



**ANNUAL
SUSTAINABILITY
REPORT
2022**

2022 CONSOLIDATED DISCLOSURE
OF NON-FINANCIAL INFORMATION
IN ACCORDANCE WITH
LEGISLATIVE DECREE NO. 254/2016

Thanks go out to all Brembo personnel who contributed to the preparation of the Disclosure of Non-Financial Information, and particularly to the members of the CSR Task Force, the working group that every day works so passionately on exploring and developing sustainability aspects.

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PERFECTION AND BALANCE

Perfection and balance, centrality and expansion. Continuity. The circle, one of the symbols most used by humankind since its beginnings. From the extremely small to the extraordinarily large, nature reproduces the figure of the circle in infinite forms.





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LETTER OF THE CHIEF CORPORATE SOCIAL RESPONSIBILITY OFFICER



Dear Stakeholders,

I am pleased to present the 2022 Consolidated Disclosure of Non-Financial Information, through which the Brembo Group shares its vision for a more sustainable future and reports on its ESG objectives, activities and results.

The year 2022 was highly satisfactory for Brembo. The Company achieved unprecedented results despite the monumental challenges and transformations, both globally and in the automotive sector. As you will see when reading this document, our strategic approach to environmental, social and governance aspects has not lessened. These elements have been part of our way of doing business for over 60 years now, and we intend to increasingly focus on them.

For this reason, we have decided to adopt — two years ahead of the mandatory adoption date — the double materiality methodology, as defined by the European Commission's Corporate Sustainability Reporting Directive. This allows us to assess even more effectively how sustainability requirements influence our Group's operations and how they impact people, the communities in which we operate and the environment.

In 2022, which was such an extraordinary year for us, our people were once again the main architects of our virtuous development. Our Group continues to grow: we are approximately 15,000 people in 23 production sites and sales offices in 15 countries around the world. It is to each of them that we dedicate our constant commitment to making Brembo a place not only where to promote talent, but also where the values of responsibility, respect, diversity and inclusion remain at the core of our work together.

With our global team, we follow the course set out by the Group's medium- and long-term strategy, which is also reflected in our products. In fact, we have forged ahead with the development of green solutions and in 2022 we unveiled important innovations to the market, such as the Greenance product line — a new range of brake discs and pads characterised by a lower environmental impact.

1 The number of People includes employees and temporary workers.

GRI: 2-22

This strategy is supported by R&D investments, which remain key for us: we are increasingly focused on using more sustainable materials, recycling existing ones, and adopting solutions aimed at further improving our position as a responsible business. The ideas for achieving this come both from inside and outside the Group. Every year, Brembo collects new ideas from all the areas of the world where it operates. When these ideas translate into tangible projects, we reward them, particularly with the Brembo Sustainability Awards, now in their fourth edition. Outside Brembo, we are increasingly exploring innovation. In 2022, we set up Brembo Ventures, a unit dedicated to investing globally in technological start-ups that can bring innovation to key areas, including energy efficiency and sustainable processes.


Furthermore, we are firmly convinced that we must also play our part in ensuring responsible production. This is why we are committed to a path towards the ambitious goal of guaranteeing net-zero emissions by 2040. For years, we have been working to promote more sustainable industrial processes on several fronts. Emissions generated at our production sites and offices worldwide continued to decrease, and we recorded a decline of approximately 16% in 2022 compared to 2021. At the same time, the use of electricity from renewable sources rose, reaching an unprecedented level in 2022 and accounting for 69% of the total. Three countries even achieved a 100% figure. In addition, we are committed to encouraging an ever-wider engagement of our supply chain to ensure that it fully adheres to our sustainability culture.

However, there could be no sustainable development if we did not also take into account the social dimension of our business. This entails not only the aforementioned commitment to our people, but also to the communities in which we operate. For years, we have been supporting and launching social projects in several areas of the world. In 2022, witnessing the dramatic consequences of the war in Ukraine, we felt it our duty to help the affected populations. Among the various projects launched, I want to mention Safe Haven in Poland, with which we welcomed and gave support to those forced to leave their country.

Our ambition to be responsibly active is an approach that, for five years now, has been driven by the UN 2030 Agenda, which calls on us to help achieve the 17 Sustainable Development Goals and which will continue to guide us along our path as we move forward. The numbers, results and projects described in this document are the outcome of our constant and continuous efforts and confirm that the adoption of a clear and responsible commitment generates concrete actions for the benefit of people, communities and the environment.

We are therefore convinced that the ESG aspects are growth-enabling factors for our Group, as well as for the entire economy: they will have to increasingly become a key element in decisions that have an impact on our Companies.

CRISTINA BOMBASSEI
Chief CSR Officer





UN GLOBAL COMPACT STATEMENT

Dear Stakeholder,

I am pleased to announce that in 2022 as well Brembo S.p.A. confirmed its commitment towards the 10 United Nations Global Compact Principles. Our aim is to adopt the 10 Principles on a permanent basis into our business strategy, and even more so in the culture of our organisation. In this 2022 Consolidated Disclosure of Non-Financial Information, we illustrate the actions we have implemented, demonstrating how our commitment to corporate social responsibility and sustainability is becoming increasingly broad and effective year on year.

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, the Global Compact has so far been joined by more than 21,000 companies from 162 countries, 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, environmen-

tal protection 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 *"Sustainable Supply Chain Management: responsibility and opportunity for businesses"*,

presented in Milan at the CSR and Social Innovation Exhibition and, internationally, at the 27th United Nations Conference on Climate Change – COP27 in Sharm El Sheikh, Egypt.

The Paper enhances 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.

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 in terms of 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.

This approach is also pursued in the processes that Brembo is implementing to generate and developing new ideas, through a path founded on three pillars — Digital, Global and Cool Brand — that set the growth direction for the forthcoming future.

In 2022, the Group continued to implement strategic projects within the three Pillars through dedicated working groups that leverage a shared leadership and the cross-cutting competencies of all parties involved, engaging all Group Regions.

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. For further details on Brembo's transformation into a Solution Provider, reference should be made to paragraph "1.2 Digital Transformation Programme: from Product Business to Solution Provider".

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 inclusion.

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. The year 2022 saw the implementation of several projects as part of the Cool Pillar: Hackathon was the first to be launched, as described in the following pages.

Last but not least, 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 its activities processes and products. This sustainability-driven approach is increasingly present also in the relationship with its employees, with its supply chain and in the local areas in which the Group operates.



SUSTAINABILITY HIGHLIGHTS

GRI: 2-6; 2-7; 2-8; 2-9;
3-3; 403-1; 405-1

THE GROUP



15

No. of countries in which the Group is present



9

No. of Group brands



8

No. of research centres of the Group



12,956

Employees



282²
million

Net investment



3,629
million

Turnover

SUSTAINABILITY



13

CSR Ambassadors within the Group



25

CSR Champions within the Group



171

Ideas competing for the Brembo Sustainability Awards



The Brembo Forest:

14,000

trees monitored



13

Sustainability objectives published

COMPANY STRUCTURE



3,987

Brembo's employees trained on the Code of Ethics in 2022



45%³

Proportion of women in the BoD



10

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



63.6%

Members of the BoD with ESG-related skills



ISO 27001⁴

Certified sites

PEOPLE



14,966⁵

People



over 400,000

Training hours provided in 2022



100%⁶

ISO 45001 certified plants



6.0%⁷

Workforce increase compared to 2021

GRI: 2-6; 3-3

THE SUPPLY CHAIN


88%⁸

Local supplies, i.e., supply from suppliers located in the same geographical areas where the Group operates


74.10%

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

SYNERGY AND INNOVATION


3,503

Patents, utility models and designs


1,412⁹FTE

People employed on R&D activities


100%¹⁰

Plants with IATF 16949 quality certification

ENVIRONMENT


-29.6%¹¹

Emissions of CO₂ per cast tonne compared to 2021


100%

ISO 14001 environmentally certified plants


30%

ISO 50001 energy certified plants


-23.3%¹²

Emissions of CO₂ per unit of finished product compared to 2021


69%

Electricity coming from renewable sources

LOCAL AREAS


3,386
million

Economic value distributed


114

Beneficiaries included in the Safe Haven project


6

Action areas for social projects

Note

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

3 The minimum quota of the less-represented gender in the corporate bodies of listed companies is 40% (Law No. 160 of 27 December 2019), in force at the date of appointment on the Board of Directors (General Shareholders' Meeting held on 23 April 2020) for the 2020-2022 three-year term.

4 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 Spolka Zo.o. productions hubs, the sites of Brembo North America Inc., Brembo México S.A. de C.V. and Brembo Czech S.r.o.

5 The number of People includes employees and temporary workers.

6 The percentage does not include the recently acquired sites of J.Juan and SBS Friction. As per Brembo's practice, the new and recently acquired plants will get the certification within one and two years, respectively.

7 The number of employees in the 2021 highlights already included the J.Juan Group's employees.

8 This percentage is only calculated with regard to the purchase categories of raw materials and cast-iron goods, components and outsourced processing, and ancillary products and services (excluding industrial assets).

9 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.

10 The Zaragoza site is ISO 9001 certified since the IATF scheme does not apply to aftermarket sites. For the new plants of SBS Friction (Denmark) and J.Juan (Myasł and Jiaying), 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 2023 and Q1 2024, respectively.

11 Scope 1 and market-based Scope 2 emissions / gross tonnes of molten cast iron and molten aluminium.

12 Scope 1 and market-based Scope 2 emissions / total number of pieces manufactured.



THE MAIN ECONOMIC, SOCIAL AND ENVIRONMENTAL CHALLENGES

The 2022 macroeconomic scenario showed different levels of complexity at the end of the year. According to the World Economic Outlook published in October 2022 by the International Monetary Fund, the global economy continues to face steep challenges, shaped by the effects of three forces: the Russian invasion of Ukraine, the price hikes — first and foremost energy prices — caused by rising inflation pressures, and the slowdown due to commodity bottlenecks.

Following the **outbreak of the conflict in Ukraine**, Brembo set up a working group to monitor the related developments and to formulate the actions needed to mitigate risks and possible direct and indirect impacts on the Group. At the level of direct impacts, from the outset of the crisis Brembo chose to halt all sales of aftermarket products (the Aftermarket is the only GBU impacted by the events) in Russia and Belarus.

The Group wholly owns the company Brembo Russia LLC, which, through a workforce of three employees, promotes the sale of brake discs for the car aftermarket only. After the sales' halt in Russia and Belarus, Brembo Russia LLC's personnel focused their activity on other geographical areas. The company continued to be consolidated on a line-by-line basis since all the conditions for the control of the investee still apply. At the level of compliance, Brembo analyses and monitors, with the support of external advisors, the development of the sanctions levied against Russia by Western countries. In this regard, there are no direct impacts on the Group.

The Russian invasion of Ukraine and the uncertainty about its duration has inevitably impacted the stability of the global economy, thus contributing to the energy crisis in Europe and the increase in the cost of living and productive activities.

At present, the **rate of price growth** is the factor that arouses the most attention: from 2019 to the end of 2022, the price of natural gas rose by 392%. To counter inflation, central banks have adopted restrictive monetary and financial policies, including raising benchmark interest rates to encourage savings, but thus weakening consumer demand and investment. With specific regard to Brembo, the effects associated with the increase in commodity and energy prices have yielded limited impacts to date, thanks to the price-hedging strategies implemented prior to the outbreak of the conflict and the initiatives of cost recovery from customers.

In response to the difficulties and **disruptions in the global energy market**, exacerbated by the Russian invasion of Ukraine, a political agreement was reached by the European institutions on the financing of **REPowerEU** at the end of 2022, allowing Member States to introduce specific expenditure items within recovery and resilience plans. This is a package of financial and legislative measures to build in Europe the infrastructure and system needed to increase Europe's energy independence and accelerate the green transition. The plan has three key points: diversifying energy supplies, promoting energy reduction and savings, and accelerating the roll-out of renewable energy, supporting industry and transport in the faster replacement of fossil fuels. In this plan, a strategic role can be played by the industrial sector, which will be able, on the one hand, to contribute to the transition, transforming its own supply system, and, on the other, to benefit from a strengthened industrial and technological competitiveness at international level.

In this context, it should be emphasised that more incisive actions must also be implemented to reduce the catastrophic effects of climate change. The transition to sustainable economic models has become crucial not only for the future of the planet, but also for the actual macroeconomic stability of countries.

These issues were also thoroughly discussed at international level at the 2022 edition of the Conference of the Parties (COP27). Due to the complexity of the geopolitical and macroeconomic scenario, the Conference did not lead the participating countries to sign new commitments regarding greater mitigation of climate impacts, nor was the expectation of urging the world's major emitters to a gradual reduction of fossil fuels fulfilled. However, it is worth noting that the objectives of 2021 Glasgow Pact and the 2015 Paris Agreement were confirmed and an important step was taken towards **climate justice** in favour of countries suffering the most from the devastating consequences of climate change. It is in this direction that the Loss and Damage fund has been introduced, whereby the most developed countries that have produced greater quantities of climate-altering gas emissions since the Industrial Revolution will have to provide financial support to repair the damage suffered by developing countries, more exposed to extreme climatic events.

In line with the other major world powers, Europe is also actively committed on this front. Through the **European Green Deal**, it aims at reducing its emissions to reach

the **Net Zero target by 2050**. The European Climate Law is part of the framework of legislative reforms and it pursues mitigation and adaptation objectives by setting a binding **interim target of net domestic greenhouse gas emission reduction of at least 55%** compared to 1990 levels **by 2030**.

In line with the objectives set out above, mention should be made of the **Fit for 55 package**, a set of proposals to revise and update EU legislation and to put in place new initiatives with the aim of ensuring that EU policies are in line with the climate goals agreed by the Council and the European Parliament. Topics proposed include, for illustration purposes, the EU emissions trading system, the creation of an infrastructure for alternative fuels, the introduction of a carbon border adjustment mechanism and the establishment of a social climate fund.

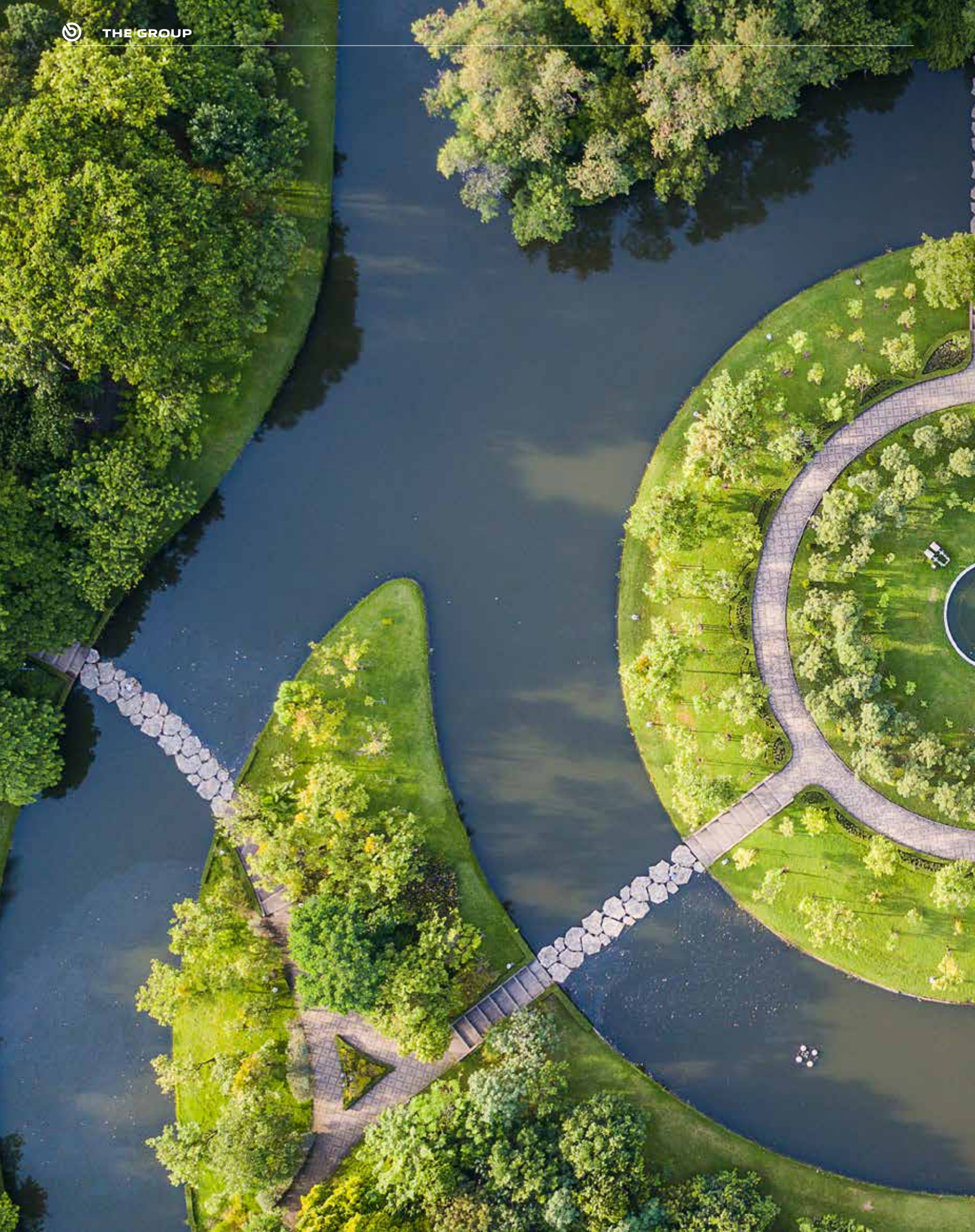
An important milestone was reached in December 2022 with the political agreement between the Member States of the European Union on the introduction of the **Carbon Border Adjustment Mechanism (CBAM)**, a system to protect European companies against unfair competition operated by companies from third countries in the climate field. This mechanism promotes, on the one hand, the import of goods within the EU by companies from third countries that comply with the same climate standards applicable in the 27 EU Member States and, on the other hand, encourages companies and partners around the world to adhere to the EU's climate efforts. To date, the perimeter includes: iron and steel, cement, fertilisers, aluminium, electricity and hydrogen.

As early as the first half of 2021, the Brembo Group implemented mitigation actions both in the energy sector and with regard to commodity availability that significantly reduced the impacts of the 2022 changed macroeconomic scenario. In detail, daily monitoring of the commodity and energy markets was established through a dashboard specifically developed for this purpose that made it possible to best seize purchasing opportunities by making strategic agreements for the supply of raw materials and critical components and adopting long-term energy pricing hedging.

The indirect effects of the Russia-Ukraine conflict on the Group have also been quite limited thus far, although the automotive sector suffered various disruptions in the supply of raw materials and components that, along with the semiconductor crisis, led manufacturers to plan brief production stoppages. However, the Brembo Group immediately implemented actions to ensure the continuity of the supply of materials potentially subject to any sanctioning regimes — primarily aluminium and its derivatives — with the support of alternative partners.

The Brembo Group has managed to ensure the continuity and priority of supplies thanks to the continuous and collaborative dialogue with the supply base, associated with careful planning and management of material stocks.

In addition, to cope with the greater complexity of the Global Supply Chain and through synergistic and concerted work between the Purchasing, Operations and Sales & Marketing areas, the Brembo Group has consolidated the already launched supply localisation strategies. Furthermore, the Group implemented reward mechanisms for partner suppliers in line with the most recent European Community directives on the reduction of climate-altering gas emissions (Carbon Border Adjustment Mechanism – CBAM).





THE SENSE OF UNITY

Feeling the sense of unity at all times. Being at the centre and beyond the boundaries, thanks to a worldwide Group that is always open to change.

To create innovation and continuous solutions at a time that increasingly requires informed choices.



1. THE GROUP



15

No. of Countries
in which the Group
is present



9

No. of
Group brands



8¹³

No. of 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.

It currently operates in 15 Countries on three continents.

FIGURES FOR THE THREE-YEAR PERIOD 2020 - 2021 - 2022



12,956

Employees
11,039 – 12,225



282¹⁴
€ million

Net investments
150 – 210



3,629
€ million

Turnover
2,209 – 2,778



625
€ million

Ebitda
389 – 503



502
€ million

Net financial debt
385 – 412



293
€ million

Net profit
137 – 216

¹³ In 2022, the technical and research and development centre "Inspiration Lab", in California (USA), was added.

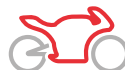
¹⁴ Cash flows generated by net investments in property, plant and equipment and intangible assets, calculated as the sum of increases (net of decreases) in property, plant and equipment and intangible assets. The figure does not include Increase in leased assets.

MAIN APPLICATIONS
**72.70%**

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.

**13.10%**

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.

**9.70%**

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.

**4.50%**

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 THE 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 new path 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 and with the collaboration of the ICT GCF, Brembo has thus defined its Digital Transformation Programme 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 we use 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 structured, consisting of more than 18 projects running in 2022 and executed every day by over 250 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 a mindset increasingly 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 maximize 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	Develop a data-driven, paperless Sourcing & Procurement process, aiming at streamlining it while ensuring security and visibility of supply
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 business 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 (AFTERMARKET)	Grow Aftermarket channel (B2B2C & B2C) performance enabled by deep data-driven customer knowledge and selling proposition
10	PEOPLE & CHANGE MANAGEMENT	Simplify and digitize HR processes and orchestrate the adoption of new Brembo mindset: open, data driven, digital ready and solution oriented
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.

The programme is divided into three phases: 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 process 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 ICT 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 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 varied and move along three drivers — making Brembo more sustainable, more interconnected and more secure.

MORE SUSTAINABLE

The challenge we have decided to take up is to contribute to making Brembo a company that is as sustainable as possible, recognising sustainability as a value that we want to make our own, and at the same time guaranteeing quality services to our business. As the impact of a high-performance IT infrastructure on energy consumption can be obviously significant, we have focused our attention precisely on this aspect. By adopting the Cloud-first principle — a pillar of our corporate digital transformation —, a state-of-the-art infrastructure will be ensured and, 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.

MORE INTERCONNECTED

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. Over the course of 2022, all collaboration tools were gradually integrated securely with those of the key partners, reducing their need to travel and rationalising physical meetings. 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.

MORE SECURE

The commitment to adhering to industry standards on information security continues to grow. As a proof of this, in 2022 100% of our sites subject to audits aimed at obtaining the ISO 27001¹⁵ certification achieved this important result. In 2023, the Group will extend its commitment so that the Chinese sites as well obtain the ISO 27001 certification since they are an increasingly important part of the Company’s activity.

In addition to this certification, Brembo began the activities necessary to obtain in 2023 the TISAX AL2 label for 12 out of the 25 current sites. This is just one of the steps of an ambitious programme of ongoing improvement in the area of cybersecurity. In 2022, the collaboration suite also moved to the Microsoft Cloud and was connected to a 24/7 Security Operation Center (SOC). This operation allowed to significantly increase the infrastructure’s ability to prevent and detect cyber threats, enabling and further facilitating remote working in a secure manner.

15 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.

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 with conviction, 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 a global economic scenario strongly impacted by the pandemic that hit the whole world, significantly slowing down the automotive industry's growth, Brembo continues its path of innovative development. It is precisely in 2020 that the Group introduces a new vision and a new mission with the aim of becoming a Solution Provider so as to support its partners in the new challenges posed by the new mobility paradigms.

In 2021, Brembo presents to the press the futuristic SENSIFY™, the first intelligent braking system that integrates the most advanced software with the Company's braking components — the tangible proof of the new mission. Just as ABS and airbags were breakthrough innovations in the history of the car, SENSIFY™, available from 2024, takes Brembo's braking technology to another level.

The presentation to the press of SENSIFY™ continues also in 2022 with on-track press events in China and the U.S.

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 year, Brembo unveils Greenance, a new range of products dedicated to the car and motorbike spare parts market that anticipates the low environmental impact needs without compromising maximum braking performance.

In China, the joint venture with Gold Phoenix establishes a strategic partnership for the production of innovative brake pads for the Aftermarket, with the aim of anticipating the challenges of electrification and autonomous driving.

2022 A NEW LOOK

Brembo is changing its essence and this transformation is also evidenced by its new Visual Identity and the new aesthetic of its logo, which, while maintaining its own style, has softer and more linear graphics, more easily adaptable to the different sizes required by digital formats.

The iconic red colour continues to incorporate the Group's founding passion with contemporary shapes that speak to generations of digital natives to make the Brembo logo and style timeless.





1.4 BREMBO'S GLOBAL FOOTPRINT

- ● ○ AP Racing Ltd.
- ● ○ Brembo Deutschland GmbH
- ● ○ Brembo SGL Carbon Ceramic Brakes GmbH*
- ● ○ SBS Friction A/S
- ● ○ Brembo S.p.A.
- ● ○ La.Cam S.r.l.
- ● ○ Brembo SGL Carbon Ceramic Brakes S.p.A.**
- ● ○ Petroceramics S.p.A.**
- ● ○ Infibra Technologies S.r.l.**
- ● ○ Brembo North America Inc.***
- ● ○ AP Racing North America Corp.
- ● ○ Brembo Inspiration Lab Corp.
- ● ○ Corporación Upwards '98 S.A.
- ● ○ J.Juan S.A.U.***
- ● ○ Brembo México S.A. de C.V.
- ● ○ Brembo do Brasil Ltda
- ● ○ Brembo Russia Llc.
- ● ○ Brembo Scandinavia A.B.
- ● ○ Brembo Poland Spolka Zo.o.
- ● ○ Brembo Czech S.r.o.
- ● ○ Brembo Brake India Pvt. Ltd.
- ● ○ Brembo Japan Co. Ltd.
- ● ○ Brembo Nanjing Brake System Co. Ltd.
- ● ○ Brembo Huilian (Langfang) Brake Systems Co. Ltd.
- ● ○ Brembo Nanjing Automotive Components Co. Ltd.
- ● ○ Qingdao Brembo Trading Co. Ltd.
- ● ○ Shandong BRGP Friction Technology Co. Ltd.**
- ● ○ Jiaxing Ciju Control Systems Co. Ltd.

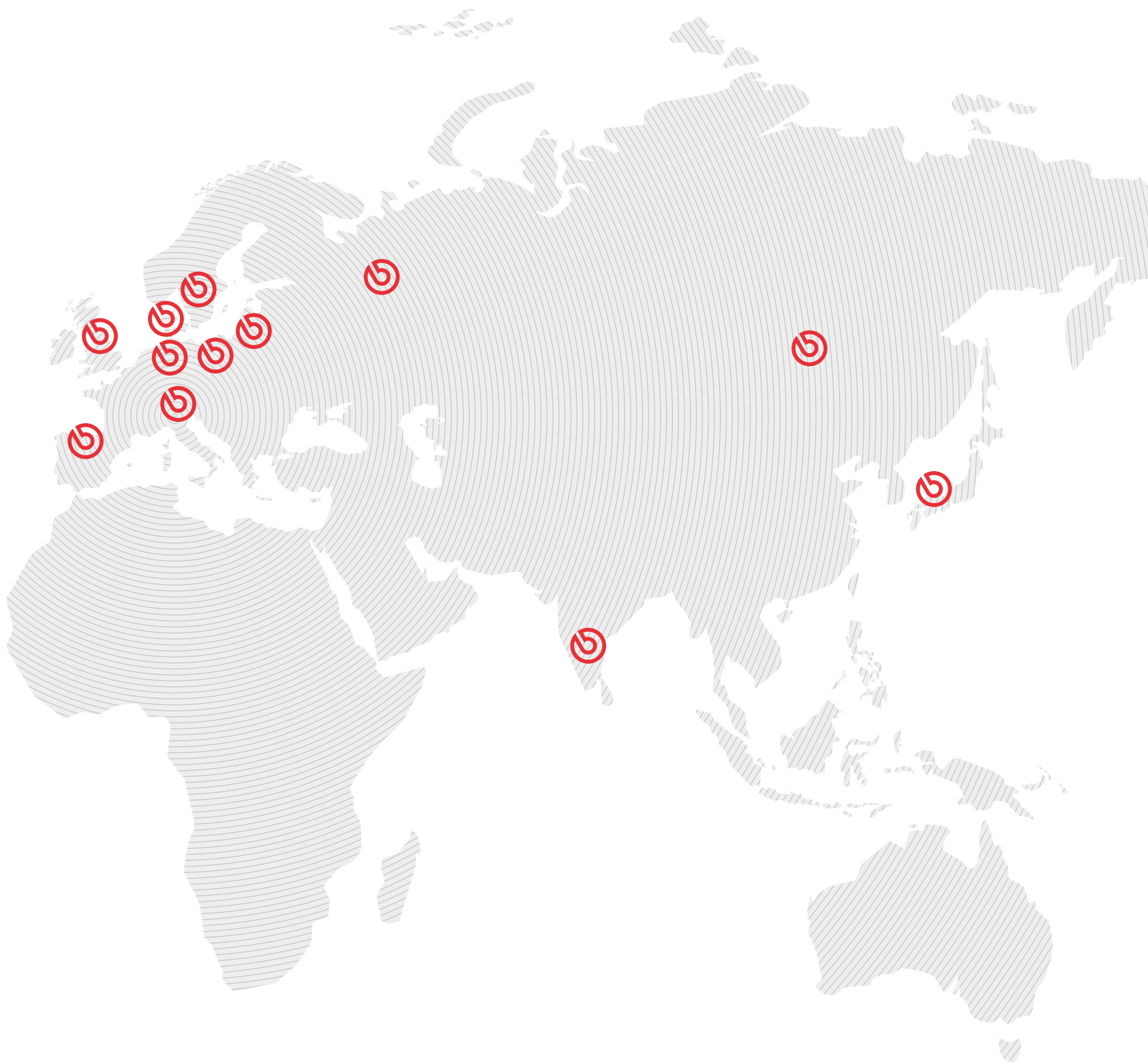
* This NFI does not include the figures regarding this production plant, as it has not been fully consolidated.

** Not included in the reporting scope of the present document.

*** This Research and Development centre is not considered in the reporting perimeter of this document.

Manufacturing plants
 Distribution and sales plants
 Research and Development
 Brembo Inspiration Lab

GRI: 2-1



15
Countries
in the world



23
Manufacturing
sites



8
Research and
Development Centres

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 2022, Brembo’s consolidated net sales amounted to €3,629 million, with a 30.7% increase compared to €2,778 million in 2021.

Cars

The global light vehicle market closed 2022 with an overall sales decrease of 0.6% compared to 2021. The Western European market (EU14, EFTA and United Kingdom) closed the reporting year with vehicle registrations down by 4.1% compared to 2021. All the main markets closed the year on a negative note, with the exception of Germany (+1.1%): -9.7% in Italy, -7.8% in France, -5.4% in Spain, and -2.0% in the UK.

The trend was also negative in Eastern Europe (EU12), with car registrations down by 4.2% compared to 2021. In Russia, light vehicle registrations closed 2022 declining by 58.8% compared to the previous year. In 2022, light vehicles sales in the United States dropped by 7.8% compared to 2021. By contrast, Brazil and Argentina recorded a 0.2% overall growth in sales of light vehicles. With reference to Asian markets, China closed 2022 on a positive note, with sales of light vehicles at +4.4% compared to 2021, thus remaining the number-one market in the world. Japan recorded a negative trend, ending 2022 with a 5.2% decrease in sales.

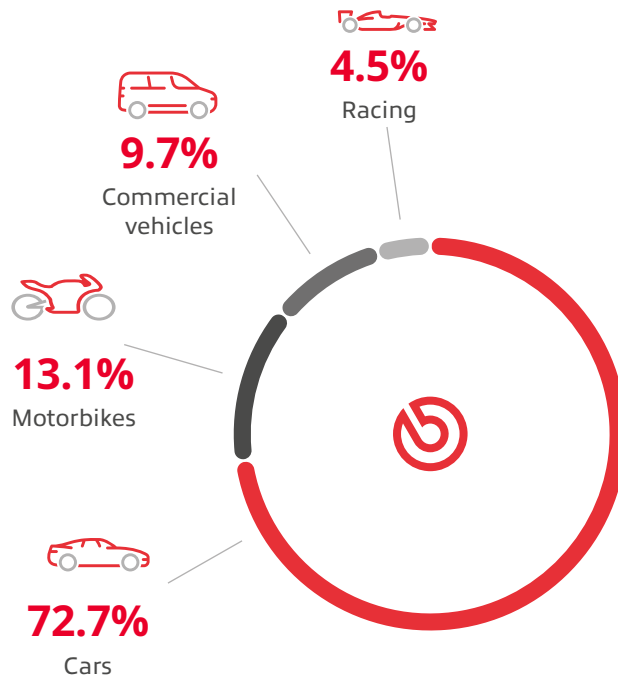
Within this scenario, Brembo’s net sales of car applications in 2022 amounted to €2,640 million, accounting for 72.7% of the Group’s turnover, up by 30.5% compared to 2021.

Motorbikes

Europe, the United States and Japan are Brembo’s most important markets in the motorbike sector. In 2022, registrations of two-wheel and three-wheel vehicles with displacements over 50cc in Europe grew by 2.0% compared to 2021 (of which, +0.1% in Italy). Considering the registrations of two-wheel and three-wheel vehicles with displacements over 500cc alone, 2022 closed with a decline of 3.6% (by contrast, Italy recorded a +7% increase).

In 2022, in the United States registrations of motorbikes, scooters and ATVs (All Terrain Vehicles, quadricycles for recreation and work) declined by 6.2% overall compared to 2021. Registrations of ATVs alone decreased by 12.7% compared to 2021, whereas motorbikes and scooters together declined by -3.5% overall.

BREAKDOWN OF NET SALES BY APPLICATION (% OF TOTAL)



In 2022, the Japanese market, considering displacements over 50cc overall, reported an 8.0% decrease compared to the previous year, whilst the Indian market (motorbikes and scooters together) rose by 7.0%. In Brazil, registrations grew by 17.7% overall compared to 2021.

In this context, Brembo’s net sales of motorbike applications amounted to €477 million in 2022, up 44.3% (18.2% on a like-for-like consolidation basis) compared to €331 million for 2021.

Commercial and Industrial Vehicles

In 2022, the European commercial vehicles market (EU, EFTA and the UK) — Brembo’s reference market — showed a 15.1% decline in registrations. In the reporting period, sales of light commercial vehicles (up to 3.5 tonnes) in Europe decreased by 18.4% compared to 2021, with a decline on the previous year in all the main markets by sales volume: -13.0% in Germany, -19.5% in France, -21.3% in Spain, -12.3% in Italy and -20.6% in the UK. In Europe, the segment of medium and heavy commercial vehicles (over 3.5 tonnes) increased by 3.5% in 2022 compared to

GRI: 2-6

the previous year. Among the first five European markets by sales volume, a positive result was reported by the United Kingdom (+5.9%), Italy (+2.3%) and Spain (+12.7%), whereas Germany and France declined (-3.5% and -1.0%, respectively). In Eastern European countries (EU12), sales of commercial vehicles over 3.5 tonnes rose by 11.5% in 2022 compared to the previous year.

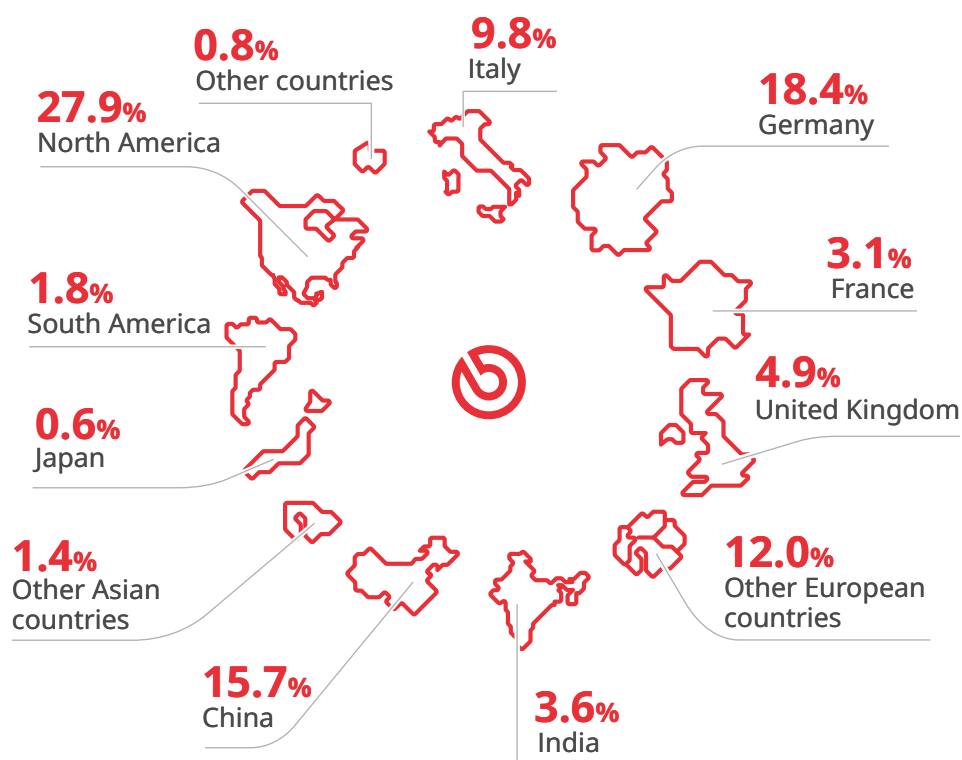
In 2022, Brembo's net sales of applications in this segment amounted to €350 million, up 19.2% compared to €294 million for 2021.

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 2022, Brembo's net sales of applications in this segment amounted to €162 million, up by 23.7% compared to €131 million for 2021.

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 2022 AWARDS

BORSA ITALIANA – LISTED FAMILY COMPANY	At the 2022 National Convention of Family Businesses, on the occasion of the 25 th Anniversary of the foundation of AIDAF, Borsa Italiana awarded Brembo special recognition for being a Listed Family Company acting as an ambassador for Italian entrepreneurial excellence on global financial markets for over 25 years.
MOTORTEC “INNOVATION GALLERY”	On the occasion of the Motortec trade fair in Madrid, a European event dedicated to the spare parts market, Brembo previewed the new range for electric vehicles, “Brembo Beyond EV Kit”: discs and pads with cutting-edge materials and treatments, extremely quiet and resistant to oxidation and corrosion. At the “Innovation Gallery” ceremony, this Kit was awarded as one of the most innovative products on display in the “mechanical components” category.
GOLD AWARD	On the occasion of the seventh edition of the Lingxuan Awards in China, Brembo won the Gold Award in the “forward-looking chassis” category for the pioneering SENSIFY™ intelligent braking system, which stood out among the 161 applications submitted by 129 companies. The Lingxuan Awards (China Automotive Parts Industry Award) aim to encourage emerging players in the automotive parts industry, as well as the most important companies, to offer car manufacturers a technology-focused panorama of the supply chain.
AUTOMOTIVE INNOVATION TECHNOLOGY AWARD 2022	Brembo was presented with the Automotive Innovation Technology Award 2022 for SENSIFY™ in Shanghai. This award intends to promote the technological development of the sector along the coordinates of innovative smart mobility: from new propulsion technologies to network connections, autonomous driving and sustainable mobility.
BEST BRAND 2022	Brembo confirmed as “Best Brand”. In 2022 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 <i>Motorsport Aktuell</i> , <i>Motorrad</i> , <i>Sport Auto</i> and <i>PS Sport Motorrad Magazin</i> readers.
GENERAL MOTORS SUPPLIER OF THE YEAR	Brembo’s disc processing plant in Homer has been recognized with the award General Motors Supplier of the Year. GM recognised suppliers who have excelled for high standards, including 100% punctuality, zero delivery errors and maintaining quality in customer portal management.
GENERAL MOTORS SUPPLIER QUALITY EXCELLENCE AWARD	In 2022 as well, General Motors bestowed the “Supplier Quality Excellence Award” on the Apodaca plant, in Mexico. The award recognises suppliers who demonstrate their commitment to quality excellence and is awarded only to those who can ensure maximum performance in terms of technical requirements related to quality, production and delivery of products. General Motors uses thousands of suppliers throughout the world, but only a fraction of these are given the “Supplier Quality Excellence Award”. The huge commitment to customer satisfaction, elimination of waste and pursuit of sustainable development along the entire supply chain, has enabled the Group’s plants to stand out among their suppliers and to live up to this important award.
2022 IVECO SUSTAINABILITY TOGETHER AWARD	ENESYS, Energy Saving System® is the Brembo solution capable of reducing brake residual torque and therefore also fuel consumption and CO ₂ emissions. It was recognized by Iveco as the optimal solution for improving the sustainability performance of a product, receiving the 2022 Iveco Sustainability Together Award during the BEYOND - Iveco Group Days event.



