo is a member of the Board.

Italian National Transport Cluster: the National Technology Cluster "Trasporti Italia 2020" (CTN Tra.IT2020) is an association recognised by the Italian Ministry of Education, Universities and Research as a reference for the land and maritime mobility vehicles and systems sector.

CONFINDUSTRIA: represents manufacturers and services operating in Italy, promoting the protection of their legitimate interests in relations with institutions, public administrations and economic, political, trade union and social organisations. Brembo is the general representative for large enterprises within the association's General Council.

ISPI – Italian Institute for International Political Studies, established in Milan in 1934 with the aim of promoting in Italy the study of international issues.

KILOMETRO ROSSO: one of the leading private innovation districts in Europe which combines the worlds of research and business.

SAE – Society of Automotive Engineers: a global association of more than 100,000 engineers and related technical experts in the aerospace, automotive and commercial vehicle industries.

AEMI: the Economic Association of Mexico in Italy pursues the mission of consolidating industrial, commercial, cultural, tourism, scientific and academic ties between the two countries. Its members include small, medium and large companies from various industries, from energy to

infrastructure and automotive. Its goals include expanding the community to operators that already collaborate with, or an interested in collaborating with, Mexico

Brembo is also a member of the following associations:

AICIPI - Italian association of consultants and experts in business and enterprise intellectual property; **AIIA** – Italian Association of Internal Auditors; **AIGI** – Italian Company Lawyers Association; **AUTO-ISAC** - Automotive Information Sharing and Analysis Center; **Automotive SPIN Italia** – Software Process Improvement; **Forum** of the Secretaries of the Boards of Directors of FTSE-MIB Companies; **"Mario Negri" Institute for Pharmacological Research**; **NED COMMUNITY** - Italian association of non-executive and independent directors; **Safety for driving automation systems** (ISO TC22/SC32/WG13); **Functional safety –ISO 26262** – (ISO TC22 / SC32/ WG8); **AIPI** - Italian Interior Design Association; **LES** – Licensing Executives Society; **UNI** – Italian national body for standardisation.



SPAIN

ANESDOR: Asociación Nacional Empresas del Sector de Dos Ruedas which represents the brands of the two-wheel vehicle sector in Spain. Brembo is a member of the Board.

CAAR: Clúster de Automoción de Aragón which seeks to strengthen the automotive and mobility sector in the Aragón community. Brembo holds the chairmanship.

CEJE: Círculo empresarial Japón España which is the association encompassing the Japanese companies operating in Spain. Brembo is a member of the Board.

Italian Chamber of Commerce: contributes to the development of the economic and commercial partnership between Italy and Spain.

SERNAUTO: brings together enterprises operating in the sector of motor vehicle spare part equipment production, looking after their relations with key national and international organisations.

Brembo is also part of the following associations and research centres:

CEAM: Centro de estudios y asesoramiento metalúrgico; **Circulo Empresarial Japón-España;** **Clustermoto;** **FEMZ** (Federación de Empresarios del Metal de Zaragoza); **Pi-mec-Sefes;** **UPMBALL:** Unión Patronal Metalúrgica de l'Hospitalet y Baix Llobregat.

POLAND



PKPP Lewiatan: brings together enterprises operating in the country, encouraging the protection of their legitimate interests in relations with public institutions and trade union organisations.

Silesia Automotive & Advanced Manufacturing Association – Katowice Special Economic Zone: industrial cluster whose goal is to support the development of strategic competencies for the automotive sector.

DENMARK



Confederation of Danish Industry: the Confederation of Danish Industry is the largest business and employers' organisation in Denmark.

INDIA



Automotive Component Manufacturers Association: association representing the interests of the Indian automotive industry.

Indo-Italian Chamber of Commerce and Industry: promotes economic and trade activities between India and Italy.

Confederation of Indian Industry: promotes industrial development in India, representing the interests of the business community and fostering collaboration with the Government and civil society.

International Market Assessment India Pvt. Ltd: an association offering consultancy services. Brembo participates in the CEO & CFO forum.

Maharatta Chamber of Commerce & Industries: an association for the industrial and economic development of the Pune region.

Society of Indian Automobile Manufacturers: brings together and represents the main motor vehicle and component manufacturers.

CHINA



European Chamber of Commerce Nanjing Chapter: organisation which supports European companies in Nanjing, fostering dialogue with local authorities and the development of the city as an investment destination.

Italian Chamber of Commerce Shanghai Office: office charged with promoting internationalisation of Italian companies and the Made in Italy.

Nanjing Association of Enterprises with Foreign Investment: association that promotes foreign business investments.

UNITED STATES



MiX - Modern Industry Expertise: a consultation council for aftermarket executives with the objective of educating and tackling business concerns from the standpoint of millennials.

OESA - Original Equipment Supplier Association: brings together the main enterprises operating in the United States automotive sector with the aim of promoting industry supply chain collaboration and safeguarding mutual interests.

PRSA - Public Relations Society of America.

Moreover, Brembo is also a member of the following associations:

Women of Auto Care Council, Purchasing Council, Communications Executive Council. Brembo is also a member of **local Chambers of Commerce** that encourage the development of economic activities in the state of Michigan, including that in **Plymouth**.



MEXICO



Cámara Nacional de la Industria de la Transformación, which represents the whole industrial sector at national level.

JAPAN



ICCJ – Italian Chamber of Commerce in Japan: association of Italian companies and entrepreneurs in Japan, which promotes commercial trade and economic relations between the two countries.

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

CZECH REPUBLIC



Autoklastr: an association of businesses operating in the automotive sector. Brembo is a member.

Italian-Czech Chamber of Commerce and Industry: an association of Italian companies operating in the Czech Republic.

UNITED KINGDOM



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

BRAZIL



AMCHAM: American Chamber of Commerce in Italy, which promotes the development of trade between Italy and the United States.

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

2.5 MATERIALITY ANALYSIS

As every year, the Brembo Group has updated its materiality analysis — the tool used to identify its material sustainability topics — and therefore aligned the content of its Disclosure of Non-Financial Information, instrumental to providing an overview of the Company’s operations, performance, results and, above all, future strategies and targets. These topics are also material aspects for Brembo’s stakeholders and are identified and constantly updated, including with its stakeholders’ direct engagement.

In 2022, in advance of the requirements imposed by the new **European Directive 2022/2464 (the Corporate Sustainability Reporting Directive)**, Brembo began the **double materiality** process, also integrating an “outside-in” perspective (financial materiality) into its “inside-out” impact assessment process (impact materiality) according to the GRI Universal Standards 2021. Whereas the “inside-out”

approach identifies the impacts generated, actually or potentially, by the organisation and its value chain on the outside world, the “outside-in” perspective looks at the risks and opportunities that may influence the Group’s creation of value, strategy, operating and financial performance and positioning in the short, medium or long term.

For 2023, the assessment of the “outside-in” perspective (financial materiality) was conducted on the basis of the European Sustainability Reporting Standards (ESRSs) made available by the EFRAG, i.e. the reporting standard that is to be used by companies subject to the Corporate Sustainability Reporting Directive. This assessment is thus to be regarded as fully voluntary and not subject to assurance by the third-party entity that certifies this Disclosure of Non-Financial Information according to the ISAE 3000 Revised standard.

IMPACT MATERIALITY – THE “INSIDE-OUT” PERSPECTIVE ACCORDING TO GRI

In line with the analysis conducted for the previous year’s Disclosure of Non-Financial Information, in 2023 impact materiality was analysed in accordance with the GRI Universal Standards 2021.

This analysis involves determining the impacts (positive and negative, actual and potential) generated by

organisations and their value chains on the economy, the environment and people — including the impacts on human rights.

In accordance with the principles of the reporting standard, the process of updating Brembo Group’s materiality analysis — and the ensuing identification of material topics — was structured into the four following steps:



For the steps of understanding the context and identifying the impacts generated, various sources of information and analysis were considered, such as:

- Analysis of the main sustainability topics at the regional and international level, through a verification of the documents and reports of the most important and influential non-governmental organisations and policy-makers;
- Analysis of the main documents prepared by associations, NGOs and industry organisations (such as CDC and SASB) to identify the main sustainability topics in the automotive industry;
- Analysis of the sustainability reporting tools adopted by industry companies;
- High-level analysis of the most important sustainability-related articles in the press concerning Brembo Group, to identify media and public opinion pressures;
- Analysis of the main internal company documents (such as the Code of Ethics, 231 Model and Policies).

These analyses and the Brembo Group's peculiarities formed the basis for identifying the impacts – actual and potential, negative and positive – that the Group and its

value chain have or may potentially generate at the external level.

Once the impacts were identified, their significance was determined in accordance with the GRI Standards and through a separate analysis by type. In particular, the significance of an actual impact was determined on the basis of its severity, whereas that of a potential impact also took account of its probability of occurrence. The following analysis was performed to assess the severity of each impact: Scale, Scope and, for negative impacts, irremediable character.

Impacts were then prioritised on the basis of their materiality, and a materiality threshold was defined, enabling the identification of the most significant impacts. Finally, these impacts were grouped into the material topics that guided Brembo Group in preparing its 2023 NFI.

In the update of the materiality analysis, led by the Chief CSR Officer in concert with the Top Management, Brembo involved the Board of Directors, the Board of Statutory Auditors, the CSR Committee and a selection of external stakeholders, asking them to express an opinion of the assessment of sustainability impacts.

STAKEHOLDER ENGAGEMENT

To identify and assess sustainability impacts and define material topics according to the "inside-out" perspective, in 2023 Brembo directly engaged its internal and external stakeholders in the assessment of the severity of the impacts identified.

Internally, for the CSR Committee a dedicated workshop was organised for the presentation of the main developments in reporting and in prioritisation of impacts, divided into "Environment", "People" and "Economy". The Group's Directors and Statutory Auditors were also asked to assess impact severity by completing an online questionnaire.

The same questionnaire was also administered to the main external stakeholders, following a webinar dedicated to presenting it and explaining the purposes of their engagement. In 2023, the response rate of those involved — i.e. a selection of suppliers, customers, insurance companies and investors — was 49%.

The assessments received from the CSR Committee, members of the BoD, members of the Board of Statutory Auditors and individual Stakeholders were aggregated, and the resulting impact severity scale — along with the identification of the probability of occurrence for potential impacts — made it possible to identify the most significant impacts and thus the related material topics.

MATERIAL TOPICS AND IMPACTS

MATERIAL TOPICS	ACTUAL IMPACTS (positive/negative)	POTENTIAL IMPACTS (positive/negative)
 GREENHOUSE GAS EMISSIONS	<ul style="list-style-type: none">  Climate change caused by greenhouse gas emissions  Reduction of greenhouse gas and polluting emissions generated by final users through the development of innovative technologies 	
 POLLUTING EMISSIONS	<ul style="list-style-type: none">  Damage to the environment and human health due to polluting emissions in the air  Reduction of greenhouse gas and polluting emissions generated by final users through the development of innovative technologies 	
 ENERGY EFFICIENCY		 Reduction of energy availability due to non-efficient production processes
 PROTECTION OF WATER RESOURCES	<ul style="list-style-type: none">  Water scarcity, in particular in water-stressed areas, due to water consumption in the production process 	
 WASTE MANAGEMENT		 Soil occupation and pollution due to non-virtuous waste management
 PROTECTION OF BIODIVERSITY	<ul style="list-style-type: none">  Soil occupation and loss of biodiversity 	
 ENVIRONMENTALLY SUSTAINABLE PRODUCT	<ul style="list-style-type: none">  Primary raw material saving through the use of recycled and recyclable materials 	
 DIVERSITY, EQUITY AND INCLUSION		 Non-compliance with equal opportunities legislation in the workplace
 PROTECTION OF HUMAN RIGHTS		 Human rights violations
 WORKERS' HEALTH AND SAFETY	<ul style="list-style-type: none">  Workers' accidents and occupational diseases 	
 WELLBEING OF PERSONNEL		 Failure to ensure workers' wellbeing due to the absence of dedicated company initiatives
 TRAINING AND DEVELOPMENT OF PERSONNEL	<ul style="list-style-type: none">  Development of skills and know-how through ad hoc training activities 	
 DATA PROTECTION AND IT SECURITY		 Privacy violation and loss of sensitive data
 PRODUCT SAFETY	<ul style="list-style-type: none">  Increased safety of the end user through the implementation of innovative technologies in products 	 Damage to consumers due to the absence of product quality and safety checks
 PROTECTION AND DEVELOPMENT OF LOCAL COMMUNITIES	<ul style="list-style-type: none">  Impacts on the social and economic growth of the local areas and communities 	
 SUSTAINABLE SUPPLY CHAIN	<ul style="list-style-type: none">  Transparency and involvement of the supply chain in sustainable practices through monitoring and training programmes 	
 BUSINESS ETHICS AND INTEGRITY		 Damage to the economic system due to unfair business practices

 Positive impact  Negative impact

All the material topics identified are generated throughout Brembo’s value chain, except for “Privacy violation and loss of sensitive data” and “Development of skills and know-how through ad hoc training activities” which only refer to the Group’s direct operations.

In addition to those set out in the table above, the following impacts not deemed material were also identified and analysed: “Pollution of water resources due to discharges of harmful substances”, “Visual impact of production facilities and extraction sites” and “Damage to local communities due to noise pollution”.

Compared to the materiality analysis of the previous year, a new material topic, “Protection of biodiversity”, was identified, whereas the topic “Wellbeing of personnel”, previously not explicitly stated, was identified as a separate topic. On the other hand, the two previous material topics “Research and innovation” and “Digital Transformation Roadmap” were excluded as they were considered transversal and part of the business strategy.

In the interest of a clearer understanding of material topics, a description of the associated impacts and how the Group monitors and manages them is provided below.

GREENHOUSE GAS EMISSIONS



The consumption of fossil fuels and electricity in its buildings and facilities, the combustion of fuel for the company fleet and the use of materials during production contribute to climate change caused by greenhouse gas emissions (Scope 1 and 2). In addition, the transport of company products by third parties, as well as the purchase of services, materials and finished products from suppliers, including their transport, entail greenhouse gas emissions caused by such suppliers during their production activities (Scope 3). Aware of these impacts, the Brembo Group is committed to pursuing the ambitious goal of achieving net zero emissions by 2040, supported by a defined roadmap designed to gradually reduce Scope 1, 2 and 3 greenhouse gas emissions. Brembo’s commitment to reducing greenhouse gas emissions also extends to end users through the use of innovative technologies in its products, which make it possible to limit the weight of brake systems and therefore to reduce GHG emissions.

POLLUTING EMISSIONS



The processes of extracting raw materials and manufacturing and painting brake components generate polluting emissions such as carbon monoxide (CO), nitrogen oxides (NOx), particulate matter (PM) and sulphur oxides (SOx), which may cause harm to the environment and human health. Thanks to the Environment and Energy Management System, Brembo has introduced requirements common to all the Group’s plants aimed at containing emissions well below the emission limits imposed by the legislation of the Countries in which it operates. In addition, thanks to the use of particular materials and innovative technical solutions, Brembo’s products permit a reduction of the polluting emissions caused by brake wear and tear during use.

ENERGY EFFICIENCY



Inefficient production processes not only use more energy to achieve the same result in production, but also contribute to reducing overall energy availability. This phenomenon accelerates fossil fuel consumption, exhausts energy resources more rapidly and increases greenhouse gas emissions. The environmental consequences of such inefficiency may be significant, resulting in higher energy costs and in economic penalisation for the Company. Faced with these challenges, Brembo is actively committed to seeking constant reduction of direct and indirect energy consumption. Through investments aimed at the adoption of the best available technologies in terms of energy efficiency, the Group aims to achieve the goals of its Sustainability Plan.

PROTECTION OF WATER RESOURCES



Excessive consumption of water in water-stressed areas threatens the regional hydrological balance and results in scarcity of water resources. Intensive industry — often inefficient — contributes to a reduction in water availability and degradation of water quality, with an impact on the environment and on the access to potable water. Aware of the importance of preserving this fundamental resource, as part of its Environment and Energy Management System Brembo has implemented a Water Management procedure that imposes requirements and restrictions on all the Group’s plants for sustainable use and protection against pollution. The Group has also set itself the goal of reaching 100% monitoring of flows (withdrawal, discharge and significant internal use) by 2025 at each of its sites in order to implement improvement actions.

WASTE MANAGEMENT



Inadequate waste management by the Group could result in soil pollution, harm to natural resources and threats to biodiversity. In addition, a lack of attention to waste recycling/recovery and the consequent sending of waste to dumps could contribute to soil consumption. Brembo Group is dedicated to efficient waste management, avoiding generating negative impacts on the environment and actively seeking to reuse and develop waste materials. The Group has set itself the goal of increasing the percentage of waste to be recycled.

PROTECTION OF BIODIVERSITY

The extraction of primary raw materials may contribute to deforestation and environmental pollution. In addition, the surface extension of extraction sites, as well as the presence of buildings and plants, entail soil consumption, which may result in biodiversity loss. With regard to its plants, Brembo has identified a need to act in a way that contributes to maintaining and protecting biodiversity near its assets. The first step involved an analysis to define and apply a biodiversity screening methodology to the geographical areas in which its manufacturing plants are located. The second step will be defining any improvement, prevention and mitigation actions.

ENVIRONMENTALLY SUSTAINABLE PRODUCT

The design, production and use of products aimed at reducing environmental impact throughout their life cycle involves minimising the use of natural resources, limiting greenhouse gas emissions and reducing waste generation. This entails the adoption of recyclable materials, the optimisation of production processes to reduce energy and greenhouse gas emissions and the promotion of ethical, socially responsible practices. The sustainability of such products is also manifest in their durability and ease of disposal or recycling at the end of their useful lives. Within the framework of this philosophy, Brembo integrates environmental performances into its products, developing braking systems with low particulate and CO₂ emissions, while also enhancing the durability and recyclability of materials. Brembo's commitment to reinforcing the development of innovative products, featuring environmentally sustainable, circular designs, translates concretely into promoting sustainable mobility through the reduction of polluting emissions thanks to its advanced braking systems and the Group's commitment to subjecting all its products to a Life Cycle Assessment (LCA). plants are located. The second step will be defining any improvement, prevention and mitigation actions.

DIVERSITY, EQUITY AND INCLUSION

Brembo firmly believes that people must have equal access to work, facilities, services and programmes, solely on the basis of their knowledge, qualifications, expertise, performance and motivations, regardless of other personal conditions. In recognition of this responsibility, Brembo adopts an active, concrete policy in these areas, reflected in its Policy on Non Discrimination and Diversity, as well as in the Brembo Charter on Diversity, Equity and Inclusion. In particular, the Group is committed to promoting these aspects along the three main axes (gender, generation and cultural background) through concrete projects that contribute to the wellbeing of the Group's people.

PROTECTION OF HUMAN RIGHTS

The protection of human rights requires policies and practices against exploitation and discrimination, both internally and throughout the value chain. Brembo, which is committed to respecting the rights of its workers, also extends this commitment to its suppliers, requiring that they abide by its Sustainable Procurement Policy in all Countries in which it operates. The Group pays attention to the direct purchase of minerals from conflict zones, asking its suppliers to declare the origin of Conflict Minerals in supplies intended for the Group. Moreover, the Group conducts audits to ensure respect for human rights among its suppliers.

WORKERS' HEALTH AND SAFETY

Employment in the automotive industry exposes workers to potential risks and permanent harm due to the lack of adequate safety measures. This risk also extends to workers upstream and downstream the value chain, increasing the probability of serious physical injuries associated with work activities. In response to this problem, the Group has implemented an ISO 45001 management system at all its plants, in addition to promoting a culture of safety through its "I Am Safety" campaign in Italy and China. Throughout its supply chain, Brembo's sustainability policy, included in its Sustainable Procurement Policy, sets specific requirements to ensure protection of health and safety in suppliers' workplaces.

WELLBEING OF PERSONNEL

If the Group were not to ensure compliance with minimum wage and employee welfare, this would result in deterioration of the working conditions and well-being of its employees, entailing an increase in personnel turnover. Failure to monitor practices throughout the value chain could encourage incorrect behaviour, thus causing damages to third-party workers. In response to these challenges, the Group has intensified its vigilance over the job market, focusing on pay for critical roles and reinforcing its methods of monitoring outgoing personnel and voluntary resignations. In addition, it actively promotes employee health, not only through initiatives relating to the workplace, but also through programmes providing information on healthy lifestyles and courses on proper nutrition, such as the Brembo Wellness programme.

TRAINING AND DEVELOPMENT OF PERSONNEL

The implementation of policies and investments in employee training not only ensures the development of the Group's resources, but also contributes significantly to increasing the innovative skills required to respond promptly to the demands of the business. Within this framework, Brembo adopts a specific procedure for effectively managing training and development offerings, designed to be increasingly global and inclusive, from the annual survey and analysis of training needs to attentive monitoring of quality indicators for the training provided.

DATA PROTECTION AND IT SECURITY



The implementation and application of digital security systems are absolutely essential to preventing the risk of data breaches and cyberattacks, which could have severe consequences, including privacy breaches and the loss of sensitive customer data. In order for the Group to manage such threats effectively, it is fundamental to adopt policies and advanced technologies that take a proactive approach to protecting digital data. The Brembo Group has thus set up a Privacy Supervisory Committee, and has introduced the position of Data Protection Officer and of specific Privacy Officers for each area of the company. These professionals operate in strict compliance with personal data protection legislation, following specific procedures to handle issues, obligations, new processing and reporting, while ensuring maximum security and regulatory compliance.

PRODUCT SAFETY



Product safety is a fundamental priority for ensuring that the design, manufacture and marketing of products adhere to strict safety standards. This commitment entails the implementation of robust quality control processes during production, active risk management and compliance with applicable legislation, in order to prevent accidents or damages arising from the use of products by consumers. This approach is crucial to preserving the company's reputation, protecting consumers and complying with applicable safety legislation. Following a preventive and proactive approach, Brembo is committed to applying the voluntary technical standards that national and international standards bodies have developed to ensure the production of excellent products, while guaranteeing safety, quality and certain performance. In addition, through the use of innovative technologies, Brembo seeks to improve the performance of its braking systems, while continuing to offer its end users the utmost reliability and safety.

PROTECTION AND DEVELOPMENT OF LOCAL COMMUNITIES



The presence of manufacturing plants and extraction sites disfigures the landscape, with adverse impacts, in visual and other terms, for local communities. The company's commitment to the well-being of local communities translates into active management to protect the interests and health of people in the affected areas. At the same time, companies contribute to economic and social development, promoting job opportunities, developing local skills and taking an active part in community initiatives. Responsible relationship management is essential to consolidating trust and ensuring a positive impact. Brembo Group's global presence offers a significant opportunity to improve external positive impacts through the transfer of investments, technology and skills. The Group actively promotes the growth of local ancillary industry, supporting infrastructure, jobs and training programmes and recognising the importance of fostering intellectual capital in its districts. It also makes its know-how available, reinforcing its commitment to social responsibility and sustainable development in the surrounding communities.

SUSTAINABLE SUPPLY CHAIN



Responsible, sustainable management of the supply chain focuses on an ethical, transparent approach respectful of human rights, social fairness and the environment. The Brembo Group asks all suppliers operating in Countries in which it is present with its plants to comply with the Sustainable Procurement Policy. This Policy concerns key issues, including respect for human rights, environmental protection, workplace safety, and prevention of corruption. In addition, verification programmes, audits, monitoring, training sessions and corrective measures are also implemented in cooperation with suppliers to ensure a sustainable supply chain aligned with high ethical standards and corporate responsibility.

BUSINESS ETHICS AND INTEGRITY



Non-compliance with business best practices, such as unfair competition and a lack of reliable tax risk governance, control and management systems can cause damage to the economy and result in violation of laws and regulations. Insufficient supervision of company ethics and integrity could foster phenomena of corruption in tenders and supply contracts for both companies and individuals. Brembo has implemented various tools, including the Organisational, Management and Control Model (according to Legislative Decree No. 231/2001), the Anti-bribery Code of Conduct, the Supervisory Board and an entities' administrative and criminal liability compliance programme in accordance with applicable local legislation of Countries where it operates through subsidiaries.

DOUBLE MATERIALITY

As previously anticipated, ESRS (European Sustainability Reporting Standards, which will become effective with the Corporate Sustainability Reporting Directive) for the Brembo Group's Sustainability Report at 31 December 2024 require to report on sustainability issues on the basis of the double materiality principle: impact materiality ("inside-out" perspective) and financial materiality ("outside-in" perspective).

In advance of compulsory application of the ESRS, Brembo decided to conduct a voluntary financial materiality assessment.

The material topics and impacts identified through the impact materiality were inputs to define operating and financial risks and opportunities.

FINANCIAL MATERIALITY – THE "OUTSIDE-IN" PERSPECTIVE

The financial materiality analysis is aimed at identifying the risks and opportunities that have, or may have, a significant influence on the Group's operating and financial performance.

In particular, the risks and opportunities consider uncertain environmental, social or governance events or conditions that, were they to occur, could cause a potential material negative or positive effect, respectively, on the company's business model or strategy and sustainability strategy, or its capability to achieve its goals and targets and create value, and therefore may influence its decisions and those of its business relationships as regard to sustainability matters.

In order to identify the material risks and opportunities for Brembo, the following inputs were taken into account:

- Impacts generated by Brembo and mapped in the impact materiality;
- Impacts or risks arising from Group's actions aimed at addressing sustainability matters;
- Brembo's dependence on natural, human and social resources. Dependencies may trigger risks and opportunities in two possible ways:
 - By influencing the company's ability to continue to use or obtain the resources required for its company processes, as well as the quality and price of such resources;

- By affecting the company's ability to rely on the relationships necessary to its business processes at acceptable conditions.

- Risks and opportunities already mapped by the Group's Risk Management (such as the ERM Report and Climate Change Risk Assessment)

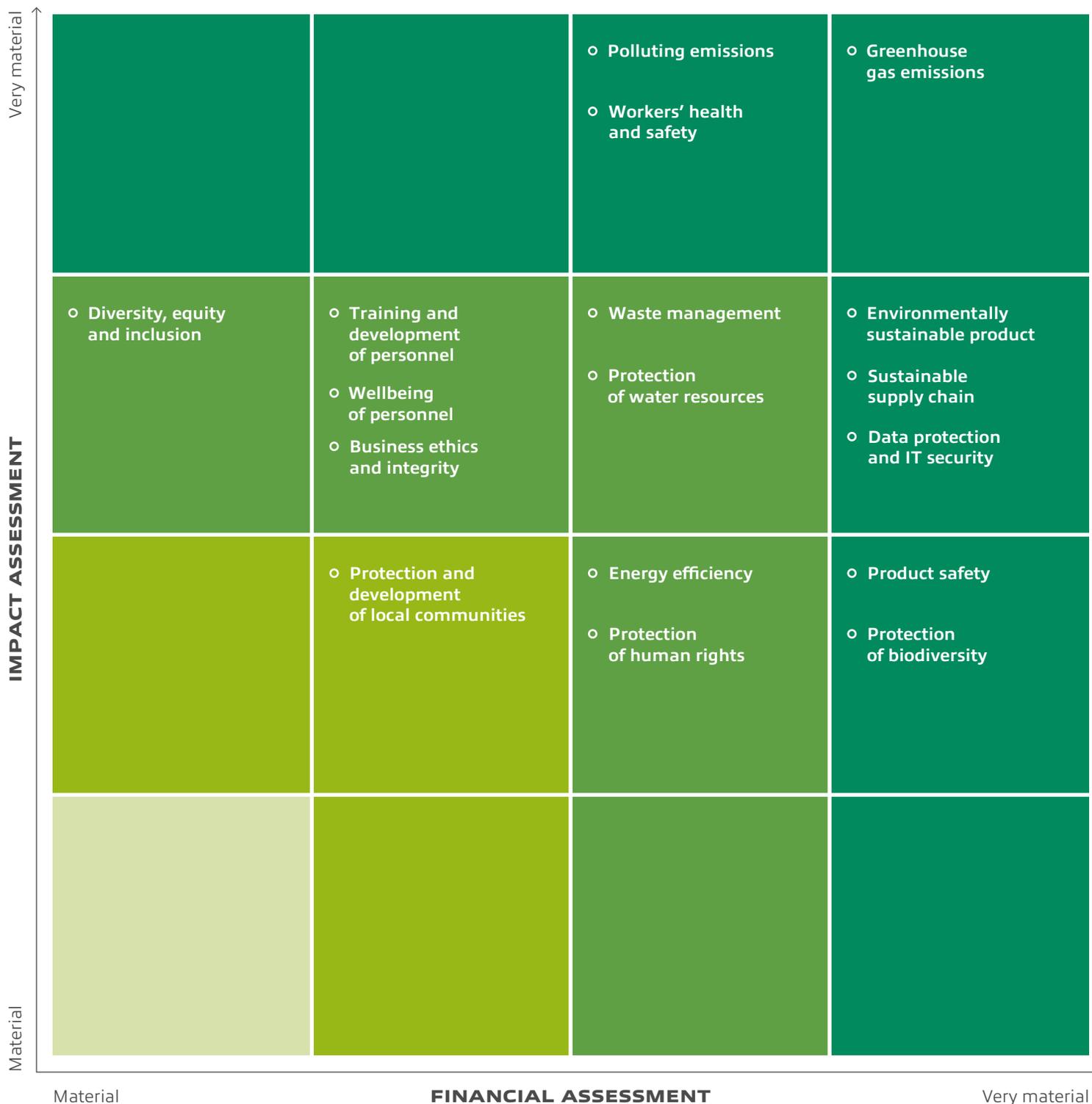
The analyses made it possible to identify a universe of risks and opportunities that were then broken down into materiality classes on the basis of the combination of the probability of occurrence and potential magnitude of the related financial effects.

As for impact materiality, a materiality threshold was also defined in this case, making it possible to identify the most significant risks and opportunities. Finally, these most significant risks and opportunities were associated with the Brembo material topics, thus making it possible to obtain, for each topic, a bi-dimensional representation within a double materiality matrix.

The proposed double materiality, assessed in advance by the CSR Committee on 13 December 2023, was shared with the Audit, Risk & Sustainability Committee, the Supervisory Committee and the Board of Statutory Auditors during the meeting held on 18 December 2023 and was subsequently submitted for approval to the Board of Directors on 19 December 2023.



DOUBLE MATERIALITY – BREMBO GROUP’S MATERIALITY MATRIX



2.6 TURNING SUSTAINABILITY INTO ACTION

Brembo faces today's challenges collaborating with various stakeholders to create solutions that have a positive impact on the environment, economy and people, on a long-term horizon. To bring the Group's growth into line with that of the Countries in which its production sites are located, Brembo continues to pursue its Sustainability Plan: **"Turning Sustainability into Action"**. This clear, concrete strategy conducted by the CSR function also involved the Top Management in setting targets, considering industry best practices and the main global ESG trends. These targets, which are primarily quantitative, are organised into five strategic areas that refer to the material topics in order to ensure the consistency of the Plan and the Disclosure of Non-Financial Information, as well as greater accountability of management. The related targets were updated in 2023.

It should be noted that the goals published in the Sustainability Plan, and in this document, are a selection of the goals and targets that Brembo pursues and that refer to its various functions.

Through the "We support SDGs" project as well, the Brembo Group pursues a sustainable strategy and adopts an integrated business model that allow to contribute to reaching all the 17 UN sustainable development goals.

Reaching the Net Zero emission objective by 2040 is among the Brembo's Sustainability Plan objectives aimed at reducing the environmental impact. The Group is aware that this necessarily entails a deep change in the industry, not only in terms of energy savings. It is precisely for this reason that "Turning sustainability into action" also provides for objectives connected with waste disposal procedures.

Moreover, Brembo is committed to strengthening the development of innovative products designed from the be-

ginning with an eco-sustainable and circular approach. The Group is thus committed to expand the product families included in the Life Cycle Assessment (LCA).

Since it operates in an international, multicultural context, through the Plan Brembo also aims to underscore the importance of diversity as capital to be enhanced by investing in awareness-raising projects and processes that strengthen the culture of diversity, equity and inclusion and create opportunities for dialogue and sharing among both colleagues and members of the local community that foster the exchange of ideas and opinions. Other goals relate to activities involving active engagement of individuals to support the creation of an inclusive, positive and safe work environment. The ambition is to make individuals the focus of every process, in an environment in which employees are proud of what they do and get along with their coworkers.

Brembo regards the relationship with its value chain as an important occasion for collaboration and a mutual opportunity for growth and enrichment. In this sense, the Plan provides for an ever greater involvement of customers and suppliers in a community perspective but also of synergistic fusion of skills and best practice. Brembo is therefore committed to favouring a local supply chain and selecting its suppliers according to sustainability-based criteria.

These measures converge towards a product range that is in line with the company principles and values described above. An activity that thus translates into clear communication of Brembo's actions in pursuit of sustainable development, through an extensive, consistent communications campaign based on press releases, interviews and various content, such as speeches, letters and videos.

An excerpt of the Group Sustainability Plan is reported below.

MATERIAL TOPICS	TARGET DESCRIPTION	BASELINE	SITUATION IN 2023	TARGET
Greenhouse Gas Emissions Energy Efficiency	1. Net Zero emissions at Group level Scope 1 and market-based Scope 2 Scope 3	FY 2020: ³⁴ 371,903 tCO _{2e} 1,662,708 tCO _{2e}	280,887 tCO_{2e} 2,195,728 tCO_{2e} ³⁵	-42% by 2030 -90% by 2040
	2. Reduction of indirect absolute emissions (market-based Scope 2)	FY 2020: ³¹ 298,736 tCO _{2e}	174,426 tCO_{2eq}	-100% by 2030
	3. % increase of renewable electricity	FY 2020: 43%	75%	+70% by 2025 +100% by 2030
	4. CO ₂ emissions avoided compared to the emissions generated in the previous year ³⁶	FY 2022: 288,848 tCO _{2eq}	31,7%	≥20% by 2023
	5. % increase of recycled waste	FY 2022: 85%	88%	≥90% by 2025 ≥95% by 2030
Environmentally Sustainable Product	6. Performance of LCAs (Life Cycle Assessment) on several product families	FY 2021: 4%	21%	100% by 2027
Diversity, Equity and Inclusion	7. Promoting diversity and inclusion with regard to the three main Brembo axes (gender, generation, cultural background) through the implementation of projects and initiatives relevant for the Group and/or local communities	FY 2022: 5 initiatives	6 initiatives	At least 5 initiatives per year
Training and development of personnel	8. Mitigating unconscious biases, overcoming stereotypes and supporting the development of an inclusive working environment in view of a "new normal" dimension, while strengthening these aspects in both existing and new training courses (managerial training)	FY 2021: 20%	100%	Renewal of managerial training paths enriched with short training pills dedicated to unconscious biases 100%

34 FY2020 baseline was restated to include the contribution, in terms of emissions, of J.Juan and SBS Friction and the update of the calculation methodology of several emission categories..

35 Scope 3 emissions increased compared to 2020 following a significant growth of production volumes

36 Reduction of emissions Scope 1 & 2 market-based obtained thanks to improvement actions $\geq 20\%$
emissions Scope 1 & 2 market-based for the previous year

MATERIAL TOPICS	TARGET DESCRIPTION	BASELINE	SITUATION IN 2023	TARGET
Training and Development of Personnel	9. Ensuring that employees remain strongly motivated to participate in company life through extensive participation in the Global Engagement Survey	FY 2021: 78%	Global Engagement Survey to be held by the end of 2024	Ensuring a $\geq 74\%$ response rate at Group level by early 2025
	10. Maintaining a high level of engagement	FY 2021: 66%	Global Engagement Survey to be held by the end of 2024	Index is maintained at a level $\geq 65\%$ by early 2025
 4 QUALITY EDUCATION  5 GENDER EQUALITY  8 DECENT WORK AND ECONOMIC GROWTH  10 REDUCED INEQUALITIES				
Workers' Health and Safety	11. Ongoing improvement of the "Incident Rate" (I.R. ³⁷)	FY 2022: 0.66	-17%	-10% YoY – Target relating to all the Group' employees Yearly
	12. Provision of hours of training (classroom and mentoring)/awareness-raising initiatives on H&S topics - all categories (average per capita)	FY 2022: 6h	3h³⁸	$\geq 5h$ by 2025
 3 GOOD HEALTH AND WELL-BEING  8 DECENT WORK AND ECONOMIC GROWTH				
Business ethics and integrity	13. Communicating Brembo's actions in the ESG area on objective and measurable criteria	FY 2022: Not available	Definition of the methodology relating to the CSR content communication process, currently being formalised	Definition of a communication methodology by 2024
 1 NO POVERTY  10 REDUCED INEQUALITIES  12 RESPONSIBLE CONSUMPTION AND PRODUCTION  16 PEACE, JUSTICE AND STRONG INSTITUTIONS  17 PARTNERSHIPS FOR THE GOALS				
Sustainable supply chain	14. Extending the assessment and monitoring of the supply chain in the CSR area	FY 2020: 70%	78.2%	80% of the turnover of the direct material relevant suppliers by 2026
	15. Favouring a Supply chain based in the Countries in which Brembo operates through production sites (Local for Local Index)	FY 2020: 87%	90.6%³⁹	Ensuring the maintenance of the Local for Local Index $>85\%$ by 2030
 8 DECENT WORK AND ECONOMIC GROWTH  12 RESPONSIBLE CONSUMPTION AND PRODUCTION				

³⁷ Incident rate: (No. of work-related injuries/ No. of hours worked) x 200,000.

³⁸ 2023 did not present the same training hours as 2022, which was characterised by a high number of new personnel from outside the company entailing a significant investment in the initial training, especially with reference to Safety and the Environment training.

³⁹ 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 the 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.

2.7 THE UNITED NATIONS 2030 AGENDA

THE GLOBAL AGENDA FOR SUSTAINABLE DEVELOPMENT AND SUSTAINABLE DEVELOPMENT GOALS (SDGS)

On 25 September 2015, the governments of the 193 United Nations member states signed the 2030 Agenda for Sustainable Development, containing 17 Sustainable Development Goals (SDGs). The SDGs are a “call to action” for all member states to promote sustainable development for the benefit of people, the planet and prosperity.

The Agenda is structured around three key pillars: acting for people (eradicating poverty), acting for the planet (adopting conscious consumption and production) and

acting for prosperity (ensuring the economic, social and technological progress for all humanity).

The 17 SDGs consist of 169 targets to be reached by 2030 and all countries and individuals are called upon to contribute, developing sustainable development strategies and involving all components of society. Businesses as well are called upon to have an active role, using their resources and skills to make a contribution to achieving the SDGs.

SUSTAINABLE DEVELOPMENT GOALS



To learn more about:
United Nations Sustainable Development Goals
<https://www.un.org/sustainabledevelopment/>

In accordance with international best practices, Brembo has identified the links between the priorities defined in the materiality analysis and their impact on the Global Agenda’s goals, using the “Linking the SDGs and the GRI

Standards” (Global Reporting Initiative, May 2022 update) document, developed by GRI and the UN Global Compact.

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

GREENHOUSE GAS EMISSIONS



POLLUTING EMISSIONS



ENERGY EFFICIENCY



PROTECTION OF WATER RESOURCES



WASTE MANAGEMENT



PROTECTION OF BIODIVERSITY



ENVIRONMENTALLY SUSTAINABLE PRODUCT



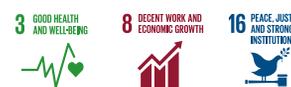
DIVERSITY, EQUITY AND INCLUSION



PROTECTION OF HUMAN RIGHTS



WORKERS’ HEALTH AND SAFETY



WELLBEING OF PERSONNEL



TRAINING AND DEVELOPMENT OF PERSONNEL



DATA PROTECTION AND IT SECURITY



PRODUCT SAFETY



PROTECTION AND DEVELOPMENT OF LOCAL COMMUNITIES



SUSTAINABLE SUPPLY CHAIN



BUSINESS ETHICS AND INTEGRITY





PUT YOUR
FACE
ON IT



45% 40%

PROPORTION
OF WOMEN
IN THE BoD*

ROBUST AND STRUCTURED GOVERNANCE

Well-defined roles and competencies are the basis of an efficient and constantly evolving organisation. Structured, robust, transparent and open-to-change governance remains a cornerstone in a rapidly changing scenario.

* Minimum quota of the less-represented gender in the corporate bodies of listed companies (Law No. 160 of 27 December 2019), in force at the date of appointment of the Board of Directors (General Shareholders' Meeting of 20 April 2023) for the 2023-2025 term.

3,090

**BREMBO'S EMPLOYEES
TRAINED ON THE CODE
OF ETHICS IN 2023**

100%

**ISO 27001
CERTIFIED SITES****

** The ISO 27001 certified sites are: the three Italian sites of Brembo S.p.A. (the headquarters, the Curno and Mapello production hubs), La.CAM S.r.l., Brembo SGL Carbon Ceramic Brakes S.p.A., the three Brembo Poland Sp.z.o.o. production hubs and Brembo Czech s.r.o.

3. COMPANY STRUCTURE



3,090

Brembo's employees trained on the Code of Ethics in 2023



45%⁴⁰

Proportion of women in the BoD



11

Annual meetings of the Audit, Risk & Sustainability Committee (ARSC)



36.4%

Members of the BoD with ESG-related skills



100%⁴¹

ISO 27001 certified sites

3.1 CORPORATE GOVERNANCE MODEL

Brembo, a company which has been listed at the Milan Stock Exchange since 1995, has structured a sound Corporate Governance Model based on the ongoing alignment of its corporate structure with the best international practices, through which it meets the interests of all its stakeholders effectively. Over the years, particular attention was also devoted to updating its own reference codes and improving processes for managing both operating and sustainability risks.

Accordingly, the Corporate Governance System of the Brembo Group has always been inspired by and fully implements the recommendations issued from time to time by the Corporate Governance Committee⁴², which — in their most recent version⁴³ — have been incorporated into Brembo's Corporate Governance Code (hereinafter also re-

ferred to as "Brembo CGC"), as well as in the Regulations of the BoD and the rules of Board Committees.

As early as March 2020, the Group followed the evolution and the interpretative discussions on the 2021 CGC, actively taking part in the many alignment and analysis meetings organised by ASSONIME for detailed exploration of all aspects of the new Code.

Following the above in-depth analysis, on 17 December 2021 the Board of Directors of Brembo thus approved Brembo's Corporate Governance Code, which incorporates all the principles and recommendations of the 2020 CGC, examined and evaluated by the BoD on the basis of the principle of the prevalence of substance over form and also of the "comply-or-explain" principle which provides

⁴⁰ Minimum quota of the less-represented gender in the corporate bodies of listed companies (Law No. 160 of 27 December 2019), in force at the date of appointment of the Board of Directors (General Shareholders' Meeting of 20 April 2023) for the 2023-2025 term.

⁴¹ The ISO 27001 certified sites are: the three Italian sites of Brembo S.p.A. (the headquarters, the Curno and Mapello production hubs), La.CAM S.r.l., Brembo SGL Carbon Ceramic Brakes S.p.A., the three Brembo Poland Sp.z.o.o. production hubs and Brembo Czech s.r.o.

⁴² The Corporate Governance Committee is made up of associations of businesses (ABI, ANIA, Assonime, Confindustria), professional investors (Assogestioni) and Borsa Italiana. Its institutional purpose is to promote good corporate governance of listed Italian companies through the 2020 Corporate Governance Code and the monitoring of its application

⁴³ The 2020 Corporate Governance Code (effective from 1 January 2021 – hereinafter referred to in short as "2020 CGC")

for the the comply-or-explain principle which provides for the possibility, where a non-compliance is identified in an entity's actions with respect to a regulatory requirement, to remedy such circumstance, by explaining the choice adopted.

It should be noted that the Brembo CGC includes deviations⁴⁴ with respect to the 2020 CGC. Nonetheless, these are due to the fact that the practices recommended by the 2020 CGC were deemed as not functional or not compatible with Brembo's current governance model.

The description of the individual deviations and the related reasons is included in the Corporate Governance and Ownership Structure Report of each year and in the Report on the Remuneration Policy and Remuneration Paid with reference to Remuneration-related deviations.

The concrete application of the principles and recommendations provided for by the 2020 CGC is illustrated in the 2023 Corporate Governance and Ownership Structure Report (Paragraph 3).

CROSS-BORDER CONVERSION

During the meeting held on 20 June 2023, the Board resolved to submit to the General Shareholders' Meeting the proposal of:

- adopting the legal form of a public company with limited liability (naamloze vennootschap) — substantially equivalent to the corporate type of joint-stock company (società per azioni) under Italian law — governed by the laws of The Netherlands, resulting in the assumption of the name "Brembo N.V.";
- adopting a new text of the articles of association in accordance with laws of The Netherlands that provides for the adoption of a special voting mechanism pursuant to the dutch laws;
- transferring its registered office to Amsterdam, The Netherlands, while retaining its tax residence in Italy and without any reorganisation of its operating activities and people, who will continue seamlessly to operate in Italy through the establishment of a secondary office;
- establishing in Italy a secondary office of the Compa-

ny with permanent representation pursuant to article 2508 of the Italian Civil Code;
Hereafter in short the "Transaction".

The Transaction was approved by the Extraordinary Shareholders' Meeting of Brembo on 27 July 2023 and will be effective on 24 April 2024.

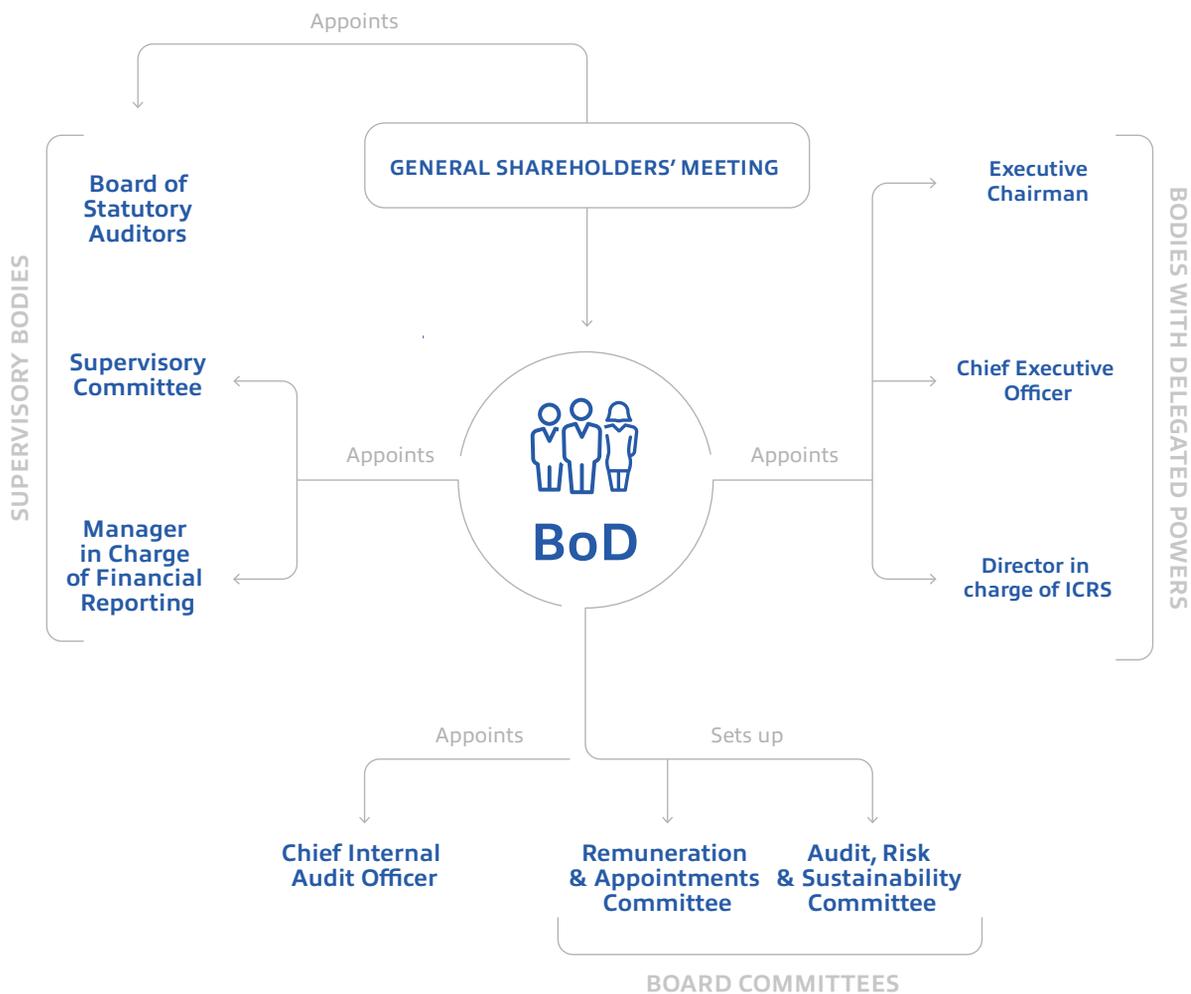
As part of this Transaction, on 12 January 2024 the Company proceeded with the voluntary Share Capital Decrease, from €34,727,914.00 to €3,339,222.50 (instrumental to the Transaction), as the disbursement amount condition, upon which the completion of the Transaction was conditional, had been met. For further details see page 97.

For further details on the foregoing, reference should be made to the press releases published on the Company's website (www.brembo.com, section "Investors", "For Shareholders", "Registered Office Relocation").

⁴⁴ The description of the individual deviations and the related reasons is included in the Corporate Governance and Ownership Structure Report of each year and in the Report on the Remuneration Policy and Remuneration Paid with reference to remuneration-related deviations.

Brembo S.p.A. has adopted a traditional governance and control system. Consequently, the Board of Directors is responsible for managing the Company, the Board of Statutory Auditors is responsible for supervisory functions, and

the Independent Auditors appointed by the General Shareholders' Meeting are responsible for auditing and accounting control, as illustrated below.



On the basis of the definitions provided by the 2020 CGC and ownership structure, Brembo qualifies as:

- a large Company, whose capitalisation was greater than €1 billion on the last Exchange business day of each of the previous three calendar years before the adoption of the 2020 CGC and approval of Brembo's CGC;
- a Company with concentrated ownership since its majority shareholder directly holds the majority of the votes that may be exercised in the ordinary shareholders' meeting.

Regardless of such classifications, the Company decided, where possible, to implement all recommendations of the 2020 CGC, without exercising any of the flexibility options granted.

Despite it being controlled by another company, Brembo is not subject to the direction and coordination of any company or entity pursuant to Article 2497-bis of the Civil Code. This is because, in accordance with recommendations of the 2020 Corporate Governance Code, all decisions defining the company's strategic and direction aspects are subject

to the collective examination of and exclusive approval by the Brembo S.p.A.'s Board of Directors — made up, inter alia, of six Independent Directors at 31 December 2023. Such decisions include the preparation of industrial, strategic, financial and budget plans at Group level, the issuance of guidelines relating to the finance and credit policy, the centralisation of the functions or the definition of strategies for growth, strategic and market positioning of the Group and the individual companies.

Brembo S.p.A. is conversely responsible for coordination and control of its Subsidiaries pursuant to Article 2497 of the Civil Code, and sets the company and Group strategies aimed at medium-to-long-term sustainability in terms of fi-

ancial performance, business objectives, investments and marketing policies. The requirements pursuant to Article 2497-bis of the Civil Code have been complied with.

- **Shareholders' Meeting.** It is the body through which corporate intentions are forged and expressed for subsequent implementation by the Board of Directors. It comprises Brembo's Shareholders and meets regularly to pass resolutions according to the formalities and on matters defined by the law, as well as by the Company's By-laws. The most relevant Shareholders' Meeting's duties include selecting the members of the Board of Directors and the Board of Statutory Auditors, as well as approving the Financial Statements for the year.

MAIN SHAREHOLDERS

	DECLARANT	DIRECT SHAREHOLDER	NATIONALITY	No. OF SHARES	% OF SHARE CAPITAL	VOTES	% OF VOTING RIGHTS OUTSTANDING
1	Bombassei Alberto	NUOVA FOURB SRL	Italy	178,859,605	53.563	357,583,370	69.706
2		BREMBO SPA	Italy	15,051,860	4.508%	15,051,860 (*)	2.934%
3		CITY OF NEW YORK GROUP TRUST	U.S.	5,304,468	1.589	5,304,468	1.034
4		VANGUARD INTERNATIONAL VALUE FUND	U.S.	4,611,463	1.381	4,611,463	0.899
5		MAWER GLOBAL EQUITY FUND	Canada	3,321,231	0.995	3,321,231	0.647
6		MAWER GLOBAL SMALL CAP FUND	Canada	2,573,523	0.771	2,573,523	0.502
7		GOVERNMENT OF NORWAY	Norway	2,375,951	0.712	2,375,951	0.463
8		RBC IST TREATY CLIENTS AC	Canada	2,247,154	0.673	2,247,154	0.438
9		FLORIDA RETIREMENT SYSTEM	U.S.	2,031,602	0.608	2,031,602	0.396
10		MEDIOLANUM FLESSIBILE SVILUPPO ITALIA	Italy	1,950,000	0.584	1,950,000	0.380

* treasury shares are not excluded from voting rights.

As of 1 January 2022, the Shareholders' Register is managed in an electronic format. This new management method was also chosen with the aim of reducing paper consumption.

RELATIONS WITH SHAREHOLDERS - BREMBO SHAREHOLDER ENGAGEMENT POLICY

Brembo takes special care in monitoring relations with shareholders, institutional and private investors, financial analysts, and the financial community, scrupulously respecting mutual roles.

In accordance with the recommendations of the 2020 CGC, to which adheres, the Brembo Shareholder Engagement Policy was prepared and approved by the Board of Directors on 17 December 2021, following a process of circulation to the Independent Directors, members of the Audit, Risk & Sustainability Committee and Board of Statutory Auditors.

This Policy governs the relations, responsibilities and procedures for engaging in dialogue between the Company and its current and/or potential Shareholders and/or Investors, or with their representatives and advisors for voting matters. Dialogue may be initiated at the request of the current and/or potential Shareholders and/or Investors, or at the initiative of the Company, and is implemented, in the interest and on the behalf of the Company, solely by the parties identified in this Policy.

The Policy draws inspiration from the principles of propriety, transparency and symmetry of information, in accordance with EU and Italian legislation on market abuse. The full version of the Policy is available on the Company's website⁴⁵.

Brembo provides the Shareholders and/or Investors with information regarding its activities, strategies and performance, in the manner set out in this Policy. Particular attention is devoted to information regarding environmental, social and governance (ESG) issues, since they are deemed relevant to constructing a company identity of sustainability integrated into the business and designed to create present and future value.

Dialogue thus revolves around the matters within the purview of the Board of Directors and its committees, including,

in particular: corporate governance (e.g., appointments and composition of the Board of Directors, information regarding the size, competencies, professionalism, independence and diversity of the members of the Board of Directors and Board Committees, etc.), sustainability, company strategies, prospects and financial performance, management remuneration policies, dividend policies, Internal Control and Risk Management System and all other topics that may enable better understanding of the activities performed by Brembo, useful in supporting investment decisions.

On 17 December 2021, the Board of Directors granted general delegated powers to the Executive Chairman for operational management of all processes of engagement and dialogue with the current and/or potential Shareholders and/or Investors, ensuring that such processes are always performed in the Company's interest and in accordance with the laws, regulations, policies and internal rules. Within the framework of this delegated authority, the Executive Chairman is supported by the Head of Investor Relations and coordinates, where necessary or appropriate, with the CEO, Secretary of the BoD and the Chief Communication Officer, according to their respective attributes.

