

English Translation for convenience – Only the Italian version is authentic

**ILLUSTRATIVE REPORT OF THE BOARD OF DIRECTORS, CONCERNING THE FOURTH ITEM ON THE AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING OF BREMBO S.P.A., CALLED ON 20 APRIL 2023 (SINGLE CALLING)**

*(prepared in accordance with Article 125-ter of Legislative Decree 24 February 1998 n. 58 as subsequently amended and integrated, and Article 84-ter of Consob Regulation adopted through Resolution No. 11971 of 14 May 1999 as subsequently amended and integrated)*

**4. Presentation of the Consolidated Disclosure of Non-Financial Information of the Brembo Group for the year ended 31 December 2022, pursuant to Legislative Decree No. 254 of 30 December 2016.**

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Shareholders,

the following Illustrative Report – prepared up pursuant to art. 125-ter, paragraph 1, of Legislative Decree 24 February 1998 n. 58, as subsequently amended and integrated (the "TUF"), and art. 84-ter of Consob Regulation adopted through Resolution No. 11971 of 14 May 1999 as subsequently amended – has been approved by the Board of Directors of Brembo S.p.A. ("**Brembo**" or the "**Company**") at the meeting on 2 March 2023 and is made available to the public, in accordance with the law and regulations, at the registered office, on the Company's website, at [www.brembo.com](http://www.brembo.com), section "Investors" - "For Shareholders" - "Shareholders' Meeting", as well as on the authorized storage mechanism "1info-storage" ([www.1info.it](http://www.1info.it)).

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With reference to the 4 item of the agenda of the Ordinary Shareholders' Meeting, the Board of Directors intends to submit for your examination, in accordance with the law, the Consolidated Disclosure of Non-Financial Information of the Brembo Group (hereinafter the "**Group**"), drawn up in accordance with the Legislative Decree D. L.gs. 30 December 2016, n. 254, (hereinafter "**NFS**"), which constitutes a separate report from the Financial Statements of the Brembo Group.

It is reminded that the Legislative Decree No. 254 of 30 December 2016 (the "**Legislative Decree 254/2016**"), Brembo is obliged to prepare and publish, for each financial year, a statement at the individual or consolidated level containing a series of information on environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The information contained in the Brembo Group's NFS has been defined in compliance with Legislative Decree 254/2016 in a series of non-financial information areas of a social / environmental nature considered relevant, taking into account the Brembo Group's activities and characteristics. For each of the aforementioned areas, the relative business model of management and organization of the activities, the policies applied, and the results achieved, as well as the fundamental non-financial performance indicators are described. The main risks, generated and / or suffered, connected, are also identified.

The information was provided according to the methodologies and principles in compliance with the standard guidelines published by the Global Reporting Initiative ("**GRI**").

To define the structure and the contents of the Statement on Non-Financial Information pursuant to Legislative Decree 254/2016 ("**NFS**"), the Brembo Group conducted a materiality analysis aimed at identifying areas of non-financial reporting of a social and environmental nature deemed relevant in relation to its business profile, strategies, stakeholders' expectations, business environment, etc., in which the Brembo Group's activities have the greatest effect on protection of natural ecosystems and the wellbeing of communities, people and all other Group stakeholders.

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For 2022 the analysis was conducted according to the guidelines published by the Global Reporting Initiative (GRI) Universal Standards 2021, which focuses on the (positive, negative, current and potential) impacts of organisations on the economy, environment and individuals, including those on human rights, integrating the views of stakeholders into the broader impact assessment process.

In addition, Brembo decided on early adoption of the provisions of the UE Directive 2022/2464, formerly known as Corporate Sustainability Reporting Directive (“CSRD”), using the European Sustainability Reporting Standards (ESRSs) of the European Financial Reporting Advisory Group, (“EFRAG”), the reporting standard that is to be used by companies subject to the CSRD starting from 2024 and that involves a process of identifying material topics according to a double materiality approach: impact materiality and financial materiality. Impact materiality is aligned with GRI requirements, while financial materiality refers to the risks and opportunities that may influence the creation (or erosion) of company value (outside-in perspective).

For the 2022-2024 period, the materiality analysis process was thus carried out assessing the potential material topics based on the macro-trends in the industry, the trends emerged through benchmarks and the topics identified during interviews with management. These aspects were assessed both by Brembo’s management according to a two-perspective approach (impact and financial materiality), and by several stakeholders identified as priorities (for the impact materiality perspective only), such as customers, suppliers, investors, insurance companies and trade associations. The members of the Board of Directors, the Audit, Risk & Sustainability Committee and the Board of Statutory Auditors were also involved.

The Materiality Matrix was previously assessed by the CSR Committee, audited by the Audit, Risk & Sustainability Committee on 5 December 2022 and then approved by the Board of Directors on 16 December 2022. The Matrix emphasises the topics that Brembo has identified for disclosure in 2022 in its NFS for the said reporting year.

The NFS for 2022 was examined and approved by the Board of Directors at its meeting of 2 March 2023, after being examined by the Audit, Risk & Sustainability Committee during its meeting of 22 February 2023, and it was then submitted to the control bodies (Board of Statutory Auditors and Independent Auditors) for the activities within their remit. The NFS was also subject to limited assurance by the same auditing firm commissioned to audit the financial statements (Deloitte & Touche S.p.A.), who verified that it conforms to Legislative Decree 254/2016 and complies with the principles and methodologies of the reporting standard used. The related report, which is separate from the independent auditors’ report, is appended to and published together with the NFS. The NFS is available on the Company’s website [www.brembo.com](http://www.brembo.com), section “Sustainability”, “Reports”).

It bears also recalling that the NFS is available for the Shareholders and for public consultation in accordance with the terms set forth by current regulations applied for the Financial Statement Report, at the Company’s registered offices in Curno (Bergamo), Via Brembo 25, as well as on the corporate website [www.brembo.com](http://www.brembo.com), section “Sustainability”, “Reports”, and through the mechanism for the storage of regulated information “1info-storage” ([www.1info.it](http://www.1info.it)). Should any participant wish to receive a paper format of the above-mentioned documentation, a request can be sent to [ir@brembo.it](mailto:ir@brembo.it) no later than 31<sup>st</sup> March 2023 so that the Company could arrange and satisfy the request.

In light of the foregoing, the Shareholders’ Meeting of Brembo S.p.A. is invited to examine the Consolidated Financial Statements of the Brembo Group at 31 December 2022.

Stezzano, 2 March 2023

On behalf of the Board of Directors  
The Executive Chairman  
signed by Matteo Tiraboschi