**INTEGRATED
GOVERNANCE
INDEX 2022 - TOP
PERFORMER ESG
IDENTITY**

Brembo was among the Top Performer ESG Identity in the Integrated Governance Index 2022 project, released by ETicaNews, the index that measures the integration of Environmental, Social and Governance issues into corporate strategies. This level includes companies that have obtained a score within the upper range of the IGI, in addition to the top companies in the dimensional and sectoral rankings. Brembo, in addition to being ranked among the 19 Italian Top Performers (22% of the sample analysed), also came first in the ranking for the “Consumer goods and services” sector.

**WORKPLACE
HEALTH
PROMOTION 2022**

For the eleventh 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. WHP is a process in which a company becomes a workplace that promotes health choices through the gradual implementation of “Good Practices”, activities aimed at improving workers’ health.

CDP - A LIST 2022

To recognise Brembo’s commitment to responsible management of water resources and reducing CO₂ emissions, the non-profit organisation CDP (formerly “Carbon Disclosure Project”) confirmed the Group among global A-List companies both for the ‘Water Security’ and ‘Climate Change’ categories for the fifth consecutive year.

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



Brembo, world leader in braking systems, crossed the milestone of more than 600 world titles won since 1975. Thanks to 62 world titles achieved in the main Racing competitions of 2022 — two and four wheels — Brembo confirms its technological supremacy in Motorsport and continues to collect record numbers on every circuit in the world.

The year 2022 was full of successful results, which include, just to mention the most important ones: from the second consecutive Formula 1 world championship won by Max Verstappen-Oracle Red Bull Racing with Brembo calipers to the success of Pecco Bagnaia-Ducati Lenovo Team in MotoGP with the entire Brembo braking system and Marchesini wheels, from the WorldSBK World Championship in which Alvaro Bautista-Aruba.it Racing-Ducati triumphed with the Brembo braking system and Marchesini wheels to the Formula E Championship in which Brembo supplied its braking systems to all the riders, up to the victory of Augusto Fernandez-KTM in Moto2, Izan Guevara-GASGAS Aspar in Moto3 and many other world champions on the Motorsport competition stage. Confirming the performance guaranteed by the braking systems, all these riders relied on the historical excellence of the Brembo Group.

It is a long experience in the world of racing that proves to be a formidable laboratory, where the most innovative technological solutions are tested, and then transferred onto road vehicles. This approach is in line with Brembo’s mission to become an authoritative Solution Provider alongside large car and motorbike manufacturers, providing cutting-edge and sustainable solutions that guarantee the best driving and riding experience.

In Formula 1, all 22 GPs held in the 2022 season were won by cars fitted with Brembo components. This absolute domination also continues in MotoGP, in addition to new successes in Moto2, Moto3 and World Superbike (also with Marchesini). Moreover, 2022 also proved to be a winning year in electric Motorsport. The fourth consecutive season for Brembo as exclusive supplier of all 24 full electric Gen2 single-seaters of the FIA Formula E championship and fourth consecutive championship raced by Brembo in the FIM MotoE World Cup championship alongside the Energica Motor Company 18 Ego Corsa. Other championships include WEC, GT, IMSA, IndyCar, MX2, Enduro, Trial, Formula 2, Formula 3, WRC, Super Formula, Dakar Rally and many others, for **a total of over 600 world titles won since 1975 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 2022 at €10.45, a 16.6% decrease compared to year-start, reaching the low for the period on 29 September (€8.14) and its high on 6 January (€13.38).

During the same period, the FTSE MIB index closed downward 13.3%, whereas the BBG EMEA Automobiles Parts index declined by 31.6%.

In 2022, financial markets were influenced by several macroeconomic issues, including inflation, in particular the increase in raw materials prices and energy costs, worsened following the outbreak of the Russia-Ukraine conflict, and the ensuing trend of rising interest rates by the Central Banks.

BREMBO'S STOCK PERFORMANCE IN 2022



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. While in 2022 the number of investors subscribing to an ESG product increased compared to 2021, from 18% to 22%, the events of the past year — including the rising energy prices and the outbreak of war in Ukraine — have opened a new phase of uncertainty.

As investment flows into sustainable funds declined, sustainable products performed more positively than their conventional counterparts.

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 oppor-

tunities 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 year-end 2022 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)

Over the past few years, the European Union, in line with the goals of the UN 2030 Agenda and with the aim of achieving climate neutrality by 2050, has defined a series of strategies and initiatives aimed at directing capital flows towards more sustainable economic models and promoting investments in sustainable assets and activities through the use of public and private resources.

In this context, Regulation (EU) No. 2020/852, commonly referred to as “Taxonomy”, establishes a common language for criteria determining whether an economic activity can be considered environmentally sustainable, reducing the risk of greenwashing, and provides financial institutions and investors with greater comparability regarding the degree of eco-sustainability of an investment associated with that activity. In particular, the Taxonomy classifies economic activities that can be potentially brought into line with the six environmental objectives defined by the European

Union¹⁶, thus contributing to achieving them:

- **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

Article 8 of the Regulation (EU) No. 2020/852 sets forth the reporting obligations within the Taxonomy, which to date apply to non-financial undertakings subject to the Non-Financial Reporting Directive. Moreover, in July 2021 the Regulation (EU) No. 2021/2178 further integrated the Regulation’s content in order to clarify the calculation methodology and disclosure of the Taxonomy-related information.

¹⁶ It should be noted that the technical screening criteria have been established only with regard to the first two environmental objectives out of the total six: Climate Change Mitigation and Climate Change Adaptation.

As of 1 January 2022, with regard to 2021 data, undertakings reported in their disclosures of non-financial information the information necessary to meet the Regulation's requirements. In particular, information that the Taxonomy requires non-financial undertakings to disclose refers to the following indicators:

- a) the proportion of the turnover derived from products or services associated with economic activities that qualify as defined by the Taxonomy;
- b) the proportion of capital expenditure and the proportion of operating expenditure related to assets or processes associated with economic activities that qualify as defined by the Taxonomy.

Following the first application of the Regulation for the financial year 2021, for which non-financial undertakings were required to report the share of taxonomy-eligible economic activities, starting from 1 January 2023, with regard to the data for 2022, non-financial undertakings are required to report, in addition to the share of taxonomy-eligible economic activities, also the share of sustainable activities (so-called "taxonomy-aligned economic activities"). To understand if one's taxonomy-eligible activities can also be considered to be taxonomy-aligned, two types of criteria have to be verified:

- the technical screening criteria described in the Delegated Acts and assessing whether the activities concerned make a substantial contribution to climate change adaptation and mitigation;
- the DNSH – Do No Significant Harm criteria, which ascertains whether the activities considered do not cause significant harm to any of the other environmental objectives.

In addition to these specific technical requirements related to environmental objectives, the Regulation also re-

quires compliance with the "Social Minimum Safeguards". In this case, the organisation must demonstrate through the procedures implemented that it ensures adherence to the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight core conventions identified in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the International Charter of Human Rights.

In order to meet the requirements of the legislation and make reporting increasingly transparent, the Brembo Group continued the analysis of its taxonomy-eligible economic activities in 2022 in order to assess their effective contribution to the aforementioned objectives and understand if and which of these can also be considered to be aligned. To do this, it proceeded to ascertain the technical screening criteria, the DNSH criteria and the Social Minimum Safeguards.

At the end of these analyses, there is a high level of compliance with the technical screening criteria. In the evaluation of the DNSH criteria and the requirements relating to the Social Minimum Safeguards, it is reported that many safeguards have been formalised within policies and procedures and have been implemented through specific actions¹⁷. However, in order to guarantee the utmost observance of the Regulation (EU) No. 852/2020 on Taxonomy, the Group deemed it appropriate to perform further analyses on the assessment of its aligned activities.

The results of these assessments are illustrated in the table reported below and, more in detail in the tables included in the Annex which comply with the templates provided in Annex II of the Regulation (EU) No. 2021/2178.

KPIS	TOTAL (000/€)	TAXONOMY-ELIGIBLE ACTIVITIES*	ALIGNED ACTIVITIES*	NON-TAXONOMY-ELIGIBLE ACTIVITIES*
Turnover	3,629,011	0%	0%	100%
Capex	319,600	0.48%	0%	99.52%
OPEX	188,383	19.87%	0%	80.13%

*Percentages are calculated on the total

¹⁷ A description of these safeguards is available herein in paragraph 3.2 on the Company's responsible management system, paragraph 3.4 on the internal control and risk management system and paragraph 5.2 on responsible supply chain.

METHODOLOGY

Identification of taxonomy-eligible activities

The first phase of the process made it possible to identify the eligible activities carried out by Brembo. This step involved a series of interviews with the different points of contact of the individual areas with which an analysis was made of the activities included in the Taxonomy Regulation in order to identify those applicable to Brembo's business, taking into account the description provided and the potentially applicable NACE codes.

Subsequently, for each eligible activity identified the spe-

cific technical screening criteria, the DNSH requirements and the Social Minimum Safeguards were assessed in order to evaluate their alignment. An analysis was then performed of the financial statement items which may be associated with the activities identified so as to be able to link each activity with the related economic value generated in 2022 with regard to the CapEx and OpeEx.

On the basis of this analysis, 2022 activities which proved eligible are reported in the table below:

TABLE OF ELIGIBLE ACTIVITIES

CODE	ACTIVITY	CALCULATED KPI	FINANCIAL STATEMENT ITEM OF REFERENCE
3.8	Aluminium production	CapEx	Tangible assets - Property, plant, equipment and other equipment
		OpEx	Other operating costs
3.9	Iron and steel production	CapEx	Tangible assets - Property, plant, equipment and other equipment
		OpEx	Other operating costs
7.6	Installation, maintenance and repair of technologies for renewable energy sources	OpEx	Other operating costs
9.1	Research, development and innovation close to the market	CapEx	Tangible assets - development costs
			Other operating costs

Scope definition

Based on the Regulation's requirements, the calculation of the percentages of eligible activities was carried out for the current tax year and refers to the 2022 financial year and involves all the companies consolidated on a line-by-line basis.

KPI calculation

For each eligible activity identified, the percentage of capital expenditure and operating expenditure in relation to the total was calculated. The indicator relating to turnover, although equal to zero, was still reported in the Annex set out below.

Calculation of turnover proportion

According to the Regulation, the eligible proportion of turnover represents the portion of net revenues deriving from services or products, including intangible ones, that originate from economic activities aligned with the taxonomy divided by total net revenues. As of 2022, Brembo does not carry out any activity relating to the production of products or services deemed applicable to the Taxonomy.

Calculation of the capital expenditure proportion

The KPI relating to the CapEx refers to the percentage of investment aligned with the Taxonomy's requirements meeting the related technical screening criteria and DNSH requirements.

The proportion of capital expenditure represents the portion of expenditure shown in the assets of the balance sheet that relate to economic activities associated with sustainable assets and is calculated by dividing a value that includes taxonomy-aligned capital expenditure by the value of a denominator that constitutes total capital expenditure. In line with the Brembo Group's business model, for the purpose of this calculation the following capitalised costs have been used:

- activity 3.8 "Aluminium production" and 3.9 "Iron and steel production", specifically referred to melting furnaces for the production of cast iron and aluminium, at all Group's manufacturing sites (Italy, Czech Republic, Poland, USA, Mexico, and the three sites in China); It is appropriate to highlight that, with regard to the activity 3.8 "Aluminium production" and 3.9 "Iron and steel production", the activity carried out by Brembo attributable to them is the casting of aluminium, iron and steel identified with the NACE C24.5 code;
- activity 9.1 "Research, development and innovation close to the market" specifically referred to development costs linked to experimental development projects concerning solutions and technologies which contribute to the reduction of emissions in the atmosphere.

Calculation of operating expenditure proportion

The proportion of operating expenditure represents the portion of operating expenses related to sustainable economic activities and has to be calculated by dividing a numerator value, which includes the operating expenses aligned with the taxonomy by the denominator value, which represents total operating expenses.

In particular, the denominator includes the non-capitalised direct costs related to research and development, rental costs, as well as any other direct expenses related to the maintenance and day-to-day service of buildings, plant and machinery, while expenditure associated with energy and water consumption were excluded¹⁸.

The following operating costs were taken into account for the purposes of this calculation:

- activity 3.8 "Aluminium production" and 3.9 "Iron and steel production", specifically referred to melting furnaces for the production of cast iron and aluminium, at all Group's manufacturing sites (Italy, Czech Republic, Poland, USA, Mexico, China BNAC, China BNBS and China BHBS);
- activity 7.6 "Installation, maintenance and repair of technologies for renewable energy sources" specifically referred to photovoltaic plants of the Stezzano site (parking area, ecological area, testing/friction area, canteen's and auxiliary services' building);
- activity 9.1 "Research, development and innovation close to the market" specifically referred to operating research and development costs linked to experimental development projects concerning solutions and technologies which contribute to the reduction of emissions in the atmosphere.

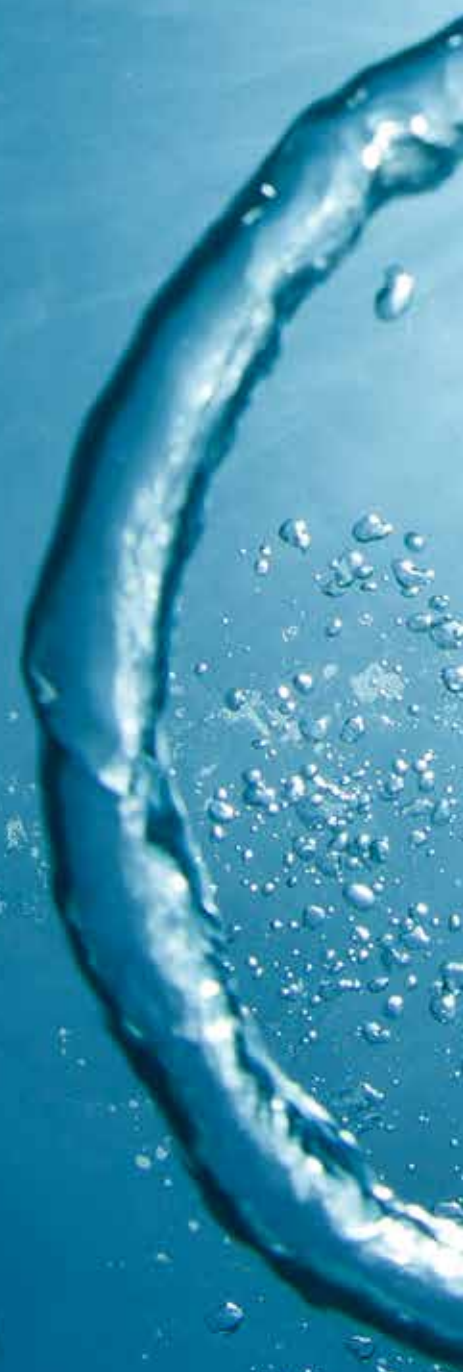
With reference to the information pursuant to Article 8, paragraphs 6 and 7 of the Commission Delegated Regulation (EU) No. 2021/2178 which provides for the use of the templates provided in Annex XII for communicating the activities related to nuclear energy and fossil fuels, it should be noted that all the templates have been omitted since they are not representative of the Group's activities.

¹⁸ As according to the "Draft Commission notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets" approved on 2 February 2022 by the European Commission.



SUSTAINABLE LIVING

The constant commitment to sustainability, in all its forms. Attention to resources, responsible choices and actions that cyclically return in every new idea, project, product. Like a light, electric and digital thought, imagining the mobility of the future.





2. SUSTAINABILITY



13

CSR Ambassadors



25

CSR Champions within the Group



171

Ideas competing for the Brembo Sustainability Awards



14,000

Trees monitored in the Brembo Forest



13

sustainability objectives published

2.1 SUSTAINABILITY FOR BREMBO

Over the years, Brembo has made sustainability its distinctive characteristic, increasingly integrating it into the Group, and making it indissolubly tied to its business development and size growth. Sustainability is part of Brembo's new strategic vision — "Turning Energy Into Inspiration" — within the framework of its "Cool Brand" pillar.

This approach — which has effectively become Brembo's *modus operandi* — is the culmination of a long process which saw the Group involved since the Nineties, when these issues were not yet paid much attention. At that time, Brembo carried out the analysis of the value of the intangibles, a tool aimed at measuring its ability to create value not only in economic terms, but also considering the social and environmental impacts, safeguards for employment, appreciation of human resources, promotion of employee safety and capacity for growth and innovation. In 1999, this process was formalised with the preparation of the first Intangible Capital Report and continued between 2004 and 2007 with the publication of the Value

Report, describing the inter-relationship between the Group's economic results and its environmental and social performance. The reporting process continued over the next years through the inclusion of the sustainability performance in the company's business model with in-depth analysis, included in the Report on Operations, of aspects regarding the global macro-economic scenario, safety and environmental risks, company organisation, research and human resources.

Today 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. Brembo considers these values 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.

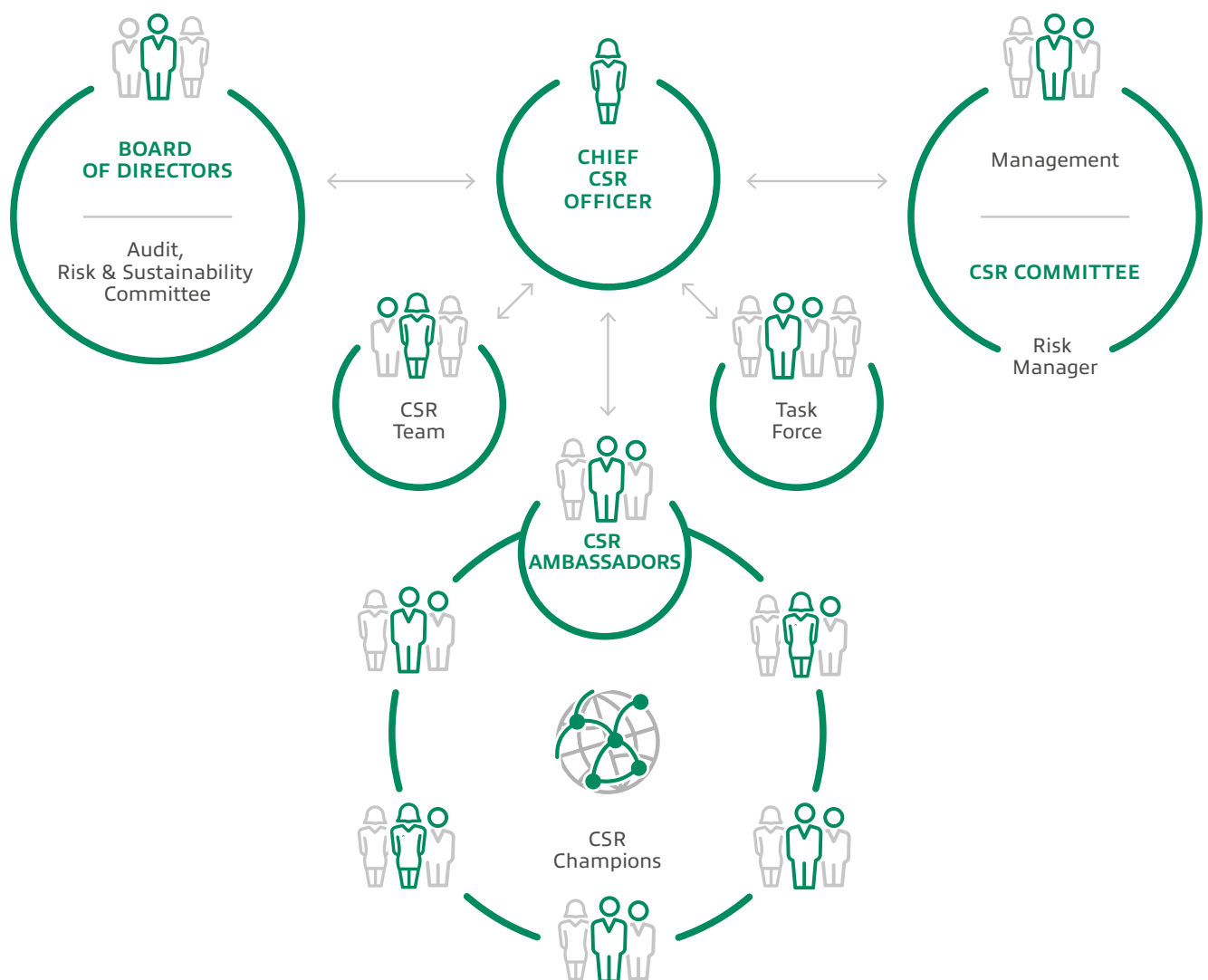
GRI: 2-14

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 which 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 appointed a dedicated **Task Force**, comprised of a group of experts belonging to the various Global Central Functions (GCF) involved in sustainability matters, with the task of thoroughly analysing — each within its remit — specific aspects in the field of corporate projects and data collection for the Disclosure of Non-Financial Information.



To learn more about
**“Thinking responsibly,
 acting concretely”.**
 Brembo CSR video

Two resources have been identified within the Communication GCF area who deal in particular with the promotion and communication of sustainability projects and collaborate 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 defining the Sustainability Guidelines, adopting the related policies, proposing a plan containing the environmental and social strategic objectives, approv-

ing 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.

In addition, 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 expiring upon the General Shareholders’ Meeting called to approve the Financial Statements at 31 December 2022.

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.



GRI: 2-14

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 financial report 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 2022 by the Audit, Risk & Sustainability Committee, please refer to the 2022 Brembo Corporate Governance & Ownership Structure (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 2022, the CSR Ambassadors and CSR Champions took part in dedicated sessions, both to train on environmental issues (such as environmental issues, the Brembo Sustainability Awards competition or with regard to stakeholders' sustainability-related requests) and share projects and initiatives. At the end of 2022, there were 13 CSR Ambassadors and 25 CSR Champions at work within the Group.



BREMBO'S SUSTAINABILITY MANAGEMENT PROCEDURES

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

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. It also contains details relating to the valida-

tion process of data and information of a non-financial nature, as well as the activities 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 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:
<https://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 it 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 environmental 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 **National 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

Brembo Kids in Italia: 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 a Chief CSR Officer and institution of the CSR Steering Committee¹⁹ and Task Force**

- **Brembo India, Water Saving Project**

- **Sustainability Supplier of the Year Award** from Fiat-Chrysler

- **Adoption of the Anti-bribery 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

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**

19 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.



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**

2018

- **House of Smile and I was a Sari** receive the **Impresa Awards** prize
- **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**



- Inclusion into the **Integrated Governance Index**
- The roles of **CSR Ambassador** and **CSR Champion** were created

2019

- Launch of the **Sustainability Awards**
- Project **"We support SDGs"**
- **Cluster de Automoción de Aragón** – assignment of the **Social Responsibility Prize** to Brembo Corporation
- **FCA Green Status** award
- **"Welcome - Working for refugee integration"** recognition from the **UNHCR** for the **"SOSteniamoci"** 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 double **"A"** 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
with its project "We support SDGs"

Brembo SpA and Brembo Poland awarded with
Silver status by the Achilles platform

EcoVadis' Gold CSR rating

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

The **Brembo Forest** is created in Kenya
in partnership with **Treedom**

**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

CDP

Brembo received an award for the fifth year running for its leadership in corporate sustainability from CDP, securing a place on the prestigious 'A List', for both its commitment in the battle against climate change and its virtuous management of water resources.

MUDEC

In the exhibition "The Art of Braking – an engaging exhibition about brakes" at the Milan Museum of Cultures, Brembo demonstrates how a vehicle safety system can also become an art.

Sustainable Procurement Policy

The first edition of the policy that sets out Brembo's sustainability policies, with which all Group suppliers are required to comply.

Put Your Face on it

Through amateur videos published on company communications channels, employees shared their virtuous behaviours, daily actions in their private or working lives or sustainability initiatives that may be a source of inspiration for everyone.

2022 Iveco Sustainability Together Award

Award won during the event BEYOND - Iveco Group Days with the innovative spring Enesys - Energy Saving System®, as an optimal solution for improving a product's sustainability performance.

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

As part of the process launched in the Global Pillar on Diversity, Equity and Inclusion ("DEI") matters, the Policy on Non Discrimination and Diversity was updated. Moreover, as an adjunct to the Policy, the first Brembo Diversity, Equity and Inclusion Charter (Brembo DEI Charter) was created; in addition to illustrating principles and the significance of inclusiveness at Brembo, it suggests some virtuous behaviours to be engaged in each day.

Safe Haven

Brembo and the non-profit CESVI are providing a hotel in Poland to host the most fragile individuals fleeing the Russia-Ukraine conflict.



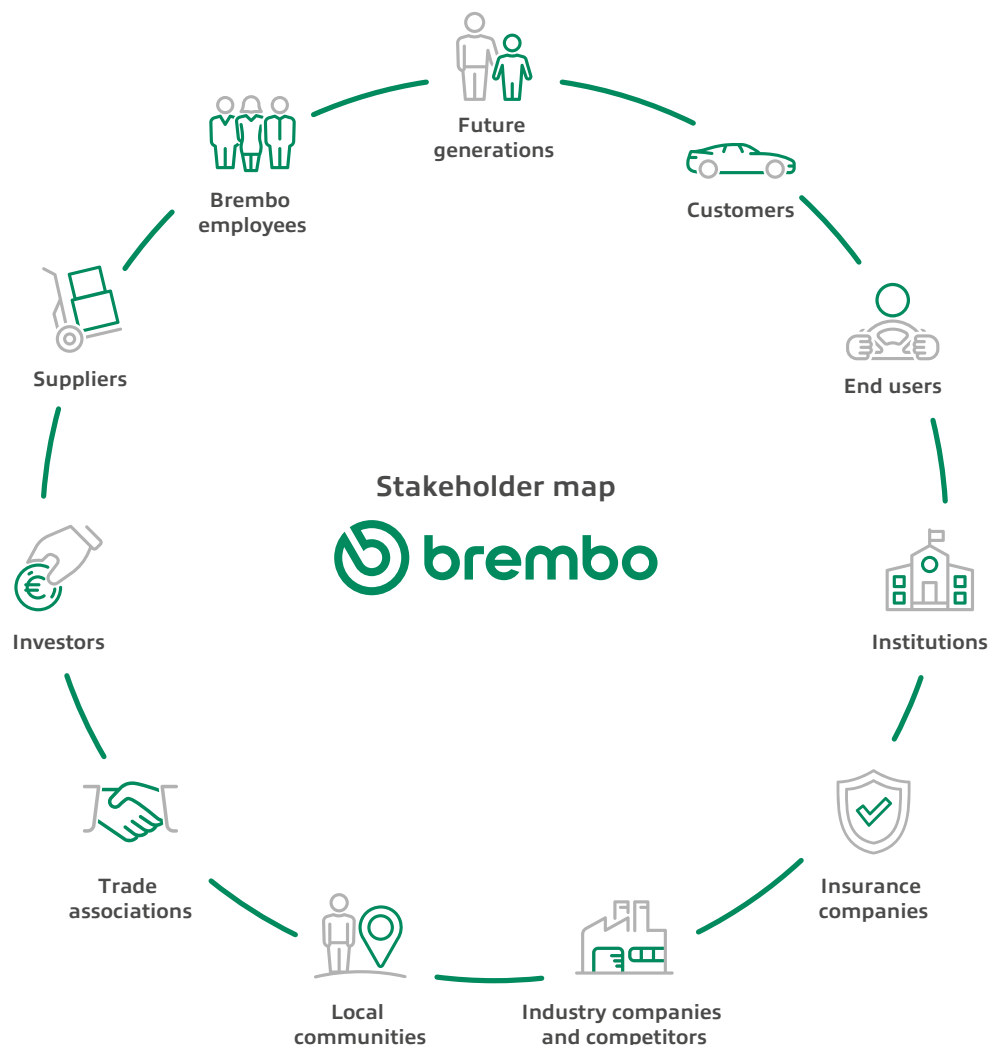
2.4 DIALOGUE WITH STAKEHOLDERS

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 and identify the areas in which to increase its commitment

and those in which to confirm the approach adopted. 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.

GROUP STAKEHOLDERS	FEEDBACK AND ENGAGEMENT TOOLS	STAKEHOLDERS' EXPECTATIONS AND INTERESTS WITH REGARD TO BREMBO
Investors 	<p>General Shareholders’ Meeting</p> <p>Feedback and support channels offered by the Investor Relations area</p> <p>Brembo Shareholder Engagement Policy that defines the themes and methods of implementation of the dialogue between the Group and the shareholders, inspired by the principles of propriety, transparency and symmetry of information, in compliance with European and Italian regulations on market abuse. Dialogue may also focus on non-financial aspects, including corporate governance and risk management.</p> <p>Meetings, roadshows and quarterly conference calls with analysts</p> <p>Corporate website and dedicated e-mail accounts</p> <p>Events for financial analysts</p> <p>Engagement Survey on the relevance of material topics for Brembo</p>	<p>Increase in the value of the Brembo Group’s shares</p> <p>Reduction of the risks associated with the investment</p> <p>Transparency of Corporate Governance structures, long-term strategy and objectives, management actions and company performance, as also extended to the environmental and social arena</p>
Customers 	<p>Daily activities and reports of the Global Business Units: Car and Commercial Vehicle Systems Division, Brake Discs Division, Motorbikes, Aftermarket and Performance Group</p> <p>Joint development programmes</p> <p>Supplier assessment questionnaires and qualification processes</p> <p>Customer support channels</p> <p>Support and training network for Brembo Expert repair professionals</p> <p>Surveys to identify customers’ needs and expectations for the development of new products</p> <p>Engagement Survey on the relevance of material topics for Brembo</p> <p>Live events with customers and through the Brembo Next platform, the new virtual space created for all Group’s events</p>	<p>Product reliability and safety</p> <p>Reliability and flexibility of production processes to ensure business continuity and delivery times</p> <p>Constant product innovation, including the improvement of environmental performance and attention to product design</p> <p>Support for joint development of custom solutions</p> <p>Technical support for the network of repair and maintenance service professionals in the transfer of know-how</p> <p>Protection of the value of the Brembo brand as a distinctive element for vehicles and motorbikes</p>
End User 	<p>Customer support channels</p> <p>Monitoring and interaction on social networks</p> <p>Feedback from vehicle and motorbike manufacturers</p> <p>Participations in trade fairs and events with engagement activities for new users and new generations</p>	<p>Reliability and safety of Brembo products</p> <p>Information about proper brake system maintenance</p> <p>Protection of the value of the Brembo brand as a distinctive element for vehicles and motorbikes</p> <p>Interaction with, and reaction to, the new digital activities in new engagement areas and areas relating to new generations</p>

GRI: 2-29

GROUP STAKEHOLDERS	FEEDBACK AND ENGAGEMENT TOOLS	STAKEHOLDERS' EXPECTATIONS AND INTERESTS WITH REGARD TO BREMBO
Employees 	<p>Global engagement surveys to measure the Group's internal climate (every three years)</p> <p>Trade union roundtables</p> <p>Daily activities and reports of the Human Resources and Organisation GCF</p> <p>Channels for receiving reports of violations of the Code of Ethics, Code of Basic Working Conditions and Policy on Non Discrimination and Diversity.</p> <p>Internal communication activity (Intranet portal, house organ and notice boards)</p> <p>Communication and engagement with regard to Company objectives and performance</p>	<p>Safe work environment, where the safety and health and the mental and physical wellbeing of individuals are protected</p> <p>Job stability</p> <p>Opportunities for personal and professional growth</p> <p>Training and expertise and technical skill development processes</p> <p>Training activities concerning organisational behaviour</p> <p>Remuneration policies and incentive systems</p> <p>Inclusion and appreciation of diversity</p> <p>Internal mobility, including international mobility</p> <p>Initiatives on human resources engagement</p>
Suppliers 	<p>Daily activities and reports of the Purchasing function</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>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>
Local Communities 	<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</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>Awareness raising with regard to sustainability-related matters</p> <p>Orientation and involvement of secondary school and university students and related recruiting programmes</p> <p>Launch of targeted engagement projects</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>Training for the preparation of the Consolidated Disclosure of Non-Financial Information</p>
<p>Industry Companies and Competitors</p> 	<p>Participation in the proceedings and themed committees of trade associations</p> <p>Participation in events and special roundtables on the reference market</p> <p>Participation in advanced research projects (e.g. The LIFE Programme: the EU's funding instrument for the environment and climate action)</p> <p>Benchmark analysis of the main players (primary and secondary players operating in the automotive component supply industry) by market, product, target customer</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>Strengthening industrial relations, including in view of pre-competitive collaboration on certain key aspects, such as improving sector sustainability</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>

DIALOGUE 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.

ITALY



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

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.

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.

INDICAM: Italian association for the protection of intellectual property that seeks to promote and organise initiatives to prevent the infringement of industrial property and product rights, including the development and spread of technologies to combat all forms of counterfeiting. Brembo is a member of the Board of Directors.

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 district in Europe which combines the worlds of research and business.

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; **DSA** – Driving Simulation Association; **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).

SPAIN



ANCERA: brings together independent equipment retailers for vehicles, spares, tyres and accessories operating in Spain with the aim of encouraging collaboration and innovation in the automotive sector in order to reinforce safety and improve productivity.

ANESDOR: Asociación Nacional de 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 Aragon 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; **Círculo Empresarial Japon-España; Cluster de Automoción de Aragón; Clustermoto; FEMZ:** Federación de Empresarios del Metal de Zaragoza; **Pimec-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.

In Poland Brembo is also a member of the **Foundry Foundation of Krakow University of Science and Technology**.

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

Italy-China Foundation: brings together the Italian business world operating in China and Chinese companies operating in Italy with the aim of facilitating flows of people, ideas, capital, goods and services between Italy and China, improving Italy's presence in China and in Chinese institutions so as to foster commercial trade and strengthen cultural and business relations between the two countries.

Italian Chamber of Commerce Shanghai Office

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

In addition, Brembo is a member of various industry associations including the **Hebei Machinery Industry Association** e la **Langfang Equipment Industry Association**.

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.

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.

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

MESSICO



AEMI: the Economic Association of Mexico in Italy pursues the mission of consolidating industrial, commercial, cultural, tourism, scientific and academic ties. 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.

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

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.

BRASIL



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

Brembo is aware of how important it is to identify the topics that are material to its stakeholders and to properly choose the contents of this Disclosure of Non-Financial Information to provide an understanding of the activities carried out by the Group, its performance, its results and the impact produced by them, also considering the principles of accuracy, balance, clarity, comparability, completeness, timeliness, verifiability and sustainability context, promoted by the GRI Standards. For this reason, the Group carries out an annual materiality analysis process in order to identify the areas in which its activities may have the greatest impact on natural ecosystems, as well as on the wellbeing of the community, employees and all of its stakeholders.

Driven by a desire to act as a catalyst of change, the Group has always striven for sustainability, showing con-

stant interest in and commitment to carrying out initiatives and activities relating to these themes, including in the area of reporting. This is why in 2022 the materiality analysis was conducted in accordance with the new GRI Universal Standard 2021, introducing the concept of “impact materiality”.

The analysis process was conducted by the Chief CSR Officer, with the involvement of top management and external stakeholders — including customers, suppliers, investors, insurance companies, trade associations — and supported by an external consultancy firm specialised in the analysis, monitoring and reporting of the business activity’s social, environmental and economic impact. This process was organised into the following four main phases.



As in past years, the phase of identification of the impacts generated on the economy, environment and people in light of their materiality for the Group’s industry and situation took into account, the following different information sources:

- corporate documents, including, among others, the Group’s Annual Report, the Organisational, Management and Control Model pursuant to Legislative Decree No. 231/2001, presentations, press releases and requests from financial analysts, as well as the “My Brembo” house organ;
- external documents such as reports analysing scenario changes, prepared by the World Economic Forum and industry-related magazines, questionnaires evaluating Brembo’s sustainability performance sent by the main customers, benchmarking analysis carried out on the main competitors and peers, internet searches, Brembo’s press clippings;
- international standards and multi-stakeholder initiatives, including the Sustainable Development Objec-

tives, the UN Global Compact, GRI standards 1, 2, 3, 200, 300 and 400, the SASB standard, and the CDP (former “Carbon Disclosure Project”) Climate Change and Water questionnaires.

On the basis of an analysis of the understanding of the context in which Brembo operates, it was first sought to associate the impacts in various areas, so as to facilitate subsequent assessment and grouping into material topics.

Brembo involved its Board of Directors, Board of Statutory Auditors, CSR Committee and external stakeholders in the process of assessing the matters representing positive and negative current and potential impacts that may be generated both in the context of its activities and as a consequence of its relationships along the value chain for people, the environment and economy, including human rights.

The scale of assessment thus took account of two criteria: the severity of the impact generated and the probability

of occurrence. The model was constructed in accordance with the guidelines of the GRI Universal Standards 2021 and took account of Brembo's Risk Management method, in order to ensure that the two processes – those of the Risk Assessment and the Materiality Assessment – were aligned.

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 by the organisation on the outside world, the "outside-in" perspective looks at the risks and opportunities that may influence the

Company's creation of value, strategy, performance and positioning in the short, medium or long term.

It bears clarifying that the assessment of the "outside-in" perspective (financial materiality) was conducted on the basis of the advance draft of the **European Sustainability Reporting Standards** (ESRSs) made available by the EFRAG on 15 November 2022, i.e. the reporting standard that is to be used by companies subject to the **Corporate Sustainability Reporting Directive**. Therefore, this activity is to be considered as on a totally voluntary basis and not subject to audit.

After obtaining the results, impact assessment was prioritised so as to identify the most significant impacts for the Group, and thus the most material impacts. In turn, the impacts were regrouped in the 15 topics previously identified.

STAKEHOLDER ENGAGEMENT'S RESULTS

In 2022, Brembo involved representatives of the company's CSR Committee in a process aimed at assessing and updating the materiality analysis. Impacts were broken down into the following categories: "Environment", "Society", "Governance" and "Product".

In order to define the 2022 material topics from an "Inside-Out" perspective, at an internal level the Group's Directors and Statutory Auditors assessed impacts on the external environment through the completion of a guided questionnaire based on one-to-one interviews, conducting the assessment according to their knowledge of the Company and the external stakeholders with which they interface daily. In addition, a workshop was organised for the CSR Committee with the dual objective of providing the CSR Committee with the main innovations in terms of sustainability drivers at the regulatory level, the evolution of the sustainability reporting model and the materiality analysis, and, lastly, collecting the participants' assessments on the relevance of the impacts, through an online questionnaire.

Stakeholder categories were considered as in the previous year, but the number of parties involved was reduced (40 compared to over 200 in 2021) with the specific aim of ensuring direct support during the assessment process, as required by the new methodology adopted by Brembo, in implementation of the updates to the reference standards (GRI Standards 2021).

In 2022, a stakeholder engagement process was conducted that saw suppliers, customers together with trade associations, insurance companies and investors as the main subjects involved. A particularly high response rate was reported for insurance companies and suppliers, with 100% and 92%, respectively. The external stakeholder engagement dedicated to customers, trade associations and investors saw an equally significant participation rate, i.e. 64% for customers, 80% for trade associations and 71% for investors.