All Investors' requests may be sent to Brembo via the following channels: e-mail ir@brembo.it and phone +39 035 6052145.

Company-specific information that could be relevant to Shareholders is published on Brembo's website (www.brembo.com, section Investors) so as to provide them with the data required to make informed voting decisions.

For the disclosure and filing of regulated information, Brembo S.p.A. has availed of the Consob-authorized system 1INFO (www.1info.it), managed by Computershare S.p.A.

The activities carried out in 2023 according to the Shareholder Engagement Policy are described in the Corporate Governance and Ownership Structure Report 2023 (paragraph 12).

⁴⁵ www.brembo.com, section Company, Corporate Governance, Governance Documents.

SHARE CAPITAL

Brembo S.p.A.'s subscribed and fully paid-up share capital amounted to €34,727,914 at 31 December 2023 and was divided into 333,922,250 ordinary shares, without nominal value.

It should be noted that, as part of the Cross-Border Conversion approved by the General Shareholders' Meeting of 27 July 2023, on 12 January 2024 Brembo proceeded with the voluntary share capital decrease from €34,727,914.00 to €3,339,222.50 instrumental to the Transaction⁴⁶. The decrease was necessary as Dutch law, contrary to Italian law, does not allow the issuance of shares of Dutch N.V.'s without express indication of par value and it requires that the par value is specified in the articles of association and consist of no more than two decimal places.

For more information, see <https://www.brembo.com/en/investors/for-shareholders/registered-office-relocation>.

Accordingly, as of the date of approval of this NFI, the Company's share capital amounts €3,339,222.50 and is represented by 333,922,250 ordinary shares with no nominal value. The Company holds 15,051,860 own shares, representing 4.508% of share capital and 2.934% of voting rights. The voting rights associated with own shares have been suspended pursuant to Article 2357-ter, paragraph 2, of the Italian Civil Code; accordingly, the total number of votes that may be exercised at the General Shareholders' Meeting amounts to 318,870,390 ordinary shares. Pursuant to Article 127-quinquies of Legislative Decree No. 58 of 24 February 1998 (as subsequently amended and extended, the "TUF") Article 6 of the By-laws however, two votes are attributed for each share belonging to the same shareholder for a continuous period of at least twenty-four months from the date of registration in the special list for this purpose specifically established, kept and updated by the Company, as required by the By-laws (the so-called "increased voting right"). The number of shares which entitles to an increased voting right is available on the Company's website www.brembo.com (section "In-

vestors", "For Shareholders", "Increased Voting Right"). Following the application of the increased voting right mechanism as of the date of publication of the NFI pursuant to Article 127-quinquies of TUF and Article 6 of the By-laws:

- the overall number of voting rights that may be exercised is 512,988,721;
- shares entitling to the increased voting right mechanism are 179,066,471 out of a total of 333,922,250 shares, thus with overall voting rights equal to 358,132,942.

Executive Chairman

Appointed directly by the Shareholders' Meeting, the Chairman ensures balanced oversight of the Board's proceedings, playing a role of liaison between Executive Directors and Non-Executive Directors, in addition to ensuring the necessary balancing for effective, balanced management of meetings and the decision-making process, while also promoting the effective and adequate functioning of the corporate governance system and proceedings. His duties are regulated by the Regulations of the BoD (whose most recent update was approved during the BoD's meeting of 16 December 2022⁴⁷).

The BoD has granted the Executive Chairman all the powers allowing him to oversee the ordinary operations of the Company, and which attribute him a more strategic and institutional role than in the past, identifying the Executive Chairman as the liaison between Brembo and its stakeholders. The Executive Chairman has been granted delegated powers for operational management of all processes of engagement and dialogue with the current and/or potential Shareholders and/or Investors. The Executive Chairman periodically reports to the Board of Directors and the Board of Statutory Auditors on this specific activity. Any conflict of interest is managed according to the provisions of the Related Party Transactions Procedure.

⁴⁶ Said decrease was executed without cancellation of shares and without any reimbursement of capital to shareholders, through recognition to the Company's equity of a reserve of an equal amount. Therefore, this decrease had no impact on Brembo Shareholders' capital and administrative rights.

⁴⁷ The update of the Regulations of the BoD on 16 December 2022 refers to the increase of the age-limit for candidacies for the position of Independent Director to 78 to be submitted in view of renewal of the company bodies for the 2023-2025 term.

Chairman Emeritus

The role of Chairman Emeritus was introduced through an amendment to the By-laws of 17 December 2021. A director or person external to the Board of Directors may be appointed to serve in this role, provided that he or she has contributed to the Group's prestige and development notably and for a significant period of time. The Chairman Emeritus is tasked with advisory functions relating to the definition of strategies and actions aimed at the growth of the Group, as well as with representing Brembo at events relating to cultural, scientific and charitable activities and at institutional meetings. It bears also recalling that the Chairman Emeritus, even where he or she does not occupy the role of Director, may participate in the meetings of the Board of Directors, expressing non-binding opinions and recommendations, as well as in sessions of the Shareholders' Meeting. Any remuneration due to the Chairman Emeritus is determined by the Board of Directors.

Board of Directors (BoD)

This is the Governing Body that steers the Group and is responsible for managing the Company, except for any matters that fall within the scope of the duties fulfilled by the Shareholders' Meeting, pursuing its "Sustainable Success", as provided for by the Company's purpose. The Board of Directors is responsible for providing strategic and organisational guidance for the company and the Group, verifying the adequacy of the organisational structure and the fitness

of the checks needed to monitor the company's and the Group's progress. The functions and duties described in Article 1 of the 2020 CGC and Brembo's CGC also fall into the BoD's remit and include assessing the types and levels of risk that are compatible with Brembo's strategic goals, including from the point of view of the mid-to-long-term sustainability of the company's activities. The Board of Directors is also responsible for analysing, sharing, approving and monitoring the annual budgets and strategic, business and financial plans. It is also tasked with ensuring sustainable growth in the medium-to-long term through an adequate control and risk management system, including risks having an impact on sustainability, in addition to the utmost transparency towards the market and investors, with a particular emphasis on material changes in business prospects and situations of risk to which the company is exposed. Every quarter, the BoD examines, assesses and monitors the management performance, the Group's strategic operations, the report of powers granted, the strategic projects and industrial plans, the Group's growth strategies with related risks, as well as the suitability of the Internal Control and Risk Management System, the Governance and Compliance System and Brembo's significant operations.

The activities performed by the BoD in 2023, also with the aim of pursuing the Sustainable Success, are illustrated in the 2023 Corporate Governance and Ownership Structure Report (Paragraph 4.1).

APPOINTMENT, SELECTION AND COMPOSITION OF THE BOARD OF DIRECTORS

The current process for appointing and selecting the highest governing body grants the Ordinary Shareholders' Meeting the power of identifying the members of the Board of Directors. In particular, the members of the BoD are appointed by the ordinary Shareholders' Meeting on the basis of lists submitted by Shareholders with a minimum threshold of 1% of share capital. It should be noted that Brembo's By-laws does not provide for the possibility for the outgoing Board of Directors to submit its own list. The Board of Directors may be made up of a minimum of five and a maximum of eleven members, as per the resolution of the General Shareholders' Meeting in accordance with the following:

- at least one (1) Board member, or two members if the Board is made up of more than seven members, meeting the independence criteria and in accordance with the Corporate Governance Code, endorsed by the Company;

- its composition must reflect gender balance, in accordance with the laws from time to time in force.

Pursuant to Article 15 of the By-laws, the members of the Board of Directors may be re-appointed and, unless otherwise resolved by the General Shareholders' Meeting, shall hold office for the period determined by the General Shareholders' Meeting resolution appointing them, up to a maximum of three financial years.

The Regulations of the BoD provide for, *inter alia*, new criteria, based on as objective a foundation as possible, in addition to those established by applicable laws and regulations, relating to the professionals to propose as candidates in order to ensure that the composition of the Board of Directors is adequate to the Group's size, position, complexity and the specific nature of its business sector and strategies.

These criteria aim at ensuring the appointment of Board

members who have an optimal combination of skills and professional background and form the diversity policies for the Governing Body's composition not only with regard to gender, but also experience, professionalism, integrity, independence, age and other relevant aspects, as provided for by applicable laws, regulations, and the By-laws. In particular, Diversity policies and criteria for the Board of Directors:

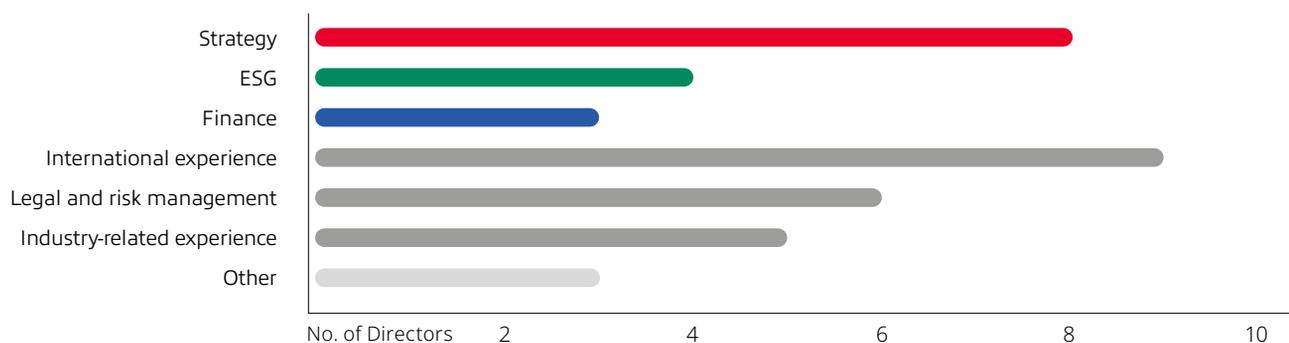
- reserve a minimum quota to the less represented gender in accordance with the provisions in force from time to time: at the date of approval of this document, law provides for a quota of 2/5;
- formulate qualitative and quantitative criteria to be used to assess the significance of the relationships being examined for the purposes of assessing the independence of the Directors (e.g. at least four positions must be filled by entrepreneurs or managers who have an international background and/or are from a geographical area where Brembo's business has a significant presence).

In view of the appointment of new boards at the 2023 General Shareholders' Meeting, in order to avoid precluding the possibility of nominating and/or confirming some potential members of the BoD whose skills and standing are recognised at both the Italian and international level, and to ensure continuity of the work done, the BoD's meeting of 16 December 2022 – with a favourable opinion from the Remuneration & Appointments Committee (also considering the results of the 2022 Board Performance Evaluation) — amended the Regulations to the BoD and Brembo's CGC, increasing the maximum age of candidates for the position of independent Director to 78. It should be noted that the candidates for the three-year period 2023-

2025 were nominated based on the guidelines expressed by the then outgoing Board of Directors in the document "Guidelines of the outgoing Board of Directors of Brembo S.p.A to Shareholders on the qualitative and quantitative composition of the Board of Directors" — published on 2 March 2023 and attached to the Directors' Report on the appointment of the Board of Directors, made available on the Company's website in view of the Shareholders' Meeting, with the aim of ensuring an optimal composition of the Board of Directors, in terms of skills, experience and professionalism among the Board members. The General Shareholders' Meeting of the Parent Brembo S.p.A. held on 20 April 2023 confirmed the number of Board members at 11 and appointed the Board of Directors for the three-year period 2023-2025, i.e., until the General Shareholders' Meeting called to approve the Financial Statements for the year ended 31 December 2025.

All the appointed Directors meet the requirements of personal integrity, professionalism and respectability imposed by applicable statutory and regulatory provisions. The Non-executive Directors and those who can qualify as Independent Directors meet the requirements set by Article 148, paragraph 3, of TUF, and/or by the Corporate Governance Code. As required under the 2020 CGC, Brembo set up and reconfirmed, within the Board of Directors, the Remuneration & Appointments Committee and the Audit, Risk & Sustainability Committee, which also acts as the Related Party Transactions Committee. The roles, composition and functioning of all Committees are defined in specific Regulations fully implementing the principles and criteria set forth in the 2020 CGC. Further details on the composition of each Committee and the activity carried out please refer to the tables on pages 226.

BOD'S SKILL MATRIX 2023⁴⁸



* "Other" includes the further skills not included in the list that each Director has declared on an autonomous basis.

⁴⁸ Results of the 2023 skill matrix emerge from the Board Performance Evaluation for the three-year period 2022-2023, described in the sub paragraph "The Board of Directors' performance assessment".



COMPOSITION OF THE BOARD OF DIRECTORS AND OF BOARD COMMITTEES - 2023

BOARD OF DIRECTORS														2023 MEETINGS	AUDIT, RISK & SUSTAINABILITY COMMITTEE / RELATED PARTY TRANSACTIONS COMMITTEE	REMUNERATION & APPOINTMENTS COMMITTEE
OFFICE HELD	NAME AND SURNAME	YEAR OF BIRTH	DATE OF FIRST APPOINTMENT ¹	IN OFFICE FROM	IN OFFICE UNTIL	LIST ²	EXEC.	NON-EXEC.	AS PER CODE	AS PER TUF	INDER.	ATTENDANCE RATE AT 2023 MEETINGS ³	OTHER OFFICES HELD ⁴	ATTENDANCE RATE AT SHAREHOLDERS' MEETINGS	MEMBER	MEMBER
Executive Chairman	Matteo Tiraboschi	1967	24.04.2002	20.04.2023	Approval of the Financial Statements at 31.12.2025	Ma	X					100%	-	100%		
Chief Executive Officer	Daniele Schillaci	1964	28.06.2019 (coopt.)	20.04.2023	Approval at 31.12.2025	Ma	X					100%	-	100%		
Director	Cristina Bombassei	1968	16.12.1997 (coopt.)	20.04.2023	Approval at 31.12.2025	Ma	X					100%	1	100%		
Director	Roberto Vavassori	1959	17.12.2021	20.04.2023	Approval at 31.12.2025	Ma	X					100%	-	100%		
Director	Elisabetta Magistretti	1947	23.04.2020	20.04.2023	Approval at 31.12.2025	Ma		X	X	X		100%	1	100%	X (Chair) 100%	
Director	Elizabeth M. Robinson	1956	23.04.2020	20.04.2023	Approval at 31.12.2025	Ma		X	X	X		100%	-	100%		X 100%
Director (LID)	Manuela Soffientini	1959	03.03.2022	20.04.2023	Approval at 31.12.2025	Ma		X	X	X		100%	3	100%	X 100%	X 100%
Director	Gianfelice Rocca	1948	29.04.2011	20.04.2023	Approval at 31.12.2025	Ma		X	X ⁵	X		100%	7	100%		
Director	Umberto Nicodano	1952	03.05.2000	20.04.2023	Approval at 31.12.2025	Ma		X				100%	-	100%		
Director	Giancarlo Dallera	1946	20.04.2023	20.04.2023	Approval at 31.12.2025	Ma		X	X	X		100%	0	100%		X (Chair) 100%
Director	Michela Schizzi ⁶	1982	20.04.2023	20.04.2023	Approval at 31.12.2025	Mi		X	X	X		100%	1	100%	X 100%	
Number of meetings held during the year of reference										(2023)	BoD: 10	Shareholders' Meetings: 2	ARSC: 11	RAC: 3		

DIRECTORS WHO LEFT OFFICE IN 2023

OFFICE HELD	NAME AND SURNAME	YEAR OF BIRTH	DATE OF FIRST APPOINTMENT ¹	IN OFFICE FROM	IN OFFICE UNTIL	LIST ²	EXEC.	NON-EXEC.	AS PER CODE INDEP.	AS PER TUF INDEP.	ATTENDANCE RATE AT 2023 MEETINGS ³	OTHER OFFICES HELD ⁴	ATTENDANCE RATE AT SHAREHOLDERS' MEETINGS	RENUMERATION & APPOINTMENTS COMMITTEE		AUDIT, RISK & SUSTAINABILITY COMMITTEE / RELATED PARTY TRANSACTIONS COMMITTEE
														MEMBER	MEMBER	
Director	Valerio Battista	1957	20.04.2017	23.04.2020	Approval at 31.12.2022	Ma		X	X	X	50%	n.a.	0%			
Director	Nicoletta Giadrossi	1966	20.04.2017	23.04.2020	Approval at 31.12.2022	Mi		X	X	X	100%	n.a.	0%	X 100%	X 100%	

NOTES

- This column shows the date on which the Director was appointed by the General Shareholders' Meeting as a Director of Brembo for the first time; 'coopt.' means the date of co-option by the Board of Directors.
- This column indicates the list from which each Director was appointed ("Ma": majority list; "Mi": minority list). It should be noted that Brembo S.p.A.'s By-laws does not provide for the possibility for the outgoing Board of Directors to submit its own list.
- This column shows the Directors' attendance rate at the meetings held by the BoD or Board Committees in 2023 (No. of times attended/No. of meetings held during the Director's actual term of office).
- This column shows the number of Directorships or Auditorships held in other companies listed on regulated markets, including foreign markets, financial companies, banks, insurance companies and large companies. Said information can be obtained from their respective statements. It should be noted that the maximum number of Directorships and Audi-

torships in listed companies is set at four. Positions at listed companies in which the Director also holds a significant equity interest should not be considered. The positions of each Director are indicated in his or her respective Professional profile.

- It should be noted that Gianfelice Rocca qualified as independent due to the consolidated principle of the prevalence of substance over form, since the renewal of his appointment as Director of Brembo follows nine years of completed service in office. This was also in light of the professionalism and dedication that he has always shown and his active, punctual participation in Board meetings, and to his speeches and thoughts that have enriched and instilled quality into debate within the Board towards the resolutions passed while also maintaining complete independence of judgement.

- The candidature of Director Michela Schizzi was submitted by a group of Shareholders representing 2.372% of the share capital - General Shareholders' Meeting held on 20 April 2023.

REMUNERATION POLICIES

The BoD, through a transparent procedure in which the Remuneration & Appointments Committee of Brembo is involved, defines on annual basis the Remuneration Policy of Executive Directors, the other Directors holding special offices and the Key Management Personnel.

Said Policy is then submitted for approval to the General

Shareholders' Meeting to illustrate the remuneration criteria for the Directors and the other key figures within the company.

The Remuneration & Appointments Committee is made up of three Independent and Non-Executive Directors, one of whom is appointed Chairman.

The current Committee, appointed by the Board of Directors of 20 April 2023, following the appointment of the new company bodies by the Shareholders' Meeting, will remain in office until the approval of the Financial Statements for the year ending 31 December 2025. The Committee is tasked with ensuring that the actual remuneration complies with the principles and criteria defined in the Policy, approving proposals or expressing opinions to the BoD on the performance objectives associated with the variable component of remuneration and verifying their achievement.

Under the Policy, the Remuneration & Appointments Committee is vested solely with recommendatory functions. The power to determine the remuneration of Directors holding special offices is in any event entrusted to the Board of Directors, in concert with the Board of Statutory Auditors

and in compliance with the overall remuneration established by the General Shareholders' Meeting.

The 2024 Policy⁴⁹, incorporated into the Report on the Remuneration Policy and Remuneration Paid, was approved by the BoD on 5 March 2024, on the proposal of the Remuneration & Appointments Committee, and subsequently disclosed to the public in accordance with the terms established by law for the approval by the General Shareholders' Meeting to be held on 23 April 2024⁵⁰.

The 2024 Remuneration Policy was defined in line with the company's strategy and long-term goals, in particular to ensure its economic and social sustainability by attracting and retaining the Key People needed to create value for all stakeholders.



1. Ensuring the sustainable growth of our Group

The ability to report economic and financial results that are above the reference market average, despite the persistence of a complex global macroeconomic scenario



2. Creating value for our shareholders

Drawing up a Policy able to ensure the alignment of management's interests with the priority of creating sustainable shareholder value over a medium-long-term horizon



3. Balancing decisions against their social and environmental impact

Brembo has always paid particular attention to the development of global policies in the areas of ethics, responsibility, and sustainability, considering these values to be the foundation of the valuable "intangible" heritage formed by its brand, and the set of principles that characterise the way in which a socially responsible Company acts



4. Promoting the Guiding Principles that characterise the Group

Ethics, quality, acknowledgement, proactivity and belonging are the five guiding values that make up the wealth of Brembo's shared culture, as well as a benchmark for conducting the Company's business and operations in full respect for all the Group's stakeholders



5. Making the Company attractive on the market and investing in Brembo People

Brembo's Remuneration Policy provides for an overall remuneration suited to promoting the attraction and retention of high-profile candidates. This Policy constantly recognises the performances achieved so as to attract new talent and ensure Brembo People's ongoing strong commitment

⁴⁹ <https://www.brembo.com/en/company/corporate-governance/remuneration-policies>.

⁵⁰ In 2019, regulations governing the Remuneration Policy, included in Article 123-ter of TUF, was partially amended to be brought in line with changes to the law. The most relevant changes include the introduction of two distinct types of voting: a binding vote on the Remuneration Policy (Section I) and a vote on Remuneration Paid in the previous year (Section II).

The Report, prepared in compliance with Attachment 3A, Table 7-bis, of the Issuers' Regulation introduced by CONSOB Resolution No. 18049 of 23 December 2011, as subsequently amended by CONSOB Resolution No. 21623 of 10 December 2020, as well as in accordance with the Dutch Civil Code and the Dutch Corporate Governance Code, consists of two sections:

SECTION I:

this section refers to the members of the Governing Bodies, General Managers and Key Management Personnel and contains information about the principles and guidelines according to which Brembo S.p.A. sets its Remuneration Policy, in addition to information about the procedures used to adopt and implement that Policy. This section describes in a clear, transparent and intelligible way, the general principles and purposes pursued, information regarding the governance of the process aimed at defining Brembo S.p.A.'s Remuneration Policy with details of the main Bodies and Parties involved, as well as information on the purposes, tools and recipients of the said Policy.

Section I of the Report on the Remuneration Policy and Remuneration Paid, in accordance with the provisions of Legislative Decree No. 49 of 10 May 2019, is subject to the binding vote of the Ordinary Shareholders' Meeting, called to approve the 2023 Financial Statements.

SECTION II:

organised into two parts and audited, in accordance with the provisions of Legislative Decree No. 49 of 10 May 2019, by the firm Deloitte & Touche S.p.A., appointed to perform the audit. The first part contains an illustration of each of the components of remuneration paid to the members of the Board of Directors, the members of the Board of Statutory Auditors and Key Management Personnel in 2023, in accordance with the Remuneration Policy adopted for that year. The second provides a detailed account of the compensation paid during the reporting year, in any capacity and form, by the Company and its Subsidiaries and Associ-

ates, using the tables annexed to the Report, which are an integral part thereof.

Section II of the Report on the Remuneration Policy and Remuneration Paid, in accordance with the provisions of Legislative Decree No. 49 of 10 May 2019, is subject to the advisory vote of the Ordinary Shareholders' Meeting, called to approve the 2023 Financial Statements.

The two sections are supplemented with additional context-related information to enable the market and Investors to read the remuneration information contained in the Report together with the Group's strategic guidance and sustainability, with a view to understanding the main drivers that allow Brembo S.p.A.'s Remuneration Policy to contribute more fully to the pursuit of long-term value creation for all its stakeholders.

The Policy envisages that part of the Management's remuneration be linked to the achievement of performance objectives — which are set and established in advance — through a Management by Objectives (MBO) annual Incentive Plan and a Long Term Incentive Plan (LTIP).

With regard to the remuneration of Brembo's Non-executive Directors, the Policy provides for compensation adequate to their duties, professionalism and commitment required by their assignments within the Board of Directors and Board committees. Such compensation is not linked to financial performance objectives and, in line with the best market practices, no form of variable remuneration is provided for. There is, however, a Directors & Officers (D&O) Liability policy to cover the risk of third-party claims arising from their actions in performance of their duties. This policy also extends to any legal expenses. With regard to Directors holding special offices, the Board of Directors deemed it appropriate that, as Executive Directors and Key Management Personnel⁵¹, a significant part of their remuneration be linked to the achievement of specific performance objectives, indicated in advance and determined in accordance with the guidelines laid down in the General Remuneration Policy, defined by the Board of Directors.

51 It should be recalled that at the meetings held on 6 June 2011 and 10 November 2011, the Board of Directors also identified the Directors holding special offices as Key Management Personnel, as amended by the Board after the extraordinary Shareholders' Meeting of 17 December 2021 (also taking into account the opinion of the Remuneration & Appointments Committee) and referring to the Executive Chairman and the Chief Executive Officer. These positions were confirmed by the Board of Directors on 20 April 2023

In addition, it should be noted that:

- the ratio of the annual remuneration of the most highly paid individual to the average remuneration of employees is 47.8. In accordance with what is stated in the Report on the Remuneration Policy for 2024 and Remuneration Paid in 2023, the average, rather than the median, was taken into consideration. Average gross annual remuneration is in line with the Report on the Remuneration Policy for 2024 and Remuneration Paid in 2023 (Section II — Comparative information regarding the remuneration of the Board of Directors, the Group’s results and the average remuneration of Brembo’s Employees) and does not consider the remuneration of the highest-paid person and of Executive Directors. The average was calculated taking into account Brembo S.p.A.’s employees only. The compensation elements used in the calculation are the Fixed Remuneration, the short-term target incentive (MBO) or the Performance Bonus (based on the offer defined for each category of the corporate population).
- the ratio of the percent increase in the total annual compensation of the most highly paid individual within the organisation to the average percent increase in the total annual remuneration of all employees is equal to 0.82. The compensation elements used in the calculation are the Fixed Remuneration, the short-term target incentive (MBO) or the Performance Bonus (based on the offer defined for each category of the corporate population).

GOVERNANCE COMMITTEES

As required under the 2020 CGC, Brembo set up, within the Board of Directors, the Remuneration & Appointments Committee and the Audit, Risk & Sustainability Committee, which also acts as the Related Party Transactions Committee.

The roles, composition and functioning of all Committees are defined in specific Regulations fully implementing the principles and criteria set forth in the 2020 CGC.

COMMITTEES	NUMBER OF MEETINGS 2023	ATTENDANCE RATE	PRESENCE OF INDEPENDENT MEMBERS
Remuneration & Appointments Committee	3	100%	100%
Audit Risk & Sustainability Committee (which also acts as the related party transactions committee)	11	100%	100%

With regard to the activities carried out in 2023 by the Remuneration & Appointments Committee and the Audit, Risk & Sustainability Committee, please refer to the 2023 Corporate Governance and Ownership Structure Report (Paragraph 8.2 and 9.2).

BOARD OF DIRECTORS' PERFORMANCE ASSESSMENT

In order to ensure the proper functioning of the highest governing body, at least annually an evaluation is made of the Board of Directors and its Committees, as well as their size and composition, taking also into account aspects such as the professional expertise, experience (including managerial experience), gender of their members, seniority of service and effectiveness and efficiency in the performance of their assignment.

The process is based on self-assessment methods and must be conducted in each year of the BoD's three-year term. It therefore must be modulated over the three years to adapt the assessment to the specific phase of the term:

- in the first phase of the term, the assessment activity relates to all areas of functioning of the BoD, in order to identify aspects that might be improved during the current term;
- in the intermediate phase of the term, the assessment examines the actions taken, while also considering the results of the first assessment, to render the BoD even more cohesive and functional, in view of ongoing improvement over the three years;
- in the final phase, the outgoing BoD conducts an end-of-term assessment and analyses the qualitative and quantitative composition of the Board, so as to provide guidance concerning the professionals whose presence is deemed appropriate to an optimal composition of the new Board of Directors.

According to the Corporate Governance Code, the Remuneration & Appointments Committee is responsible for starting and managing the Board Performance Evaluation (BPE). However, in light of the consolidated, effective and efficient practice with which the LID and Independent Di-

rectors performed this activity during the previous term of office — it was decided to confirm the assignment of coordination activities to the LID, in keeping with previous editions.

The three-year self-assessment process is structured as follows:

- Year 2023: activity managed internally by Brembo through questionnaires and, where necessary, individual interviews of Directors;
- Year 2024: activity managed internally by Brembo through questionnaires and, where necessary, individual interviews of Directors;
- Year 2025: assessment of the possibility of assigning the BPE activity to an external independent advisor.

The Board Performance Evaluation for 2023 was performed according to the following working plan. The plan was presented firstly on 18 October 2023, during the meeting of the LID. Subsequently, on 7 November 2023, the LID illustrated to the Board of Directors the Working plan and submitted the final questionnaire to the Directors. The Directors sent the filled-in questionnaire to the Legal & Corporate Affairs GCF by 30 November 2023. From then until 6 December 2023, the LID analysed the questionnaires and assessed whether it was necessary to perform individual interviews. On 19 December 2023, the results of the analyses were presented to the BoD and all the Independent Directors.

The results of the Board Performance Evaluation and the activity performed are reported on an annual basis in the Corporate Governance and Ownership Structure Report. Reference should be made to the related 2023 Report (paragraph 7.1).

INDUCTION PROGRAM

With reference to training and development of the skills of Directors, Brembo defined a dedicated induction programme, structured in several sessions, specifically designed for newly appointed Directors and Statutory Au-

ditors. This initiative is aimed at providing an adequate understanding of the Group and the business industry in which the Group operates, its products, company dynamics and their evolution, including in a view of Sus-

tainable Success, as well as organisational structure, the principles of proper risk management, applicable laws and regulations and major trends that may have an impact on the current performance and the Group's short-, medium- and long-term growth strategy. At the end of its *induction* period Brembo offers to the members of the Board of Directors the option to engage in personalised in-depth training activities centred on each Director's specific interest areas or remits, as well as the opportunity to focus on specific subject matters prompted by new requests for more in-depth information arisen from Independent Directors' meetings or as a consequence of the Board Performance Evaluation. All newly appointed Directors receive the "Director's Manual", which contains all of the Codes, Regulations and Governance Procedures adopted by the Company. As part of these initiatives, particularly important is the Board meeting dedicated to the review of the Industrial Plan and the related risks. Convened on an annual basis and with the support of the Company's top management, such meeting is focused on the analysis and investigation of the Group's medium/long-term strategies.

In 2023, a basic induction training path was organised for the newly appointed Directors and Statutory Auditors of Brembo S.p.A. elected by the Shareholders' Meeting on 20 April 2023, for the 2023-2025 term, also open to the other Independent Directors and Statutory Auditors. The programme consisted of several sessions held remotely, with the direct involvement of various C-suite managers of Brembo S.p.A.

Lastly, on 18 July 2023 an *induction* training session hosted by Dutch law experts was organised to examine the main aspects of the corporate governance code in force in The Netherlands.

In 2023, additional training activities were carried out during board or committee meetings and concerned constant updates on the outlook for the automotive industry, amendments to the 231 Model, briefings on the international geopolitical situation and its impacts in the automotive industry, gender equality certification and news

regarding non-financial reporting under the new CSRD (Corporate Sustainability Reporting Directive). For further details on the 2023 induction activity, please refer to the Corporate Governance and Ownership Structure Report 2023 (Paragraph 4.6).

Board of Statutory Auditors

It is the body in charge of supervising compliance with the law and corporate By-laws, observance of the principles of sound management and adequacy of the organisational, administrative and accounting structures adopted by the Company. It is tasked with functions of supervision of the financial reporting process, the efficacy of internal control systems, internal auditing and risk management, the statutory auditing of the annual and consolidated accounts and the independence of the auditing firm. All members of the Board of Statutory Auditors satisfy the eligibility, integrity and professionalism requirements laid down by the law. In addition, the Acting Auditors shall be chosen from persons who qualify as independent.

The General Shareholders' Meeting held on 20 April 2023 appointed the Board of Statutory Auditors for the three-year period 2023-2025, i.e., until the General Shareholders' Meeting called to approve the Financial Statements for the year ending 31 December 2025⁵², based on the two lists submitted, respectively by the majority shareholder Nuova FourB S.r.l. and a group of Asset Management Companies and other institutional investors (holding 2.372% of the share capital, overall).

Pursuant to Article 22 of the By-laws, the following Statutory Auditors were elected from the minority list:

- the first candidate for Acting Auditor, Fabrizio di Giusto, who was also appointed Chairman of the Board of Statutory Auditors pursuant to law and the company's By-laws;
- the first candidate for Alternate Auditor.

The composition of the Board of Statutory Auditors is indicated in the following table.

⁵² Due to the Cross-Border Conversion, whereby the company is transferring its registered office to the Netherlands — a country in which a One-Tier system is in place, and thus without a control body as defined in the Traditional system — with effect from 24 April 2024, Brembo's current Board of Statutory Auditors will cease to serve on the Transaction Effective Date (24 April 2024), and the control function will be performed by non-executive directors, who, in accordance with the Dutch Corporate Governance Code (as defined below), will make up the majority of the members of the Board of Directors.

BOARD OF STATUTORY AUDITORS - COMPOSITION AT 31 DECEMBER 2023

BOARD OF STATUTORY AUDITORS											
OFFICE HELD	NAME AND SURNAME	YEAR OF BIRTH	DATE OF FIRST APPOINTMENT ¹	IN OFFICE FROM	IN OFFICE UNTIL	LIST ²	INDEX AS PER CODE	WEIGHT OF OTHER OFFICES HELD ³	ATTENDANCE TO BOARD OF STATUTORY AUDITORS' MEETINGS IN 2023 ⁴	ATTENDANCE TO BOARD OF DIRECTORS' MEETINGS IN 2023 ⁴	ATTENDANCE TO THE SHAREHOLDERS' MEETINGS ⁴
ACTING AUDITORS											
Chairman	Fabrizio Riccardo Di Giusto	1966	20.04.2023	20.04.2023	Approval of the Financial Statements at 31.12.2025	Mi	X	1.2	100%	100%	100%
Acting Auditor	Mario Tagliaferri	1961	20.04.2017	20.04.2023	Approval at 31.12.2025	Ma	X	5.6	93.75	100%	100%
Acting Auditor	Stefania Serina	1984	29.04.2022	20.04.2023	Approval at 31.12.2025	Ma	X	2	100%	100%	100%
ALTERNATE AUDITORS											
Alternate Auditor	Alessandra Vaiani	1970	20.04.2023	20.04.2023	Approval at 31.12.2025	Ma	X	-	-	-	-
Alternate Auditor	Giulia Pusterla	1960	20.04.2023	20.04.2023	Approval at 31.12.2025	Mi	X	-	-	-	-
No. of meetings held during the year of reference (2023)									Board of Statutory Auditors: 16	Board of Directors: 10	Shareholders' Meetings: 2
STATUTORY AUDITORS WHO LEFT OFFICE IN 2023											
Chairwoman	Raffaella Pagani	1971	29.04.2014	23.04.2020	Approval at 31.12.2022	Mi	X	4.92	100%	50%	100%

NOTES

1 The date of first appointment of each Auditor refers to the date on which the said Auditor was appointed for the first time (ever) as member of Brembo S.p.A.'s Board of Statutory Auditors.

2 This column shows the list from which each Auditor was elected ("Ma": majority list; "Mi": minority list, submitted by a group of shareholders representing 2.27836% of share capital).

3 This column shows the number of other Directorships or Auditorships held by the Auditor within the meaning of Article 148-bis of TUF and relevant

implementing provisions set forth in Consob Rules for Issuers, in addition to the weight calculated on the basis of Article 144-duodecies of these Rules. The full list of Directorships and Auditorships held is published on the Consob website pursuant to Article 144-quinquiesdecies of the Consob Rules for Issuers.

4 This column shows the percentage of Board of Directors' meetings attended by Statutory Auditors in 2021 (No. of meetings attended/No. of meetings held by the Board during the Statutory Auditor's actual term of office).

Independent Auditors

General Shareholders' Meeting convened on 22 April 2021 granted the mandate for auditing the accounts of Brembo S.p.A.⁵³ for a 9-year term, i.e. for the years ended 31 De-

cember 2022-2030, on the basis of the recommendation expressed by the current Board of Statutory Auditors. Moreover, the Independent Auditors meet regularly with the Board of Statutory Auditors and, during some sessions,

53 Mandate for auditing the accounts of Brembo S.p.A., pursuant to Legislative Decree No. 39 of 27 January 2010, of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014.

also jointly with the Audit, Risk & Sustainability Committee, for updates on audit activities and to discuss the significant matters raised in the Independent Auditors' Report pursuant to Articles 14 and 16 of Legislative Decree No. 39/2010, as amended by Legislative Decree No. 135/2016.

The Independent Auditors in office were also assigned responsibility for verifying the preparation of the Disclosure of Non-Financial Information drafted in accordance with Legislative Decree No. 254/2016, and were granted an assignment to conduct limited assurance on the Disclosure of Non-Financial Information of Brembo according to an assessment of the appropriateness and efficiency of its approach and activity.

The management and development of the governance system is founded on a number of responsibilities, related to a system of procedures, practices and activities designed not only to meet legal requirements, but also to make the governance system effective as a whole. For this purpose the following tools are also in place at Group level:

1. Delegation of Powers

Brembo has established a system of delegated powers and powers of attorney to ensure that powers are segregated and the related flows and processes improved, for regulatory compliance purposes.

It is an integral part of Brembo's Internal Control and Risk Management System and is used as a tool for management, oversight and supervision, including with regard to Legislative Decree No. 231/2001, because it permits:

- I) the identification of persons whose actions may potentially be, or already are, externally relevant and may give rise to the commission of an offence;
- II) distribution of decision-making and commitments, including commitments to spend money, on the Company's behalf;
- III) prevention of the abuse of the powers assigned.

Authority to delegate powers is vested solely in the Executive Chairman, and Chief Executive Officer (exclusively in relation with powers concerning workplace safety and environment), on the basis of specific powers vested in the latter by the Board of Directors, without prejudice to specific Board resolutions.

The new structure is focused on the diversification of the duties and responsibilities of the delegated bodies (the Executive Chairman and CEO) and is intended to make the most of the respective professional and personal aptitudes, competencies and characteristics of the delegated bodies. It is inspired by the need to create a clear, precise division of competencies functional to avoiding overlapping and/or situations of decision-making impasse and to enabling the rapid identification of those responsible for individual management decisions, both within the Company and by stakeholders.

The GBU Chief Operating Officers and the officers who have been assigned specific company functions — generally coinciding with the first reports to the Executive Chairman and Chief Executive Officer — who have been granted limited powers for ordinary management in relation to the performance of their respective offices, have been granted further delegated powers. Conversely, solely on an exceptional basis — subject to review from time to time by the Executive Chairman, the Chief Legal & Corporate Affairs Officer and the Chief Human Resources & Organisation Officer —, special powers are granted to employees whose job descriptions do not fall within the categories mentioned above, but who, by reason of their assigned tasks, are required to represent Brembo in the latter's relations with the Public Administration (such as for instance, customs authorities, the Provincial Labour Department, etc.).

Lastly, Employers have also been identified pursuant to Article 2, paragraph 1, letter B, of Legislative Decree No. 81/2008 for Brembo's various production units, to which all of the necessary powers of organisation, management and spending authority have been assigned for the performance of the role of employer, as defined in current legislation.

In accordance with laws and regulations and pursuant to the By-laws, the Bodies Delegated by the Board of Directors report on the activities carried out in the performance of their respective delegated powers, at least on a quarterly basis and in any case in the subsequent meeting.

2. Governance Model of Subsidiaries

Brembo has fixed additional internal rules, in accordance with regulations applicable in each Country, based on the size and complexity of each Subsidiary, to define the corporate structure of subsidiaries so that this is compatible with the Parent's "traditional" structure.

3.2 RESPONSIBLE BUSINESS MANAGEMENT SYSTEM

Brembo considers that transparent, ethical and compliant conduct, under all aspects, is essential for the company's activities to be managed correctly. This means not only observing the current laws and regulations, but also considering the expectations and aspirations of the various stakeholders. In order to promote a Group's prevention policy, Brembo has implemented an integrated global compliance system, adopting a system of tools which apply to the entire Group (Brembo Corporate and Compliance Tools⁵⁴) designed to ensure a high ethical standard.

The Code of Ethics is the mainstay of this system, but the Code must be read and interpreted together with the documents considered essential for the development and dissemination of the Group's core values. These include the Anti-bribery Code of Conduct, the Brembo Compliance Guidelines, the Code of Basic Working Conditions, Brembo's Policy on Non Discrimination and Diversity and other codes of conduct, policies, procedures, guidelines and organisational provisions existing today. These documents meet the requirements of Legislative Decree No. 254/2016, which requires information to be provided on the policies implemented by the business for managing the impact of its activity in non-financial environments. All the Codes and policies adopted and described below apply to the Brembo Group, unless otherwise specified.



3,090

Employees trained
on the Code of Ethics in 2023

Code of Ethics

This Code sets out the behavioural standards that must be adhered to by all those who, for whatsoever reason, work on behalf of Brembo, in order to support sustainable growth and protect the company's reputation, in compliance with the principles shared on a Group level, applicable laws and best practice. The document encourages the understanding of and respect for diversity in countries where Brembo operates, and fostering a real culture of integrity with all the company's stakeholders. The third edition of

the Code of Ethics, approved by the Group's Board of Directors in December 2016, is available in the local languages of the Countries where Brembo operates.

The Code of Ethics, approved by the Board of Directors, after having been examined by the Audit, Risk & Sustainability Committee and the Supervisory Committee, must be read and interpreted together with the Anti-bribery Code of Conduct, the Code of Basic Working Conditions, Brembo's Policy on Non Discrimination and Diversity and all the other codes of conduct, policies, procedures, guidelines and organisational provisions existing today.

Anti-bribery Code of Conduct

This Code is aimed at maximising transparency, clarifying permissible behaviour, ensuring strict compliance with anti-bribery regulations in force in all countries in which Brembo operates and by any person who, in any capacity, work for Brembo, maintaining the highest standards of integrity. It also defines, inter alia, Brembo's policy on giving and receiving of gifts, hospitality and entertainment, the free provision of goods and services for promotional or public relations purposes, financing to political parties, donations to charitable organisations. Any amendments to the Anti-bribery Code is submitted for approval to the Audit, Risk & Sustainability Committee, the Supervisory Committee and approval by Board of Directors.

For China-based Group companies a China Anti-bribery Addendum has been adopted, which supplements Brembo's Anti-bribery Code of Conduct and introduces further specific rules, in compliance with local legislation and practices.

Organisational, Management and Control Model according to Legislative Decree No. 231/2001

Brembo adopted its own Organisational, Management and Control Model according to Legislative Decree No. 231/2001 (hereinafter "231 Model"), approved by the Board of Directors, after having been examined by the Audit, Risk & Sustainability Committee and the Supervisory Committee, and applied to Brembo S.p.A., compliant with Confindustria's Guidelines on Organisational Models, which is an integral part of the Internal Control and Risk Management System. With respect to implementation of the 231 Model,

⁵⁴ The Brembo Codes of Conduct and Policies are available for public consultation at <http://www.brembo.com/en/company/corporate-governance/codes-policies>.

monitoring activities are conducted by the Internal Audit GCF, which prepares periodic reports for the Supervisory Committee and the Audit, Risk & Sustainability Committee, which in turn report to the BoD. Internal Audit also prepares a periodic report for the BoD.

In 2023, the 231 Model was updated twice:

1. The first change was made in July 2023, with the adoption of the new Whistleblowing Procedure (the whistleblowing channel is managed by the Internal Audit GCF) and the update to the General Part of the 231 Model. In detail, the changes refer to the introduction of the reference to the definition of the Whistleblowing Decree (Legislative Decree No. 24/2023 transposing Directive (EU) No 1937/2019), the updating of the list of offences, to which the offence of false or omitted statements for the issuance of the pre-operation certificate" was added, and the updating of the paragraph on the disciplinary framework, as also applicable to cases of violation of the Whistleblowing Procedure — a paragraph that was added for consistency with the reference to the new procedure and the new channel set up pursuant to Legislative Decree No. 24/2023.
2. The second amendment was made in November 2023 to update the 231 Model in both the General Section and one Special Section entitled "Offences associated with Receiving, Money Laundering and Using Money, Assets or Profits Obtained Illegally, as well as Self-Laundering" in order to reflect the regulatory changes introduced by Article 25-novies of Legislative Decree No. 231/01 (Copyright infringement); Article 353 of the Italian Criminal Code (Bid rigging); Article 353-bis of the Italian Criminal Code; (Interference with the tender process); Article 512-bis of the Italian Criminal Code (Fraudulent transfer of values), while also updating, where necessary and applicable, the offence, the related sensitive activities and control protocols.

In this context, noteworthy is also the use of **Brembo Compliance Guidelines** (most recently updated in July 2022), which summarise the main rules of conduct and main control principles indicated in the Special Sections of the 231 Model which the Subsidiaries are required to adopt to prevent crimes within the meaning of Legislative Decree No. 231/2001. Compliance with said guidelines prevents from criminal liability being transferred to Brembo S.p.A. and its subsidiaries and corporate liability being transferred from the Subsidiaries to the Parent.

Local Compliance Programmes

These are the compliance programmes (summarised in a specific document) implemented in each subsidiary (in Italy this occurs through the 231 Model) to prevent or mitigate corporate liability in accordance with local legislation, through a risk assessment process, a mapping of sensitive areas and preparing of the most suitable control protocols, which form part of each subsidiary's risk control and management system. Each Country General Manager with responsibility for the operation of each company's Risk Control and Management System acts as the contact person for implementation and monitoring of the local compliance programme project, with the support of the various officers responsible for process and the related organisational structure. It remains understood that Brembo's Corporate and Compliance Tools are an integral part of the local compliance model.

In 2023, the Chairman of the Supervisory Committee verified, through the questionnaires sent to the various CGM of the Group Companies, the implementation status of the local compliance programmes and reported thereon to the Board of Statutory Auditors, the Audit, Risk & Sustainability Committee and, in its six-monthly report, to the Board of Directors.

Related Party Transactions Procedure Conflicts of interest

The purpose of the Procedure is to ensure the transparency and the substantive and procedural propriety of Related Party Transactions, unless they are concluded at arm's length, with a view to safeguarding the Company's higher interests. This Procedure also governs disclosure to the public of Related Party Transactions, if any.

In fact, a conflict of interest exists when a personal interest or activity interferes or could interfere with Brembo's task. According to the Group's Code of Ethics, any situation that could generate a potential or actual conflict of interest must be communicated to the immediate superior of the person concerned. The Guidelines set out procedures to ensure that decisions taken at any level are not influenced by personal interests and/or relationships, but are in the exclusive interest of Brembo; similarly, commercial agreements are to be signed or continued solely on the basis of objective criteria, including quality, price and reliability of the business partner in question. In particular, Directors are required to inform the other Directors and the Board of Statutory Auditors of all interests that they have, on their

own account or on account of third parties, in a given company transaction, specifying its nature, terms, origin and scope and whether they are involved in a voting procedure in relation to the transaction, regardless of whether it is a transaction of lesser or greater importance. Moreover, senior personnel/high-level executives (other than Directors and Statutory Auditors) and/or those with the power to bind the Company in relations with third parties and/or required to engage in relation with public offices, are also required to report entities or persons related to them who might, even in the abstract, give rise to conflicts of interests. The company thus periodically issues a specific *disclosure* request to such individuals.

As an integration to the Brembo S.p.A.'s RPT Procedure, but consistent with the latter, the Group companies implemented a local procedure that sets out the operating processes to identify their respective Related Parties and Related Party Transactions, as well as their approval procedures.

Antitrust Code of Conduct

This Code was approved by Brembo S.p.A.'s Board of Directors on 9 November 2017, after having been examined by the Audit, Risk & Sustainability Committee and the Supervisory Committee, to reinforce the business structure's sensitivity and culture regarding compliance with competition rules, also in light of the provisions of its own Code of Ethics, providing appropriate monitoring tools. The Code supplements the Antitrust Compliance programme already implemented in the company and provides a practical guide, focused on the Group's business, that clearly illustrates the prohibitions imposed by antitrust legislation, the most widespread areas or situations where there is a risk of violations, as well as the correct conduct to be adopted to ensure full compliance with antitrust legislation in the various countries in which Brembo operates. The Code is a point of reference for the Company's compliance programmes and applies to employees of both the Parent and the European subsidiaries. In these latter, an Addendum (translated into the local language) is also provided for, with the aim of adapting (where necessary) employees' behaviour in accordance with local legislation.

Antitrust training is part of the company training scheme that is planned on an annual basis and constantly updated when needed.

In 2023 as well, Brembo took the steps necessary to reduce the risk of engaging in conduct not in keeping with fair

competition. From the evaluations carried out it emerged that the training and ongoing monitoring activity and the application of preventive provisions and measures continued constantly and positively thus mitigating any possible impact. M&A activity was also carried out in accordance with the legislation and safeguards, for example through the formation of *clean teams* and the establishment of *clean team protocols* before launching any Due Diligence activity.

In line with 2022, in 2023 as well no legal action relating to unfair competition, antitrust and monopolistic practices were reported. The audit conducted with the support of an external legal advisor with expertise in the field yielded a positive outcome and was concluded without remarks.

Privacy Policy

The Group ensures coordinated management of privacy obligations in Brembo S.p.A. and in Group European Companies through the Privacy Supervisory Committee, Data Protection Officer (DPO), and the Privacy Officers identified by specific company area and through specific procedures aimed at regulating the various issues, obligations, any new processing and reporting in accordance with the regulatory requirements on the protection of personal data.

Approved by Brembo's Board of Directors on 8 May 2018, after having been examined by the Audit, Risk & Sustainability Committee and the Supervisory Committee, the privacy policy outlines the fundamental principles for the protection of personal data. More specifically, the Policy provides detailed instructions directed at all the Group's people in relation to the handling of personal data, in compliance with the European General Data Protection Regulation 679/2016/EU. This document also identifies the parties and functions involved in the processing of Personal Data, their specific roles and responsibilities. In addition, the Group set up the e-mail account, which is the main channel for data subjects to exercise their rights. Stakeholders can also use this email address to bring any policy breach or any request for additional information relating to Personal Data protection to the attention of the Group's Data Protection Officer (DPO). The dedicated email is present in each European country where Brembo has a subsidiary; in any case, only the Data Protection Officer and authorised personnel has access to it. The DPO, according to the privacy procedures in force, reports every year to the Audit, Risk & Sustainability Committee, the Board of Statutory Auditors and the Supervisory Committee and finally the Board of Directors

based on the main activities carried out during the year in terms of personal data protection. The matters cover, in particular, the main legislative innovations on the subject, the internal and external control activities carried out, any breaches of Personal Data that have occurred, the number of requests received from data subjects, the training activity carried out and planned and any requests received from the Supervisory Authorities.

In its Report issued for 2023, the DPO confirmed as appropriate the level of alignment with the GDPR.

In 2023, there were no reported instances of data protection breach or customer data leaks at Brembo.

Code of Basic Working Conditions

Introduced in 2011 and approved by the Board of Directors, this Code highlights Brembo's commitment to the recognition that its most important asset is the workforce in all its worldwide sites. It sets out the underlying principles assuring a respect for workers' human rights.

When defining this Code, the Group was inspired by the main international sources and standards, including the United Nations Universal Declaration of Human Rights, the Tripartite Declaration of Principles concerning Multinational Enterprises, the ILO's Social Policy and the Guidelines for OECD Multinational Enterprises. The publication of this document, which expresses Brembo's attention and commitment to employee protection and local development, has enabled the Company to involve its own supply chain and disseminate its own way of doing business ethically in accordance with the values set out in Brembo's Code of Ethics. In 2019, the Code was updated to include the issues associated with human trafficking and modern slavery.

Policy on Non Discrimination and Diversity

Through this policy, approved by the Board of Directors, Brembo recognises and promotes the positive value of diversity and demonstrates its commitment to combating any form of discrimination, based on gender, ethnicity, belonging to minority, social origin, civil status, family status and any other personal condition, within the context of all working relations. In particular, Brembo undertakes to ensure that all employees have an equal opportunity to access work, services and programmes irrespective of personal characteristics not related to performance, competence, knowledge or qualifications.

Modern Slavery Statement

In accordance with the contents of the British Modern Slavery Act 2015, Brembo publishes its Modern Slavery Statement annually (lastly amended approved by the Board of Directors dates in May 2023). Said statement was adopted for Brembo S.p.A. and for some of the Group Companies concerned by the requirements specified in the legislation (Brembo Poland Sp.zo.o., Brembo Czech s.r.o., Qingdao Brembo Trading Co.Ltd and J.Juan SAU). It should be noted that the Company AP Racing, wholly controlled by Brembo S.p.A., prepares and approves its own Statement and publishes it on its own website. The Statement describes the organisation, sensitive areas and actions and measures adopted by the Company to ensure the absence of any form of "modern slavery, forced labour and human trafficking" both in respect of its own employees and those of the supply chain.

Sustainable Procurement Policy

Published in March 2022 and approved by the BoD, this policy complements and supersedes the Supplier Code of Conduct and the document on the Purchasing Policy. On the one hand, it aims to achieve and ensure a supplier selection process based on principles of ethics and sustainability, while also inducing suppliers to adopt an increasingly sustainable approach to the business.

This Policy is directed at all Brembo suppliers in all countries where the Group operates, which by signing it undertake to abide by the rules and standards in effect in their countries of operation, or, by the principles set out in the Policy, where stricter, by adopting the measures necessary to comply with them within a reasonable period. The proposed points of attention are broader than those previously applied, including climate change and IT security.

Environmental Policy

It constitutes a statement by Brembo of its full endorsement of sustainable development principles, substantiated by its commitment towards minimising the use of non-renewable resources, and keeping the use of renewable ones within the limits of their regeneration capability. In its capacity as a global and responsible corporation and by means of its Environmental Policy, Brembo wants to direct its activities through tangible steps towards a development model which strikes the right balance between economic and financial objectives and social and environmental responsibility, across the entire value chain.

Quality Manual

This constitutes an important tool to guide and direct corporate processes towards quality improvements. It describes the general organisational criteria and the Corporate policies towards quality by laying down the core operational principles of every process involved.

Quality Policy

It expresses Brembo's commitment towards customer satisfaction and continual improvement, and constitutes an integral part of the Quality Manual. It lays down the main quality goals such as, besides customer satisfaction and continual improvement, constant product, service and internal process innovation, furthering the development and the engagement of suppliers into innovation and continual improvement processes, as well as the satisfaction of all employees by promoting the development of skills and encouraging professional growth.

Occupational Health and Safety Management System Manual

Issued in 2020 by the Parent, this sets out Brembo's commitment to a continual improvement in performance in the health and work safety area within the Group. It sets explicitly the principles which govern the health and safety aspects and the main goals related to these aspects, such as improving workplace health and safety, through integrated planning of the phases of each individual process, with the goal of minimising all risks for workers. This is illustrated within an organic Management System both at Group and Plant level⁵⁵.

Global Tax Strategy and Brembo S.p.A.'s Tax Strategy

The Brembo Group adopted a Tax Strategy to bring Group Companies in line with best practices with regard to tax management, both at global and local level. Both documents became effective as of 2020, after approv-

al by Brembo S.p.A.'s Board of Directors, and are available to the public on the Group's website: <http://www.brembo.com/en/company/corporate-governance/codes-policies>.

The Global Tax Strategy and Brembo S.p.A.'s Tax Strategy have been approved by the Board of Directors of Brembo S.p.A., which is therefore responsible for defining the guidelines included in the Tax Control Framework and are reviewed periodically by the Group Tax Department.