MATERIAL TOPICS AND RELATED IMPACTS

1 ENVIRONMENTALLY SUSTAINABLE PRODUCT

- Adoption of a circularity-oriented business model



2 RESEARCH AND INNOVATION

- Development of innovative services
- New vehicle technologies



3 ENERGY AND WATER EFFICIENCY

- Use of energy from non-renewable sources
- Use and production of energy from renewable sources and energy efficiency initiatives
- Use of water for production
- Water discharge to the external environment and soil pollution



4 TRAINING AND DEVELOPMENT OF PERSONNEL

- Employees' engagement and retention
- Talent attraction



5 DIGITAL TRANSFORMATION ROADMAP

- Simplification of the internal and external processes
- Business vulnerability
- Improvement of customer experiences



6 PRODUCT SAFETY

- Product reliability and safety



7 HEALTH AND SAFETY

- Work accidents and illnesses
- Employees' wellbeing and company welfare



8 EMISSIONS

- Generation of GHG and non-GHG emissions in production
- Generation of GHG and non-GHG emissions throughout the supply chain
- Generation of GHG and non-GHG emissions from vehicles



9 SUPPORT TO LOCAL COMMUNITIES

- Direct, indirect and induced impacts on employment
- Impacts on the social growth of the local areas and local communities



10 RESPONSIBLE PURCHASES

- Supply chain transparency and traceability
- Environmental impacts throughout the supply chain
- Social impacts throughout the supply chain



11 HUMAN RIGHTS

- Human rights violations
- Fair and inclusive working environment



12 WASTE MANAGEMENT

- Production of hazardous and non-hazardous waste



13 DIVERSITY, EQUITY AND INCLUSION

- Episodes of discrimination



14 DATA PROTECTION AND IT SECURITY

- Loss of sensitive data



15 ETHICS AND INTEGRITY

- Episodes of corruption
- Tax transparency



The stakeholder engagement activity described above also referred to two other impacts beyond those indicated: "Use of land and natural resources" and "Loss of biodiversity" within the "biodiversity" area. Following the anal-

ysis of the results of stakeholder engagement conducted, they were not assessed as being above the materiality threshold, and they were therefore excluded from the reporting scope.

MATERIALITY MATRIX



- Environment
- Society
- Governance
- Product

The matrix includes the 15 most material topics, which are placed along two axes:

- the abscissa axis reflects the materiality of the topics for Brembo;
- the ordinate axis reflects the materiality of the topics for the Group's main stakeholders.

In 2022, the materiality matrix confirmed how the continual promotion of ethical behaviours within the Group is an essential prerequisite for carrying out the company's operations built on the production of a safe and quality product created from a process of continuous innovation, stemming from the enhancement and development of the people working for the Group. It should be noted that a materiality threshold was provided for which, on the basis of the assessment scale used, excludes from the materiality area topics with impacts deemed improbable or of limited significance. Following this analysis, the biodiversity topic was found not to be material, while underscoring the inclusion of two topics that had previously been included in broader scopes but this year were given their own dignity: environmentally sustainable product and the Digital Transformation Roadmap.

The **environmentally sustainable product** topic is the aspect most significant to both Brembo and its stakeholders. The research that has long been conducted to improve product quality now necessarily also includes environmental performance, which for Brembo consist of a braking device with reduced fine particle and CO₂ emissions and greater durability and recyclability of materials.

Similarly, the topic of **energy and water efficiency** has taken on particular importance to the extent that, in order to achieve the ambitious goals set in the 2030 Agenda and Brembo's Sustainability Plan with regard to the reduction of climate-altering gas emissions, it is essential to modify the company's production processes, as well as those within its value chain, to reduce waste in energy and water consumption and optimise operating systems.

In support of the development of what has been mentioned thus far, **research and innovation** play a fundamental role in proposing constantly innovative ideas, capable of meeting the market's needs in terms of qualitative performance, design and environmental impact.

The topic of digitalisation has also been added, in close connection with that of innovation. Harnessing the market's soundly established trend in this direction, Brembo turned it into a challenge, drawing up a **roadmap** for its **digital transformation** for digitalising and maximally optimising its processes.

Despite the constantly evolving economic and regulatory context in which Brembo operates, the priority remains always offering customers maximum **product quality and safety**. Both dimensions are a fundamental part of the Group's business and ensure its competitive advantage, allowing Brembo to adequately meet customer and end user demands.

Finally, both Brembo's stakeholders and top managers assessed the topic of the **training and development of personnel** as material, based on the assumption that people are the engine of the organisation's growth. The ongoing improvement and growth for which Brembo strives involves recognising and enhancing talent and developing skills functional to implementing the Group's strategy.

A description is provided below, so as to allow a better understanding of these topics:

ENVIRONMENTALLY SUSTAINABLE PRODUCT	Offering a product that, in addition to optimal braking performance, also provides reduced environmental impact, in view of the choice of recycled raw materials, with a design that extends its life and facilitates its disposal, while also reducing polluting and climate-altering emissions.
ENERGY AND WATER EFFICIENCY	Constantly seeking to reduce direct and indirect energy and water consumption, investing in the adoption of the best available technologies in terms of energy efficiency and promoting prompt monitoring of the amount of water drawn, used and recycled, while also developing solutions for reusing water in production cycles.
RESEARCH AND INNOVATION	Promoting constant process and product innovation to ensure improvements in product quality, also with a view to reducing environmental impact.
DIGITAL TRANSFORMATION ROADMAP	Transforming Brembo into a Solution Provider through the digitalisation of processes, which represent all areas of operation, from sales to production, purchasing and human resources.
PRODUCT SAFETY	Improving the safety of products, in all their components, each day to offer customers and end users a guarantee of the maximum safety of the brake systems marketed.
TRAINING AND DEVELOPMENT OF PERSONNEL	Providing employees, through listening, with concrete opportunities for personal and professional development, instrumental to reaching the strategic objectives.
HEALTH AND SAFETY	Promoting the development of working conditions that ensure compliance with the health, safety and physical wellbeing of employees through the application of management systems that allow workplace accidents and occupational diseases to be prevented.
EMISSIONS	Becoming a leading company in terms of commitment and ability to respond to climate change, through attentive monitoring and reduction of emissions of climate-altering gases generated by production processes and throughout the value chain.
SUPPORT TO LOCAL COMMUNITIES	Promoting the growth of related local industry in the areas in which the Group has an operational presence, thus contributing to the creation of infrastructure, jobs, training and development of the local business community.
RESPONSIBLE PURCHASES	Responsibly managing relations with suppliers, promoting the integration of sustainability criteria into selection and qualification processes and forming partnerships for the joint development of new products.
HUMAN RIGHTS	Ensuring respect for human rights throughout the Group, regardless of the geographical area of operation of Brembo companies, and also requiring the same level of commitment from its suppliers and partners. Human rights violations to which reference is made encompass the forced labour practices, child labour and the failure to respect the right to associate or to strike.
WASTE MANAGEMENT	Managing scraps and waste in an efficient manner so they do not become polluting for the environment and seeking to reuse and exploit waste materials, maximising recovery and minimising waste disposal.
DIVERSITY, EQUITY AND INCLUSION	Sustaining and promoting diversity, equity and inclusion in order to create a culture which enhances the different forms of diversity, a stimulating and increasingly inclusive working environment, and equal opportunities to access to employment, services and programmes, taking account of people's perspective, voice, individuality and specific traits.
DATA PROTECTION AND IT SECURITY	Constantly improving cybersecurity practices in order to protect company's assets and the confidential information of people, customers and partners.
ETHICS AND INTEGRITY	Promoting actions that are not limited to compliance with the reference legislation, but that help create and maintain a culture of ethics in the workplace, respect, fairness and transparency, both within Brembo and towards its stakeholders, to prevent all forms of corruption or unfair behaviour.

2.6 TURNING SUSTAINABILITY INTO ACTION

The great challenges of our time require joint commitment and encourage us to act together with, and in relation to, our main stakeholders (customers, suppliers, associations, etc.). Working as a “system” to create solutions that provide continuity and a positive impact on the environment, economy and individuals pushes us to strive for long-term goals and targets. To ensure that the Group grows together with its host countries, Brembo has continued the activities aimed at finalising its first Sustainability Plan: “Turning Sustainability into Action”. At Brembo, sustainability is thus a way of thinking that is given concrete form through the formulation of a clear strategy.

The preliminary analysis process was carried out by the CSR Global Central Function, with the involvement of top management. In this first phase, the best practices of the industry in which Brembo operates, as well as the main macro-trends taking place in the ESG field at global level, were taken into account to identify the strategic priorities. Thanks to this comparison and dialogue, valuable requirements and priorities emerged for the identification of the most relevant sustainability targets for the Company.

In order to guarantee to all stakeholders a full consistency between the contents of the Plan and this Disclosure of Non-Financial Information, as well as a greater assumption of responsibility by the management for a correct understanding of the activities, objectives and results presented, the targets have been identified starting from the topics that are material to Brembo.

In 2022, some goals were revised also in view of the recent update to the GRI Standards (2021) for non-financial reporting, which specifically focused on the concept of impact, understood as the effect that an organisation has, or could have, on the economy, environment and individuals, including human rights, as a result of its activities or business relationships.

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, but also of water consumption. It is precisely for this reason that “Turning Sustainability into Action” also provides for objectives connected with water withdrawal monitoring. These are accompanied by targets involving an increase of the waste for recycling.

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 training and awareness-raising processes that strengthen the culture of diversity, equity and inclusion and create opportunities for dialogue and sharing among members of the company community that foster the exchange of ideas and opinions. Other goals relate to activities involving active engagement of individuals to support the creation of a positive work environment. The ambition in this area is thus 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.

These measures converge towards a product range that is in line with the company principles and values described above. This activity 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.

	TARGET DESCRIPTION	BASELINE	SITUATION IN 2022	TARGET
Emissions and Energy Efficiency	1. Net Zero emissions at Group level (Scope 1, 2, 3)	FY 2020: 1,243,966 tCO ₂ e	1,540,416 tCO₂e	-42% by 2030 -90% by 2040
	2. Reduction of indirect absolute emissions (Scope 2)	FY 2020: 294,512 tCO ₂ e	188,722 tCO₂e	-100% by 2030
	3. % increase of renewable electricity	FY 2020: 43%	69%	70% by 2025 100% entro il 2030
	4. CO ₂ emissions avoided with respect to the previous year's emissions ²⁰	FY 2021: 343,227 tCO ₂ e	40.3%	≥19% by 2022
	     			
Diversity, Equity and Inclusion	5. 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 2021: 5 initiatives per year	5 initiatives	5 initiatives per year
	6. Mitigating unconscious biases, overcoming stereotypes and supporting the development of an inclusive organisational context in view of a "new normal" through the inclusion of themed training modules in pathways dedicated to individual development	FY 2021: 20%	100%	Renewal of managerial training paths enriched with modules dedicated to unconscious biases 100%
	  			

²⁰ (Reduction of emissions Scope 1 & 2 market-based obtained thanks to improvement actions missions Scope 1 & 2 market-based for the previous year)≥19%.

	TARGET DESCRIPTION	BASELINE	SITUATION IN 2022	TARGET
People Training and Development	7. Ensuring that employees remain strongly motivated to participate in company life through extensive participation in the organisational climate survey	FY 2021: 78%	The three-year engagement survey was carried out in 2021	Ensuring a ≥74% response rate at Group level by early 2025
	8. Maintaining a high level of engagement	FY 2021: 66%	The three-year engagement survey was carried out in 2021	Index is maintained at a level ≥ 65% by early 2025
	   			
Health and Safety	9. Ongoing improvement of the “Incident Rate” (IR)	FY 2022: 0.66		-10% YoY – Target relating to all the Group’s employees in 2025
	10. Provision of hours of training/awareness-raising initiatives on H&S topics (average per capita)	FY 2022: 6h		>5h by 2025
	  			
Ethics and Integrity	11. Communication Brembo’s actions in the ESG area on basis of objective and measurable criteria	FY 2022: Not available		Definition of a communication methodology by 2024
	    			
Responsible Purchases	12. Extending the assessment and monitoring of the supply chain in the CSR area	FY 2020: 70%	74.1%	80% of the turnover of the direct material relevant suppliers by 2030
	13. Favouring a Supply chain based in the Countries in which Brembo operates through production sites (Local for Local Index)	FY 2020: 87%	88%²¹	Ensuring the maintenance of the Local for Local Index >85% by 2030
	  			

21 This percentage is only calculated with regard to the purchase categories of raw materials and cast-iron goods, components and outsourced processing, and ancillary products and services (excluding industrial assets).

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, a programme containing 17 Sustainable Development Goals (SDGs) as a ‘call to action’ to all member states in an effort to steer the world along a sustainable path for the benefit of the people, the planet and prosperity.

Working for people, eradicating poverty in all its forms, working for the planet through conscious consumption and production, and working for prosperity, making sure that all of humanity can benefit from economic, social and

technological progress, are the fundamental requirements for sustainable development.

The 17 common objectives (SDGs) defined by the UN member states to make a tangible contribution to the implementation of the Global Agenda are divided into 169 targets to be reached by 2030. “Shared goals” means that all countries and all individuals are called upon to contribute, drawing up their own sustainable development strategy and involving all components of society: an active role is therefore also required of businesses, which can use their resources and skills to make a fundamental contribution to achieving the SDGs.

SUSTAINABLE DEVELOPMENT GOALS



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

GRI: 3-2

In accordance with international best practices, Brembo has identified the links between the priorities defined in the materiality matrix and analysed their impact on each of the Global Agenda’s goals. The document used is the “Linking the SDGs and the GRI Standards” (May 2022) developed by GRI and the UN Global Compact.

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

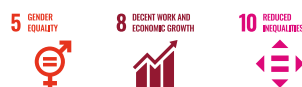
RESPONSIBLE PURCHASES



HUMAN RIGHTS



DIVERSITY, EQUITY AND INCLUSION



TRAINING AND DEVELOPMENT OF PERSONNEL



EMISSIONS



ENERGY AND WATER EFFICIENCY



WASTE MANAGEMENT



ETHICS AND INTEGRITY



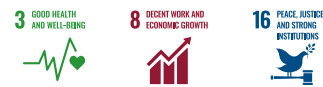
DATA PROTECTION AND IT SECURITY



DIGITAL TRANSFORMATION ROADMAP



HEALTH AND SAFETY



PRODUCT SAFETY



ENVIRONMENTALLY SUSTAINABLE PRODUCT



SUPPORT TO LOCAL COMMUNITIES



RESEARCH AND INNOVATION



A CULTURE OF SUSTAINABILITY: “WE SUPPORT SDGS”

In line with the indications of the SDG Compass — a guide for companies in implementing the 2030 Agenda, the Group believes that its commitment to achieving the Sustainable Development Goals must begin with spreading and promoting the SDGs to all people. This conviction gave rise to the “We Support SDGs” project designed to spread knowledge of the goals and raise awareness regarding sustainable actions.

The first step in this regard was the circulation in 2019 of the Brembo calendar, which contains images and slogans illustrating each of the 17 Goals, to all employees worldwide. The communications campaign then continued by distributing to all employees illustrative material describing each Goal, the daily actions that everyone can make both in professional and personal life and Brembo’s projects concretely contributing to the achievement of the individual Goals. The material was translated into eight languages, disseminated in 11 countries and presented in a paper and video format via the Group’s internal and external communications channels, such as displays, monitors, the company Intranet and website, and social media channels.

In July 2022, the first part of the campaign which analysed each SDG and the related Brembo project was completed:

- 

1 No poverty support to unaccompanied foreign minors and young adults to help them achieve socio-economic independence (projects developed in Italy in partnership with the NGO Cesvi)
- 

2 Zero hunger Project which provides the most deprived women and children with refuge and assistance (in India in partnership with the NGO Maher)
- 

3 Good health and well-being Brembo Group’s initiatives to tackle the emergency due to the pandemic, including initiatives aimed at ensuring plants’ safety, helping local communities and supporting scientific research against the virus (projects developed at Brembo’s plants worldwide).
- 

4 Quality education Redevelopment of two schools in underdeveloped regions (in China in partnership with the NGO Adream) and promotion of education in vulnerable situations (in India in partnership with the NGO Cesvi)
- 

5 Gender equality Policy on Non Discrimination and Diversity (applicable to the all the Brembo Group)

- 

6 Clean water and sanitation Creation of a process aimed at cleaning contaminated water and reusing it (project implemented in the Apodaca-based plant, in Mexico)
- 

7 Affordable and clean energy Introduction of a certified system to manage water, reduce consumption and increase the use of renewable sources (developed at Brembo plants at global level)
- 

8 Decent work and economic growth 60 years of growth, innovation and sustainability
- 

9 Industry, innovation and infrastructure Development of increasingly sustainable products, solutions and processes
- 

10 Reduced inequalities Promoting the social inclusion of young migrants (second edition of the project presented in Goal #1)
- 

11 Sustainable cities and communities Study of a new electric brake system to reduce emissions and energy consumption
- 

12 Responsible consumption and production Replacement of materials and structural optimisation of the packaging of top-end discs (in Italy and at BSC-CB’s plant in Stezzano)
- 

13 Climate action Recognition by CDP as a company leader in its commitment and ability to respond to climate change and water resource management
- 

14 Life below water Reduction of single-use plastic and promotion of separate waste collection (the project was developed in Italy, at Brembo’s headquarters in Stezzano)
- 

15 Life on land Provision of an e-learning programme on environmental issues (developed within the company at global level)
- 

16 Peace, justice and strong institutions System to ensure integrity in business conduct (developed within the company at global level)
- 

17 Partnerships for the goals Partnerships aimed at improving process and product environmental impact



2 零饥饿 布雷博的努力 支持非政府组织MAHER, 照顾贫困人群 (印度)

MaHER是一家跨宗教、无种姓的非政府组织，为贫困的妇女儿童提供保护和援助，并在印度西部的多个村庄开展社区发展计划。MaHER目前在58个不同的住所中收养了大约1000名儿童，100名男子和350多名妇女。地点位于西部及其周边地区，马哈拉施特拉邦、西孟加拉邦、喀拉拉邦。这家非政府组织Lucy Kumar成立于1997年。她是一位伟大的女性，无私地帮助那些需要帮助的人，并因此获得重要奖项。由于大流行病的疫情形势不断恶化，布雷博更加需要为MaHER收容之家的工作提供支持。

- 目标**
- 主要为贫困和被遗弃的妇女儿童提供收容和庇护。
 - 发展偏远地区村庄和贫困社区的福利。
- 行动**
- 向数百名失去工作并返回原籍村庄的打工人员及其家人分发粮食。
 - 收集并分发提供给贫困居民的口粮。
 - 帮助感染新冠病毒的父母照顾他们的孩子，因为这些孩子面临在街上流浪、没有食物或监护的处境。
- 成果**
- 为偏远地区超过85个农村社区提供支持。
 - 向各个年龄段的40名儿童提供照顾和食物，直到他们感染新冠病毒的父母
- 了解更多：
www.mareshram.org



3 良好治理 O CODEMPROMISSO DA BREMBO A RESPOSTA DO GRUPO PARA A EMERGÊNCIA COVID-19

Desde o início da emergência epidemiológica, a Brembo soube reagir imediatamente focando na saúde de todos os seus colaboradores como objetivo prioritário, garantindo a segurança das fábricas, ajudando as comunidades locais com a distribuição de material médico e apoiando a pesquisa científica contra o vírus.

- OBJETIVO**
- Proteger os funcionários do Grupo.
 - Gerenciar imediatamente a emergência sanitária e econômica.
 - Apoiar o território e a comunidade.
- AÇÕES**
- Elaboração de medidas extraordinárias de combate ao vírus e proteção da saúde de seus colaboradores.
 - Monitoramento constante dos impactos nos negócios, com particular enfoque na cadeia de abastecimento.
 - Doação de 1 milhão de euros a três excelências italianas: O Hospital Papa Giovanni XXIII, a Fundação para a Pesquisa do Hospital de Bergamo (FROM) e o Instituto de Pesquisa Farmacológica Mario Negri, em apoio à pesquisa para enfrentar a emergência epidemiológica.
- RESULTADOS**
- Prevenção, controle e contenção da pandemia em todas as sedes Brembo.
 - Garantia de uma retomada da atividade empresarial com total segurança.
 - Suporte para o território e a pesquisa.



9 负责任消费和采购 L'IMPEGNO DI BREMBO SVILUPPO DI PRODOTTI, SOLUZIONI E PROCESSI SEMPRE PIÙ SOSTENIBILI

Da sempre Brembo opera secondo valori e principi ben radicati di rispetto dell'ambiente e delle persone e intende rafforzare l'impegno alla sostenibilità anche con i propri prodotti, contribuendo alla riduzione delle emissioni.

- OBBIETTIVO**
- Sviluppare prodotti, soluzioni e processi sempre più sostenibili, mantenendo alte le prestazioni e il rispetto per il sito.
 - Ridurre l'impatto ambientale in frenata.
- AZIONI**
- Greenline®: sviluppo di un nuovo disco che, grazie al rivestimento applicato sulla superficie frenante, garantisce un'usura molto bassa, prolungando significativamente la durata del prodotto e riducendo allo stesso tempo le emissioni di polveri durante la frenata.
 - Introduzione di una nuova tecnologia di rivestimento che può essere applicata sulla fascia frenante di tutte le tipologie di dischi Brembo.
 - Enersys, Energy Saving System®: sviluppo di una nuova molla che riduce i possibili contatti residui tra le pastiglie e il disco quando un autista non sta frenando, favorendo la riduzione delle emissioni e dello spreco di energia e garantendo un aumento delle performance del veicolo.
 - Progetto AFFIDA, sviluppo di un nuovo materiale d'attrito che, grazie all'utilizzo di leganti completamente inorganici, garantisce un accostamento delle sostanze organiche volatili emesse in produzione e una riduzione delle emissioni di particolato in frenata.
- RISULTATI**
- Mantenimento delle prestazioni sempre ai massimi livelli, con una particolare attenzione alla sostenibilità e allo stile.
 - Riduzione delle emissioni e dello spreco di energia in fase di frenata.
 - Diminuzione dell'usura di disco e pastiglia, prolungando la durata dei prodotti e riducendo i bisogni di manutenzione.



10 减少不平等 ZOBOWIĄZANIE BREMBO PROJEKT SOSTENIAMOCI 2, PROMOWANIE INTEGRACJI SPOŁECZNEJ MŁODYCH MIGRANTÓW (WŁOCHY)

Sosteniamoci, co po polsku znaczy „Wspieramy się”, to projekt rozpoczęty w 2016 roku przez fundację Cesivi we współpracy z Brembo i Centrum do Spraw Opieki nad Młodzieżą i Rodziną w Bergamo, którego celem jest wspomaganie i wspieranie młodych cudzoziemców, którym raki nie pomaga w realizacji planów życiowych, a także ułatwianie im integracji społecznej oraz osiągnięcia niezależności finansowej. Zakończyła się już druga, trzynasta dwa lata, edycja projektu.

- CEL**
- Wspieranie w procesie przystąpienia i integracji społecznej 19 cudzoziemców, wśród których znalazły się osoby niepełne oraz takie, które doświadczyły przemoc.
 - Rozwijanie indywidualnych zdolności w pełnym poszanowaniu ambicji każdego z uczestników.
 - Podporowanie szerszy na realizację planów życiowych we Włoszech.
- DZIAŁANIA**
- Nauka języka włoskiego oraz uczestnictwo w kursach edukacji obywatelskiej w celu ułatwienia integracji społecznej we Włoszech.
 - Uczestnictwo w szkoleniach dofinansowanych indywidualnie w zależności od zdolności i aspiracji każdego uczestnika, które zostały ocenione poprzez bilans umiejętności.
 - Korzystanie z oferty staży i doradztwa zawodowego w celu uzyskania wsparcia przy aktywnym poszukiwaniu pracy.
- WYNIKI**
- 19 młodych migrantów biorących udział w projekcie zostało wprowadzonych na rynek w pracy, spośród których dwie osoby rozpoczęły pracę w tej samej firmie, w której odbywały staż.
 - 4 młodych migrantów skorzystało z indywidualnego doradztwa zawodowego przy aktywnym poszukiwaniu pracy.
- Więcej informacji znajdziesz w video od Numerumini



16 减少不平等 ZÁVAZEK SPOLEČNOSTI BREMBO SYSTÉM PRO ZARUČENÍ INTEGRITY PŘI PROVOZOVÁNÍ PODNIKATELSKÉ ČINNOSTI

Společnost Brembo vždy definovala hodnoty, které jsou základem jejího vlastního jednání, s cílem rozvíjet, sdílet a prosazovat chování podporující udržitelný růst a síť tak skutečnou kulturu integrity. Na podporu preventivní politiky skupiny pro společnost Brembo zavedl systém globálního a integrovaného dozorování pravidel a vyvíjel ve vlastní, jejichž cílem je zaručit vysoký etický standard.

- CÍL**
- Podpořit přijetí efektivního a transparentního systému vedení.
 - Rozvíjet a šířit základní hodnoty společnosti.
- AKCE**
- Další jsou uvedeny některé kodexy společnosti Brembo:
 - **Etický kodex**: formuluje normy chování, jimiž musí být vedena činnost všech, kdo z jakéhokoli důvodu pracují pro společnost Brembo, v souladu s hodnotami sdílenými v rámci skupiny.
 - **Kodex protikorupčního chování**: zaručuje zásady transparentnosti a definuje jasná pravidla chování v souladu s platnými protikorupčními předpisy.
 - **Vaz 231 a Missiprůprčky dodávací pravidel / Brembo Compliance Guidelines**: popisují pravidla chování a zásady kontroly s cílem předcházet jednání, které by mohlo zakládat trestní odpovědnost podniku.
 - **Kodex chování pro dodavatele**: představuje závazek ze strany dodavatelů přijmout stejné chování, jaké definovala skupina Brembo v oblasti udržitelnosti, a převést je do svého dodavatelského řetězce.
- VÝSLEDKY**
- Podpora udržitelného růstu a ochrana dobré pověsti společnosti.
 - Síťeri kultury integrity ve vztazích a v chování.
- Více informací:
brembo.com - sustainability - ESG - governance - codes and policies



17 PARTNERSHIPS FOR THE GOALS BREMBO'S COMMITMENT COLLABORATIONS TO IMPROVE THE ENVIRONMENTAL IMPACT OF PROCESSES AND PRODUCTS

Among its primary objectives, the innovation of Brembo products includes the reduction of environmental impact, linked to the production of the raw materials employed, the generation of fine dust, and greenhouse gas emissions produced by vehicles when braking. This is the context surrounding the "LIFE-CRAL" project, launched by the European Union in July 2016 and coordinated by Brembo, in collaboration with technical partner Cannon Engos.

- TARGET**
- Develop an innovative production line that allows for the manufacture of high quality and lighter weight aluminum and magnesium components from recycled or highly impure materials.
- ACTIONS**
- Preliminary tests on a laboratory casting machine.
 - Careful selection of materials and design of a pilot production line.
 - Final installation and validation of the pilot production line.
 - Manufacture of a wholly recycled aluminum caliper and of a prototype magnesium brake lever.
 - Successful road endurance test (2000 km / 1200 mi).
 - Environmental impact assessment of the CRAL process in order to meet EC policies.
- RESULTS**
- The use of aluminum deriving from the recycling process makes it possible to:
 1. Limit the consumption of energy and resources related to the extraction, refining and production of primary aluminum.
 2. Reduce CO₂ emissions by 94%.
 - The innovative production line guarantees the elimination of greenhouse gas emissions linked to the magnesium melting process.
- For more information:
www.cralproject.eu

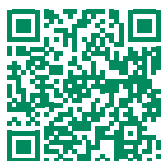
The second part of the campaign was launched in September 2022 to spread awareness of the Group’s commitment and disseminate and share the knowledge of all those best practices that Brembo people already adopt in their daily private and working lives to contribute to the SDGs. The initiative “Put your face on it” stems namely from these bases and is centered on the stories of Brembo employees who act as ambassadors for sustainable action.

In particular, the Group began a campaign to invite people to discuss a best practice that is part of their daily lives to be shared in a short video as an example to follow: concrete little gestures in pursuit of sustainability. From the proposals received, a dedicated team selected the daily actions most pertinent based on criteria of feasibility, replicability and consistency with the Sustainable Development Goals, dividing them into the five areas that contribute to sustainability: Planet, Prosperity, Peace, People and Partnership.

The videos were published periodically on internal communications channels (plant TV and the Red Portal intranet) and external communications channels (Brembo’s official website and social media), in addition to being included in a new format focusing on the 17 Sustainable Development Goals, to discuss the concrete, daily contribution of Brembo people alongside the Company’s commitment.

The message that the Group wishes to send can be summarised by the motto: “Alone we can do little. Together we can do a lot.” Each of us is fundamental to building a sustainable tomorrow, and Brembo wishes to engage its people so that they feel they are a part of this project.

Moreover, as Cristina Bombassei, Brembo’s Chief CSR Officer, said: “The actions of each one of us have an impact, but if we multiply this by more than 12,000 people — our employees — and their families, the general effect is really amplified and incisive.” It is this context that the campaign is intended to be a virtuous fusion of ideas that can extend beyond company confines.



To learn more about

We support SDGs - Put your face on it

PLANET 
BREMBO’S COMMITMENT



PLANET 
BREMBO’S COMMITMENT



PLANET 
BREMBO’S COMMITMENT





PUT YOUR
FACE
ON IT
YOU



AN ORGANISED STRUCTURE

Well-defined roles and competencies are the basis of an efficient and constantly evolving organisation. In a rapidly changing scenario, the solidity of effective, transparent and open-to-change governance remains a steady constant.



3. COMPANY STRUCTURE

GRI: 2-1; 2-9
WEF: Dignity and equality



3,987

Brembo's employees trained on the Code of Ethics in 2022



45%²²

Proportion of women in the BoD



10

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



63.6%

% of the BoD members with ESG-related skills



ISO 27001²³

certified sites

3.1 CORPORATE GOVERNANCE MODEL

Brembo 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 Committee²⁴, which — in their most recent version²⁵— have been incorporated into Brembo's Corporate Governance Code (hereinafter also referred 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 its own 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 for the possi-

²² The minimum quota of the less-represented gender in the corporate bodies of listed companies is 40% (Law No. 160 of 27 December 2019), in force at the date of appointment of the Board of Directors (General Shareholders' Meeting of 23 April 2020) for the three-year term 2020-2022.

²³ 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 Spolka Zo.o. production hubs, the sites of Brembo North America Inc., Brembo México S.A. de C.V. and Brembo Czech s.r.o.

²⁴ 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.

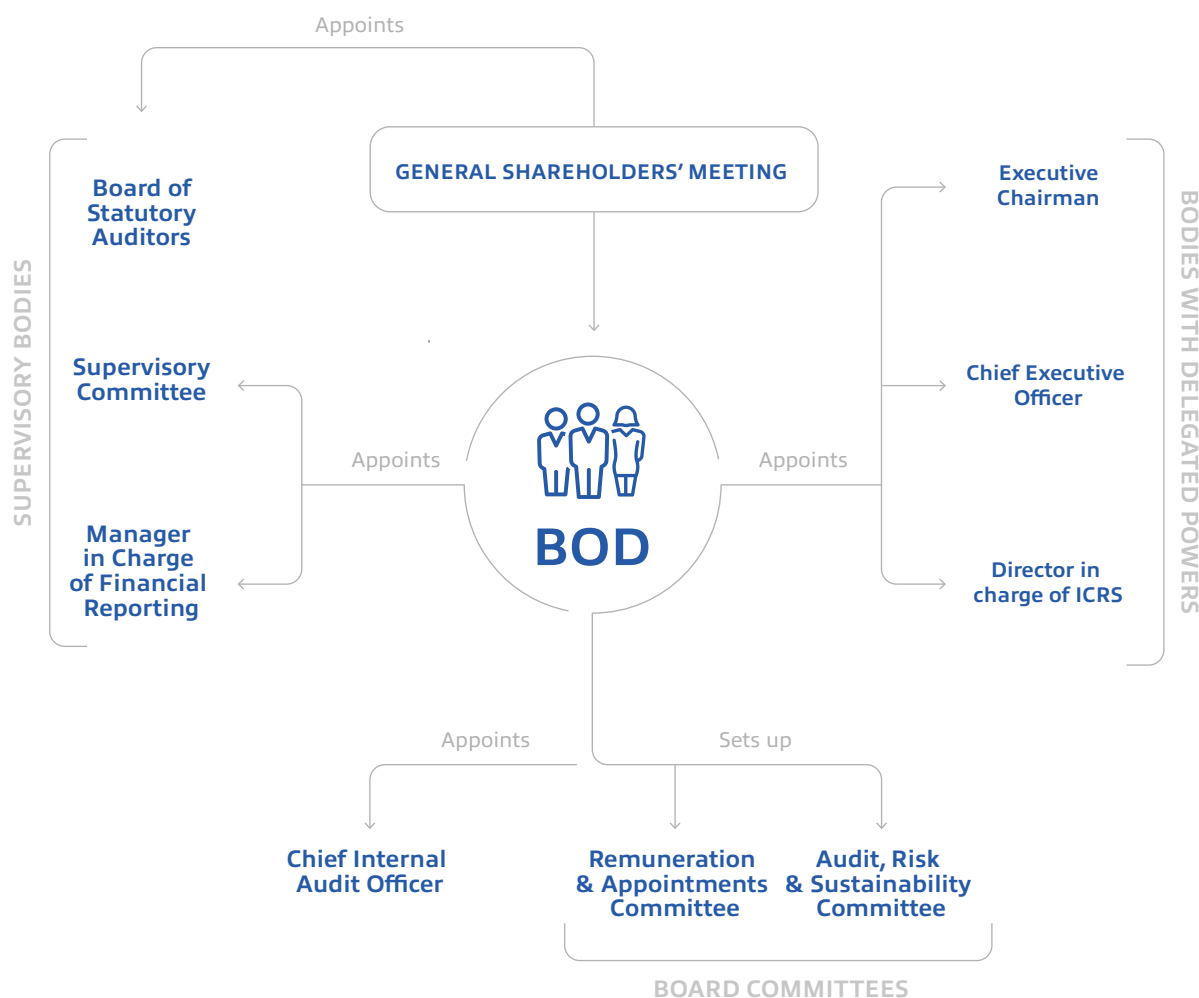
²⁵ The 2020 Corporate Governance Code (effective from 1 January 2021 – hereinafter referred to in short as "2020 CGC").

GRI: 2-1; 2-9

bility, 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 deviations²⁶ with respect to the 2020 CGC. These are due to the fact 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 Govern-

ance 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 2022 Corporate Governance and Ownership Structure Report (Paragraph 3, section Company, Corporate Governance, Corporate Governance Reports).



²⁶ 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.

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.

Despite it being controlled by another company, Brembo is not subject to the direction and coordination of any company or entity pursuant to the Civil Code. This is because 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.

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 financial 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 important duties of the Shareholders' Meeting include selecting 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 WITH RIGHT TO VOTE	NO. OF VOTING RIGHTS	% ON TOTAL VOTING RIGHTS
1	Bombassei Alberto	NUOVA FOURB SRL	Italian	178,859,605	53.563	357,583,370	69.711
2		BREMBO SPA	Italian	10,035,000	3.005	10,035,000 (*)	1.956
3		MAWER GLOBAL SMALL CAP FUND	Canadian	6,923,580	2.073	6,923,580	1.350
4		CITY OF NEW YORK GROUP TRUST	U.S.	5,845,833	1.751	5,845,483	1.140
5		VANGUARD INTERNATIONAL VALUE FUND	U.S.	5,007,777	1.500	5,007,777	0.976
6		MAWER GLOBAL EQUITY FUND	Canadian	3,321,231	0.995	3,321,231	0.647
7		BANK OF ITALY	Italian	3,098,512	0.928	3,098,512	0.604
8		RBC IST TREATY CLIENTS AC	Canadian	2,396,491	0.718	2,396,491	0.467
9		NT NTO NON TREATY CLIENTS	English	2,279,290	0.683	2,279,290	0.444
10		SPRUCEGROVE INTERNATIONAL POOLED FUND	Canadian	2,208,540	0.661	2,208,540	0.431

* treasury shares are 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.



SHARE CAPITAL

Brembo S.p.A.'s subscribed and fully paid-up share capital amounts to €34,727,914 and is divided into 333,922,250 ordinary shares, without nominal value. The Shareholders' Meeting held on 18 April 2019 introduced the increased voting right mechanism.

Following the application of the increased voting right mechanism as of

the date of publication of the NFI:

- the overall number of voting rights that may be exercised is 512,978,715;
- shares entitling to the increased voting right mechanism are 179,056,465 out of a total of 333,922,250 shares;
- the overall voting rights are 358,112,930.

For further details on the Increased Voting Right Mechanism and the Shareholders which, following the application of the increased voting right mechanism, exceeded the relevance threshold, please refer to the Increased Voting Right Regulations and the Company's website www.brembo.com, section Investors, For Shareholders, Increased Voting Right.

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 2022 (the age-limit for candidates was increased to 78).

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 him 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.

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 2022, also with the aim of pursuing the Sustainable Success, are illustrated in the 2022 Corporate Governance and Ownership Structure Report (Paragraph 4.1, section Company, Corporate Governance, Corporate Governance Reports).

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.

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;
- its composition must reflect gender balance.

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 ad-

dition 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

GRI: 2-9; 2-10; 2-18
 WEF: Quality of governing body;
 WEF: Dignity and equality

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).

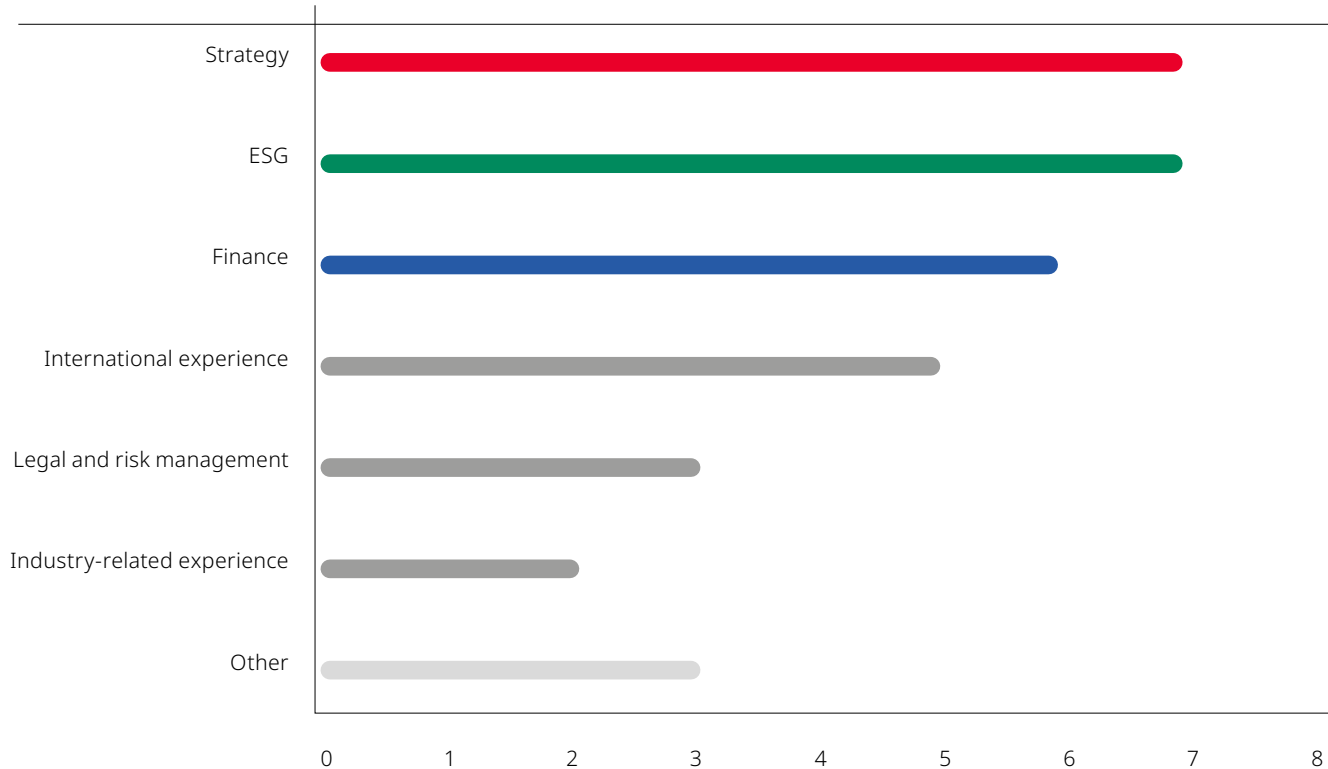
In view of the appointment of the company boards for the three-year period 2023-2025, the outgoing BoD — in compliance with the By-laws and the provisions of the new Brembo's CGC, taking account of the results of the self-assessment, and with the support of the Remuneration & Appointments Committee — has approved and circulated the "Guidelines of the outgoing Board of Directors of Brembo S.p.A to Shareholders on the qualitative and quantitative composition of the Board of Directors²⁷.

For more information about the diversity criteria for the Board of Directors as defined by Brembo please refer to the

2022 Corporate Governance and Ownership Structure Report (<https://www.brembo.com/en/company/corporate-governance/corporate-governance-reports>).

Thus the current BoD, which was appointed by the Shareholders' Meeting held on 23 April 2020, is made up of 11 members will remain in office for the 2020-2022 three-year period, i.e. until the Shareholders' Meeting called to approve the Financial Statements for the year ended 31 December 2022. 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 those indicated by the 2020 CGC and Brembo's CGC, as indicated in the table on page 80-81.

BOD'S SKILL MATRIX 2022²⁸



²⁷ The BoD's Guidelines were published on the Group's website, suitably in advance, in accordance with the provisions of the 2023 Recommendations formulated by the Chairman of the Corporate Governance Committee.

²⁸ Results of the 2022 skill matrix emerge from the Board Performance Evaluation for the three-year period 2020-2022, described in the sub paragraph "The Board of Directors' performance assessment".



COMPOSITION OF THE BOARD OF DIRECTORS AND OF BOARD COMMITTEES - 2022

BOARD OF DIRECTORS													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.	INDEP. AS PER CODE	INDEP. AS PER TUF*	ATTENDANCE RATE AT 2022 MEETINGS ³	OTHER OFFICES HELD ⁴			ATTENDANCE RATE AT SHAREHOLDERS' MEETINGS OF 21 APRIL 2022
Executive Chairman	Matteo Tiraboschi	1967	24.04.2002	23.04.2020	Approval of the Financial Statements at 31.12.2022	Ma	x				100%	-	100%		
Chief Executive Officer	Daniele Schillaci	1964	28.06.2019	23.04.2020	Approv. at 31.12.2022	Ma	x				100%	-	100%		
Director	Cristina Bombassei	1968	16.12.1997 (coopt.)	23.04.2020	Approv. at 31.12.2022	Ma	x				90%	1	100%		
Director	Elisabetta Magistretti	1947	23.04.2020	23.04.2020	Approv. at 31.12.2022	Ma		x	x	x	100%	2	100%	X (Chair) (100%)	
Director	Elizabeth M. Robinson	1956	23.04.2020	23.04.2020	Approv. at 31.12.2022	Ma		x	x	x	90%	1	100%		X (100%)
Director	Gianfelice Rocca	1948	29.04.2011	23.04.2020	Approv. at 31.12.2022	Ma		x	x ⁵	x	90%	8	0%		
Director	Manuela Soffientini	1959	03.03.2022	03.03.2022	Approv. at 31.12.2022	Ma		x	x	x	100%	3	100%	X 100%	X (100%)
Director	Umberto Nicodano	1952	03.05.2000	23.04.2020	Approv. at 31.12.2022	Ma		x			100%	-	100%		
Director (LID)	Valerio Battista	1957	20.04.2017	23.04.2020	Approv. at 31.12.2022	Ma		x	x	x	80%	2	0%		
Director	Nicoletta Giadrossi ⁶	1966	20.04.2017	23.04.2020	Approv. at 31.12.2022	Mi		x	x	x	80%	3	100%	x (80%)	x (Chair) (100%)
Director	Roberto Vavassori	1959	17.12.2021	17.12.2021	Approv. at 31.12.2022	Ma	x				100%	-	100%		
Number of meetings held during the year of reference									(2022)		BoD: 10		Shareholders' Meetings: 1	ARSC: 10	RAC: 3

* TUF: Legislative Decree No. 58 of 24 February 1998 (Consolidated Law on Finance), as further amended and extended.

GRI: 2-9; 2-14;
2-19; 2-20; 405-1
WEF: Quality of
governing body

DIRECTORS WHO LEFT OFFICE IN 2022

OFFICE HELD	NAME AND SURNAME	YEAR OF BIRTH	DATE OF FIRST APPOINTMENT	IN OFFICE FROM	IN OFFICE UNTIL	LIST ²	EXEC.	NON-EXEC.	INDEP. AS PER CODE	INDEP. AS PER TUF*	ATTENDANCE RATE AT 2021 MEETINGS ³	OTHER OFFICES HELD ⁴	2021 MEETINGS		AUDIT RISK & SUSTAINABILITY COMMITTEE / RELATED PARTY TRANSACTIONS COMMITTEE	REMUNERATION & APPOINTMENTS COMMITTEE
													MEMBER	MEMBER		
Director	Laura Cioli	1963	20.04.2017	23.04.2020	25.02.2022	Ma		x	x	x	66.67%	3 (as of 25.02.2022)	x	x		

NOTES

- 1 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; 'co-option' means the date of co-option by the Board of Directors.
- 2 This column indicates the list from which each Director was appointed ("Ma": majority list; "Mi": minority list).
- 3 This column shows the Directors' attendance rate at the meetings held by the BoD or Board Committees in 2022 (No. of times attended/No. of meetings held during the Director's actual term of office).
- 4 This column shows the number of Directorships or Auditorships held in other relevant companies (thus excluding Brembo) listed on regulated markets, including foreign markets, financial companies, banks, insurance companies and large companies. Said information can be obtained from their respective statements. 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.

- 5 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.

- 6 The candidature of Director Nicoletta Giadrossi was submitted by a group of Shareholders representing 2.27836% of the share capital - General Shareholders' Meeting held on 23 April 2020.

* TUF: Legislative Decree No. 58 of 24 February 1998 (Consolidated Law on Finance), as further amended and extended.

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 Independent and Non-Executive Directors and is appointed by an Independent Director.

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 2023 Policy²⁹, incorporated into the Report on Remuneration Policy and Remuneration Paid, was approved by the BoD on 2 March 2023, 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 20 April 2023³⁰.

Brembo's Report on Remuneration Policy and Remuneration Paid mainly aims at ensuring a tangible contribution to the Group's corporate strategy and sustainability, taking into account its strategic guidance:



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 the pandemic and the increase in commodity prices.



2. Creating value for our Shareholders

Drawing up a Policy able to ensure the alignment of the 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

Brembo's remuneration policy provides for an overall remuneration suited to attracting and retaining high-profile candidates, constantly recognising the performances achieved.

²⁹ <https://www.brembo.com/en/company/corporate-governance/remuneration-policies>.

³⁰ 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 Rules for Issuers introduced by Consob Resolution No. 18049 of 23 December 2011, as subsequently amended by Consob Resolution No. 21623 of 10 December 2020, 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 the information regarding the governance of the process aimed at defining the Policy with details of the main Bodies and Parties involved, and the tools and recipients of the said Policy.

SECTION II:

audited by the firm appointed to perform the audit, it contains the 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, and accordingly reports analytically the remuneration paid in the reference year. Section II of the Report on 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 2022 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 Personnel, 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.

Finally, it should be noted that the ratio of the annual remuneration of the most highly paid individual to the average remuneration of employees is 50 and 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.

It bears specifying, in this regard, that, in accordance with what is stated in the Report on the Remuneration Policy for 2023 and Remuneration Paid in 2022³¹, the average, rather than the median, was taken into consideration. Average gross annual remuneration does not consider the remuneration of the most highly paid person and the executive directors and has been calculated by considering the employees of Brembo S.p.A. 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). Finally, the short-term target incentive (MBO) is included in the calculation of the annual remuneration of the most highly paid individual.

31 Report on the Remuneration Policy for 2023 and Remuneration Paid in 2022, section II — Comparative information regarding the remuneration of the Board of Directors, the Group's results and the average remuneration of Brembo's Employees.



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 Transac-

tions 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 2022	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)	10	93.3%	93.3%

The Committees' composition and duties and the activities performed in 2022 are illustrated in the 2022 Corporate Governance and Ownership Structure Report, Para-

graph 8.2 e 9.2 (<https://www.brembo.com/en/company/corporate-governance/corporate-governance-reports>)

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.

During this process, the analysis also focuses, from time to time and particularly during the intermediate phase of the term, on the individual assessment of the Directors, if any, in order to proceed on two levels: the efficacy of the BoD as a whole and improvement of the behaviour of its individual members.

In accordance with the three-year 2020-2022 Board Performance Evaluation plan, three candidate independent consultants were selected to conduct this activity for 2022. On 21 April 2022, the Board of Directors, after obtaining the opinion of the LID and Independent Directors of the bids received, identified the consultancy firm Russell Reynolds

Associates to conduct the end-of-term Board Performance Evaluation (2022 BPE)³². At its meeting of 28 July 2022, the Board of Directors then examined and discussed the plan of activities for the Board Performance Evaluation. At the following meeting on 16 December 2022, it examined and

discussed the findings of this process, while also taking account of the opinion of them given by the LID and the Independent Directors. The findings of the activity are disclosed annually in the Corporate Governance and Ownership Structure Report (Para. 7.1), to which the reader is referred.

INDUCTION PROGRAMME

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

The induction activity carried out in 2022, during meetings of the Board or committees, related to legislative developments concerning offences relating to payment instruments other than cash, receipt of stolen property, money-laundering, self-laundering, the use of money, property or benefits of

illicit origin and offences against the cultural heritage within the framework of the 231 Model; the performance of the automotive market; the benchmark analysis of the remuneration packages of the top management; Brembo Succession Planning & Talent Management; legislative developments relating to Legislative Decree 81/2008 on workplace health and safety; and the new Brembo Product Development System called "Stargate".

In addition, in order to promote and facilitate more direct knowledge, including by non-executive members of the Board of Directors and Statutory Auditors, of the various entities into which the Group's business is structured and the specific characteristics of each entity, as well as to explore the industrial processes and the processes of development of Brembo products, in a manner compatible with Covid rules, on 13 June 2022 visits were paid to the Italian production facilities in Curno and Mapello.

Lastly, to ensure the most rapid onboarding possible of the recently appointed Director and Statutory Auditor (M. Sofientini with effect from 03.03.2022 and S. Serina with effect from 29.04.2022, respectively), a Basic Induction Programme was set up, consisting of six sessions with the direct involvement of various C-suite managers of Brembo S.p.A.

The 2022 induction activities are described in the Corporate Governance and Ownership Structure Report (Para. 4.6), to which the reader is referred.

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

³² As part of the BPE, the directors were directly asked to complete a questionnaire. The independent consultant who carried out the end-of-term BPE acknowledged the matrix prepared by the competent function and did not deem it necessary to make any changes.

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 pro-

fessionalism requirements laid down by the law. In addition, the Acting Auditors shall be chosen from persons who qualify as independent. Until the General Shareholders' Meeting for the approval of the Financial Statements for the year ended 31 December 2022, the composition of the Board of Statutory Auditors will remain as indicated in the table below.

BOARD OF STATUTORY AUDITORS - COMPOSITION AT 31 DECEMBER 2022

BOARD OF STATUTORY AUDITORS 2022											
ACTING AUDITORS											
OFFICE HELD	NAME AND SURNAME	YEAR OF BIRTH	DATE OF FIRST APPOINTMENT¹	IN OFFICE FROM	IN OFFICE UNTIL	LIST²	INDEP. AS PER CODE	WEIGHT OF OTHER OFFICES HELD³	ATTENDANCE TO BOARD OF STATUTORY AUDITORS' MEETINGS IN 2022⁴	ATTENDANCE TO BOARD OF DIRECTORS' MEETINGS IN 2022⁴	ATTENDANCE TO THE SHAREHOLDERS' MEETINGS⁴
Chairwoman	Raffaella Pagani	1971	29.04.2014	23.04.2020	Approval of the Financial Statements at 31.12.2022	Mi	x	4.92	100%	100%	100%
Acting Auditor	Mario Tagliaferri	1961	20.04.2017	23.04.2020	Approval at 31.12.2022	Ma	x	5.96	100%	100%	100%
Acting Auditor	Stefania Serina	1984	29.04.2022	29.04.2022	Approval at 31.12.2022	Ma	x	1.8	100%	100%	n.a.
ALTERNATE AUDITORS											
Alternate Auditor	Myriam Amato	1974	29.04.2014	23.04.2020	Approval at 31.12.2022	Mi	x				
ACTING AUDITORS WHO LEFT OFFICE DURING THE YEAR											
Acting Auditor	Paola Tagliavini	1968	23.04.2020	23.04.2020	29.04.2022	Ma	x	5.45 (as of 29.04.2022)	100%	100%	100%
Number of meetings held during the year of reference (2022)									Board of Statutory Auditors: 15	Board of Directors: 10	Shareholders' Meeting: 1

NOTE

- 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

It is an external entity in charge of the statutory audit appointed by the Shareholders' Meeting. The General Shareholders' Meeting convened on 22 April 2021 granted the mandate for auditing the accounts of Brembo S.p.A.³³ to Deloitte & Touche S.p.A. for a 9-year term, i.e. for the years ended 31 December 2022-2030, on the basis of the recommendation expressed by the current Board of Statutory Auditors.

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 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 Ex-

ecutive Chairman and CEO) and is intended to make the most of the respective professional and personal aptitudes, competencies and characteristics of the delegated bodies, while also being 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 and 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 Delegated Bodies 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.

³³ Mandate for auditing the accounts of Brembo S.p.A., pursuant to Legislative Decree No. 39 of 27 January 2010, of (EU) Regulation No 537/2014 of the European Parliament and of the Council of 16 April 2014.



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 Tools) ³⁴ 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.

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 fosters a real culture of integrity with all the company's stakeholders. The third edition of the Code of Ethics, approved by the Board of Directors in December 2016, is available in the local languages of the Countries where Brembo operates.



3,987

Employees trained on the Code of Ethics in 2022

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. In 2022, the Anti-bribery Code of Conduct was also extended to the J.Juan company acquired at the end of 2021 and its content was disseminated to employees. The planning of the related training is currently underway.

Organisation, Management and Control Model pursuant to Legislative Decree 231/2001

Brembo adopted its own Organisation, Management and Control Model pursuant 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, monitoring activities are conducted by the Internal Audit GCF, which prepares periodic reports for the Supervisory Committee

³⁴ The Brembo Codes of Conduct and Policies are available for public consultation at <http://www.brembo.com/en/company/corporate-governance/codes-policies>.

GRI: 2-15; 2-12;
2-23; 2-24
WEF: Ethical
behaviour

and the Audit, Risk & Sustainability Committee, which in turn report to the BoD. Internal Audit also prepares a periodic report for the BoD. As part of the process of updating the 231 Model, conducted in financial year 2022, Brembo incorporated the legislative measures designed to expand the list of Legislative Decree 231/2001 underlying offences to include offences involving payment instruments other than cash, receipt of stolen property, money-laundering, self-laundering, use of money, property or benefits of illicit origin and offences against the cultural heritage. Following appropriate inquiries conducted and shared with the Supervisory Committee, Brembo updated its 231 Model through its Legal and Corporate Affairs Department.

In this context, noteworthy is also the use of **Brembo Compliance Guidelines**, 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. Following the most recent update on 29 July 2022, the Brembo Compliance Guidelines were approved by the Brembo S.p.A.'s Bod, after having been examined by the Audit, Risk & Sustainability Committee and the Supervisory Committee and the governing bodies of the individual subsidiaries. In this regard, the main changes have to do with the expansion of the risk category "Corruption/inducement, smuggling and other offences against the public administration" and "Tax offences".

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.

Procedure for Related Party Transactions 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 moderately or highly significant. 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.

In 2022 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 2021, in 2022 as well no legal action relating to unfair competition, antitrust and monopolistic practices were reported.

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, 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 privacy.italy@brembo.it, 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 DPO and authorised personnel has access to it. The Data Protection Officer (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.

0 (zero) cases of violation

of personal data protection or loss of customers' personal data in 2022.

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 Group 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 2022). 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. and Qingdao Brembo Trading Co.Ltd). 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, on the other induces 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, constitutes an integral part of the Quality Manual. It lays down the main quality goals which, 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 level³⁵.

35 For further details, please refer to the Appendix.



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 approval 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 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 HRO 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 portal, whereas the parts regarded as not particularly sensitive and thus able to be externally circulated are published on Brembo's website.

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's Compliance System provides for coordination between those with compliance responsibilities and the various actors who make up the System, which is ensured by the joint participation of the Corporate & Compliance Manager and the Head of Risk Management, as perma-

nent 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 or not 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.

In regards 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

GRI: 2-13; 2-16;
2-23;2-24;3-3
WEF: Ethical
behaviour

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 clauses.³⁶

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.

OFFICE HELD	MEMBERS	ATTENDANCE RATE AT MEETINGS (8 MEETINGS IN 2022, 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 ³⁷	100%	Member

The task of the Supervisory Committee is to monitor, receive and report to the Board any irregularity or breach of the Organisation, 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. During the year, 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

³⁶ Brembo also requires its suppliers to comply with applicable regulations and the relevant provisions of Brembo's Model and the internal rules, but also submission to audits aimed at verifying that the supplier also properly fulfils its compliance obligations.

³⁷ Matteo Tradii was appointed by the BoD on 28 July 2022 as Chief Internal Audit Officer and member of the Supervisory Committee, following resignation of Alessandra Ramorino effective 31 March 2022.

objectives through a systematic professional approach oriented 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.

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 the following tools to assure that the compliance culture is disseminated and the rules of conduct developed are implemented effectively:

Whistleblowing Procedure

Designed to establish and properly manage direct communication channels for the timely reporting of any breaches or irregularities concerning the Organisation, Management and Control Model, the Code of Ethics or other provisions of Brembo's Codes of Conduct.

In line with Whistleblowing Law 179 dated 30 November 2017, the Group's whistleblowing procedure is structured in such a way as to guarantee the confidentiality of the whistleblower and of the information received, as well as the validity of such information. More specifically, the Supervisory Committee ensures suitable levels of protection against anyone whistleblowing in bad faith, banning this type of behaviour, and informing the individuals or organisations involved in instances of proven bad faith. Furthermore, the procedure states that anonymous whistleblowing complaints will be taken into consideration only when properly substantiated and supported by facts. Under the Whistleblowing Procedure, any breaches, behaviours or practices not complying with the requirements of the Anti-bribery Code of Conduct must be reported directly to the Supervisory Committee, using one of the channels made available

by the Procedure itself. All stakeholders have the option to report any cases of breach and irregularity through the dedicated email organismo_vigilanza@brembo.it or by ordinary post, oral reports or the specific form on the company's Intranet portal or the Brembo Portal, without fear of potential reprisals that such a report — or any further related investigations — could generate.

In addition to the above reporting channels, local information channels have also been set up at the various Group companies in order to better reach all persons covered by the procedure in the event they experience difficulties for reasons of language or access to IT instrument.

The Supervisory Committee verifies and assesses each report and, with the support of the Internal Audit GCF, performs any audits of events and adopts any disciplinary measures.

The Group is monitoring developments relating to whistleblowing legislation (at the European level — including Directive (EU) No 2019/1937 — and the Italian national level) and is taking all measures necessary to ensure immediate compliance with the new provisions.

In line with previous year, in 2022 as well there were no corruption-related complaints reported within the Group. In addition, 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 classroom lessons and e-learning tools, are tailored to the role covered and the level of risk to which individuals are exposed. In particular, the use of specific Corporate Governance and compliance tools (**Brembo Corporate and Compliance Tools**), available and downloadable from the company website, is important. Brembo's Training Catalogue also includes courses on the Anti-bribery Code of Conduct and the Antitrust Code, to which employees can register.

The training campaign on the anti-corruption theme was launched in January 2012 (through an on-line course on Model 231/01, which includes a special part dedicated to this subject) and included classroom sessions (following

GRI: 2-13; 2-23; 2-24;
3-3; 205-2
WEF: Community
and social vitality
WEF: Ethical
behaviour

adoption of the first edition of the Anti-bribery Code of Conduct – November 2013).

The training campaign, which includes issues relating to ethics, antitrust, anti-corruption, compliance with Model 231/01 and GDPR, continued steadily in 2022 as well. Following the acquisition, the employees of the J.Juan Spanish company were provided with training on ethics and integrity issues in order to disseminate the company's values within the entire Group. In particular, the total number of employees who have received anti-corruption training in 2022 is 2,297, i.e. 18% of the entire workforce of the Group (including 16% managers, 22% white-collar employees and 16% blue-collar employees).



BREMBO ACADEMY

Brembo Academy proposes a selection of courses pertaining to Model 231 issues dedicated to specific roles involved in 231 processes.

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, who 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.

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 website³⁸.

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 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 advantages, 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.

With regard to the management of reports of unethical or illegal conduct in tax matters, the appropriate information channels are the same as those provided by Brembo S.p.A.'s Supervisory Committee to ensure the reporting of irregularities or breaches of the Code of Ethics, the Anti-bribery Code of Conduct and the Organisational, Management and Control Model pursuant to Legislative Decree 231/2001. These communication channels are also available from the following website: <https://www.brembo.com/en/company/corporate-governance/whistleblowing-to-supervisory-committee>.

³⁸ 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>.



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 Organisation, Management and Control Model and, through a set of rules, procedures and organisational 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 Czech in 2021 and by Brembo Poland in 2022.

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.

The Internal Control and Risk Management System is an integral part of all decision-making and business manage-

ment processes, including strategic and operational planning, the management of new business initiatives and the associated change, as well as the preparation of specific reports for stakeholders.

This System reflects Brembo's Code of Ethics as it was set up to share ethical business principles and values, and seeks to establish over time a fully-fledged culture of corporate controls aimed at ensuring legality, correctness and transparency in all company operations, involving the whole organisation in developing and applying methods to identify, measure, manage and monitor risks.

BREMBO AND THE GOVERNANCE SYSTEMS EXCELLENCE INDEX



On the 18th 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 2022, which refers to the 2021 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.

The themes explored at the event ranged from updates to executive compensation practices to the results of surveys submitted to the members of the Board of Directors concerning the most effective methods of making use of contributions to Board proceedings and developments in the field of corporate governance during the year of adoption of the new Code and in an context of uncertainty.

It should be noted that Brembo achieved excellent scoring in the EG

Index as it ranked 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 benefits of adopting this System include access to an overview of the risks to which the organisation is exposed, including for the purposes of optimising the allocation of resources for managing them, and improving the company's

performance and resilience over time, also with a view to achieving "Sustainable Success."

More specifically, the organisational structure designed to manage business risks is as follows:

ORGANISATIONAL STRUCTURE

- the **Executive Directors**, generally charged with defining further policies for effective implementation of Guidelines on risk management and the related impacts;
- the **Audit, Risk & Sustainability Committee**, tasked with supporting the Board of Directors' evaluations and decisions on internal control and the management of sustainability-related risks;
- the **Executive Director** in charge of the Internal Control and Risk Management System is tasked with identifying the main corporate risks and the related impacts by executing risk management Guidelines and verifying their adequacy;
- the **Chief Executive Officer**, who, in addition to coordinating the risk mitigation measures implemented by the competent management, plays a key role in managing any potential company "crisis" events, such as the global pandemic and, more recently, the conflict in Ukraine, for which he directly heads the Crisis Management Committee on the basis of the company's Crisis Management Guidelines;
- the **Management Risk Committee**, which is responsible for identifying and weighing the macro-risks and the related impacts and working with the system parties to mitigate such risks;
- the **Head of Risk Management**, tasked with ensuring, together with the management, that the main risks relating to Brembo and its subsidiaries are correctly identified, adequately measured, managed, monitored, and integrated within a corporate governance system consistent with the strategic objectives;
- the **Internal Audit GCF**, which 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. On an annual basis, it also reports to the Board of Directors

GRI: 2-12

INSTITUTIONAL STEERING BODIES Governance	BOARD OF DIRECTORS			Board of Statutory Auditors	INSTITUTIONAL SUPERVISORY BODIES
	Executive Chairman	Chief Executive Officer	Executive Director in charge of ICRMS		
II LEVEL OPERATIONAL BODIES Risk & Control Drivers	Specific subjects or areas that on the basis of their organisational role: <ul style="list-style-type: none"> • oversee the process of detecting, assessing, managing and controlling risks related to company operations, ensuring consistency with company objectives and application of segregation criteria that allow efficient monitoring; • ensure compliance with specific regulations and oversee the risk of regulatory non-compliance; • steer, coordinate and control the I Level bodies in executing the directions given to them. 			Independent Auditors Audit, Risk & Sustainability Committee	
I LEVEL OPERATIONAL BODIES Risk & Control Owners	Specific subjects or areas that define risks and manage them through the line controls contained in the operational processes.			Supervisory Committee	

Lastly, management is responsible for the effective implementation of the Internal Control and Risk Management System for the areas within their respective remit, through the active contribution of all Brembo's employees, at each level in their working activity, helping to create not only economic but also ethical value for the company.

THE BOD'S ROLE

Within this framework, the BoD, with the assistance of the Audit, Risk & Sustainability Committee, is tasked with examining significant company risks and assessing how they have been identified, assessed and managed; verifying whether the structure of the System is concretely effective in the pursuit of its goals and in facing the related risks; and considering which actions have been taken or should be promptly taken to remedy such deficiencies. Moreover, the overall and final assessment of the System remains with the Board of Directors, which expresses an opinion regularly based on reports produced by the Control and Supervisory Bodies, to verify that the system exists and is being implemented within the Group, and to carry out a regular detailed examination of its fitness and effective and concrete operation.

It is precisely in this context that the new edition of the "Guidelines for the Internal Control and Risk Management System" was approved by the Board of Directors of Brembo S.p.A. of 20 January 2022, after having received an opinion from the Audit, Risk & Sustainability Committee.

In order for the entire System to function as a unitary, integrated whole, information flows between the various actors and levels of control on the basis of common rules and objectives have been established.

At the same time, the Policies for the implementation of the Internal Control and Risk Management System were also updated. These identify the overall design of Brembo's Internal Control and Risk Management System, taking into account the changes made to Brembo's Corporate Governance Code, the evolution of Brembo's organisational structure with new second- and first-level control roles, the new corporate strategy and sustainability objectives, changes in the legislative and regulatory landscape, as well as international best practices and reference standards such as ISO 31000 and the COSO framework.

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

RISK MANAGEMENT POLICY

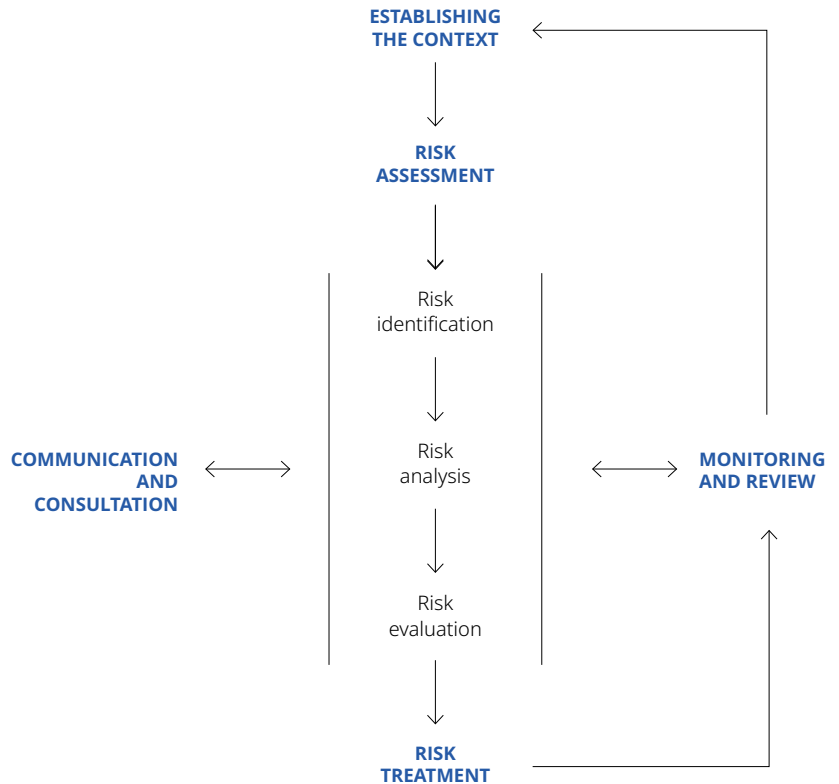
A **Risk Management Policy** based on **ISO 31000 standard**, which establishes the Group’s general direction and policies relating to risks, including those relating to sustainability, their management and harmonisation of processes. The risk management policy pursues a variety of aims, including: increasing 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 likelihood of occurrence and the impact, using exercises and simulations identifying possible scenarios, causes and potential consequences, considering any cascading (domino effect) and/or cumulative;
- **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 relating. 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 ar-

reas, 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 meetings held on at least a monthly basis, where results, opportunities and risks are analysed for each business unit and geographical region in which Brembo operates. The meetings also focus on determining any further actions required to mitigate the risks previously identified.

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, also as a result of the effects of the Covid-19 emergency, so as to take any measures suited to mitigating the potential risks;
- **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;

- **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, business interruption (linked to production sites being unavailable and their operating continuity), planning and reporting processes, as well as legal and compliance aspects;
- **financial risk:** 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 2022 Annual Report³⁹.

39 www.brembo.com, section Investors, Reports.



LEGISLATIVE DECREE NO. 254/2016

During 2022, 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, also taking account of any implications relating to the spread of the pandemic. 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. It participates in local committees, through membership of trade associations and uses specialist consultancy services, so as to identify new regulatory trends and comply promptly with the new regulations. Brembo also carries out regular audits to check that its production sites 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. In 2020, Brembo adopted a software called ORME (Obligation and Risk Management for Environment and Energy), developed to strengthen this management system, which since 2022 has included a module designed to facilitate the management of the risk assessment process.

It is deemed appropriate to include in the range of environmental risks suffered the Group's acquisition of land for production purposes, or existing businesses, with contaminated subsoil caused by events prior to purchase. To monitor such risk, Brembo carries out environmental due diligence work to identify any critical issues within the acquisition process.

Recent years have seen an increase in the importance and likelihood of occurrence of risks related to climate change and the consequent worsening of extreme atmospheric events which may affect the Group's production sites and cause not only material damage and implications for production continuity, but also the potential dispersion of hazardous substances into the environment⁴⁰. To safeguard against such critical issues, the Group monitors emerging studies on the matter, above all in terms of assessment of such risks. In fact, based on TCFD (Task Force on Climate-related Financial Disclosures) recommendations, Brembo has performed an in-depth analysis of an assessment of risks arising from climate change, thus demonstrating a deep interest in managing its own exposure to climate-related risk. This risk analysis will be updated in 2023.

In particular, within the framework of climate change, water shortage is among the risks of increasing significance. In fact, Brembo's production process involves significant use of water resources. In 2022, this risk became of current interest for Mexico, where a mitigation plan was thus implemented, involving, among other measures, reuse of waste water from the municipal processing facility, thus recovering water useful for the process.

With regard to the climate change theme, Brembo is also exposed to the risk associated with achieving the *Net Zero* objective. In response to this risk, 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 paragraph "Greenhouse gas emissions".

A further risk related to environmental issues concerns possible non-compliance with the regulations on chemical products, which are becoming increasingly more stringent worldwide. Brembo is subject to these regulations both as a producer and as a user. The management of this risk is responsibility of the Environmental & Energy. In fact, it supports the GBUs in interpreting regulations and verifying their applicability.

⁴⁰ In 2022, Brembo received three fines totalling €143,960 for non-compliance with environment-related laws and regulations. Further details are available in the "Appendix".

GRI: 3-3;
 WEF: Risk and
 opportunity
 oversight



CLIMATE: 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 will be updated in 2023.

For further details please refer to the Appendix.

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 the sustainability 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 Company Departments involved with the aim of ensuring a consistent assessment of suppliers and the related sustainability risk profile, also through a dedicated IT tool. 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. Since 2015 Brembo has monitored its suppliers through on-site audits or document-based self-assessments according to ESG criteria.

In fact, Brembo selects partners who share its values and gets them actively involved in the risk prevention process, through the launch of a pilot project that involves the use of an artificial intelligence platform, thanks to which it is possible to intensify and automate controls on the supply chain.

Within the area of human rights, Brembo also assesses the potential risk involving non-conformity with the General Data Privacy Regulation (GDPR), which came into force on 25 May 2018, with implications both in terms of possible administrative sanctions and the loss of personal data relating to the Group's main stakeholders. 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.

Moreover, the Group has updated the clauses contained in the contracts, forms and documents about privacy. As far as the newly acquired companies are concerned, Brembo provides for the definition of dedicated compliance programmes in order to bring them in line with the Group's standards.

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.

For 2022 the risk associated with the Covid-19 emergency continues in reference to the facilities in China, due to the generalised confinement measures that in certain areas reduced the availability of personnel, with the resulting potential repercussions on continuity of production.

With reference to the remote working mechanism in Italy, following experimentation that began in the second half of 2019 through a pilot project, the system began to be managed on an emergency basis, organised and governed by the relevant national rules. After this emergency phase ended, in September 2022 the Company institutionalised remote work, setting up its own specific regulations and signing the individual agreements required under ordinary Italian legislation with all the employees concerned whose duties allow them to work remotely.

A new risk that emerged as a result of the Covid-19 emergency situation concerns management of the so-called "new normal" which, in the event of delays or errors in defining suitable internal policies, may lead to repercussions for the wellbeing of the workforce, with potential consequences in terms of productivity and increased staff turnover. At the end of 2021, the Group launched a global engagement survey, while in 2022 it developed action plans aimed at improving the related indicators.

In some geographical areas in which the Group operates, difficulties have occurred over the years in the personnel recruitment and retention processes.

As a result of the spread of the "Great Resignation" phenomenon marking the post-pandemic labour market, this risk has, to all intents and purposes, become global. Brem-

bo 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. Finally, targeted communication campaigns with a particular focus on selected professional profiles have been implemented for the Brembo brand to maintain a high level of attractiveness as an employer.

To tackle the risk related to the growing automation of the industrial processes introduced by technological innovation, Brembo is working on a project to standardise the organisation of facilities at the Group level that includes a map of the skills in order to identify areas that, including with respect to the Industry 4.0 implementation plan, are subject to training and development processes or the recruitment of new external resources. The Group is carrying out training campaigns which aim to promote new skills and accustom the company's workforce with the new topics considered necessary for the digitalisation process. In order to expand the depth and reach of the training activities organised in the context of the Professional Academies, the training offer in the technical-specialist area is constantly renewed.

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 Organisation, Management and Control Model (pursuant 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 Com-

GRI: 3-3
 WEF: Ethical
 behaviour
 WEF: Risk and
 opportunity
 oversight

pliance 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. 2022 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. It should be noted that compliance programmes dedicated to the newly-acquired companies will be organised in order to align them with the Group's standards.

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, de-

velopment 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.



PEOPLE AT THE CENTRE

Their unique characteristics and the beauty in their differences: people are always at the centre. Diversity is an invaluable resource that allows the expansion of ideas, just as the integration of thoughts and knowledge leads to unpredictable, breakthrough solutions.



4. PEOPLE



14,966⁴¹
People



>400⁰⁰⁰
Training hours provided during the year



100%⁴²
ISO 45001 certified plants



6.0%⁴³
Workforce increase compared to the previous year

4.1 PEOPLE WITHIN BREMBO

People are the key element of Brembo's success, the most precious strategic asset that allows the Group to innovate and achieve new goals. Brembo pays particular attention to human capital, strongly believing that it is the knowledge and skills of each person that determine the real competitive advantage that is useful for anticipating and overcoming future challenges in the dynamic context in which Brembo operates. Therefore, in line with its strategic pillars, Brembo promotes the growth, development and continual enhancement of skills. Today, almost 13,000 people work for Brembo every day with dedication and passion. Aware of the huge strategic value of People, Brembo works constantly to boost, on the one hand, the sense of be

longing and the motivation of everyone who works for the Group and, on the other, to consolidate its image as a "best place to work".

Brembo is committed to offering a comfortable and welcoming work environment from the point of view of layout and work tools, which creates a culture capable to facilitate performance, exchange, discussion and collaboration, with a guide that favours strategic direction in the development of the organisation. Creating a positive environment also means giving people the space and freedom to make decisions and contribute their own ideas, while encouraging the individual contribution to achieving



12,956
Employees



+731
More employees in 2022



39.18 years
Average age of employees

41 The number of People includes employees and temporary workers.

42 The percentage does not include the recently acquired sites of J.Juan and SBS Friction. As per the policy adopted, the newly built or recently acquired sites will obtain the certification within 1 year and 2 years, respectively.

43 The number of employees given in the 2021 Highlights already included the employees of the J.Juan Group.

GRI: 2-7; 2-30; 3-3
 WEF: Employment
 and wealth
 generation

long-term goals that make Brembo a solid, lasting and sustainable company. In addition, the adoption of healthy lifestyles allowing people to express themselves at their best and be productive is at the heart of Brembo's actions.

To strengthen people's engagement, specific initiatives were implemented such as the People Day in Poland, the Family Day in the Czech Republic and the UK, the Work with Parents in China and the Children's Day in Brazil, dedicated to all employees and their families, along with the "Brembo Food Festival" in China to reinforce the sense of belonging and collaboration between departments. Town hall meetings were organised in various Group plants and corporate functions to share the results achieved and the objectives, but also to promote active dialogue and listening with all the personnel. The Brembo brand's major ability to attract talented people, distinguished by their different 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 company during 2022, with an increase of 731 in the number of employees compared to the previous year, which also included the J.Juan's employees (see the Annual Financial Report 2021).

Brembo Group is thus able to rely on a dynamic, highly professionalised and qualified team. 47% of the workforce has achieved a mid-high level of education and 24% graduated university qualification. Of the employees with a university qualification, 55% holds a degree in engineering.

Following this approach, it is natural that constant search for and attraction of talents are a priority for the Group. It is for this reason that the company 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, that allows each candidate's skills and value to be appreciated fully and without discrimination. At the same time, Brembo also acts on the internal dimension in order to provide its people with opportunities for professional growth and employment stability, pursuing a dialogue with trade unions where required. As proof of this commitment on the matter of employment more than 82% of 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, 71.8% of the workforce is covered by a collective bargaining system.

PEOPLE HIRED BY GEOGRAPHICAL AREA⁴⁴ AND GENDER (NO.)

GEOGRAPHICAL AREA	2020		2021		2022	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Europe	344	93	483	130	719	209
America	482	89	873	161	1,301	257
Asia	868	48	850	52	962	137
Total	1,694	230	2,206	343	2,982	603

⁴⁴ The three macro-areas include the following countries: **Europe:** Italy, Poland, United Kingdom, Czech Republic, Spain, Denmark and other European countries; **America:** Brazil, United States and Mexico; **Asia:** China, Japan and India.

PEOPLE TERMINATED BY GEOGRAPHICAL AREA⁴⁴ AND GENDER (NO.)