The Tax Department monitors the most recent tax updates and developments. It provides tax advice and adequate training for company functions about tax law and selected topics, in addition to assessing and monitoring the risk associated with the interpretation of new tax laws and/or provisions that create uncertainty (in light of a specific guide envisaged in the Policy, designed to manage interpretation risk).

The Code of Ethics, 231 Model, Anti-bribery Code of Conduct, Antitrust Code of Conduct and Privacy Policy apply to all members of the BoD, managers, employees and Third Parties who engage in activities with, and on behalf of, Brembo, regardless of whether they do so as direct employees of the Company, in all Countries in which it operates. In general, Brembo's compliance and ethics commitments are communicated by the Human Resources and Organisation GCF during the onboarding process, in the form of an information package, including the Code of Ethics, applicable National Collective Labour Agreement and Welcome Kit. Such individuals must provide Brembo with a signed statement attesting to receipt of the information package and certifying that they are fully aware of the appended documents and undertake to comply with the rules they establish. Subsequent updates are communicated through newsletters or by posting on notice boards.

The Model and other codes are published in full version on the company Intranet portal, whereas the parts regarded as not particularly sensitive and thus able to be externally circulated are published on Brembo's website.

⁵⁵ For further details, please refer to the Appendix.

BREMBO'S ACTIONS TO COMBAT CORRUPTION

As described in the previous paragraph, Brembo has adopted various rules of conduct and general principles of behaviour set out in the Group's documents in order to prevent the commission of bribery offences and their impacts on the Company, such as the distortion of fair competition on the market, whether committed between private participants, or of the public order, where they involve the Public Administration. In particular, the reference is to the offences of bribery and corruption, inducement of bribery and corruption and smuggling and offences relating to payment instruments other than cash.

In order to mitigate the risk of non-compliance in relation to strictly legal issues, in addition to the adoption of the 231 Model and the establishment of the Supervisory Committee, the Group Compliance System provides for the definition of principles of guidance, communication and control and specific compliance programmes by the Executive Chairman, in addition to the power for the Chief Executive Officer to ensure that such guidance is implemented at all levels, in Italy and internationally. Lastly, the Group Compliance System provides for coordination between those with compliance responsibilities and the various actors who make up the System ensured by the joint participation of the Corporate & Compliance Manager and the Head of Risk Management, as permanent members of the Audit, Risk & Sustainability Committee. The above is in addition to the adoption of a compliance programme by each Subsidiary and the performance of monitoring and audit activities by control entities and the Internal Audit GCF.

The anti-corruption actions pursued by Brembo vary according to the type of counterparty and take various elements into consideration when assessing whether to include "231 Clauses" (as described below) in the related contracts. These elements include the relationship developed over the years or the counterparty's commitment to compliance matters: the more consolidated the relationship and the more the counterparty shares and implements CSR and Compliance principles similar to those of Brembo, the more the latter is willing to accept "231 Clauses",

thus allowing the Ethical and Informative purpose of such clause to be considered implied and achieved. With reference with joint ventures, Brembo shall ensure that the latter promote the principles and contents of the Model and Brembo's Corporate and Compliance Tools within the respective spheres of competence.

With reference to dealings with Business partners, Brembo has decided to give concrete application to the principles set forth in the Code of Ethics and 231 Model by adopting different measures according to the type of partner. These include:

- the undertaking of an ethics-specific *due diligence* on suppliers, to the sole exclusion of intellectual service providers through the "Supplier Pre-assessment Questionnaire";
- the inclusion in the General Supply Terms and contractual specifications applicable worldwide, of compliance clauses⁵⁶.

Brembo is served by the following bodies to ensure that the founding principles, expressed in the Code of Ethics and other codes of conduct, are observed and that the control system set out in the 231 Model is implemented effectively:

Supervisory Committee

Made up of 3 members, the current Supervisory Committee will remain in office until the end of the current Board of Directors' term.

In accordance with Brembo's 231 Model concerning the requirements for members of the Supervisory Body (autonomy, independence, integrity and professionalism), best practices and case law on this subject, the Supervisory Committee's members were identified amongst persons complying with the above mentioned requirements, as well as with specific inspective and advisory skills. Its Chairperson is external to the company's organisation.

⁵⁶ Brembo also requires its suppliers to comply with applicable regulations and the relevant provisions of Brembo's Model and the internal rules, but also subsection to audits aimed at verifying that the supplier also properly fulfils its compliance obligations.

OFFICE HELD	MEMBERS	ATTENDANCE RATE AT MEETINGS (11 MEETINGS IN 2023, IN ADDITION TO PRELIMINARY MEETINGS)	POSITION WITHIN THE AUDIT, RISK & SUSTAINABILITY COMMITTEE
Independent Expert	Giovanni Canavotto	100%	Chairman
Independent Director	Elisabetta Magistretti	100%	Member
Brembo's Chief Internal Audit Officer	Matteo Tradii	100%	Member

The task of the Supervisory Committee is to monitor, receive and report to the Board any irregularity or breach of the Organisational, Management and Control Model, adopted pursuant to Legislative Decree No. 231/01 by Brembo S.p.A., as well as breaches of the Code of Ethics and Anti-bribery Code of Conduct, or more generally of the provisions included in the Group's regulations.

In 2023, no violations of laws subject to the penalties provided for in Legislative Decree No. 231/2001 were reported.

The Supervisory Committee provides the Board of Directors and the Board of Statutory Auditors with a half-yearly report focusing on the checks on Sensitive Activities pursuant to Legislative Decree 231/2001, critical issues emerged, an analysis of the reports received, if any, and the related actions undertaken.

In addition, the Supervisory Committee must implement specific information flows, irrespective of the periodic flow forecast, if circumstances exist that make it appropriate or necessary to provide reports.

The Supervisory Committee submits periodically, and at least once a year, a written report on the activities undertaken to the Chairman of the Board of Directors, the Executive Director in charge of the internal control and risk management system, the Chairman of the Board of Auditors and the Chairman of the Audit, Risk & Sustainability Committee.

Internal Audit GCF

It ensures the performance of independent, objective assurance and financial advice activities aimed at improving the organisation's efficacy and efficiency. Internal Audit GCF is tasked with assisting the Group in achieving its objectives through a systematic professional approach orient-

ed towards providing value-added services in all areas within its purview, to achieve ongoing improvement. It is also charged with verifying and assessing the operability and suitability of the Group's Internal Control and Risk Management System, in a manner consistent with the implementing Guidelines and Policies approved by Brembo's Board of Directors. Since July 2023 the Internal Audit GCF has been responsible for managing reports through the new Legality Whistleblowing web platform and the Legality Whistleblowing Mobile App, used by all European subsidiaries (with the exception of Poland, whose government has yet to ratify the European Directive).

Legal & Corporate Affairs GCF

It draws up and executes programmes for preventing and mitigating the Group's administrative and criminal liability, also with reference to anti-bribery, antitrust and GDPR-related issues.

Human Resources & Organisation GCF

It receives and ensures that reports about the Code of Basic Working Conditions and the Policy on Non Discrimination and Diversity are analysed and handled correctly.

In addition, the Group has implemented specific tools to assure that the compliance culture is disseminated and the rules of conduct developed are implemented effectively.

Whistleblowing Procedure

As of July 2023, the Whistleblowing Procedure of Brembo S.p.A. has been updated to include even greater protections for whistleblowers pursuant to European Directive 2019/1937 and Italian Legislative Decree No. 24/2023. Concurrently, a new platform used by all European subsidiaries — with the exception of Poland, whose government has yet to ratify the European Directive — was activated with

the aim of properly managing the channel for prompt reporting of violations relating to:

- regulatory provisions on matters relating to the Brembo Group's activity;
- the Brembo's Organisational, Management and Control Model according to Legislative Decree No. 231/01 (with the involvement of the Supervisory Committee, if needed);
- other Brembo's codes of conduct, policies and corporate procedures.

Through the use of IT procedures and cryptography, this platform protects the confidentiality of the identity of the whistleblower and the persons involved, as well as the content of the report and the related documentation.

The whistleblowing channel is managed by Brembo's Internal Audit GCF as an autonomous office with personnel specifically trained to manage said channel.

Anyone connected to the Brembo Group's business — such as employees, contractors, suppliers, customers, shareholders and individuals in administration, management, control, supervision or representation functions — may report any cases of violations or irregularities without fear of potential retaliation through the following channels:

- the Legality Whistleblowing web platform;
- the Legality Whistleblowing Mobile App.

In the case of reports concerning Brembo Group companies, the whistleblower may choose to send the report directly to the parent, Brembo S.p.A., or, where existing, to the local internal channel governed by a specific procedure.

In order to ensure that it is circulated as broadly as possible, the Whistleblowing Procedure is posted on company notice boards, in addition to being published on Brembo's Intranet portal and the platform accessible from Brembo's website. All employees have been informed of its publication.

To complement the above mentioned channels open to all stakeholders, given the organisational model that the Group has adopted around the world, the management facilities of the Human Resources and Organisation GCF remain available to employees, allocated in the various organisational units (Plants, Countries, GBUs and GCFs). Finally, in some Group countries — within the framework

of local Employee Assistance Programmes (EAPs) — even more specific local reporting systems and channels — similar in function to that of the Corporate Supervisory Committee — have been developed to eliminate language and cultural barriers and practices that would have been encountered if only a single corporate channel had been maintained.

For example, in Italy, with the "Sportello di Ascolto" (listening service) available to those who so request, in "situations of individual hardship" it is possible to meet with an external professional, including in virtual mode, in a fully confidential manner and without the Group knowing the reason for the request for the meeting.

In line with previous year, in 2023 as well there were no corruption-related complaints reported within the Group. Therefore, no reports were submitted to the attention of the Board of Directors.

Training schemes

Special training schemes for the Group employees are also provided to ensure compliance with and adherence to the principles of the Code of Ethics, the Anti-bribery Code of Conduct, the Antitrust Compliance Programme and the 231 Model. The training initiatives, which include face-to-face lessons and e-learning tools, are tailored to the role covered and the level of risk to which individuals are exposed. Brembo's training and development offer also includes courses on the Anti-bribery Code of Conduct and the Antitrust Code, to which employees can register.

The training campaign, which includes in-depth analysis of issues relating to ethics, antitrust, anti-corruption, compliance with Model 231/01 and GDPR, continued steadily in 2023 as well. In particular, the total number of employees who have received anti-corruption training in 2023 is 1,857, i.e. 14% of the entire workforce of the Group (including 16% managers, 25% white-collar employees and 9% blue-collar employees).

As far as the members of the Brembo S.p.A.'s BoD are concerned, the basic compliance training (including the Anti-bribery Code of Conduct) is carried out routinely at the start of the term of office, whilst specific matters are examined in subsequent years of the three-year term.

The e-learning course on regulatory principles under the new General Data Protection Regulation (GDPR) and on

the implementation of these principles in Brembo continues to be active. This course is addressed to all Authorised Personnel of Brembo S.p.A. and La. Cam. Srl. The course has been extended to all the Group's European companies,

that are implementing it from time to time it with the necessary local adjustments.

Antitrust training is an integral part of the annual Brembo Academy's training and is constantly updated based on any requirements and needs that might arise. To this end, specific training sessions are organised periodically, usually in class and sometimes with external experts. A classroom training session was organised in 2023. On the basis of the fundamental principles of the Antitrust Code of Conduct, the session focused on the main new developments in the area of distribution contracts.



BREMBO ACADEMY

The training and development offer proposes a selection of courses pertaining to Model 231 issues dedicated to specific roles involved in 231 processes.

3.3 FISCAL RESPONSIBILITY

An organisation's tax approach defines how it balances tax compliance with business activities and with ethical, social and sustainable development expectations.

In accordance with the principle of "Corporate Responsibility", Brembo acts in accordance with the values of honesty and integrity in the management of its tax activities, being aware that tax revenues are one of the main sources of the Group's contribution to the economic and social development of local communities.

Therefore, Brembo's conduct is oriented towards compliance with the tax rules applicable in the countries in which it conducts business, managing tax risk responsibly, while protecting its image and reputation. In this regard, Brembo considers taxes as a cost of doing business, which must be managed as such, with the aim of safeguarding the company's assets and pursuing the primary interest of creating value for stakeholders over the medium to long term.

To ensure tax compliance, Brembo has adopted a Tax Strategy at both global Group and local level through the Global Tax Strategy and the Brembo S.p.A. Tax Strategy. The goal is to pursue:

- long-term growth of company assets and protection of the Brembo Group's reputation;
- proper, timely calculation and payment of taxes due by law and fulfilment of the related obligations;
- containment of tax risk, understood as the risk of violating tax laws or the abuse of the principles and purposes of the tax system.

The Tax Strategy, whose principles and guidelines draw inspiration from the Group's Code of Ethics, was approved in 2019 by Brembo S.p.A.'s Board of Directors and is available on the Company's website⁵⁷.

Furthermore, the Group has a Group Tax Compliance Model, which identifies the roles and responsibilities of those involved in tax management, defining the information flows between these parties and the related processes to achieve an effective and, where possible, preventive control of tax risk; a policy is also in place to manage the risk of interpretation of tax provisions.

In order to translate this Strategy into daily business activities, Brembo has set up a Group Tax Department, which is responsible for implementing the guidelines on this matter

⁵⁷ Brembo S.p.A.'s Tax Strategy is available on the following website: <https://www.brembo.com/en/Codici/Brembo%20Global%20Tax%20Strategy-Strategia%20Fiscale%20di%20Brembo%20S.P.A.pdf>

established by the Top Management; ensuring compliance with local and international tax obligations; monitoring the most recent updates and developments in tax matters; promoting a culture of compliance with tax regulations by providing training to all personnel, including those not involved in the Tax Function; assessing and monitoring the risk arising from the interpretation of new laws and/or tax provisions that create uncertainty; and updating the Tax Strategy.

The Group maintains a cooperative and transparent relationship with the tax authority, making sure that the latter can gain full understanding of the events underlying the application of tax rules. With a view to consolidating transparency in relations with the authorities, Brembo ensures the correct application of local and national tax laws and regulations and of the OECD Transfer Pricing Guidelines. Brembo does not carry out transactions without valid economic reasons merely to obtain tax advan-

tages, nor does it exploit privileged tax jurisdictions for tax avoidance purposes.

Moreover, Brembo actively participates in the technical debate on new tax policies, through dedicated working tables and trade associations, such as Confindustria and Assonime.

There are multiple benefits resulting from implementing the Tax Control Framework (e.g. mitigation of the responsibilities of company bodies, reduction of situations of conflict with revenue authorities due to preventive risk management, prevention of violations of tax laws and a potential reduction of the penalties applied to the Group) and they all contribute to informed, scrupulous and effective management of the tax variable. Moreover, the Tax Control Framework forms part of Brembo's Corporate and Compliance Tools and it is thus to be considered as an essential component of Brembo's 231 Model.

TAX CONTROL FRAMEWORK



The Tax Strategy is a fundamental element of the Tax Control Framework adopted by Brembo, which not only defines procedures for the sound and prudent management of taxation, but is also one of the instruments used to prevent offences that could give rise to corporate criminal liability, as enshrined in Italian law by Legislative Decree No. 231 of 8 June 2001, and the associated reputational risks. In this respect, the Tax Control Framework ensures the controls prescribed by the Organisational, Management and Control Model and, through a set of rules, procedures and organisation-

al structures, it allows for the identification, measurement and management of tax risk, defined as the risk of infringing tax regulations or acting in a way that is in conflict with the principles and purposes of the law.

The Tax Control Framework, first implemented in 2020, is now fully in line with the OECD guidance, as implemented by the Revenue Agency. The framework rests on four pillars:

- **Fiscal Strategy;**
- **Risk assessment:** through appropriate checks to detect tax risks and mitigate their effects;

- **Governance:** identification of the roles and responsibilities of those involved in tax management, definition of information flows between these parties and related processes;
- **Monitoring:** periodic activities to assess the effectiveness of the Tax Control Framework.

In addition, the Tax Control Framework includes a General Report to inform the Top Management team, on an annual basis, on the performance of tax risk management. The Tax Control Framework was adopted also by Brembo North America and Brembo Mexico in 2023.

The information channels set up by the Company to ensure the reporting of irregularities or violations of the Code of Ethics, the Anti-bribery Code of Conduct and the Organisational, Management and Control Model according to Legislative Decree No. 231/01 are also suited to reporting unethical or unlawful behaviour relating to taxation. In this regard, it is appropriate to highlight that these chan-

nels are also available from the Brembo's website (<https://www.brembo.com/en/company/corporate-governance/whistleblowing-to-supervisory-committee>).

In accordance with an internal procedure, all tax returns, documents and events were shared with and evaluated by the auditing firm.

3.4 INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

A company's ability to manage corporate risks effectively serves to protect its value over time and foster its long-term sustainability. Based on the national and international best practices, Brembo has accordingly established and implemented an Internal Control and Risk

Management System (ICRMS), which is an integral part of the Group Corporate Governance and brings together specific rules, procedures and organisational responsibilities for the proper identification and management of corporate risks.



BREMBO AND THE GOVERNANCE SYSTEMS EXCELLENCE INDEX

On the 19th edition of the annual Corporate Governance Workshop, the European House - Ambrosetti presented the results of the Governance Systems Excellence Index (EG Index), a tool that monitors the health of governance systems according to a set of qualitative and quantitative indicators. The EG Index 2023, which refers to the 2022 financial year and is based on public sources, shows the continuous

improvement over time in the governance quality of the main companies listed on Borsa Italiana, especially large and medium-sized firms.

It should be noted that Brembo achieved excellent scoring ranking, inter alia, first for its Control and Risk Management System, which takes into account factors such as the time devoted to the meetings of the Audit,

Risk & Sustainability Committee and of the Board of Statutory Auditors, the presence of independent Directors, the Statutory Auditors' participation rate, the average number of offices held by Statutory Auditors, Risk Management and the definition of Succession Plans for the Top Management, the adoption of an Organisational model and the composition of the Supervisory Body.

The Internal Control and Risk Management System (ICRMS) represents the set of organisational structures, rules and procedures that allows the main business risks within the Group to be identified, measured, managed and monitored, while helping the Company to be run in a manner that is sound, correct and in line with the objectives defined by the Board of Directors, favouring the adoption of informed decisions consistent with the risk profile, as well as dissemination of a proper understanding of risks, lawfulness and corporate values.

The Board of Directors is tasked with defining the general guidelines of the ICRMS, so that the main risks pertaining to Brembo S.p.A. and Group subsidiaries are properly identified, as well as adequately measured, managed and monitored. It shall also set criteria to ensure that such risks are compatible with sound and proper management of the Company. The Board of Directors is aware that the control processes cannot provide absolute assurances that the company objectives will be achieved and the intrinsic risks of business prevented, in particular in a period characterised by strong volatility, uncertainty within the macro-economic context and growing geopolitical risks. However, it believes that the ICRMS may reduce and

mitigate the likelihood and impact of risk events associated with human error, wrong decisions, fraud, violations of laws, regulations and company procedures, as well as unexpected events such as, for instance, the Israeli-Palestinian conflict, the war in Ukraine and previously the global pandemic.

The ICRMS is subject to regular examination and controls, taking account of developments in the Company's operations and reference context, as well as national and international best practices.

The Board of Directors has identified the other main corporate committees/functions relevant for risk management purposes by defining their respective duties and responsibilities within the ICRMS scope. In detail:

- the Audit, Risk & Sustainability Committee, tasked with supporting the Board of Directors on internal control, risk management and sustainability issues;
- the Executive Director in charge of the Internal Control and Risk Management System, tasked with identifying the main corporate risks by executing risk management guidelines and verifying their adequacy;

- the Head of Risk Management, responsible for supporting the management team in identifying, assessing and mitigating risks relating to the performance of corporate activities, with a view to managing the Company in line with strategic objectives;
- the Managerial Risk Committees, tasked with defining risk management plans with respect to company projects and/or specific risks.

Brembo's general risk-management policies and the bodies charged with risk evaluation and monitoring are included in the Corporate Governance Code (approved on 17 December 2021), under "Policies for the implementation of the Internal Control and Risk Management System", in its latest edition issued at year-end 2021, in the Risk Management Procedure, the Organisational, Management and Control Model according to Legislative Decree No. 231/2001 and in the reference layout for preparing accounting documents (as per Article 154-bis of TUF), to which the reader is referred. In particular, the new Policies for the implementation of the Internal Control and Risk Management System identify the overall design of Brembo's Internal Control and Risk Management System, taking into account the changes made to Brembo's Corporate Governance Manual, the evolution of Brembo's organisational structure with new second-tier and first-tier control roles, the new company strategy and sustainability goals, changes in the legislative and regulatory framework, as well as international best practices

adopted by Brembo.

The Internal Audit GCF evaluates the effectiveness and efficiency of the overall Internal Control and Risk Management System on a regular basis and reports the results to the Executive Chairman, the Chief Executive Officer, the Board of Statutory Auditors, the Audit, Risk & Sustainability Committee and the Supervisory Committee of Brembo S.p.A. with reference to specific risks connected with compliance with Legislative Decree No. 231/2001. At least on an annual basis, it also reports to the Board of Directors.

The Executive Director in charge of the Internal Control and Risk Management System fully enforces the risk management guidelines based on principles of prevention, cost effectiveness and continuous improvement, as approved by the Board of Directors.

The Chief Executive Officer, in addition to coordinating the risk mitigation actions implemented by the competent management team, has a key role in the management of potential corporate "crisis" events, including for example the global pandemic and most recently the Israeli-Palestinian conflict and the war in Ukraine, in relation to which he directly takes on the direction of the Crisis Management Committee, in accordance with the provisions of the company Guidelines for crisis management.

With reference to risk management, Brembo has defined the following guidelines and procedures:

RISK MANAGEMENT POLICY

A **Risk Management Policy** based on **ISO 31000 standard**, which establishes the Group's general direction and policies relating to risks, including those relating to sustainability, their management and harmonisation of processes. The risk management policy pursues a variety of aims, including: increasing the likelihood that company objectives will be met, improving the identification

of threats and opportunities, setting up a reliable base for the decision-making process and strategic planning, improving loss prevention and incident management, as well as improving organisational resilience. The risk management Policy is approved by the Board of Directors and the related information is published on a yearly basis in the financial and non-financial statements.

RISK MANAGEMENT PROCEDURE

A **Risk Management Procedure**, designed to provide Guidelines in terms of methodology and operating guidance to support the risk management process, organised into the following series of consecutive phases:

- **Risk identification:** designed to identify the sources of risk, events and their causes, identifying the respective areas of impact and potential consequences, to create a complete risk catalogue including those in the areas covered by Italian Legislative Decree No. 254/2016 (relating to environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters), relevant for and pertaining to the Company's activities and characteristics;
- **Risk analysis:** designed to assess the risks by determining the probability of occurrence and the impact, using exercises and simulations identifying possible

scenarios, causes and potential consequences, considering any cascading (domino effect) and/or cumulative effects;

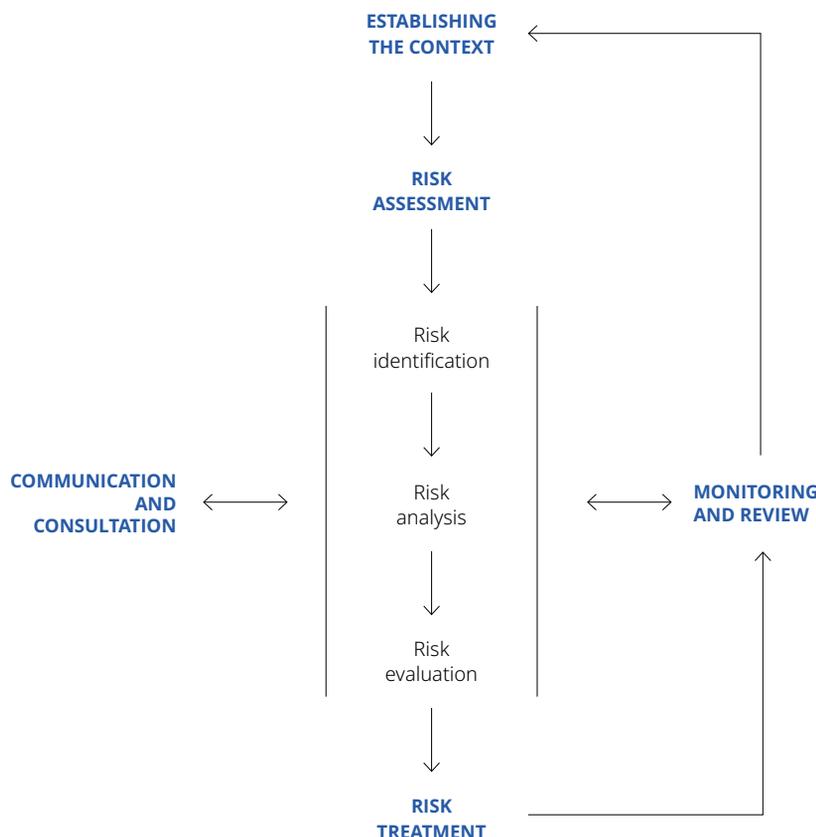
- **Risk evaluation:** designed to support the decision-making processes by identifying risks that need to be treated and the related priorities for action or implementation;
- **Risk treatment:** designed to select one or more options for changing risk exposure, both in terms of impact and probability of occurrence, and to implement such options through specific action plans.

The list of the main risks, the related scenarios and impacts regarding the Group is mapped within the ERM (Enterprise Risk Management) risk register, which is updated annually concurrently with the register of Environmental, Social and Corporate Governance (ESG) risks. In order to foster the integration of the risk assessment in defining the business choices at the various company levels, creating and disseminating a common risk management culture throughout the Group, the Enterprise Risk Management Model provides for the involvement of the whole company management and in particular of several specific parties:

- the Head of Risk Management, who is tasked with updating the Group Risk Report through workshops in coordination with the Global Central Functions, the Global Business Units and the main geographical areas, and, following examination by the Audit, Risk & Sustainability Committee, submits it on an annual basis to the Board of Directors;
- the ICRMSD, who reports on an annual basis on risks, impacts and action plans;
- the Audit, Risk & Sustainability Committee and the Supervisory Committee, that report on a half-yearly basis to the Board of Directors on risks and the related impacts, each for their respective tasks.

Risks are monitored at regular meetings, where results, opportunities and risks are analysed for all the business units and geographical areas in which Brembo operates.

At these meetings, further necessary actions are also defined to mitigate new internal or external risks emerged during the year in the performance of corporate activities.



RISK MODEL

A risk management process founded on a **Risk Model** consists of the following **risk families**:

- **external risks:** connected to the occurrence of external events that are difficult (or partly) difficult to predict or can be influenced by Brembo; based on its international footprint, the Group is exposed to the **country risk**, which is however mitigated by the adoption of a policy of business diversification by product and geographical area, so that the risk can be balanced at Group level. In addition, Brembo constantly monitors the development of political, financial and security risks associated with Countries in which the general political and economic climate and tax system could prove unstable in the future, so as to take any measures suited to mitigating the potential risks;
 - **operating risks:** connected to inefficient and ineffective processes, with negative consequences for Brembo's value creation. This family includes risks concerning personnel, production, product quality, environment, health and safety, supply chain, information technologies (IT), business interruption (linked to production sites being unavailable and their operating continuity), planning and reporting processes, as well as legal and compliance aspects;
 - **strategic risks:** connected to events that could influence strategic policies or the organisational and business model adopted by Brembo. This family includes risks related to the business model adopted, target markets, innovation, investments, sustainability and management of relations with stakeholders in general;
 - **financial risks:** connected to ineffective and inefficient management of events arising in key financial markets: market risk, commodity risk, liquidity risk and credit risk.
- For further information about risk families, reference should be made to the Risk Management Policy included in 2023 Annual Report⁵⁸.

LEGISLATIVE DECREE No. 254/2016

During 2023, Brembo continued along its development path designed to reinforce its Sustainability Model and comply with the non-financial statutory disclosure requirements, introduced with Legislative Decree No. 254/2016. Brembo has updated the risk assessment in the Sustainability area, using the assessment criteria aligned with the Group's risk management methodology.

Set out below are the main risks identified by Brembo, as well as the mitigation measures put in place to date and the future objectives for managing them.

Environmental risks

Brembo pays particular attention to compliance with the environmental requirements specified in legislation of

countries where it operates, with a particular focus on atmospheric emissions, waste management and water discharges. Brembo also carries out regular audits to check that its production sites worldwide are in compliance with environmental requirements. The Group has implemented an environmental risk analysis methodology, which is an integral part of the Environmental Management System certified to ISO14001:2015. To strengthen this management system, Brembo has also adopted a software called ORME (Obligation and Risk Management for Environment and Energy), which includes a module designed to facilitate the management of the risk assessment process.

Environmental risks include the acquisition by the Group of land for production purposes, or existing businesses, with contaminated subsoil caused by events prior to purchase.

⁵⁸ www.brembo.com, section Investors, Reports.

To monitor such risk, Brembo carries out environmental due diligence work to identify any critical issues within the acquisition process.

In order to map and monitor these critical issues, Brembo is also exposed to the risk associated with achieving the "Net Zero" objective. In this regard, Brembo has set up a Task Force devoted to formulating and implementing measures designed to ensure achievement of this objective. For further details on this topic, please refer to para-

graph "Greenhouse gas emissions".

Lastly, another risk is emphasised, i.e., the risk related to possible non-compliance with the regulations on chemical products, applicable to substances, mixtures and articles, which are becoming increasingly numerous and complex worldwide. The management of this risk is responsibility of the Environment & Energy area. In fact, it supports the GBUs in interpreting regulations and verifying their applicability.



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE: BREMBO DRAWS INSPIRATION FROM THE TCFD'S RECOMMENDATIONS



Brembo is strongly committed to responding to the challenges posed by climate change, to improve the Group's resilience and seize the opportunities arising from the transition to a low-carbon economy. A key element to achieve this objective is the active management of climate-related risks and opportunities and their impacts. In this context,

with the help of an external consultant, Brembo conducted a Climate Change Risk Assessment (CCRA) on all relevant business activities and departments, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

The project, launched at the end of 2020 and completed in 2021, provided the scenario analysis and the qualitative-quantitative assessment of the main risks and opportunities related to climate change.

Companies that adhere to the TCFD are required to communicate in a clear, comparable and consistent way the information that investors and stakeholders need to know to correctly assess climate-related risks and opportunities and how this can impact companies such as Brembo. The assessments relating to the potential financial impacts of climate-related risks and opportunities continued in 2023.

For further details please refer to the Appendix.

Risks relating to climate change

Brembo is strongly committed to responding to the challenges posed by climate change to improve the Group's resilience and seize the opportunities arising from the transition to a low-carbon economy. A key element to achieve this objective is the active management of climate-related risks and opportunities and their impacts. In this context, Brembo conducted a "Climate Change Risk Assessment" (CCRA), in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The evaluation was updated in 2023 with the support of a specialised consulting firm and involves a scenario analysis and qualitative and quantitative assessment of the main risks and opportunities with regard to physical and transition risks over various time horizons.

In terms of physical risks, most of the Group's sites are exposed to acute atmospheric events, which, however, on the basis of the technical evaluations performed, do not give rise to particularly significant exposure to the risk of damage to property and/or the business. Some manufacturing plants are exposed to flood risk. However, thanks to the existing prevention and control systems, including hydraulic barriers, the residual risk exposure is modest, in addition to being transferred to the insurance market in financial terms. At the level of physical risks associated with chronic events, some Group sites are exposed to the risk of water shortages. To reduce this exposure, the Group has already implemented — and is further investing in — measures to reduce water consumption, differentiate water sources (typically water mains and wells drawing on aquifers) and

implement water purification and storage systems that enable the utmost flexibility in the various industrial and civil uses at plants.

Transition risks and opportunities have been mapped over time horizons to 2030 and 2050. The main opportunities are attributable to the trend towards an increase in the share of electric vehicles in the global automotive market, with the possibility of extending the Group's segments and "value chain" thanks to the new products being studied by the Group (such as "Sensify"), as well as to the appreciation and spread on the market of products with a high environmental performance (such as Greenance discs). The main risks are associated with the spread of forms of mobility representing alternatives to the use of traditional road vehicles, higher costs due to the implementation of Net Zero policies and the possible implementation of systems of taxation associated with externalities (such as "cap-and-trade" systems).

Risks relating to supply chain management and protection of human rights

These risks concern any failure on the part of suppliers to comply with Brembo's Sustainable Procurement Policy regarding issues, such as respect for human rights — including issues relating to *human trafficking and modern slavery* —, environmental protection, safeguarding workplace health and safety and the fight against corruption.

Brembo requires its direct material suppliers to complete a self-assessment questionnaire about its commitment to the aforementioned topics. The completed questionnaires are then analysed by the areas involved with the aim of ensuring a consistent assessment of suppliers and the related sustainability risk profile. In addition, Brembo involves a number of direct material suppliers, selected based on the critical issues of the country and production process, in on-site sustainability audits. Finally, the Group requires its suppliers to develop and maintain an environmental management system compliant with ISO 14001 standards and to base their own conduct on the main international declarations and guidelines on mankind and human rights. Within the area of human rights, Brembo also assesses the potential risk involving non-conformity with regulations relating to data protection (e.g., the GDPR in the European Union).

To safeguard against this risk, Brembo has adopted and disseminated special policies containing data protection principles, acquired a Processing Record and defined an organisational structure with suitable privacy-related roles and responsibilities, also providing for continual training activities devoted both to a specific target of workforce and to all employees.

Risks relating to human resources

Brembo identifies and manages both risks relating to health and safety and risks relating to human resource management. Brembo's commitment to safeguarding and promoting workplace health and safety translates into a thorough risk management process, as described in the relevant section, through a continual analysis of the critical issues and adoption of a preventive approach. The Group puts into place numerous mitigation measures. These include testing of automatic systems within the sites; the dissemination of the LOTO (Lock Out Tag Out) procedure, and research into new load handling systems. The ongoing training and promotion of a culture of safety, health and ergonomics in all work environments is also key in the health and safety area.

The Brembo Group is also exposed to the risk arising from the "Great Resignation" phenomenon marking the post-pandemic global labour market. To safeguard against this risk, Brembo constantly monitors the job market in the geographical areas of interest and periodically reviews the salary entry levels for the most critical roles. To help with the personnel search and selection process, the Group also employs specialist companies, as well as structured and strategic partnerships with the academic world, local research bodies and educational institutions, within a broader context of talent attraction and retention policies.

An additional element of challenge derives from the current trend towards technological innovation, which involves the introduction in all company processes, and not just production processes, of automation, data, AI, software, etc.

This phenomenon is associated with the risk of failing to acquire and constantly update new skills through hiring and training processes.

To monitor this risk, Brembo carries out a periodic mapping of the skills of the professional families of the key functions/ areas, so as to identify the areas that will be involved in targeted training pathways or will see development through the introduction of skills from outside. In view of continuous improvement, Brembo Academy — already operational in the technical and engineering disciplines — will be consolidated and constantly expanded, and partnerships with universities and R&D centres will be reinforced to develop courses on emerging new trends.

Risks connected to corruption and regulatory compliance

This area includes risks related to the entity's corporate liability in the event of breaches of anti-corruption regulations with particular reference to the countries considered to be most critical. To mitigate this risk, Brembo has adopted instruments such as: the Organisational, Management and Control Model according to Legislative Decree No. 231/2001, which ensures transparent, ethical behaviour by employees and promotes a preventive Group policy; the Anti-Bribery Code of Conduct, adopted for the first time in November 2013 (approved and circulated to employees) and updated, in its second edition, in July 2017, as well as integrated with a special Addendum for China; the Supervisory Committee; and, finally, an entities' administrative and criminal liability compliance programme in accordance with applicable local legislation of Countries where it operates through Subsidiaries.

Brembo promotes the implementation of the general principles of conduct at all Subsidiaries through the Brembo Corporate and Compliance Tools. The system of delegation of power and authority, which is based on the separation of powers and ensures the full traceability and transparency of behaviour, in particular in cash transactions, is also an integral part of this system. The risk of corruption is also constantly monitored through regular audits. In addition, in order to spread and promote a culture of compliance and ensure the optimal dissemination and adoption of ethical values, specific training plans are conducted for all employees, in Italy and internationally, on general principles of conduct. 2023 reconfirmed Brembo's commitment to monitoring, updating and refining the compliance system in order to ensure maximum adherence to the regulatory changes in the Countries in which it operates, including with regard to the obligations

related to the transfer of the Group's registered office in the Netherlands.

Social risks

The very nature of the sector in which Brembo operates makes the quality and safety of products one of the major risks pertaining to the social sphere, with particular regard to new and innovative products that require specific know-how both during the supplier selection and assessment phase and during the production process. To best tackle such risks the Group has acquired a Quality Management System, featuring Guidelines common to all plants, in order to manage all phases of the production process (design, development and production) based on homogenous quality standards and indicators. Again in order to ensure maximum safety, Brembo carefully controls the supplier selection and monitoring process through supplier site visits to check their ability to meet the quality and process requirements. In addition, with reference to the quality and safety management of new and innovative products (e.g. SENSIFY™), the Group plans to implement further action plans to manage, monitor and mitigate the potential risks arising from the development and production of innovative products.

In the current context, the risk associated with a production shutdown scenario, regardless of the cause (e.g. natural event, fire, machine downtime etc.) may have repercussions for Brembo's stakeholders, such as suppliers, consultants, etc. Therefore, although this is a risk scenario that is typically assessed from the point of view of the financial and operational impact, this risk is considered to have an impact also from an ESG standpoint.

Lastly, it should be noted that there is a risk for the Group to suffer cyber-attacks with a potential impact in terms of loss of own or third-party sensitive data. To safeguard against this risk, Brembo has implemented the controls provided for by the ISO 27001 standard for which it is certified and is committed to ongoing improvement of its IT systems' protection tools. 2022 also saw the implementation of a Security Operation Centre (SOC) which operates under the responsibility of the Head of Information Security, who every six months reports to the Audit and Risk Committee on the progress made in improving cyber-security procedures.



BREMBO
PEOPLE*

10,653

A WINNING TEAM

Brembo supports the professional growth and value development of its People, both as individuals and as part of an organisation. With the same intent, it promotes multiculturalism, inclusion and integration of diversity, promoting the wellbeing of its People in the workplace.

* The number of Brembo People includes employees and temporary workers.



ISO 45001
CERTIFIED
PLANTS**

000/000

OVER

350,000

TRAINING HOURS
PROVIDED
IN 2023

** 36 plants out of 41 are certified; SBS started the certification process.

4. PEOPLE



15,653⁵⁹

Brembo People



over
350,000

Training hours
provided in 2023



88%⁶⁰

ISO 45001
certified plants

4.1 PEOPLE WITHIN BREMBO

People are the key element of Brembo’s success, its most precious strategic asset that allows the Group to innovate and achieve increasingly challenging goals. Brembo pays particular attention to human capital, strongly believing that it is people’s knowledge and skills that determine the real competitive advantage that is useful for anticipating and overcoming challenges in an evolving, complex and strongly dynamic context, influenced by the digital and the technological innovation. Therefore, in line with its strategic Pillars (Global, Digital, Cool), Brembo promotes the growth, development and continual enhancement of skills.

Today, more than 13,000 employees work for Brembo every day with dedication and passion. Brembo People are over 15,000.

Aware of the strategic value of each of them, Brembo works every day both to boost the sense of belonging and the motivation and to consolidate its image as a “best place to work”.

Brembo is committed to offering a comfortable and welcoming work environment, including in terms of work tools and human environment, so as to facilitate performance, exchange, discussion and collaboration, with a guide that favours strategic direction in the development of the organisation.



13,654⁶¹

Employees



+697

More employees
in 2023



39 years

Average age
of employees

⁵⁹ The number of Brembo People includes employees and temporary workers.

⁶⁰ 36 plants out of 41 are certified; SBS started the certification process.

⁶¹ It also includes the Brembo Reinsurance AG’s employee, not included in the scope of this document.

Creating a positive environment also means giving each person the space and freedom to make decisions and propose ideas, encouraging the individual contribution to achieving long-term goals that make Brembo a solid, lasting and sustainable company. Moreover, all Brembo's actions are centered around the adoption of healthy lifestyles enabling people to best express themselves and be productive.

To strengthen people's engagement, specific initiatives were implemented such as the People Day in Japan and the Czech Republic and the "Trunk or Treat" in the United States, dedicated to all employees and their families. Town Hall Meetings were organised in various Group plants and corporate areas to share the results achieved and the objectives, but also to promote active dialogue and listening with all personnel.

The Brembo brand's major ability to attract talented people, distinguished by their professional experience and abilities, their passion, their upholding of the Group's values and their aptitude to work with others, is also reflected in the growth in the workforce recorded by the Group during 2023, with an increase of 697 in the number of new employees compared to the previous year.

Brembo Group is thus able to rely on a dynamic, highly professionalised and qualified team. 46% of the workforce

has achieved a medium-high level of education, and 25% graduated university qualification. Of the employees with a university qualification, 56% holds a degree in engineering.

Following this approach, it is natural that constant search for and attraction of talents are a priority for Brembo. It is for this reason that the Group has structured a search and selection process, defined within the framework of the Group's specific Guidelines, also founded on the principles of diversity and equal opportunities, so that candidates' skills and value are appreciated fully and without discrimination. At the same time, Brembo also acts on the internal workforce in order to provide its People with opportunities for professional growth and employment stability, pursuing a constructive dialogue with trade unions where required. As proof of this commitment on the matter of employment 80% of Group employees are hired with an indefinite-term contract. In addition, the Group, consistent with the contents of the *Code of Basic Working Conditions*, applies collective bargaining when the law so require. In particular, as of today, 70.5% of the workforce is covered by a collective bargaining system. For employees which are not covered by the collective bargaining system, the working conditions and the terms of employment are defined by local labour regulations or agreements concluded between each employee and the Company, according to the country in which the Company operates.

PEOPLE HIRED BY GEOGRAPHICAL AREA⁶² AND GENDER (No.)

GEOGRAPHICAL AREA	2021		2022		2023	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Europe	483	130	719	209	852	253
America	873	161	1,301	257	802	216
Asia	850	52	962	137	1,215	127
Total	2,206	343	2,982	603	2,869	596

62 The three macro-areas include the following countries: **Europe:** Denmark, Italy, Poland, United Kingdom, Czech Republic, Spain and other European countries; **America:** Brazil, Mexico, United States; **Asia:** China, Japan and India.

PEOPLE TERMINATED⁶³ BY GEOGRAPHICAL AREA⁶² AND GENDER (No.)

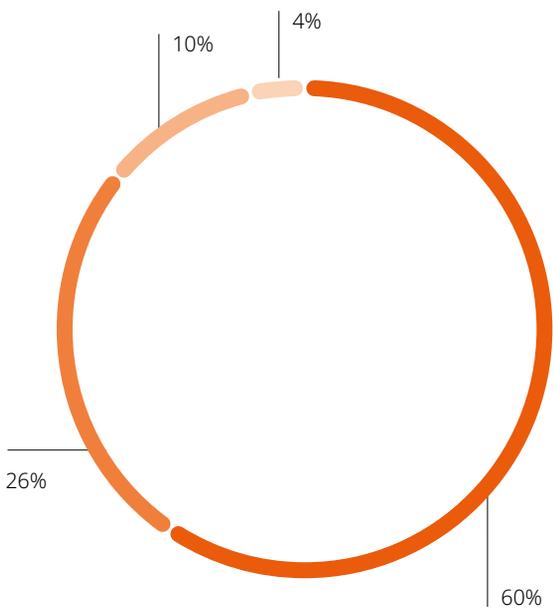
GEOGRAPHICAL AREA	2021		2022		2023	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Europe	424	103	556	117	615	153
America	658	140	613	642	765	176
Asia	700	46	822	73	1,026	84
Total	1,782	289	1,991	832	2,406	413

PEOPLE HIRED AND TERMINATED⁶⁰ BY AGE GROUPS IN 2023

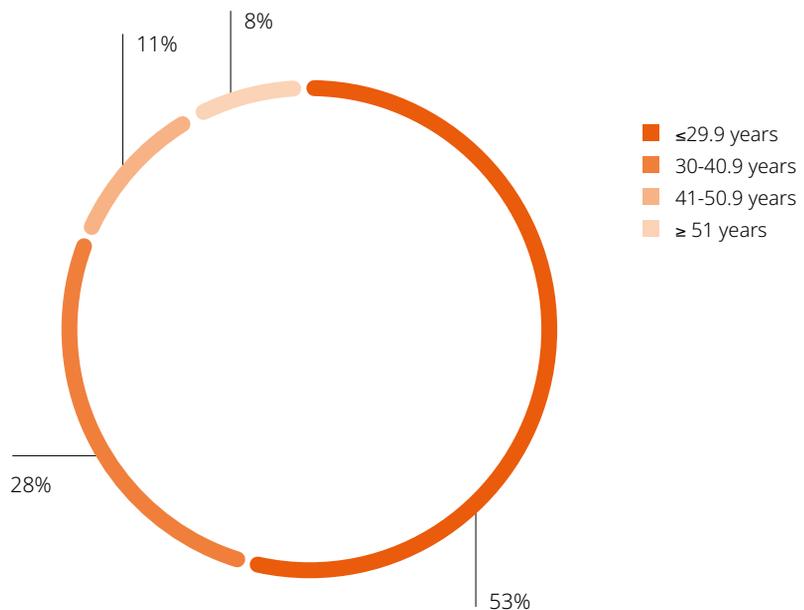
AGE GROUPS *	HIRED	TERMINATED
≤29.9 years	2,072	1,505
30-40.9 years	894	779
41-50.9 years	370	308
≥ 51 years	129	227
Total	3,465	2,819

* As of 2023 the representation of the breakdown by age groups has been brought in line with GRI requirements.

PEOPLE HIRED BY AGE GROUPS (%)



PEOPLE TERMINATED BY AGE GROUPS (%)



62 The three macro-areas include the following countries: **Europe:** Denmark, Italy, Poland, United Kingdom, Czech Republic, Spain and other European countries; **America:** Brazil, Mexico, United States; **Asia:** China, Japan and India.

63 Terminations also include employees whose employment relationship ended on 31 December 2023 and do not include employees whose employment relationship ended on 31 December 2022 as the latter were already included in the previous year's report.

Turnover has never been a structural problem for Brembo over the years, as shown by the related data. However, in view of specific situations detected in some countries, the Group continues to monitor the labour market in the different geographical areas of interest, the remuneration provided for with regard to the most critical roles, the terminations and the quality of voluntary resignations, while analysing the reasons why people consider job opportunities outside the Group. Particular attention is paid to the turnover of people serving in key roles in Brembo's core processes. Lastly, as a safeguard measure for issues relating to the attraction and retention of talents, the Group is committed to applying different strategies, such as communication and recruitment campaigns for specific professional profiles and close collaboration with Universities, Educational and Training Institutions and Research Institutes, as well as specific actions connected with the results of the *Global Engagement Survey* carried out every three years and *ad-hoc Pulse Surveys* dedicated to specific organisational scopes.

Non-financial reporting is seen by the Group as an opportunity to analyse consolidated annual data: if critical issues arise during this phase or at other times of the year, the resources in the Human Resources and Organisation GCF allocated in the various organisational and/or geographical units are involved immediately. If the critical issues are confirmed, they would be discussed in the context of the corporate events — as provided for by Brembo's Committee System — with the involvement of the responsible point of contact.

As already mentioned, the Group believes that active collaboration with the university and research institutions, as well as all local higher education systems present in the various areas where it operates, is a key part of its own talent search and selection process. In the 2022-2023 academic year, Brembo has set up structured and strategic partnerships with over 42 Universities worldwide (Italy, Denmark, China, Poland, India, Spain, USA and Mexico), with a 27% increase compared to the previous 2021-2022 year, and it carried out more than 113 activities in collaboration with the academic world (+41% compared to the 2021-2022 year). These partnerships are mapped annually through the structured "University Relations Mapping" process involving all the Group's companies.

Among the various initiatives undertaken in several countries, including Italy and the United States, Brembo continued to provide scholarships to employees and employees' student children having the stated requisites and educational qualifications.

Moreover, Brembo takes part in several job fairs and meetings with universities and schools in Italy, Europe and internationally, promoting initiatives aimed at both making contact with those about to graduate and new graduates interested in the Group — illustrating them the career opportunities — and fostering dialogue and contacts between the Group and the external context, local communities and the academic world.

In this regard, mention should be made of the various "industrial doctorates" (Executive PhDs) made possible by collaboration between universities and Brembo: for example, a Brembo Person was awarded a PhD for studying the particles generated during the braking process as the basis for reducing fine particles in urban areas.

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

SOME OF THE SPONSORSHIPS OR PARTNERSHIPS IN THE ACADEMIC AND SCIENTIFIC AREA



- Accademia del Freno (whose name was changed into Brembo Learning Program@ PoliMI), Milan Polytechnic
 - Formula SAE Italy – Formula Electric Italy, Student Competition
 - Sodalitas Foundation: Deploy your Talents
 - Partnership with Kettering University for the Cooperative Education
-

Another activity that plays a major role in developing such synergies is the organisation of specific training paths (provided in a virtual mode) during which Brembo's managers and specialists make available their skills and experience to students, giving them the opportunity to spend time in the company on thesis, research or internship projects. Within the framework of several specific training initiatives such as the *Brembo Learning Program @PoliMI*, organised in collaboration with Milan Polytechnic, Brembo

people with a high level of expertise make available their know-how and experience, illustrating for students at the Polytechnic nearing graduation how Brembo products are created, from conception to production, and Brembo's evolution into a provider of digital solutions to foster the adoption of more flexible, innovative processes. Brembo also collaborates with the Kettering University, the prestigious University of Michigan-Flint (USA) as Cooperative Education Partner, allowing students to alternate periods of attendance of courses with hands-on working experiences in which they develop professional skills in parallel to their academic learning.

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

In 2023, Brembo participated in the work of the “UniBgirls & STEM” project group of Confindustria Bergamo, for the promotion of workshops focused on the topic of women in business and guiding young female students towards technical-scientific degree courses. The proposal stems from the desire to increase the capacity to attract and select female staff and to mitigate preconceptions in favour of gender parity. In addition to participating in career days dedicated to promoting diversity and gender inclusion, in partnership with the Sodalitas Foundation, Brembo took part in the “Deploy Your Talents” project, focused on overcoming gender differences in STEM subjects. Participation in this initiative was confirmed for 2024 as well.

With regard to STEM disciplines, according to the rankings of the Most Attractive Employers relating to Italy for university students and young professionals drawn up by Universum Italia, a leading international employer brand-

ing firm, Brembo ranks 31st according to students and 43rd according to young professionals, within a ranking system that rewards the top 100 companies in Italy.

Within the general framework of the Group's talent management system, in addition to the structured annual processes, Brembo also designs and implements specific talent pool recruitment projects, linked to both local and global needs. The 2022-2024 LIFT Program – Leaders' International Fast Track Program continued in 2023. Brembo's graduate programme reached its fifth edition in May 2022. Every nine months, the programme rotates participants to a new organisational and geographical area, over a total period of 27 months, with the final destination only identified at the end of the process. In December 2023, participants began the third and final rotation, which will be followed by the final assignment to a specific area of the company in September 2024. In this final rotation, half of the participants were assigned to organisational areas of foreign sites.

Brembo offers those embarking on their professional career in the Group — as an integral part of its Employee Value Proposition — a stimulating and positive environment in which to develop and feel themselves to be leading players. This is confirmed — net of other consultation initiatives — by the results of the Global Engagement Surveys carried out every three years and reserved for all Group's workforce and which collect in an anonymous form perceptions on the company's environment, level of motivation and engagement resulting from their own professional experience in Brembo. In addition, in 2023 two *ad-hoc Pulse Surveys* were conducted, with a focus on two indicators: engagement and enablement. The first *ad-hoc Pulse Survey*, carried out in April, involved white-collar employees in four countries: the UK, Poland, the Czech Republic and Brazil. The second, conducted in October, involved white-collar employees in approximately ten areas of the company in Italy and internationally. The next edition of the Global Engagement Survey is planned for the end of 2024.

BREMBO'S INTERNAL MEDIA

Internal communication represents an opportunity for Brembo to inform all employees of what is happening in the Group, celebrate the Company's successes and involve all People in awareness-raising activities and active participation in corporate life. The sharing of information, news and stories that tell and describe the Group reality is, in fact, a priority aspect of Brembo's culture and identity.

88 news items published on the Red Portal Intranet in 2023

1,956 monthly users viewed at least one editorial content on the Red Portal Intranet

89 news items published in the MyB House Organ

14,500 copies of the House Organ MyB distributed worldwide

Brembo communicates with its People primarily through the following channels: the MyB House Organ, distributed at all sites and plants, and the intranet Red Portal, which can be used by all employees who have a computer. The Brembo intranet Red Portal features editorial content produced in Italian and English which is published periodically. The news released on the platform varies from the institutional area to the product, from motorsport to engagement and internal awareness-raising campaigns on sustainability issues. They cover the main activities carried

out by the Group and present infotainment content — animations, videos, podcasts — with the aim of engaging as many Brembo People as possible.

The main indicators of the effectiveness and efficiency of the company Intranet are the number of news items published and the number of (*distinct users*) who access this content monthly.

The new house organ was launched in print and digital format in 2023. It brings together the 20-year heritage of the historic MyBrembo, redesigned in form and substance — starting with the name. MyB Brembo People's Magazine is the new magazine, published every four months. It showcases the contributions of Brembo People and makes significant, creative use of photography, along with adopting a new approach to spreading information that also leverages digital content available for use via QR code. It is produced in eight languages (Italian, English, Polish, Spanish, Czech, Brazilian Portuguese, Chinese and Hindi) and distributed to all Brembo plants worldwide. The topics covered are chiefly of an institutional nature (events, awards) or relating to the vision and mission (the pillars), business matters (products, applications, fairs), motorsport (products, victories), news about the plants (growth, technology) and topics relating to safety and environment. Great attention is also paid to sharing Brembo People's stories and to the Group's Corporate Social Responsibility activities.

The main indicators relating to this internal means of communication are the number of contents published and the number of copies printed and distributed at all plants around the world.

	2021	2022	2023
Red Portal Intranet			
No. of news items published during the year	103	121	88
Average No. of users who viewed at least one editorial content	1,865	1,894	1,956
House Organ MyB			
No. of news items published during the year	93	90	89
No. of copies distributed worldwide	22,091	16,362	14,500

Inform and engage. The strategic role of Internal Communication finds its expression in communication campaigns that today increasingly, play a central role in sharing company's values and engaging people, face-to-face and remotely.

One example of this is the "Put Your Face on It" initiative. Created in 2022, this project is part of the programme to raise awareness about the 17 sustainable Development Goals (UN 2030 Agenda) launched in 2019 with the campaign "We support SDGs". "Put Your Face on It" aims to spread and share all the good practices that Brembo People put in place in their professional and private daily lives, through short amateur videos broadcast in the plants, published on the company Intranet and website.

People engagement also underpins the promotion of the safety culture, which follows on from the "I am safety" campaign launched in 2019. Awareness-raising initiatives in this regard resumed in 2022 in Italy and China, with dedicated workshops and the spread of com-

munications materials, was intensified in 2023, through a "bottoms-up" feedback campaign at Italian sites. The most significant messages that emerged from the interviews and cards filled in by people during the dedicated days are represented in graphical form on cubes set up at sites, becoming an integral part of future communications campaigns on the subject.