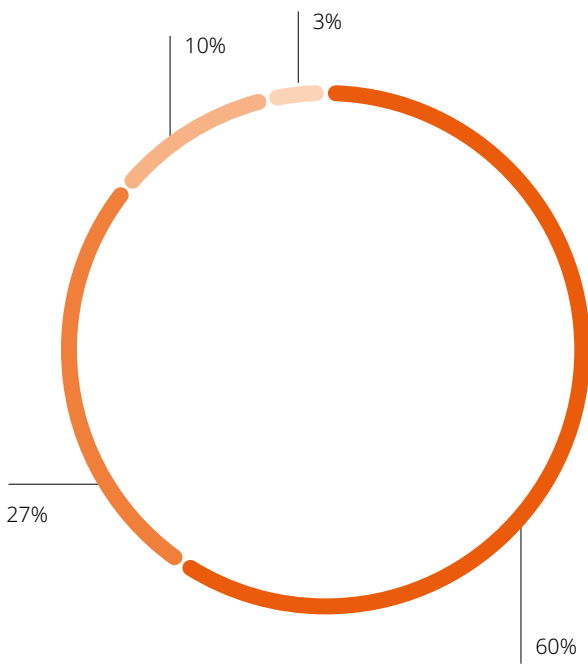
GEOGRAPHICAL AREA	2020		2021		2022	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Europe	456	102	424	103	556	117
America	367	65	658	140	613	642
Asia	714	48	700	46	822	73
Total	1,537	215	1782	289	1,991	832

PEOPLE HIRED AND TERMINATED BY AGE GROUPS IN 2022

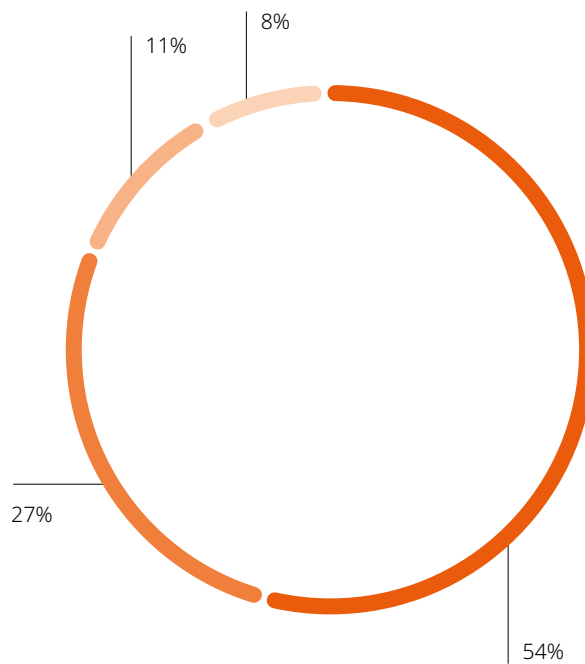
AGE GROUP *	HIRED	TERMINATED
≤30 years	2,153	1,525
31-40 years	951	749
41-50 years	382	312
≥51 years	99	237
Total	3,585	2,823

* The breakdown of employees by age group is based on the following categories: ≤30; 31-40; 41-50; ≥51

PEOPLE HIRED BY AGE GROUPS (%)



PEOPLE TERMINATED BY AGE GROUPS (%)



- ≤30 years
- 31-40 years
- 41-50 years
- ≥51 years

⁴⁴ The three macro-areas include the following countries: **Europe:** Italy, Poland, United Kingdom, Czech Republic, Spain, Denmark and other European countries; **America:** Brazil, United States and Mexico; **Asia:** China, Japan and India.

Turnover in itself has not 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 is monitoring with increasing attention the labour market in the different geographical areas of interest and the remuneration provided for with regard to the most critical roles. Accordingly, it has strengthened certain mechanisms for the periodic monitoring of terminations and the quality of voluntary resignations, as well as analysed the reasons why people consider job opportunities outside the Group.

Particular attention is paid to monitoring the turnover of people serving in key roles in Brembo's core processes. Lastly, as a safeguard measure for issues relating to talent attraction and retention, the Group is committed to applying different strategies, such as communication and recruitment campaigns for specific professional profiles and close collaboration with universities and Educational and Training Institutions, as well as specific actions connected with the results of the Global Engagement Survey.

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 issue is confirmed, it 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 local higher education institutions, and the university institutions present in the various areas where it operates, is a key part of its own talent search and selection process.

Brembo has set up structured and strategic partnerships with over 33 universities worldwide (including the most prestigious in Italy, Denmark, China, Poland, India, Spain, USA and Mexico), with a 32% increase compared to the previous year, and in 2022 it carried out more than 80 activities in collaboration with the academic world (+21% compared to 2021). These partnerships are mapped annually through the structured "University Relations Mapping" process involving all the Group's companies at global level.

Among the various initiatives undertaken, 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 schools and universities in Italy and internationally, and promotes 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 Company and the external context, local communities and the academic world.

With reference to the world of work, maintaining communication channels with 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 MOST SIGNIFICANT SPONSORSHIPS OR PARTNERSHIPS IN THE ACADEMIC AND SCIENTIFIC AREA



- Accademia del Freno, Polytechnic University of Milan
 - "Begonnen: Learn German with Brembo", Polytechnic University of Milan
 - Formula SAE Italy – Formula Electric Italy, Student Competition
-

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. As part of certain specific training initiatives such as the Accademia del Freno organised in collaboration with the Polytechnic University of Milan, Brembo provides their managers and specialists to teach to the Polytechnic students who are about to graduate, illustrating them the various phases of Brembo products.



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 2022 as well, Brembo participated in the work of the “STEM in Pink” 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 personnel and to mitigate preconceptions in favour of gender parity.

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. In its fourth edition, the LIFT Programme – Leaders’ International Fast Track Programme — initiative in May 2022 saw the recruitment of young talents to grow through cross-functional and international experiences, enriching the Company's Global Talent Portfolio. The programme, lasting 27 months, is divided into three job rotations, of which at least one is abroad, and provides for participation of the colleagues included in a learning journey designed to accelerate learning and time to perform. Current participants ended the first rotation in February

2023. The first rotation will be followed by a second one in a different company area.

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 involving all the Company's workforce worldwide 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. The analysis carried out in December 2021 — at its seventh edition — saw a 78% response rate, with an increase of 4 percentage points compared to 2017 on a constantly growing reference population. The survey, consisting of 44 closed-ended questions and 2 open-ended questions, was conducted for the first in an entirely digital mode and involved 10,733 employees (white-collars and blue-collars). In previous editions, the survey focused on the Engagement Index, in other words employee "engagement" in the company and their willingness to play a more active part than required by their role. Starting from the 2021 edition, the survey allows us to measure and monitor over time the trend of 3 indicators: the Engagement Index, the Enablement Index, which translates into the company's ability to put employees in the best conditions to perform their work in the best possible way, and the Diversity & Inclusion Index which reflects how employees feel equally involved and supported in their work beyond individual differences.

BREMBO'S INTERNAL MEDIA

Internal communication represents an opportunity for Brembo to inform 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 company reality is, in fact, a priority aspect of Brembo's culture and identity.

Brembo communicates with its people primarily through the following channels: the MyBrembo House Organ,

OVER 120	news items published on the Red Portal in 2022
OVER 1,890	monthly users viewed at least one editorial content on the Red Portal
90	news items published in the MyBrembo house organ
OVER 16,350	copies of the MyBrembo House Organ distributed worldwide

distributed at all sites and plants, and the Intranet Red Portal, which can be used by all employees who have a company 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 people as possible. The main indicators of the effectiveness and efficiency of the Intranet are the number of news items published and the number of distinct users who access this content monthly.

The MyBrembo House Organ is a quarterly publication of 12-16 pages, produced in eight languages (Italian, English, Polish, Spanish, Czech, Brazilian Portuguese, Chinese and Hindi). Since 2020 the publication has also been available in the digital format and on the Red Portal Intranet.

The topics covered are chiefly of an institutional nature (events, awards) or relating to 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 employees' stories and to the Group's Corporate Social Responsibility activities. The main indicators relating to this internal means of communication are the number of news items published and the number of copies printed and distributed in all plants around the world.

	2020	2021	2022
Red Portal Intranet			
No. of news items published during the year	92	103	121
Average No. of users who viewed at least one editorial content	2,051	1,865	1,894
House Organ MyBrembo			
No. of news items published during the year	64	93	90
No. of copies distributed worldwide	13,240	22,091	16,362



Inform, motivate and engage. The strategic role of internal communications finds its maximum expression in communication campaigns that, today, increasingly play a central role in involving the entire organisation and sharing Brembo's values, 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

aimed at raising awareness about the 17 Sustainable Development Goals launched in 2019 with the campaign "We support SDGs". "Put Your Face on It" aims to spread and share all the good practices that people put in place in their professional and private daily lives, through short amateur videos broadcast in the plants, published on the company's Intranet, website and official social channels.

Motivation and engagement are also

two focal elements of the change management campaign for the launch of Office 365 applications. This stands out not only for the timely top-down information process for the new communication and collaboration tools adopted by Brembo in 2022, but also for the launch of a peer-to-peer process promoting the effectiveness of the new smarter and more digital way of working through a voluntary ambassadorship programme.

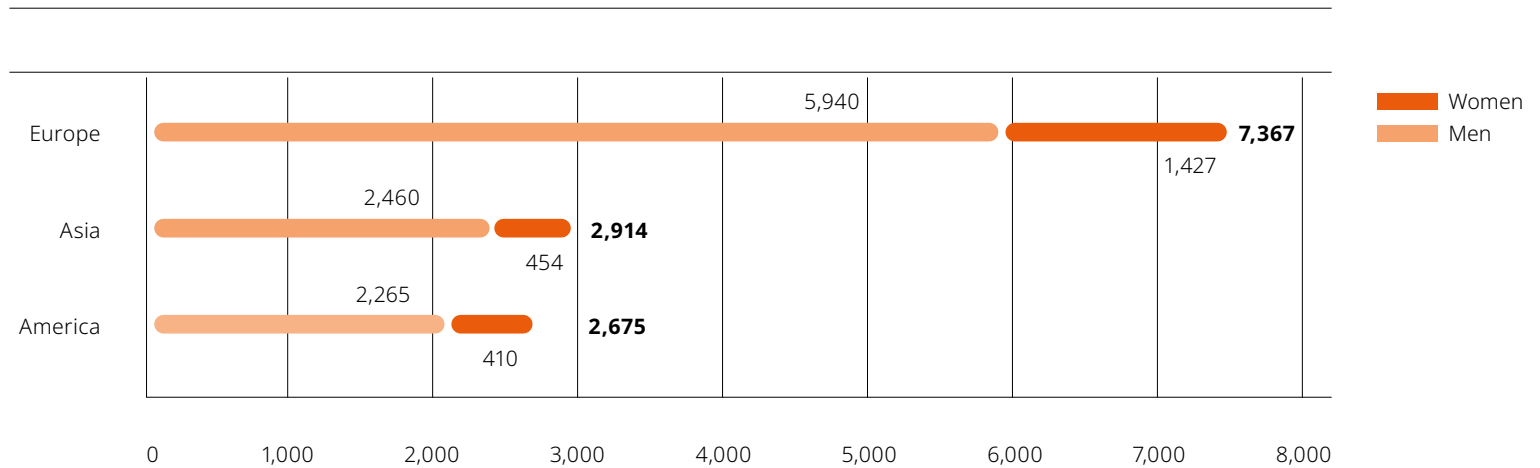
4.2 DIFFERENT WAYS OF BEING BREMBO PEOPLE

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 a sense of belonging. It encourages people to feel they are have a leading role in the Group’s success, fostering a culture of inclusion and respect for diversity from the moment they are hired 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 multicultural team in which, out of 100 Brembo employees, 25.8% work in Italy, 17.6% in Poland, 14.8% in China, 13.9% in Mexico, 7.3% in the Czech Republic, 7.5% in India and 5.1% in the United States, while the remaining approximately 8% are distributed between Brazil, the United Kingdom, Spain, Japan, Denmark and other countries.

BREMBO EMPLOYEES BY GEOGRAPHICAL AREA* AND GENDER (NO.)



* The three macro-areas include the following countries: **Europe:** Italy, Poland, United Kingdom, Czech Republic, Spain, Denmark and other Countries; **America:** Brazil, United States and Mexico; **Asia:** China, Japan and India.

PERSONNEL CHANGES BY GEOGRAPHICAL AREA COMPARED TO 2021

+ 236 Europe **+ 311** America **+ 184** Asia

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 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 24% under 30, 31% between 31 and 40, 29% between 41 and 50 and 16% over 51. One of the Group's initiatives aimed at highlighting and enhancing the contribution of the younger generations is the **Gen Z Forum which involved about twenty young people from Generation Z and some young 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 new generations can share their thoughts and reflections, working with a bottom-up, start-up and creativity approach.

The 2022 edition closed in December with the celebration of the results achieved by colleagues and the selection of 3 of the 4 ideas by the CEO and a selected jury of GBU/GCF Chief Officers, which will be implemented within the strategic pillars starting from 2023. The Company is already working on the 2023 third edition and on the

engagement of other young people able to develop innovative ideas that can transform Brembo.

Brembo's focus on diversity and inclusion also takes shape in the commitment into the company of people with disabilities, in accordance with the rules and practices laid down in applicable legislation. In particular, 130 people with disabilities were working in the Group at 31 December 2022.

In addition, also the training programs contribute to creating awareness on diversity-related issues and raising awareness at all levels of the company regarding respectful and inclusive behaviour through specific training paths dedicated to different job positions. In 2022, training for both managers and professionals continued to be delivered at the Brembo Academy.

In addition, these initiatives are supplemented by social events aimed at spreading a culture that values diversity and inclusion practices, such as for example the activities normally 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.)

	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
≤ 30 years	2,377	329	2,706	2,545	336	2,881	2,742	444	3,186
31 – 40 years	2,881	622	3,503	3,028	625	3,653	3,254	751	4,005
41 – 50 years	2,571	638	3,209	2,666	658	3,324	2,967	762	3,729
≥ 51 years	1,411	210	1,621	1,534	263	1,797	1,702	334	2,036
Total	9,240	1,799	11,039	9,773	1,882	11,655	10,665	2,291	12,956

EMPLOYEES BY CLASSIFICATION LEVEL AND GENDER (NO.)

	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Managers	473	76	549	502	86	588	565	98	663
White-collar employees	2,004	698	2,702	2,102	724	2,826	2,416	864	3,280
Blue-collar employees	6,763	1,025	7,788	7,169	1,072	8,241	7,684	1,329	9,013
Total	9,240	1,799	11,039	9,773	1,882	11,655	10,665	2,291	12,956

EMPLOYEES BY CLASSIFICATION LEVEL AND AGE GROUP (NO.)

	2022				TOTAL
	≤30	31-40	41-50	≥ 51	
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

EMPLOYEES BY CLASSIFICATION LEVEL AND AGE GROUP (NO.)

	2021				TOTAL
	≤30	31-40	41-50	≥ 51	
Managers	2	145	260	181	588
White-collar employees	635	1,012	808	371	2,826
Blue-collar employees	2,244	2,496	2,256	1,245	8,241
Total	2,881	3,653	3,324	1,797	11,655

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 663 managers operating in the different countries, 90% were born in the country where they are working, while 10% 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 and the Policy on Non Discrimination and Diversity, most recently updated in 2022⁴⁵. During the year that has just come to an end, Brembo developed the new Policy, in which it set out the guidelines to promote the principles of Diversity, Equity and Inclusion (DEI) within the Group and spread a solid DEI culture. The publication of the Policy update was also accompanied by the Brembo Charter on Diversity, Equity and Inclusion (Brembo DEI Charter) which provides useful suggestions for virtuous behaviour to be put into practice at work on a daily basis.

45 Documents available on the website www.brembo.com/en/company/corporate-governance/codes-policies e <http://red-portal/sites/documents/HR/Forms/AllItems.aspx?RootFolder=%2Fsites%2Fdocuments%2FHR%2FITA%2FPOLICY>.

GRI: 2-7; 2-25; 2-26;
2-30; 3-3; 403-6; 406-1
WEF: Ethical
behaviour

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, beside the presence of the institutional whistleblowing channel managed by the Supervisory Committee, a dedicated email address working_conditions@brembo.it, accessible from both inside and outside the company, has been put in place as another specific mechanism has been put in place to gather any reports on behaviour that does not comply with company policies. This channel, together with the institutional whistleblowing channel, is 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 the Chief Human Resources and 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 has defined more targeted tools for safeguarding diversity that are included in the framework of the local Employee Assistance Programs (EAP). For example, 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 company, when they are faced with particular personal and temporary difficulties. In addition, in the USA and the UK and in partnership with local operators and/or vendors the Group has set up structured EAPs that are available to employees.

Only one episode that the reporting person considered to be possible workplace discrimination was brought to Brembo's attention in 2022, through the different available channels. Such event is the subject of in-depth investigation.

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 offers its employees the option to choose part-time working schemes, which were taken up, in 2022, by 293 employees, of whom 80% were women.

Employees with part-time contracts by gender

2020			2021			2022		
MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
46	217	263	46	225	271	58	235	293

4.3 PEOPLE DEVELOPMENT

People and their skills are the main pillar for the deployment of the company strategy. In fact, skill strengthening and talent promotion are the primary levers of people development and an enabling factor for the strategy that can anticipate and satisfy business-related demands and create the Group's identity culture.

The year 2022 confirmed Brembo's commitment to continuing with important investment in training and launching various training initiatives with an increasingly inclusive and global approach in favour of transversal enrichment and greater collaboration between Group Companies and instrumental to the achievement of the strategic objectives.

One of the global and inclusive training projects of 2022 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 sessions run by the managers of the various company 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. In 2022, the programme, divided into 22 virtual meetings organised in 11 modules, involved over 500 new hires including white-collar employees and managers with an average satisfaction rate of 4.11 (scale 1-5).

Other global projects, closely related to the Digital Transformation Programme, are the Digital Learning Path which features the Culture of Data course, run by internal teachers and external professionals, and Artificial Intelligence & Machine Learning. The Knowledge Management programme also continues alongside the certification of employees who hold critical know-how able to ensure that such know-how is transferred within the Group through internal teaching, participation in inter-functional project groups, as well as the drafting and updating of manuals.

The Company academies focusing on R&D and Manufacturing and run by internal teachers certified by the Brembo Academy are also constantly updated and enriched with new content.

The "Skill Factory" global development project on some populations with a critical IT and Internal Audit know-how continued in 2022, following the previous successful experiences which involved the GBUs' Sales&Marketing, Technical Development and Program Manager areas. This devel-

opment path follows an individual assessment focusing on two aspects: the mindset and the technical skills critical for the role. Over 250 Group employees were assessed in 2022. The assessment is then followed by an individual feedback and a development and training plan.



more than **400⁰⁰⁰**

training hours provided in 2022,
an over 45% increase compared to 2021

For Brembo it is essential to promote the ability to experiment and innovate, as well as the development of a strong tension to the future, so as that its people are able to anticipate market trends, promote continual product and service innovation and offer customers high-quality solutions. One example was the training on the Six Sigma methodology, a scientific and systemic approach aimed at continuous process improvement, provided by internal teachers at the Brembo Academy. Continuing on from previous years, 2022 again saw the Company award Six Sigma certifications to those who, after completing the training, developed projects in cross-functional teams using this methodology. For Brembo, the ceremony represented an occasion for recognising the active participation of employees in pursuit of excellence.

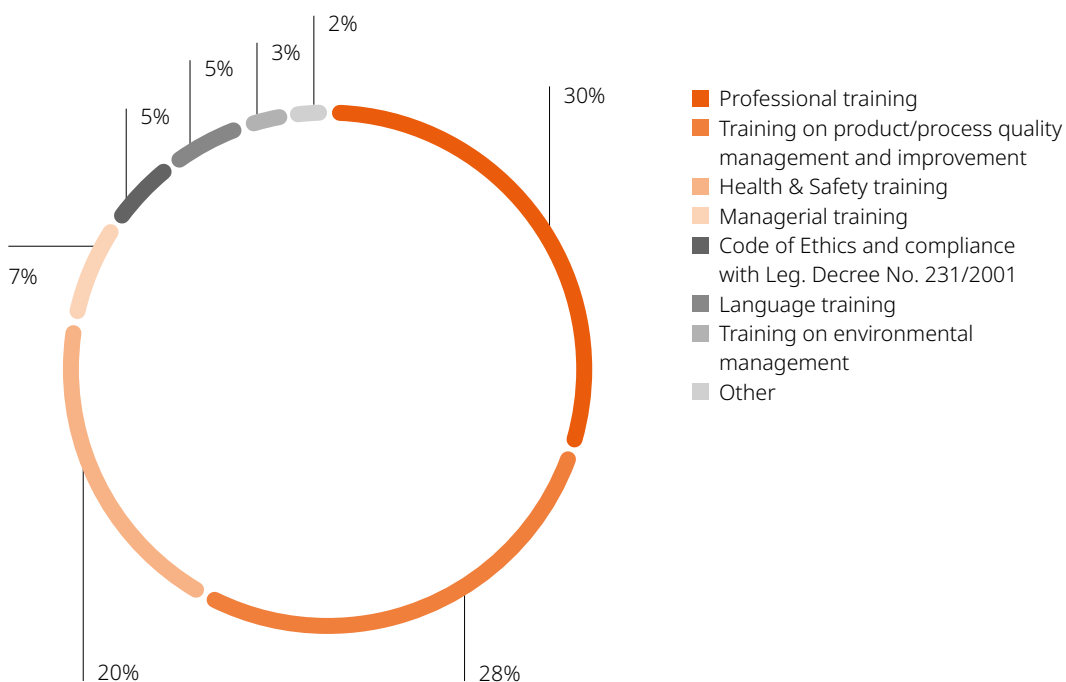
The Group has, therefore, ensured a structured, flexible and inclusive training offer differentiated by target population, complemented by additional tools such as individual and group coaching, mentoring and tutoring and, most recently, the career advisory launched in Italy on an experimental basis.

The training provided "remotely", through virtual classrooms or in e-learning mode, has been strengthened and has proved to be effective thanks to the attention paid to reformulating the way content is presented. In particular, over 53,000 training hours were provided in e-learning mode in 2022.

On average, each employee received 31 hours of training. This figure reached an average of 29 hours per year for managers, 32 hours for white-collar employees and 31 hours for blue-collar employees. Over the course of the year, 23% of people participated in training about human rights and the associated procedures (Code of Ethics included), for a total of 3,741 hours.

GRI: 3-3; 404-1

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

	2020	2021	2022
Managers	16	24	29
White-collar employees	15	29	32
Blue-collar employees	13	22	31

AVERAGE HOURS OF TRAINING BY GENDER

	2020	2021	2022
Men	15	26	33
Women	10	16	24

AVERAGE HOURS OF TRAINING BY EMPLOYEE

	2020	2021	2022
	14	24	31

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 analysis of training needs process. 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 mode 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 Company continues to invest in the development of transversal skills and organisational behaviours indicated within the Brembo Competency Model, as well as in strengthening role-based skills.

The Brembo Academy catalogue 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 are also available in English or the language of the Country concerned.

The broader framework of personal and leadership development includes the Group Talent Management and Succession Planning system. It starts with the Brembo Yearly Performance Review (BYR), which allows managers' evaluations of individual annual performance to be collected. It then proceeds with the updating of the Country Talent Pools with the mapping of Talents and Successors at country level and then the expansion of the map of GCF and GBU Talents and Successors within the Development Committees involving the GBU and GCF Chief Officers, the HR&Org GCF and the Top Management.

The process ends with the consolidation of the Group Talent and Succession Portfolio and with the definition of appropriate initiatives for the development and enhancement of the mapped talents and successors.

4.4 GROWTH AND MERIT

The performance assessment for white-collar employees (BYR - Brembo Yearly Review) is an important element for Brembo, as well as an essential tool for ensuring continual improvement, enhancing key skills within the Company and retaining talents. The BYR consists of a constant dialogue between managers and employees, which ends with a structured discussion 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 to 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 2021, 72.9% of employees (73.6% of men and 69% of women) took part in a performance assessment process, with a rate of 67.80% for blue-collar employees, 83% for managers and 85% for white-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	419	83.47%	69	80.23%	488	82.99%
White-collar employees	1,857	88.34%	562	77.62%	2,419	85.60%
Blue-collar employees	4,918	68.60%	669	62.41%	5,587	67.80%
Total	7,194	73.61%	1,300	69.08%	8,494	72.88%

* Data refer to the 2021 performance assessment process and refer to employees at 31 December 2021.

In addition to a pre-set 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 (such as the MBO for executives and managers). These include, for example, the implementation of specific projects and meeting one's own spending budget targets which measure the individual contribution with respect to the Group's strategic objectives.

In order to promote the personal and professional develop-

ment of employees, Brembo has fostered the use of internal mobility tools, so as to ensure easier access to 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 colleagues 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.



**THE DIGITAL TRANSFORMATION FROM THE HR STANDPOINT:
AN ADVANCED HUMAN RESOURCE MANAGEMENT SYSTEM**

The Group's Digital Transformation Programme and in particular the Journey 10 program include the standardisation and digitalisation of processes relating to the management of the Group's human resources, which translates into the adoption of a Cloud Group Human Capital Management System (Brembo HCM).

This project initially focused on white-collar employees. Blue-collar employees will also be included in the system over the course of the five-year plan. Some of the most significant benefits are the availability and accuracy of data and information on Group personnel, the standardisation and syn-

chronisation 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 and the adoption of new ways to collaborate.

In particular, during 2022, the HR Core on the Group was completed (only the US and Mexico will be finalised at the beginning of 2023), while the Performance Management process (Brembo Yearly Review – BYR) was released in Italy with the following advantages:

- improved flexibility and process monitoring capability
- use of continuous online feedback, which can be requested or produced at any time for any colleague or manager
- dialogue between manager and employee through periodic online check-ins

During the year, work was also carried out on the design of the short-term incentive system (MBO), the development of the Recruiting module and the Competence Assessment module to be implemented in 2023 on Brembo HCM together with the launch of the BYR at global level.

4.5 OCCUPATIONAL HEALTH AND WELLBEING

Brembo has made protection of Safety a distinctive element of its business and way of being, while 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 people 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 HEALTH AND SAFETY AT WORK



- **Health, individual and collective safety are essential prerequisites:** they steer 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 of health and safety aspects.
- **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" and 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 in 2020, upon the issue of the new Management System, which has adopted the principles of the ISO 45001 standard, the Health and Safety Policy is an integral part of the broader "Organisation, Management and Control Model". The certification of all sites according to this standard was confirmed for 2022 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 began 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 throughout the company, 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 site on an ongoing basis have been taken into account (such as contractors, visitors, customers). To date, this Management System does not include the SBS 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, 94% 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)⁴⁶.

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.

⁴⁶ 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 and Organisation Officer and the Safety Committee comprising all sites and operations. This is also where the main safety KPIs performance and the findings of the analysis of the situation conducted at the Group level are presented, along with mitigation activities for the risks 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 context 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 line with rules established by the Group, committees or work groups meet to discuss as-

pects 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 conditions⁴⁷. 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 circulation of the risk reports by the whole organisation. Reports are an essential starting point for identifying new potential risks and thus defining and im-

⁴⁷ 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.

GRI: 3-3; 403-1;
403-2; 403-9

plementing actions aimed at improving employees' working conditions from the standpoint of safety.

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 assess-

ments and periodic audits. **In 2022**, Brembo reported for employees an incident rate of 0.66 (excluding commuting incidents), **the lowest figure ever reported**. The main types of incidents 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.

	2020		2021		2022	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Workplace incidents by gender (%) - (employees)	82%	18%	85%	15%	91%	9%

INCIDENT RATES OF EMPLOYEES*

	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Incident Rate** (No. of work-related injuries / No. of hours worked) x 200,000	0.98	1.14	1.0	0.73	0.61	0.71	0.73	0.32	0.66
Incident Rate with high consequences*** (No. of high-consequence work-related injuries / No. of hours worked) x 200,00	0.03	0.07	0.03	0.01	0.00	0.01	0.04	0.00	0.03

* 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. Compared to the 2018 Disclosure of Non-financial Information, the method used to calculate incident rates relating to employees and workers who are not Brembo employees, operating at the Group sites has been aligned to the new reference Standard.

** The frequency rate takes into account both injuries with lost days and those without lost days apart from the day on which the injury occurred (e.g., medical treatment or change in work duties).

*** "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 2022, the incident rate of workers who are not employees increased to 1.08, while the incident rate

with high consequences of workers who are not employees amounted to 0.09, with a slight increase compared to the two previous years when it was 0.

**INCIDENT RATES OF WORKERS, WHO ARE NOT EMPLOYEES⁴⁸,
OPERATING AT THE GROUP'S SITES***

	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Incident Rate** (No. of work-related injuries / No. of hours worked) x 200,000	0.79	0.96	0.82	0.99	0.56	0.90	1.06	1.15	1.08
Incident Rate with serious consequences*** (No. of high-consequence work-related injuries / No. of hours worked) x 200,00	0	0	0	0	0	0	0	0.38	0.09

* The calculation of reported incident rates takes into account only injuries occurred to workers who 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. Compared to the 2018 Disclosure of Non-financial Information, the method used to calculate incident rates relating to employees and workers who are not Brembo employees, operating at the Group sites has been aligned to the new reference Standard.

** The frequency rate takes into account both injuries with lost days and those without lost days apart from the day on which the injury occurred (e.g., medical treatment or change in work duties).

*** "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.

In 2022, Brembo reported 4 work-related incidents in Italy, none of which with high consequences. Lastly, no fatalities relating to employees, temporary workers

or contractors were reported during the year. In 2022, 10 cases of employee occupational diseases were reported, of which 8 in Italy and 2 in the Czech Republic.

	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Recordable occupational diseases (No.) (employees)	7	8	15	5	10	15	10	0	10

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 employees

⁴⁸ The calculation of incident rates does not take into account contractors.

GRI: 3-3; 403-1;
403-5



Over 80,640 hours

of training regarding Health and Safety provided in 2022

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. In most cases, the trainers are external and are chosen after thorough assessments of their qualifications, competence and experience. In some geographical areas, such as Mexico and China, a further specific certification is requested.

During 2022, the training activity was also carried out online, as this mode proved to be equally effective.

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 of the behaviours with which personnel must comply in the workplace.



THE "I AM SAFETY" CAMPAIGN



After two years of interruption, the "I am safety" campaign resumed in Italy and China in 2022. People were involved in focus groups and these occasions for discussion allowed to reinforce the six principles considered

fundamental for the development of a strong safety culture in the factory, specific for each Country. In Italy, these principles are as follows: teamwork, starting point, normality, responsibility, choice and commitment.

This campaign also aimed to engage people directly in order to consolidate the principles identified and bring out others that were not taken into account previously.

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 in Brazil; and similar prevention initiatives in Poland. 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, 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 a lunch 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 employees. 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 diseases.

This initiative represents a tangible step 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 occupational 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 H&S issues and identify specific solutions. In particular, they include the Plant Manager, H&S, the Worker 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 topics include risk assessment, work-related incidents 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 2022 as well, for the eleventh year in a row, into 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. After years in which the pandemic containment measures dominated safety-related communication, 2022 saw a resumption of awareness-raising on this issue in China and Italy. Not only through "chat & focus", i.e. individual meetings with top management, but also through dedicated workshops and dissemination of communication materials.

World Class Manufacturing (WCM)

The year 2022 saw the launch of the World Class Manufacturing programme at all Brembo sites. The reference teams for the Safety Pillar were defined, along with the initial related training, which was subsequently provided at all the plants involved.

Lastly, at the end of 2022 at all the sites the model areas were identified through the Safety Matrix. They will be the starting point for implementing the first improvement activities in 2023.

At the end of 2022 as well, all the sites completed a self-assessment of the activities performed with the assignment of a final score, which will be reviewed by the reference central team in order to check its adequacy with respect to actual progress.

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. During 2022, ergonomic improvement work continued and a study project was also launched for the use of exoskeletons, designed to provide adequate ergonomic support at the most critical workstations; the project will see a number of experimental trials carried out during 2023.

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 2022, this project was extended to several sites, thanks to training and awareness-raising activities devoted to the security personnel.

In particular, the Layered Process Audit project was launched at the Ostrava plant. Following a safety audit by each level of the organisation, this project identifies and then analyses the unsafe conditions and actions found on individual workstations in order to implement the appropriate countermeasures. The use of this tool will subsequently be extended to all sites for which it will be deemed appropriate.

'Safety Walk'

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 MyBrembo supplement the range of information tools available to employees.

HEALTH AND SAFETY IN BUSINESS RELATIONSHIPS

Brembo aims to promote Health and Safety matters throughout its supply chain, in order to ensure suitable and healthy working environments for all people who have dealings with Brembo. In 2022 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 aspects and accompanying and supporting them in the effective management of such 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 is structured into three aspects:

- communication and sharing of occupational Health and Safety stand-

ards 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 engages third parties to carry out audits of suppliers in order to verify compliance with the required standards. 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.

Important results were confirmed during 2022:

- in all the countries where Brembo is present with its operational activities, which are also the countries where most of the outsourced suppliers are also located, audits were carried out on aspects of workplace Health and Safety;
- the audits have involved, to date, over 28% of relevant outsourced suppliers;
- the suppliers involved in third-party audits account for over 77% of the total 2022 turnover of relevant suppliers.



A CIRCULAR MOVEMENT

A continuous exchange of ideas and knowledge to travel together a path that leads to new goals and destinations to be reached. Where every step is marked by circularity, as we share the values, ethics and principles of our philosophy with all our partners.



5. THE SUPPLY CHAIN



88%⁴⁹

Local supplies, i.e., from suppliers located in the same geographical areas where the Group operates



74.10%

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 6,700 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. During 2022 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 **€2,393 million**, in addition to about **€241 million** for machinery and industrial plant. In 2022, the acquisition values of the recently-acquired

companies SBS Friction and J.Juan were included in the scope of the analysis. The geopolitical context and the different market conditions in 2022 made even more strategic 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, for an overall purchase value of nearly €829 million during the year.

Equally significant, worth a total of more than €927 million, are components and outsourced processing.

VALUE OF SUPPLIES⁵⁰ BY CATEGORY (€)

	2020	2021	2022
Raw materials and cast iron goods	387,680,031	569,247,032	828,883,991
Components and outsourced processing	555,096,440	754,713,751	927,064,442
Ancillary products and services	380,926,578	479,527,436	637,225,182
Total	1,323,703,048	1,803,488,219	2,393,173,615
Industrial assets	117,701,757	173,589,519	241,577,366
Total	1,441,404,805	1,977,077,738	2,634,750,981

49 This percentage is only calculated with regard to the purchase categories of raw materials and cast-iron goods, components and outsourced processing, and ancillary products and services (excluding industrial assets).

50 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 and building leases are excluded.

VALUE OF SUPPLIES BY GEOGRAPHICAL AREA (€)

	2020	2021	2022
Europe	747,028,764	1,023,421,591	1,270,635,517
North America	237,376,285	316,636,567	469,729,190
South America	21,024,009	25,848,759	584,428,614
Asia	315,020,934	444,685,424	54,420,444
Other*	3,252,957	2,895,877	13,959,850
Total	1,323,703,048	1,803,488,219	2,393,173,615

* The item "Other" includes Russia, Australia, United Arab Emirates and Libya.

PERCENTAGE OF LOCAL SUPPLIES

	2020	2021	2022
Europe	87%	87%	86%
North America	83%	83%	85%
South America	99%	99%	100%
Asia	93%	96%	96%

5.2 RESPONSIBLE PROCUREMENT

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 Company 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 as of 2022 they were formally defined within the new Sustainable Procurement Policy. Through this document, that integrates and supersedes the Supplier Code of Conduct and the Procurement Policy, Brembo intends to bring together the new regulations, but, above all, 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, but also 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 aspects.

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 supply risk.
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, starting from the second half of 2022 it has begun to ask the Group's 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 of 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.

To date, the Sustainable Procurement Policy has been subscribed by approximately 300 out of the 700 main suppliers who account for the largest share of purchase costs.

SELECTION, ASSESSMENT AND MONITORING

New supplier selection and assessment

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>).

In 2022, the 25 new relevant suppliers (which account for 24% of the new suppliers for the year) were selected and activated taking account of environmental and social criteria, through the completion of the pre-assessment questionnaire. "Relevant suppliers" are those that belong to certain product categories or that conduct business with Brembo that exceeds specific thresholds for each Group company. 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.

In order to comply with the most consolidated international sustainability due diligence standards throughout its supply chain, with the help of an external service provider, Brembo developed an ad hoc digital platform that will be used with effect from 2023. This platform implements the SAQ 5.0 self-assessment questionnaire, formulated within the framework of the *Drive Sustainability* initiative, promoted by the main global automotive manufacturers, and enables Brembo to comply with its own industry sustainability guidelines.

This first analysis phase enables Brembo not to establish commercial relationships with suppliers who do not comply with minimum requirements (including, for instance, the signing of the Sustainable Procurement Policy) 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 GCFs with the aim of assessing the operating, financial and sustainability profiles.

- Once the pre-assessment phase is concluded positively, all potential suppliers of direct materials receive onsite visits from the Quality GCF 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.

The above-mentioned criteria will be subsequently integrated with the Supplier Sustainability Assessment performed through the new digital platform for ESG profiling.

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. During 2022, 23 risk events were monitored and, thanks to the actions taken, five of these were fully mitigated.

In addition, in consultation with experts, Brembo has conducted **third-party ESG audits of suppliers** for the past several years with the specific goal of assessing compliance with the sustainability standards mandated by the Group.

In 2018, Brembo issued the Procedure for Managing CSR Audits, which 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 and 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.

For each non-conformity identified, the Supplier is required to develop remedial action plans, which are then monitored by Brembo using the same third-party assessor.

During the pandemic it was not possible to perform in-presence audit activities. In 2022, Brembo involved as many as 117 suppliers in sustainability-related assessments, including 18 on-site audits.

The percentage of the supply costs monitored further increased by 3.5%, reaching 74.1% of purchased

goods in 2022 for the main direct material suppliers. Monitoring has been carried out since 2015. Periodically, the Purchasing GCF gives an update in the CSR Meeting of work in progress relating to the supply chain with regard to the assessment activities concerning suppliers, net zero targets and sustainability in general.

ENGAGEMENT AND AWARENESS RAISING



In the area of supply chain engagement and transparency, the main surveys conducted in 2022 were:

- **Supplier Engagement Survey “Materiality Matrix”**: in contrast to previous editions, for the specific purpose of providing direct support in view of the changes made to the assessment process, 13 suppliers were involved, with a 92% response rate.
- **Supplier Engagement Survey “Conflict Minerals”**: conducted on a panel of 230 relevant suppliers with a response rate of 90%; in 2022, suppliers belonging to the Friction Materials, Raw Materials and Mechatronics product categories were also involved in the Conflict Minerals Survey as these components are potentially at risk of using these materials.
- **Engagement Survey “Extended Minerals (Cobalt and Mica)”**: unlike the Conflict Minerals Survey, for the analysis of Cobalt use in Brembo components, the product categories that use this material in the production process were defined and the suppliers belonging to these categories involved. The survey was conducted on 13 suppliers with a redemption rate of 85%.
- **CO₂ Maturity Assessment**: to assess the maturity level of suppliers with regard to the fight against climate change and their commitment to initiatives to reduce climate-altering gas emissions, a survey was conducted of 197 direct material suppliers and 269 auxiliary material suppliers. Thanks to the results of this study, Brembo will be able to formulate specific approaches for reducing Scope 3

emissions for homogeneous groups of suppliers as a function of their level of maturity on this subject.

The Purchasing GCF together with the CSR GCF has created an area dedicated to sustainability available on the home page of the Brembo Supplier Portal to encourage effective communication, share best practices and develop greater sensitivity to sustainability aspects through detailed thematic reports, such as a brochure dedicated to Conflict Minerals, Cobalt and Mica.

Moreover, precisely with the aim of strengthening 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.

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 Brembo's Supplier Quality function which provides for the involvement of suppliers in tutoring activities in order to improve the quality performance. In 2022 as well, activities were carried out to provide with remote support suppliers through improvement plans and quality workshops.

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.

<p>Tantalum</p> <p>Ta</p> <p>180.95 73</p>	<p>Gold</p> <p>Au</p> <p>196.97 79</p>
<p>Tungsten</p> <p>W</p> <p>183.84 74</p>	<p>Tin</p> <p>Sn</p> <p>118.71 50</p>





CREATING EXCELLENCE

Revolutionising the market with top-performing, cutting-edge systems that respect the environment, starting with their conception, design and production.

Increasingly responsible and sustainable production processes, on the road to Net Zero.



6. SYNERGIES AND INNOVATION



3,503

Patents, utility and design models



1,412 FTE⁵¹

People employed in R&D activities



100%⁵²

Plants with IATF 16949 quality certification

6.1 DESIGNING INNOVATION

A holistic response from companies is becoming increasingly necessary to increasingly effectively address the challenges posed by climate change and air pollution. In fact, all aspects of the life cycle of a product, all the more so if it is as complex as automotive product components, generate impacts on the external environment that are interdependent with one other.

The task of the Research and Development activity is, therefore, to propose product solutions that, as early as from the design phase, take into account not only the demands of the market looking towards electrification and automation, but also the need for greater sustainability of each phase of product life, according to the so called cradle-to-grave approach.

Convinced that purchasing choices are increasingly influenced by the environmental impact generated by the product and aware of the contribution it can make to mitigating the impacts generated by the automotive industry, Brembo is committed to strengthening the development of innovative products designed from the beginning with an eco-sustainable and circular approach. On the basis of these premises, Brembo works every day to reduce the environmental impact of the entire value chain and consolidate its turning point in favour of sustainable mobility.

The work promoted by the Group covers all brake system

components (caliper, disc, pad, suspension, control unit) and guide Brembo in testing revolutionary solutions that can improve the comfort and environmental sustainability of products. The Company also aims to apply a design that can combine 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 control of the dispersion of braking-related dust, but also an increase of the share of recycled raw materials thus contributing to combating the climate change and the consumption of virgin materials;
- **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;

⁵¹ 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.

⁵² The Zaragoza site is ISO 9001 certified since the IATF scheme does not apply to aftermarket sites. For the new plants of SBS Friction (Denmark) and J.Juan (Myasl and Jiaying), 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 2023 and Q1 2024, respectively.

GRI: 2-6; 3-3

- **reduce the final weight of vehicles** using increasingly lighter alloys to obtain lightweight products;
- **enhance the style content** so as to offer products that can interpret concepts of prestige and elegance, thus becoming new status symbols.

The operating model, shared with the Environment and Energy area to reduce the impact on climate change by gradually neutralising GHG emissions, is now divided into the following action areas:

- Understanding of the impact throughout the production chain (LCA);
- 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.



RADEGAST PRODUCES FOR ELECTRIC CARS

Radegast is the Brembo project in Ostrava, Czech Republic. It is a plant for the integrated production of aluminium calipers. With new production standards and new cutting-edge per-

formance in terms of sustainability with zero-emissions and paper-free targets, this plant produces for the new electric platforms of customers such as Audi, Porsche, Mercedes, BMW

and Tesla. About 80% of the calipers produced is fitted on the electric platforms of the world's leading manufacturers. This is what makes this new plant unique.

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 patents filed by the Group over time. 3,503 patents, utility models and designs divided into 581 still valid families have already been registered in the world in sixty years since its foundation. During 2022, 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, in order to meet new needs increasingly felt in the sector and win new market segments.

In 2022, 58 patents and 7 design models were filed, for a total of 65, in addition to 50 filed the previous year and 30 in 2020. In 2022, Brembo also registered 6 new trademarks, bringing the total registered since its foundation to 342, divided into 73 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.



3,503

patents, utility and design models filed by the Group since it was founded

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 views innovation as a direct expression of the constant search for beauty and style in its products. Focusing not only on the technological profile, but also on the impact caused by its shape and aesthetics, means becoming increasingly familiar with, and adaptive to, the various design guidelines of Brembo's customers, while ensuring consistency in the choice of the names and colours of the end product.

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 new players operate: Domain Experts, Data Scientists and Digital Project Managers.

The projects will then be evaluated by the Global Digital Innovation Committee (GDIC) which will decide on which ones to implement and will identify the priorities. Finally, the digital ecosystem includes the ICT 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 PlayStore and associated with the car, it allows to log data on braking, brake use and how brakes are used, com-

pletely anonymously. 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.

In 2022, a new version was released that allows data collection in the Brembo cloud, available for all EU countries, and currently being distributed in the rest of the world. This will allow the study of new features, such as the activation of personal statistics that will allow further developments, also regards to internal challenges and reward programmes.

Conscious that dialogue with stakeholders is an added value, Brembo takes care to maintaining a transparent relationship with its customers, 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 participates in the Green Economy Observatory promoted by the Bocconi University of Milan; it also promotes experience-sharing activities among Customers and Suppliers such as meetings on climate change, which are promoted by trade associations such as Assofond, Confindustria, FIRE, ANFIA, and CLEPA.

The operating model rests on the accuracy of impact data gathering, opening up possibilities for developing a software capable of measuring the impact of raw materials production.

Brembo reports information on GHG (greenhouse gases) emissions through a special reporting process, in accordance with specific procedures. Furthermore, through the internal communication systems, such as the House Organ and Red Portal, the Group communicates the relevant information to all its employees worldwide, so as to disseminate an internal culture on these aspects. Any requests from stakeholders on the subject in question are referred to the CSR GCF, which deals with them by involving and coordinating the corporate functions concerned and following specific procedures.

6.2 COLLABORATIONS TO REDUCE THE ENVIRONMENTAL FOOTPRINT

For Brembo, innovation aims to ensure not only increasingly **cutting-edge products** able to anticipate and meet the new needs typical of the automotive industry, but also allows for **incremental improvement in the environmental performance of its products**, 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 and harmful for human health, thanks to the use of technical materials and solutions;
- the development of smart products such as mechatronic components;
- the implementation 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 shared 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 2022, Brembo took part in 6 European projects, two of which fall within the National Recovery and Resilience Plan (NRRP) financing:

nPETS (nano Particle Emissions from the Transport Sector):

this 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 on public health. The project nPETS aims to study the life of the sub 100nm emissions from their creation to their po-

tential effects on human beings and animals. The nPETS consortium aims to improve the knowledge of transport-generated exhaust and non-exhaust nanoparticle emissions and their impacts on health and finally how new public policies can reduce emissions and related impacts.

For further information: <https://www.npets-project.eu/>

MODALES (MODify Drivers' behaviour to Adapt for Lower Emissions):

this project, which ended in August 2022, is the clearest expression of Brembo's commitment over the past eight years in the field of non-exhaust particulate emissions produced by brake systems through European Union important projects such as Rebrake, COBRA and LOWBRASYS. MODALES, in which Brembo takes part as a developing partner, involves analysing driver behaviour, not only as a consequence of the particulates emitted by brake use, but also with regard to tyres, exhaust systems and problems relating to maintenance and tampering. Once the behaviour that has a negative influence on overall emissions levels has been identified, a strategy will be developed to guide drivers' behaviour to be more respectful of the environment around them.

For further information: <http://modales-project.eu/>

EVC1000:

launched in January 2019 and completed in January 2022, the EVC1000 project seeks to further increase user awareness and acceptance of electric vehicles (EVs) by developing components and systems independent of the brand using an integrated in-wheel propulsion architecture and proposing an approach to managing EVs implemented on second-generation electric vehicles. The goal of EVC1000 is to exceed the ERTRAC efficiency targets for EV2030+, demonstrating a range of 1,000 km with a maximum of 60-90 minutes of additional travel time thanks to faster recharging, while also reducing costs by at least 20%. This would also make it possible to achieve greater convenience and comfort in long-distance trips. Brembo will contribute to achieving these goals by developing and supplying a Brake By Wire system that will include brake mixing strategies and other advanced features developed with the consortium to optimise regeneration and residual resistance, thereby increasing the vehicle's overall efficiency and range by 10% in real working conditions.

For further information: <http://www.evc1000.eu/en/>

LIFE RE-BREATH:

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 demonstrate and measure 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;
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 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).

For further information:

<https://www.brembo.com/en/company/news/re-breath>

VERA:

project aimed at developing and optimising innovative tailpipe retrofit solutions for particle (sub-23nm) and NOx emissions from petrol and natural gas road vehicles that travel high mileages within the city, such as taxis, delivery vans, buses. NH3 emissions will also be studied, but taking into account the particular considerations that this type of pollutant requires. The system's adaptability will be assured by a central development methodology for all retrofit systems, which will allow quick and accurate optimisation according to the requirements of each application, while the cost will be minimised thanks to innovative coatings and compact packaging. The impacts on the environment

and health will be analysed, while the possible incentive and regulatory schemes for retrofitting will be considered in the cost-benefit analysis scenarios.

WATCHMAN:

project aimed at developing a hub of skills and experimentation in the field of Artificial Intelligence applications and artificial vision techniques for the industry and thus overseeing all production processes using the data collected in the field to improve productivity and product quality. In fact, the main objective of the project is the development of new solutions and models for data collection and analysis to support decisions to be taken in real time. To achieve this goal, a new methodology with a modular approach will be created for the design of highly reconfigurable artificial vision systems, through the introduction of the latest technological innovations in the field of vision systems, artificial intelligence, data management and collaborative robotics. The results of this research will be tested in an industrial environment, so that modern neural networks can be effectively trained for the localisation, segmentation and classification of defects to be detected. In addition, ergonomic issues in the use of collaborative robots to create human-robot interactions in the shared factory workspace will be explored.

As part of the funding linked to the National Recovery and Resilience Plan, Brembo participated in two projects.

- **National Centre for Sustainable Mobility – CNMS:** during 2022 the National Centre for Sustainable Mobility was established with the aim of encouraging 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. The CNMS will be fully interconnected with the Next Generation EU fund and the NRRP. Brembo is a founding partner of the CNMS together with 25 partners including Universities and Research Institutions, with over 865,000 students, and 24 private companies, which together aspire to build a competent Italian leadership integrated with the territory to provide support to the national scientific, industrial and economic system and tackle the current and future scientific and social challenges, linked to the paradigm of Sustainable Mobility.

- **“Made in Italy Circular and Sustainable”**: EP (Extended Partnership) project aimed at achieving a design and production of Made in Italy closed-loop, self-sufficient, self-regenerative, reliable, safe and energy-aware services and products. Brembo has joined this partnership

as it is at the forefront of the industrial sector, linked to Automation, Mechatronics, Machinery, Mechanical Technologies and, together with the other members of the project, will vertically develop activities on eight thematic areas and challenges in the field of circularity.

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. This is a profound transition towards new electric drive systems, autonomous driving and integration of different vehicle systems, where the car is more and more able to carry out independent actions and provide assistance to the driver in real time. In particular, over the next few years we will witness a sharp increase 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 aesthetics and resistance to corrosion.

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, 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.

Its application, development and industrialisation phases are currently ongoing, whereas launch into production will take place in 2024. 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 Technical 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: benchmarking has been carried out with currently mass-produced products thanks to which a product specification has been defined, 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.

With reference to 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 commercial vehicles, at the end of 2020 Brembo presented its Greentive® disc, the result of the experience it has acquired in the field of brake systems, and particularly of the know-how and expertise gained through the European LowBraSys project.

The **Greentive®** disc is characterised by an innovative coating applied to the cast-iron braking ring, which ensures very low wear and tear, extends disc life and, combined with a friction material specifically developed, also reduces particulate emissions during braking, and hence the impact on the environment. Another distinctive quality of Greentive® is its high resistance to corrosion which, in addition to maintaining unchanged the aesthetics of the disc in different situations, is particularly appreciable for the new generations of electric vehicles, characterised by different use of the brake system.

The Greentive® disc encompasses cutting-edge technological solutions and is merely the first step in Brembo's product roadmap for brake discs in pursuit of environmental sustainability, with increasingly green products.

In November 2022, the European Commission published the proposal for the **new EURO7 standards** on pollutant emissions from cars and commercial vehicles, which **for the first time also regulates emissions of particulate matter from braking systems**. This will contribute to further strengthen Brembo's activity in the research, development and testing of other solutions to be applied to cast iron discs, through the study of materials, technologies and surface treatments in collaboration with European research centres and suppliers.

The research activity today will mainly focus on application developments, with all the major market players and with a specific focus on the product industrialisation phase in order to apply the new products also with high production volumes. In the first six months of 2023, the first prototype production line for Greentive® is expected to be installed.

Moreover, the synchronous development, with Brembo Friction, of brake pads so that they can be increasingly integrated with the discs is and will continue to be of fundamental importance.

Specifically designed for each of these new disc types, the new-generation pads will contribute in a decisive manner to creating an ideal combination with the brake disc and ensuring that the entire brake system's performance and emissions goals are met.

In compliance with the automotive market guidelines, the Group has also continued with studies researching into new geometries allowing a significant reduction in mass and an improvement in disc performance, also from the environmental standpoint, an aspect that has become even more important with the entry into force of the new European regulation on the reduction of CO₂ emissions for car and vehicle manufacturers.

The year 2022 also saw the Group engaged in developing and testing new **non-conventional solutions to be applied to cast iron discs and the new generations of "light" discs** through the study of forms, materials, technologies and surface treatments in collaboration with research centres and European suppliers. These were designed **to meet the needs of hybrid and electric vehicles**, which use regenerative braking and thus introduce new requirements for brake discs, also instrumental to solving issues relating to disc resistance to corrosion. The "light" disc ensures a weight reduction of up to 15%, thanks to the combination of two different materials.

In the field of automotive applications, Brembo has been chosen as the supplier of brake discs for all new generation rear-drive cars produced by a leading German customer and will continue to supply also for the new generation of vehicles, some of which are fully electric. The new light disc has also been successfully developed for other important manufacturers, which are already using it in some of their models. The light disc continued to attract the interest of other customers, not only European, including new players who have entered the electric vehicle market.

With regard to heavy commercial vehicles, in 2022 activities focused on improving performance and reducing weight continued. In parallel, Brembo intensified its relations with several European and extra-European customers, especially with the players willing to enter the electric commercial vehicle market.

As far as **two-wheelers** are concerned, the development of street motorbike discs made with new materials and new surface treatments continued. In particular, **the Darkrev disc** successfully completed the technical approval phase and the product was submitted to the first customer interested in it.

With reference to caliper product range, the product and process improvement work continued in the same way as the search for solutions to reduce mass, optimise performance and improve styling.

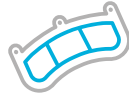
Two examples of this continuous improvement aimed at providing state-of-the-art solutions for the high-performance market are **the Dyadema™ caliper**, which was designed with the goal of considerably reducing track operating temperatures, and the Flexira™ caliper, developed to meet the needs of several new market segments.

In keeping with this vision, development continues for the Company's patented Brembo Semi-Solid Metal (BSSM) casting technology, which maintains equal performance while enabling a reduction in weight of 5 to 10% in relation to caliper geometry. The concept approval phase was completed, as was also the case for the validation of the small-series production process.

In the racing market, an F1 team started 2022 season with a new caliper concept with embedded sensors for both axles following the positive feedback during use on the track in several testing sessions conducted in late 2020. The new caliper with embedded sensors, combined with electronics installed on the vehicle, will allow braking torque to be read continuously.

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



The structure dedicated to the study and production of brake pads, called **Brembo Friction**, is now a well-established, stable reality, in constant expansion and focused on ongoing product improvement in accordance with the company philosophy of innovation and technological development. Friction materials — increasingly flexible and designed to meet individual clients' various needs — represent a specific, reactive response made possible by the synergy of the work carried out by the R&D GCF and the other CBU and GCF. Brembo's interest in strengthening its leadership in the brake pad field is also demonstrated by the consolidation of Brembo Friction, the research and production plant supporting all innovative developments, the acquisition of SBS Friction, a company active in the development and production of brake pads, which will allow to expand the range of products and further strengthen knowledge also in the motorbike sector, and the joint venture with Gold Phoenix which will create Brembo's first production site entirely dedicated to the large-scale production of innovative brake pads for the aftermarket.

Again as regard discs, the subsidiary BSCCB (Brembo SGL Carbon Ceramic Brakes) is also using Friction and its expertise on friction materials for the development of pads combined with carbon ceramic discs for high-performance cars.

In this way, Brembo intends to respond to new market demands that are looking at the increasingly stringent legislative requirements in terms of environmental impact and

require brake pads to be combined with an increasingly varied range of discs. One example is the joint effort to develop new friction materials suitable for the production of pads for electric parking brakes or to be paired with new applications that involve the use of discs that are much lighter than standard, or made from cast iron and carbon-ceramic, with and without surface treatments, but offer a high level of heat and mechanical resistance.

With a view to reducing PM10 emissions and corrosion processes of the future electric vehicles, the search for innovative friction materials also embraces the development of new environmentally friendly solutions with an increasingly limited environmental impact, all this combined with a focus on using recyclable and recycled low-environmental impact raw materials and on reducing greenhouse gas production in the manufacturing process.

The know-how and capability gained within the Brembo Friction project represent a strong point for the Group in achieving the goal of developing the simulation capacity of the complete braking system, including friction material.

Finally, technological progress in the automotive field has paved the way for the development of a new brake pad concept with embedded sensors that aims to make the braking system increasingly integrated within new vehicles. Thanks to the use of specific sensors embedded in the friction material, the ongoing tests performed show that real-time measurement of braking torque is possible. At the same time, the industrialisation process of this new brake pad concept has been launched.



To learn more about **Greentive®**



To learn more about **Enesys, Energy Saving System®**



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 potential impacts on the environment and human health to be quantified, starting from the consumption of resources and carbon dioxide 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. The innovative technology, completely different from the traditional production technology, has now successfully passed the prototype pre-industrialisation phase, thanks to a press created with ad hoc technology, and the specific improvement activity as regards NVH has been started.

The LIBRA project, a European project now concluded and which has been ongoing since 2015 as an internal development activity, eliminated the steel backing plate in brake pads, replacing it with high-performance composite materials. Research of

new raw materials and technologies continued to be developed as the advantages are clear: from a lighter pad, with the resulting reduction in the overall brake system's weight, to a shorter production process. In this case as well, an innovative press fully devoted to manufacturing these specific pads was installed as early as at the end of 2019 to prepare for mass production of the product. A new short-term goal is to transfer the innovation and technology applied to these pads, now used for parking, to rear brake pads.

The product life cycle is digitised by the Product Development Methodologies area, which aims to link data from different departments (Digital Thread) uniquely and indissolubly, ensuring traceability and distributing the data securely to all internal stakeholders.

Brembo's ability to achieve relevant results in all the areas in which the Group's commitment for product and process innovation is structured stems from the work of the em-

ployees operating in the various company areas. Among them the following can be mentioned by way of example:



1,412

(Full Time Equivalent)
engaged in research and
development activities



292

(Full Time Equivalent)
engaged in testing
activities



933

(Full Time Equivalent)
engaged in quality
management and
development activities

The product and process improvement work is constantly ongoing in the same way as the search for solutions to reduce mass, increase performance and improve styling.



Brembo introduced its new **GREENANCE brake pads**, which will gradually replace the entire range of Brembo Aftermarket pads. With a wide variety of compounds, from sintered to carbon-ceramic, and a big selection of part numbers, the new brake pads satisfy the specific needs presented by motorbikes of every kind: road, off-road and scooter. Brembo GREENANCE pad compounds are developed without copper and nickel and, for ceramic compounds, without antimony and asbestos. By eliminating the use of methane gas in the production process, a savings of about 176 tons per year of CO₂ equivalent will be achieved once fully operational.

Deriving its name by merging the words 'GREEN' and 'PERFORMANCE', the Brembo GREENANCE pads (deriving the name by merging the words 'GREEN' and 'PERFORMANCE'), define a Brembo's product line able to combine utmost braking and sustainability performance, anticipating future standards in terms of emissions. Brembo GREENANCE pads exhibit better resistance to heat and 15% less wear than equivalent products on the market.



To learn more



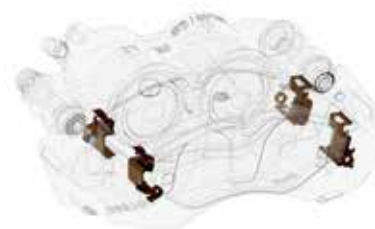
On the occasion of EICMA 2022, Brembo introduced the new **19RCS CORSA CORTA RR – Race Replica**, a further evolution of the radial master cylinder concept for motorbikes. The design of the new radial master cylinder has been modified to make it lighter and even more similar to the racing versions. The new Brembo product also features the RCS (Ratio Click System) system which lets the rider select a fulcrum-to-piston distance, ensuring a change in the distribution of the braking force without altering it in terms of pure power. The adjustment system allows the rider to achieve complete feeling with their motorbike and adapt braking performance to the riding style, the motorbike, the weather and road conditions.



Brembo also presented the latest evolution in the Brembo GP4 family: the renewed **GP4-MS caliper**, which perfectly suits the needs of today's motorbikes and the most demanding track enthusiasts. The GP4-MS is a brake caliper born from the racetrack for the road. The new version combines machining from solid billet aluminium with the monobloc technology. It allows the use of materials with better mechanical characteristics and greater resistance even in extreme operation, without compromising on durability. Designed to be highly performing, the new caliper stands out for its attractive style, with the nickel surface finishing giving it a brighter and smoother look.

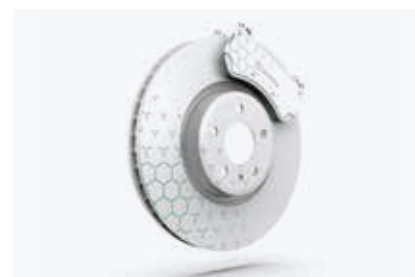
GRI: 2-6; 3-3

Brembo introduced **ENESYS - ENERGY SAVING SYSTEM®** for the Aftermarket segment as well. Designed to further enhance the sustainability characteristics of a vehicle's braking system, by reducing wear on discs and pads, the new solution provides excellent results in terms of the reduction of CO2 emissions and fuel consumption. ENESYS - ENERGY SAVING SYSTEM® is based on a patented spring design that guarantees a much faster return of the brake pads to their initial position once the brake pedal is released. This avoids undesired and unnecessary friction between the pads and the brake discs. Without compromising the high performance standards, this technology results in a cut in CO2 emissions and energy waste thanks to a reduced wear on discs and pads.



To learn more

Brembo presented the **Greenance Kit Concept**, a new range of combined special alloy discs and brake pads able to combine top braking performance with a lower environmental impact, while also increasing car brake disc life. Guaranteeing the highest technical and quality standards, it ensures a much lower environmental impact with a significant reduction in emissions, with about 80% less emissions of atmospheric particulate. The Greenance Kit Concept guarantees extended mileage and a reduction in terms of the total cost of ownership of vehicles. It ensures better durability of the brake discs, triplicating their expected lifetime compared to an equivalent aftermarket product.



To learn more

The **SENSIFYM™** braking system for cars, which integrates the most advanced software based on artificial intelligence with the Company's braking components, was officially presented in the United States with a test drive in South Carolina. Journalists and influencers were given the chance to drive the car on the test track and experience SENSIFYM™ technology. Reactions and feedback have been extremely positive and many have said they would like the system in today's cars, reports Stéphane Rolland, President & CEO of BNA. Fully in line with the company's "Turning Energy into Inspiration" vision, SENSIFYM™ enhances the on-road experience and customises the brakes' response to the driving style. In fact, the new product combines the design of the best braking components with the integration of a digital control system and sensors that manage each wheel independently.



6.4 LISTENING TO CUSTOMERS FOR PRODUCT IMPROVEMENT

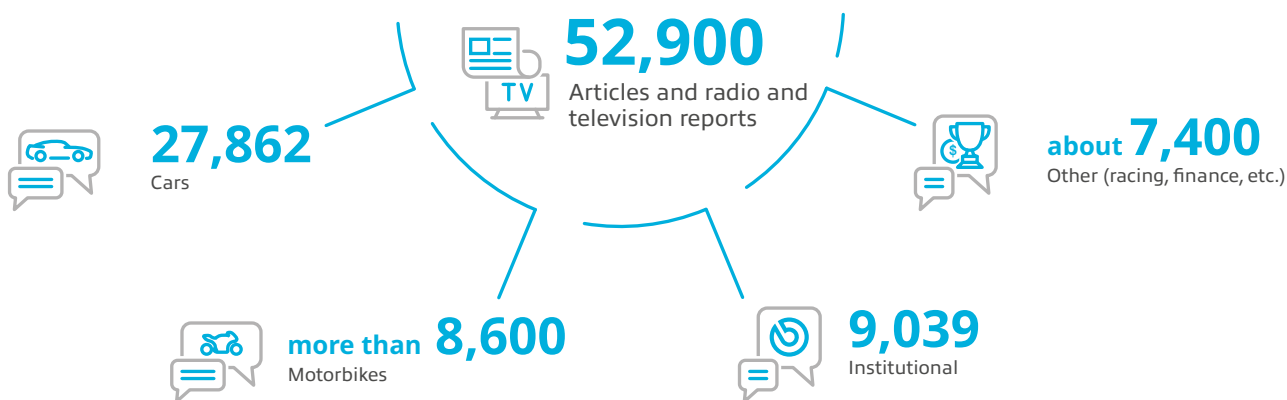
According to Brembo, the creation of value also relies on collaboration and ongoing dialogue with the main manufacturers of vehicles equipped with its brake systems. This daily relationship allows to understand and anticipate the partners' future needs and promote the joint development of new solutions in technological areas that have yet to be consolidated. It is equally important for the Company 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 this reason, press office and media relations activities represent a fundamental asset for Brembo to make the public aware of its values, history, Company activity, mission, vision and of course its products and services. This activity takes place daily through constant personal relationships with the media, but also through the sending of information material, organisation of interviews or press events dedicated to the launch of new products/services,

and attendance at motor events/fairs/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 of the piece, which are collected in the monthly and annual press review.

In 2022, the articles and radio and television reports in which Brembo was mentioned totalled 52,900. The emerging data show that the topic most covered by the press involves car-related topics (27,862 articles), followed by institutional matters — including CSR-related topics — with 9,039 articles, motorbikes with over 8,600 articles, and then 7,399 products dedicated to enthusiasts and those on financial matters and racing.

It should be noted that the above-mentioned data refers to 2022, up to the date of publication of this document. Additional mentions occurred in 2022 and received retrospectively are not included in the count. However, the related number is not material and does not radically influence the data indicated above.



In 2022, Brembo also resumed its participation in fairs and events, attending a total of 24, with the further objective of expanding dialogue with the new generations. First and foremost, through the important partnership for the Gran Turismo™ 7 braking systems for PlayStation. In this way, the performance and design of Brembo systems also become part of the virtual world, enhancing the driving experience in gaming as well.

Brembo participated in the final event of the GT World Series championship for PlayStation, held in Monte Carlo at the end of November 2022 thus making its entrance into the world of e-sports. Here gamers competed in the world's most famous console driving simulator. For this occasion, Brembo created three liveries for the cars in the race, dedicated to the new visual identity so as to present the new logo to the new generations.

Brembo then participated 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. On the 100th anniversary of the Monza Circuit, Brembo organised two employee engagement activities at "Casa Brembo", the exclusive hospitality venue inside Monza Park, offering the unique experience of attending the free practice sessions to a group of young under-40 talents and the thrill of experiencing qualifying day to a number of employees selected following a motorsport quiz.

On the occasion of the Motortec trade fair in Madrid, during the press conference organised at its stand, the Company presented the Brembo Beyond EV Kit, dedicated to electric vehicles, which also won the fair's Innovation Gallery award, in the "mechanical components" category.



To learn more about
EV KIT for electric cars

At the press event, attended by over 30 journalists from the local press, Brembo also presented a completely new range of floating calipers and brackets for light commercial vehicles, an innovative solution that guarantees the highest quality and reliability, ensuring better corrosion resistance.

Brembo's mission to become a Solution Provider was also affirmed by the Brembo Beyond Greenance Kit Concept, disc and pad, and the Enesys system, for the aftermarket segment, presented to over 60 journalists from the international press at the Automechanika fair in Frankfurt. At Eicma, Brembo was ahead of its time by presenting Greenance, the first ecological brake pads for motorbikes, dedicated to the aftermarket, thus confirming its focus on sustainability. These brake pads feature compounds without copper and nickel and, for ceramic pads, without antimony and asbestos. Several great champions also welcomed the crowd of visitors to the stand: Dovizioso, Bagnaia, Vinales, Bezzecchi and Marini.

Finally, in the United States Brembo took center stage at the SEMA Show in Las Vegas with the UPGRADE line and animated its stand with a racing simulator for Gran Turismo™ 7. Also overseas, Sensify™ was officially presented to the American market with three days of track tests for the local press.

In its growth path to innovation, digitalisation and electrification, Brembo also took the opportunity to meet with entities and institutional figures who visited the Stezzano headquarters, such as the Minister of the Economy of Upper Austria, the Ambassador of the Republic of Turkey and the Governor of the Mexican State of Nuevo León. The Italian Ambassador Gianluigi Benedetti visited the new headquarters in Japan, sharing with Brembo a great passion for engines and a profound interest in the evolution of mobility.

Today the mode of communication is evolving more and more towards a greater use of images to share emotions and tell experiences, thus managing to break down language barriers and overcome geographical distances. In line with the need to express its "Turning Energy into Inspiration" vision in new ways, able to reflect the Company's values and personality through a consistent brand experience, in October 2022 Brembo presented the exhibition "The Digital Art Journey" at the Italian Embassy in Tokyo. This is a journey into the world of technology and NFTs (Non-Fungible Tokens) through three digital works of art in a continuous cycle, each of which has re-imagined the three components of "Turning Energy into Inspiration": transformation, energy and inspiration. Created by Australian artist Aymeric, the works have given rise to intricate ever-evolving digital sculptures, in which automotive components, computer hardware and elements of the natural world coexist.

With this exhibition, Brembo wanted to represent the path taken in a creative way, expressing the deep bond between the Company and innovation through artistic language. This new way of communicating its vision aims to also involve the younger generations to an ever greater degree. After the preview at the embassy, the exhibition was exhibited at Brembo Japan's headquarters, on the occa-

sion of the first family day in the new Japanese premises. **In 2022, Brembo went beyond direct and targeted communications to its stakeholders, deciding to meet the wide public at the exhibition The Art of Breaking** – an engaging exhibition about brakes at the Milan Museum of Cultures (Mudec). For further information, see the section: "Community Involvement and Development".

BREMBO'S COMMITMENT TO CONNECTING WITH THE NEW GENERATIONS BREMBO HACKATHON



In 2022, Brembo continued to stimulate dialogue with the new generations through initiatives dedicated to the end users of tomorrow. These include the first Brembo Hackathon, a marathon organised by the Group **to rethink the world of mobility and find new solutions outside traditional innovation processes**, in line with its "Turning Energy into Inspiration" vision. This was the first project to mark the beginning of the cool pillar path, an integral part of Brembo's renewed strategy.

The first BREMBO HACKATHON saw the participation of Italian, but also French, Indian, Bulgarian, Swiss, Egyptian, Iranian, Belgian, Tunisian, Pakistani, Slovenian, Ugandan and Dutch competitors, who gathered in teams, consisting of 3 to 6 people each, and challenged one another in an exciting 44-hour non-stop competition.

The first winners of the event that took place at Kilometro Rosso, one of the main European innovation districts, included:

- **the DAAV project**, a robotic transport service for people with reduced mobility in enclosed environments, with a particular focus on airports;
- **Distributed WAVE**, the future of car connectivity, an innovative approach to communication and vehicles that mixes the old with the new, a project that arose from the teams created by the union of individual competitors, who competed to develop the SENSIFY™ ecosystem and driving experience.

The Group is committed to the constant development of digital channels for contact and communication with its customers and end users. The Group's ecosystem of websites and the monitoring of the most popular social network platforms are both important in this area.

The Brembo web ecosystem has the brembo.com site at its centre, and alongside it, 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 marchesiniwheels.com, sensify.brembo.com or carbonceramicbrakes.com.

The website Brembo.com seeks to communicate with all stakeholders in the relevant market sectors (Cars, Motor-

bikes 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.

During 2022, after more than 10 years of uninterrupted and sustained growth in the number of unique visitors, the brembo.com website recorded a reversal in trend in terms of unique visitors and content produced despite a slight graphic restyling of the homepage. The production of new editorial content continued to be significant, with 93 content postings published during the year (1 new editorial content every 4 days), but decreasing compared to the 122 content postings published in the previous year. The section of the website dedicated to content relating to Brembo's performance, objectives and sustainability-related strategy was updated with 8 new content postings and received 65 visits during 2022.

Similarly, the number of unique visitors, while exceeding 4.5 million, declined by 19% compared to 2021. Of the other websites, mention should be made above all of the success of [bremboParts.com](https://www.brembo.com/bremboParts.com) as a "one-catalogue" site that brings together in a single integrated catalogue all Brembo products — both Aftermarket and Upgrade — for cars, motor-bikes and commercial vehicles.

The integration and digitisation of all Brembo product catalogues in a single interface meet the need to standardise the digital cataloguing system for Brembo products and make it easy to use both by professionals in the sector and simple motorists and bikers.

Contrary to what is seen on the web channels, Brembo performs very well on the main social platforms in terms of number of followers (both qualitatively and quantitatively) and engagement growth. The follower base of the 7 main channels (Facebook, Instagram, LinkedIn, We-Chat, Twitter, Douyin and Weibo) increased by 5% in 2022, and is now aiming at reaching a total of 3 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. It should be emphasised that the level of engagement of its followers should be interpreted as the brand's ability to stimulate conversations and constantly offer a good reason to talk about the brand and relate to it. This is one of the most valuable intangible assets in the current context of the knowledge economy.

During 2022, more than 8,000 total postings and stories were developed and published on all the social platforms on which Brembo is present. 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 Gen Z. This distribution reflects Brembo's global approach. From an age point of view, almost 70% of the brand's followers are under 34 years old, a figure that suggests 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, which aims to attract the future generations to Brembo. In this regard, Brembo's channel on Douyin (known outside of China as TikTok), launched in 2021, rapidly saw its follower base grow to over 70,000⁵³ in 2022.

NO. OF FOLLOWERS IN 2022

Facebook	Instagram	LinkedIn	Twitter	We-Chat	Weibo	Dou-yin
1,538,279	802,111	202,025	31,861	90,482	42,931	70,000

NO. OF INTERACTIONS IN 2022

Facebook	Instagram	LinkedIn	Twitter	We-Chat	Weibo	Dou-yin
6,139,300	12,418,253	62,653	16,665	197,354	14,270	102,164

⁵³ Interactions for Facebook in 2022 were calculated according to a different and updated methodology. Applying the same methodology, total interactions for Facebook in 2021 were 8,801,493. Total interactions for We-chat in 2022 were also calculated according to a different and updated methodology. Applying the same methodology, total interactions for We-chat in 2021 were 205,289.

6.5 CREATIVITY AND METHOD: ENSURING PRODUCT SAFETY

The main function of the Brembo product is to ensure people’s health and safety. Ensuring the safety and reliability of its braking systems is a priority for Brembo, while always paying the necessary attention to the relation of trust with its customers and consumers. The drive for innovation and continual improvement of its production processes have always been distinguishing features of the Group’s assets. Thanks to the research and implementation of cutting-edge solutions, Brembo is able to meet the many difficulties of integration and direct management of all the braking system’s main production phases, starting with raw material processing in the foundries, moving through product machining and assembly, and then always ensuring that products are promptly distributed to customers in the various geographical areas where it operates.

Following a preventive and proactive approach, Brembo is committed to applying the voluntary technical standards that national and international standard 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, 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, where applicable.

100%

Safety performance assessments carried out of products and services

FAMILY FEELING



Family feeling is recognition at first sight. Creating family feeling in a product means endowing it with visually recognisable elements allowing it to be instantly associated with its brand. 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 development, to decide with them the main features of a product’s design, colour and style. Once any product and process-related criticalities which have a potential to impact the product’s look and design have been analysed, corrections are implemented just before the beginning of the start of production. This phase is managed by the R&D GCF in collaboration with the Marketing GCF to ensure that the most significant innovative content is highlighted also during the new product development phase.

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 quality, performance and efficiency and are performed in type-approved laboratories, as well as on the road and racetrack. This process follows a rigorous sequence that includes static bench tests, dynamic bench test cycles and then 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.

GRI: 2-25; 3-3;
416-1

The static bench tests represent the moment when design, testing and production come together; in order to check that design requirements are met, the prototypes are subject to load, pressure and braking torque cycles, superior to those physically applicable on the vehicle in various ambient conditions in terms of temperature, humidity and corrosion.

The dynamic benches are used to replicate vehicle dynamics through a combination of mass and speed. The checks carried out regard efficiency, functionality, resistance and duration, and also use loads that are greater than operating ones in accordance with appropriate safety coefficients. These benches, developed by Brembo in collaboration with qualified suppliers, operate 24/7 thanks to sophisticated control systems to reduce development times. They are able to simulate all vehicle operating conditions both on the road and racetrack, for any type of vehicle. Comfort is also tested on dynamic benches and is measured based on three characteristics defined in the acronym NVH — Noise Vibration and Harshness: the lower these three elements, the more silent and vibration-free the braking. In addition, Brembo has two roller benches for cars, motorbikes and light commercial vehicles, where vehicles can reach 250km/h at temperatures between -40 and +40°C. These are test booths which simulate road tests in all conditions in terms of temperature and humidity.

During 2022, a vehicle simulator was installed that can simulate on-road or on-track driving and thus reduce the times for approval on the final vehicle, meaning that the high value added tests that are highly dependent on driver preparation and cannot be simulated otherwise are ensured more attention.

However, it is the final on-road vehicle tests that allow Brembo to achieve excellence. In fact, the products approved on the various benches are mounted on car prototypes supplied by the manufacturers. An internal team, consisting of expert inspectors, carries out all the tests necessary for testing brake system performance, comfort and durability. The inspectors trained by Brembo have a broad-spectrum profile that allows them to cover functions ranging from prototype assembly to data analysis, and thereby provide a subjective assessment supported by the measurements carried out. The tests performed include superfading, which involves a suitable braking sequence, from high speed to speed kept at zero in full load conditions, the subjective comfort and feeling assessment, carried out by drivers who have an in-depth knowledge of the vehicles and products, and the efficiency tests on wet and dry terrain. These tests are shared with the client and logged into a list (DVP – Design Verification Plan). The test procedures used to determine the fulfilment of customers' product specifications are logged by means of the BTS (Brembo Testing Specification). In 2022, there were 591 BTSs in place.

The entire test system falls within the solid Project Management (BPDS - Brembo Product Development System) process, known as "**Butterfly**". This management system is 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 gates and handling any recovery plans, the Butterfly system makes it possible to verify the suitability and completeness of the activities carried out, guaranteeing that the mass-produced products fully comply with the set requirements.



- The Brembo Group is associated with the **Italian Standardisation Body** (UNI) and complies with the technical standards of the British Standards Institute.
- 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.
- Brembo also participates as an expert member on functional safety in the **joint working group in technical commission TC22/SC3/WG16** appointed to improve standard WG 16 ISO 26262 regarding the functional safety of electrical and electronic systems in motor vehicle production.

During 2022 the Product Development System underwent a major renovation. In fact, during the year Brembo dedicated itself to the implementation and launch in all Countries of Stargate, its new product development methodology, in order to align it more closely with the growing complexity of the products themselves and the rapid evolution of the market, characterised by ever shorter development times and increasingly challenging specifications.

The project, which involved more than 60 resources in the various GBUs and in the various countries, focused on upgrading the activities aimed at analysing the technical-economic risk at every control stage. The organisational level for gate approval and escalation will depend on this analysis. An ad hoc training programme involving more than 450 employees in Italy and abroad was launched to spread the new methodology and plan its implementation.

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 a preventive and proactive approach enabling the company to anticipate any problems and criticalities along the entire production cycle, so as to implement 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**⁵⁴ technical specification.

100%

of manufacturing plants is IATF 16949:2016-certified

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 AS-PICE, 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.

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.

From an internal standpoint, the most important indicators involved are those regarding waste, while from an ex-

⁵⁴ The Zaragoza site is ISO 9001 certified as the IATF scheme does not apply to aftermarket sites. For the new plants of SBS Friction (Denmark) and J.Juan (MyasI and Jiaxing) are 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 which is expected to be obtained by 2023 and Q1 2024, respectively.

ternal 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.

The application of these indicators also extends to the monitoring of product quality and safety made by the suppliers. In particular, 2022 saw the launch of a project to revise the indicators relating to suppliers. This aims to identify new indicators that allow supplier performance to be evaluated, also in relation to the special supply statuses assigned and

the impact generated by the related non-conformities on the end customer, as well as 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.

Lastly, news is regularly monitored, particularly government agency news, regarding recall campaigns already initiated on the market and potentially attributable to Brembo products, so that timely checks can be performed on those products. Based on this information, a specific analysis is then 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.

This is an innovative project developed by the Quality GCF, ICT GCF and Digital and Innovation GCF, in collaboration with inter-functional and inter-divisional teams and some sites. 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.

Today, two years on from implementation, customer complaints, reports of anomalies during the development and production phase and related resolutions are tracked in Eureka and increasingly more centralised at Group level, in real time. In order to promote and ensure the systematic application of the new tools, training activities have been carried out in all the plants worldwide involving all functions.