Motivation and engagement are also two of the focal elements of the information campaign on Cybersecurity, which was particularly intense in October 2023, a month dedicated to IT security. Short modules with helpful suggestions, interactive experiences and phishing tests to increase awareness of the network's risks at the global level.

Finally, the creation of a new internal platform for reporting violations and irregularities, Legality-Whistleblowing, inspired the launch of a campaign to raise awareness of the existence of a dedicated channel and of shared accountability for whistleblowing between both those who make and receive reports.

4.2 DIFFERENT WAYS OF BEING BREMBO PEOPLE

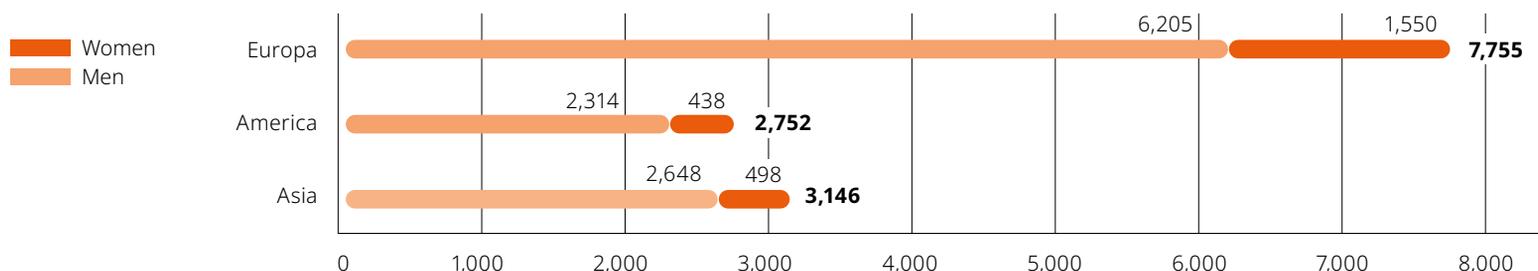
Diversity is a strength for a global Company like Brembo, which operates and is constantly confronted with very diverse situations from the economic and cultural point of view. With a "zero-tolerance" approach towards any form of discrimination, every day Brembo is committed to promoting an inclusive environment capable of supporting sense of belonging. It encourages its People to feel they have a leading role in the Group's success, fostering a culture of respect for diversity and inclusion and fully respecting the points of view, individualities and special qualities of each person. Indeed, Brembo is aware that discrimination harms the wellbeing of any discriminated person.

An awareness of the value and the opportunities arising on diversity has led Brembo to create a highly multicultur-

al team in which, out of 100 Group employees, 26% work in Italy, 17.4% in Poland, 14.4% in China, 13.4% in Mexico, 7.4% in the Czech Republic, 8.4% in India and 5.2% in the United States, while the remaining 7.8% are distributed between Brazil, Denmark, Japan, the United Kingdom, Spain and other countries.

As far as gender differences are concerned, men make up the predominant percentage of total employees. In fact, 82% of employees are men against a female component of 18%. Such distribution reflects in particular some of the intrinsic characteristics of the Automotive jobs market. The female component is in any case in line with the previous year and is more significant amongst white collars, representing 26% of the workforce in this category.

BREMBO EMPLOYEES BY GEOGRAPHICAL AREA* AND GENDER (No.)



PERSONNEL CHANGES BY GEOGRAPHICAL AREA COMPARED TO 2022*

+ 388 Europe **+ 77** America **+ 232** Asia

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

Brembo also promotes the integration of different generations, giving a voice to the young and valuing the competencies and the leadership of senior personnel. More specifically, the breakdown of employees by age group sees 22% under 29.9, 33% between 30 and 40.9, 29% between 41 and 50.9 and 16% over 51.

One of the Group's initiatives designed to highlight and enhance the contribution of the younger generations is the Gen Z Forum which involves young people, belonging to the Group, from Generation Z and Millennials from different entities in terms of geography and professional families.

With this initiative, Brembo created an incubator and accelerator of innovative ideas, an open and inclusive space where the company's new generations can share thoughts and reflections, working with a bottom-up, start-up and creativity approach. It is supported by several external facilitators on methodological aspects, internal facilitators, who bring their experience and know-how, and by the sponsors, members of the C-suite. The third edition of the Gen Z Forum was concluded in November 2023 with the presentation to the CEO and members of the C-Suite of five ideas potentially capable of making Brembo a Company capable of delivering disruptive innovations. As many as four of these ideas were selected and will be implemented in 2024 in one of the three Pillars.

Brembo's focus on diversity and inclusion takes shape in the recruitment of people with disabilities, in accordance with the rules and practices laid down in applicable legislation. In particular, 126 people with disabilities were working in the Group at 31 December 2023.

In addition, also the training programmes contribute to creating awareness on diversity-related issues and raise awareness at all levels of the company regarding respectful and inclusive behaviour through specific training programmes dedicated to different job positions. In 2023, training for both managers and professionals continued to be delivered at the Brembo Academy. For example, the Group's training and development offerings have been enriched by the Learning and Development Program for Brembo Global Executives, targeted to newly appointed Group executives or executives recently hired from outside the Company in partnership with the SDA Bocconi Business School, as well as by the programme dedicated to blue-collar supervisors.

Finally, these initiatives are supplemented by social events to disseminate a culture in which diversity and inclusion practices are enhanced, such as the activities organised in Brazil, India and the USA to mark Women's Day and the signing of the Gender Diversity Pledge by the subsidiary SBS Friction in Denmark.

**EMPLOYEES BY AGE GROUP AND GENDER (No.)**

	2021			2022			2023*		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
≤ 29.9 years	2,545	336	2,881	2,742	444	3,186	2,532	443	2,975
30 – 40.9 years	3,028	625	3,653	3,254	751	4,005	3,691	860	4,551
41 – 50.9 years	2,666	658	3,324	2,967	762	3,729	3,075	833	3,908
≥ 51 years	1,534	263	1,797	1,702	334	2,036	1,869	350	2,219
Total	9,773	1,882	11,655	10,665	2,291	12,956	11,167	2,486	13,653

EMPLOYEES BY CLASSIFICATION LEVEL AND GENDER (No.)

	2021			2022			2023		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Managers	502	86	588	565	98	663	580	118	698
White-collar employees	2,102	724	2,826	2,416	864	3,280	2,632	935	3,567
Blue-collar employees	7,169	1,072	8,241	7,684	1,329	9,013	7,955	1,433	9,388
Total	9,773	1,882	11,655	10,665	2,291	12,956	11,167	2,486	13,653

EMPLOYEES BY CLASSIFICATION LEVEL AND AGE GROUP (No.)

	2023*				
	≤ 29.9	30-40.9	41-50.9	≥ 51	TOTAL
Managers	3	160	311	224	698
White-collar employees	739	1,400	936	492	3,567
Blue-collar employees	2,233	2,991	2,661	1,503	9,388
Total	2,975	4,551	3,908	2,219	13,653

EMPLOYEES BY CLASSIFICATION LEVEL AND AGE GROUP (No.)

	2022				
	≤30	31-40	41-50	≥ 51	TOTAL
Managers	7	149	309	198	663
White-collar employees	799	1,151	897	433	3,280
Blue-collar employees	2,380	2,705	2,523	1,405	9,013
Total	3,186	4,005	3,729	2,036	12,956

* In 2023, age groups were changed according to the GRI standard, as indicated in the table. Data relating to 2022 and 2021 were based on the following age groups: ≤ 30.9; 31-40.9; 41-50.9; ≥ 51.

A further sign of Brembo's commitment to developing an organisation that fosters and values multiculturalism is its proximity to local sensibilities, accompanied by influences from other cultures. In this regard, taking the managerial team as a reference, out of 698 managers operating in the different countries, approximately 89% were born in the country where they are working, while 11% comes from a different country. The inclusion in management of both members of the local community and members with different backgrounds and origins improves the individual Company's ability. On the one hand, it allows to understand the actual local needs and, on the other, to develop an open and global mindset increasingly mindful of diversity.

For Brembo, ensuring a fair and inclusive work environment is an essential tool for ensuring there are no episodes of human rights infringements. In this regard, with reference to the protection of diversity and respect for people and workers' human rights, Brembo continues to avail of — in addition to the provisions also set out in the Group's *Code of Ethics* —, the *Code of Basic Working Conditions*, the *Brembo's Modern Slavery Statement* and the *Policy on Non Discrimination and Diversity*. In particular, through the latter Brembo set out the guidelines on how to promote the principles of diversity, equity and inclusion (DEI) within the Group and disseminate a solid DEI culture. The Policy is also accompanied by the *Brembo Charter on Diversity, Equity and Inclusion (Brembo DEI Charter)* which promotes virtuous behaviour to be put into practice at work on a daily basis in order to be more inclusive and respectful of the diversities within the Group. These documents reflect and represent the Group's universal beliefs and the foundations of the employer-worker relationship. In detail, they confirm and establish rules of conduct regarding child labour, forced labour, human trafficking, the right to work, freedom of association and collective bargaining; harassment and discrimination, health and safety, working hours, remuneration, corruption, environment and sustainability, social commitment and local communities.

In order to monitor the effective implementation and respect of the *Code of Basic Working Conditions* and the

Policy on Non Discrimination and Diversity, the institutional Whistleblowing channel, updated in 2023 and managed by the Supervisory Committee, as well as another specific mechanism to gather any reports on behaviour that does not comply with company policies are used. These channels are also configured as a possible search for assistance and/or advice when the reporting person needs it. Naturally, to complement the channels open to all stakeholders, given the organisational model that Brembo has adopted around the world, the management facilities of the Human Resources and Organisation GCF remain available to employees, allocated in the various organisational units (plants, Global Business Units, Global Central Functions, geographical areas). Following any contact, the consequent hierarchical reporting procedure is activated - where necessary - which culminates in the periodic Meeting between Chief Human Resources & Organisation Officer, the Executive Chairman and the CEO, where the need to manage any specific urgencies or critical issues is raised, including for instance the violation of human rights.

Finally, the Group provides its employees access to several structured programmes like its *Employee Assistance Programs (EAPs)*, such as those in partnership with local operators and/or vendors in the USA and UK. In Italy Brembo has for years run a "sportello di ascolto" (listening service) which offers employees the opportunity to have a series of meetings with a professional outside the Group, when they are faced with particular situations that present personal difficulties. The same tool was also implemented in India in 2023.

No episodes of workplace discrimination were brought to Brembo's attention in 2023, through the available channels.

The Brembo Group promotes precise policies designed to define organisational tools able to promote remote working and people's work-life balance. In this area the Group also offers its employees the option to subscribe to part-time working schemes, which were taken up, in 2023, by 308 employees, of whom 78% were women.

EMPLOYEES WITH PART-TIME CONTRACTS BY GENDER

2021			2022			2023		
MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
46	225	271	58	235	293	69	239	308

4.3 PEOPLE DEVELOPMENT

People and their skills are the main pillar for the deployment of the company strategy. In fact, the strengthening of skills and the promotion of talent are the primary levers of the development of each employee and at the same time an enabling factor for the strategy that can anticipate and satisfy the business-related demands and create the Group's identity culture.

In 2023, Brembo confirmed its commitment to continuing with important investment in the training offer and launching various training initiatives with an increasingly inclusive and global approach in favour of transversal enrichment and greater collaboration between Group Companies' employees and instrumental to the achievement of the strategic objectives.

One of the global and inclusive training projects of 2023 as well, in keeping with the previous years, is the Brembo Global Induction Programme (B-GIP) which offers the Group's new hires (white-collar employees) an overview of business, organisation and corporate culture through virtual sessions run by the managers of the various areas. This programme aims to facilitate alignment and a sense of belonging, as well as accelerate the induction process for new employees, fostering contact and discussion with colleagues belonging to different professional families, cultures and geographies. The programme, divided into two editions at two different times of day in order to involve people in all geographical areas, consists of 22 virtual sessions organised into 11 modules. In 2023, it involved 560 newly hired white-collar employees and managers. In parallel, in 2023 Brembo also organised the Basic Induction Programme for newly appointed Directors and Statutory Auditors of Brembo S.p.A., designed to ensure adequate knowledge of the Group's area of activity, products, company dynamics, principles for proper risk management and the regulatory framework of reference. Other global training programmes closely associated with the company's strategy include the Artificial Intelligence and Machine Learning programme and the renewed *Culture of Data* course, taught by internal teachers and external professionals, as part of efforts to expand the range of AI expertise and applications in the company environment. The Company academies, such as the R&D, Disc and Manufacturing Academy, run by internal teachers certified by the Brembo Academy, are constantly updated and enriched with new content.

For Brembo it is essential to identify and spread strategic skills. Therefore, in 2023 as well it continued its process of certifying Domain Experts: Brembo employees with the critical skills needed to ensure that their knowledge is transferred within the Group through internal teaching and the drafting of specific technical manuals. In July, 82 Domain Experts were certified during a ceremony which represented for Brembo an occasion for recognising the active participation of employees in pursuit of excellence.



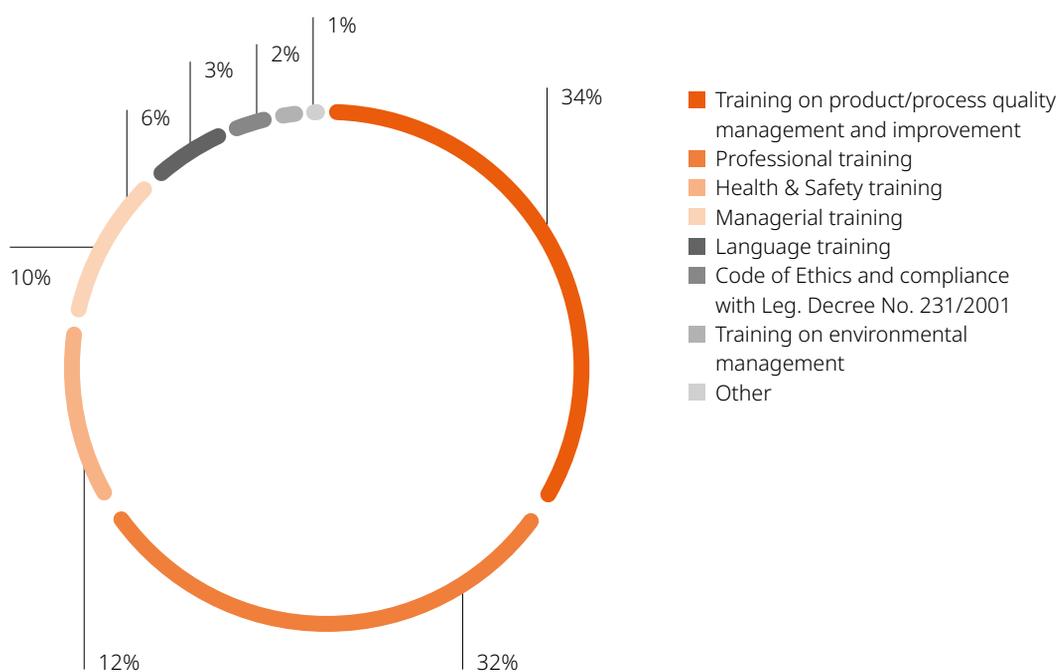
more than 350,000
training hours provided in 2023

The Group has, therefore, ensured a structured, flexible and inclusive training offer differentiated by target population, complemented by additional tools such as individual and group coaching, mentoring and tutoring and, most recently, the Career Advisory Desk launched in Italy on an experimental basis.

The training provided "remotely", through virtual classrooms which also involved People of all Group geographies or in e-learning mode, has been strengthened and renewed thanks to the attention paid to reformulating the way content is presented. In particular, over 21,000 training hours were provided in e-learning mode in 2023.

On average each employee received 26 hours of training in 2023. This figure reached an average of 27 hours per year for managers, 29 hours for white-collar employees and 24 hours for blue-collar employees. Over the course of the year, 24% of employees participated in training about human rights and the associated procedures, for a total of 9,273 hours.

TRAINING PROVIDED BY TYPE OF CONTENT (% ON TOTAL HOURS)



AVERAGE HOURS OF TRAINING BY CLASSIFICATION LEVEL AND GENDER

AVERAGE HOURS OF TRAINING BY CLASSIFICATION LEVEL

	2021	2022	2023*
Managers	24	29	27
White-collar employees	29	32	29
Blue-collar employees	22	31	24

AVERAGE HOURS OF TRAINING BY GENDER

	2021	2022	2023*
Men	26	33	27
Women	16	24	19

AVERAGE HOURS OF TRAINING BY EMPLOYEE

	2021	2022	2023*
	24	31	26

*2023 did not present the same training hours as 2022, which was characterised by a high number of personnel from outside the company entailing a significant investment in the initial training, especially with reference to Safety and the Environment training.

To ensure an effective management of training activities, Brembo avails of a specific Group procedure that defines the methods and organises the various phases of the process, starting with identifying the annual training needs of the corporate population, through a structured process for identifying and analysing training needs. The training scheme for individual employees is accompanied by other initiatives for accessing training such as those of an institutional nature, which meet compliance or legislative requirements, delivered face-to-face or online through an e-learning platform, ad hoc training projects dedicated to GCF/GBU teams and course self-application. In terms of self-development, Brembo employees can in fact also access training courses — on a remote or e-learning basis — by self-enrolment authorised by their direct manager.

Brembo defines the annual training plan based on a survey and the related analysis of the specific areas and topics for which individual organisational areas believe there is a need to enhance and improve knowledge. The Group continues to invest in the development of transversal skills and organisational behaviours indicated within the *Brembo Competency Model* — described in detail in the “Casa

Brembo” development manual, along with Brembo’s principles and values —, as well as in strengthening role-based skills. The global training and development offer consists of over 130 training courses covering different topics (in addition to those in the Safety and Environment field). A constantly increasing percentage of these courses is also available in English or the language of the Country concerned.

The broader framework of People and leadership development includes the Group Talent Management and Succession Planning system. It starts with the BYR (Brembo Yearly Review), which allows evaluations of individual annual performance to be collected. It then proceeds with the updating of the Country Talent Portfolios and the mapping of successors at country level and then the expansion of the map of GFC and GBU talents and successors within the Development Committees involving the GBU and GCF Chief Officers, the Human Resources and Organisation GCF and the Top Management. The process ends with the consolidation of the Group Talent and Succession Portfolio and with the definition of appropriate development actions and initiatives for the enhancement of the talents and the mapped successors.

4.4 GROWTH AND MERIT

The performance assessment for white-collar employees (BYR) represents an important element, as well as an essential tool for ensuring continual improvement, enhance and retain talents and key skills within the company. The BYR consists of a constant dialogue between managers and employees, which ends with a structured discussion and feedback during which the year’s results are analysed, the future objectives to be pursued are defined, an improvement plan is prepared, and future growth paths are identified.

The performance assessment for blue-collar employees falls under the Brembo Production System and is based on a multi-functional and multi-competency analysis of the individual employees in relation to specific metrics and matrices.

The Group has also activated special processes at world level, designed to regulate management and assessment flows, as well as define ad hoc management tools. These processes are included in Brembo’s Human Resources Management Model, which is based on measures of performance, competencies, potential and motivation. The system for professional development and for recognising each person’s contribution to the company’s success is structured into three phases: the constant sharing of business expectations with employees, defining expected performance and accurately assessing the results achieved during the year.

In 2023, 78.3% of employees (77.7% of men and 81.1% of women) took part in the 2022 performance assessment process, with a rate of 79.5% for managers, 89.5% for white-collar employees and 74.14% for blue-collar employees.

**EMPLOYEES INVOLVED IN THE REGULAR PERFORMANCE ASSESSMENT PROCESS*
OUT OF THE TOTAL OF THE CATEGORY TO WHICH THEY BELONG**

	Men	% ON TOTAL MEN	Women	% ON TOTAL WOMEN	Total	% ON TOTAL
Managers	448	79.29%	79	80.61%	527	79.49%
White-collar employees	2,214	91.64%	721	83.45%	2,935	89.48%
Blue-collar employees	5,624	73.19%	1,058	79.61%	6,682	74.14%
Total	8,286	77.69%	1,858	81.10%	10,144	78.30%

* Data refer to the 2022 performance assessment process and refer to employees at 31 December 2022.

In addition to a preset number of common objectives assigned by the Company, several qualitative and quantitative individual objectives may be included within the annual incentive system reserved to specific target population (e.g. MBO for all the *eligible* population). These include, for example, the implementation of specific projects and meeting one's own spending budget targets which measure the individual contribution to the Group's strategic objectives.

The *Plant Organisational Development Project* continued as part of efforts to standardise the organisational structure of plants, and the related areas and roles at the global level. In particular, following the standardisation of Italian and Polish plants, pilot *competence assessment* projects were launched for the relevant white-collar employees and the managers.

The global *Skill Factory* development project in the ICT field, with structured feedback to participants from HR and

managers and with the definition of individual development plans was completed. In addition, two *Development Centre* sessions were held, involving managers in a structured process of leadership profile assessment, followed by the definition of individual development plans.

In order to promote the personal and professional development of employees, Brembo has fostered the use of internal mobility tools, so as to facilitate them in accessing new job opportunities within the Group. The *internal job posting* is a very widespread tool. Where present, it advertises worldwide and through the most appropriate company's tools open positions currently unfilled and collects any applications, giving interested People the possibility to apply in a proactive way. This is supplemented by other tools including *job rotation* which allows employees to express their willingness to change function/role even regardless of the opportunities available at a specific moment.



**DIGITAL TRANSFORMATION FROM THE HR STANDPOINT:
AN ADVANCED HUMAN RESOURCE MANAGEMENT SYSTEM**

As part of the Group's Digital Transformation Programme and in particular the Journey 10, the standardisation and digitalisation of processes relating to the management of the Group's human resources, which translates into the adoption of a new Cloud Group Human Capital Management System (Brembo HCM) global integrated system, continued. This project initially focused on white-collar employees.

As of 2024, blue-collar employees will also be included in the system at global level.

Some of the most significant benefits are the availability and accuracy of data and information on Group personnel, the standardisation and synchronisation of HR processes, the improvement in the Brembo employee experience, and reporting.

The programme provides for the implementation of processes and guidelines and is accompanied by change management initiatives to encourage and support change in people and the adoption of new ways to collaborate. In particular, 2023 saw the launch of the BYR and the (pilot) MBO at global level and implementation of the recruiting and competence assessment processes.

4.5 WORKERS' HEALTH AND WELLBEING

Brembo has made the protection of Safety a distinctive element of its own business and way of being, guaranteeing braking systems of the highest quality. This focus on Health and Safety is not only directed to assuring safe products, but it also applies to all People in the Group. This commitment translates into an organised Health and Safety management, which aims on the one hand to respond positively and concretely to the needs of all interested parties, and on the other to ensure increasingly healthy and safe working environments both for Brembo employees and for all those accessing the workplace for different reasons, preventing the occurrence of work-related incidents, occupational diseases and near misses.



100%

of Brembo's plants in full operation remained ISO 45001:2018 certified

PRINCIPLES OF THE OCCUPATIONAL HEALTH AND SAFETY POLICY



- Health, individual and collective safety are essential prerequisites: their protection steers the company's decision-making processes and individual behaviour.
- Brembo pursues sustainable development through integrated planning of the development phases and/or modification of each process in order to minimise any significant health and safety risk.
- Prevention of risks to workers is implemented through appropriate management of the processes and substances combined with correct operation, maintenance and control of machinery and equipment.
- The identification, dissemination across the Group and implementation of best practices and/or opportunities for improvement are the cornerstone of prevention.
- Training and information are the basic ways in which to inform workers about the principles, guidelines of the Management System for Workplace Health and Safety, and ways in which it is implemented.
- Brembo's propensity to reduce the residual risks of its business is also demonstrated by its direct communications with people and interested parties.
- Suppliers and contractors need to be involved with the Management System in order to reduce the risks of operations carried out at industrial plants.
- When evaluating its suppliers, Brembo carefully considers those who have a certified Management System.
- Brembo believes that the consultation and participation of its workers, or their representatives, are among the fundamental requirements for pursuing the ongoing improvement in the Health and Safety area.
- Each worker must take care of his or her own health and safety and of that of the other persons in the workplace, also in accordance with the training received.
- Brembo encourages a widespread culture of safety involving all stakeholders.

To guarantee the highest Health and Safety standards for its own People, Brembo has adopted an increasingly structured approach, especially with regard to workplace, starting from the assessment of risks connected with production activities. To achieve this, the Group complies with local legislative requirements in activities within its production facilities, while promoting constant dialogue with its employees and ensuring that access to all company facilities and outsourced processes takes place in a fully safe manner.

Brembo's commitment to these issues takes concrete shape in the related Health and Safety Policy, which defines the objectives, principles and commitments that the Group sets itself in this area. The document is signed by the Chairman and is subject to periodic reviews.

In order to encourage a corporate culture that promotes Health and Safety and seeks continuous improvement, the Policy is adopted by all sites that are required to incorporate it into their own "Site Policy", as well as adapt the Site Policy content to the operating context based on the main risks featured on the site. The Group Policy, therefore, provides the overall framework within which employee health and safety is assured, leaving the formalisation of specific and operational aspects, such as Emergency Plans and specific risks, to site tools. The Health and Safety Policy is thus available to all interested parties both internal and external to the Group, through publication on the company intranet portal and workplace notice boards.

Updated during 2020, upon the issue of the new Management System, a System that has adopted the principles of the ISO 45001 standard, the Health and Safety Policy is an integral part of the broader "Organisational, Management and Control Model". The certification of all sites according to this standard was confirmed for 2023 through special maintenance audits carried out by a third party, which revealed no significant non-conformities. The decision to apply this management standard was not taken due to mandatory legal requirements or explicit requests from stakeholders, but in consideration of the opportunities that could be seized by applying the principles defined by the management system itself. The newly-acquired sites have also begun the certification process.

The new management standard allows the company operating flows to be defined in a structured way for all aspects related to workplace Health and Safety issues and enables them to be refined and managed over time with increasing detail and effectiveness. In this way, the Group aims to reduce work-related incidents, injuries and diseases, raise awareness among people and spread the workplace safety culture within Brembo, as well as monitor performance trends, ensure legislative compliance and, last but not least, protect both the persons to whom legislation assigns responsibilities and Brembo itself and its image among stakeholders.

The Management System gives equal consideration to both employees and other workers, such as temporary workers, providers of labour or interns, whose work and/or workplace are directly controlled by Brembo. In fact, the Group Guidelines and Site Procedures do not make any distinction that refers to the type of employment contract in place. Therefore, in defining the Management System all the parties accessing Brembo sites on an ongoing basis have been taken into account (such as contractors, visitors, customers). To date, this Management System does not include the SBS Friction and J.Juan sites since — as recently acquired sites — they have not yet completed all the activities necessary to obtain the ISO 45001 certification. Accordingly, considering the new Brembo scope — also including the recently acquired plants, 94.37% of employees is covered by the System.

The model adopted for the management of workplace Health and Safety aspects is composed of a Management System defined by the Parent Company and a Management System which, referring to that of the Parent, is applied within each individual plant.

The Parent's Management System is reflected in the Worker Health and Safety Management System Manual, Guidelines and Brembo Safety Document System (BSDS)⁶⁴.

The facility General Manager is responsible for setting out explicitly the principles enshrined in said documents in local procedures and identify any cases in which they do not comply with applicable legislation and implements any modifications. If the Manual and/or Guidelines differ from the law, the principle of prevalence applies, whereby the most stringent directive prevails.

64 The Brembo Safety Document System is the document which correlates the structure of the Management System Manual and the Guidelines to the ISO 45001 standard. Said document is available both at Group and plant level.

The effectiveness of said approach is checked at least annually both at Group and plant level. To ensure the full and effective implementation of the Policy's provisions, the Group voluntarily submits to regular independent third-party audits to verify that said Management System has been effectively implemented at all the different manufacturing sites. Furthermore, at local level all manufacturing sites undergo a third-party statutory audit to verify and ensure compliance with applicable laws and regulations in every country where the Group operates.

Verification of audit results and annual performance, activity planning and medium-/long-term goal setting in this area are entrusted to the Industrial Committee in which take part, inter alia, the Executive Chairman, Chief Executive Officer, Chief Industrial Operations Officer, Chief Human Resources & Organisation Officer and the Safety Committee comprising all sites and Operations. This is also where the main safety KPIs and the findings of the analysis of the situation conducted at the Group level are presented, along with risk mitigation activities identified as significant — which may compromise Brembo's ability to achieve the expected results, as established in the Management System — and examples of the solutions and best practices arising from the analysis of the main events. The Committee's decisions are circulated to all concerned parties, and in particular to the Plant Managers of the plants, to whom the Health & Safety area undertakes to send the goals, targets and projects relating to the reduction of the risks identified. The Plant Manager sets goals and plans activities at the plant level, considering all information received, the analysis of the Group's situation and the expectations of the various stakeholders. In particular, he or she identifies hazards, assesses risks and plans actions to seize opportunities for improvement; determines the applicable legal requirements (or those to which the Organisation has subscribed); sets the goals and identifies the steps to achieve them, so as to improve the Management System constantly; and informs Group Health & Safety area of the plans and targets set and achieved. Moreover, on a site level, in keeping with rules established by the Group, committees or work groups meet to discuss aspects of health and safety. All the workers are represented in these groups.

The Group's approach as part of the Health and Safety Policy entails analysing, on a plant level, potential sources of risk for its employees and putting the best solutions into place to prevent, reduce and, where possible, eliminate such risks: from appropriate handling of substances and processes to the correct operation, maintenance and control of machinery. The risk identification and assessment process inside each site involves an inter-functional team consisting of the Health and Safety Officer, Occupational Physician, process supervisors and, last but not least, the employees through interviews or specific requests for opinions. Where necessary, the process involves external roles that support its plants in carrying out practical surveys aimed, for example, at assessing noise or chemical risk level. Once identified, all the risks — both generic and specific — are added to an assessment scale that allows identification of the mitigation actions. The precise goal of each prevention and protection measure for employee Health and Safety is to reduce, if not to eliminate, the existing risk.

The Group's commitment to overseeing workplace Health and Safety issues also reflects into a systematic approach for monitoring trends in incidents, near misses, unsafe acts and objective conditions⁶⁵. Based on problem solving principles, if indicators are revealed that are not in line with the pre-set objectives or critical issues inside Brembo sites, each individual plant engages in improvement plans and actions, setting up ad hoc working groups. Once the efficacy of the actions adopted has been verified, these are shared within the Group to allow all the plants to implement the same solutions promptly, if necessary.

The value added of this process lies in continual search for improvement by involving all employees in collecting ideas and suggestions in the area of workplace Health and Safety.

Brembo has also implemented a mechanism for the collection, analysis and dissemination of the risk reports by the whole organisation. Reports are an essential starting point for identifying new potential risks and thus defining and implementing actions aimed at improving employees' working conditions from the standpoint of safety.

⁶⁵ An objective condition is a condition not caused directly by the action or inaction of one or more employees in an area. It may result in incidents or injuries if not corrected in a timely manner. It may be caused by a defective design, incorrect fabrication or construction or inadequate maintenance procedures and resultant deterioration. Objective conditions differ from unsafe acts because they are beyond the direct control of operators in the area in which the condition is observed.

Each year, the Group defines quantitative targets relating to the incident rate to be achieved annually. Specific objectives are then defined for each site, based on the previous year's performance and the results of the assessments and periodic audits. In 2023, Brembo reported for employees an incident

rate of 0.55 (excluding commuting incidents), the lowest figure ever reported. The main types of accidents are connected to the use of machinery, transport of materials and product manual lifting, in other words connected with the work environment and the operations carried out therein.

	2021		2022		2023	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Workplace incidents by gender (%) - (employees)	85%	15%	91%	9%	86%	14%

INCIDENT RATES OF EMPLOYEES*

	2021			2022			2023		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Incident Rate (No. of work-related injuries / No. of hours worked) x 200,000	0.73	0.61	0.71	0.73	0.32	0.66	0.58	0.42	0.55
Incident Rate with high consequences** (No. of high-consequence work-related injuries / No. of hours worked) x 200,000	0.01	0.00	0.01	0.04	0.00	0.03	0.01	0.00	0.01

* The calculation of reported incident rates takes into account only injuries occurred to employees that have taken place at the workplace. The "Appendix" section provides further details in order to meet the GRI 403 Standards (2018) disclosure requirements.

** High consequences" mean injuries that may lead to the permanent loss of body function or injuries that record an absence of more than 180 days.

Brembo pays constant attention to the health and safety of all those people who every day operate in the Group plants or office facilities. In 2023, the incident rate of workers who are not employees decreased to reach 0.67, while the inci-

dent rate with high consequences of workers who are not employees amounted to 0, decreasing compared to the previous year when it was 0.09.

**INCIDENT RATES OF WORKERS, WHO ARE NOT EMPLOYEES⁶⁶ OPERATING AT THE GROUP'S SITES**

	2021			2022			2023		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Incident Rate ** (No. of work-related injuries / No. of hours worked) x 200,000	0.99	0.56	0.90	1.06	1.15	1.08	0.81	0.20	0.67
Incident Rate with high consequences* (No. of high-consequence work-related injuries / No. of hours worked) x 200,000	0	0	0	0	0.38	0.09	0	0	0

* The calculation of reported incident rates takes into account only injuries occurred to workers that are not employees, but whose work and/or workplace is under the control of the organisation. The "Appendix" section provides further details in order to meet the GRI 403 Standards (2018) disclosure requirements.

** High consequences" mean injuries that may lead to the permanent loss of body function or injuries that record an absence of more than 180 days.

With regard to contractors, in 2023 Brembo reported 6 work-related incidents, of which five in Italy and one in China. None of them was with high consequences. Lastly, no fatalities relating to employees, temporary

workers and contractors were reported during the year. In 2023, 22 cases of employee occupational diseases were reported, of which 18 in Italy, 3 in the Czech Republic and one in Poland.

	2021			2022			2023		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
No. of recordable occupational diseases (employees)	5	10	15	10	0	10	16	6	22

TRAINING ON WORKPLACE HEALTH AND SAFETY

Brembo is firmly of the belief that a safe work environment goes hand-in-hand with a continuous Health and Safety training. Because of this, the Group has defined general workplace Health and Safety courses in compliance with current legislation. The courses are provided to all company personnel, with a particular focus on new recruits.

Brembo is committed to keeping annually all personnel responsible for managing workplace Health and Safety

issues up to date with professional training, as well as adapting training content to the different functions and specialisations in accordance with the risk assessments and training needs. In order to structure useful and effective courses, training planning starts from the tangible needs of the different company functions and the already acquired skills (such as the level of knowledge of a foreign language), identifying the needs that may arise as a result of organisational changes, process changes or internal improvement programmes.

⁶⁶ The calculation of incident rates does not take into account contractors.

In most cases, the teachers are external and are chosen after thorough assessment of their qualifications, competence and experience. In some geographical areas, such as Mexico and China, a further specific certification is requested.

of the "10 Life-Saving Behaviours" with which personnel must comply in the workplace.

With the aim of keeping its employees updated on Health and Safety matters and promoting the observance of safe behaviours, the direct training activity was also accompanied by periodic awareness-raising initiatives, such as the "10 Life Saving Behaviours", which are designed to spread an understanding and application



Over 41,377 hours
of training regarding Health and Safety
provided in 2023



In a context aimed at a broader, inclusive and positive promotion of workplace health, these activities are in addition to awareness-raising and prevention initiatives regarding specific illnesses that were carried out in various sites, such as: the Workplace Health Promotion (WHP) in Italy and the EMPLOYEES' healthy lifestyle Global Healthy Days campaigns in India; the Breast cancer awareness, Men health prevention, Altruistic Blood Donation, On-site vaccination campaigns in Mexico, the Breast Cancer Awareness Month and Tobacco Cessation Program in the USA, the Pink October and Blue November campaigns and the *Jornada saludable* initiative in Brazil, consisting in providing all employees with a healthy breakfast. Similar prevention initiatives were introduced in Poland, along

with the Ergonomics at the Office and Workplace campaigns, accompanied by physical therapy sessions. In addition to these initiatives, the Brembo To You programme offered sessions dedicated to raising awareness among all employees of individual health and wellbeing issues and encouraging collective discussion.

In addition, Brembo supports sports projects aimed at promoting the positive value of physical activity, such as Running, Volleyball and Soccer Teams in Poland and Brembo Strong in the USA, a wellness and corporate welfare programme developed with the aim of encouraging healthy behaviours and discounts on medical insurance premiums.

THE PINK OCTOBER AND BLUE NOVEMBER CAMPAIGNS IN BRAZIL



During October and November, each year Brembo do Brasil organises two awareness campaigns open to everyone working at its plant, to draw their attention to important health and prevention issues: Pink October & Blue November.

October is the month dedicated to breast and womb cancer: all the women are invited to attend an event where these issues are discussed, and the importance of prevention and early diagnosis is emphasised. November is the month for raising awareness about prostate cancer, involving all the male workers.

In addition to these meetings, the company offers women over 40 the

chance to undergo breast examinations, while men are able to do a PSA test at a medical clinic partnering Brembo do Brasil.

The aim of the campaigns is to promote medical care and raise awareness among employees and their families about prevention, diagnosis and treatment, to increase the treatment possibilities and reduce the mortality rate caused by these diseases.

These initiatives represent tangible steps towards reaching the 17 Sustainable Development Goals set out in the UN 2030 Agenda, particularly SDG 3, targeted at the health and wellbeing of people around the world.



OPEN DIALOGUE AND DISCUSSION FOR CONTINUAL IMPROVEMENT

Brembo pursues the goal of guaranteeing Health and Safety at work, making consultation, involvement and empowerment of workers one of the cornerstones of its actions. In fact, one of the most significant innovations in the update of the Management System during 2020 was the definition of management methods, common to the whole Group, allowing more active employee participation and consultation on H&S issues.

Local Health & Safety Committees

At all Group sites, the workers and management meet at least on a half-year basis, to discuss and take decisions on open Health and Safety issues and identify specific solutions. In particular, they include the Plant Manager, H&S, the Workers' Representative and the Physician, along with the heads of plant functions. The subjects dealt with are circulated to workers through their representatives or, subordinately, in the minutes of the meetings.

The issues handled include topics such as risk assessment, work-related incident and occupational illness performance, training and information programmes, opportunities for improvement identified, the nature of incidents, near-misses and non-conformities and the results of measures taken to mitigate them, together with any best practices.

Prevention through information sharing

In order to encourage information sharing and discussion about problems, an IT portal facilitates the prompt communication and analysis of information regarding incidents, injuries or near misses at the various Group sites, improving management effectiveness and above all efficiency in preventing incidents. In fact, the platform facilitates the analysis of each event and the identification of the root causes. It also makes it possible to structure the information in a single archive accessible to all Group sites. In this way the plants not involved in the incident are able to rapidly assess whether what happened could repeat itself at their facility and to implement appropriate preventive actions.

Promoting workers' wellbeing

Brembo's commitment to promoting the health and wellbeing of its workers has translated in 2023 as well, for the twelfth year in a row, into pursuing the achievement of the WHP "Workplace Health Promotion" recognition. In Italy Brembo took part in the WHP project, for which the Group has been one of the main advocates since 2011.

This initiative, in partnership with the local health authorities and Bergamo's entrepreneurial association, is designed to promote healthier lifestyles and eating habits among workers of the companies involved. In addition, based on World Health Organisation guidance, Brembo is fostering health promotion initiatives for risks not directly related to the working environment. In fact, the Group's employees have been involved in information campaigns to spread healthy lifestyles, thanks to courses on proper nutrition, programmes to combat addiction and the Brembo wellness program.



METHODS AND TOOLS SUPPORTING WORKERS' HEALTH AND SAFETY

Communication campaign

People engagement underpins the promotion of the safety culture, which follows on from the "I am safety" campaign launched in 2019 and relaunched in 2022. In 2023, Brembo intensified efforts to raise awareness on this subject, during a second phase of the campaign, through "bottoms-up" involvement of people at Italian sites, designed to gather contributions and opinions to best identify the content on which the focus the campaign moving forward.

Brembo World Class Manufacturing (WCM)

The Brembo World Class Manufacturing programme, launched in 2022 and extended in 2023, is underway at all Brembo sites. Following the definition of reference Teams for the Safety Pillar and specific training courses, projects were launched to improve working conditions and prevent risks at the Group's sites.

Compared to the previous year, personnel engagement increased, due to visual aids and signs, as did requests for direct participation in reporting and analysing near misses and unsafe actions.

Ergonomics

The aim of the project is to anticipate the ergonomic analyses of production processes in their design phase so as to facilitate line optimisation before their construction and also prevent the risks associated with the manual handling of loads and inappropriate postures. Following the activities aimed at improving ergonomics carried out in 2022 and the launch of a study project for the use of exoskeletons, designed to provide adequate ergonomic support at the most critical workstations, 2023 witnessed the start of the experimental phase involving the use of exoskeletons within the factories.

Safe behaviour project

60% of incidents are generally due to unsafe behaviour, a percentage that goes as high as 80% in Labour intensive areas (assembly and mechanical processing). The Safe Behaviour Project aims to identify and correct specific behaviours that have caused incidents or *near misses* that could be repeated in the future. The project's strength lies with the involvement of site prevention personnel, team leaders, department heads and shift managers both as observers of the behaviours themselves and as "trainers" of the workers for the correct actions to follow. In 2023, this project was further extended to several sites, thanks to training and awareness-raising activities devoted to the security personnel.

In particular, in 2023 the Layered Process Audit project was integrated in the Brembo WCM methodology and disseminated at all the sites in which the programme was developed. Following a safety audit, this project enables the identification and subsequent analysis of the unsafe conditions and actions found on individual workstations in order to implement the appropriate countermeasures.

'Safety Walks'

Each plant, depending on specific local circumstances, provides for employee consultation and participation activities. One example, in Italy, features the 'Safety Walks', in which the Employer and Worker Representatives jointly carry out a monthly audit in the sections regarding the operational aspects of Health and Safety.

Dedicated company notice boards, projections on screens inside the factories, booklets and information leaflets, as well as the company's Intranet portal and the internal quarterly magazine MyB supplement the range of information tools available to employees.

HEALTH AND SAFETY IN BUSINESS RELATIONSHIPS

Brembo aims to promote Health and Safety issues throughout its supply chain, in order to ensure suitable and healthy working environments for all people who have dealings with Brembo. In 2023 as well, the outsourced supplier management process for Health and Safety aspects was maintained.



OUTSOURCED SUPPLIES

Aware that it does not have direct control over suppliers and even less over the work environments they use, the Group has focused its attention on structured processes with the aim of raising awareness among suppliers on Health and Safety issues, as well as accompanying and supporting them in the effective management of these aspects. In this way, the Group aims to prevent, and when this is not possible, mitigate, its impacts caused by outsourced activities.

Specifically, the management process applicable to workplace Health and

Safety issues is structured into three aspects:

- communication and sharing of occupational Health and Safety standards that Brembo intends to apply to its outsourced suppliers;
- assessment of the ability of suppliers to apply and comply with the necessary requisites;
- sharing with suppliers the path designed to continuously improve performance

In line with the objective of ensuring

that the Health and Safety principles are respected throughout the supply chain, Brembo uses third parties to carry out audits of suppliers in order to verify compliance with the required standards, while new suppliers are subject to a preliminary assessment to verify that they meet the minimum requirements.

If the checks highlight critical situations, Brembo asks the supplier to take the necessary actions to bring the risk under control and monitors the related implementation plan.



70
10.2%

**SUPPLIERS OF DIRECT
MATERIALS THAT
SINCE 2015 HAVE
BEEN INVOLVED
IN SOCIAL AND
ENVIRONMENTAL
AUDITS**

(IN TERMS OF VALUE OF SUPPLIES)

CONTINUING TO GROW TOGETHER

Collaborating with the supply chain and sharing the commitment to achieving sustainability goals is the challenge needed to meet the complex requirements of the automotive market's transition.

A close-up photograph of a bee on a red flower with a yellow center. The bee is positioned on the left side of the frame, facing right. The flower's petals are a vibrant red, and the center is a bright yellow. The background is a soft, out-of-focus green.

90.6%

**LOCAL SUPPLIES:
SUPPLY FROM SUPPLIERS
LOCATED IN THE SAME
GEOGRAPHICAL AREAS
WHERE THE GROUP
OPERATES***

* 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 the 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.



5. THE SUPPLY CHAIN



90.6%⁶⁷

Local supplies: supply from suppliers located in the same geographical areas where the Group operates



78.2%

Suppliers of direct materials that since 2015 have been involved in social and environmental audits (in terms of value of supplies)

5.1 ANCILLARY COMPANIES AND SUPPLIER NETWORK

The Group relies on the contribution of more than 6,900 businesses located in more than **15 countries throughout the world** to carry out its own activities. These provide essential goods and services for Brembo's industrial processes.

For its production, Brembo needs to access high quality raw materials with sustainable costs, whilst being mindful of the environment. The main raw materials that the Group procures to make its products are ferrous and aluminium scrap, which are used in foundries and then to manufacture discs and calipers. Brake discs are made from cast iron, mainly derived from recycled material originating from the ferrous scrap recovery chain or mechanical processing scrap. Brembo currently favours primary aluminium in producing its calipers. In 2023, at some of its plants, the Group has introduced the use of 5% recycled aluminium deriving from the scrapping of alloy rims. In addition, as part of constant efforts to reduce greenhouse gas emissions, Brembo is experimenting with the use of secondary aluminium for casting calipers, with the goal of introducing it into production as early as next year. In addition to raw materials, Brembo also procures a series of finished and semi-finished

components, such as seals, pads, small parts, chemical products and packaging components for products for sale such as cardboard and plastic packing. In any case, 87% of total materials entering Brembo's plants and used to manufacture the main organisation's products and services is recycled and consists of ferrous and cast iron scrap.

During 2023, the total number of raw materials, components, materials and auxiliary production services processed and integrated in Brembo products generated a purchasing value of more than **€2,442** million, in addition to about **€317** million for machinery and industrial plant.

The geopolitical environment and the different market conditions of recent years continued to increase the strategic importance of the supply of electricity, natural gas and raw materials such as ferrous scrap, aluminium, cast iron goods, binders and refining agents directly used in the Group's foundries, which in 2023 rose to an overall purchase value of nearly €785 million.

Equally significant in 2023, worth a total of more than €935 million, were components and outsourced processing.

⁶⁷ 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 the 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.

VALUE OF SUPPLIES⁶⁸ BY CATEGORY (€)

	2021	2022	2023
Raw materials and cast iron goods	569,247,032	828,883,991	784,757,701
Components and outsourced processing	754,713,751	927,064,442	935,242,159
Ancillary products and services	479,527,436	637,225,182	722,488,086
Total	1,803,488,219	2,393,173,615	2,442,487,946
Industrial assets	173,589,519	241,577,366	317,136,247
Total	1,977,077,738	2,634,750,981	2,759,624,193

VALUE OF SUPPLIES BY GEOGRAPHICAL AREA (€)

	2021	2022	2023
Europe	1,013,421,591	1,270,635,517	1,361,206,670
North America	316,636,567	469,729,190	461,460,717
South America	25,848,759	584,428,614	61,940,494
Asia	444,685,424	54,420,444	541,755,432
Other*	2,895,877	13,959,850	16,124,633
Total	1,803,488,218	2,393,173,615	2,442,487,946

* The item "Other" includes for 93% United Arab Emirates and for the remaining part Russia, Australia and Libya.

PERCENTAGE OF LOCAL SUPPLIES (€)

	2021	2022	2023
Europe	87%	86%	90%
North America	83%	85%	87%
South America	99%	100%	99%
Asia	96%	96%	97%

68 The scope of analysis of the value of supplies 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). It also includes the provision of services not closely associated with production, such as the 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 balance sheet allocations/provisions are excluded. The "value of supplies" is considered in euro by converting each transaction at the exchange rate of the transaction date. The scope of analysis of the value of supplies includes all Brembo companies except for: Brembo Japan Co. Ltd.; Brembo Deutschland GmbH; Brembo Russia LLC; Brembo Inspiration Lab Corp.; Brembo Reinsurance Ag; Brembo Poland Manufacturing Sp Zoo; Brembo Poland Heatech Sp Zoo and Brembo Thailand Ltd.

5.2 RESPONSIBLE SUPPLY CHAIN

For Brembo, supply chain management is a priority and is essential to ensuring responsible supplies, with a focus on environmental protection and the rights of workers and local communities. For this reason, the Group asks for its model of conduct to be shared and applied also by its supply chain. These principles and values are at the basis of the supplier selection and were formally defined within the Sustainable Procurement Policy. Through this document, that as of 2022 integrates and supersedes the Supplier Code of Conduct and the Procurement Policy, Brembo brings together the new regulations, but, above all, it intends to accompany its suppliers towards an increasingly sustainable business.

This Policy is broader in scope: it contains the codes of conduct that suppliers are required to apply and urges responsible, sustainable conduct, far beyond mere compliance with rules and codes. This policy was distributed to the main global Brembo suppliers, which are required to sign it and abide by it. It includes verification and audit programmes, monitoring, training sessions and corrective measures to support suppliers in a collaborative manner.

Over the years, the Group has thus established a structured supplier management process that seeks to promote the development of stable relations with its partners, as well as ensuring continuous innovation and improved quality and sustainability throughout the industry.



This process is structured into three main phases:

1. Clear communication of the standards that Brembo expects from its business partners in terms of product and service quality, respect for human rights and employee protection and, more generally, attention to ESG issues.
2. Assessment of suppliers' capacity to meet ESG-related technical specifications and requirements both during the qualification phase and during the business relationship and monitoring of the risk relating to supply.
3. Providing suppliers with support to continually improve their own performance and strengthen their ability to innovate.

CLEAR COMMUNICATION OF WHAT THE GROUP EXPECTS FROM SUPPLIERS

In light of the complexity of the production and technological sector in which Brembo operates, it asks the Group main suppliers to adopt the Sustainable Procurement Policy, which summarises the guidelines set out in the Group's sustainability policy, the rules and principles that Brembo's suppliers are required to uphold.

In particular, Brembo asks:

- to base their conduct on the Universal Declaration of Human Rights, the ILO's Tripartite Declaration on the Principles Concerning Multinational Enterprises and Social Policy, as well as the OECD Guidelines for Multinational Enterprises;
- to implement a quality management system certified by independent accredited bodies, promoting where

possible, the use of Automotive IATF standard 16949 among the suppliers of direct materials;

- to develop and maintain an ISO 14001-compliant environmental management system, preferably obtaining third-party certification;
- to actively take part in the fight against climate change through collaboration and transparency in data sharing and the concrete commitment to reducing climate-altering gases;
- to implement administrative, physical and technical controls on information security, in particular the ISO/IEC 27001:2013 standards and other applicable standards in this field.

The Sustainable Procurement Policy has become a key document in relations with suppliers, and even an inte-

gral part of the new General Terms and Conditions of Purchase Direct Materials and Services (GTCoP), which were updated and released in a new revision in 2023.

The Sustainable Procurement Policy has already been signed by over 800 of the total active suppliers.

SELECTION, ASSESSMENT AND MONITORING

New supplier selection and assessment

In 2023, 6 new suppliers were selected and activated taking account of environmental and social criteria, through the completion of the pre-assessment questionnaire. They account for 5.36% of the candidates who qualified as new Brembo suppliers in 2023. In addition to the new suppliers falling within the above characteristics, Brembo also subjects to a sustainability assessment all suppliers that become relevant during the year. "Relevant suppliers" are those that belong to certain product categories or that conduct business with Brembo that exceeds specific thresholds for each Group company.

Brembo has defined a structured process for the assessment and approval of new suppliers.

The first phase of the process involves inviting suppliers to register with Brembo's Supplier Portal and asking them to complete a pre-assessment questionnaire (the questionnaire is also available online on the website <https://www.brembo.com/en/company/suppliers/criteria-for-selection>).

This first analysis phase enables Brembo not to establish commercial relationships with suppliers who do not comply with the minimum requirements and allows it to identify in advance any critical issues regarding new potential suppliers and to implement corrective actions accordingly. The questionnaires are analysed by the Purchasing, Administration & Finance, Quality & Corporate Social Responsibility Global Central Functions (GCFs) with the aim of assessing the operating, financial and sustainability risk profiles.

Once the pre-assessment phase is concluded positively, all potential suppliers of direct materials receive onsite visits from the Quality Global Central Function to check that the quality and process requirements are met effectively.

Once the approval process has been completed, the supplier becomes part of the supplier base to which Brembo can award orders. The assignment of a specific supply takes place by benchmarking the various offers received on the basis of the following assessment criteria:

- A. Compliance with technical specifications
- B. Technological and innovation capabilities
- C. Quality and service
- D. Economic competitiveness

Alongside the existing ESG governance already in place, in 2023 more than 350 direct and indirect suppliers were 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 defined as part of the Drive Sustainability initiative promoted by the major global players in the automotive industry and allows Brembo to adhere to the sustainability guidelines of the reference supply chain of which it is part, while also promptly complying with emerging regulations and with the most consolidated international standards regarding sustainability due diligence.

In the future, this activity will allow Brembo to extend the process to all new potential suppliers of relevant categories and to monitor suppliers' performances over time.

Monitoring and risk management

In pursuit of a virtuous process of continuous improvement in product quality and risk management, Brembo regularly monitors indicators relating to supply quality and cost, assessing the risks inherent in the supply chain, such as the increase of supplier's dependency on Brembo and Brembo's dependency on the supplier, and financial solidity, thus highlighting any critical situations.

Moreover, where a situation considered at risk were to threaten business continuity, Brembo has a plan in place to set up a Crisis Committee composed of an inter-functional team to take the measures needed to minimise the impact. In 2023, 20 risk events were monitored relating to different areas.

In addition, in consultation with experts, Brembo has conducted for years third-party ESG audits of suppliers with the specific goal of assessing compliance with the sustainability standards mandated by the Group.

The Procedure for Managing CSR Audits, which has been operating as of 2018, defines the procedures for selecting suppliers involved in audits, the processes for managing third party-audits, related follow ups and any corrective actions. The parameters for selecting suppliers involved in CSR audits are: the country of origin of the supplies, the turnover with the Brembo Group, the type of production process, as well as other ESG indicators, if any.

The objective of the third-party audits is to identify critical issues affecting areas such as: working conditions, related remuneration and working hours, health, safety and the environment.

The Supplier is required, for each non-conformity reported, to develop remedial action plans, which are then monitored by Brembo using the same third-party assessor.

To date, Brembo has involved 140 suppliers in sustainability-related audits certified by third-party bodies, of which 23

in 2023. Of these, four were identified as having significant adverse environmental and social impacts, both potential and actual.

Brembo did not suspend collaboration with the suppliers identified. However, in keeping with its aim of accompanying its suppliers towards an increasingly sustainable approach to business, environmental improvement actions were agreed with the suppliers in question.

The percentage of the turnover monitored further increased by 7.9%, reaching 78.2% of the purchase costs overall for 2023 for the main direct material suppliers.

Periodically, the Purchasing GCF gives an update in the CSR Meeting of work underway relating to the supply chain with regard to the assessment activities concerning suppliers, decarbonisation (Net Zero Supply Program) and sustainability in general.

ENGAGEMENT AND AWARENESS RAISING

In the area of supply chain engagement and transparency, the main initiatives conducted in 2023 were:

Supplier Engagement Survey “Materiality Matrix”: fourth edition, designed specifically to ensure direct support during the assessment process. The survey involved 20 relevant suppliers, with a 92% response rate.