In 2022, 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.

With respect to 2021, which had witnessed a significant increase in counterfeiting compared to 2020, in 2022 counterfeiting cases declined, though their number remained higher compared to the pre-pandemic period. In 2022, 464 internet domain names were analysed against 569 in 2021.

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". The 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 simply 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.

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 in 2022 to combat the growing presence of counterfeit products.

As Brembo's main products are considered "high-class products", they are copied in many areas and especially in Asia. It is for this reason that, again in 2022, the anti-counterfeiting fight was part of Brembo's action plan. Many activities and initiatives aimed at limiting and preventing this critical issue have been implemented.

The Group has focused on online, on-site and trademark protection. Thanks to these activities and an in-depth and continuous analysis of online platforms, in 2022 the results were significant:

- about 70 platforms constantly monitored;
- over 8,100 sellers identified;
- over 601,800 product sales blocked;
- an about €5 million overall turnover from counterfeit products blocked.

In 2022, the Group took legal action for misappropriation of intellectual property against two companies based in China that produce products particularly similar to those patented by Brembo.

6.6 AWARDS FOR INNOVATIVE IDEAS

The contribution to innovation and the spirit of collaboration within the Group are important qualities for Brembo which intends to enhance the participation of all its employees, by rewarding ideas that enable improvements and progress in terms of quality, process or product innovation, cost reduction, increased productivity and simplified processes.

In 2022, the traditional Brembo Awards celebration, the global event that rewards the best ideas and projects on sustainability, innovation and excellence, was given a new format. Fully digital and open to all the Group's people, the ceremony featured four special events, built entirely around the video contributions of the finalist teams and broad-

cast on the Teams Live Event platform. A way to celebrate employees whose projects had stood out in a particular manner. For some of the finalists, moreover, the opportunity to share the event's screenings with an audience created a special and unique convivial experience, reinforcing the pride of contributing daily to the Company's success. The 45 finalist projects were presented during the event, and sixteen prizes were awarded: six in the Sustainability Awards (three won by Polish teams, two by Indian teams, one by an Italian team), eight acknowledgements in the Excellence Awards, divided into six categories and two special mention awards (bestowed on five Italian teams and one each for USA, UK, China), and finally, the two Innovation Awards, both won by Italian teams.



**BREMBO
EXCELLENCE AWARDS**



Thanks to its Excellence Awards Brembo promotes continuous improvements through the application of the Lean Manufacturing principles to each organisational area of the Company, and it rewards the most innovative ideas and solutions put forward by employees in the category: Best Ideas. The competition is open to all employees of the plants and headquarters who have developed improvement ideas or projects individually or in groups. Ideas and projects refer to different categories such as Safety, Quality, Cost Reduction, Productivity, Office Improvement, Sustainability and Digital Innovation.

In 2021 as well, the Brembo Excellence Awards competition had met with excellent results in terms of participation. A total of 136 ideas were put forward, of which 8 were awarded in 2022.

**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 to that voted as the best for process for a given year.

In 2022, 29 ideas were presented, comprising 21 product ideas and eight process ideas. Out of all those submitted, awards were given to 27 ideas: 19 product ideas and eight process ideas.



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 the 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 2021 edition — for which awards were bestowed in 2022 — met with very pos-

itive results in terms of participation. 51 new ideas have enriched the wealth of design, — which now boasts 171 total contributions — in the 6 categories, mostly in the Environment and People categories, for an overall total of 139 participants from Mexico, China, Italy, Poland, India, Germany and the United States⁵⁵.

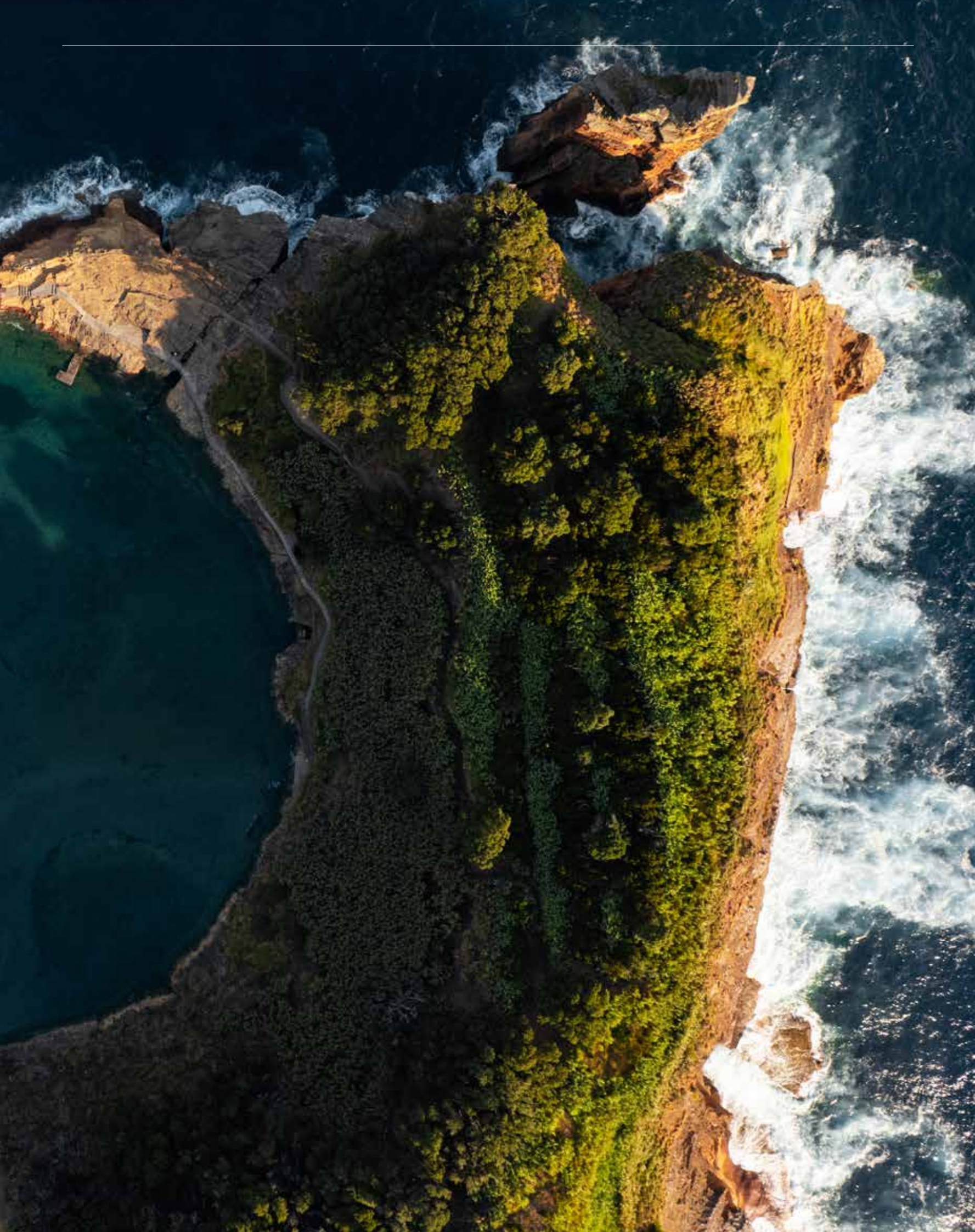
The Brembo Sustainability Awards made use of the CSR Ambassadors’ and CSR Champions’ contributions, these being people nominated by each Brembo country and plant with the aim of inspiring and engaging employees into CSR issues and to act as a bridge between the Corporate HQ and the Group’s companies. They are sustainability spokespeople, tasked with engaging all Brembo employees into adopting sustainable behaviours, as well as with officially representing the Corporate HQ’s CSR Office. As it happened in previous years, the CSR Global Central Function awarded the most impactful Excellence Award-winning projects with a special sustainability mention.



⁵⁵ Any changes and/or additions to the 2022 Disclosure of Non-financial Information compared to the prior year’s report are due to the fact that the figure was calculated at a date subsequent to the reporting date.

PRESERVING BEAUTY

The splendour of nature is unparalleled. Spontaneous and extraordinary spectacles that must be preserved and protected, also for future generations. The responsible use of resources and the reduction of emissions are essential choices, to protect the balance of nature.



7. ENVIRONMENT



-29.6%⁵⁶
Emissions of CO₂ per cast tonne compared to 2021



100%
ISO 14001 environmentally certified plants



30%
ISO 50001 energy certified plants



-23.3%⁵⁷
Emissions of CO₂ per unit of finished product compared to 2021



69%
Electricity coming from renewable sources

7.1 A BUSINESS MODEL AT THE SERVICE OF THE ENERGY TRANSITION

From the standpoint of weather and climate, 2022 was very significant since it set two records: it was both the hottest and least rainy year since 1961. It was characterised by recurring periods that were much warmer and drier than climate expectations, bringing the annual average temperature to 14.1°C, 0.4°C higher than the previous 2014 record, and 1.2°C higher than the climate value for the 30-year period 1991-2020.

The frequency of extreme phenomena, such as hydrogeological instability, floods and fires, increased considerably, with dramatic impacts on the environment, economy and communities affected.

For geographical reasons, the Countries most affected are those of Asia and the Southern Hemisphere more generally, but Europe is not immune, and Italy is an example of this. These events show that we are already experiencing the consequences of climate change.

The current scenario represents a huge challenge, but many solutions are already known. Indeed institutions, investors, companies and civil society are mobilising to adopt them, mitigate climate change effects and study growth strategies based on social equity and environmental sustainability.

Among these, Brembo has long since enunciated its responsible, sustainable business principles, and as a global, industry-leading company it is gradually making them into a reality, by transforming its operating model, which is 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 stakeholder value.

⁵⁶ Scope 1 and market-based Scope 2 emissions / gross tonnes of molten cast iron and molten aluminium.

⁵⁷ Scope 1 and market-based Scope 2 emissions / total number of pieces manufactured.

It is thus a matter of balancing between financial considerations and social and environmental responsibility.

As a result, the Group has embarked on a journey towards a model tending towards net zero emissions as an active response to the call to action by the scientific community and beyond. As a responsible, informed Company, it operates in synergy in four spheres of action: people, processes, products and the supply chain.

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 a gradual transition to more efficient production processes, and reduced CO₂ emissions, on the other, at gradually increasing the use of energy from renewable sources.

The intensity of the focus on this goal can be seen from the fact that since 2018 these factors have been considered when assessing the performances of all 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 to constantly continue to foster the creation of innovative ideas and take 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 is thus a natural consequence of this approach. Assessments of whether to self-generate reduced-impact electricity also continued in 2022, as did inquiries into producing hydrogen to be used in replacement of natural gas in production processes. Again pursuing the objective of reducing the Group's GHG emissions, Brembo is assessing whether to replace natural gas production technologies with electrical technologies currently available on the market.

In addition, in 2022 Brembo also began 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.

Never before as in 2022 has it been so 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 management aiming at limiting use, eliminating waste and avoiding any possible form of contamination. On the basis of these considerations, Brembo's commitment is more evident at the plants located in areas with significant water strain due to local climate and hydrogeological conditions.

Also 2022 was characterised by the constant increase in stakeholder requests 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 has proven 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 the roadmap aimed at pursuing "Environmental and Energy Excellence" is underway, the **ultimate goal being to achieve the lowest technologically achievable environmental impact.**

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, monitoring and advocating 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 2022 as well CDP named Brembo, for the fifth year running, as one of the world's leading companies in terms of commitment to fighting climate change and towards sustainable water management. At the global level only 58 companies are on both the Climate Change and Water Security A Lists, with Brembo being the only Italian company to have achieved this prestigious twofold environmental recognition.

7.2 THE SYSTEM FOR EFFECTIVE MANAGEMENT OF ENVIRONMENTAL (ISO 14001) AND ENERGY (ISO 50001) IMPACTS

In light of the foregoing and of 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 standard in order to maintain an optimal management of all the aspects relating to its environmental impacts. Thanks to this System, the Company 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 relating to energy management. 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.

Brembo kept 100% of its plants ISO 14001-certified in 2022.

The programme aimed at extending the ISO 50001 certification relating to energy management continued in 2022. 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, with a positive outcome, to the ISO 50001 certification audit in 2022: cast iron foundry in Mapello (Italy), Aluminium foundry in Mapello (Italy), Pune (India), Ostrava (Czech Republic), J. Juan in Sant Cugat (Spain). 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 the various individual "satellite" certificates relating to the plants.

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 IT (Obligation and Risk Management for Environment and Energy) 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 as well. 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 managing it, 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 **10,000**

hours of training provided to employees on environmental and energy issues

In 2022, as well as standard training, about 10,300 hours overall of training on environmental and energy topics 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.

In 2022, the course involved a total of approximately 300 employees worldwide.

7.3 ENERGY CONSUMPTION

The main source of emissions, energy consumption is also the factor on which Brembo must 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 CO₂ 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, 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 and implementation of energy efficiency improvement projects;
- intelligent system planning aimed at minimising energy waste;
- 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, procedures for de-

fining, analysing and monitoring energy performance indicators began to be revised in 2022.

When choosing energy sources, Brembo favours renewable energy sources over fossil fuels by pursuing its commitment relating to renewable energy purchases, beside increasing its self-production capacity, including through the installation of photovoltaic panels.

In particular, the energy quota from renewable sources which the Group procured rose from 53% in 2021 to 69% in 2022. 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 was maintained at the Italian sites through the purchase of guarantee of origin certificates and electricity generated by photovoltaic systems installed at Sellero production facility.

Even the Mexican and Brazilian plants kept 100% of their electricity sourced from renewables for the year 2022.

In the other countries where it operates, the Group increased its percentage of electricity from renewable sources: in China it went from 7% in 2021 to 44% in 2022, in the Czech Republic from 26% to 29% and in Poland from 77% to 85%. Brembo purchased REC certificates in the US for 24% of its consumption in the country. In India, Brembo began purchasing renewable source electricity from photovoltaic systems installed at the Pune site (plant with a capacity of 900 kWp⁵⁸) in 2021; in 2022, the percentage of renewable energy reached 6% of total consumption in the country.

Self-generation of energy from renewable sources is performed at the Italian sites: in 2022, work began for the installation of additional photovoltaic systems on the Mapello and Curno production hubs for a self-generation capacity expected to reach 3,500 kWp, able to exceed 3.5% of the energy needs of the hubs. In the coming years, Brembo has committed to increasing the share of self-produced energy also in other geographical areas at forthcoming facilities.

⁵⁸ 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.

With regard to energy efficiency, the actions taken to achieve these goals include, for example, adopting advanced monitoring systems (BEP — 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 (such as the search for and reduction of compressed air leakages, automatically shutting down systems or parts of systems during unproductive periods, etc.).

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 2022 at 2.89% (calculated as contribution from improvement actions achieved thanks to energy efficiency projects compared to previous year's consumption).

The 194 projects developed in 2022 generated an overall **energy saving** of 152,954 GJ, equal to **21,524** tonnes of CO₂ equivalent. This objective has been largely exceeded, with a **4.08%** result especially thanks to the activities aimed at optimising the foundries' production processes.

The energy consumption optimisation measures have produced major savings, as well as 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 in both general technical and processing systems.

To further strengthen the collection, monitoring and sharing of energy efficiency projects at the Group's various sites, in 2022 the Energy Efficiency Projects (EEP) platform was released. 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.



4.08%

energy consumption reduction compared to 2021 thanks to energy efficiency initiatives



about 77%

contribution of cast iron and aluminium foundries to Group's total energy efficiency in 2022

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)*	3,191	472
Compressed air system optimisation (replacement of compressors, leak detection and repair, optimised use during production processes)*	8,208	1,168
Replacement of processing systems with more efficient technology**	4,273	564
General production process optimisation**	97,691	13,001
Optimisation of general technical equipment management**	37,087	5,838
Installation of photovoltaic plant*	2,504	481
TOTAL	152,954	21,524

* Category of intervention including the reduction of electricity.

**Category of intervention including the reduction of both electricity and natural gas.

Overall, in 2022 Brembo’s energy consumption amounted to just under 5.3 million GJ, with a 11% increase compared to 2021, 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.

This consumption is predominantly in the form of electrical energy, which continued to account for approximately 72%

of total energy consumption, equivalent to more than 3,800,000 GJ, 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 1,100,000 GJ.

ANNUAL ENERGY CONSUMPTION BROKEN DOWN BY SOURCE (GJ)

	2020	2021	2022
DIRECT CONSUMPTION	1,169,096	1,359,479	1,468,055
Natural Gas	909,787	1,066,140	1,125,999
Other fossil fuels**	257,533	292,042	340,081
Self-produced electricity (photovoltaic)**	1,776	1,297	1,975
INDIRECT CONSUMPTION	3,029,482	3,388,026	3,816,882
Electrical energy	3,007,889	3,353,182	3,788,112
<i>from non-renewable sources</i>	1,705,544	1,565,949	1,171,129
<i>from renewable sources***</i>	1,302,345	1,787,233	2,616,983
District heating	21,593	34,844	28,770
TOTAL	4,198,578	4,747,505	5,284,937

* “Other fossil fuels” include: diesel, petrol, LPG and other.

** 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 2022, the target of reducing CO₂eq emissions thanks to the improvement actions, compared to the previous year’s emissions, set at 19%, was reached and exceeded with a result of about 40.3%. 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, the Czech Republic, US, India and China.

Reduction of Scope 1 & market-based Scope 2 emissions obtained thanks to improvement actions

≥19%

Scope 1 & market-based Scope 2 emissions for the previous year

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, market-based Scope 2 and Scope 3 emissions by **42%** compared to 2020

BY 2040

- Reducing absolute Scope 1, market-based Scope 2 and Scope 3 emissions by **90%** compared to 2020
- Neutralising absolute emissions by a maximum of **10%** compared to 2020



-29.6%

reduction of CO₂ emissions per cast tonne* compared to 2021

*Scope 1 and market-based Scope 2 emissions / gross tonnes of molten cast iron and molten aluminium



-23.3%

reduction of CO₂ emissions per unit of finished product** compared to 2021

**Scope 1 and market-based Scope 2 emissions / total number of pieces manufactured

GRI: 3-3; 305-1;
305-2; 305-3
WEF: Climate
change



ROADMAP TO NET ZERO

To achieve Net-Zero emissions, Brembo has defined a Roadmap that is subject to continuous refinement in accordance with technical, technological and market developments. The Roadmap includes, among other things, 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 2022 amounted to slightly more than 1,540,000 tonnes CO₂eq. In a like-for-like comparison with 2021, when Scope 1 and market-based Scope 2 emissions amounted to about 342,500 tons of CO₂e, eq, Brembo's factories reported emissions totalling 288,800 tonnes of CO₂e, marking a reduction of almost 16%. This result was achieved thanks to energy efficiency projects totalling 21,524 tons of CO₂e and to the purchase of renewable energy solutions equal to 455,493 tons of CO₂e. According to this classification, the most rele-

vant 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 2022 the GHG emissions inventory and related emissions calculation methodology will be subject to limited assurance in early 2023 according to the criteria set out in the standard ISAE 3410, revised by Deloitte & Touche S.p.A.

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.

GREENHOUSE GAS EMISSION BY SCOPE (T CO₂-EQ)*

	2020	2021	2022	
SCOPE 1	72,954	89,406	100,126	
Emissions from production processes and heating systems	68,702	84,120	93,639	
Emissions from company vehicles and other fuels	3,148	3,774	4,319	
Coolants for air conditioning systems**	1,104	1,512	2,168	
SCOPE 2***	294,512	253,094	188,722	
Indirect emissions due to power consumption and district heating				
Market based	294,512	253,094	188,722	
Location based	475,071	477,130	540,467	
SCOPE 3****	876,500	1,052,143	1,251,568	
GHG PROTOCOL CATEGORY				
Emissions generated by suppliers to produce materials and/or services for Brembo	1	516,520	687,767	751,716
Emissions generated by the purchase of hardware, machinery and equipment	2	107,976	143,672	188,410
Emissions due to the energy lost through power distribution and transmission	3	37,436	37,946	45,033
Emissions due to product transport within the Group and product distribution logistics to customers paid by Brembo (*)	4	18,027	63,304	76,101
Emissions due to waste transport	5	4,897	3,730	5,292
Emissions due to business trips (**)	6	561	577	1,751
Emissions due to employees commuting between home and workplace	7	31,291	36,483	40,677
Emissions due to product distribution logistics to customers paid by customers (*)	9	159,792	78,664	142,588
Total	1,243,966	1,394,643	1,540,416	

* The calculation of the CO₂eq (which includes CH₄, NO₂, HFC, PFC, SF₆ and NF₃ emissions when present), was carried out in accordance with the indications of the GHG Protocol. The calculation of CO₂eq emissions was carried out using the emission factors published by:

- AIB (Association of Issuing Bodies) – published in 2022
- IEA (International Energy Agency) – published in 2022
- EPA (Environmental Protection Agency) – published in 2021
- UK Department for Environment Food & Rural Affairs and Department for Business, Energy & Industrial Strategy - published in 2021
- GHG Protocol’s GHG emission calculation tool – version 2.6 (2015)

** The figure includes the quantities of refrigerant gases 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.

*** The overall Scope 2 emissions takes into account the total emissions valued using the market-based method.

****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, the weight of goods transported is estimated on the basis of the load of the vehicle used.

(*) For 2020 a breakdown of emissions with regard to the product distribution logistics to customers paid by Brembo and by customers is not available. Category 4 thus includes only emissions due to intercompany transport, whereas category 9 includes all emissions due to product transport to customers.

(**) For the calculation of this category’s emissions, only employee air travel is considered.



ECO WORKSHOP FOR LOCAL COMMUNITIES IN POLAND

To raise awareness among employees and their families regarding caring for the environment and the importance of protecting it to combat climate change, specific workshops were held for around 100 people, including children from local elementary

schools, residents of the community and Brembo employees. Participants had the opportunity to find out about the functions of the ecosystems present in the soil, learning to sow lawns properly and discover what benefits it brings to the local environment. In

fact, in the area around the residential complex, which used to be paved, workshop participants sowed lawns. The activity was organised in collaboration with the Municipality of DG, with support from the city mayor.



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

tomorrow, fully made of recycled aluminium, will allow to reduce CO₂e emissions by about 80% in the next decade compared to the current levels. 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.

7.5 ATMOSPHERIC POLLUTING EMISSIONS

In contrast to CO₂, other 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 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, NO_x and SO_x) 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.

In 2022, it was found that atmospheric emissions limits had been exceeded at the cast iron foundry in Homer (USA) due to the malfunctioning of the particulate abatement system, which was fixed during the year.

EMISSIONS OF HARMFUL SUBSTANCES (t)*

	2020	2021	2022
Nitrogen oxides (NO _x)	68.22	66.32	82.68
Sulphur oxides (SO _x)	83.49	100.04	47.37
Persistent organic pollutants (POP)	1.10	0.003	0.03
Volatile organic compounds (VOC)	84.96	108.32	77.73
Hazardous pollutants	3.83	1.37	1.82
Fine particulates (PM)	114.10	177.64	274.41
Carbon monoxide (CO)	235.62	246.59	370.58

* 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 2022, approximately 1.17 tonnes of gases, of which 0.05 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

In addition to personal needs, constant access to freshwater, via various sources and in different quantities, is essential to all sectors of the economy. Although there are thousands of rivers, freshwater lakes and underground springs in the world and above all in Europe, and sourcing water might not appear to be a problem, after a year characterised by a longer-lasting summer drought than ever before, concerns of water stress and shortage are becoming more and more concrete.

In addition, an area's local water resources may be subject to pressures by the various **users in competition** with one another, which may result in neglect of the consideration that nature also has water needs. Excessive exploitation of this water may harm the animals and plants that depend on it.

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. It is necessary to consider that an economic sector may constitute a factor of water exploitation on the basis of two parameters: an area's hydrogeological characteristics and the type of water use required for its activities.

For this reason, the 2030 Agenda for Sustainable Development recognises the importance of water, mainly in its Goal 6 and Goal 14 but actually also in all the other Goals, linked to water directly or indirectly.

Brembo, which requires for its production processes water resources quantifiable as approximately 1,570 MI, has defined a strategy acting in two 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. 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 2022 a total of about 1,570 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, in addition to the inclusion within the reporting scope of the plants acquired in Spain and China and the entry into full operation of the new plant in the Czech Republic.

The water mains still constitute the main source of supply (approximately 71%) 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 (about 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.

To ensure water impacts remain under control, **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, 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 evalu-

ation is conducted using the World Resource Institute’s (WRI) ACQUEDUCT methodology.

It is more essential than ever before to achieve optimal water use. This is true of the plants in Mexico, where severe drought made rationing in water distribution essential. In response, Brembo launched 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.

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 in 2025 (water withdrawal, discharge and significant internal use) for every site in the Group. Such goal is aimed at identifying, for the different points of use, the sources of waste, abnormal consumption with respect to internal or external benchmarks in order to highlight all the points 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 com-

plete 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.

Phosphorus levels in water discharged by the Nanjing cast iron foundry and brake disc machining plant exceeded limits in 2022; although compliance was immediately restored, a monetary fine was levied, as reported in the Appendix.

WATER WITHDRAWAL (ML= MEGALITRES)

	2020		2021		2022	
	ALL AREAS	WATER STRESSED AREAS	ALL AREAS	WATER STRESSED AREAS	ALL AREAS	WATER STRESSED AREAS
GROUNDWATER	296.93	0	481.51	0	455.07	0
Fresh water	279.15	0	481.51	0	455.07	0
Other types of water	17.78	0	0	0	0	0
THIRD-PARTY WATER RESOURCES	854.89	326.66	967.29	360.20	1,114.69	396.72
Fresh water	854.89	326.66	967.29	360.20	1,094.47	376.51
Other types of water	0	0	0	0	20.21	20.21
TOTAL	1,151.81	326.66	1,448.80	360.20	1,569.75	396.72
TOTAL THIRD-PARTY WATER WITHDRAWAL BY SOURCE						
Surface water	-	256.23	-	274.75	-	297.082
Groundwater	-	70.42	-	85.14	-	99.64
Produced water	-	-	-	0.31	-	0
TOTAL	-	326.66	-	360.20	-	396.72

GRI: 303-4; 303-5

WATER DISCHARGE (ML= MEGALITRES)*

	2020		2021		2022	
	ALL AREAS	WATER STRESSED AREAS	ALL AREAS	WATER STRESSED AREAS	ALL AREAS	WATER STRESSED AREAS
SURFACE WATER	8.50	8.50	0.00	0.00	0.00	0.00
Fresh water	8.50	8.50	0.00	0.00	0.00	0.00
Other types of water	0	0	0.00	0.00	0.00	0.00
GROUNDWATER	12.83	0	8.33	0.01	5.57	0.01
Fresh water	11.81	0	8.33	0.01	5.57	0.01
Other types of water	1.02	0	0	0	0	0
THIRD-PARTY WATER RESOURCES	473.13	149.17	510.51	173.57	597.95	173.50
Fresh water	235.76	60.97	380.72	105.34	515.78	128.40
Other types of water	237.37	88.2	129.79	68.23	82.17	45.11
TOTAL	494.45	157.66	518.84	173.58	603.52	173.51

WATER DISCHARGE BY LEVEL OF PROCESSING*

Any processing	150.97	175.49	201.57
Level of processing 1	23.82	15.67	20.49
Level of processing 2	257.32	53.49	131.16
Level of processing 3***	62.34	287.50**	265.98
TOTAL	494.45	532.16	619.20

* 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 2021 and 2022 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)*

	2020		2021		2022	
	ALL AREAS	WATER STRESSED AREAS	ALL AREAS	WATER STRESSED AREAS	ALL AREAS	WATER STRESSED AREAS
TOTAL WATER CONSUMPTION	657.37	169	929.96	186.62	966.23	223.21

7.7 WASTE REDUCTION

Over time, economic development and technological progress have resulted in the production and accumulation of very large quantities of waste. From consumer goods to food waste, construction and demolition waste, mine waste and industrial waste and scrap, the amount of waste generated is closely tied to consumption and production models. An increasing quantity of such waste is recycled or composted, but treatment and disposal processes are not always readily feasible. Often they are very complex and run the risk that, due to mismanagement, they may become sediment that pollutes the environment and harms human health.

In fact, 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.

An 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 rather than 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 growth of its business that’s 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.

Various actions have been taken to mitigate the environmental impacts generated during waste management and reduction processes. These include the use as a secondary raw material of waste materials from the process of manufacturing carbon ceramic discs and the recovery of spent foundry sands in the cement plant at the Mapello cast iron foundry, the recovery of spent cast iron foundry sands to make secondary sand for use in the process of creating cores to replace virgin sand in cast iron foundries and the reuse of incoming packaging materials to make fillers for outgoing packaging at the new J.Juan plant.

In 2022, Brembo generated a total of about 461,000 tonnes of waste, a 16% increase on 2021 due to higher production volumes and the inclusion of the Spanish and Chinese plants. The distribution of hazardous waste remained at 5% of total waste generated, in line with previous years, just as the percentage of waste sent for disposal in dumps, which remained at 15% of the total.

In 2022, there was a case of violation of regulations regarding proper disposal of waste at the cast iron foundry and disc machining plant in Nanjing (China).

GRI: 3-3; 306-3;
306-4; 306-5

WASTE BY TYPE AND PERCENTAGE ON TOTAL WASTE (t)

	2021	2022	%
Foundry sands	142,507	197,235	41.94%
Iron chip and filings	135,801	151,737	32.92%
Dust from abatement plants	44,362	20,871	4.53%
Foundry slag	22,860	29,468	6.39%
Waste emulsions	10,822	12,706	2.76%
Packaging materials	5,965	6,815	1.48%
Aluminium foams	2,444	3,854	0.84%
Acid/basic waste solutions	2,248	2,945	0.64%
Sludge	1,890	2,225	0.48%
Waste filter materials	126	213	0.05%
Waste not classified differently	27,128	36,781	7.98%
Total	396,152	460,947	

WASTE GENERATED (t)

	2020	2021	2022
Hazardous waste	16,424	20,213	23,520
of which: discharged	2,617	3,675	5,032
of which: reused	13,807	16,538	18,489
Non-hazardous waste	328,320	375,939	437,427
of which: discharged	43,353	55,043	63,082
of which: reused	284,967	320,896	374,345
Total	344,744	396,152	460,947
of which: discharged	45,970	58,718	68,113
of which: reused	298,774	337,434	392,834





A VIRTUOUS CIRCLE

Every support and development initiative in our areas of operation is made up of exchange and interaction that combine with a single purpose: the wellbeing and growth of local communities, always looking after the most vulnerable. A virtuous circle where everyone gives and everyone receives.

8. LOCAL AREAS



€ 3,386
million

Economic value distributed



114

Beneficiaries of the "Safe Haven" project



6

Action areas for social projects

8.1 CREATING OPPORTUNITIES FOR LOCAL AREAS

In 2022, 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 investments undertaken in 2022 at all operations amounted to €282,135 thousand, of which €247,593 thousand was invested in property, plant and equipment and €34,542 thousand in intangible assets.

The most significant investments were concentrated in Italy (27.9%), North America (26.4%), China (17.6%) and Czech Republic (13.9%).

In Italy, works on the new building in Curno continued. The building has been designed in view of progressively verticalising — within a single production facility adjacent to Brembo's current hub — the entire development and production process for raw components used in carbon-fibre discs and pads for racing applications and for high-performing street vehicles.

The new building occupies an area of approximately 7,000 square metres, in addition to the 10,000 square metres of green space, parking and logistics and storage areas planned as part of the project. After having installed and started up the first systems in the previous years, additional machines continued to be installed in 2022 for a gradual increase in production capacity.

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 automation of production and constantly improve the mix and quality of factories.

With regard to investments in intangible assets, development costs incurred in 2022 amounted to €22,849 thousand (8.1% of the Group's investments).

In addition, Brembo — which represents a reliable partner for many businesses in the supply industry, with which they can develop partnerships and grow over time — 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 2022 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 €2,458 million. More than €616 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.

GRI: 3-3; 201-1; 201-4;
 WEF: Employment
 and wealth
 generation

ECONOMIC VALUE GENERATED, DISTRIBUTED AND RETAINED (€ THOUSAND)

	2020	2021	2022
Economic value generated⁵⁹	2,276,003	2,887,840	3,802,434
Economic value distributed	1,985,387	2,539,452	3,386,176
Suppliers*	1,448,583	1,828,581	2,458,975
Brembo People**	425,029	506,617	616,180
Investors and lenders***	53,235	138,229	205,636
Public Administration	55,755	64,312	103,420
Gifts and sponsorships****	2,785	1,713	1,965
Economic value retained	290,616	348,388	416,258

* The item "Suppliers" includes non-strategic investments, royalties and payment facilities.

** The item "Brembo People" includes monetary outflows for employees and temporary workers.

*** The item "Investors and lenders" includes all payments to capital providers of the organisation.

**** The item "Gifts and sponsorships" includes voluntary contributions and the investment of funds within 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 2022 — as part of national policies designed to attract and support industrial innovation and development — the Group received more than €21 million 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 employment development and meet the economic and social

needs of local communities, even in the difficult context dictated by the current pandemic.

FINANCIAL INVESTMENT CONTRIBUTION (€ THOUSAND)⁶⁰

	2022
CapEx	283,940
Amortisation	242,360
Share buybacks	0
Dividend distribution	88,189
Total	614,489

59 The economic value generated consists of revenue from contracts with customers, other revenues and income, income (expense) from non-financial investments, exchange rate losses, interest income and interest income (expense) from investments.

60 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

Accademia del Freno (Brake Academy) at the Polytechnic University

In partnership with the Milan Polytechnic, Brembo set up the Accademia del Freno (Brake Academy) in 2014. This technical and scientific advanced education initiative specialising in braking systems seeks to complement the academic curriculum of Milan Polytechnic's engineering students.

The Academy features a cycle of lessons and seminars at the university and at the company premises. It involves Group managers and specialists, who provide students with the knowledge and expertise developed by the Group, ranging from brake disc and brake disc caliper design to further study of friction materials, thermal and structural calculations, and testing and validation processes, to mechatronics and data science. This partnership aims to train new braking system specialists, therefore developing the sector's future professionals.

The support to local technological institutions

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.

8.2 COMMUNITY INVOLVEMENT AND DEVELOPMENT

Over the years, Brembo has established close ties to the local areas where it is present, paying attention to the needs they express, and defining a path of joint development and growth, which leads the Group to provide tangible support to numerous projects and initiatives in favour of local communities in the areas of greatest social needs.

In order to guarantee structured and strategic management of social initiatives, the Group 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, establish the annual budget allocated to these activities, evaluate projects and initiatives to support, as well as monitor the compliance and efficacy of the projects being promoted.

In order to be ever closer to local communities and fully understand their needs, the Group engages Brembo's Country General Managers in listening to and supporting local socio-cultural development initiatives. In keeping with the priorities identified by the Committee, the appointed managers identify local needs and define suitable ways of pro-

viding support to the communities, trying to meet specific targets of the Sustainable Development Goals of the United Nations 2030 Agenda.

An additional contribution is made by the voluntary figures of the CSR Ambassador and CSR Champion, who work with the CSR GCF to draw the Group's attention to needs emerging in local communities.

In particular, in 2022 the Group supported initiatives in six areas of intervention viewed as priorities:

- Social area and children protection
- Education, training and research
- Art and culture
- Sport
- Environment and sustainability
- Brembo's social projects worldwide

This final area of intervention reflects the Group's desire to be a leading and active player in the most urgent contexts and situations at international level. To this end, Brembo has been collaborating with the non-profit world since 2016 to carry out projects that promote the wellbeing of the local areas involved.



SAFE HAVEN

The war in Ukraine has forced millions of people to leave their homes to reach safer places, often beyond the country's borders. Poland has been one of the main destinations for Ukrainian refugees, for whom reception and first aid facilities have been set up.

The "Safe Haven" project stems from Brembo's desire to bring concrete help to these people, giving priority to the most vulnerable who need specific care and attention, difficult to receive within large reception centres.

The project was conceived and developed by Brembo, in collaboration with the Foundation Cesvi, to create a "safe haven" for Ukrainian mothers with children, people with disabilities and the elderly welcomed at the Palace Europe Hotel in Lublin, one of the Polish cities, close to the bor-

der with Ukraine, which has been under more strain by the high number of refugees arriving.

The facility was dedicated entirely to the project's needs. Inside, the people welcomed were able to benefit from the hotel services and all the necessary commodities to try to rebuild everyday life. The large communal areas hosted conferences and opportunities for socialisation for adults, recreational and play activities for the youngest and educational spaces for the school-age children who continued their education by connecting online with Ukrainian teachers.

In addition, the support of the local organisations involved by the Foundation Cesvi allowed the organisation of additional activities. These included the Polish language course for adults, job search guidance, legal assistance with Polish legislation and psychological support.

The project ended in mid-August, about one hundred days after its inception. The goal of accommodating one hundred people inside the facility was achieved in the first few weeks. Following the return of some families to Ukraine in July, new guests were welcomed, for a total of 114 beneficiaries of the “Safe Haven” project”.

At the end of the project, about half of the participants decided to return to Ukraine, some families moved abroad and others preferred to stay in Poland. Thanks to the job orientation course, it was possible to support women who were looking for employment in the area. For example, one of the first of these women to find a job was a doctor, who was hired by a private clinic.

In addition to the Safe Haven project, Brembo implemented a plan of concrete actions in support of the Ukrainian population faced with the human emergency caused by the conflict. At the Company’s Italian sites, products were collected to meet refugees’ basic needs.

Brembo’s personnel may also participate in voluntary donation of one or more hours of work, to which Brembo added a contribution equivalent to the total raised.





THE ART OF BRAKING - AN ENGAGING EXHIBITION ABOUT BRAKES

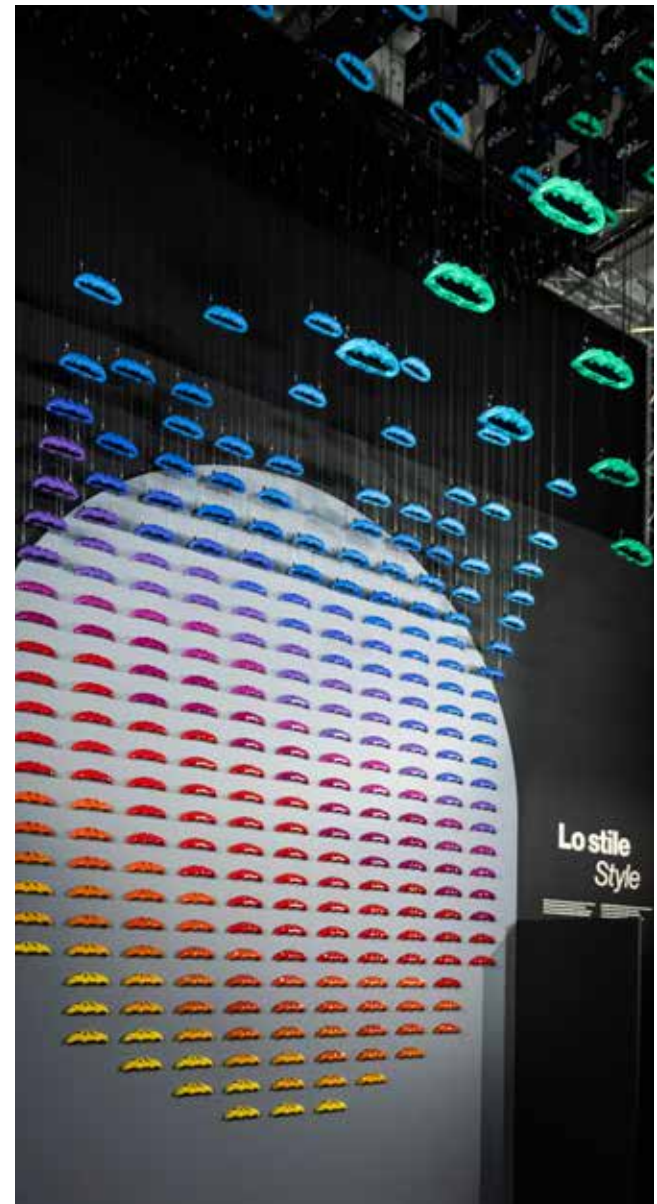
“The Art of Braking” was the first exhibition dedicated to Brembo in the Company’s history. A fascinating journey through materials, colours, style and the evolution of its solutions that was able to bring the general public closer, interested in discovering how a vehicle safety tool, such as the brake, can also become art and be told through immersive experiences, light design and engaging installations.