Conflict Minerals and Extended Minerals Engagement Survey: conducted on a panel of over 220 relevant suppliers, since the Conflict Minerals Survey is part of the broader SAQ 5.0 sustainability questionnaire. In 2023 as well, suppliers belonging to the Friction Materials, Raw Materials and Mechatronics product categories were involved in the Conflict Minerals Survey as these components are potentially at risk of using these materials.

Net Zero Supply Chain Programme: from the standpoint of environmental sustainability, 2023 was a year characterised by the launch of the Net Zero programme for the supply base. The programme provides for the involvement of suppliers in Brembo’s decarbonisation journey. Suppliers thus play a key role in this process, given that a large part of its GHG emissions is tied to its supply chain, and suppliers’ cooperation is essential to achieving medium- and long-term goals.

The Net Zero Supply Chain Program initiative was launched in October 2023 through a workshop involving approximately 290 suppliers identified as “carbon-relevant”. The initiative met with considerable participation among suppliers, who were then called on to provide Brembo with primary carbon emissions data in the form of a questionnaire. The collection and processing of the data received were concluded at the end of 2023. More complete and precise reporting of emissions relating to the supply chain will therefore be possible in 2024.

Brembo also organised an internal training session for over 200 employees from the Purchasing GCF and other areas concerned with the decarbonisation issue (such as the CSR and Industrial Operations GCF – Environment & Energy area). The goal is to obtain widespread competency within the organisation with regard to the main environmental sustainability issues, and in particular decarbonisation, ensuring familiarity with the concept of Scope 3, the related calculation methods and the decarbonisation targets.

Moreover, the Purchasing GCF, together with the CSR GCF, manages an area dedicated to sustainability available on the home page of the Brembo Supplier Portal to encourage effective communication, share best practices and de-

velop greater sensitivity to sustainability matters through detailed thematic reports, such as sharing a brochure dedicated to Conflict Minerals, Cobalt and Mica.

Training for the Purchasing GCF personnel: in order to strengthen the level of attention paid to sustainability issues in the procurement area, an ad-hoc training course has been created in which all the Purchasing GCF personnel was invited to participate. Training was particularly intense in 2023. From the standpoint of sustainability, the

launch of the new NQC platform was accompanied, in the first half of the year, by training sessions on the use of this tool and the management of NQC questionnaires.

The common goal of sustainability and decarbonisation training sessions was to increase the sensitivity of Purchasing GCF personnel to ESG and environmental topics, so that these matters can increasingly be integral aspects of the commercial relationship and consequent selection of suppliers.

DEVELOPMENT AND CAPACITY BUILDING

Brembo promotes the continuous improvement of its suppliers' performance and their involvement in product innovation processes, with a view to strategic partnerships.

In order to ensure the maximum safety and quality of its products, Brembo is committed to involving suppliers from the early stages of the development of a project, adopting a preventive and proactive approach, which allows any critical issues identified to be anticipated and resolved.

The Group also promotes opportunities for supplier development, through collaborative initiatives that encourage direct discussion and the sharing of best practices.

Examples include the projects coordinated by the Brembo Supplier Quality area, which provide for the involvement of some suppliers in tutoring activities in order to improve the quality performance. Supplier support activities continued in 2023 as well in the form of improvement plans and guided growth plans, in some cases with the involvement of specific external process expertise.

These projects aim to support the development of Quality competencies in managing production processes, by analysing the processes themselves, sharing experiences and approaches with the aim of identifying the improvement solutions to be implemented.

COMBATING THE USE OF CONFLICT MINERALS

"Conflict Minerals" are metals such as gold, coltan, cassiterite, wolframite and their derivatives such as tantalum, tin and tungsten coming from Conflict-Affected and High-Risk Areas (CAHRAs). These minerals are subject to international regulations, including section 1502 of the Dodd-Frank Act, a 2010 U.S. federal law and EU Regulation No 2017/821 which discourages their use because their trading could fund conflicts in risk areas, where there are reports of serious violations of human rights.

Promoting the full protection of human rights in its own supply chain as set out in the Group's Code of Ethics, Code of Basic Working Conditions and Sustainable Procurement Policy, Brembo does not directly purchase minerals from conflict zones and requires its suppliers and commercial partners to declare the presence and provenance of conflict minerals for Brembo Group supplies so that a check

can be made that they do not originate in countries at risk. To this end, Brembo investigates its supply chain, in compliance with the provisions of the Organisation for Economic Co-operation and Development (OECD), which specify the due diligence activities required.

As of 2021, the Brembo Group decided to launch an investigation also on the origin of cobalt, another high-risk material that comes from conflict zones. In 2023, data on conflict minerals and extended minerals (Cobalt and Mica) began to be collected through a specific section of the SAQ 5.0 sustainability questionnaire.

Tantalum	Ta	180.95	73
Tungsten	W	183.84	74
Gold	Au	196.97	79
Tin	Sn	118.71	50

3,900

PATENTS, UTILITY MODELS AND DESIGNS

THE DRIVE FOR INNOVATION

Innovation as a strategic lever for maintaining global technological leadership in the automotive world.

An attitude confirmed by the many patents filed and the continuous exploration of artificial intelligence and its applications, combining design and excellence.



PEOPLE EMPLOYED
IN R&D ACTIVITIES

1,555

FTE*

100%

PLANTS WITH
IATF 16949
QUALITY
CERTIFICATION**

** The Zaragoza site is ISO 9001 certified since the IATF scheme does not apply to aftermarket sites. For the plants of J.Juan (Myasl and Jiaxing), which were ISO 9001-certified upon their acquisition (occurred in the fiscal year 2023), activities are underway to integrate them into the Brembo Quality Management System. This will lead to the IATF 16949 certification by Q1 2024.



6. SYNERGIES AND INNOVATION



3,902

Patents, utility models and designs



1,555 FTE⁶⁹

People employed in R&D activities



100%⁷⁰

Plants with IATF 16949 quality certification

6.1 DESIGNING INNOVATION

Companies are increasingly called upon to respond comprehensively to the challenges of climate change and air pollution, especially in a complex sector like the automotive sector. Research and Development thus focuses on product solutions that, from the design stage, take into account the requirements of a market geared towards electrification and automation, as well as the need for sustainability throughout the product life cycle.

This commitment is reiterated by the adoption of a circularity-oriented business model, which may generate positive impacts in terms of reducing the environmental footprint (such as greenhouse gas emissions), both downstream and upstream the value chain, associated with the reduction of the use/purchase of virgin materials, while also promoting the design of products made with greater durability and recyclability.

Aware of the influence that environmental impact has on purchasing decisions in the automotive sector, Brembo is committed to developing innovative products with an environmentally sustainable, circular design. In this regard, in 2023 the Group worked on creating indicators relating to product eco-design, so as to be able to include sustainability criteria from the design phases.

The Company aims to reduce environmental impact along the entire value chain, promoting sustainable mobility and

experimenting with revolutionary solutions to improve the sustainability and comfort of braking system components. Brembo is also oriented towards a design that harmonises functionality, comfort, durability and aesthetics. Therefore, the aim of the Group's Research and Development work is to:

- **increase braking system performance** while ensuring maximum reliability and improving comfort through solutions that can reduce braking action noise, vibrations and harshness;
- **prolong the life of Brembo's products**, while studying and applying new product design rules and minimising disc and pad wear, in the framework of eco-design and circular economy;
- **reduce the environmental impact** resulting from the use of vehicles in terms of greenhouse gas and particulate emissions into the air, through the reduction of the weight of its products and the control of the dispersion of braking-related dust, but also an increase of the share of recycled raw materials thus contributing to combating the consumption of virgin materials and the climate change;
- **implement the LCA (Life Cycle Assessment) assessment for all new products**, using this tool as a binding step towards the approval of a product, similarly to cost evaluation and technical feasibility;

⁶⁹ Full Time Equivalent – FTE represents the workforce calculated based on the hours actually worked and/or paid by the company in which they are employed.

⁷⁰ The Zaragoza site is ISO 9001 certified since the IATF scheme does not apply to aftermarket sites. For the plants of J.Juan (Myasi and Jiaxing), which were ISO 9001-certified upon their acquisition (occurred in the fiscal year 2023), activities are underway to integrate them into the Brembo Quality Management System. This will lead to the IATF 16949 certification by Q1 2024.

- **reduce the final weight of vehicles** using increasingly lighter alloys to obtain lightweight products;
- **promote functional design** that enhances innovation, interprets trends and makes objects iconic.

The operating model, shared with the Environment and Energy area to reduce the environmental impact of Brembo's products throughout the life cycle, is now divided into the following action areas:

- understanding of the impact throughout the production chain;
- integration of the impacts emerged as part of the LCA studies on the new products designed during the Research and Development phase;
- definition of the project criteria (Process and Product);
- involvement of the supply chain;
- energy efficiency and transition to renewable energy sources through contractual forms of Power Purchasing Agreements and an increase in the capacity to self-produce electricity.



3,902

Patents, utility models and designs

Brembo's capacity to innovate and exploit its own expertise as a strategic lever for maintaining its technological and commercial leadership at global level can also be

gauged by the number of patents filed by the Group over time. 3,902 patents, utility models and designs divided into 650 still valid families have already been registered in the world in over sixty years since its foundation.

During 2023, the Group filed several patent applications for automation methods thanks to the research, development and testing of systems based on artificial intelligence, through the study of computer vision and deep learning techniques so as to fully meet the sector's needs and win new market segments.

In 2023, 68 patents and 7 design models were filed, for a total of 75, in addition to 65 filed the previous year and 50 in 2021. In 2023, Brembo also registered 9 new trademarks, bringing the total registered since its foundation to 388, divided into 82 families.

Continuous innovation is the stylistic approach taken by Brembo to 100% of its products and processes, both existing and in development, with regard to quality and environmental impact, including through prior analysis of the relevant laws and regulations in force in the countries where the product will be marketed.

In addition, the Group uses the Life Cycle Assessment methodology to monitor the entire life cycle of products and processes, with the aim of extending it to all products and processes. Currently, several methodologies and software are used to quantify environmental impact, including ReCiPe 2016.



BREMBO'S DIGITAL LAB



Brembo has set up the Digital Lab, in line with the digitalisation process undertaken by the Group to become a "Digital Company". This is a digital laboratory that is responding to the Group's mission to develop a "data culture", increasingly considered as a corporate asset for creating new business opportunities and supporting partners in the challenges of the new mobility.

The aim of the Digital Lab is to design and implement the digitalisation projects in which three players operate: the "Domain Experts", "Data Scientists" and "Digital Project Managers". The projects will then be evaluated by the Global Digital & Innovation

Committee (GDIC) which decides on which ones to implement and identifies the priorities. Finally, the digital ecosystem includes the Transformation GCF, which has the task of providing support through the entire infrastructure.

The new Brembo AppLogger App, available to all employees who have a company smartphone, is part of the Data Culture project. Once downloaded from the Brembo Workspace Play-Store and associated with the car, it allows to log data on braking, brake use and how brakes are used, in a reliable, constant, continuous and anonymous way, with absolute respect for privacy. The aim is precisely to create

an overall database of information that can be reworked and used in product design, helping to provide the data that feed the innovative processes that are taking shape in the Company.

After the release in 2022 of a new version that allows data collection in the Brembo cloud, in 2023 the application was made available not only in EU countries, but also to Brembo employees in the rest of the world. And that's not all: the study of new features (for instance, the activation of personal statistics) that will allow further developments, also with a view to creating internal challenges, continued.

Conscious that dialogue with stakeholders is fundamental, Brembo takes care to maintaining a transparent relationship with its customers. The Group responds to the questionnaires it receives also in relation to environmental performance, and has strengthened collaborations with the value chain. Moreover, it adheres to external initiatives by taking part in workshops, conferences and webinars in order to improve its approach to managing stakeholder engagement. Brembo also participates in the Green Economy Observatory promoted by the Bocconi University of Milan, as well as in meetings promoted by trade associations such as Assofond, Confindustria, FIRE, ANFIA, and CLEPA. The operating model rest on the accuracy of impact data gathering, opening up possibilities for developing a software capable of measuring impacts such as those linked to raw materials production.

Beauty and functionality are in perfect harmony in Brembo which supervises the design of each product precisely in synergy with its functionality and safety. The Group carries out various activities related to design, a value that has always been its DNA. Each project is accompanied by digital communication, engagement on social media and communication with customers, in close collaboration with customers' style centres and designers to set the design guidelines for its new products. Moreover, for some years Brembo has participated in the prestigious Car Design Award organised by the magazine Auto&Design. This award is given to projects that have distinguished themselves in the field of automotive design, confirming design as a key element in the purchase of a new model. The Car Design Award is internationally recognised as an award for excellence in the highly competitive automotive design industry.

6.2 COLLABORATIONS TO REDUCE THE ENVIRONMENTAL IMPACT

For Brembo, innovation aims to ensure increasingly cutting-edge products able not only to anticipate and meet the new needs typical of the automotive industry, but that also allow to improve the environmental impact through:

- the design of products involving the use of low-impact materials and protections;
- the reduction of GHG emissions thanks to the use of lights alloys allowing to limit braking systems weight;
- the reduction of particulates during braking, harmful for human health thanks to the use of technical materials and solutions;
- the development of smart products such as mechatronic components;
- the implementation and improvement of structured Life Cycle Assessments, both on process and material level.

In a perspective of open-innovation, and to improve the effectiveness of research in these areas, the Group encourages collaboration, through networks and joint work projects, with other players in the automotive sector: Research Centres and Universities both at Italian level (including the Milan Polytechnic, the University of Padua, the University of Trento, the Mario Negri Pharmacological Research Institute) and at international level (where Brembo collaborates with the Lund University and continues to partner with the Royal Institute of Technology in Stockholm).

Brembo subscribes to various coordinating organisations that promote industrial research in the automobile field, including AIRI (Italian Association for Industrial Research), ATA (Technical Automobile Association), Automotive SPIN Italia, CAAR (Automotive Cluster of Aragon Region), CLEPA (European Association of Automotive Suppliers) and the Lombardy Mobility Cluster.

In 2023, Brembo also continued to implement a series of European projects, two of which funded by the National Recovery and Resilience Plan (PNRR).

nPETS (nano Particle Emissions from the Transport Sector)

The project, which is expected to end in June 2024, has received funding from the European Union's Horizon 2020 Programme in order to understand and mitigate the effects of emerging emissions of unregulated nanoparticles generated by transport on public health and the new pub-

lic policies. The goal is to monitor and sample with state-of-the-art instruments the sub 100 nm emissions generated by maritime, road, rail and air transport, both in the field and in controlled laboratory environments. Emissions will be characterised in terms of size, morphology and chemical composition linked with specific emission sources, such as engines, brakes, clutches and tyres, to increase understanding of the mechanisms underlying the adverse risks posed by the different types and sources of identified sub 100 nm particles. The effects of nanoparticles from various modes of transport and fuels, as well as from specific emission sources, will be compared paying particular attention to markers significant for carcinogenesis and inflammation.

In addition, the goal is also to complete a comprehensive public database that collects all the chemical and toxicological information obtained to provide science-based suggestions for new policies specifically related to nanoparticulates.

For further information: www.npets-project.eu.

MODALES (MODify Drivers' behaviour to Adapt for Lower Emissions)

Launched in 2019, the MODALES project aimed to substantially reduce air pollution from petrol and diesel vehicles. The 18 project partners worked together for 45 months to bring this vision to life and propose an approach based on users and how their behaviour affects powertrain emissions, and brake and tyre wear. The MODALES vision is to reduce air pollution from all types of vehicles on the road by encouraging the adoption of low-emission driving behaviours and correct maintenance choices. The project, which ended in May 2023, researched, developed and tested a range of innovative and complementary solutions that include the driver, on-board diagnostics, periodic inspections and retrofits.

MODALES was granted a nine-month extension since part of the project consisted of driving activities for data collection. This extension was the result of delays caused by safety measures related to the COVID-19 pandemic.

For further information: <https://modales-project.eu/brembo/>

LIFE RE-BREATH

is an ambitious project funded by European Commission's LIFE programme in the field of sustainable urban mobility. Launched in August 2022, this project will continue until August 2025, as part of the control and technical countermeasures for particulate emissions (PM) of public transport vehicles. In recent years, there has been a greater awareness of pollutant emissions from braking systems and specific countermeasures are currently being developed for cars, but not an equal attention was given to the public transport area. In this scenario, the RE-BREATH project has 4 objectives:

1. to measure and demonstrate the reduction of PM10 emissions, related to the braking system of buses, at stops;
2. to support national authorities in the estimation of non-exhaust emissions to be calculated in the EMEP/EEA emission inventory, according to Directive (EU) 2016/2284;
3. to demonstrate the decrease in the brake wear rate, and the consequent increase in the life of the braking system compared to the traditional system, for a more sustainable economy;
4. to model a concentration map for pollutants emitted by brake wear and a map of the exposure risk to pedestrian health, in order to support the design of a "green intervention" along bus routes in Bergamo and Bratislava and the formulation of Guidelines for local administrations.

In practice, two fleets of 10 buses each will be implemented in two European cities, Bergamo and Bratislava, located in regions where the EEA has declared the highest concentrations of PM (2.5 and 10). During 2023, the first braking system retrofitting solution was designed, developed, tested and installed on a number of buses in Bergamo and Bratislava.

The RE-BREATH braking solution stems from the AM Beyond Greenance Kit solution, adapted for bus application with a dedicated friction formulation, designed for the vehicle's specific mission.

During 2023, the first RE-BREATH solution was validated by performing performance and wear tests that were compared with the original components of the reference application. Compared to passenger cars and light commercial vehicles, as no test procedures exist for the assessment of bus emissions, specific activities were carried out to assess emissions behaviour.

In 2024, work will continue with the development of improved solutions and the definition of optimised procedures for measuring bus emissions.

For further information:

<https://www.brembo.com/en/company/news/re-breath>

VERA

The VERA project is aimed at developing and optimising innovative tailpipe and brake retrofit solutions to tackle the issue of emissions associated with road transport. These solutions will be mainly dedicated to the fleet of circulating vehicles, which are obsolete in a high percentage, with particular reference to those that travel high mileages within cities (taxis, delivery vans, buses). On the brake side, retrofit solutions will include innovative discs and pads to reduce brake wear and an active filtration system to capture the particles generated. Environmental and health impacts will be analysed and a cost-benefit analysis will be conducted to assess the benefits of applying the new solutions. Finally, incentive and regulatory schemes will be considered to promote the retrofitting of existing vehicles. The project was launched in December 2022, and an analysis was conducted during 2023 to assess the global size of the retrofit market, examine existing retrofit solutions that aim to reduce exhaust or brake emissions, and finally highlight market gaps to guide the project's technical developments.

In addition, the test procedures to be used for the validation of both exhaust and brake emissions have been defined, along with the methods used to perform the chemical and toxicological analysis of the emissions generated. Current activities focus on measuring baseline emissions and setting emission reduction targets. Retrofit solutions for the tailpipes and brakes are being developed, with the aim of carrying out validation tests scheduled for the end of 2024.

For further information:

<https://cordis.europa.eu/project/id/101056893>.

EMPOWER

The project stems from the European Commission Horizon Europe framework programme through the 2Zero Partnership and the call to develop a modular powertrain for heavy trucks, adaptable to different mission needs.

It focuses on a modular vehicle for the IVECO platform (VECTO 9), designed for fuel cell electric vehicles (FCEVs) and battery electric vehicles (BEVs) for long distances and regional distribution. EMPOWER aims to reduce costs and improve energy efficiency, contributing to a total cost of ownership (TCO) equal to 2020 diesel trucks. The project involves the creation of digital models of the demonstrator vehicles and the operational demonstration of at least two prototypes in real mission conditions.

For further information: www.projectempower.eu.

METABRAKE

Over a period of 36 months, the MODALES consortium will monitor the variability of driving behaviour and recognise typical driving patterns and practices. Subsequently, based on this knowledge, MODALES will establish the link between real-world powertrain emissions and driving behaviour with measurement campaigns using portable emission measurement systems (PEMS) and laboratory tests. In addition, laboratory measurements for brake and tyre emissions will be conducted. In a second phase, MODALES will create low-emission driving training courses, which will be taught and validated in pilot exercises. Knowledge, experience and practices will be shared with other cities in China and Latin America.

Aspects related to poor maintenance and tampering will be analysed with a fleet of cars whose emissions are intentionally affected by lack of maintenance and/or tampering, and MODALES will observe whether current OBDs and inspections are able to detect them. Finally, an assessment of the prospects and potential impacts of retrofits for light and heavy-duty road vehicles and non-road mobile machinery (NRMM) will be carried out, including the promotion of their application in selected pilot cities with significant pollution problems.

For further information: <https://modales-project.eu/>

The two projects benefitting from the National Recovery and Resilience Plan (NRRP) funding are illustrated here below:

National Centre for Sustainable Mobility – MOST

In the next decades, the main challenge for tomorrow's mobility will be to dramatically reduce emissions by reaching the maximum possible level of sustainability at global level. The MOST will be fully interconnected with the NextGenerationEU and, specifically, with the implementation of the National Recovery and Resilience Plan by Italy, which will encourage the spread of low and zero emission vehicles and renewable and low-carbon fuels for road, water, air and rail transport with specific measures on several levels: investing in green technologies, spreading greener vehicles and public transport and promoting equal opportunities nationwide, given the major geographical discrepancies existing in Italy.

Brembo S.p.A. is a founding partner of MOST with 25 Universities and Research Institutes, which in the three-year period 2023-2025, will be able to count on a structured staff of 696 researchers, including 574 newly-hired personnel and an investment capacity of €378 million. The MOST will provide a pivotal opportunity for the national scientific, industrial and economic system, addressing current and future scientific and social challenges related to the Sustainable Mobility paradigm. The ambition is to build a competent Italian leadership, strongly integrated into the local areas and local businesses, able to support the future development towards an inclusive, sustainable and decarbonised mobility.

“Made in Italy Circular and Sustainable”

the Brembo's ambitious vision is to enable the design and production of Made in Italy closed-loop, self-sufficient, self-regenerative, reliable, safe and energy-aware products and services. The proposed expanded partnership will conduct the fundamental research underpinning the achievement of this vision. It thus proposes eight thematic areas on which to focus to address the challenges currently faced by our design, production, and consumption models, as well as the end-of-life of materials, products, production technologies and processes needed to move to greener, more circular pathways and models.

6.3 PRODUCT INNOVATION

The automotive market has embarked on one of the most important revolutions in its history, which could radically alter the concept of the car and its use. A profound transition as a mark of the new electric drive systems, autonomous driving and integration of different vehicle systems, where the car is increasingly more able to carry out independent actions and provide assistance to the driver in real time. In particular, over the next few years a sharp increase is expected in cars fitted with hybrid and electric motors in response to the new European regulations.

This is a revolution for which Brembo has been preparing for almost twenty years, due to an ever greater focus and investment spending on electric braking system and mechatronic product research and development, through the development of competences applied to systems such as Electric Parking Brake and SENSIFY™.

In all sectors of operation, each product is developed in accordance with the Group's vision and the following three guidelines: "low emission", "high performance" and "best driving experience". These products will thus be aimed at reducing the environmental impact, improving the performance and ensuring the best user experience.

The main example of the implementation of these three guidelines is SENSIFY™, officially presented in 2021 and representing the latest development in the research work on the braking system with by-wire technology. SENSIFY™ is an intelligent braking system that integrates the most advanced software based on artificial intelligence with the Company's brake components. SENSIFY™ combines the current Brembo product portfolio of calipers, discs and friction materials with digital technology and artificial intelligence to create a flexible and revolutionary platform that includes software, predictive algorithms and data management to control the brake system digitally.

With SENSIFY™ the braking system is no longer simply a sum of its parts but an ecosystem, where artificial intelligence and software play an active role. Data collection is leveraged to improve the driver experience and allows the system to be constantly updated.



To learn more about
Brembo SENSIFY™

Its application development and industrialisation phases are currently ongoing, whereas launch into production will take place in 2025. Moreover, in keeping with Brembo's strategic priorities, its promotional phase is underway for both Group clients and new players entering the electric vehicles market.

In addition to product quality, Brembo is also particularly committed to adapting to the tightest development times imposed by the market and accordingly is dedicating a large number of resources to perfecting advanced simulation methodologies in which artificial intelligence and virtual reality are increasingly applied. The Research and Development Centres operating in Italy, Poland, Denmark, Spain, North America, China and India play a key role in these developments.

Apart from cars and commercial vehicles, Brembo intends to achieve a greater presence in the scooter market. The search for new markets in the field of two-wheelers thus continued. To this end, benchmarking has been carried out with currently mass-produced products to define a product specification, as well as a market to enter onto. The design activity has led to the construction of the first prototypes. Within this context, the collaboration with new players that have entered the EV sector has become a priority strategy for the Group which has begun to define the market and the product technical specifications with some of them.

Moreover, Brembo continued to conduct R&D activities in cooperation with international Universities and Research Centres with the aim of constantly seeking out new solutions to apply to brake discs and calipers, in terms of new materials, innovative technologies and mechanical and electronic components. The need to reduce product weight is leading the research function to evaluate the use of unconventional materials, such as technopolymers or reinforced light metal alloys, to produce structural components.

Another initiative in this area is Brembo's investment in Infibra Technologies, a spin-off of the academic institution Scuola Superiore Sant'Anna in Pisa, specialised in developing photonic sensors through the use of fibre-optics as the sensor element.

Within the Systems GBU, the goal of using the braking system to help reduce vehicle consumption and resultant CO₂ emissions and particulates is being pursued through the

development of new solutions. In detail, the use of methodologies to minimise caliper mass for the same performance, the improvement of caliper functionality by defining new characteristics for the pairing of seal and piston and optimisation of a new-concept pad sliding system continue to feature among the main areas of development.

Overall, the main areas that reflect the Group's capacity to develop new generation brake systems are as follows:

DISCS AND CALIPERS



In the area of brake discs for cars and light commercial vehicles, the strategic priority for 2023 was the development of brake discs with solutions designed to meet the criteria of the new Euro 7 standard on pollutant emissions from cars and commercial vehicles and which, for the first time, also introduces new provisions for particulate emissions from braking systems.

Brembo has been active for years in the development of solutions for the reduction of particulate emissions from brakes. As early as in 2020, it presented the Greentive® disc, characterised by an innovative coating applied to the cast-iron braking ring that ensures very low wear and tear, extends disc life and, thanks to the combination with the specifically developed friction material, also reduces particulate emissions during braking, thus limiting the impact on the environment.

Relying on the expertise gained through the Greentive® disc, over the years Brembo has forged ahead with research, development and testing of advanced solutions to be applied to cast-iron discs through the study of new materials and the adoption of technologies and surface treatments never used before for brake disc applications. The research focused in particular on the "Laser Metal Deposition" technology, where a thin layer of material is deposited on the disc at high speed by means of laser overlaying, which due to its characteristics reduces wear and tear and emissions of particulates from the disc itself during braking.

Equally important is Brembo Friction's concurrent development of brake pads that can markedly contribute to creating an ideal combination with the brake disc.

Thinking of the single component — disc or pad — as an independent unit fails to address the problem of emissions

in its entirety. The development of a friction module, consisting of disc and pad, designed for each of these new types of disc therefore becomes essential for achieving emission targets without compromising performance, thus managing to offer Brembo customers solutions consistent with the Group's vision and its guidelines.

Considerable attention is being devoted to the new needs of hybrid and electric vehicles, which use regenerative braking and thus introduce new requirements for brake discs, instrumental to solving issues relating to disc resistance to corrosion.

All the new solutions, which aim to reduce environmental impact and improve aesthetics and corrosion resistance, are meeting with strong interest among Brembo's main clients. In this regard, the development phases with major car manufacturers continued, while in Europe production of discs that will adopt one of these technologies began in 2023 for a major electrical vehicle manufacturer.

According to precise guidelines applied throughout the automotive sector and all of Brembo's development activities, considerable attention is also paid to new solutions that are able to reduce disc weight: a lower weight translates into a greater driving range for electric vehicles and lower fuel consumption of internal combustion vehicles, and consequently into a reduced environmental impact in both cases. This aspect will become even more important due to the entry into force of the new Euro 7 Regulation. In car applications, after having worked with a major German customer to develop the concept for the light brake disc installed in its new platform of core vehicles, Brembo will also extend the supply of this product — which enables a reduction in weight of up to 15% compared to a conventional disc — also to a new platform of fully electric vehicles, whose application development phase is underway.

Application development activity on discs for heavy commercial vehicles with major European clients with solutions aimed at improving performance and reducing weight is in the final phase. The related series production will begin during 2024.

Building on the experience gained in the field of light commercial vehicles, the research and development of new products compliant with the requirements for pollutant emissions (Euro 7), which are also being released for this category of vehicles, will continue in 2024 for this market segment as well.

The search for new markets in the two-wheel field is also focusing on green mobility. The Group has signed a collaboration agreement with a first client for the development of a high-performance braking system for use on high-performance products. After concluding the first tests, the product requirements have been frozen and the Group is currently engaged in the “Design Freeze” phase, which will be closed in February 2024.

Activities are also continuing for the development of green materials such as recycled aluminium for calipers and on the pad friction materials.

Finally, the Group continued to invest in the search for low environmental impact friction materials for the “low emission” and “high performance” line. In the case of the former, materials paired with coated discs are being developed, whereas in the case of the latter materials under development are paired with all types of carbon ceramic discs.

PADS



Brembo Friction, structure dedicated to the study and production of brake pads, continues with its steady commitment to developing traditional customer-oriented friction materials and increasingly high-performance materials for racing cars. The consolidated expertise on friction materials also relies on the know-how of the subsidiary BSCCB (Brembo SGL Carbon Ceramic Brakes), for the development of pads combined with carbon ceramic discs for ultra-high performance cars.

This focus also sits alongside accompanying and anticipating the automotive market trends, which are increasingly green-oriented and the introduction of hybrid and electric vehicles that require materials that are no longer merely high-performance, but also environmentally friendly, with a focus also dedicated to the aesthetic aspect of corrosion.

The inclusion, for the first time, in the Euro 7 standard also of braking system emissions, with particular regard to pad emissions, reflects a clear vision of current trends.

Brembo Friction is therefore decisive for expanding the braking materials portfolio that allow to maintain high performance, ensuring braking safety, with increased attention to both the aesthetic aspect in general and component corrosion, without neglecting driving comfort (absence of noise and vibrations), as well as developing expertise that can also be applied in new and increasingly complex systems such as the Electric Parking Brake and SENSIFY™.

The integration with the new mechatronic systems thanks to the constant technological evolution in the automotive field has paved the way for the development of a brake pad concept with embedded sensors that aims to make the braking system increasingly integrated within new vehicles.

To this end, Brembo Friction avails of data-driven methods. This year, it participated in the Hackaton event at the Brembo Inspiration Lab — Advanced Technology Center in California, with the aim of developing the formulations of specific friction materials and identifying the raw materials that most influence their properties.

On this basis, dedicated works continued on developing friction materials aimed at increasingly innovative discs. In fact, new coatings and new treatments require pads designed and produced specifically to reduce PM10 emissions. This development is made possible — also thanks to the increasingly close partnership with the main global manufacturers —, by the support of cutting-edge internal testing, a top-tier laboratory, and constant collaboration with university centres. These allow to define synergistically, every time, the new approach, obtaining the best results, and thus enable the expertise acquired in the field of passenger cars to be extended to light and heavy commercial vehicles as well.



LIFE CYCLE ASSESSMENT

Brembo looks to a future in which the Life Cycle Assessment methodology will also be extended to all products and processes, a study that allows the impacts on the environment and human health to be quantified, starting from the consumption of resources and CO₂ emissions.

Projects such as AFFIDA and LIBRA flow from Brembo's increasingly close focus on the environment.

AFFIDA, the natural extension of the COBRA project (which was part of the European Life+ project), in collaboration with the Mario Negri Institute, seeks to bring to the OE market the innovative technology of inorganic binders, having a key role in reducing volatile organic compound (VOC) emissions, with important positive repercussions for the environment. The new materials reach performances on a par with their traditional predecessors, while also meeting the high-performance standards required by the most challenging sporting applications and guaranteeing low fine

particulate emissions and a lower consumption of resources. Thanks to a press created with ad hoc technology, this innovative technology, completely different from that used traditionally, has now successfully passed the prototype pre-industrialisation phase. The specific improvement activity as regards NVH has thus been started.

LIBRA, a European project now concluded, but which has been ongoing since 2015 as an internal development activity, allowed to eliminate the steel backing plate in brake pads, replacing it with high-performance composite materials. The project continued with the research of new raw materials and new technologies, with clear advantages: from a lighter pad, with the resulting reduction in the overall brake system's weight, to a shorter production process.

Since 2022, a team has also been working on assessing the environmental impacts of products, providing guidance on the main areas of impact to be reduced through targeted interventions.

The team achieved full operational status during 2023 and will support internal structures in assessing and identifying areas of sustainable development to be taken into account together with the design of products and processes. The activities carried out during last year led to the quantification of the environmental impacts along the entire life cycle for Brembo's main product families such as discs, brake calipers (including some Brembo-produced components) and brake pads. The impacts of other products still under development were also assessed.

Since 2021, several customers have started to request information in the LCA area, setting mandatory requirements applicable to new projects. To ensure a prompt and correct response to these requirements, Brembo has organised in-depth discussions on the topic with its main customers, aware that the involvement of the supply chain is necessary in order to have data on the impact of the materials being purchased.



INNOVATION IN THE R&D AREA

R&D GCF activities involve constant monitoring of the evolution of vehicles, in line with the main general trends of ensuring high performance, reducing emissions and providing users with the best possible experience.

To do this, Brembo is also investigating areas such as electrification and fuel cells, advanced driver assistance systems (ADAS) and autonomous driving,

the constant reduction of environmental impact and connectivity. The high level of integration will increasingly bring the brake system into dialogue with other vehicle systems, such as electric-drive motors and new suspension/steering concepts. Such integration will allow for increased active safety and the optimisation of functions, such as regenerative braking.

The first half of 2023 also saw the

start of the globalisation of innovation processes at the Brembo Inspiration Lab, with the launch of the new Advanced Technology Center (ATC) in Silicon Valley. Product innovation takes place in the ATC in synergy with the integration of new methodologies and algorithms linked to data science, making use of the research centres, institutions and universities within the local innovation ecosystem.



Brembo's ability to achieve relevant results in all the areas in which the Group is committed to product and process innovation stems from the work of the employees operating

in the various company areas. Among them the following can be mentioned:



1,555⁷¹FTE

employees
(Full Time Equivalent)
engaged in research and
development activities



303^{FTE}

employees
(Full Time Equivalent)
engaged in testing
activities



946^{FTE}

employees
(Full Time Equivalent)
engaged in quality
management and
development activities

6.4 LISTENING TO CUSTOMERS FOR PRODUCT IMPROVEMENT

The Group collaborates and exchange views daily with the main manufacturers of vehicles equipped with Brembo brake systems to understand and anticipate their future needs and promote the joint development of new solutions in technological areas that have yet to be consolidated.

It is equally important for the Group to establish constant dialogue with the end users of vehicles equipped with its products, in order to understand to what extent Brembo's solutions meet their expectations and what aspects can be further improved, particularly with regard to perceived quality and comfort. For Brembo, end users are not only users of vehicles equipped with its products, but all those who interact and have an experience with the brand. Therefore, the end-user engagement strategy, i.e., the construction of a solid and long-lasting relationship of trust, not only with the buyer, sometimes indirectly, but with anyone who has interactions with the brand.

The Group is committed to the constant development of digital channels for contact and communication with its customers and end users. Important in this context is the Group's corporate website Brembo.com, which recorded over 4,100,000 million visitors in 2023. It should be noted that website visitors are increasingly "mobile" as nearly four out of five connected to the website through a smartphone or a tablet.

Brembo is also active on the main social media (Facebook, Instagram, LinkedIn and Twitter) where it publishes numerous contents designed for different audience segments and optimised to be enjoyed in the best way on the various networks. The Group also recorded excellent performance on these channels during last year, with a general increase in engagement on the 4 main channels, with over eight million interactions.

⁷¹ Full Time Equivalent – FTE represents the workforce calculated based on the hours actually worked and/or paid by the company in which they are employed.

Brembo's presence also continues to grow on WeChat, the most popular social network in China, and on other Chinese social platforms such as the WeiBo microblogging platform and the Youku video hosting channel.

In this regard, Brembo has defined the "Group Guidelines for the Use of Social Media" containing guidance on the use of social media by Brembo People, where there is a clear or expressly stated link on the employment relationship between the Group and the individual, with the aim of preventing any conduct that may harm the business, Brembo's image and reputation.

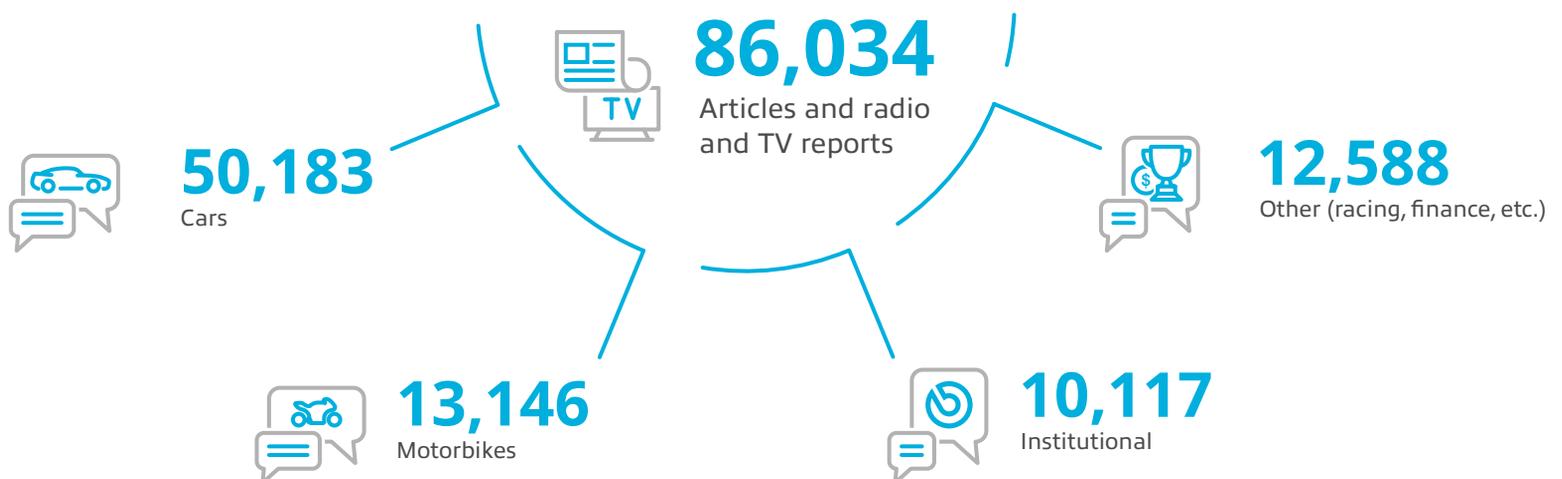
Press office and media relations activities represent a fundamental asset to make the public aware, through relations with the press, of the Company's mission and vision, values, history, activity, its products and services. This type of activity takes place daily through personal relationships with the media, but also through the sending of information material, organisation of targeted interviews or press events dedicated to the launch of new products/services, and attendance at motor events, fairs and races. The result of this work is the publication of articles and radio and television reports, in which Brembo is mentioned or is

the subject, which are collected in the monthly and annual press review. The total number of radio and television articles/reports published in 2023 in which Brembo was talked about or at least mentioned is 86,034.

The emerging data show that the topics most covered by the press involves cars with 50,183 articles, followed by motorbikes with over 13,146 articles and institutional matters — including CSR-related topics — with over 10,117 articles, and then by articles focused on products dedicated to enthusiasts, relating to financial matters and racing.

The above-mentioned data refers to figures recorded in 2023, up to the date of publication of this document. Additional mentions attributable to 2023 but received retrospectively are not included in this count.

Building a narrative universe around Brembo that is able to amaze, excite and involve all stakeholders: this is the goal with which, in 2023, the Group created several opportunities to talk about itself, its activities and its products, through trade fairs, meetings with the press and institutional and internal events.



Trade fairs represent the big stage where innovation takes centre stage and the Group unveils its latest braking solutions. In 2023, Brembo participated in Auto Shanghai where, during the press conference organised for more than 15 Chinese journalists, it presented its latest products dedicated to original equipment. The same format was used to present the new brake pads dedicated to the after-market for the first time in China, during Automechanika Shanghai, in November 2023.

At EICMA 2023, Brembo presented the new **Hypure** brake caliper, designed for high-performance motorbikes. The new Original Equipment brake caliper, that boasts unparalleled performance and a distinctive asymmetrical design, allows a 10% weight reduction compared to the reference caliper for the same application, making it the lightest component in its class.



To learn more about
Hypure

The latest evolution of the Brembo GP4 family was also presented during the event: the **GP4-MotoGP** brake caliper, designed and developed to equip the most powerful latest-generation racing motorbikes. Brembo's GP4-MotoGP is a brake caliper born from the racetrack for the road as it encompasses all the latest technologies, processes and the most innovative materials together with the know-how acquired by Brembo in its many years of experience in the racing world.

Particular attention has been paid to the introduction of ventilation fins on the outer body and the new racing pistons, both characteristics which improve the braking system's thermal exchange, contributing to cooling it.



To learn more about
GP4-MotoGP

EICMA also saw the presentation of the first high-performance braking system consisting of caliper and brake disc developed for SSVs (Side-by-Side Vehicles). Greatly increasing braking performance, the 4-piston SSV caliper provides driver confidence and easy maintenance, in addition to a weight reduction compared to the original parts. Designed to ensure robustness and safety, the Brembo SSV caliper combines the Group's experience in road applications with its history in motorsport.

Finally, Brembo presented the new 16RCS Corsa Corta RR. The design of this new clutch master cylinder incorporates all the style features already adopted in the company's RCS corsa corta RR family of products. That was also the reason why the brake master cylinder from the same range won the prestigious Red Dot design award in 2023.

Developed especially for widely popular high-performance motorbikes, the new RCS corsa corta RR clutch master cylinder has a 16mm floating piston diameter to improve the feel and application effort on high volume engines. The idle stroke setting is already set to minimum – like the master cylinders used in competitions – for greater precision in use.

Brembo has been recognised as "Top Innovator" in the "Green" category by the European Association of Automotive Component Manufacturers, thanks to its **Brembo Beyond Greenance** kit. This kit offers a more sustainable solution for light commercial vehicles, by reducing particulate emissions up to 83% in PM10 and 80% in PM2.5, ensuring savings over the life of the vehicle. The Greenance Kit, presented at Automechanika and now available in various light commercial vehicle models, ensures an increased durability of the brake discs, extended mileage and lower environmental impact.



To learn more about
Brembo Beyond Greenance

OCTYMA is the latest addition to the Brembo stable, an 8-piston aluminum brake caliper that blends style, design and identity with functionality, performance and cutting-edge content. OCTYMA, from the Latin "octo", indicates the number of pistons, but a figure of eight also symbolises infinity and a constant flow of energy and power that represents balance and harmony.

OCTYMA recalls the optimization of pad pressure distribution, made possible by the new cross layout for the pistons. This characteristic is highlighted in the caliper body design to convey the innovation and unique quality of the new braking system. OCTYMA is power and style.

Moving overseas, Brembo took part in AAPEX in the United States, where it presented the world premiere of the new Xtra brake pads for the aftermarket; while SEMA and PRI were the occasions to talk about the new CCM-R Plus brake disc for racing and supersport applications.

The star of the strategy for the development of innovative solutions is certainly SENSIFY™ winner of the Gold Award in the “forward-looking chassis” category. The system consists of a flexible and revolutionary platform that includes software, predictive algorithms and data management to control the brake system digitally and customise brake response so as to improve driving pleasure.

In 2023, Brembo’s intelligent braking system roadshow came to an end, reaching Japan, after Italy, the United States and China, with an exclusive track event dedicated to the press and the main Japanese manufacturers.

For Brembo, e-sport is certainly another important area in which to tell its story: in its capacity as technical partner of the video game Gran Turismo™ 7, it participated in the Gran Turismo World Finals in Barcelona. In addition, on the occasion of the launch of the film dedicated to the famous video game, the Group organised a preview for journalists and exclusive screenings in Italy, the US and Japan dedicated to its People and their families.

Again in relation with the sports arena, though through a traditional channel, Brembo participated for the second year in a row in the “Festival dello Sport” with RCS-Trento where it played a leading role with its technology, racing products and contributions in the talks on the competitions. During the F1 GP at Monza, it organised an employee engagement activity at “Casa Brembo”, the exclusive hospitality venue inside Monza Park, offering the unique experience of attending the qualifying day to some employees selected following an internal motorsport quiz.

On the Misano circuit, Brembo awarded Valentino Rossi a unique celebratory trophy, which tells the story of the unbreakable bond between the world champion and the Group. The award was in fact made with parts of the first braking system that Valentino used in 1996, at his debut in

the 125 class, and the braking system that he used during the last MotoGP race, in Valencia, in 2021.

In 2023, Brembo was for the first time the official partner of the historic **Le Mans 24 Hours**, now in its 100th year, experiencing the event as a lead protagonist. As a Braking Technology Provider, it supplied 44 of the 62 cars in the race, thanks to the advanced braking technologies developed specifically for the needs of each team.



To learn more about
24 Ore di Le Mans

For Brembo, the value of sport is something that goes beyond the track. As Top Sponsor of Atalanta’s Youth Sector, the Group supports the educational, cultural and competitive role of sport by rewarding the most deserving boys and girls who stand out for their loyalty, spirit of sacrifice and team spirit, skills transversal to school education.

2023 also saw the second HACKATHON organised by the Group at the Brembo Inspiration Lab in Sunnyvale, California. Based in the heart of the Silicon Valley, the Lab is a centre of excellence focused on strengthening the Group’s expertise in software development, data science, and artificial intelligence. Participants had the opportunity to immerse themselves in machine learning and artificial intelligence (AI) to revolutionise current braking technologies, outside of traditional innovation processes, in line with Brembo’s vision: “Turning Energy into Inspiration”.



To learn more about
Brembo Hackathon

2023 was the year of Bergamo Brescia Italian Capital of Culture. As a system partner of the event, Brembo took part in its main press events and participated in “The Thinking Factories” and “Bergamo Brescia Business Culture” exhibitions, where it displayed its products winners of the Compasso d’Oro in 2004 and 2020. Two important events that told the story of the excellence, design and industrial culture of the local area where the Group originated and is still present today.

Brembo was also the protagonist in Delhi of “Italian Tech”, the initiative promoted by the Italian Embassy and the Italian Chamber of Commerce in India to highlight Italian excellence in the country. As a guest of Ambassador Vincenzo De Luca, Brembo told the Minister of Commerce and Industry Piyush Goyal, the Minister of Foreign Affairs and Italian Deputy Prime Minister Antonio Tajani and the audience present about its presence in the area.

In May 2023, at the launch of the expansion of the site in Escobedo, Mexico, Brembo hosted numerous journalists and representatives of institutions, including Luigi De Chiara, Italian Ambassador to Mexico, Samuel Garcia Sepúlveda, Governor of the Mexican State of Nuevo León and Andrés Mijes, Mayor of Escobedo. In the same month, it welcomed Nicole Hoffmeister-Kraut, Minister for Economic Affairs, Labour and Tourism of the Federal State of Baden-Württemberg, to the Group’s headquarters at Kilometro Rosso. In June, the Italian Minister for Education and Merit, Giuseppe Valditara visited the social project “House of Smile” in the city of Pune, India. The project was created in 2017 thanks to the collaboration between Brembo and Fondazione CESVI. Moreover, Italy’s Ambassador to Poland, Luca Franchetti Pardo, visited Brembo’s production site of Dąbrowa Górnicza.

Brembo’s values and identity are certainly expressed through institutional events and media relations, but they find their maximum expression in the dialogue with those who live the Group, day after day: its People. An example of an engaging communicative approach are internal events which, thanks to their ability to create a strong sense of cohesion, belonging and community, are considered moments of cultural and personal growth, interaction and sharing of experiences.

The Brembo Awards, a global event that rewards the best ideas and projects on sustainability, innovation and excellence, are an example of this. In 2023 as well the event was fully digital and open to all the Group’s People. An event built entirely around the ideas of the finalist teams

to celebrate Brembo People whose projects had stood out in a particular manner.

The Group is committed to the constant development of digital channels for contacting and communicating with its customers and end users, both through an ecosystem of websites and through coverage of the most popular social network platforms.

The Brembo web ecosystem has, alongside the Brembo.com site, a set of other sites dedicated to specific stakeholders in order to provide each type of user with the best possible experience such as the [bremboparts.com](#) site (dedicated to consultation of the product catalogue and professionals) and the [Brembostoreusa.com](#) and [Brembostore.cn](#) sites (dedicated to e-commerce). These add to the websites dedicated to specific brands or products such as [Sensify.brembo.com](#), [Marchesiniwheels.com](#), [Sbs.dk](#), [Apracing.com](#), [Jjuan.es](#) or [Carbonceramicbrakes.com](#).

The website Brembo.com seeks to communicate with all stakeholders in the relevant market sectors (Cars, Motorbikes and Performance), presenting the Group’s global activities, product ranges and all market information to users the world over. It also offers a general overview of the Group’s history, in addition to a wide range of editorial content. The production of new editorial content continued to be significant in 2023 as well, with 79 editorial content postings published.

In addition to the main Brembo’s website, mention should be made above all of the success of BremboParts.com as a “one-catalogue” site that brings together in a single integrated catalogue all Brembo products (both Aftermarket and Upgrade) for cars, motorbikes and commercial vehicles.

Brembo performs very well on the main social platforms in terms of number of followers (both qualitatively and quantitatively) and user engagement level. The follower base of the nine main channels (Facebook, Instagram, LinkedIn, TikTok, Threads, We-Chat, Twitter, Douyin and Weibo) increased by over 20% in 2023, largely exceeding the milestone of three million followers.

The engagement level of Brembo’s followers also significantly increased compared to the previous year, with an overall +9% increase compared to 2021. The level of engagement with its followers should be interpreted as the brand’s ability to stimulate conversations and constantly offer a good reason to talk about and interact with

the brand, and considered as one of its most valuable intangible assets in the current context of the knowledge economy.

Considering all the social platforms on which Brembo is present, more than 1,500 postings and nearly 5,000 stories were developed and published in 2023.

Of particular note is the greater focus during 2023 on social platforms that are particularly popular among young people, such as Instagram and TikTok, and on video formats, content that is particularly appreciated especially by the younger generations thanks to their ability to be more immediate and engaging.

During 2023, about 250 reels were published on IG that obtained half a billion views overall. In total, all the content published by Brembo on its IG channel obtained over 1.7 billion impressions. This also contributed to a significant expansion of the follower base, which grew by 15% during

2023. The year that has just ended also saw the consolidation of the content of Brembo's TikTok channel, which received over 200 million views in 2023.

Finally, mention should be made of the birth of Threads, the Meta platform's new social channel, where the Brembo account has consolidated its presence thanks to an account that in a few months has exceeded 90,000 followers.

Brembo's social profiles are mainly directed at a young audience, distributed uniformly between Europe, the USA and Asia and with the aim of further increasing communication activities directed above all at GenZ. From an age point of view, almost 70% of the brand's followers are under 34 years old, a figure that allows to understand that Brembo is also well positioned in the younger generation segment. The aim is to further expand the audience of young and very young people, in line with Brembo's strategy and global approach.

No. OF FOLLOWERS IN 2023

Facebook	Instagram	LinkedIn	X	We-Chat	Weibo	Dou-yin	Tik-Tok
1,530,008	921,843	249,220	32,166	120,728	52,001	65,000	78,573

No. OF INTERACTIONS IN 2023

Facebook	Instagram	LinkedIn	X	We-Chat	Weibo	Dou-yin	Tik-Tok
2,050,959	15,923,467	91,753	9,872	9,373	33,242	1,100,000	1,200,000



6.5 CREATIVITY AND METHOD: ENSURING PRODUCT SAFETY

The main function of each Brembo product is to ensure people’s health and safety through total reliability of its braking systems. Following a preventive and proactive approach, Brembo is committed to applying the voluntary technical standards that national and international standards bodies develop to define in detail how to produce excellent products and align its own production processes with best practice, guaranteeing safety, quality, respect for the environment and certain performance. All Brembo products have to pass controls and checks designed to ensure their quality and safety, following a logic of ongoing improvement, which makes an essential contribution to increasing the ability to meet all requirements, as well as process efficacy and efficiency, both within the Group and throughout the supply chain. From this standpoint, where applicable, every problem identified and resolved for a specific product is then extended, on the basis of a “lesson learnt” approach, to the entire Brembo product range.

FAMILY FEELING



Design, for Brembo, is the way to be recognised at first glance. Combining one’s own distinctive language and a “family feeling” with that of the customer means equipping the product with visually distinctive elements that immediately associate it with the brand to which it belongs. Similarly to what happens in a real family, every single member — each product — shares some features with other members, such as the colour and the shape, as well as some common elements of cohesion and quality. Adopting this approach requires the engagement of customers from the very early stages of project, to define together the main features of a product’s design, colour and style. Once any product and process-related criticalities which have a potential to jeopardise the product’s look and design have been analysed, corrections to be implemented are identified just before the beginning of the start of production. This phase is managed by the Research and Development department in collaboration with the Design area of the Marketing GCF to ensure that the innovative content is also emphasised during the development of new products.

100%

Safety performance assessments carried out of products and services

TESTING



During the development and technical approval stage, each product is subject to tests, carried out in different operating conditions. These are tests designed to define its quality, performance and efficiency and are performed both in type-approved laboratories, and on the road and racetrack. This process follows a rigorous sequence that includes static bench tests, dynamic bench test cycles and subsequent on-road tests. These three steps are needed to ensure that the products meet the relevant requirements, to identify any discrepancies with the quality standards pinpointed during the design phase and to test the braking systems in operating conditions similar to actual usage conditions. Specific checks are also carried out during the production cycle, covering up to 100% of products, designed to identify any discrepancies with the rigorous quality standards defined in the design phase.

The tests required for Brembo product approval are carried out by the Testing & Validation departments, where the prototypes manufactured are approved by performing a series of tests initially both on test benches (static, dynamic and roller) and on vehicles (on-road or on-track). These tests, shared with customers, are defined at the beginning of the project in order to verify all those characteristics that could be critical before entry into production, anticipating the checks that will be carried out at the end of the production line.

With a view to digitalisation, some of the approval tests are being carried out on a vehicle simulator in order to lighten the drivers’ activities on the final vehicle (also with an eye to safety and sustainability), limiting them in relation with the most promising configurations.

The entire test system falls within the solid Project Management (BPDS - Brembo Product Development System) deeply renewed in 2022 with the creation of “Stargate”, a management system based on Project Management, a structured method that, focusing on the principles of planning, coordination and control, enables to develop and follow a new project in all phases of its evolution. By planning and managing specific inspection moments (“gates”) — approved by the relevant organisational levels according to risk level of a technical or financial nature assessed for each gate —, and handling any recovery plans, the Stargate system makes it possible to verify the suitability and completeness of the activities carried out during development, guaranteeing that the mass-produced products fully comply with the set requirements.



To learn more about **Brembo Design**



- The Group also works with the **National Unification Commission for the Automobile** which, in the framework of UNI federated bodies, assists with defining technical standards and instructions for production, testing, the correct use and maintenance of vehicles, motor vehicles, operating machines and related components so as to improve their safety and reliability.
- Moreover, as an expert member on functional safety, Brembo participates in the **joint working group in technical commission TC22/SC32/WG8 and TC22/SC32/WG13** appointed to improve standard WG 8 ISO 26262 regarding the functional safety of electrical and electronic systems in motor vehicle production.

In view of the importance that the Brembo Product Development System has for Brembo, the Quality GCF, with the support of the Brembo Academy, provides regular special courses on the BPDS both to train new personnel joining the Group in platform roles, and to standardise the methodology's development within all Platforms and across all Global Business Units.

FMEA/FMECA

To ensure maximum safety and quality of its products, Brembo adopts an approach enabling to anticipate any problems and criticalities along the entire production cycle, so as to take preventive correction measures. In detail, during the **design and development phase**, the Group carries out product and process FMEAs/FMECAs to identify in advance the weaknesses and critical issues that could compromise product reliability and safety, by defining the necessary improvements and priority measures to be taken before the product enters into production. FMEA methodology is used, in particular, to identify product and process characteristics having a potential impact on end-user safety, so that these characteristics can be managed and controlled systematically throughout the entire production chain (product development, internal process and supplier process). These elements represent a fundamental part of Brembo's Quality Management System, compliant with **IATF 16949:2016** technical specification⁷².

This system, characterised 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 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, annually, 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 the plant is commissioned.

100%

of manufacturing plants
is IATF 16949:2016-certified

QUALITY MONITORING PROCESS



Brembo has established a structured internal and external quality monitoring process, which also involves clients and suppliers. In detail, product quality and safety is monitored at all the Group's plants, by using specific indicators. The latter are set out annually by the Quality GCF as part of the Quality Plan, which also sets yearly quality objectives in this field for the individual GBUs, Plants and the Group.

⁷² The Zaragoza site is ISO 9001 certified as the IATF scheme does not apply to aftermarket sites. For the plants of J.Juan (Myasl and Jiaxing), which were ISO 9001-certified upon their acquisition, activities are underway to integrate them into the Brembo Quality Management System. This will lead to the IATF 16949 certification by Q1 2024.



From an internal standpoint, the most important indicators involved are those regarding waste, while from an external standpoint, those regarding complaint monitoring and the number of defective items sent out to clients are key, both as regards their level of criticality (in terms of inconvenience for the client) and severity (in terms of their impact on end-user safety).

Brembo also monitors any product recalls from the market, or customer's notifications of non-compliance with the pre-defined qualitative standards. A project was launched in 2023 for redefining quality indicators allowing to better assess Customer Perception. The monitoring of these indicators will be carried out as of 2024.

Specific indicators are used including to monitor the quality and safety of the products provided by suppliers and whose performance is assessed also in relation to the spe-

cial supply statuses assigned and the impact generated by the related non-conformities on the end customer and on any market recalls.

Should these indicators reveal situations that diverge from the established objectives, action plans are immediately put in place to restore compliance and, where necessary, *ad hoc* committees are organised in which Top Managers are invited to take part as well.

News is regularly monitored, particularly government agency news, regarding recall campaigns already initiated on the market by vehicle/part manufacturers on products similar to Brembo products and with potentially relevant "failures". This activity is performed in order to verify the Brembo's robust design and initiate preventive checks on similar Brembo's components, where needed. Lastly, based on this information, a specific analysis may be performed relating to Brembo's risk exposure.

EUREKA: A SOFTWARE TO TACKLE AND MANAGE PRODUCT CRITICALITIES



As of 2019 Brembo implemented "Eureka", a software that will enable the company to revolutionise the management of all product issues, both in the development phase and for products that have already entered the mass production phase. Eureka is a tool intended to support those who have to face any critical product issues by conveying all the relevant information in a single container. The software allows not only to understand the underlying causes in a more structured and faster way, but it also enables the plants to more easily share solutions, by making such information available to the people involved at the various Brembo offices. The problems, whether internal to Brembo or reported by the client, can then be managed by the relevant teams using a common problem solving methodology. Thanks to Eureka it will also be possible to view similar cases that have already occurred at other sites and to

know in real time how and by whom they have been solved. The goal is to use shared knowledge to preventively manage potential problems, prevent the occurrence of the same problem at other plants and / or on similar products. Eureka combines under the same name two basically 'twin' software, one dedicated to products under development (Eureka Development) and one to series products (Eureka Production). Finally, the new system allows real-time reporting of problems underway and how they are being managed, resolution times and compliance with the pre-set deadlines, providing a brief overview of the issues underway.

Brembo has defined a specific guideline to manage all product non-conformities reported by customers, describing their responsibilities and operating methods.

In particular, for each non-conformity,

it provides for the implementation of a Structured Problem Solving process that makes it possible to identify the causes, as well as of appropriate remedial actions to eliminate said causes and standardise the solutions on similar products/processes so as to avoid the problem recurring.

Product quality and safety issues, if any, are discussed within specific Committees with the Top Management.

In order to promote and ensure the systematic application of the new tool, training activities have been carried out in all the plants worldwide involving all functions. To date, 100% of problems with customers were managed with Eureka Production, irrespective of the type of product and application, car or motorbike, discs or calipers, and positive feedback was also confirmed for the Eureka Development twin software.

ACTIVITIES GUARANTEEING PRODUCT AUTHENTICITY



For the Group, safeguarding the safety of those who buy and use Brembo equipment also means promoting initiatives aimed at countering product illegal counterfeiting activities and fraud in the distribution channels. The sale of counterfeit braking systems may represent a source of high risk for the end user due to the importance of the braking system as a safety component in vehicles. In fact, it is not uncommon that counterfeit products are found to be extremely dangerous because they are not made with controlled materials and are inadequately tested in the production phase.

As Brembo's main products are considered "high-class products", they are copied in many areas and especially in Asia. For this reason, the fight against counterfeiting was also part of Brembo's action plan in 2023, which is proving to be very efficient in terms of results obtained and total sales blocked.

The collaborations established by the Group over the years with public institutions, public security authorities and customs control authorities are also fundamental in Brembo's fight against the production of and illegal trade in counterfeit products. In this context, in line with the previous years, Brembo's collaboration with OLAF - European Commission Anti Fraud Office continued also in 2023 to prevent the growing presence of counterfeit products.

The Group has focused on online, on-site and trademark protection.

To better address online counterfeiting, Brembo carries out an in-depth and continuous analysis of more than 150 global market/social platforms, carefully monitoring any domain names that contain one of the Group's trademarks or similar.

Thanks to these activities, important results were achieved in 2023:

- over 30 thousand advertisements eliminated overall on e-commerce platforms;
- over 10 raids in China and Thailand;
- over 1,500 units of counterfeit products seized in China;
- over 500 domain name infringement cases resolved and over 70 domain names under monitoring;
- around 15 pending trademark oppositions worldwide.

In 2023, Brembo organised several investigation operations and blitzes against the Chinese market, in collaboration with the local police and port customs authorities. In addition, it opposed many registrations of worldwide trademarks (which appeared very similar to its trademarks), filed by individuals or companies operating in the same sector.

The main tool developed by Brembo to counter the sale of non-original products is an "anti-fraud card" which allows customers to easily check if their purchase is really "Made in Brembo". This anti-fraud card is delivered inside a sealed bag in the packing of the product purchased and gives a unique identification code, which — once entered on the website www.original.brembo.com together with the card number, component type and country of purchase — allows its authenticity to be checked. If the check fails to give a positive outcome, the purchaser is invited to enter further information to enable the Group to start investigations about the origin of the counterfeit part. The card also contains the quality control document, another tool for confirming product originality, whilst an external seal guarantees that the purchaser has received the product intact from the factory.

This tool has been supplemented by a further means of certifying product authenticity that has been made available to customers. This is the "Brembo Check" app which provides immediate confirmation of the product's originality by framing the unique QR Code on the label applied to the purchased component or to the box. To avoid tampering, the label is made following a printing and application protocol that prevents its removal. Finally, the QR Code can only be registered once, as an additional protection for the buyer.

The anti-fraud card is currently available for the Brembo High Performance and Brembo Racing lines, with reference to the following products: Sports discs, Rally discs and GT kits. For motorbikes, the initiative covers: calipers, discs, brake/clutch cylinders and replacement levers.



6.6 AWARDS FOR INNOVATIVE IDEAS

The contribution to innovation and the spirit of collaboration within the Group are important qualities. Therefore, Brembo intends to reward its People, by rewarding ideas that enable improvements and progress to be made in terms of quality, process or product innovation, cost reduction, increased productivity and simplified processes. Also in 2023, the Brembo Awards, the initiative that rewards the best ideas and projects on the theme of sustainability, innovation and excellence, were celebrated with a digital event accessible by all Brembo People around the world.

The 28 finalist projects were presented during the event, and 14 prizes were awarded:

- five awards in six categories and five special mention awards in the Sustainability Awards (one won by a Polish team, one by a Spanish team, one by an Italian team, one by a Danish team and one by an Indian team);
- seven awards in the Excellence Awards, for which the rules changed in 2022 since the categories have been eliminated and each site presents only its “Best Project”;
- two Innovation Awards, both won by Italian teams.





BREMBO EXCELLENCE AWARDS



Brembo Excellence Awards was created to promote ideas and projects for continuous improvement that arise from the application of Lean Manufacturing principles to any area and process of the Group's plants. The competition is open to all employees of the plants who have developed improvement ideas or projects individually or in teams. Ideas and projects refer to different processes relating to Safety, Quality, Logistics, Maintenance and Manufacturing.

In 2022, the rules and the awarding system were changed: project categories were eliminated and each Plant is invited to only present its "Best Project" and no longer eight different projects as before. In light of this change, in 2022 a total of 24 projects were presented and seven plants were awarded, confirming the previous years' excellent results in terms of participation.

BREMBO INNOVATION AWARDS



The Innovation Awards have been established by Brembo in order to recognise each year the most innovative ideas relating to the Product and Process areas, with reference to the systems and discs production.

These annual awards are also accompanied by the Brembo Monthly Innovation Prize, which every month recognises the best projects developed by Group employees. The evaluation criteria focus on innovative content, possible cost reductions and project added value.

Among all the ideas that get recognised on a monthly basis, the award goes to the idea judged to be the best in product category, and that voted as the best for process for a given year.

In 2023, 66 ideas were presented, comprising 52 product ideas and 14 process ideas. Out of all those submitted, awards were given to 60 ideas: 47 product ideas and 13 process ideas.

**BREMBO
SUSTAINABILITY AWARDS****Brembo
Sustainability
Awards**

“Thinking responsibly, acting concretely”: this is Brembo’s approach to sustainability. As of 2019, the Brembo Sustainability Awards competition complements the well-established Brembo Excellence Awards and Brembo Innovation Awards. This award is given to employees who come up with the best ideas in areas such as sustainable development at every level of the organisation.

The categories in which it is possible to submit projects relate to topics linked to the ISO 26000 guidelines and to the 17 Sustainable Development Goals with a special focus on People, Good Management Practices, Governance, Environment, Business Partners and Community Involvement and Development.

In line with the previous editions, the 2022 edition of the Brembo Sustainability Awards — for which awards were bestowed in 2023, met with excellent results in terms of participation. 57 projects were submitted which, in addition to the 171 projects of the previous editions, witnessed employees’ interest towards sustainability issues. A total of 178 participants were recorded (28% more than the previous edition). Environment and People are the categories for which the highest number of projects were presented. The countries which submitted projects included Brazil, Mexico, China, Italy, Poland, India, Czech Republic, Denmark, Spain and the United States.

The Brembo Sustainability Awards made use of the CSR Ambassadors’ and CSR Champions’ contributions, these being people nominated by each Brembo country and plant with the aim of inspiring and engaging all Brembo People into CSR issues and to act as a bridge between the Corporate HQ and the Group’s companies. They are the sustainability spokespeople, tasked with engaging all Brembo personnel into adopting sustainable behaviours, as well as with officially representing the Corporate HQ’s CSR GCF.

In addition to the five winners, five special mentions awards were given to projects deemed worthy for the excellent results achieved, and the level of innovativeness, as well as to the country that submitted most ideas.





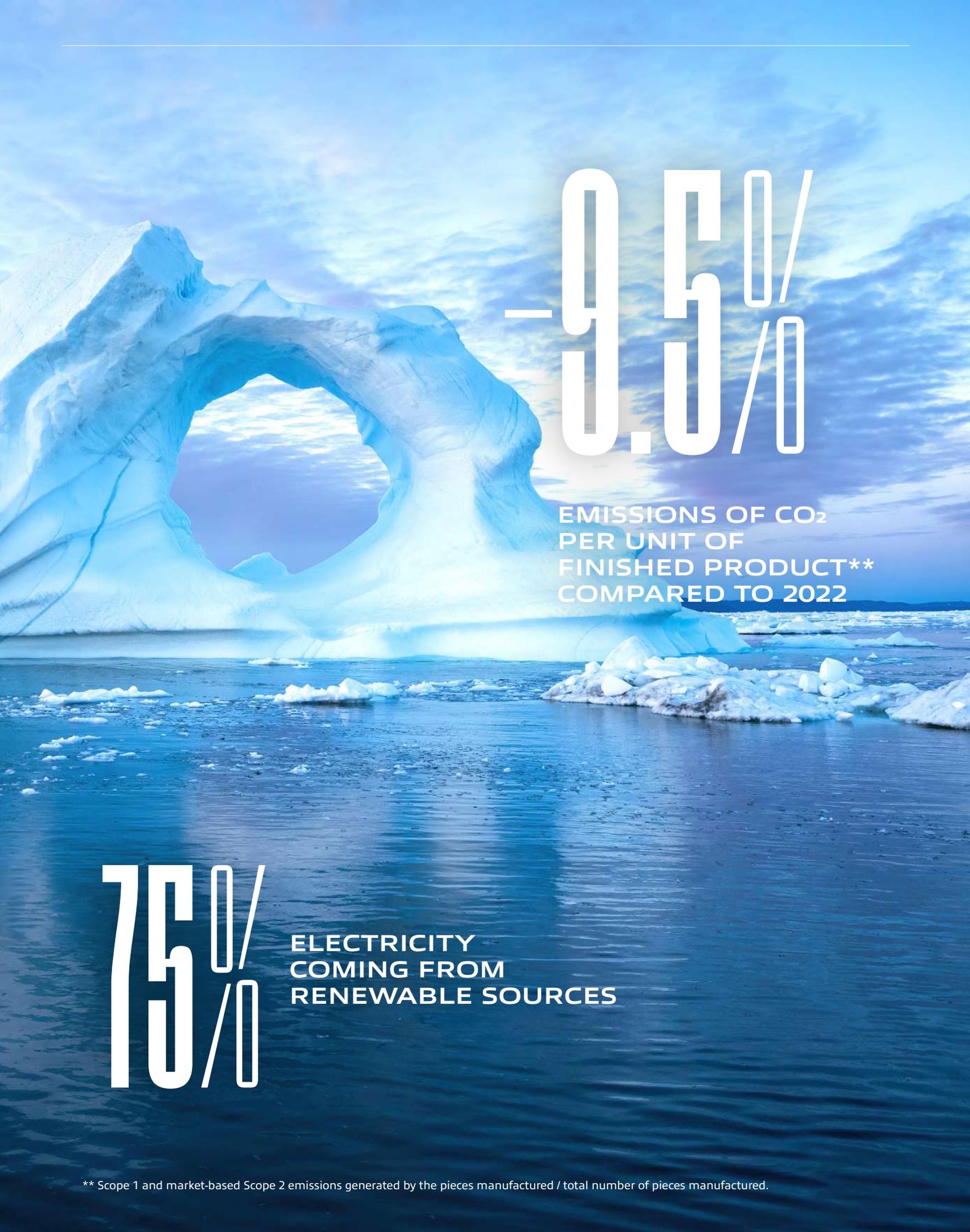
-11.2%

EMISSIONS OF CO₂ PER CAST TONNE*
COMPARED TO 2022

THINKING RESPONSIBLY, ACTING CONCRETELY

The planet is all we have and its resources are not infinite. Its protection is a priority for the Brembo Group, which, through its strategies, operates responsibly to reduce its impact wherever it is in the world.

* Scope 1 and market-based Scope 2 emissions generated by foundries / gross tonnes of molten cast iron and molten aluminium.



-9.5%

EMISSIONS OF CO₂
PER UNIT OF
FINISHED PRODUCT**
COMPARED TO 2022

75%

ELECTRICITY
COMING FROM
RENEWABLE SOURCES

** Scope 1 and market-based Scope 2 emissions generated by the pieces manufactured / total number of pieces manufactured.

7. ENVIRONMENT



-11.2%
Emissions of CO₂ per cast tonne⁷³ compared to 2022



100%⁷⁵
ISO 14001 environmentally certified plants



52%⁷⁶
ISO 50001 energy certified plants



-9.5%
Emissions of CO₂ per unit of finished product⁷⁴ compared to 2022



75%
Electricity coming from renewable sources

7.1 AN INNOVATIVE AND RESPONSIBLE BUSINESS MODEL

Faced with the weather and climate scenario of recent years, marked by a constant increase in average temperature, reduction in rainfall frequency and increase in extreme phenomena, the urgent need to deal with climate change is unquestionable. Luckily, there are already many available solutions and institutions, investors, businesses and the civil society are trying to adopt them. The aim is to mitigate the climate crisis effects and proceed towards a development model based on environmental sustainability and social equity.

As a global, industry-leading Group, Brembo has long since enunciated its responsible, sustainable business principles, and is gradually making them into a reality, by transforming its operating model – increasingly oriented towards energy efficiency, energy sources diversification and rational

use of water. This operating model is based on increasingly strict, innovative requirements capable of anticipating future legislation, with the goal of adopting solutions that may ensure industrial development while respecting the environment, minimising the environmental impact of its processes and continuing to create value for its stakeholders. It is thus a matter of balancing between financial considerations and social and environmental responsibility.

Brembo's greenhouse gas emissions are chiefly connected with the functioning of production facilities. It is for this reason that environment-related actions aim, on the one hand, at reducing atmospheric emissions through an increased process efficiency, on the other, at gradually increasing the use of electrical energy from renewable sources. The Group's tangible commitment is further proved by the

⁷³ Scope 1 and market-based Scope 2 emissions generated by foundries / gross tonnes of molten cast iron and molten aluminium.

⁷⁴ Scope 1 and market-based Scope 2 emissions generated by the pieces manufactured / total number of pieces manufactured.

⁷⁵ The plants falling within the ISO 14001 certification scope are operating industrial plants or plants that have been part of the Group for at least two years.

⁷⁶ The plants falling 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.

fact that these elements, as of 2018, form part of the performance assessment scheme for each of the Group's managers. In addition to the direct involvement of top management, the journey towards a more sustainable model is also based on spreading a robust culture of sustainability throughout the Brembo community, with the aim of fostering the creation of innovative ideas and the possibility for taking advantage of all new stimuli to achieve increasingly ambitious environmental sustainability objectives.

Brembo's constant investment in research into innovative solutions capable of reducing environmental impact of its operations is thus a natural consequence of this approach. For instance, assessments of whether to self-generate reduced-impact electricity continued in 2023, as did inquiries into using hydrogen in replacement of natural gas in production processes.

In addition, in 2023 Brembo continued work on formulating an environmental and energy standard to be applied to the processes of designing and purchasing new plant and machinery and the construction of buildings.

Over the last years it has been clear that climate change also has a direct impact on access to water. Therefore, the environmental protection process embarked on by Brembo also includes rational use of water.

In this area the propensity for technological innovation, along with awareness of the water resource's value, has led the Group to identify and gradually introduce new production processes entailing a more efficient water use aiming at limiting its use, eliminating waste and avoiding any possible form of contamination. In particular, Brembo's commitment is most evident in the plants located in highly water-stressed locations due to the climatic and hydrogeological conditions of the area and for which important performance improvement projects were implemented during 2023.

In keeping with the last year, 2023 as well was characterised by the constant increase in requests from all stakeholders for information on environmental impacts. These stakeholders include customers, with many of whom joint activities have been launched to identify solutions that can reduce environmental impact, first and foremost the impact of climate change. The areas of discussion and collaboration with customers concern many other areas including energy efficiency, renewable energy supply, circular economy and more generally all those aimed at achieving a reduction in the environmental impact of products from a life-cycle perspective. The Brembo Group proved to be ready and prepared to respond in a concrete manner to

the growing demands in the ESG field, in particular those relating to environmental issues, which have become fundamental and essential elements of the business. In fact, the development and implementation of a strategy aimed at pursuing "Environmental and Energy Excellence" is underway, the ultimate goal of which being to achieve the lowest environmental impact and greatest energy efficiency technologically achievable.

Brembo's environmental strategy, in terms of values, vision and mission, is described and made available in the Group's Environment and Energy Policy, where the Group states its commitment to full endorsement of Sustainable Development principles in order to minimise the use of non-renewable resources, and keep the use of renewable ones within the limits of their regeneration capability. Brembo intends to contribute to ensuring that the use of the environmental resources required to meet its current needs is managed responsibly, so as not to harm and deplete availability for future generations.

In order to ensure transparency and provide customers and investors with accurate information about these aspects, Brembo has taken part in the CDP Climate Change questionnaire since 2011. This independent organisation promotes synergies between the financial community and the business world, in order to monitor and advocate for commitment to limiting climate change and ensuring responsible and sustainable use of water resources.

Brembo has progressively extended this GHG emissions monitoring and reporting activity over the years, making it possible to include all Group sites as of 2015. This commitment has allowed not only to paint a full mapping of greenhouse gas emissions deriving from both energy and fuel consumption during production processes and from the Group's purchasing and logistic activities, but also to identify the main mitigation actions implemented to reduce the environmental impact. Furthermore, the measures will also help to support the ambition to achieve climate-changing emissions neutrality. Lastly, since 2016 Brembo has extended its reporting to water resources as well, taking part in the CDP Water Security questionnaire, identifying improvement measures with particular regard to the plants located in geographical areas where there is a greater water risk.

In confirming this commitment, in 2023 CDP named Brembo as one of the world's best companies in terms of commitment both against climate change and to water management, obtaining an A- score in both categories.

7.2 THE SYSTEM FOR EFFECTIVE MANAGEMENT OF ENVIRONMENTAL (ISO 14001) AND ENERGY (ISO 50001) IMPACTS

In light of the climate-related scenario of the last years, the regulatory pressure and the growing interest from stakeholders — communities, governments, customers, investors — towards the environmental and sustainability-related performance, Brembo has developed and maintains an up-to-date Environmental Management System compliant with the ISO 14001:2015 standard in order to maintain an optimal management of all the aspects relating to its environmental impacts. Thanks to this System, the Group is able to comply with the constantly evolving regulatory requirements and implement tools aimed at minimising its impact and its environmental risks. Moreover, since 2019 the Management System has also incorporated the requirements of standard ISO 50001: 2018 relating to energy management.

Brembo kept 100%⁷⁷ of its plants ISO 14001-certified in 2023. The programme aimed at extending the ISO 50001 certification relating to energy management also continued. The project, which started in 2019, provides for the gradual inclusion of all sites relevant for the Group in terms of energy consumption as part of the ISO 50001 corporate certification. The following plants were subjected to the ISO 50001 certification audit in 2023: disc processing plant in Mapello (Italy), disc processing plant in Betim (Brazil), cast iron foundry in Nanjing (China), disc processing plant in Nanjing (China), cast iron foundry in Langfang (China), disc processing plant in Langfang (China), aluminium foundry and processing plant in Nanjing (China). In 2023, 52% of the plants were certified according to the ISO 50001 standard⁷⁸.

Both certifications, ISO 14001 and ISO 50001, are in line with Brembo's "Corporate" scheme: these are certifications that see all the plants included linked by common operating methods and control systems, and accordingly a single certificate is issued for the Group accompanied by "satellite" certificates relating to the plants. Moreover, this Management System undergoes a voluntary annual audit by independent third parties to ensure its full compliance with international standards ISO 14001 and ISO 50001.

The management system is based on legislative compliance and the "Risk Oriented" approach, going beyond the traditional criterium limited to the assessment of environmental impacts. To encourage plants in the application of these principles, in 2021 all plants began using the ORME (Obligation and Risk Management for Environment and Energy) IT

platform, developed by E&E during 2020. Integrated in the same platform as b-Sustainable, ORME supports the sites in managing the Obligation and Risk Management processes. The first consists of a set of activities to ensure compliance with all mandatory and voluntary requirements, while the second is aimed at identifying, estimating and managing the environmental risks and opportunities generated by the impacts of production activities.

Lastly, in addition to investments in technology and services, the human factor has also a decisive role in ensuring the effective protection of the environment in everyday corporate activities. Accordingly, within the framework of its Management System, Brembo invests in training activities designed to circulate useful indications on how to handle the main environmental aspects and use the tools introduced for manage them, including specific technical training for employees on the front lines, which consists of webinars, conventions and seminars promoted by the various national and international organisations (such as the CDP) and specific induction programmes designed for newly hired employees.



over **7,000**

hours of training provided to employees on environmental and energy issues

In 2023, as well as standard training, about 7,000 hours overall of training on environmental and energy issues were provided across the Group's sites.

In particular, it should be noted that the course composed of four e-learning training modules on the requirements set in Brembo procedures for managing water, atmospheric emissions, waste and climate-altering gas emissions, was provided to all Brembo Group technical personnel who may have an impact on such issues in various capacities. "INFINITY" was another relevant project. It is an e-learning training path developed in partnership with research centres, Kilometro-Rosso and the international academic world, aimed at developing skills in circular economy relating to the manufacturing sector.

⁷⁷ The plants falling within the ISO 14001 certification scope are operating industrial plants or plants that have been part of the Group for at least two years

⁷⁸ The plants falling 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

7.3 ENERGY CONSUMPTION

The main source of emissions, energy consumption is also the factor on which Brembo shall focus its commitment to achieve its net zero operating model target. Therefore, in line with the indications of the global scientific community, Brembo's policy is to maximise efficiency in the use of energy while reducing consumption wherever possible and keeping emissions to a minimum. In order to minimise the environmental impact and improve energy performance, the strategy is aimed at reducing energy intensity and CO₂equivalent emissions due to production processes, while ensuring economically sustainable operations.

The improvement in energy performance is also intended to maintain and strengthen the Group's global competitiveness. Energy efficiency is therefore an integral part of Brembo's production system as it has an impact on the performance of production activities.

In order to reach these objectives, and in keeping with what has been set out in its Environment and Energy Policy, revised in 2023, the Group has provided itself with an Energy Management System compliant with ISO 50001:2018, extending it gradually to an increasing number of sites.

The key points of the Group's energy-related strategy are:

- measurement and reporting of site energy uses and CO₂equivalent emissions;
- audit and review of the performance of the Energy Management System;
- setting of targets for reducing energy intensity and CO₂equivalent emissions;
- identification, implementation and spreading of energy efficiency improvement projects, through a comparative analysis of the effects on performance;
- intelligent system planning aimed at minimising energy waste;
- promotion of the development of digital systems serving energy management;
- constant research and evaluation of new solutions for energy self-production;
- constant commitment to in-house research into new production processes and optimisation of existing ones;
- constant search for opportunities for heat recovery and other forms of energy output from the processes.

To simplify the approach to managing environmental and energy matters at the Group's facilities, revision of the procedures for defining, analysing and monitoring energy performance indicators, began in 2022, continued in 2023.

When choosing energy sources, Brembo favours renewable energy sources over fossil fuels, on the one hand by pursuing in 2023 as well the Group's commitment relating to renewable energy purchases, on the other by increasing its self-production capacity, including through the installation of photovoltaic panels.

The energy quota from renewable sources which the Group procured rose from 69% in 2022 to 75% in 2023. This result was achieved thanks to the purchase of renewable energy certificates (Guarantee of Origin, I-RECs, RECs, etc.), PPAs (Power Purchasing Agreements) and other contractual agreements.

100% renewable electricity at Italian sites was maintained in 2023 as well through the purchase of guarantee of origin certificates and electricity generated by photovoltaic systems installed at the Sellero production facility.

Even the Mexican and Brazilian plants kept 100% of their electricity sourced from renewables for the year 2023. In the other countries in which Brembo operates, the Group increased its percentage of electricity from renewable sources: in China it went from 44% in 2022 to 53% in 2023, in Czech Republic from 29% to 43% and in Poland from 85% to 86%. Finally, Brembo increased the purchase of REC certificates in the US for its consumption in the country from 24% to 48%. In India, as of 2021 Brembo purchases renewable source electricity from photovoltaic systems installed at the Pune site (plant with a capacity of 900 kWp⁷⁹). In 2023, renewable energy accounted for 7% of the consumption in the country. Lastly, Spain's share of renewable energy was 93%.

Brembo currently self-produces electricity from photovoltaic systems at its Italian sites in Stezzano and Curno. Additional energy self-generation capacity continued to be installed in 2023 at the Mapello and Curno Italian sites (3,807 kWp).

79 kWp, i.e. the maximum electric power that the photovoltaic system is capable of generating in standard temperature conditions of 25° C with incident solar radiation of 1,000 Watt/m².

Starting from 2024, Brembo is committed to increasing the share of self-produced energy in other geographies by installing photovoltaic panels on the roofs of all new buildings. With regard to energy efficiency, the actions taken to achieve these goals include, for example, adopting advanced monitoring systems (B.E.P. — Brembo Energy Platform), interconnected with the factory’s main utilities according to a smart factory approach, replacing obsolete systems with others using more efficient technologies, reducing waste (e.g., the search for and reduction of compressed air leakages), automatically shutting down systems or parts of systems during unproductive periods), heat recovery (for instance, from compressors’ cooling circuits).

The promotion of energy saving, which is reflected in the rational use of energy and hence in reduced consumption, is a topic that involves all the Group’s operating units, which were asked to help achieve, each with a specific target, Brembo’s energy efficiency objective set for 2023 at 2.70% (calculated as contribution from improvement actions achieved thanks to energy efficiency projects compared to previous year’s consumption).

The 200 projects developed in 2023 generated an overall energy saving of 147,843 GJ, equal to **22,551** tonnes of CO₂ equivalent. This objective has been largely exceeded, with a **3.48%** result especially thanks to the activities aimed at optimising the foundries’ production processes.

The energy consumption optimisation measures have produced material savings and reduced costs significantly, both in the Group’s older plants built with previous-generation technology, and in the more recently constructed plants which, built with high energy efficiency, cutting-edge technologies, have focused on the management procedures connected with use of electricity and natural gas with reference to general, auxiliary and processing technical systems.

To further strengthen the collection, monitoring and sharing of energy efficiency projects at the Group’s various sites, Brembo uses the Energy Efficiency Projects (EEP) platform, released in 2022. In line with the goals for digitalisation of company processes, it enables to rely on a constantly up-to-date view of all energy efficiency projects developed at the Group’s various sites, while also facilitating sharing and circulation of such projects.



3.48%

energy consumption reduction compared to 2022 thanks to energy efficiency initiatives



about 71%

contribution of cast iron and aluminium foundries to Group’s total energy efficiency in 2023



SBS HEAT RECOVERY – BREMBO SUSTAINABILITY AWARDS 2022

In 2023, the “Brembo Sustainability Awards 2022” was awarded to the “SBS Heat Recovery” project carried out at the SBS Friction production plant in Denmark.

The aim of the project is to recover the heat coming from the production processes, to heat premises during

the winter season, thus reducing the consumption of fossil fuels. The recovery system:

- exploits the heat generated by the cooling of production machines, allowing production and office environments to be heated against a reduction in the consumption of

natural gas and related GHG emissions (up to 85%);

- it is scalable and applicable across Operations;
- it is the first example in the Group of usage of a heat pump with CO₂ natural coolant with minimal heating potential (GWP).

ANALYSIS OF MAIN MEASURES TO REDUCE ENERGY CONSUMPTION AT GLOBAL LEVEL

AREA OF INTERVENTION	ENERGY CONSUMPTION REDUCTION (GJ)	ESTIMATE OF CO ₂ eq TONNES AVOIDED
Lighting system optimisation (installation of LED lamps in offices and production departments)*	4,150	722
Compressed air system optimisation (replacement of compressors, leak detection and repair, optimised use during production processes) *	25,932	4,598
Replacement of processing systems with more efficient technology**	5,769	841
General production process optimisation**	103,121	15,257
Optimisation of general technical equipment management**	8,870	1,132
Installation of photovoltaic plant*	0	0
TOTAL	147,843	22,551

* Category of intervention including the reduction of electricity, thus impacting on Scope 2 emissions.

** Category of intervention including the reduction of both electricity and natural gas, thus impacting on Scope 1 and Scope 2 emissions.

Overall, in 2023 Brembo’s energy consumption amounted to just above 5.5 million GJ, with a 6% increase compared to 2022, as a result of a balance of resumption and growth of production activities — previously affected by production stoppages due to the pandemic — and energy efficiency projects implemented.

This consumption is predominantly in the form of electrical

energy — which accounts for 73% of total energy consumption —, equivalent to more than 4 million GJ. Electrical energy is primarily used by the cast iron melting furnaces and secondarily by the mechanical processing systems and compressed air production systems used in the production processes. Natural gas consumption, primarily used in the aluminium melting processes, is equivalent to more than 1 million GJ.

**ANNUAL ENERGY CONSUMPTION BROKEN DOWN BY SOURCE (GJ)***

	2021	2022	2023
DIRECT CONSUMPTION	1,359,479	1,468,055	1,468,430
Natural Gas	1,066,140	1,125,999	1,060,903
Diesel	21,793	24,186	21,754
Petrol	4,837	6,623	9,778
LPG	31,937	36,208	87,034
Coke	205,759	253,134	281,463
Anthracite	27,716	19,930	4,779
Self-produced electricity (photovoltaic)**	1,297	1,975	2,719
INDIRECT CONSUMPTION	3,888,026	3,816,882	4,116,678
Electrical energy	3,353,182	3,788,112	4,096,542
<i>from non-renewable sources</i>	1,565,949	1,171,129	1,015,811
<i>from renewable sources***</i>	1,787,233	2,616,983	3,080,731
District heating	34,844	28,770	20,136
TOTAL	4,747,505	5,284,937	5,585,108

* The calculation was made using the conversion factors published by the UK Department for Environment Food & Rural Affairs and Department for Business, Energy & Industrial Strategy.

** The self-produced energy quota and sent to network is not material.

*** Electrical energy from renewable sources purchased through renewable energy certificates (Guarantee of Origin, I-RECs, RECs, etc.), PPAs (Power Purchasing Agreements) and other contractual agreements.

7.4 GREENHOUSE GAS EMISSIONS

Brembo's policy on climate change has included, since 2015, increasingly challenging objectives consistent with the commitments set by the United Nations during the COP21 in Paris in order to combat climate change effects. To win this challenge Brembo implemented a strategy structured into a series of actions aimed at achieving short-, medium- and long-term objectives to cut its greenhouse gas emissions.

In detail, the Group set an annual sustainability goal defined as a percentage of emissions avoided due to improvements, including efficient use of any form of energy and the use of renewable energy, compared with the previous year's emission levels. In 2023, the target of reducing CO₂eq emissions thanks to the improvement actions, compared to the previous year's emissions, set at 20%, was reached and exceeded with a result of about 31.7%. This was achieved thanks to the energy efficiency projects implemented in all the Group's plants and the increase in the share of renewable energy purchased in Poland, Czech Republic, US, India and China.

**Reduction of emissions
Scope 1 & 2 market-based obtained
thanks to improvement actions**

≥20%

**Scope 1 & Scope 2 market-based
for the previous year**

Nel 2021 Brembo ha fissato i propri obiettivi di medio e di lungo periodo che includono tutte le fabbriche.

In 2021, the Group set its medium- and long-term objectives, relating to all factories. The Group is committed to reducing its Scope 1, market-based Scope 2 and Scope 3 emissions by at least 4.2% year-on-year, with the ultimate goal of reaching Net Zero emissions by 2040. Objectives are inspired by the SBTi (Science-Based Targets initiative) Net Zero criteria for keeping the global temperature increase well below 1.5°C. Brembo intends to submit its targets for validation to the SBTi.

BY 2030

- Reducing absolute (market-based Scope 2) indirect emissions by **100%**
- **100%** use of electricity coming from renewable sources
- Reducing absolute Scope 1 and market-based Scope 2 emissions by **42%** compared to 2020
- Reducing absolute Scope 3 emissions by **42%** compared to 2020

BY 2040

- Reducing absolute Scope 1 and market-based Scope 2 emissions by **90%** compared to 2020
- Reducing absolute Scope 3 emissions by **90%** compared to 2020
- Neutralising absolute emissions by a maximum of **10%** compared to 2020



-11.2%

reduction of CO₂ emissions
per cast tonne* rispetto al 2022

*Scope 1 and market-based Scope 2 emissions,
generated by foundries / gross tonnes
of molten cast iron and molten aluminium



-9.5%

reduction of CO₂ emissions
per unit of finished product**
compared to 2022

**Scope 1 and market-based Scope 2 emissions,
generated by finished products / total number
of pieces manufactured



ROAD MAP TO NET ZERO



To achieve Net Zero emissions, Brembo has defined a Road Map that is subject to continuous refinement in accordance with technical, technological and market developments. The Road Map also includes the supply of renewable energy, both self-produced and purchased, to reach a share of 70% of consumption in 2025 and 100% in 2030.

Further areas of action are represented by the increase in the use of secondary raw materials within products, transport optimisation, energy efficiency and technological innovation.

Great commitment is expected in the involvement of the supply chain so that each supplier reduces its Scope 1 and Scope 2 emissions.

To ensure that the defined strategy is implemented and consistent with the objectives set, the Environment and Energy Area coordinates a working group that involves all the company functions concerned and which in different ways collaborate and carry out the improvement initiatives aimed at reducing CO₂eq emissions.

Scope 1, market-based Scope 2 and Scope 3 emissions generated by Brembo's manufacturing activities in 2023 amounted to slightly more than 2,476,000 tonnes of CO₂eq. In 2023, Scope 1 and market-based 2 emissions, equal to 280,887 tonnes of CO₂eq, decreased by 2.8% compared to 2022, when they amounted to 288,848 tonnes of CO₂eq.

This result was achieved thanks to energy efficiency projects totalling 22,550 tons of CO₂eq and to the purchase of renewable energy solutions equal to 543,571 tons of CO₂eq. According to this classification, the most relevant share of Brembo's emissions is tied to the work of its suppliers that produce and transport machinery and components for Brembo.

Every year, Brembo subjects its GHG emissions inventory and related emissions calculation methodology to limited assurance by a third party. In particular, for 2023 the GHG emissions inventory and related emissions calculation methodology will be subject to limited assurance in early 2024 according to the criteria set out in the standard ISAE 3410, revised by Deloitte & Touche S.p.A.

In 2023, in view of ongoing improvement, Brembo reviewed its method to calculate several categories of Scope 3 emissions, as illustrated in greater detail in the notes in the table.

GREENHOUSE GAS EMISSIONS BY SCOPE (T CO₂EQ)¹

		2021 ²	2022	2023
SCOPE 1		89,454	100,126	106,461
Emissions from production processes and heating systems		84,141	93,639	100,065
Emissions from company vehicles and other fuels		3,801	4,319	4,293
Emissions from leaks of coolants for air-conditioning systems ³		1,512	2,168	2,103
SCOPE 2⁴		254,785	188,722	174,426
Indirect emissions due to power consumption and district heating				
<i>Market based</i>		254,785	188,722	174,426
<i>Location based</i>		478,342	540,467	597,556
SCOPE 3	GHG PROTOCOL CATEGORY	1,537,590	1,937,720	2,195,728
Emissions generated by suppliers to produce materials and/or services for Brembo ⁵	1	1,032,620	1,293,902	1,621,326
Emissions generated by the purchase of hardware, machinery and equipment	2	144,909	188,410	130,650
Emissions due to the energy lost through power distribution and transmission ⁶	3	88,671	83,507	83,859
Emissions due to product transport within the Group and product distribution logistics to customers paid by Brembo ⁷	4	63,487	76,101	45,048
Emissions due to waste disposal and transport ^{7,8}	5	52,093	68,174	72,847
Emissions due to business trips ^{7,9}	6	652	1,751	3,704
Emissions due to employees commuting between home and workplace ⁷	7	37,766	40,677	28,368
Emissions due to product distribution logistics to customers paid by customers ⁷	9	79,053	142,588	172,301
Emissions due to equity investments		38,339	42,610	37,625
Total Scope 1, (MB) 2 and 3 emissions		1,881,829	2,226,568	2,476,615

1 The calculation of the CO₂ equivalent emissions (which includes CO₂, CH₄, NO₂, and HFC emissions when present), was carried out in accordance with the indications of the GHG Protocol. The calculation was carried out using the emission factors published by: • AIB (Association of Issuing Bodies), • IEA (International Energy Agency), • UK Department for Environment Food & Rural Affairs and Department for Business, Energy & Industrial Strategy, • GHG Protocol, • Eurostat, • EPA (Environmental Protection Agency), • Ecoinv.

2 2021 values have been recalculated to include the sites of J.Juan, a company acquired at the end of 2021, in accordance with the indications of the GHG Protocol.

3 The figure includes the quantities of coolants dispersed into the atmosphere and reported in the special registers when air conditioning systems are refilled periodically. In the absence of such a record or other evidence of gas refills carried out during the year, all the gas contained in the air conditioning systems is considered to be dispersed into the atmosphere — as a precautionary measure.

4 The overall Scope 2 emissions take into account the total emissions valued using the market-based method.

5 The calculation methodology for this category was revised in 2023 to also

include the emissions of the whole supply chain, in accordance with the indications of the GHG Protocol. The previous years' values have been recalculated using a similar methodology. For aluminium suppliers, calculations are based on current year's data. For the other suppliers, calculations took into account the previous year's data.

6 The calculation methodology for this category was revised in 2023 to also include the WTT emissions relating to electricity, district heating and fuels, in accordance with the indications of the GHG Protocol. The previous years' values have been recalculated using the same methodology.

7 To calculate Scope 3 emissions, and in particular for categories 4, 5, 6, 7 and 9 of the GHG Protocol, distances travelled have been estimated on the basis of the departure and destination information available. In addition, for categories 4 and 9, in the absence of specific information, the weight of goods transported is estimated on the basis of the load of the vehicle used.

8 The calculation methodology for this category was revised in 2023 to also include the emissions due to waste disposal, in accordance with the indications of the GHG Protocol. The previous years' values have been recalculated using the same methodology.

9 For the calculation of this category's emissions, only employee air travel is considered. As of 2023, travel by train are also taken into account.



FROM PRIMARY TO SECONDARY ALUMINIUM

Producing a brake caliper using secondary aluminium to replace, in whole or partly, the primary one while ensuring performance, quality and aesthetic criteria is one of key goals in the field of sustainability. The development of the calipers of to-

morrow, fully made of recycled aluminium, will allow to reduce CO₂e emissions by about 80% in the next decade compared to the current emissions. The expected result will be achieved through a series of subsequent steps including:

- the gradual increase of aluminium

- produced with renewable energy;
- purchase of “hybrid” alloys made of a growing amount of renewable aluminium;
- the production of calipers made entirely from recycled aluminium.

SCOPE 1

Climate-changing emissions generated directly by Brembo come from plants, assets and vehicles operated directly by Brembo. This scope includes emissions from the combustion of fossil fuels in melting furnaces, leakage of coolants in air conditioning systems or use of fossil fuels in the company fleet.

SCOPE 2

Indirect emissions of greenhouse gases resulting from the generation of electricity purchased by Brembo, as well as the heating of water/steam procured by the Group through district heating systems. With these purchases Brembo indirectly contributes to the emissions generated by electricity or heat suppliers.

SCOPE 3

Emissions that are not included in the previous scopes but linked to Brembo’s value chain. This scope includes emissions from Brembo product distribution and handling among plants and towards customers, personnel’s commuting from home to workplace or business trips, the purchase of hardware, machinery and equipment, and emissions generated by suppliers for materials and/or services purchased by Brembo.



7.5 ATMOSPHERIC POLLUTING EMISSIONS

Pollutant emissions that derive from Brembo's production may have direct negative effects on the health of communities adjacent to facilities or give rise to problems also for the area's flora and fauna. For these reasons, the Environment and Energy Management System implemented by Brembo has introduced requirements common to all the Group's plants aimed at containing the environmental risk well below the emission limits imposed by the legislation of the Countries in which it operates.

The control of quality parameters for atmospheric emissions is required by all legislations in force in the Countries where Brembo plants reside, although with different limits from country to country. Each plant has established appropriate monitoring plans for its emissions with the

ultimate aim of limiting the emissions generated by its production processes to the technological limit, including odorous ones, an aspect not normally covered by legislative requirements.

The typical parameters subject to sampling and analysis are those emitted by melting processes (such as powders, NOx and SOx) and those generated by mechanical processing and painting processes (powders and VOCs), whose emission values are governed by local legislation. To contain the risk of pollution, Brembo has set internal requirements that each emission point be equipped with abatement systems capable of ensuring that atmospheric emissions are 60% lower than the limit set by local legislation.

EMISSIONS OF HARMFUL SUBSTANCES (t)*

	2021	2022	2023
Nitrogen oxides (NOx)	66.32	82.68	186.22
Sulphur oxides (SOx)	100.04	47.37	180.53
Persistent organic pollutants (POP)	0.003	0.03	0
Volatile organic compounds (VOC)	108.32	77.73	96.88
Hazardous pollutants	1.37	1.82	2.32
Fine particulates (PM)	177.64	274.41	320.31
Carbon monoxide (CO)	246.59	370.58	1,357.84

* The values shown are based on precise measurements made in plants that are subject to regular or ongoing spot checks. Each plant's emissions is calculated based on these precise measurements, since the concentration of harmful substances, the mass flow and the operating time of the plant are already known.

In the same way it monitors pollutants, Brembo also monitors the quantity of coolants (HFC and HCFC) released into the atmosphere, calculating the relevant CO₂eq impact.

In 2023, approximately 1.21 tonnes of gases, of which 0.03 tonnes of freon 22 gas (R-22), were dispersed into the atmosphere. The figure includes the quantities of coolants

dispersed into the atmosphere and reported in the special registers when air conditioning systems are refilled periodically. In the absence of such a record or other evidence of gas refills carried out during the year, all the gas contained in the air conditioning systems is considered to be dispersed into the atmosphere — as a precautionary measure.

7.6 MANAGEMENT AND USE OF WATER RESOURCES

Climate change and particularly the increase in drought periods and related extreme weather phenomena affect the availability of fresh water, an essential resource for the survival of man and any economic sector, especially in geographical areas characterised by scarce water availability. The challenge faced by the institutions and companies that use the most water will thus be to manage water use fairly, so that it does not become a factor of disruption of business or harm to the natural cycles of ecosystems or social inequality. For this reason, the 2030 Agenda for Sustainable Development recognises the importance of water, mainly in its Goals 6 and 14 but also in all the other Goals, linked to water directly or indirectly.

Brembo, whose production processes require water resources quantifiable as approximately 1,620 MI, has defined a strategy acting in multiple directions: promoting the rational use of water, by gradually reducing its use in its production processes, and fostering the minimisation of possible pollutants that could have a negative impact on the environment, as well as the supply from alternative sources such as the recovery from other processes.

In particular, Brembo uses water for cooling its plants, melting furnaces, surface treatments and the preparation of waste coolant emulsions – specific 7-10% oil emulsions needed for cooling and chip evacuation in mechanical processing. Brembo's manufacturing activity may thus generate material impacts in terms of the quantity of water used, contributing to depletion of the resource in areas with limited availability or also in terms of water contamination, albeit to a less significant degree.

With regard to water performance, in 2023 a total of about 1,620 MI of water were taken, a slight increase compared to the trend of recent years. The overall figure is mainly affected by the increase in production volumes recorded at almost all the Group's plants.

The water mains still constitutes the main source of supply (approximately 73%) which not only ensures suitable quality levels, but also a reliably constant supply over time.

With reference to waste water, nearly all of it is destined for the local water consortium sewers to which the sites are linked. Only a tiny fraction (less than 1%) of waste water is destined to other types of release (e.g., released into surface water bodies or in the subsoil). In all cases waste water is subject to prior verification to ensure that the relevant local legal specifications on acceptability are met.

Brembo's Environment and Energy Management System concerns not only energy consumption, but also water use. Within the system adopted by Brembo, the Water Management procedure sets requirements and restrictions for ensuring rational use of the resource and protection against all possible accidental contamination.

The requirements defined are binding on all Brembo facilities, thus ensuring the procedure is uniformly applied. In the specific case of the risk of contamination of environmental matrices due to water discharge, the procedure's requirements are equally stringent: the limits to be observed are up to 60% lower than those set by local regulations.

Accordingly, all sites are required to take every appropriate action to ensure that the concentration of pollutants in discharges remains consistently below this limit over time, for example by using products or substances with a lesser impact or discharge water treatment technologies. Within the Management System, each plant carries out a risk and opportunities assessment for each process and production phase that has an impact on water resources.

The outcome of this analysis leads — for the areas identified as at high risk or with relevant opportunities — to mitigation or other actions that may help seize any opportunities. In parallel to the analysis, Brembo runs a yearly company-wide risk evaluation aimed at determining the exposure, for each Group's site, to risk factors relating to water quality and availability in a specific area, specifically in current conditions and future scenarios. Such evaluation is conducted using the World Resource Institute's (WRI) ACQUEDUCT methodology.

RESPONSIBLE WATER PROCUREMENT IDRICA



For Brembo, achieving maximum optimisation in water use is a much-needed result, especially in highly water-stressed areas.

This was the case of the plants in Mexico, where severe drought made rationing in water distribution necessary in 2022 and 2023. In response to this issue, Brembo launched at the

cast iron foundry in Escobedo (Mexico) a water reuse project in which further chemical and physical processing by Brembo allows discharged water to be used in the municipal purifier instead of water from the aqueduct. Since December 2023, the Escobedo site has therefore been supplied with aqueduct water for civil uses only, while water withdrawal due to pro-

duction processes, which amounts to about 300 m³ per day, comes entirely from purified wastewater.

During the year, Brembo finalised a study aimed at identifying the priority sites on which the same water recovery process will be implemented in the coming years.

To enable increasingly accurate water reporting, and identify and reduce every source of waste, it was set the goal of reaching 100% water flows monitoring capability by 2025 (water withdrawal, discharge and significant internal use) for every site in the Group. Such goal is aimed at identifying the sources of waste and abnormal consumption with respect to internal or external benchmarks — for the different points of use — in order to highlight all the situations where improvement actions can be introduced consistent with the local contexts.

The Group completed at all production plants the installation of flowmeters at the entry points and will complete the installation of measuring equipment at the exit points at the recently acquired plants, as well as measuring equipment for significant internal use. A further development of the project is the inclusion of water measurements within the BEP (Brembo Energy Platform) monitoring platform which — similarly to energy — will enable a constant

monitoring of consumption, which will be useful to identify priority areas for intervention in order to optimise water needs and monitor each plant's targets.

Simultaneously a programme aimed at increasing the involvement of the supply chain in order to better know and understand the impact on water generated by Brembo outside its factories continued. Similarly to what happened with gas emissions, a specific questionnaire sent to suppliers also documented water consumption along the entire value chain.

During 2023, two accidental spill events were recorded, one relating to a leak of a waste coolant emulsion at the Ostrava plant (Czech Republic) and one relating to the water used for the abatement of foundry fumes at the Homer plant (USA): both incidents were promptly intercepted and resolved, avoiding damage to the external environment.

WATER WITHDRAWAL (ML= MEGALITRES)

	2021		2022		2023	
	ALL AREAS	WATER STRESSED AREAS	ALL AREAS	WATER STRESSED AREAS	ALL AREAS	WATER STRESSED AREAS
GROUNDWATER	481.51	0	455.07	0	431.82	0.00
Fresh water	481.51	0	455.07	0	431.82	0.00
Other types of water	0	0	0	0	0.00	0.00
THIRD-PARTY WATER RESOURCES	967.29	360.20	1,114.69	396.72	1188.90	409.75
Fresh water	967.29	360.20	1,094.47	376.51	1174.10	394.95
Other types of water	0	0	20.21	20.21	14.80	14.80
TOTAL	1,448.80	360.20	1,569.75	396.72	1620.72	409.75
TOTAL THIRD-PARTY WATER WITHDRAWAL BY SOURCE - WATER STRESSED AREAS						
Surface water	-	274.75	-	297.082	-	309.60
Groundwater	-	85.14	-	99.64	-	99.67
Produced water	-	0.31	-	0	-	0.48
TOTAL	-	360.20	-	396.72	-	409.75

WATER DISCHARGE (ML= MEGALITRES)*

	2021		2022		2023	
	ALL AREAS	WATER STRESSED AREAS	ALL AREAS	WATER STRESSED AREAS	ALL AREAS	WATER STRESSED AREAS
SURFACE WATER	0.00	0.00	0.00	0.00	0.00	0.00
Fresh water	0.00	0.00	0.00	0.00	0.00	0.00
Other types of water	0.00	0.00	0.00	0.00	0.00	0.00
GROUNDWATER	8.33	0.01	5.57	0.01	2.41	0.01
Fresh water	8.33	0.01	5.57	0.01	2.41	0.01
Other types of water	0	0	0	0	0.00	0.00
THIRD-PARTY WATER RESOURCES	510.51	173.57	597.95	173.50	629.42	166.87
Fresh water	380.72	105.34	515.78	128.40	524.93	126.94
Other types of water	129.79	68.23	82.17	45.11	104.49	39.93
TOTAL	518.84	173.58	603.52	173.51	631.84	166.88



	2021		2022		2023	
	ALL AREAS	WATER STRESSED AREAS	ALL AREAS	WATER STRESSED AREAS	ALL AREAS	WATER STRESSED AREAS
WATER DISCHARGE BY LEVEL OF PROCESSING*						
Any processing		175.49		201.57		226.49
Level of processing 1		15.67		20.49		28.38
Level of processing 2		53.49		131.16		121.49
Level of processing 3***		287.50		265.98		275.02
TOTAL		532.16		619.20		651.37

* In the event of the absence or malfunction of measuring equipment on industrial discharge, the volume of water discharged is estimated on the basis of available data, such as the volume of water withdrawn, the water evaporated, water disposed of as waste, etc. Where civil water discharge figures are not available, the volume discharged is estimated to be equal to the volume withdrawn.

** Level of processing 1: aims at removing the solid substances which either deposit or float on top of the water.
Level of processing 2: aims at removing the substances and materials which remain suspended or are dissolved in the water.
Level of processing 3: aims at improving water quality before its disposal. This processing also includes removal processes for substances such as heavy metals, nitrogen and phosphorous.

*** The figure includes the quantity of water recovered by the Pune (India) processing plant and entirely reused within the plant. For this reason, total water discharged is not equal to the figure broken down by level of processing.

WATER CONSUMPTION (ML= MEGALITERS)

	2021		2022		2023	
	ALL AREAS	WATER STRESSED AREAS	ALL AREAS	WATER STRESSED AREAS	ALL AREAS	WATER STRESSED AREAS
TOTAL WATER CONSUMPTION	929.96	186.62	966.23	223.21	988.88	242.87

7.7 WASTE REDUCTION

The generation of hazardous and non-hazardous waste from industrial processes may result in pollution of the soil, water or air and may have adverse consequences in terms of altering the ecosystem, such as soil or water contamination due to possible leaching or accidental leaks, or because of entrusting waste to third parties without the required authorisation. To reduce and mitigate such impacts, as part of its Environment and Energy Management System Brembo has prepared a Waste Management procedure in which it defined operating requirements inspired by available best practices to ensure responsible, consistent management of these aspects at all Group plants. For example, specific solutions are adopted for temporary waste storage areas at plants, which must be designed using systems that prevent the effects of atmospheric agents on the waste.

In addition, this procedure imposes requirements also with respect to management of the value chain, providing for audits of suppliers responsible for transporting and disposing of waste to ensure minimum precautions are taken, even in geographical areas where the law permits a looser approach.

Another important focus of the procedure is circular economy criteria, with all plants urged to identify every possible opportunity to apply them. This is an aspect to which Brembo has devoted a great deal of energy. The linear "take-make-dispose" economic model based on having access to only seemingly unlimited resources is increasingly ill-adapted to Brembo's environment, especially given the need to access high quality raw materials with sustainable costs, whilst being mindful of the environment. The very nature of some of the production processes, such as cast iron foundries, means that they are suitable as a model for applying the "take-make-reuse" concept on which the circular economy is based. The raw materials procured by a foundry are for the most part of secondary origin, resulting from machining process waste or from the product of the ferrous scrap salvage chain. The progressive extension of circularity to all production processes is an opportunity that Brembo intends to seize in order to ensure a steady business growth that is in balance with the environment.

The above procedure encourages identification of every possible opportunity for exploiting waste materials, which in various cases may be sold to third parties or reused internally as secondary raw materials, or also disposed of as waste. This reduces the need to extract raw materials from the Earth, significantly reducing the overall environmental impact. Brembo is working on the subject with various projects concerning both the production process and the product. With regard to the production process, the areas of intervention aim to reduce the amount of waste generated and to reuse scrap materials in the process. When it comes to products, one virtuous example is the project on which Brembo is working to test its first experimental melting of aluminium alloy with increasing secondary material content from both the market and the scrap internal recovery.

In 2023 as well, various actions were taken to mitigate the environmental impacts generated during waste management and reduction processes. These include the use as a by-product of waste materials from the process of manufacturing carbon ceramic discs, the recovery of spent cast iron foundry sands to make sand for use in the process of creating cores to replace virgin sand in cast iron foundries or the reuse of incoming packaging materials to make fillers for outgoing packaging at the San Cugat (J.Juan) plant in Spain.

In 2023, Brembo generated a total of about 505,000 tonnes of waste, a 9% increase on 2022 due to higher production volumes. The distribution of hazardous waste remained at 5% of total waste generated, in line with previous years. The percentage of waste sent for disposal in dumps decreased and accounted for 12% of the total.

WITH REGARD TO WASTE MANAGEMENT, IN 2022 BREMBO DEFINED THE FOLLOWING TARGETS

- Reaching **90%** of waste to be recovered by 2025
 - Reaching **95%** of waste to be recovered by 2030
-

WASTE BY TYPE AND PERCENTAGE ON TOTAL WASTE (t)

	2022	2023	%
Foundry sands	197,235	216,897	42.99%
Iron chip and filings	151,737	161,798	32.07%
Dust from abatement plants	20,871	22,242	4.41%
Foundry slag	25,565	29,369	5.82%
Waste emulsions	12,706	14,046	2.78%
Packaging materials	6,815	7,107	1.41%
Aluminium foams	3,854	3,046	0.60%
Acid/basic waste solutions	2,945	2,913	0.58%
Sludge	2,225	2,375	0.47%
Waste filter materials	213	200	0.04%
Waste not classified differently	36,781	44,551	8.83%
Total	460,947	504,544	

WASTE GENERATED (t)

	2021	2022	2023
Hazardous waste	20,213	23,521	25,223
<i>of which: discharged</i>	3,675	5,032	4,474
<i>of which: reused</i>	16,538	18,489	20,749
Non-hazardous waste	375,939	437,427	479,320
<i>of which: discharged</i>	55,043	63,082	56,479
<i>of which: reused</i>	320,896	374,354	422,841
Total	396,152	460,947	504,544
<i>of which: discharged</i>	58,718	68,113	60,952
<i>of which: reused</i>	337,434	392,834	443,590

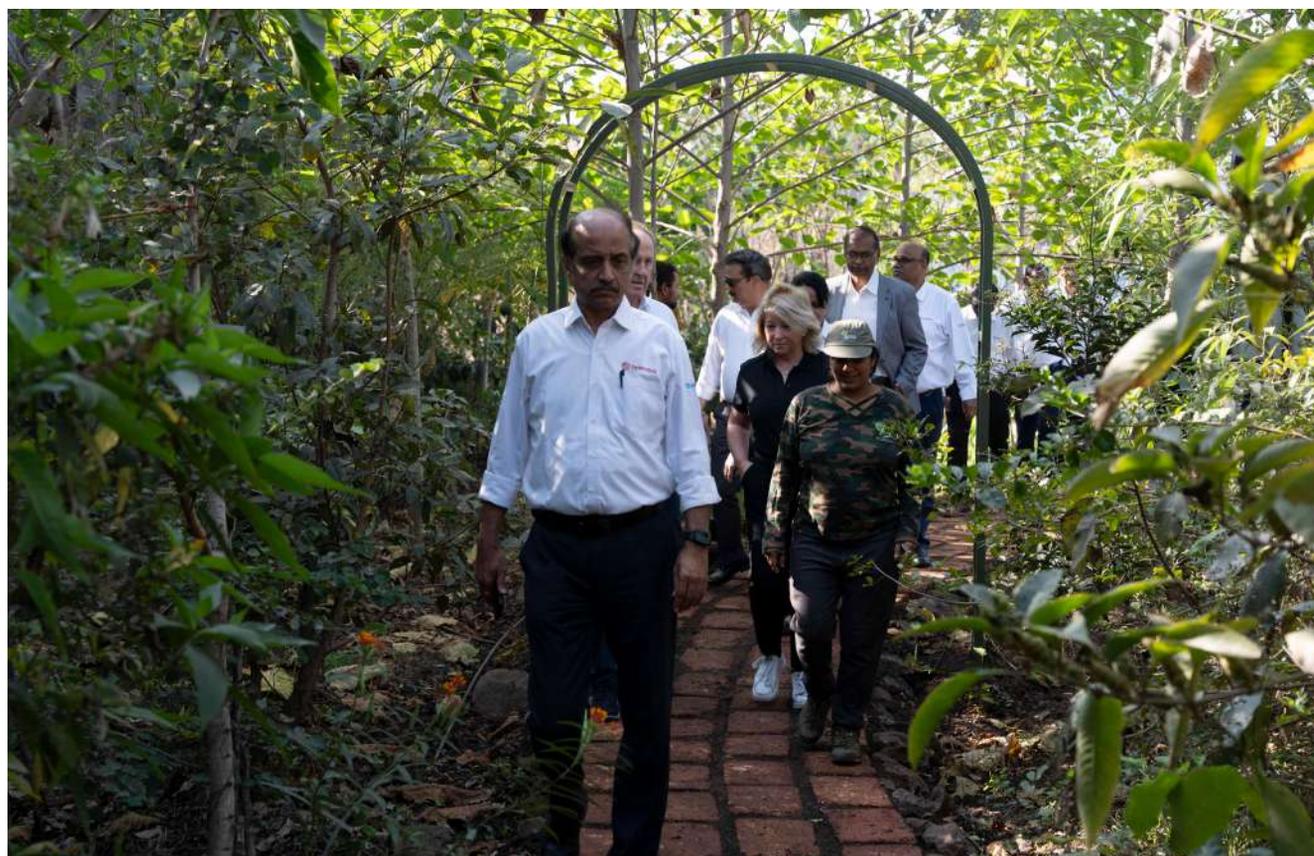
7.8 PROTECTION OF BIODIVERSITY

In December 2022, nearly 200 governments pledged to meet ambitious goals and targets under the Kunming-Montreal Global Biodiversity Framework to halt and reverse the loss of biodiversity and natural ecosystems by 2030. Businesses are called upon to transparently monitor, assess and disclose their risks, dependencies and impacts on biodiversity to ensure that businesses, society and nature live in harmony. The Group has always been committed to protecting the environment and ecosystems by minimising the impacts of its operations.

In this context, Brembo has felt the need to act for the protection of biodiversity, first and foremost by adopting a methodological approach to help protect it in the vicinity of its production plants. As a first step, Brembo, with the support of a specialist consultant, launched a sensitivity analysis aimed at defining and applying a methodology for screening the state of biodiversity in the geographical areas where its manufacturing plants are located.

The screening activity aims to identify the level of sensitivity of the area in which the sites are located and determine those plants that may require intervention, defining improvement, prevention and mitigation actions.

In particular, the spatial interactions between Brembo's production sites and three variables related to the state of biodiversity in the surrounding geographical areas were analysed: land use category, species classified as threatened according to the IUCN Red List and the presence of areas of ecological interest (including Natura 2000 sites, Ramsar sites, protected natural areas according to local, national or international legislation). Based on these variables, a prioritisation of Brembo's sites was defined, identifying the production sites that are located in the most sensitive areas from the point of view of natural ecosystems and biodiversity. Based on these analyses, the Group will identify, over the next few years, a plan of actions designed to reduce and mitigate its impacts on biodiversity.



3,075

€ MILLION

ECONOMIC VALUE DISTRIBUTED

ACTIVE LISTENING

Brembo pays great attention to the local areas where it operates around the world and, through an active dialogue with all stakeholders, outlines paths for listening to the needs of communities and forms partnerships through virtuous initiatives.

OVER

5,000

UNIQUE BENEFICIARIES
REACHED BY THE LAUNCH
OF THE "HOUSE OF SMILE"
PROJECT

6

ACTION AREAS
FOR SOCIAL
PROJECTS

8. LOCAL AREAS



3,675
€ million

Economic value distributed



over
5,000

Unique beneficiaries reached by the launch of the “House of Smile” project



6

Action areas for social projects

8.1 CREATING OPPORTUNITIES FOR LOCAL AREAS

In 2023, Brembo’s investment management policy continued in line with the guidelines followed to date, with the aim of strengthening the Group’s presence not only in Italy, but also internationally.

Group’s total net investments undertaken in 2023 at all operations amounted to €412,159 thousand, of which €368,426 thousand was invested in property, plant and equipment and €43,733 thousand in intangible assets. The most significant investments were concentrated in Italy (36.3%), North America (22.9%), Poland (19.7%) and China (9.7%). With regard to investments in intangible assets, development costs for 2023 amounted to €28,910 thousand (7.0% of the Group’s total net investments). In the same period, increases in leased assets amounted to €20,731 thousand.

In 2023, Brembo’s investment management policy continued in line with the guidelines followed to date, with the aim of strengthening the Group’s presence not only in Italy, but also internationally. Brembo has launched an investment plan of approximately €500 million to consolidate its global industrial footprint, particularly in Mexico, China and Poland, where new plants are expected to be built with a view to digital transformation and sustainability. In Mexico, Brembo is completing the expansion of its plant specialising in the manufacturing of brake calipers

located in Escobedo, in the Nuevo León State. Once fully operational, the plant will enable to double the Group’s production capacity in the country. With regard to China, Brembo’s plan calls for the expansion of the brake system manufacturing plant in Nanjing to strengthen its production capacity in the country. The investment also provides for the renewal of the R&D centre within the said site, with the aim of creating an advanced centre supporting the development of the new technologies required by the Chinese market. Works began in the second half of 2023 and the project is expected to be completed by the end of 2025. In Poland, Brembo decided to build another cast iron foundry in Dąbrowa Górnicza. The investment will create the Group’s most innovative foundry at global level, which will be endowed with cutting-edge technology, also in the sustainability area. The first pouring of the foundry is expected in the first half of 2025.

These projects are in addition to the already announced acquisition of the Italcementi property at Kilometro Rosso in Stezzano (Bergamo), which will allow Brembo to expand its headquarters in Italy. The other investments in property, plant and equipment made by the Group primarily related to purchases of plant, machinery and equipment to increase the level of production automation and constantly improve the mix and quality of factories.

Brembo represents a reliable partner for many businesses in the supply industry, with which they can develop partnerships and grow over time. Therefore it has contributed to strengthening the entrepreneurial fabric in its value chain, creating a network of satellite companies that guarantees additional employment and technological development. In fact, in 2023 much of the economic value distributed by Brembo went towards remunerating and supporting the system of businesses in the supply chains:

overall, the Group made purchases worth over €2,590 million. More than €681 million was distributed to Brembo personnel in the form of salaries, variable remuneration and social security contributions.

The economic impact of the Group can also be measured in its support for public spending through its contribution to tax revenue and its dividends to Shareholders, thereby encouraging further investments.

ECONOMIC VALUE GENERATED, DISTRIBUTED AND RETAINED (€ THOUSAND)

	2021	2022	2023
Economic value generated⁸⁰	2,887,840	3,802,434	4,092,885
Economic value distributed	2,539,452	3,386,176	3,675,184
Suppliers*	1,828,581	2,458,975	2,590,809
Brembo People**	506,617	616,180	681,620
Investors and lenders***	138,229	205,636	290,230
Public Administration	64,312	103,420	110,759
Gifts and sponsorships****	1,713	1,965	1,766
Economic value retained	348,388	416,258	417,701

* The item "Suppliers" includes operating costs classified among raw material costs and other operating costs recognised in the consolidated statement of income.

** The item "Brembo People" includes personnel expenses for employees and agency workers.

*** The item "Investors and lenders" includes interest expense, exchange gains and dividends paid in the year.

**** The item "Gifts and sponsorships" includes voluntary contributions for the community (including donations).

The economic value generated and distributed by the Group had a particularly significant positive impact in those areas characterised by levels of industrialisation and wealth distribution below the national average.

In recognition of the benefits produced by the presence of highly specialised manufacturing firms, in 2023 — as part of national policies designed to attract and support industrial innovation and development — the Group received more than €29,316 in public grants, in the form of tax relief and research grants.

Brembo has always been very conscious of the role it plays within the country's economic development. The Group's constant investments aim to maintain and increase em-

ployment development and meet the economic and social needs of local communities.

FINANCIAL INVESTMENT CONTRIBUTION (€ THOUSAND)⁸¹

	2023
CapEx	412,818,163
Amortisation	251,705,674
Share buybacks	8,164,000
Dividend distribution	92,876,000
Total	765,563,837

80 The economic value generated consists of revenue from contracts with customers, other revenues and income, income (expense) from non-financial investments, exchange rate gains, interest income and interest income (expense) from investments.

81 In line with IAS 7 and financial reporting, the WEF indicator "Financial Investment Contribution" includes both total depreciation and amortisation and investments relating to property, plant and equipment and intangible assets.

CONTRIBUTION TO DEVELOPING THE LOCAL INTELLECTUAL CAPITAL

Investments and work opportunities created in local communities are not the only positive effects generated by Brembo in the areas in question. Indeed, the Group deems it even more important to foster the growth of the districts' intellectual capital by offering its "know-how" as a resource for promoting local development through training and partnerships with various research and education institutions.

Partnerships like those with the Milan Polytechnic, the Royal Institute of Technology in Stockholm, the University of Padua and the University of Trento have made it possible to share Brembo's legacy of expertise in materials, braking systems, technology, and industrial fusion and mechanical processing procedures, while also allowing the Group to develop highly innovative products with a view to open innovation that benefits both Brembo and the local areas.

Out of the main initiatives that demonstrate Brembo's key role in creating and promoting knowledge and innovation on a local level, the most significant are as follows:

The development of the innovation hub **Kilometro Rosso**

The Group was involved in the creation of **Kilometro Rosso** from the very start. Established on the outskirts of Bergamo, where Brembo has its roots, this district acts as a catalyst for various areas of excellence in the field of research, high-tech production and services for innovation in various sectors and areas of specialisation.

This knowledge hub aims to create a meeting point for businesses with a strong propensity for innovation, scientific institutions and R&D centres, with a view to promoting the sharing of specialist expertise among businesses operating in various industries, considerably increasing the ability of the people involved to generate product, process and service innovation.

Kilometro Rosso is now one of Italy's main science parks, accredited by the CENSIS 2009 report as one of Italy's top 10 outstanding initiatives for innovation. In addition to the Group's headquarters, within the park Brembo has a mechatronics, sensor systems and mechanical Research Centre and the laboratories of Brembo SGL Carbon

Ceramic Brakes, a joint-venture set up between Brembo and SGL Group.

For further information: www.kilometrorosso.com

Brembo Learning Program @PoliMI

In partnership with the Milan Polytechnic, as of 2014 Brembo set up the *Brembo Learning Program @PoliMI*. This technical and scientific advanced education initiative specialising in braking systems seeks to complement the academic curriculum of Milan Polytechnic's engineering students.

The Programme includes a series of lessons and meetings, at the University and at the Company premises, with the involvement of Group managers and specialists who make available to students the wealth of knowledge and know-how, illustrating to the students of the Polytechnic who are about to graduate how Brembo products are created, from their conception to production, and Brembo's evolution as a provider of digital solutions to encourage the adoption of more agile and innovative processes.

The support to local technological

The Group's partnerships with the world of education do not focus solely on universities. In fact, it is important for Brembo to develop a relationship with future generations from secondary schools onwards, so as to guide and introduce the best talents to the mechanics industry. In this regard, in 2023 the Group launched the "Job Talks together for Students" project in Italy, involving the most representative secondary technical schools in which its offices are located: as part of this project, Brembo experts bring their personal experience and group assessments are carried out through business cases.

Students also have the opportunity to visit the Company's production departments and participate in professional orientation and guidance sessions on preparing their CVs through a simulation of a selection process. With a view to enhancing local area resources, the Group participates in the "Job Festival" organised by Confindustria Bergamo, where the company meets students from secondary schools to promote employment opportunities, and provide professional guidance to students.

8.2 COMMUNITY INVOLVEMENT AND DEVELOPMENT

Halfway through the UN 2030 Agenda, Brembo finds itself operating in a more complex world than in 2016, when the Sustainable Development Action Programme came into force. In particular, the global challenges and transformations taking place require greater cooperation and support on the part of all, which are to be translated into an increasingly concrete commitment to the social dimension of sustainability.

In this context, companies are called upon to play an increasingly active role within the communities in which they are present, contributing positively to building shared social value.

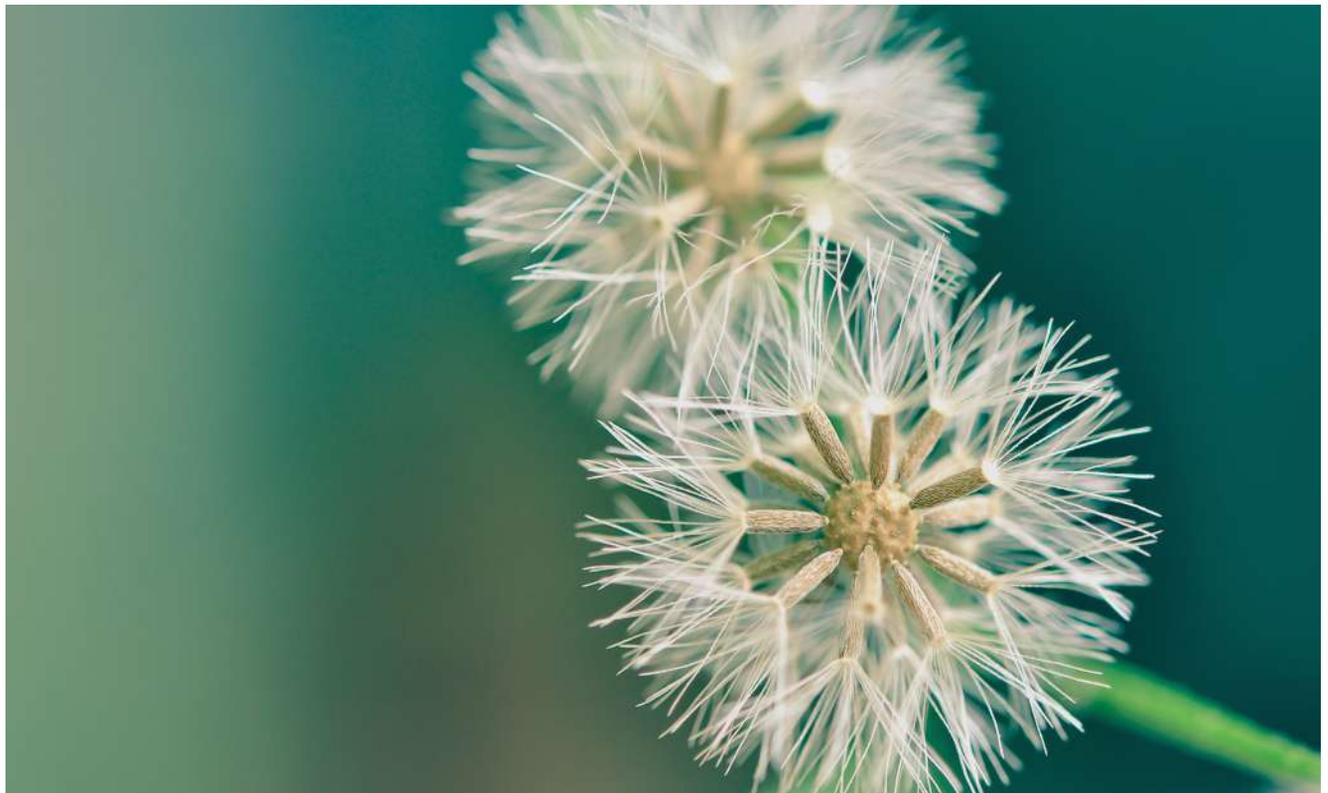
Brembo is aware that it is an important player in the economic and social fabric of the local areas in which it operates around the world, and this generates a deep sense of responsibility towards people, organisations and institutions, as well as the environment.

Over the years, the Group has developed a wide and growing programme of projects and initiatives to involve and support local communities, with the aim of bringing concrete support to areas of greatest social need.

In order to guarantee structured and strategic management of social initiatives, Brembo set up a central Social and Cultural Sponsorships and Donations Committee. This body periodically brings together the Heads of the main corporate functions, in order to define criteria, guidelines and priorities on which to focus sponsorships and donations in the social and cultural arena, evaluate initiatives to support, as well as monitor the compliance and efficacy of the projects being promoted.

These projects are conceived and developed in collaboration with the non-profit sector and local institutions, and are focused on the following action areas: education, training and research, environment and sustainability, sport, art and culture, social and child protection, Brembo social projects around the world.

Listening to the needs of communities also entails the extensive involvement of Brembo People, such as the Country General Managers and the voluntary figures of the CSR Ambassador and CSR Champion, who liaise with the CSR GCF and bring to the Group's attention the needs that have emerged from local communities.





BREMBO’S INTERVENTION ALONGSIDE THE POPULATIONS AFFECTED BY THE EARTHQUAKE IN TURKEY AND SYRIA

In February 2023, a violent earthquake struck the territory on the border between Turkey and Syria, causing dramatic consequences for the communities involved, as well as incalculable damage to buildings and infrastructure already strained by years of war. Aftershocks spread across the region, forcing millions of people to flee their homes and move to temporary settlements.

To bring concrete support to these people, Brembo created a “Child Friendly Space” dedicated to the most vulnerable, in particular to women and children who were among the most affected by the earthquake and its consequences. Conceived and developed in collaboration with Foundation CESVI and its local partners, “Child Friendly Space” was a safe and secure space in Hatay, the Turkish province with the highest number of refugee settlements where access to services and aid was severely limited.

The centre provided psychological and emotional support appropriate to the age of the children involved and their needs, as well as offered, under the guidance of specialised opera-

tors, recreational and educational activities and light-hearted moments, essential to try to rebuild everyday life together. A van was also equipped that operated as a mobile “Child Friendly Space”, with a team that provided the necessary flexibility to meet the needs of even the most remote residential areas. In addition to psychosocial support and the distribution of basic necessities, the mobile CFS organised cultural activities, such as the staging of theatrical performances designed for the youngest children. For adults, the mobile team carried out individual and group awareness-raising and psychological support sessions in safe spaces, identified in different locations in the region to get in touch with beneficiaries and conduct in-depth assessments on the needs of the populations.

Project’s activities ended in September 2023. A total of 407 minors and 420 adults participated in the psychosocial support meetings, 59 people benefited from individual counselling and 208 were involved in activities to raise awareness about the possible psychological consequences of such a dramatic event and the actions that could help overcome it.





BREMBO'S SUPPORT TO BERGAMO BRESCIA ITALIAN CAPITAL OF CULTURE 2023

2023 was the year of Bergamo Brescia Italian Capital of Culture. An example of virtuous collaboration between two urban centres that, for the first time, have been honoured as just one Italian Capital of Culture. An exceptionally important initiative that was committed to gathering energy and listening to the protagonists of the local area in which Brembo has its roots, promoting reflections on the present and possible future.

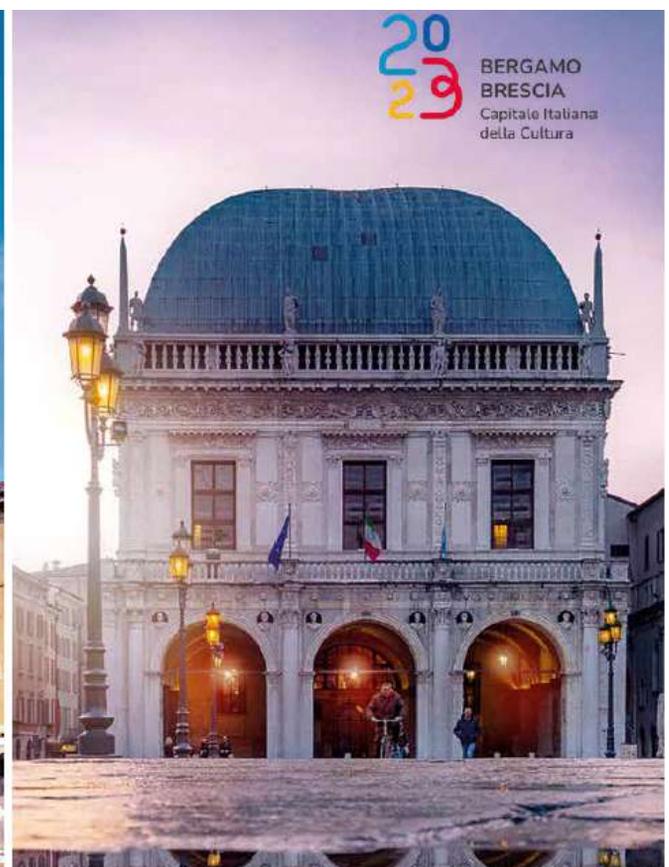
In addition to supporting the event as a System Partner, Brembo took an active part with the display of its 2004 and 2020 ADI Compasso d'Oro Awards in "The Thinking Factories" and "Bergamo Brescia Business Culture" exhibitions in Bergamo Upper Town. Two important events that retraced the excellence, design and industrial culture of the two protagonist cities.

Also of international importance was the "Yayoi Kusama. Infinite Present" exhibition which brought one of the most iconic installations by the famous Japanese artist Yayoi

Kusama to the heart of the city of Bergamo, also thanks to Brembo's support as Social Inclusivity Partner.

Bergamo Brescia Italian Capital of Culture was also a new opportunity for the Group to tell the story of Brembo People, putting them at the centre of the "Insieme di visi e di voci" exhibition, at the Palazzo della Provincia in Bergamo, which brought together the "ordinary excellence" of the Bergamo area in photographic portraits and recorded voices.

Said event celebrated the important cultural and artistic heritage of Bergamo and Brescia and, at the same time, the inventive, design and implementation capabilities of the people and companies. These same values are part of Brembo's DNA, which has always been oriented towards innovation and beauty. It is on the basis of these common traits that Brembo enthusiastically shared the objectives of the initiative within a broader view of continuous improvement and shared growth.





THE BREMBO FOREST IN KENYA AND THE SUPPORT TO THE BIODIVERSITY PARK IN CHAKAN, INDIA

Every single tree is oxygen for the planet and a resource for man. It is sustenance and life, a symbol of rebirth and a gaze towards the future.

To celebrate the 60th anniversary of its foundation, in 2021 the Group donated a tree to all of Brembo People worldwide, thus giving life to the first Brembo Forest, namely in Kenya, in the Victoria Lake region.

The initiative, called “Brembo4Earth - A gift for you, our forest for the planet”, was conducted in partnership with Treedom and allowed 14 thousand trees to be planted in a combination of stem and fruit species depending on local area needs.

The Brembo Forest contributes to the achievement of ten of the 17 UN Sustainable Development Goals, 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 2023, monitoring of the Brembo Forest and support for the Biodiversity Park in the industrial area of Chakan, India, continued.

This project was developed and implemented in collaboration with the local NGO Bosch & Forest, according to the "Miyawaki method". An afforestation technique, invented by the Japanese botanist Akira Miyawaki, which uses resist-

ant and spontaneous plants for the recovery and reclamation of abandoned land that, as in the case of Chakan, was destined for the illegal dumping of waste and slag.

A decisive phase of the project was the selection of the variety of species to be included in the park to recreate an ecosystem capable of surviving over time and promoting the soil’s ability to retain water and its nutrients, the cooling of the microclimate, and the absorption of pollutants and carbon dioxide.

Today, the biodiversity park is available to the whole community and to the workers of the industrial area who can enjoy a green space where they can reconnect with nature. In light of the relevance of this project, the Brembo Brake India local team was bestowed in 2023 with the award for the Community Involvement & Development category of the Brembo Sustainability Awards.



To learn more about **Biodiversity Park**





A "HOUSE OF SMILE" IN INDIA DEDICATED TO MOTHERS AND THEIR CHILDREN

Brembo has been present for years with its manufacturing plants in Pune, a large city in western India. The long experience in the country has allowed the Group to acquire an in-depth knowledge of the socio-economic dynamics of the area and the consequent needs of its community.

For this reason, in 2017 Brembo implemented the "House of Smile" project in collaboration with the Foundation CESVI. With over 5,000 unique beneficiaries reached since its launch, 3 education centres and 1 service centre, the project is implemented in the difficult context of the outskirts of Pune, providing support to highly vulnerable women and children.

Operating within these structures is Swadhar, a local partner that coordinates schemes in the area aimed not only at responding to people's immediate needs, but also at building a possible tomorrow together. In particular, the House of Smile guarantees a safe and stimulating environment for the care, development and education of the children involved, but also professional start-up programmes, awareness raising and counselling services to families, mostly to young mothers.

In 2023, 345 boys and girls took part in the educational activities designed for different age groups. These include

the House of Smile nursery school, which provides training aimed at improving their cognitive, social and fine motor skills, and support and study classes to promote literacy, support with study, civic education and healthy and correct nutrition. In addition, each education centre is equipped with a library and spaces dedicated to e-learning which, during 2023, were upgraded to ensure greater involvement of young people through interactive face-to-face lessons and the necessary training for teachers.

The House of Smile also caters to parents in the community with family counselling activities, both individual and group, for early childhood support, and awareness programmes regarding career guidance, parenting, the importance of education and health and access to public welfare programmes. In 2023, a total of 368 adults benefitted from these services.

The three education centres also offer professional training programmes for young women such as tailoring, hair-styling and beautician courses that award a recognised completion certificate. 80 women were involved in these programmes in 2023.

In this context, Brembo Brake India's team maintains an open and constant dialogue with the CESVI operators for the project's supervision and with the Swadhar's local managers to ensure proximity to the women and families of young people benefiting from the House of Smile services.

In June 2023, the House of Smile welcomed the Minister of Education and Merit Giuseppe Valditarà. On this occasion, the Minister was able to learn about the reality of the project and get in touch with some of the people involved. This visit is further confirmation of the excellent results achieved by the House of Smile and provides a fresh impetus for continuing with commitment in such a significant project.



To learn more about
"House of Smile" project



EMPOWERMENT AND SOCIAL INCLUSION FOR WOMEN AND CHILDREN OF THANE

In 2022, Brembo launched a project in the Indian city of Thane, near Mumbai, with the aim of supporting mothers, artisans in the textile sector, in managing and caring for children.

In collaboration with the Foundation CESVI and local partner ProAction, the project established a Day Care Centre (DCC) operating five days a week that offers different socio-educational services, including educational support activities, arts and crafts workshops, sporting activities, interactive learning lessons, specialised support sessions in English and healthcare.

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 2023, 54 children participated in arts and crafts workshops, while 14 children attended career guidance sessions.

In addition to educational support, the young people had the opportunity to participate in recreational and sporting activities, such as karate classes and summer camps with

chess workshops, outdoor games and theatre, planetarium and fire station visits. A total of 52 young people participated in these moments of leisure. The mothers involved in the project are artisans from the tailoring unit located near the Centre. The project promotes their economic and social emancipation through the provision of medical insurance cover, regular medical check-ups and financial support to combat the phenomenon of early school leaving and manage family emergencies. The project also includes training and awareness-raising sessions aimed at strengthening their competences and skills.

In 2023, the Centre guaranteed health insurance to entire households, covering a total of 146 beneficiaries including adults and children. In addition, 65 women benefited from medical examinations and 81 women were involved in awareness-raising and training sessions, including a first aid course. The two-year Brembo’s project in Thane is thus proving to have a significant impact on the local community. Thanks to the Day Care Centre (DCC), opportunities have been created to children care, growth and education, while their mothers benefitted from a fundamental support in family management and personal development.





THE “SCHOOL ON WHEELS” PROJECT TO REACH, WITH A MOBILE EDUCATION SPACE, CHILDREN ACROSS INDIA

In 2019, Brembo launched the “School on Wheels” project, through a school bus fitted out to serve as a mobile classroom thanks to the collaboration of the local NGO Door Step School. Inside the school bus, there are books, notebooks, computers and interactive teaching materials to support the literacy and study activities of over 550 children.

From Monday to Saturday, “School on Wheels” reaches the outskirts of the city of Pune, involving groups of 20-25 children at each stop.

Door Step School’s team teaches children aged 5 to 10 the reading, writing and math and to take care of personal hygiene.

In addition, the school bus stops in specific areas for about two hours, offering the opportunity for those who wish to use the mobile unit to spend time reading. This initiative has proved to be very useful both for children who are learning to read and for those who already know how to read, but do not have access to books outside of this project.





THE “DREAM CENTER” PROJECT TO ENSURE ACCESS TO EDUCATION TO CHILDREN IN THE RURAL CHINA

Within the complex social and economic context of rural China, millions of vulnerable children often have difficulty to access quality education, which is key for acquiring the knowledge and skills necessary to start building one’s future.

In order to positively contribute to the needs and challenges of this area in the said field, since 2019 Brembo has partnered with the Chinese NGO ADream.org as part of the “Dream Center” project.

This project provides not only structural redevelopment of certain schools in peripheral areas of rural China, but also education programmes for teachers aimed at ensuring a better quality education and stimulate the skills and aspirations of students thanks to an innovative, equal and inclusive approach.

There are currently four Dream Centers operating with the support of Adream.org and the local Public Education office: the “Taizhou Experimental Primary School” in the Jiangsu province with 14 classes, 32 teachers and 1,172 students; the “ZiXi Experimental Primary School” in the city of FuZhou, Jiangxi province, with 10 classes, 51 teachers and 2,739 students; the “Jietian Central Primary School” in the Jiangxi province, with 12 classes, 19 teachers and 1,200 students; and the “Muye Township Central Primary School”, in the city of Chongqing, with 10 classes, 21 teachers and 417 students.

In support of the project, there has also been significant engagement of the Brembo China team in the “Tencent 99 Giving Day”, a national fundraising programme through which Brembo People have contributed to the purchase of educational material for the Dream Centres.

A further proof to which extent commitment, when shared, not only contributes to reducing geographical and social gaps, but also creates new opportunities for change. For the “Dream Center” project this happens respecting the diversity and personality of every individual, ensuring that anyone is left behind.





TOGETHER WITH THE SMALL PATIENTS OF THE POPE JOHN XIII HOSPITAL IN BERGAMO

As of 2014 Brembo makes an annual contribution to the Giocamico project at the Papa Giovanni XXIII hospital in Bergamo. In the Hospital paediatric wards, Giocamico supports and prepares young patients for the most delicate surgeries and diagnostic tests through play.

In this way the operating theatre may become a space ship and the operation an adventurous journey with sounds, images and simulations.

Thanks to the excellent results achieved, the project was extended to the Radiology Operating Unit where a specific day of the week is dedicated to the examinations of the youngest patients. The goal is to create a space for listening and discussion, with the support of a psychologist, to help children learn about the examination they have to face, simulating it and explaining the steps involved.



With the aim of further developing it within the Hospital, Giocamico has also been introduced in the Nuclear Medicine Unit, so as to involve patients between the ages of three and thirteen in a process that is not only intended to be one of care, but also of emotional processing and greater awareness.

Since 2014, 12,261 children benefitted from the Giocamico project. In 2023, it has also been the subject of a lecture to trainee doctors at the Pope John XXIII Hospital in Bergamo and the subject of a training course aimed at all psychologists at Padua Hospital.

In addition, in order to ensure that the journey of young patients is more consciously integrated into each one's personal history, it is essential that their family members can be closely involved and supported.

For this reason, Brembo has decided to support the project of the "Friends of Paediatrics" association. The collaboration stems from the need for temporary accommodation for families with specific needs related to distance from home and the pathology of the child being treated in Bergamo Hospital's paediatric wards, recognised as outstanding in the European healthcare landscape. However, the reception capacity at local level is often insufficient to adequately cope with the growing demand for accommodation.

In collaboration with "Friends of Paediatrics", Brembo has provided hosted families with a welcoming and functional apartment, where they can live everyday life and, at the same time, share their experiences with other guests in the external communal areas.



FOSTERING SYNERGIES IN SUPPORT OF RESEARCH AND INNOVATION

Brembo’s strong propensity for innovation leads it to pay particular attention to specialised education and training programmes aimed at young people, as well as to support advanced scientific research projects in areas of application not only in the automotive sector.

An example of this is FROM, the Research Foundation of Pope John XXIII Hospital in Bergamo, set up in 2008 with the aim of fostering the development of research projects within the Bergamo Hospital, ensuring the possibility of maintaining an active role in national and international clinical research. The intent is to enhance, optimise and extend the research potential to all hospital sectors, thus trying to improve the quality of care and health.

Brembo also supports the activities of the Mario Negri Institute, one of the largest centres of biomedical and phar-

macological research in Italy. The institute contributes to disseminating scientific research and information through various initiatives and tools: it continuously informs the scientific community of new developments and breakthroughs; maintains a close relationship with citizens (especially patients) by sharing information on the use of pharmaceuticals and updates them regularly on matters involving scientific research and health.

During the Covid-19 pandemic, Brembo’s support to these communities and to the Pope John XXIII Hospital in Bergamo allowed to finance over 20 research projects conducted jointly to study the virus and its medium- and 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 an extraordinary tool for personal and collective growth, favouring inclusion and participation and enhancing talent.

Brembo supports the social role of sport and shares with Atalanta the educational and cultural values that young athletes can not only consolidate on the playing field, but also transfer to other life contexts. These values include loyalty, team spirit, sacrifice, training, merit, a love of challenges, support for talent and constant improvement, all qualities which also have something in common with academic education.

It is on the basis of this common vision that Brembo and Atalanta, two of Bergamo's outstanding achievements belonging to different worlds, have been collaborating since 2018, involving the new generations. In particular, since that year Brembo has been Top Partner of the Atalanta Bergamasca Calcio's Youth Sector.

One of the key elements of this collaboration is the Brembo Prize, by which the Group annually awards the most de-

serving boys and girls in each team, from the Under 15 to the Primavera categories on the basis of criteria that consider not only strictly sporting aspects, but also and above all educational results and behaviour.

Now in its fifth edition, in 2023 the Award was conferred by Cristina Bombassei, Director and Chief CSR Officer of Brembo, during the ceremony held at the headquarters of the Atalanta Youth Sector in Zingonia, in the presence of 400 young male and female football players, staff and managers of the team.

Brembo also supports the "School at the Stadium" project, a social and educational programme for students that aims to promote knowledge, respect for rules and the fair play, and prevent episodes of discrimination, not only on the field but also in everyday life.

Lastly, Brembo's commitment also extends to the summer Football Camps promoted by Atalanta Bergamasca Calcio football team for children aged 7–14, which attract large numbers of participants every year.





APPENDIX



APPENDIX

BOARD OF DIRECTORS 2023⁸²

For financial year 2023, a total of 6 Directors met all the said independence requirements: Michela Schizzi, Elisabetta Magistretti, Elizabeth Marie Robinson, Manuela Soffientini, Giancarlo Dallera, Gianfelice Rocca as they satisfy the requirements set forth by law and Brembo’s CGC. It should be noted that, with regard to Gianfelice Rocca, the Board of Directors, after having valued his specific position, qualified him as independent due to the consolidated principle of the prevalence of substance

over form (since the renewal of his appointment as Director of Brembo follows nine years of completed service in office). This was also in light of the professionalism and dedication that he has always shown and his active, punctual participation in Board meetings, and to his speeches and thoughts that have enriched and instilled quality into debate within the Board towards the resolutions passed, while also maintaining complete independence of judgement.

DIRECTOR	YEAR OF BIRTH	GENDER	EX.	NON-EX.	INDEP.	ARSC	RAC
1 Matteo Tiraboschi	1967	M	X				
2 Daniele Schillaci	1964	M	X				
3 Cristina Bombassei	1968	F	X				
4 Elisabetta Magistretti	1947	F		X	X	X (Chair)	
5 Elisabeth M. Robinson	1956	F		X	X		X
6 Manuela Soffientini	1959	F		X	X	X	X
7 Gianfelice Rocca	1948	M		X	X		
8 Umberto Nicodano	1954	M		X			
9 Giancarlo Dallera	1946	M		X	X		
10 Michela Schizzi	1982	F		X	X	X	X (Chair)
11 Roberto Vavassori	1959	M	X				

AUDIT, RISK & SUSTAINABILITY COMMITTEE

AUDIT, RISK AND SUSTAINABILITY COMMITTEE	GENDER	AGE RANGE
Elisabetta Magistretti	Female	>=51
Manuela Soffientini	Female	>=51
Michela Schizzi	Female	30-50

REMUNERATION & APPOINTMENTS COMMITTEE

REMUNERATION & APPOINTMENTS COMMITTEE	GENDER	AGE RANGE
Giancarlo Dallera	Male	>=51
Elizabeth Marie Robinson	Female	>=51
Manuela Soffientini	Female	>=51

82 91% of the members of the Board of Directors are over 50.

REPORTING TABLES RELATING TO CHAPTER 4 "PEOPLE"

Here below are the tables with detailed quantitative information relating to chapter 4 "People"⁸³.

EMPLOYEES BY GENDER AND GEOGRAPHICAL AREA⁸⁴ (No.)

	2021			2022			2023		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total	9,773	1,882	11,655	10,665	2,291	12,956	11,167	2,486	13,653
Europe	5,491	1,239	6,730	5,940	1,427	7,367	6,205	1,550	7,755
America	2,024	340	2,364	2,265	410	2,675	2,314	438	2,752
Asia	2,258	303	2,561	2,460	454	2,914	2,648	498	3,146

EMPLOYEES BY EMPLOYMENT CONTRACT AND GENDER (No.)

	2021			2022			2023		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total	9,773	1,882	11,655	10,665	2,291	12,956	11,167	2,486	13,653
Permanent contract	8,092	1,573	9,665	8,840	1,827	10,667	8,991	1,916	10,907
Fixed-term contract	1,681	309	1,990	1,825	464	2,289	2,176	570	2,746

EMPLOYEES WITH PERMANENT CONTRACT BY GENDER AND GEOGRAPHICAL AREA⁸⁴ (No.)

	2021			2022			2023		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total	8,092	1,573	9,665	8,840	1,827	10,667	8,991	1,916	10,907
Europe	5,094	1,137	6,231	5,509	1,326	6,835	5,574	1,387	6,961
America	1,915	321	2,236	2,177	382	2,559	2,214	412	2,626
Asia	1,083	115	1,198	1,154	119	1,273	1,203	117	1,320

83 It should be noted that for financial years 2021, the reporting scope does not include the J.Juan's sites.

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

EMPLOYEES WITH FIXED-TERM CONTRACT BY GENDER AND GEOGRAPHICAL AREA⁸⁴ (No.)

	2021			2022			2023		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total	1,681	309	1,990	1,825	464	2,289	2,176	570	2,746
Europe	397	102	499	431	101	532	631	163	794
America	109	19	128	88	28	116	100	26	126
Asia	1,175	188	1,363	1,306	335	1,641	1,445	381	1,826

NON-GUARANTEED HOURS EMPLOYEES BY GENDER AND GEOGRAPHICAL AREA⁸⁴ (No.)

	2021			2022			2023		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total	0	0	0	0	0	0	0	0	0
Europe	0	0	0	0	0	0	0	0	0
America	0	0	0	0	0	0	0	0	0
Asia	0	0	0	0	0	0	0	0	0

EMPLOYEES BY EMPLOYMENT CONTRACT AND GENDER (No.)

	2021			2022			2023		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total	9,773	1,882	11,655	10,665	2,291	12,956	11,167	2,486	13,653
Full-time employees	9,727	1,657	11,384	10,607	2,056	12,663	11,098	2,247	13,345
Part-time employees	46	225	271	58	235	293	69	239	308

EMPLOYEES WITH FULL-TIME CONTRACT BY GENDER AND GEOGRAPHICAL AREA⁸⁴ (No.)

	2021			2022			2023		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total	9,727	1,657	11,384	10,607	2,056	12,663	11,098	2,247	13,345
Europe	5,445	1,015	6,460	5,882	1,194	7,076	6,136	1,313	7,449
America	2,024	340	2,364	2,265	410	2,675	2,314	438	2,752
Asia	2,258	302	2,560	2,460	452	2,912	2,648	496	3,144

⁸⁴ The three macro-areas include the countries specified: **Europe**: Denmark, Italy, Poland, United Kingdom, Czech Republic, Spain and other European countries; **America**: Brazil, Mexico, United States; **Asia**: China, Japan and India.

EMPLOYEES WITH PART-TIME CONTRACT BY GENDER AND GEOGRAPHICAL AREA⁸⁴ (No.)

	2021			2022			2023		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total	46	225	271	58	235	293	69	239	308
Europe	46	224	270	58	233	291	69	237	306
America	0	0	0	0	0	0	0	0	0
Asia	0	1	1	0	2	2	0	2	2

EMPLOYEES AND AGENCY WORKERS (No.)

	2021			2022			2023		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Employees (headcount)	9,773	1,882	11,655	10,665	2,291	12,956	11,167	2,486	13,653
Agency workers (Full Time Equivalent)	988	291	1,279	1,656	354	2,010	1,515	484	1,999

INTERNS BY GENDER AND GEOGRAPHICAL AREA⁸⁴ (No.)

	2023		
	MEN	WOMEN	TOTAL
Total	108	64	172
Europe	64	29	93
America	44	35	79
Asia	0	0	0

AGENCY WORKERS BY GENDER AND GEOGRAPHICAL AREA⁸⁴ (FTE)

	2021			2022			2023		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total	988	291	1,279	1,656	354	2,010	1,515	484	1,999
Europe	553	193	746	1,078	246	1,324	1,062	410	1,472
America	81	23	104	111	28	139	96	23	119
Asia	354	75	429	467	80	547	357	51	408

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

WORKERS WHO ARE NOT EMPLOYEES (SERVICE SUPPLIERS) BY GENDER AND GEOGRAPHICAL AREA⁸⁴ (No.)

	2023		
	UOMINI	DONNE	TOTALE
Total	3,478	408	3,886
Europe	1,568	96	1,664
America	1,008	160	1,168
Asia	902	152	1,054

EMPLOYEES BY EDUCATIONAL QUALIFICATION (No.)

EMPLOYEES' EDUCATIONAL QUALIFICATIONS (% OVER THE TOTAL)	2021	2022	2023
Employees	11,655	12,956	13,653
Compulsory primary school	30%	29%	29%
High school*	47%	47%	46%
University	23%	24%	25%
EMPLOYEES WITH A UNIVERSITY DEGREE BY SUBJECT STUDIED (% OVER THE TOTAL)	2021	2022	2023
Employees with a university degree	2,690	3,089	3,394
Engineering	55%	55%	55%
Business and Law	21%	19%	19%
Arts, Humanities and Foreign Languages	7%	8%	7%
Mathematical, Physical and Natural Sciences	6%	4%	4%
IT	3%	3%	4%
Social, Political and Behavioural Sciences	3%	3%	3%
Chemistry	2%	1%	1%
Other	3%	7%	7%

* The category "High school" includes exclusively employees bearing a diploma awarded at the end of the whole secondary education.

TURNOVER BY GENDER (%)

	2021			2022			2023		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Hiring rate	22.6	18.2	21.9	27.9	26.3	27.6	25.7	23.9	25.4
Termination rate	18.2	15.4	17.8	18.7	36.3	21.8	21.5	16.6	20.6

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

TURNOVER BY AGE GROUP (%)

	2021				2022				2023*			
	<=30	31-40	41-50	>=51	<=30	31-40	41-50	>=51	<=30	31-40	41-50	>=51
Hiring rate	54.6	17.9	7.9	3.5	67.7	23.7	10.2	4.8	69.7	14.9	5.8	25.4
Termination rate	36.5	15.5	7.9	10.8	47.9	18.7	8.4	11.6	50.6	12.8	10.2	20.6

* In 2023, age groups were changed according to the GRI standard, as indicated in the table. Data relating to 2022 and 2021 were based on the following age groups: ≤ 30.9; 31-40.9; 41-50.9; ≥ 51.

TURNOVER RATE BY GEOGRAPHICAL AREA⁸⁴ (%)

	2021			2022			2023		
	EUROPE	AMERICA	ASIA	EUROPE	AMERICA	ASIA	EUROPE	AMERICA	ASIA
Hiring rate	9.1	43.7	35.2	12.6	58.2	37.7	14.2	36.9	42.7
Termination rate	7.8	33.8	29.1	9.1	46.9	30.7	9.9	34.2	35.3

TRAINING HOURS BY CLASSIFICATION LEVEL AND GENDER (h)

	2021			2022			2023		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total	249,488	30,506	279,994	350,262	56,047	406,308	305,203	46,456	351,659
Managers	12,565	1,774	14,339	15,955	3,277	19,233	15,670	3,150	18,820
White-collar employees	63,059	17,823	80,882	82,678	24,934	107,612	79,097	24,689	103,786
Blue-collar employees	173,865	10,909	184,774	251,628	27,835	279,464	210,437	18,616	229,053

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

RECORDABLE INCIDENTS⁸⁵, FATALITIES AND HOURS WORKED OF EMPLOYEES BY GEOGRAPHICAL AREA⁸⁴ AND GENDER (No.)

	2021			2022			2023		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
WORK-RELATED INJURIES WITHOUT HIGH CONSEQUENCES⁸⁶									
Europe	41	8	49	50	7	57	41	9	50
America	16	2	18	14	0	14	11	0	11
Asia	6	1	7	4	0	4	7	1	8
Total	63	11	74	68	7	75	59	10	69
HIGH-CONSEQUENCE WORK-RELATED INJURIES⁸⁶ (EXCLUDING FATALITIES)									
Europe	0	0	0	2	0	2	0	0	0
America	0	0	0	1	0	1	1	0	1
Asia	1	0	1	1	0	1	0	0	0
Total	1	0	1	4	0	4	1	0	1
FATALITIES									
Europe	0	0	0	0	0	0	0	0	0
America	0	0	0	0	0	0	0	0	0
Asia	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0
WORKPLACE INCIDENTS - TOTAL									
Europe	41	8	49	52	7	59	41	9	50
America	16	2	18	15	0	15	12	0	12
Asia	7	1	8	5	0	5	7	1	8
Total	64	11	75	72	7	79	60	10	70
COMMUTING INCIDENTS									
Europe	19	5	24	20	7	27	24	4	28
America	10	4	14	22	16	38	14	26	40
Asia	4	0	4	2	0	2	1	1	2
Total	33	9	42	44	23	67	39	31	70
HOURS WORKED									
Europe	8,942,007	2,141,679	11,083,686	9,662,113	2,372,647	12,034,760	9,932,861	2,625,579	12,558,440
America	4,002,291	798,415	4,800,706	4,941,011	969,722	5,910,733	5,099,758	983,273	6,083,031
Asia	4,613,251	637,499	5,250,750	5,187,365	978,914	6,166,279	5,581,309	1,110,040	6,691,349
Total	17,557,549	3,577,593	21,135,142	19,790,489	4,321,283	24,111,772	20,613,928	4,718,892	25,332,820

(*) Data has been adjusted as two incidents that had occurred in 2020 led to an absence exceeding 180 days in 2021, thus qualifying as “incidents with high consequences” and an incident that occurred in 2020 was not recognised as incident in 2021.

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

85 “Recordable workplace incidents” are incidents that cause one of the following situations: death, days of missed work, restriction of work duties or assignment to other duties, medical care beyond first aid or loss of consciousness, major injury or illness diagnosed by a physician or other authorised healthcare provider, even when it is not a cause of death, days of absence from work, restriction of work duties or assignment to other duties, medical care beyond first aid or loss of consciousness.

86 “High consequences” mean incidents that may lead to the permanent loss of body function or incidents that report an absence of more than 180 days.

RATE OF RECORDABLE⁸⁵ INCIDENTS AND FATALITIES OF EMPLOYEES (AT WORKPLACE) BY GEOGRAPHICAL AREA⁸⁴ AND GENDER

	2021			2022			2023		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
INCIDENT RATE WITHOUT HIGH CONSEQUENCES⁸⁶									
Europe	0.92	0.75	0.88	1.03	0.59	0.95	0.83	0.69	0.80
America	0.80	0.50	0.75	0.57	0.00	0.47	0.43	0.00	0.36
Asia	0.26	0.31	0.27	0.15	0.00	0.13	0.25	0.18	0.24
Total	0.72	0.61	0.70	0.68	0.32	0.62	0.57	0.42	0.54
INCIDENT RATE WITH HIGH CONSEQUENCES⁸⁷									
Europe	0.00	0.00	0.00	0.04	0.00	0.03	0.00	0.00	0.00
America	0.00	0.00	0.00	0.04	0.00	0.03	0.04	0.00	0.03
Asia	0.04	0.00	0.04	0.04	0.00	0.03	0.00	0.00	0.00
Total	0.01	0.00	0.01	0.04	0.00	0.03	0.01	0.00	0.01
FATALITY FREQUENCY RATE									
Europe	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
America	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Asia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00								
INCIDENT RATE - TOTAL									
Europe	0.92	0.75	0.88	1.08	0.59	0.98	0.83	0.69	0.80
America	0.80	0.50	0.75	0.61	0.00	0.51	0.47	0.00	0.39
Asia	0.30	0.31	0.30	0.19	0.00	0.16	0.25	0.18	0.24
Total	0.73	0.61	0.71	0.73	0.32	0.66	0.58	0.42	0.55

Calculation methods:

- Incident rate without high consequences: (No. of recordable work-related injuries without high consequences / No. of hours worked) x 200,000.
- Incident rate with high consequences (No. of recordable high-consequence work-related injuries / No. of hours worked) x 200,000.
- Fatality frequency rate: (No. of fatalities resulting from work-related incidents / No. of hours worked) x 200,000.

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

85 "Recordable workplace incidents" are incidents that cause one of the following situations: death, days of missed work, restriction of work duties or assignment to other duties, medical care beyond first aid or loss of consciousness, major injury or illness diagnosed by a physician or other authorised healthcare provider, even when it is not a cause of death, days of absence from work, restriction of work duties or assignment to other duties, medical care beyond first aid or loss of consciousness.

86 "High consequences" mean incidents that may lead to the permanent loss of body function or incidents that report an absence of more than 180 days.

CASES OF EMPLOYEE OCCUPATIONAL DISEASES AND FATALITIES BY GEOGRAPHICAL AREA⁸⁴ AND GENDER (No.)

	2021			2022			2023		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
CASES OF RECORDABLE OCCUPATIONAL DISEASES									
Europe	5	10	15	10	0	10	16	6	22
America	0	0	0	0	0	0	0	0	0
Asia	0	0	0	0	0	0	0	0	0
Total	5	10	15	10	0	10	16	6	22
FATALITIES RESULTING FROM OCCUPATIONAL DISEASES									
Europe	0	0	0	0	0	0	0	0	0
America	0	0	0	0	0	0	0	0	0
Asia	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0

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

RECORDABLE⁸⁵ INCIDENTS, FATALITIES AND HOURS WORKED OF WORKERS WHO ARE NOT EMPLOYEES BY GEOGRAPHICAL AREA⁸⁴ AND GENDER (No.)

	2021			2022			2023		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
WORK-RELATED INJURIES WITHOUT HIGH CONSEQUENCES⁸⁶									
Europe	13	1	14	17	2	19	11	1	12
America	0	1	1	0	1	1	3	0	3
Asia	1	0	1	1	1	2	0	0	0
Total	14	2	16	18	4	22	14	1	15
HIGH-CONSEQUENCE WORK-RELATED INJURIES⁸⁶ (EXCLUDING FATALITIES)									
Europe	0	0	0	0	1	1	0	0	0
America	0	0	0	0	1	1	0	0	0
Asia	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	2	2	0	0	0
FATALITIES									
Europe	0	0	0	0	0	0	0	0	0
America	0	0	0	0	0	0	0	0	0
Asia	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0
WORK-RELATED INCIDENTS - TOTAL									
Europe	13	1	14	17	3	20	11	1	12
America	0	1	1	0	2	2	3	0	3
Asia	1	0	1	1	1	2	0	0	0
Total	14	2	16	18	6	24	14	1	15
HOURS WORKED (No.)*									
Europe	1,508,022	502,189	2,010,211	1,949,868	781,281	2,731,149	2,169,781	790,871	2,960,652
America	126,490	52,120	178,610	184,079	52,046	236,125	307,938	61,375	369,313
Asia	1,195,542	162,603	1,358,145	1,249,048	208,333	1,457,381	987,364	150,650	1,138,014
Total	2,830,054	716,912	3,546,966	3,382,995	1,041,660	4,424,655	3,465,083	1,002,896	4,467,979

* The number of hours worked reported in this table includes the hours relating to workkeepers and agency workers.

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

85 "Recordable workplace incidents" are incidents that cause one of the following situations: death, days of missed work, restriction of work duties or assignment to other duties, medical care beyond first aid or loss of consciousness, major injury or illness diagnosed by a physician or other authorised healthcare provider, even when it is not a cause of death, days of absence from work, restriction of work duties or assignment to other duties, medical care beyond first aid or loss of consciousness.

86 "High consequences" mean incidents that may lead to the permanent loss of body function or incidents that report an absence of more than 180 days.

RATE OF RECORDABLE⁸⁵ INCIDENTS AND FATALITIES OF WORKERS WHO ARE NOT EMPLOYEES (AT WORK) BY GEOGRAPHICAL AREA⁸⁴ AND GENDER

	2021			2022			2023		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
INCIDENT RATE WITHOUT HIGH CONSEQUENCES⁸⁶									
Europe	1.72	0.40	1.39	1.74	0.51	1.39	1.01	0.25	0.81
America	0.00	3.84	1.12	0.00	3.84	0.85	1.95	0.00	1.62
Asia	0.17	0.00	0.15	0.16	0.96	0.27	0.00	0.00	0.00
Total	0.99	0.56	0.90	1.06	0.77	0.99	0.81	0.20	0.67
INCIDENT RATE WITH HIGH CONSEQUENCES⁸⁶									
Europe	0.00	0.00	0.00	0.00	0.26	0.07	0.00	0.00	0.00
America	0.00	0.00	0.00	0.00	3.84	0.85	0.00	0.00	0.00
Asia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.38	0.09	0.00	0.00	0.00
FATALITY FREQUENCY RATE									
Europe	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
America	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Asia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00								
INCIDENT RATE - TOTAL									
Europe	1.72	0.40	1.39	1.74	0.77	1.46	1.01	0.25	0.81
America	0.00	3.84	1.12	0.00	7.69	1.69	1.95	0.00	1.62
Asia	0.17	0.00	0.15	0.16	0.96	0.27	0.00	0.00	0.00
Total	0.99	0.56	0.90	1.06	1.15	1.08	0.81	0.20	0.67

Calculation methods:

- Incident rate without high consequences: (No. of recordable work-related injuries without high consequences / No. of hours worked) x 200,000.
- Incident rate with high consequences (No. of recordable high-consequence work-related injuries / No. of hours worked) x 200,000.
- Fatality frequency rate: (No. of fatalities resulting from work-related incidents / No. of hours worked) x 200,000.

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

85 "Recordable workplace incidents" are incidents that cause one of the following situations: death, days of missed work, restriction of work duties or assignment to other duties, medical care beyond first aid or loss of consciousness, major injury or illness diagnosed by a physician or other authorised healthcare provider, even when it is not a cause of death, days of absence from work, restriction of work duties or assignment to other duties, medical care beyond first aid or loss of consciousness.

86 "High consequences" mean incidents that may lead to the permanent loss of body function or incidents that report an absence of more than 180 days.

CASES OF OCCUPATIONAL DISEASES AND FATALITIES OF WORKERS WHO ARE NOT EMPLOYEES BY GEOGRAPHICAL AREA⁸⁴ AND GENDER (No.)

	2021			2022			2023		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
CASES OF RECORDABLE OCCUPATIONAL DISEASES									
Europe	0	0	0	0	0	0	2	0	2
America	0	0	0	0	0	0	0	0	0
Asia	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	2	0	2
FATALITIES RESULTING FROM OCCUPATIONAL DISEASES									
Europe	0	0	0	0	0	0	0	0	0
America	0	0	0	0	0	0	0	0	0
Asia	0	0	0	0	0	0	0	0	0
Total	0								

CASES OF NEAR MISSES REPORTED (EMPLOYEES AND WORKERS WHO ARE NOT EMPLOYEES)

	2021				2022				2023			
	MEN	WOMEN	NON SPECIFIC	TOTAL	MEN	WOMEN	NON SPECIFIC	TOTAL	MEN	WOMEN	NON SPECIFIC	TOTAL
NEAR MISSES REPORTED												
Europe	241	26	40	307	245	28	70	343	354	34	99	487
America	26	0	2	28	69	5	14	88	74	5	20	99
Asia	81	2	13	96	119	1	12	132	124	4	14	142
Total	348	28	55	431	433	34	96	563	552	43	133	728

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

COUNTRY-BY-COUNTRY REPORTING

COUNTRY	DESCRIPTION	III. EMPLOYEES (No.)	IV. REVENUES FROM SALES TO THIRD PARTIES	V. REVENUES FROM INTRAGROUP TRANSACTIONS WITH OTHER FISCAL JURISDICTIONS	VI. PROFIT/ LOSS BEFORE TAXES	VII. PROPERTY, PLANT AND EQUIPMENT OTHER THAN CASH AND CASH EQUIVALENTS	VIII. INCOME TAXES OF COMPANIES PAID ON A CASH BASIS	IX. INCOME TAXES OF COMPANIES ACCRUED ON PROFIT/ LOSS
ITALY	Analysis, design, development, application, production, assembly and sale of braking systems, light alloy castings for various sectors, including the car and motorbike industries	3,544	1,045,896,224	258,021,495	(64,303,322)	491,146,594	11,902,906	(36,528,266)
	Precision mechanical processing, lathe work, mechanical component production and similar activities, on its own account or on behalf of third parties							
	Research and development of innovative technologies for the production of technical and advanced ceramic materials, geomaterial processing and rock mass characterisation							
	Development, design, industrialisation, manufacturing, installation and marketing of fibre optic sensors systems and photonic subsystems for sensing and communications							
SPAIN	Sale of brake discs and drums for cars, distribution of the brake shoe kits and pads	530	97,355,840	11,606,870	2,542,500	34,954,413	899,171	(1,120,464)
	Production and sale of components for motorbike braking systems and braided hydraulic hoses							
UNITED KINGDOM	Production and sale of braking systems and clutches for road and racing vehicles	167	74,198,240	3,346	10,102,262	26,717,429	1,540,610	(1,799,729)
POLAND	Development, casting, production and sale of brake discs	2,381	634,169,541	47,496,332	80,572,511	404,555,397	-	(13,770,444)
	Discs and braking systems for cars and commercial vehicles							
CZECH REPUBLIC	Casting, production and sale of braking systems for cars	1,009	291,621,672	18,483,943	13,984,413	150,520,767	-	-
DENMARK	Production of brake pads for motorbikes	108	13,890,021	11,161,813	(10,087,655)	18,398,603	-	122,831
GERMANY	Purchase and resale of vehicles, technical and sales services, as well as promotion of the sale of car brake discs	11	-	2,700,392	(1,528,448)	25	400,301	(627,559)
	Design, development, production and sale of carbon ceramic brake discs							
SWEDEN	Promotion of the sale of car brake discs	2	-	922,797	(329,181)	-	118,208	(126,443)
SWITZERLAND	Reinsurance of the Group's risks	1	-	-	532,637	-	4,828	(88,075)
RUSSIA	Promotion of the sale of car brake discs	3	-	300,022	(333,076)	-	1,810	(675)

COUNTRY	DESCRIPTION	III. EMPLOYEES (No.)	IV. REVENUES FROM SALES TO THIRD PARTIES	V. REVENUES FROM INTRAGROUP TRANSACTIONS WITH OTHER FISCAL JURISDICTIONS	VI. PROFIT/ LOSS BEFORE TAXES	VII. PROPERTY, PLANT AND EQUIPMENT OTHER THAN CASH AND CASH EQUIVALENTS	VIII. INCOME TAXES OF COMPANIES PAID ON A CASH BASIS	IX. INCOME TAXES OF COMPANIES ACCRUED ON PROFIT/ LOSS
UNITED STATES	Production and sale of brake discs for original equipment and the aftermarket, and of braking systems for the racing sector	708	401,976,606	28,655,519	94,683,191	158,963,137	11,526,743	(10,890,772)
	Aftermarket, and braking systems for cars, motorbikes and the racing sector							
	Inspirational Lab: experimental lab focused on strengthening expertise in software development, data science and artificial							
MEXICO	Casting, production and sale of car brake discs for original equipment and the aftermarket; casting, production and sale of braking systems for cars and commercial vehicles	1,832	520,967,946	10,510,240	105,807,065	384,605,275	33,077,547	(14,699,538)
BRAZIL	Production and sale of car brake discs for the original equipment market	212	78,086,811	-	12,571,352	12,877,140	2,120,212	(1,963,625)
CHINA	Casting, production and sale of brake discs for the original equipment and braking systems for cars and commercial vehicles	1,967	531,815,490	37,074,862	115,611,241	265,225,388	20,018,602	(22,779,752)
	Development, casting, production and sale of brake discs for the original equipment for cars; logistics and marketing activities in the economic and technological development hub of Qingdao							
JAPAN	Sale of braking systems for the racing sector and original equipment for cars	27	4,799,640	2,346,574	1,377,268	1,694,317	433,447	(345,443)
INDIA	Development, production and sale of braking systems for motorbikes	1,152	154,423,754	1,578,818	30,858,342	25,531,858	4,596,075	(6,141,414)
THAILAND		-	-	-	(60,706)	54,656	-	-
TOTAL		13,654	3,849,201,785	430,863,024	392,000,395	1,975,244,999	86,640,460	(110,759,368)

LEGEND: HR AREA TERMINOLOGY

	DESCRIPTION NECESSARY WORDING IN REPORTS	ENGLISH
A	Employees with permanent or fixed-term contract	Employees
B	Agency workers	Agency workers
C	A+B	Brembo People



EXPLANATORY NOTE ON THE OCCUPATIONAL HEALTH AND SAFETY INDICATORS (GRI 403)

For a greater disclosure relating to the occupational health and safety indicators a detailed description of the ISO 45001 Management System is reported below.

H&S POLICY

The Group H&S Policy sets out the highest principles governing the management of H&S aspects throughout Brembo. It is adopted by all sites that are required:

- to incorporate it into their own Policy ("Site Policy");
- to adapt the Site Policy content to the operating context based on the main risks characterising the specific site.

The Group Policy, therefore, provides the overall framework within which employee health and safety is assured, leaving the formalisation of specific and operational aspects, such as Emergency Plans and specific risks, to other tools such as Group Guidelines and Site Procedures and Instructions.

The Group Policy, as well as the Guidelines, Site Procedures and Instructions are translated into the local languages in order to ensure they are understood and circulated.

ISO 45001 MANAGEMENT SYSTEM MANUAL

GROUP MANUAL

MACRO CONTENTS

Occupational Health and Safety Management System Manual

The "*Occupational Health and Safety Management System Manual*" (hereinafter referred to as the "*Manual*") lays down the principles to be implemented in BREMBO Group Companies to protect, as a priority, the health and safety of workers, and subordinately, the persons in the Group Companies who, according to current regulations, are responsible for correctly managing occupational health and safety aspects, as well as BREMBO, understood as a Company that considers worker health and safety to be a primary value that must be adequately protected.

The Model adopted by Brembo to manage occupational health and safety aspects is explained within an organic Management System, defined:

- at Group level, in addition to this *Manual*, by *Guidelines* prepared by the Health & Safety body (hereinafter H&S);
- at Plant level, by local *Procedures* and *Instructions* which, referring to the *Manual* and the *Guidelines*, also incorporate the current legislative provisions.

Local *Procedures* and *Instructions* must incorporate all aspects covered by the *Manual* and *Guidelines*: each Plant, therefore, defines, formalises and applies its own Management System which, referring to the *Manual* and the *Guidelines*, guarantees, at the same time, standardised management, at Group level, of aspects relating to occupational health and safety.

It is the responsibility of each Plant to send H&S any proposals for improvement, applicable to the *Manual* and/or the *Guidelines*, that emerge when these are adopted or during implementation of the local Management System. Conversely, it is the responsibility of H&S to evaluate and, where applicable, incorporate the proposals received, as well as to give feedback to the Plant regarding the decisions taken.

This *Manual* and the related *Guidelines* incorporate the principles described by *ISO 45001: 2018 – Occupational Health and Safety Management Systems. Requirements with guidance for use*.

H&S will periodically review the *Manual* and the *Guidelines* so that the principles from which they draw inspiration are increasingly adequately stated, as well as expand the minimum requirements that the Plant must necessarily adopt.

Furthermore, by adopting the principles that inspire the company's *Code of Ethics*, the Occupational Health and Safety Management System is an integral part of the more general *Legal Compliance System* and, for BREMBO S.p.A. and its Italian Subsidiaries alone, of the *Organisational, Management and Control Model*.

The *Manual* is distributed to all the Global Business Units (GBU), Global Central Functions (GCF) and Regions / Countries; it is available for consultation by the workers through the BREMBO internal IT network.

According to the company policy, all production plants are required to certify their own Management System using an accredited third party certification Body.

ISO 45001 MANAGEMENT SYSTEM - GROUP GUIDELINES

The Guidelines and the related macro contents are reported below:

THE GROUP GUIDELINES	MACRO CONTENTS
Understanding the context, the needs and expectations of interested parties	The purpose of the <i>Guideline</i> is to identify the ways in which the Plant analyses the local context in order to determine the internal and external factors, as well as the risks and opportunities that, although not having a direct impact on worker health and safety, could have a significant effect on the ability to achieve the results expected from the Management System.
Roles, responsibilities and authorities of personnel who manage occupational health and safety aspects	The purpose of the <i>Guideline</i> is to define how the General Manager / Employer, a function that at the highest level guides and controls the Plant for occupational health and safety aspects, ensures that the responsibilities and authorities for the roles envisaged, both by the applicable legislation and by the Management System, are assigned and communicated to the Plant’s entire organisational structure.
Occupational health and safety risk assessment	The <i>Guideline</i> defines how to identify hazards and assess all risks; In particular, it specifies how to: <ul style="list-style-type: none"> ▪ identify hazards to worker health and safety related to the activities, products and services performed that can be controlled by the Plant or over which influence can be exercised; ▪ assess the significance of the impacts and draw up the Risk Assessment Document.
Opportunity assessment	The <i>Guideline</i> defines the ways of identifying and evaluating opportunities that could lead to improve Plants' performance in terms of occupational health and safety. Opportunities for improvement are to be intended as such when implemented on processes that are already adequate, in order to further improve performance: in fact, an opportunity for improvement is not to be considered as such if it is implemented to resolve non-compliance or to meet a legal requirement.
Compliance	The <i>Guideline</i> defines the methods to be used to identify and update the legal requirements and the requirements signed up to on a voluntary basis in order to ensure continuous compliance. Legislative compliance, representing one of the essential principles on which the Occupational Health and Safety Management System is built, is the primary objective to be achieved and maintained for the General Manager / Employer and for the whole Plant.
Objectives, KPIs, monitoring and reporting	The purpose of the <i>Guideline</i> is to describe, both at Group and individual Plant level, and with respect to the Occupational Health and Safety Management System, the procedures whereby to: <ul style="list-style-type: none"> ▪ define the KPIs; ▪ plan how to reach objectives; ▪ monitor, measure and assess performances. In particular, the definition of the KPIs, the planning, monitoring and measure of performances, as well as the activities of the Management System, are based on the Plan / Do / Check / Act (PDCA) cycle concept.

THE GROUP GUIDELINES	MACRO CONTENTS
Resources, competences, awareness and communication	<p>The purpose of the <i>Guideline</i> is to define the principles which describe the procedures:</p> <ul style="list-style-type: none"> ▪ to determine the resources necessary to maintain and improve the Management System; ▪ to identify and develop competences; ▪ to increase employees' awareness; ▪ to implement Plant internal and external communication associated with the Management System.
Guidelines, procedures, instructions and modules	<p>The <i>Guideline</i> defines the responsibilities and procedures for issuing the Manuals, Guidelines, Procedures, Instructions and Modules relating to the Occupational Health and Safety Management System.</p>
Operational control and change management	<p>The purpose of the <i>Guideline</i> is to define the general principles so that:</p> <ul style="list-style-type: none"> ▪ the operational planning and control of Plant processes are established and implemented to improve occupational health and safety by eliminating hazards or, if not practicable, reducing risks to the lowest reasonably achievable levels; ▪ the Plant defines a process for the implementation and control of temporary and/or permanent changes that have an impact on worker health and safety in order to minimise the introduction of new hazards and/or risks.
Management of safety aspects in the life cycle of machines and equipment	<p>This <i>Guideline</i> describes the activities relating to the management of machines within the Brembo Group, such as purchase, commissioning and maintenance of safety standards in the event of modification, sale or scrapping.</p>
Management of particularly hazardous substances	<p>The <i>Guideline</i> defines the substances and/or products classified as particularly hazardous for worker health and the use of which is prohibited or strongly discouraged in Brembo.</p>
Management of chemical products entering the plant	<p>The <i>Guideline</i> describes the minimum activities that must be carried out to ensure that chemical substances entering the Plant are managed correctly.</p>
Chemical risk management	<p>The <i>Guideline</i> defines how to manage risks for employee health and safety that may result from exposure to chemical agents, under both normal and abnormal or emergency conditions.</p>
Ergonomic risk management in production plant construction and risk assessment	<p>The <i>Guideline</i> defines, with regard to ergonomic aspects, the ways of designing new plants / work lines and assessing and reducing risk, in order to prevent incidents occurring or the onset of occupational diseases related to this type of risk.</p>
Work permits	<p>The purpose of the <i>Guideline</i> is to provide the principles to be applied to safely plan and carry out potentially hazardous work.</p>
Hot work	<p>The purpose of the <i>Guideline</i> is to define the principles that the General Manager must adopt, and apply in operations, to prevent the onset of fires and/or explosions due to the performance of "hot work". The principles expressed in this <i>Guideline</i> are applicable to hot work regardless of whether it is carried out on a temporary basis or continuously.</p>

THE GROUP GUIDELINES	MACRO CONTENTS
Electronic mobile devices	The purpose of the <i>Guideline</i> is to illustrate the main indications regarding the related requirements, the assessment of any risks and the proper use of equipment/devices at work, with specific regard to those delivered to the workers whose professional activity involves the use of electronic mobile devices, such as laptops, tablets and smartphone.
Contract and outsourcing management	The purpose of the <i>Guideline</i> is to define the Group standard for managing processes inherent to: <ul style="list-style-type: none"> ▪ the supply of products and services; ▪ the management — with regard to the aspects relating to occupational health and safety — of the subcontracted activities; ▪ the outsourcing.
Emergency response	The purpose of the <i>Guideline</i> is to define the proper procedures for: <ul style="list-style-type: none"> ▪ preparing and tackling emergency situations relating to occupational health and safety, and that can be reasonably predicted at the Plant; ▪ drafting the Plant Emergency Plan. The purpose of the management of possible occupational health and safety emergencies is to: <ul style="list-style-type: none"> ▪ determine the possible emergency situations; ▪ plan the management of any emergency situations so as to prevent and/or mitigate the possible impacts; ▪ periodically review the emergency management processes in order to improve them.
Audit management	The <i>Guideline</i> sets forth criteria, procedures for executing and sharing the checks carried out in the areas falling within the scope of the Occupational Health and Safety Management System.
Management review	The <i>Guideline</i> defines the procedures for managing and performing the Management Review with regard to the aspects related to occupational health and safety. The Management System defined by the Corporate is reviewed by the Group CEO and CIOO and the first-level management upon, for instance, the Industrial Operations, H&S and Environment & Energy Committees' meetings. The General Manager reviews the Plant Management System at least annually in order to assess its suitability, adequacy and efficacy in maintaining: <ul style="list-style-type: none"> ▪ compliance with applicable laws and requirements; ▪ compliance with the ISO 45001 requirements; ▪ ongoing performance improvement; ▪ compliance with the principles defined by the Occupational Health and Safety Management System Manual and the Guidelines.
Management of incidents, near misses and continual improvement	The <i>Guideline</i> sets forth the principles to be used to manage the improvement opportunities and undertake the actions necessary to achieve the results expected from the Management System.

Finally, in order to ensure that the Management System is correctly implemented by the sites, it is specified that the H&S Corporate area manages, for the Group, the various activities designed to supervise and have under control site activities, such as:

- periodic legislative assessment, performed by a third party Body, which carries out audits on all sites and

draws up a summary report on any observations that may emerge. This assessment analyses all aspects relevant to H&S issues such as:

- H&S organisation;
- risk assessment document;
- exposure to chemical, physical and biological agents;
- training;

- emergency plan;
- fire prevention;
- machines, equipment;
- surveillance and incident management.
- periodic ISO 45001 certification audits, carried out by a third-party company covering the whole Group, which verifies that all the principles defined by the standard are correctly implemented by the sites;
- audits, on a sample basis, relating to the site Management System carried out on the Plants by the H&S entity.

CASES OF NON-COMPLIANCE WITH LAWS AND REGULATIONS DETECTED IN 2023 AND RELATED SANCTIONS

The total number of significant cases of non-compliance with laws and regulations in relation to which the Group had to pay a fine and the cases in which it received a warning for non-compliance not entailing the need to make a payment are reported below.

The relevance threshold for fines was set at a total of €10,000 with respect to the area (environment, labour law and occupational safety) for which a fine was received. In 2023, Brembo did not receive fines of an amount exceeding the said threshold.

	No. OF FINES	No. OF NON-MONETARY SANCTIONS	NOTES
Total	0	0	
Europe	0	0	
America	0	0	
Asia	0	0	

Here below is detailed information of the fines paid by Brembo Group in 2023, with reference to both violations

detected in the same year and in previous reporting periods⁸⁷.

		ENVIRONMENTAL LEGISLATION		LABOUR LAW AND OCCUPATIONAL SAFETY LEGISLATION	
		No. of sanctions	Overall amount (€)	No. of sanctions	Overall amount (€)
Europe	Violations in 2023	0	0	0	0
	previous	0	0	0	0
America	Violations in 2023	0	0	0	0
	previous	1	101,703	0	0
Asia	Violations in 2023	0	0	0	0
	previous	0	0	0	0

The only significant fine paid by the Brembo Group in 2023 is attributable to an **environmental legislation violation**. Reasons underlying said fine were the atmospheric

pollution emissions beyond limit: the violation occurred in the United States in 2022.

⁸⁷ Consistent with the other information contained in this document, data relating to payments made in 2023 with reference to warnings received in the prior two-year period (2021-2022) is reported below under "previous violations".

MATERIAL TOPICS, LEGISLATIVE AREAS AND RELATED GRI ASPECTS

MATERIAL TOPICS IDENTIFIED BY BREMBO	AREAS OF LEGISLATIVE DECREE (IT) 254/2016	IMPACTS	REFERENCE GRI STANDARDS	BOUNDARY LIMITATIONS	BOUNDARY LIMITATIONS
Environmentally sustainable product	Social	Primary raw material saving through the use of recycled and recyclable materials	*		
Energy efficiency	Environmental	Reduction of energy availability due to non-efficient production processes	302: Energy (2016)		
Protection of water resources	Environmental	Water scarcity, in particular in water-stressed areas, due to water consumption in the production process	303: Water and Effluents (2018)	Suppliers	Reporting partially extended to suppliers
Training and development of personnel	Social	Development of skills and know-how through ad hoc training activities	401: Employment (2016) 404: Training and Education (2016)		
Wellbeing of personnel	Social	Failure to ensure workers' wellbeing due to the absence of dedicated company initiatives	*		
Product safety	Social	Product reliability and safety	416: Customer Health and Safety (2016)	Customers	
Workers' health and safety	Social	Workers' accidents and occupational diseases due to non-suitable working conditions	403: Occupational Health and Safety (2018)	Workers who are not employees Contractors	Reporting partially extended to contractors
Greenhouse gas emissions	Environmental	Climate change caused by greenhouse gas emissions	305: Emissions (2016)	Suppliers	Reporting partially extended to suppliers
		Reduction of greenhouse gas and polluting emissions generated by final users through the development of innovative technologies	305: Emissions (2016)	Suppliers	Reporting partially extended to suppliers
Protection of biodiversity	Environmental	Soil occupation and loss of biodiversity	304: Biodiversity (2016)		
Polluting emissions	Environmental	Damage to the environment and human health due to polluting emissions in the air	305: Emissions (2016)		
		Reduction of greenhouse gas and polluting emissions generated by final users through the development of innovative technologies	305: Emissions (2016)		

MATERIAL TOPICS IDENTIFIED BY BREMBO	AREAS OF LEGISLATIVE DECREE (IT) 254/2016	IMPACTS	REFERENCE GRI STANDARDS	BOUNDARY LIMITATIONS	BOUNDARY LIMITATIONS
Protection and development of local communities	Social	Impacts on the social and economic growth of the local areas and communities	201: Economic Performance (2016)		
Sustainable supply chain	Social	Transparency and involvement of the supply chain in sustainable practices through monitoring and training programmes	204: Procurement Practices (2016) 308: Supplier Environmental Assessment (2016) 414: Supplier Social Assessment (2016)		
Protection of human rights	Social	Human rights violations	202: Market Presence (2016)		
Product safety	Social	Damage to consumers due to the absence of product quality and safety checks	416: Customer Health and Safety (2016)	Customers	
		Increased safety of the end user through the implementation of innovative technologies in products	*		
Waste management	Environmental	Soil occupation and pollution due to non-virtuous waste management	306: Waste (2020)		
Diversity, equity and inclusion	Social	Non-compliance with equal opportunities legislation in the workplace	405: Diversity and Equal Opportunity (2016) 406: Non-discrimination (2016)		
Data protection and IT security	Social	Privacy violation and loss of sensitive data	418: Customer Privacy (2016)	Customers	
Business ethics and integrity	Social	Damage to the economic system due to unfair business practices	201: Economic Performance (2016) 205: Anti-corruption (2016) 206: Anti-competitive behaviour (2016) 415: Public Policy (2016)		

(*) As regards the topic in question (not directly linked to an aspect covered by GRI Standards), Brembo reports the management approach adopted and the relative indicators in the document.

TCFD'S RECOMMENDATIONS AND BREMBO DISCLOSURES

The table below shows the TCFD's recommendations and the correspondent sustainability disclosures relating to Brembo.

TCFD'S RECOMMENDATIONS		
AREA	DISCLOSURES REQUIRED	2022 CDP PARAGRAPH AND 2023 NFI
GOVERNANCE	a. Describe the board's oversight of climate-related risks and opportunities.	2022 CDP: C1.1b, C1.2, C1.2a 2022 NFI: 2.5 "Materiality analysis"; 3.1 "Corporate governance model"; 3.4 "Internal control and risk management system"
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	2022 CDP: C1.1b, C1.2, C1.2a 2022 NFI: 2.5 "Materiality analysis"; 3.1 "Corporate governance model"; 3.4 "Internal control and risk management system"; 7.4 "Greenhouse gas emissions"
STRATEGY	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	2022 CDP: C2.1a, C2.3, C2.3a, C2.4, C2.4a, C3.1, C3.2, C3.2a, C3.2b, C3.3, C3.4 2022 NFI: 2.5 "Materiality analysis"; 3.4 "Internal control and risk management system"; 7.3 "Energy consumption"; 7.4 "Greenhouse gas emissions"
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	2022 CDP: C2.1a, C2.3, C2.3a, C2.4, C2.4a, C3.1, C3.2, C3.2a, C3.2b, C3.3, C3.4 2022 NFI: 2.5 "Materiality analysis"; 7.1 "A business model at the service of the energy transition"
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	2022 CDP: C2.1a, C2.3, C2.3a, C2.4, C2.4a, C3.1, C3.2, C3.2a, C3.2b, C3.3, C3.4 2022 NFI: 3.4 "Internal control and risk management system"; 7.2 "The system for effective management of environmental (ISO 14001) and energy (ISO 50001) impacts"; 7.4 "Greenhouse gas emissions"; 6.1 "Designing innovation"; 6.2 "Collaborations to reduce the environmental footprint"; 6.3 "Product innovation"
RISK MANAGEMENT	a. Describe the organisation's processes for identifying and assessing climate-related risks.	2022 CDP: C2.1, C2.2, C2.2a 2022 NFI: 2.5 "Materiality analysis"; 3.4 "Internal control and risk management system"
	b. Describe the organisation's processes for managing climate-related risks.	2022 CDP: C2.1, C2.2, C2.2a 2022 NFI: 2.5 "Materiality analysis"; 3.4 "Internal control and risk management system"; 7.2 "The system for effective management of environmental (ISO 14001) and energy (ISO 50001) impacts"; 7.5 "Greenhouse gas emissions"; 7.5 "Atmospheric polluting emissions"; 7.6 "Collaborations to reduce the environmental footprint"
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	2022 CDP: C2.1, C2.2, C2.2a 2022 NFI: 2.5 "Materiality analysis"; 3.4 "Internal control and risk management system"; 7.2 "The system for effective management of environmental (ISO 14001) and energy (ISO 50001) impacts"; 7.5 "Greenhouse gas emissions"; 7.5 "Atmospheric polluting emissions"; 7.6 "Collaborations to reduce the environmental footprint"

TCFD'S RECOMMENDATIONS

AREA	DISCLOSURES REQUIRED	2022 CDP PARAGRAPH AND 2023 NFI
METRICS AND TARGETS	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	2022 CDP: C4.1, C4.1a, C4.1b, C4.2, C4.2a, C4.2b, C6.1, C6.3, C6.5, C6.5a, C9.1 2022 NFI: 7.2 "The system for effective management of environmental (ISO 14001) and energy (ISO 50001) impacts"; 7.3 "Energy consumption"; 7.5 "Greenhouse gas emissions"
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	2022 CDP: C4.1, C4.1a, C4.1b, C4.2, C4.2a, C4.2b, C6.1, C6.3, C6.5, C6.5a, C9.1 2022 NFI: 7.2 "The system for effective management of environmental (ISO 14001) and energy (ISO 50001) impacts"; 7.3 "Energy consumption"; 7.5 "Greenhouse gas emissions"
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	2022 CDP: C4.1, C4.1a, C4.1b, C4.2, C4.2a, C4.2b, C6.1, C6.3, C6.5, C6.5a, C9.1 2022 NFI: 2.2 "Turning sustainability into action"; 3.4 "Internal control and risk management system"

METHODOLOGICAL NOTE

REPORTING STANDARDS APPLIED

Now in its seventh edition, the Consolidated Disclosure of Non-financial Information (hereinafter also “Non-Financial Information”, “Disclosure” or “NFI”) of the Brembo Group (hereinafter also “Brembo”, “Group”) illustrates the performances and actions taken in order to manage environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters, so as to provide stakeholders with access to accurate, thorough and transparent view of the Company’s strategies, activities, performance and the Group’s results in its pursuit of economic growth and business development.

This Disclosure, published annually, has been written in accordance with Italian Legislative Decree No. 254/2016 as amended and in compliance with the Sustainability Reporting Standards published by the Global Reporting Initiative - GRI 2021 (with reference to the most recent update thereof), which became effective as of 1 January 2023. These Standards are currently the most widespread and recognised on an international level regarding non-financial reporting. In compliance with the latter, in order to facilitate the reader in finding information within the document, pages 253-258 contain the GRI Content Index.

In the reporting process, with a view to a broader disclosure towards stakeholders, the Group has taken into account the indications contained in the “Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation” published in September 2020 by the World Economic Forum and the indicators put forward by the SASB standards. These indicators have been clearly defined in table on page 259 and shall be construed as an addition to the disclosure drawn up pursuant to GRI Standards to comply with the provisions of Articles 3 and 4 of Legislative Decree No. 254/16.

The information included in the non-financial report reflects the principle of materiality or relevance, an element provided for by reference standards and characterising the GRI standards: the issues discussed within the Disclosure have been identified following the analysis and assessment of the most significant impacts on economy, people and environment, including human rights, described on pages 75-80, paragraph 2.6 “Materiality analysis” of this document.

It is necessary to point out that a materiality analysis, to be valid for the purposes of the non-financial reporting of this financial year, does not take into account the Outside-in perspective (Financial Materiality) since this procedure is on a totally voluntary basis and not subject to audit (ref. CSRD Directive).

For disclosures published following 1 January 2023, Brembo must include in the NFI the information required by the so-called “EU Taxonomy” legislation with regard to environmentally sustainable activities carried out by the Group. In relation to this, please refer to paragraph “THE EU TAXONOMY REGULATION No. 2020/852”. In compliance with Article 10 of the Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021, such information for 2023 relates to the proportion, with respect to the total, of turnover, capital expenditure and operating expenditure of the Group associated with Taxonomy-eligible and -aligned activities with reference to the objectives of climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution and prevention control and the protection and restoration of biodiversity and ecosystems, as provided for by the Annexes to the Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, in addition to some qualitative information.

REPORTING SCOPE

The qualitative and quantitative data contained in the Consolidated Disclosure of Non-Financial Information issued by the Brembo Group refer to the performance of the Group during the financial year 1 January - 31 December 2023. The Financial Statements cover the same time scope. As provided for by Article 4 of Legislative Decree No. 254/2016, this Consolidated Disclosure of Non-Financial Information

includes data from the parent (Brembo S.p.A.) and its subsidiaries, consolidated on a line-by-line basis. The companies consolidated in Brembo S.p.A.’s Financial Statements using the equity method are not included.

The only exception is the environmental data, regarding which a number of commercial companies have been ex-

cluded (Brembo Deutschland GmbH, Brembo Japan Co. Ltd, Brembo Russia Llc., Brembo Scandinavia A.B.), in consideration of the fact that their impacts regarding production sites are not material (within the document, the terms "production site" or "facility" refer to manufacturing and assembly facilities).

It should be noted that the reporting scope of this Disclosure does not include the newly acquired sites: Brembo Reinsurance Ag (Switzerland), Brembo Poland Manufacturing Sp Zoo (Poland), Brembo Poland Heatech Sp Zoo (Poland), Brembo Thailand Ltd (Thailand).

Any further changes or limitations of the disclosure scope relating to the material topics and impacts are appropriately indicated within the document in a footnote. The analyses carried out before this document was prepared did not reveal any interest on the part of minority shareholders and therefore the processing and aggregation of data has not been subject to necessary adaptations.

For the purposes of comparing or contextualising information, data from the 2021 and 2022 financial years have been included and duly indicated.

Independent Auditors' opinion and audit activities did not cover the disclosures based on the SASB and WEF requirements, both given in the tables on page 259, and on the TCFD recommendations, as per the tables on pages 248 and 249, nor the information included in paragraph 1.8 "The EU Taxonomy Regulation No. 2020/852" on page 34 required by Article 8 of Regulation (EU) 2020/852. It is necessary to point out that a materiality analysis, to be valid for the purposes of the non-financial reporting of this financial year, does not take into account the Outside-in perspective (Financial Materiality) since this procedure is on a totally voluntary basis and not subject to audit (ref. CSRD Directive).

For information or comments about this document please send an email to the following address: sustainability@brembo.it.

REPORTING PROCESS

The preparation of the 2023 Consolidated Disclosure of Non-Financial Information is a real annual reporting process, subject to inspection, analysis and approval by several parties. Following the approval by the Board of Directors of the material topics and the related impacts, the document is:

- prepared by the Chief CSR Officer and the relevant work team, which coordinate and involve all the main company functions in the phase of collecting, analysing and consolidating data, with the task of checking and validating — each with regards to their respective area of competence — each information included in the Disclosure of Non-Financial Information, using the new software implemented by the Group;
- approved by the Board of Directors, which meets to approve the draft financial statements, after having been assessed by the CSR Committee which, through the Chief CSR Officer, presents it to the Audit, Risk & Sustainability Committee and, insofar as it is competent, to the Supervisory Committee for its examination and assessment.
- Brembo's Directors are responsible for ensuring that the Consolidated Disclosure of Non-Financial Information is written and published in accordance with current legislation. Once it has been approved by the governing body and within the terms provided for the presentation of the draft Financial Statements, the draft Consolidated Disclosure of Non-Financial Information is made available to the auditors (Board of Statutory Auditors and Independent Auditors);
- submitted to limited audit by the auditing firm Deloitte Touche T. Limited S.p.A., meaning that responsibility for the data and information lies solely with the Brembo Group managers;
- made available to Shareholders and the public within the same terms and using the same methods provided for the presentation of the draft Financial Statements;
- published on and downloadable from the corporate website.

This document was subject to a limited assurance engagement, according to the criteria indicated by the ISAE 3000 Revised standard, by Deloitte & Touche S.p.A. Audit

was performed according to the procedures specified in the “Independent Auditors’ Report”, included in this document. This audit includes compliance with requirements provided for by Legislative Decree 254/2016 and the GRI Standards. The audit does not include other reporting stand-

ards and assessment of the Taxonomy-eligible and Taxonomy-aligned activities pursuant to the Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, or the analysis according to the Outside-in perspective (financial materiality) for the purposes of the double materiality definition.

REPORTING PRINCIPLES

The following principles have been taken into consideration in defining and reporting the contents of the Consolidated Disclosure of Non-Financial Information:

SUSTAINABILITY CONTEXT

The report has to present information concerning the impacts of the Organisation within the broader context of sustainability, on the basis of how it contributes, or intends to contribute in future, to the improvement or worsening of economic, environmental and social conditions, developments and trends on a local, regional or global level.

COMPLETENESS

The report must cover the material topics and their parameters to a sufficient extent to reflect impacts generated on economy, environment and people, including with regard to human rights, to enable stakeholders to assess them during the reporting period.

BALANCE BETWEEN POSITIVE AND NEGATIVE ASPECTS

The Organisation must report information in an impartial manner, providing a fair and balanced representation of the negative and positive impacts and so as to allow their weighted assessment. The report should avoid selections, omissions or presentation formats that could unduly or improperly influence the decision or judgment of the reader of the report.

COMPARABILITY

The Organisation must select, compile and report the information in a consistent manner. The information covered by the report must be presented in such a way as to enable stakeholders to analyse changes to the impacts of the Organisation over time and that could support an analysis relative to other Organisations.

ACCURACY

The information provided in the report must be accurate and sufficiently detailed for the stakeholders to be able to assess the impacts of the Organisation.

TIMELINESS

The Organisation must publish reports on a periodical basis so that the data is available in time for the stakeholders to make informed decisions.

RELIABILITY

The Organisation must collect, record, compile, analyse and present the information and processes employed in writing the report so that they can be examined and the quality and materiality can be defined.

CLARITY

The Organisation must make the data available in such a way that it is understandable and accessible to the stakeholders using it, through tools allowing to find information without unreasonable effort and avoiding the use of technical terms and abbreviations without an appropriate explanation.

GRI TABLE OF CONTENTS

TABLE OF CONTENTS OF THE DISCLOSURE OF NON-FINANCIAL INFORMATION "IN ACCORDANCE" WITH THE GRI STANDARDS FOR THE FISCAL YEAR 2023

The GRI Standards applicable to Brembo Group for the Fiscal Year 2023 are illustrated below. For this year any Sector Standard published applies to Brembo.

GRI CONTENT INDEX

GRI ID	DISCLOSURE	PAGE NUMBER OR DISCLOSURE	OMISSIONS*	UN GLOBAL COMPACT	SDGS
GRI 2: GENERAL DISCLOSURES 2021					
THE ORGANISATION AND ITS REPORTING PRACTICES					
2-1	Organisation details	26-27, 92-95; Corporate Governance and Ownership Structure Report; Annual Report			
2-2	Entities included in the organisation's sustainability reporting	250-251; Annual Report			
2-3	Reporting period, frequency and contact point	251-252; The 2022 Consolidated Disclosure of Non-Financial Information (pursuant to Legislative Decree 254/2016) was published on 20 March 2023			
2-4	Restatements of information	250-252, Any changes to the information provided in previous documents have been duly identified in the text through related explanatory notes			
2-5	External assurance	260-261			
ACTIVITIES AND WORKERS					
2-6	Activities, value chain and other business relationships	28-30,154-160,162-172; Annual Report			
2-7	Employees	12,18,128-130,134-137,227-229; Annual Report			
2-8	Workers who are not employees	229-230		Principle 6	 
GOVERNANCE					
2-9	Governance structure and composition	12,92-101,104-106, 226; Corporate Governance and Ownership Structure Report			 
2-10	Nomination and selection of the highest governance body	98-99; Corporate Governance and Ownership Structure Report			 
2-11	Chair of the highest governance body	97; Corporate Governance and Ownership Structure Report			
2-12	Role of the highest governance body in overseeing the management of impacts	119-120, Corporate Governance and Ownership Structure Report			
2-13	Delegation of responsibility for managing impacts	114-116; Corporate Governance and Ownership Structure Report			

GRI ID	DISCLOSURE	PAGE NUMBER OR DISCLOSURE	OMISSIONS*	UN GLOBAL COMPACT	SDGS
2-14	Role of the highest governance body in sustainability reporting	98,100-101,226, Corporate Governance and Ownership Structure Report			
2-15	Conflicts of interest	110			
2-16	Communication of critical concerns	115-116			
2-17	Collective knowledge of the highest governance body	105-106			
2-18	Evaluation of the performance of the highest governance body	99, 105, Report on the Remuneration Policy for 2024 and Remuneration Paid in 2023 of the Brembo Group			
2-19	Remuneration policies	101-104, Report on the Remuneration Policy for 2024 and Remuneration Paid in 2023 of the Brembo Group			
2-20	Process to determine remuneration	101-104, Report on the Remuneration Policy for 2024 and Remuneration Paid in 2023 of the Brembo Group			
2-21	Annual total compensation ratio	Report on the Remuneration Policy for 2024 and Remuneration Paid in 2023 of the Brembo Group	The organisation is committed to provide this information as required by the GRI indicator by the date of publication of the 2024 NFI		
2-22	Statement on sustainable development strategy	6-7			
2-23	Policy commitments	109-117		Principle 10	
2-24	Embedding policy commitments	109-117			
2-25	Processes to remediate impacts	111-114,137-140,142-145,165-167,178-181			
2-26	Mechanisms for seeking advice and raising concerns	115-116,137		Principle 10	
2-27	Compliance with laws and regulations	245		Principles 7, 8	
2-28	Membership associations	9, 71-74			
2-29	Approach to stakeholder engagement	67-70,133-134,172-177			
2-30	Collective bargaining agreements	59,137			
GRI 3: MATERIAL TOPICS 2021					
3-1	Process to determine material topics	75-76			

GRI ID	DISCLOSURE	PAGE NUMBER OR DISCLOSURE	OMISSIONS*	UN GLOBAL COMPACT	SDGS
3-2	List of material topics	77-80, 253-258			
CATEGORY: ECONOMIC PERFORMANCE					
TOPICS: PROTECTION AND DEVELOPMENT OF LOCAL COMMUNITIES					
3-3	Management of material topics	77-82, 210-213			
201-1	Direct economic value generated and distributed	211			 
TOPICS: BUSINESS ETHICS AND INTEGRITY					
3-3	Management of material topics	77-82, 109-120			 
201-4	Financial assistance received from government	211			
205-2	Communication and training about anti-corruption policies and procedures	114-117, Corporate Governance and Ownership Structure Report		Principle 10	
205-3	Confirmed incidents of corruption and actions taken	116		Principle 10	
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	111			
415-1	Political contributions	In 2022, Brembo did not grant political or financial contributions, nor contributions in kind		Principle 10	
MATERIAL TOPIC: PROTECTION OF HUMAN RIGHTS					
3-3	Management of material topics	77-82, 114, 124, 158			
202-2	Proportion of senior management hired from the local community	137		Principle 6	
MATERIAL TOPIC: SUSTAINABLE SUPPLY CHAIN					
3-3	Management of material topics	77-82, 124, 156-169			
204-1	Proportion of spending on local suppliers	155			
308-1	New suppliers that were screened using environmental criteria	157		Principles 7, 8	
414-1	New suppliers that were screened using social criteria	157		Principles 2, 4, 5	 

GRI ID	DISCLOSURE	PAGE NUMBER OR DISCLOSURE	OMISSIONS*	UN GLOBAL COMPACT	SDGS
CATEGORY: ENVIRONMENTAL PERFORMANCE					
MATERIAL TOPIC: ENERGY EFFICIENCY					
MATERIAL TOPIC: PROTECTION OF WATER RESOURCES					
MATERIAL TOPIC: PROTECTION OF BIODIVERSITY					
3-3	Management of material topics	77-82, 123, 162-163, 165, 188-193, 201-202, 207			
302-1	Energy consumption within the organisation	194		Principles 7, 8	   
302-4	Reduction of energy consumption	193		Principles 8, 9	   
303-1	Interactions with water as a shared resource	201-202		Principles 7, 8	 
303-2	Management of water discharge related impacts	201-202		Principle 8	
303-3	Water withdrawal	202		Principle 8	
303-4	Water discharge	203-204		Principle 8	
303-5	Water consumption	204; Water storage does not have a significant impact in relation with the use of water resources		Principle 8	
304-2	Significant impacts of activities, products and services on biodiversity	207		Principle 15	
MATERIAL TOPIC: GREENHOUSE GAS EMISSIONS					
MATERIAL TOPIC: POLLUTING EMISSIONS					
3-3	Management of material topics	77-82, 123, 162-163, 165, 188-190, 195-196, 198, 20			
305-1	Direct (Scope 1) GHG emissions	196-197		Principles 7, 8	   
305-2	Energy indirect (Scope 2) GHG emissions	196-197		Principles 7, 8	   
305-3	Other indirect (Scope 3) GHG emissions	196-197		Principles 7, 8	   
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305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	200		Principles 7, 8	  
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3-3	Management of material topics	77-82, 122-123, 205-206			
306-1	Waste generation and significant waste-related impacts	205-206			  

GRI ID	DISCLOSURE	PAGE NUMBER OR DISCLOSURE	OMISSIONS*	UN GLOBAL COMPACT	SDGS
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306-3	Waste generated	206		Principle 8	    
306-4	Waste diverted from disposal	206			  
306-5	Waste directed to disposal	206			     
CATEGORY: SOCIAL PERFORMANCE					
MATERIAL TOPIC: TRAINING AND DEVELOPMENT OF PERSONNEL					
MATERIAL TOPIC: WELLBEING OF PERSONNEL					
3-3	Management of material topics	12, 77-82, 124-125, 128-132, 230-231			
401-1	New employee hires and employee turnover	129-130, 230-231		Principle 6	 
404-1	Average hours of training per year per employee	139		Principle 6	   
404-3	Percentage of employees receiving regular performance and career development reviews	140-141		Principle 6	 
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3-3	Management of material topics	12, 77-82, 113, 124-125, 142-151, 232-237, 240-245			
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403-3	Occupational health services	143-144, 149-150			
403-4	Worker participation, consultation, and communication on occupational health and safety	149			 
403-5	Worker training on occupational health and safety	146-148			
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403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	151			

GRI ID	DISCLOSURE	PAGE NUMBER OR DISCLOSURE	OMISSIONS*	UN GLOBAL COMPACT	SDGS
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416-1	Assessment of the health and safety impacts of product and service categories	178-181			
MATERIAL TOPIC: DATA PROTECTION AND IT SECURITY					
MATERIAL TOPIC: DIGITAL TRANSFORMATION ROADMAP					
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MATERIAL TOPICS THAT ARE NOT COVERED BY GRI INDICATORS					
MATERIAL TOPIC: ENVIRONMENTALLY SUSTAINABLE PRODUCT					
3-3	Management of material topics	77-82, 162-172			

* For omissions, please provide the omitted information, the reason and the explanation.

SASB - AUTO PARTS

TOPIC	SASB ID	DISCLOSURE	PAGE NUMBER OR DISCLOSURE
Energy Management	TR-AP-130a1	1) Total energy consumed, (2) Percentage grid electricity, (3) Percentage renewable	194
Waste Management	TR-AP-150a1	(1) Total amount of waste from manufacturing, (2) Percentage hazardous, (3) Percentage recycled	205

WEF MEASURING STAKEHOLDER CAPITALISM - CORE METRICS

TOPIC	DISCLOSURE	PAGE NUMBER OR DISCLOSURE
Quality of governing body	Governance body composition	98-101
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	Protected ethics advice and reporting mechanisms	115-116, 137
Risk and opportunity oversight	Integrating risk and opportunity into business process	122-125
Climate change	Greenhouse gas (GHG) emissions	196-197
	TFCD implementation	248-249
Freshwater availability	Water consumption and withdrawal in water-stressed areas	201-202
Dignity and equality	Diversity and inclusion	92, 98-99, 136, 226
Community and social vitality	Total tax paid	117-118, 238-239; Paragraph Section "Performance of Brembo Companies" included in the Directors' Report on Operations
Employment and wealth generation	Absolute number and rate of employment	128-129, 228-230
	Economic contribution	211
	Financial investment contribution	211



**INDEPENDENT AUDITOR'S REPORT
ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3,
PARAGRAPH 10 OF LEGISLATIVE DECREE No. 254 OF DECEMBER 30, 2016
AND ART. 5 OF CONSOB REGULATION N. 20267 OF JANUARY 2018**

**To the Board of Directors of
Brembo S.p.A.**

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter "Decree") and to article 5, paragraph 1, letter g) of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of Brembo S.p.A. and its subsidiaries (hereinafter "Brembo Group" or "Group") as of December 31, 2023 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 5, 2024 (hereinafter "NFS").

Our limited assurance engagement does not extend to the information required by art. 8 of the European Regulation 2020/852 included in the paragraph "European Taxonomy - Regulation (EU) 2020/852".

Responsibility of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and the "*Global Reporting Initiative Sustainability Reporting Standards*" established by GRI - *Global Reporting Initiative* (hereinafter "GRI Standards"), which they have identified as reporting framework.

The Directors are also responsible, within the terms established by law, for such internal control as they determine is necessary to enable the preparation of NFS that is free from material misstatement, whether due to fraud or error.

The Directors are moreover responsible for defining the contents of the NFS, within the topics specified in article 3, paragraph 1, of the Decree, taking into account the activities and characteristics of the Group, and to the extent necessary in order to ensure the understanding of the Group's activities, its trends, performance and the related impacts.

Finally, the Directors are responsible for defining the business management model and the organisation of the Group's activities as well as, with reference to the topics detected and reported in the NFS, for the policies pursued by the Group and for identifying and managing the risks generated or undertaken by the Group.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants* issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

During the year covered by this assurance engagement, our auditing firm applied *International Standard on Quality Control 1* (ISQC Italia 1) and, accordingly, maintained a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the NFS with the Decree and the GRI Standards. We conducted our work in accordance with the criteria established in the "*International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "*ISAE 3000 Revised*"), issued by the *International Auditing and Assurance Standards Board* (IAASB) for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the NFS is free from material misstatement. Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on NFS are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of information included in the NFS, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we carried out the following procedures:

1. analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the selection process in place in light of the provisions of art.3 of the Decree and taking into account the adopted reporting standard;
2. analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance with the Decree;
3. comparison between the financial data and information included in the NFS with those included in the consolidated financial statements of the Brembo Group;

4. understanding of the following matters:

- business management model of the Group's activities, with reference to the management of the topics specified by article 3 of the Decree;
- policies adopted by the entity in connection with the topics specified by article 3 of the Decree, achieved results and related fundamental performance indicators;
- main risks, generated and/or undertaken, in connection with the topics specified by article 3 of the Decree.

Moreover, with reference to these matters, we carried out a comparison with the information contained in the NFS and the verifications described in the subsequent point 5;

5. understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the NFS.

In particular, we carried out interviews and discussions with the management of Brembo S.p.A. and with the employees of the subsidiaries Brembo Poland Spolka Zo.O., Brembo Nanjing Brake Systems Co. Ltd., Brembo Huilian (Langfang) Brake Systems Co. Ltd. , Brembo (Nanjing) Automobile Components Co. Ltd., Jiaxing Ciju Control Systems Co. Ltd. and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

In addition, for material information, taking into consideration the Group's activities and characteristics:

- at the parent company's and subsidiaries' level:
 - a) with regards to qualitative information included in the NFS, and specifically with reference to the business management model, policies applied and main risks, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
 - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data;
- for the following companies and sites, Mapello "Cast Iron Foundry" and "Aluminium Foundry" plants for Brembo S.p.A. and Dabrowa "Disc Machining" and "Cast Iron Foundry" plants for Brembo Poland Spolka Zo.O, which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out site visits, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.



Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the Brembo Group as of December 31, 2023 is not prepared, in all material respects, in accordance with articles 3 and 4 of the Decree and the GRI Standards.

Our conclusion on the NFS of the Brembo Group does not extend to the information required by art. 8 of the European Regulation 2020/852 included in the paragraph "European Taxonomy - Regulation (EU) 2020/852".

DELOITTE & TOUCHE S.p.A.

Signed by
Stefano Dell'Orto
Partner

Bergamo, Italy
March 21, 2024

This report has been translated into the English language solely for the convenience of international readers.



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