Brembo starred in an exhibition at Mudec, the Museum of Cultures in Milan, where it managed to create culture around products that are an expression of high technology and design, but that conceal an even more surprising world, brought to light for the first time through the language of art.

Conceived and developed in collaboration with Balich Wonder Studio, “The Art of Braking” retraced the stages of Brembo’s entrepreneurial adventure. Within the exhibition, history and products came together in an exhibition route divided into eight thematic sections: origin and birth, racing, research, style, design, the world and the future. In the last section, dedicated to the challenges of tomorrow and sustainability, an “Infinity room” generated by the mirrored surface of the Greentive brake disc projected visitors into a more sustainable future.

The exhibition was promoted through an important integrated communication campaign on the metro networks and on surface vehicles and with posters in Milan and Bergamo, as well as through advertising in newspapers, online and activities on social media. These initiatives, together with the press conference with a preview reserved for journalists and a number of influencers, enabled Brembo to achieve a visibility that went beyond its classic boundaries.

It was a public success that attracted about 10 thousand visitors in the two weeks of opening. Visitors — interested in exploring the rooms and discovering the Brembo world — included people passionate about art or simply intrigued by the original proposal of an exhibition dedicated to the brake. They were enchanted by the wave of coloured calipers and the immersive laser room, as well as enjoying the hall of mirrors. It was an opportunity to take selfies and post social media content, which amplified the visibility of the exhibition and of Brembo itself.



To learn more about
The Art of Braking



BREMBO IS SYSTEM PARTNER OF BERGAMO-BRESCIA ITALIAN CAPITAL OF CULTURE 2023

Starting from a small mechanical workshop just outside Bergamo, in over 60 years Brembo has grown to become a global company, a benchmark for the development and production of braking systems for high-performance vehicles. Its growth over the years has led Brembo to interact more and more with the local areas and communities in which it operates and beyond, to ensure a better balance between economic growth and social development. The Company’s attention to the world around it demonstrates the desire to give back a tangible sign to the territory, to contribute to creating value also through solid relationships within the communities to which it belongs.

For this reason, 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.

The project is an example of virtuous collaboration between two urban centres that, for the first time, have been honoured as just one Italian Capital of Culture. This is a

recognition of the history of Bergamo and Brescia, of their internationally important cultural and artistic heritage and, at the same time, of the inventive, design and implementation capabilities of the people and companies that highlight the local area’s ability to do well and their concrete approach. These same values are part of Brembo’s DNA. The Group has always been oriented towards innovation and research to create functional, high-performance products with a distinctive design.

It is on the basis of these common traits between the company and its local area that Brembo enthusiastically shares the objectives of the initiative with a view to continuous improvement and shared growth.



THE BREMBO FOREST IN KENYA AND THE PROJECT WITHIN 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 since its foundation and in partnership with *Treedom*, in 2021 the Company decided to initiate a forest sponsorship project by donating a tree subscription to every person working for it, thus giving life to the first Brembo Forest in the world, Foresta Brembo, namely in Kenya, in the Victoria Lake region.

The initiative, called “Brembo4Earth - A gift for you, our forest for the planet”, allowed 14 thousand trees to be planted there 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, allowing the development of agroforestry projects to be promoted, as well as the provision of profitable alternatives for the populations, together with local farmers’ cooperatives.



To learn more about **Foresta Brembo**



In 2022, monitoring of the Breombo Forest continued and local initiatives were set up to help the environment and biodiversity protection, such as support for the Biodiversity Park in Chakan, India.

This project was carried out keeping in mind the Miyawaki forest restoration technique, which enhances biodiversity. To make biodiversity conservation part of the culture of the people who live there, this forest will be made available as a platform for conservation education.

The Miyawaki afforestation technique was devised by the Japanese botanist Akira Miyawaki and involves a dense

and mixed forest, populated by large, medium and small canopy trees, shrubs and creepers. The tree species are selected from natural forests, allowing rapid restoration of the original ecosystem.

The selection of species is a decisive phase of the project: these can have medicinal properties or produce fruit or flowers, which also contribute to recreating the natural habitat for indigenous animal species.

Indirect benefits, including environmental and ecological ones, are, for example, the soil's increased ability to retain water and its nutrients, microclimate cooling, pollutant absorption and carbon dioxide retention.



HOUSE OF SMILES

As a result of the collaboration between Brembo and Foundation CESVI, an NGO founded in Bergamo in 1985 and involved in supporting development and combating poverty, the House of Smile was inaugurated in 2017 in Pune, India. The project aims to support highly vulnerable women and children and consists of a service centre within a building located in Bibwewadi and three education centres for children in poor areas on the outskirts of Pune. Swadhar, the local NGO, operates within the service and education centre hub, coordinating the psychological support, legal guidance, healthcare and career assistance services for women and the support services for young mothers. Swadhar also promotes activities for children between the ages of 3 and adolescence in favour of education and children protection.

In 2022, 503 children, divided into classes by age, attended daily classroom sessions in the three educational centres, consisting of fully structured and equipped facilities, and took part in a programme aimed at encouraging literacy, supporting study, civic education and proper, healthy nutrition. The operators' support was also aimed at parents,

through family counselling activities, both individual and group, and early childhood support, involving a total of 588 adults (452 women and 136 men).

The three educational centres also offer professional training programmes for young women such as tailoring, hair-styling and beautician courses that award a recognised completion certificate. 74 young women were involved in these programmes in 2022.

Unlike 2021, where lockdown measures had limited children's physical attendance at the centres, 2022 finally saw them return. This occasion allowed Swadhar operators to strengthen the relationship with users, not exclusively minors, many of whom particularly suffered the negative effects of the pandemic.

In this context, Brembo Brake India's local team maintains an open and constant dialogue with the Cesvi operators for the project's supervision and with the Swadhar Association's managers to ensure proximity to the women and families of young people benefiting from the House of Smile services.





SCHOOL ON WHEELS

In 2019, Brembo inaugurated in India the project “School on Wheels”, by delivering to the local NGO Door Step School a school bus fitted out to serve as a full-fledged mobile classroom, including educational materials, chalkboards, computers, monitors and audio-visual materials, to allow



the educators from the NGO to provide literary and basic education to approximately 200 children.

“School on Wheels” is a project active six days a week, Monday to Saturday, in which educators use the school bus to travel, according to a pre-determined schedule, to six areas in Pune’s enormous slum to teach to a group of 20-25 children at each stop.

Door Step School’s educators teach children ages 5 to 10 the three fundamental skills (the reading, writing and math), together with basic social skills such as hygiene, health and safety.

The bus is also used as a mobile reading room for children from Pune’s outskirts. This is why the school bus stops in certain areas for two hours to be available to those who wish to make use of the service. It is an initiative that is also very useful for children who already know how to read but do not have access to books.



ASSISTANCE TO THE WOMEN AND CHILDREN OF THANE

During 2022, Brembo started, in close coordination with Cesvi, a collaboration with an Indian organisation called Proaction. Thanks to Brembo’s support, Proaction launched a two-year project aimed at providing a series of socio-educational services for women working in the textile sector and for their sons and daughters.

Near Mumbai, in a town called Thane, a day facility has been created for children aged 3 to 14 years, aimed at supporting their psychophysical growth and learning processes. This is a multi-functional space where, in addition to educational support activities, other services are also provided, such as regular monthly health check-ups, counselling sessions, English language lessons and daily nutritional supplements. An adequate and balanced diet is, in fact, essential for children’s health and harmonious development.

This safe space was equipped and inaugurated in April 2022, involving 59 boys and girls so far.

The intervention also aims to provide support to their mothers through medical insurance cover, regular medical check-ups, financial support to combat the phenomenon of early school leaving, especially of girls, and a training plan designed to strengthen their skills and abilities. So far, training has been organised on first aid, mutual aid mechanism, health and nutrition. This process saw the involvement of 49 women, while another 73 people from their families have benefited from the services provided.

Cesvi accompanies Proaction in managing the project, supervising its work and ensuring quality standards, as well as effective and efficient management of the resources made available by Brembo.



DREAM CENTER

Brembo has partnered with the Chinese NGO ADream.org since 2019 with the aim of promoting a quality education in rural areas based on competencies and an innovative, fair and inclusive educational approach.

Within the socio-economic context of rural China, it is difficult for the 61 million children in the underdeveloped regions to access quality education, and also for the 36 million children of migrant workers.

The “Dream Center” project developed by the local NGO Adream not only provides for the structural redevelopment of certain schools in marginalised areas, but also education programmes for teachers and the creation of an innovative education programme designed to stimulate the skills and aspirations of every single student, sometimes through the use of multimedia classrooms.

The joint contribution made by Brembo, which has supported the project since 2019 and the local Public Education office, has made it possible to set up five Dream Centers: “Shanghai Chongming District Deng Ying Primary School”, in a rural area four hours from Nanjing, with eight classes, 32 teachers and 197 students; “Tong Ling Xin Cheng Primary

School”, a two-hour car drive away, with 13 classes, 32 teachers and 594 students (these two Dream Centers also benefited from the contribution of Tencent Holding); “ShangRao Jie Tian Primary school”, in the Jiangxi province at around 480 km from Nanjing, with 20 classes, 68 teachers and 983 students, “ZiXi County Experimental Primary School”, in the city of FuZhou (province of Jiangxi), a seven-hour car drive away from Nanjing, with 2,371 students and 133 teachers, “Mu Ye Township Central Primary School” in the city of Chongqing approximately 1,240km from Nanjing, which will be opened in March 2023 and will involve 492 students.

Alongside Brembo China, there has also been significant engagement with the project among Nanjing-based employees who, through online donations to the “Tencent 99 Giving Day”, a national fundraising programme organised by one of China’s main internet providers, have contributed to the purchase of educational material for the centres.

Quality education also means reducing the educational divide between the cities and the rural areas, supporting education as a tool for creating opportunities and believing in the potential for change, while respecting the diversity and personality of every individual, without leaving anyone behind.





NEET INCLUSION

Brembo has supported Fondazione Cesvi's NEET Inclusion project aimed at the social and economic inclusion of a group of young NEETs residing in the Bergamo area. The acronym NEET stands for Not in Education, Employment or Training.

The project, in its first pilot edition, is aimed at a group of young people aged between 16 and 29 who are not studying and not working by providing them with individual orientation, training and job placement opportunities. The beneficiaries, who became aware of the initiative through a competition announcement, participated in a formal selection and a merit selection process that took place through cognitive interviews conducted by a representative of Cesvi, Brembo and the Patronato San Vincenzo.

The beneficiaries selected were invited to sign a "Pact of Responsibility", in which they undertake to complete the project on a reliable and regular basis. The young NEETs underwent an initial skills assessment at the vocational training association of the Patronato San Vincenzo (Project partner) which, together with Cesvi, developed for each young man or woman a training and motivational path identified based on the transversal skills and soft skills that emerged during the interviews.

The company scouting for the training internship aims to find the right balance between the resources and skills acquired by each beneficiary and the needs of potential host companies, since the project aims to integrate young NEETs into the world of work.



THE PARTNERSHIP WITH THE ATALANTA YOUTH TEAM

Brembo supports the social role of professional and competitive sport, sharing educational and cultural values with Atalanta, which will allow young people to become professionals in work and life: loyalty, team spirit, sacrifice, training, merit, a love of challenges, support for talent and constant improvement, all of which also have something in common with academic education. It is on the basis of these common principles that Brembo and Atalanta, two of Bergamo's outstanding achievements belonging to different worlds, decided to collaborate, focusing on the new generations. In fact, since 2018 Brembo has been Top Partner of the Atalanta Bergamasca Calcio's Youth Sector, which is due to continue also for the 2022-2023 sporting season.

This collaboration also continued with the "Brembo Prize", which is awarded annually to the most deserving young footballer in each youth team, from the Under 15 to the "Primavera" categories.

The best athletes are identified by a group of technical experts on the basis of criteria that consider not only strictly sporting aspects, but also educational results and fair play. In 2022, the ceremony took place on 8th June at the Mino Favini Academy, inside the headquarters of the Youth Sector at the Bortolotti Centre in Zingonia in the presence of Luca Percassi, CEO of Atalanta, and Cristina Bombassei, Chief CSR Officer of Brembo, who presented awards to the most deserving youngsters.



Brembo also supports the "School at the Stadium" project, a social and educational programme for students that aims to educate young people in sticking to the rules, fair play and preventing episodes of discrimination. Lastly, the partnership also includes Brembo's support for the organisation of summer Football Camps held by Atalanta Bergamasca Calcio football team for children aged 7-14, which attract large numbers of participants every year.



GIOCAMICO

As of 2014 Brembo makes an annual contribution to the “Giocamico” project at the Papa Giovanni XXIII hospital in Bergamo. Giocamico comprises a psychological support for young patients through a fun activity that prepares them for surgery and diagnostic investigations and is available in all paediatric wards of the hospital.

Thanks to Giocamico, children can therefore face what will happen to them in a fun manner; the operating theatre becomes a space ship, the operation an adventurous journey. Thanks to the use of sounds, images and simulations, they are not just told about their treatment, but actually experience it.

During 2022, the Giocamico project was also launched in the Radiology Operating Unit to the benefit of young patients, for whom provision was made to carry out the examinations on a specific day of the week when a psychologist is always present. The specialist’s aim is to open up a psychological space with the children to help them visualise the examination by simulating it and explaining the steps involved, assessing the possibility of performing the procedure without resorting to anaesthesia.

Furthermore, since September 2022, Giocamico has been introduced at the Nuclear Medicine Unit so as to cover the range of patients between three and thirteen years old accessing this department for invasive examinations, providing a space for anticipating the procedure, processing of the related emotional factors and deployment of the resources available, so that the hospitalisation experience can be lived in the most aware and participatory way possible.

In general, Giocamico’s increasing presence and dissemination in the Hospital’s Operating Units dealing with paediatric patients has contributed to a significant increase in the number of services provided by the Psychology Unit for paediatric patients and their families.

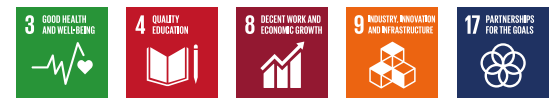




“FROM” RESEARCH FOUNDATION AND MARIO NEGRI INSTITUTE

In keeping with its nature as a company with a strong vocation for innovation, Brembo supports scientific research projects in various fields of application, as well as various initiatives linked to education and training for young people. In particular, the Group supports “FROM”, the Research Foundation of Pope John XXIII Hospital in Bergamo, set

up in 2008 to allow hospital workers to play an active role in national and international medical research, and with the Mario Negri Pharmacological Research Institute, one of the largest centres of biomedical and pharmacological research in Italy.



BREMBO SUPPORTS RESEARCH TO FIGHT COVID-19

In 2022, Brembo decided to continue to support scientific research to combat Covid-19. Brembo’s donation to three leading Bergamo institutions — Pope John XXIII Hospital, the Bergamo Hospital Research Foundation (FROM) and the Mario Negri Institute — which stood out in fighting against Coronavirus in one among the areas most severely affected by the pandemic, allowed to finance over 20 research projects conducted jointly by the three beneficiaries.

Brembo’s support has allowed a new way of contributing to scientific research by combining clinical and pharmacological research with the aim of: reducing hospitalisation following contraction of the virus, reducing its severity and unfavourable outcomes, studying the medium-term impacts after healing and proposing treatments also for the

permanent and semi-permanent effects of the infection on different organs.

The results of the funded research projects have been published in the most prestigious scientific and medical journals worldwide. The results achieved by the mixed groups, those formed by scientists and technical staff belonging to all three institutions, were also positive.

For a Group like Brembo that has innovation and research in the chromosomes of its DNA, it was natural to support the project. Research is at the basis of Brembo’s way of doing business and it is for this reason that the Company believes that this is the only viable way of finding an effective solution also to such a difficult situation on a global scale.

Sistema Socio Sanitario



Regione
Lombardia

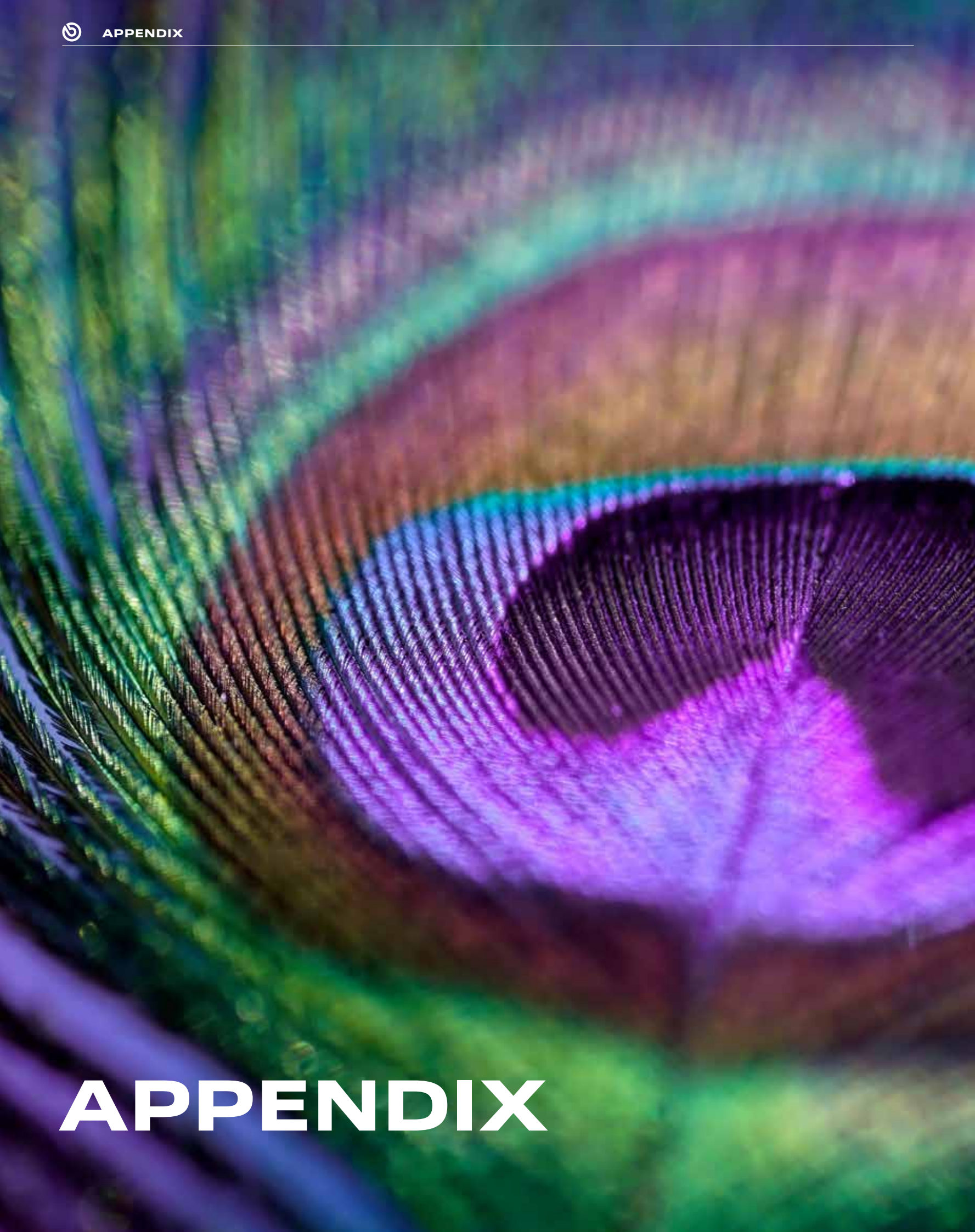
ASST Papa Giovanni XXIII



Fondazione
per la Ricerca
Ospedale
di Bergamo



ISTITUTO DI RICERCHE
FARMACOLOGICHE
MARIO NEGRI · IRCCS



APPENDIX



APPENDIX

GRI: 2-14; 2-9;
3-3; 405-1
WEF: Dignity
and equality

BOARD OF DIRECTORS 2022⁶¹

The General Shareholders' Meeting of the Parent Brembo S.p.A. held on 23 April 2020 confirmed the number of Board members at 11 and appointed the Board of Directors for the three-year period 2020-2022, i.e., until the General Shareholders' Meeting called to approve the Financial Statements for the year ended 31 December 2022. Following the resignation of Alberto Bombassei from the roles of Chairman and Director, the Shareholders' Meeting convened on

17 December 2021 appointed Director Matteo Tiraboschi (former Executive Deputy Chairman) as Chairman and Roberto Vavassori as Director. The same will remain in office until the end of the current Board's term of office. It should also be noted that, following the introduction of the Article 17-bis in the By-laws approved on 17 December 2021, the Shareholders' Meeting appointed Alberto Bombassei as Chairman Emeritus for an indefinite period.

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 Valerio Battista	1957	M		X	X		
10 Nicoletta Giadrossi	1966	F		X	X	X	X (Chair)
11 Roberto Vavassori	1959	M	X				

* It should be noted that Director 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 view 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 judgment.

61 100% of the members of the Board of Directors is aged over 50.

GRI: 2-7
 WEF: Employment
 and wealth
 generation

REPORTING TABLES RELATING TO CHAPTER 4 "PEOPLE"

Here below are the tables with detailed quantitative information relating to chapter 4 "People"⁶².

EMPLOYEES BY GENDER AND GEOGRAPHICAL AREA⁶³ (No.)

	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total	9,240	1,799	11,039	9,773	1,882	11,655	10,665	2,291	12,956
Europe	5,371	1,189	6,560	5,491	1,239	6,730	5,940	1,427	7,367
America	1,782	315	2,097	2,024	340	2,364	2,265	410	2,675
Asia	2,087	295	2,382	2,258	303	2,561	2,460	454	2,914

EMPLOYEES BY EMPLOYMENT CONTRACT AND GENDER (No.)

	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total	9,240	1,799	11,039	9,773	1,882	11,655	10,665	2,291	12,956
Permanent contract	7,576	1,483	9,059	8,092	1,573	9,665	8,840	1,827	10,667
Fixed-term contract	1,664	316	1,980	1,681	309	1,990	1,825	464	2,289

EMPLOYEES WITH PERMANENT CONTRACT BY GENDER AND GEOGRAPHICAL AREA⁶³ (No.)

	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total	7,576	1,483	9,059	8,092	1,573	9,665	8,840	1,827	10,667
Europe	4,941	1,068	6,009	5,094	1,137	6,231	5,509	1,326	6,835
America	1,688	296	1,984	1,915	321	2,236	2,177	382	2,559
Asia	947	119	1,066	1,083	115	1,198	1,154	119	1,273

62 It should be noted that for financial years 2020 and 2021, the reporting scope does not include the J. Juan's sites of the Group.

63 The three macro-areas include the countries specified: **Europe**: including Italy, Poland, United Kingdom, Czech Republic, Spain, Denmark and other countries; **America**: including Brazil, United States and Mexico; **Asia**: including China, Japan and India.

EMPLOYEES WITH FIXED-TERM CONTRACT BY GENDER AND GEOGRAPHICAL AREA⁶³ (No.)

	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total	1,664	316	1,980	1,681	309	1,990	1,825	464	2,289
Europe	430	121	551	397	102	499	431	101	532
America	94	19	113	109	1	128	88	28	116
Asia	1,140	176	1,316	1,175	188	1,363	1,306	335	1,641

NON-GUARANTEED HOURS EMPLOYEES BY GENDER AND GEOGRAPHICAL AREA⁶³ (No.)

	2020			2021			2022		
	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.)

	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total	9,240	1,799	11,039	9,773	1,882	11,655	10,665	2,291	12,956
Permanent contract	9,194	1,582	10,776	9,727	1,657	11,384	10,607	2,056	12,663
Fixed-term contract	46	217	263	46	225	271	58	235	293

EMPLOYEES WITH PERMANENT CONTRACT BY GENDER AND GEOGRAPHICAL AREA⁶³ (No.)

	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total	9,194	1,582	10,776	9,727	1,657	11,384	10,607	2,056	12,663
Europe	5,325	973	6,298	5,445	1,015	6,460	5,882	1,194	7,076
America	1,782	315	2,097	2,024	340	2,364	2,265	410	2,675
Asia	2,087	294	2,381	2,258	302	2,560	2,460	452	2,912

⁶³ The three macro-areas include the following countries: **Europe**: including Italy, Poland, United Kingdom, Czech Republic, Spain, Denmark and other countries; **America**: including Brazil, United States and Mexico; **Asia**: including China, Japan and India.

GRI: 2-7; 2-8
 WEF: Employment
 and wealth
 generation

EMPLOYEES WITH PART-TIME CONTRACT BY GENDER AND GEOGRAPHICAL AREA⁶³ (No.)

	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total	46	217	263	46	225	271	58	235	293
Europe	46	216	262	46	224	270	58	233	291
America	0	0	0	0	0	0	0	0	0
Asia	0	1	1	0	1	1	0	2	2

EMPLOYEES AND TEMPORARY WORKERS (No.)

	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Employees (headcount)	9,240	1,799	11,039	9,773	1,882	11,655	10,665	2,291	12,956
Temporary workers (Full Time Equivalent)	1,322	268	1,590	988	291	1,279	1,656	354	2,010

INTERNS BY GENDER AND GEOGRAPHICAL AREA⁶³ (No.)

	2022		
	MEN	WOMEN	TOTAL
Total	108	61	169
Europe	42	31	73
America	66	30	96
Asia	0	0	0

TEMPORARY WORKERS BY GENDER AND GEOGRAPHICAL AREA⁶³ (FTE*)

	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total	1,322	268	1,590	988	291	1,279	1,656	354	2,010
Europe	639	196	835	553	193	746	1,078	246	1,324
America	54	14	68	81	23	104	111	28	139
Asia	629	58	687	354	75	429	467	80	547

*Full Time Equivalent

63 The three macro-areas include the following countries: **Europe**: including Italy, Poland, United Kingdom, Czech Republic, Spain, Denmark and other countries; **America**: including Brazil, United States and Mexico; **Asia**: including China, Japan and India.

WORKERS WHO ARE NOT EMPLOYEES (SERVICE SUPPLIERS AND CONTRACTORS) BY GENDER AND GEOGRAPHICAL AREA⁶³ (No.)

	2022		
	MEN	WOMEN	TOTAL
Total	23,517	3,591	27,108
Europe	17,886	2,470	20,356
America	1,617	1,018	2,635
Asia	4,014	103	4,117

EMPLOYEES BY EDUCATIONAL QUALIFICATION (No.)

EMPLOYEES' EDUCATIONAL QUALIFICATIONS (% OVER THE TOTAL)	2020	2021	2022
Employees	11,039	11,655	12,956
Compulsory primary school	26%	30%	29%
High school*	51%	47%	47%
University	23%	23%	24%
EMPLOYEES WITH A UNIVERSITY DEGREE BY SUBJECT STUDIED (% OVER THE TOTAL)	2020	2021	2022
Employees with a university degree	2,581	2,690	3,089
Engineering	54%	55%	55%
Business and Law	21%	21%	19%
Arts, Humanities and Foreign Languages	8%	7%	8%
Mathematical, Physical and Natural Sciences	6%	6%	4%
IT	3%	3%	3%
Social, Political and Behavioural Sciences	3%	3%	3%
Chemistry	2%	2%	1%
Other	3%	3%	7%

* The category "High school" includes exclusively employees bearing a diploma awarded at the end of the whole secondary education.

TURNOVER BY GENDER (%)

	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Hiring rate	18.3	12.8	17.4	22.6	18.2	21.9	27.9	26.3	27.6
Termination rate	16.6	12.0	15.9	18.2	15.4	17.8	18.7	36.3	21.8

⁶³ The three macro-areas include the following countries: **Europe**: including Italy, Poland, United Kingdom, Czech Republic, Spain, Denmark and other countries; **America**: including Brazil, United States and Mexico; **Asia**: including China, Japan and India.

GRI: 3-3; 401-1

TURNOVER BY AGE GROUP (%)

	2020*				2021				2022			
	<=30	31-40	41-50	>=51	<=30	31-40	41-50	>=51	<=30	31-40	41-50	>=51
Hiring rate	48.3	11.4	5.6	2.4	54.6	17.9	7.9	3.5	67.7	23.7	10.2	4.8
Termination rate	35.9	10.6	7.0	11.2	36.5	15.5	7.9	10.8	47.9	18.7	8.4	11.6

* As of 2019 the breakdown of employees by age is based on the following categories: ≤30; 31-40; 41-50; ≥51

TURNOVER RATE BY GEOGRAPHICAL AREA⁶³ (%)

	2020			2021			2022		
	EUROPE	AMERICA	ASIA	EUROPE	AMERICA	ASIA	EUROPE	AMERICA	ASIA
Hiring rate	6.7	27.2	38.5	9.1	43.7	35.2	12.6	58.2	37.7
Termination rate	8.5	20.6	32.0	7.8	33.8	29.1	9.1	46.9	30.7

TRAINING HOURS BY CLASSIFICATION LEVEL AND GENDER (h)

	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total	134,114	18,714	152,828	249,488	30,506	279,994	350,262	56,047	406,308
Managers	7,510	1,394	8,904	12,565	1,774	14,339	15,955	3,277	19,233
White-collar employees	32,341	8,736	41,077	63,059	17,823	80,882	82,678	24,934	107,612
Blue-collar employees	94,263	8,584	102,847	173,865	10,909	184,774	251,628	27,835	279,464

63 The three macro-areas include the following countries: **Europe**: including Italy, Poland, United Kingdom, Czech Republic, Spain, Denmark and other countries; **America**: including Brazil, United States and Mexico; **Asia**: including China, Japan and India.

RECORDABLE INCIDENTS⁶⁴, FATALITIES AND HOURS WORKED OF EMPLOYEES BY GEOGRAPHICAL AREA⁶³ AND GENDER (No.)

	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
WORK-RELATED INJURIES WITHOUT HIGH CONSEQUENCES⁶⁵									
Europe	54(*)	11	65(*)	41	8	49	50	7	57
America	15	4	19	16	2	18	14	0	14
Asia	3	1	4	6	1	7	4	0	4
Total	72(*)	16	88(*)	63	11	74	68	7	75
HIGH-CONSEQUENCE WORK-RELATED INJURIES⁶⁵ (EXCLUDING FATALITIES)									
Europe	2(*)	1	3(*)	0	0	0	2	0	2
America	0	0	0	0	0	0	1	0	1
Asia	0	0	0	1	0	1	1	0	1
Total	2(*)	1	3(*)	1	0	1	4	0	4
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	56(*)	12	68(*)	41	8	49	52	7	59
America	15	4	19	16	2	18	15	0	15
Asia	3	1	4	7	1	8	5	0	5
Total	74(*)	17	91(*)	64	11	75	72	7	79
COMMUTING INCIDENTS									
Europe	14	4	18	19	5	24	20	7	27
America	2	5	7	10	4	14	22	16	38
Asia	3	0	3	4	0	4	2	0	2
Total	19	9	28	33	9	42	44	23	67
HOURS WORKED (No.)									
Europe	8,095,013	1,654,265	9,749,278	8,942,007	2,141,679	11,083,686	9,662,113	2,372,647	12,034,760
America	3,237,760	606,421	3,844,181	4,002,291	798,415	4,800,706	4,941,011	969,722	5,910,733
Asia	3,822,892	725,805	4,548,697	4,613,251	637,499	5,250,750	5,187,365	978,914	6,166,279
Total	15,155,665	2,986,491	18,142,156	17,557,549	3,577,593	21,135,142	19,790,489	4,321,283	24,111,772

(*) 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.

63 The three macro-areas include the following countries: **Europe**: including Italy, Poland, United Kingdom, Czech Republic, Spain, Denmark and other countries; **America**: including Brazil, United States and Mexico; **Asia**: including China, Japan and India.

64 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.

65 “High consequences” mean incidents that may lead to the permanent loss of body function or incidents that record an absence of more than 180 days.

RATE OF RECORDABLE INCIDENTS⁶⁴ AND FATALITIES OF EMPLOYEES (AT THE WORKPLACE) BY GEOGRAPHICAL AREA⁶³ AND GENDER

	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
INCIDENT RATE WITHOUT HIGH CONSEQUENCES⁶⁵									
Europe	1.33(*)	1.33	1.33(*)	0.92	0.75	0.88	1.03	0.59	0.95
America	0.93	1.32	0.99	0.80	0.50	0.75	0.57	0.0	0.47
Asia	0.16	0.28	0.18	0.26	0.31	0.27	0.15	0.00	0.13
Total	0.95(*)	1.07	0.97(*)	0.72	0.61	0.70	0.68	0.32	0.62
INCIDENT RATE WITH HIGH CONSEQUENCES⁶⁵									
Europe	0.05(*)	0.12	0.06(*)	0.00	0.00	0.00	0.04	0.00	0.03
America	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.03
Asia	0.00	0.00	0.00	0.04	0.00	0.04	0.04	0.00	0.03
Total	0.03(*)	0.07	0.03(*)	0.01	0.00	0.01	0.04	0.00	0.03
FATALITY FREQUENCY RATE									
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
INCIDENT RATE - TOTAL									
Europe	1.38(*)	1.45	1.39(*)	0.92	0.75	0.88	1.08	0.59	0.98
America	0.93	1.32	0.99	0.80	0.50	0.75	0.61	0.00	0.51
Asia	0.16	0.28	0.18	0.30	0.31	0.30	0.19	0.00	0.16
Total	0.98(*)	1.14	1.00(*)	0.73	0.61	0.71	0.73	0.32	0.66

Calculation methods:

- Incident rate without high consequences: (No. of recordable work-related injuries without serious 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.

(*) Data has been adjusted as three incidents that had occurred in 2019 led to an absence exceeding 180 days in 2020, thus qualifying as "high-consequence work-related incident".

63 The three macro-areas include the following countries: **Europe**: including Italy, Poland, United Kingdom, Czech Republic, Spain, Denmark and other countries; **America**: including Brazil, United States and Mexico; **Asia**: including China, Japan and India.

64 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.

65 "High consequences" mean incidents that may lead to the permanent loss of body function or incidents that record an absence of more than 180 days.

CASES OF EMPLOYEE OCCUPATIONAL DISEASES AND FATALITIES BY GEOGRAPHICAL AREA⁶³ AND GENDER (No.)

	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
CASES OF RECORDABLE OCCUPATIONAL DISEASES*									
Europe	8	7	15	5	10	15	10	0	10
America	0	0	0	0	0	0	0	0	0
Asia	0	0	0	0	0	0	0	0	0
Total	8	7	15	5	10	15	10	0	10
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

* Recorded cases are not directly associated with the employee's working activity.

63 The three macro-areas include the following countries: **Europe**: including Italy, Poland, United Kingdom, Czech Republic, Spain, Denmark and other countries; **America**: including Brazil, United States and Mexico; **Asia**: including China, Japan and India.

RECORDABLE INCIDENTS⁶⁴, FATALITIES AND HOURS WORKED OF WORKERS WHO ARE NOT EMPLOYEES BY GEOGRAPHICAL AREA⁶³ AND GENDER (No.)

	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
WORK-RELATED INJURIES WITHOUT HIGH CONSEQUENCES ⁶⁵									
Europe	6	1	7	13	1	14	17	2	19
America	1	0	1	0	1	1	0	1	1
Asia	1	1	2	1	0	1	1	1	2
Total	8	2	10	14	2	16	18	4	22
HIGH-CONSEQUENCE WORK-RELATED INJURIES ⁶⁵ (EXCLUDING FATALITIES)									
Europe	0	0	0	0	0	0	0	1	1
America	0	0	0	0	0	0	0	1	1
Asia	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	2	2
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	6	1	7	13	1	14	17	3	20
America	1	0	1	0	1	1	0	2	2
Asia	1	1	2	1	0	1	1	1	2
Total	8	2	10	14	2	16	18	6	24
HOURS WORKED (No.)									
Europe	925,476	230,156	1,155,632	1,508,022	502,189	2,010,211	1,949,868	781,281	2,731,149
America	86,900	34,147	121,047	126,490	52,120	178,610	184,079	52,046	236,125
Asia	1,003,978	151,870	1,155,848	1,195,542	162,603	1,358,145	1,249,048	208,333	1,457,381
Total	2,016,354	416,173	2,432,527	2,830,054	716,912	3,546,966	3,382,995	1,041,660	4,424,655

63 The three macro-areas include the following countries: **Europe**: including Italy, Poland, United Kingdom, Czech Republic, Spain, Denmark and other countries; **America**: including Brazil, United States and Mexico; **Asia**: including China, Japan and India.

64 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.

65 "High consequences" mean incidents that may lead to the permanent loss of body function or incidents that record an absence of more than 180 days.

RATE OF RECORDABLE INCIDENTS⁶⁴ AND FATALITIES OF WORKERS WHO ARE NOT EMPLOYEES (AT WORK) BY GEOGRAPHICAL AREA⁶³ AND GENDER

	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
INCIDENT RATE WITHOUT HIGH CONSEQUENCES⁶⁵									
Europe	1.30	0.87	1.21	1.72	0.40	1.39	1.74	0.51	1.39
America	2.30	0	1.65	0.00	3.84	1.12	0.00	3.84	0.85
Asia	0.20	1.32	0.35	0.17	0.00	0.15	0.16	0.96	0.27
Total	0.79	0.96	0.82	0.99	0.56	0.90	1.06	0.77	0.99
INCIDENT RATE WITH HIGH CONSEQUENCES⁶⁵									
Europe	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.26	0.07
America	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.84	0.85
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	0.00	0.00	0.00	0.38	0.09
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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
INCIDENT RATE - TOTAL									
Europe	1.30	0.87	1.21	1.72	0.40	1.39	1.74	0.77	1.46
America	2.30	0	1.65	0.00	3.84	1.12	0.00	7.69	1.69
Asia	0.20	1.32	0.35	0.17	0.00	0.15	0.16	0.96	0.27
Total	0.79	0.96	0.82	0.99	0.56	0.90	1.06	1.15	1.08

Calculation methods:

- Incident rate without high consequences: (No. of recordable work-related incidents without high consequences / No. of hours worked) x 200,000.
- Incident rate with high consequences (No. of recordable high-consequence work-related incidents / 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.

63 The three macro-areas include the following countries: **Europe**: including Italy, Poland, United Kingdom, Czech Republic, Spain, Denmark and other countries; **America**: including Brazil, United States and Mexico; **Asia**: including China, Japan and India.

64 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.

65 "High consequences" mean incidents that may lead to the permanent loss of body function or incidents that record an absence of more than 180 days.

GRI: 3-3; 403-10

CASES OF OCCUPATIONAL DISEASES AND FATALITIES OF WORKERS WHO ARE NOT EMPLOYEES BY GEOGRAPHICAL AREA⁶³ AND GENDER (No.)

	2020			2021			2022		
	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	0	0	0	0	0	0	0	0

* Recorded cases are not directly associated with the employee's working activity.

CASES OF NEAR MISSES REPORTED (EMPLOYEES AND WORKERS WHO ARE NOT EMPLOYEES)

	2020				2021				2022			
	MEN	WOMEN	NON SPECIFIC	TOTAL	MEN	WOMEN	NON SPECIFIC	TOTAL	MEN	WOMEN	NON SPECIFIC	TOTAL
NEAR MISSES REPORTED												
Europe	222	9	15	231	241	26	40	307	245	28	70	343
America	22	0	2	22	26	0	2	28	69	5	14	88
Asia	89	0	3	89	81	2	13	96	119	1	12	132
Total	333	9	20	342	348	28	55	431	433	34	96	563

63 The three macro-areas include the following countries: **Europe**: including Italy, Poland, United Kingdom, Czech Republic, Spain, Denmark and other countries; **America**: including Brazil, United States and Mexico; **Asia**: including China, Japan and India.

PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2022

ECONOMIC ACTIVITIES (*)	CODE(S) (2)	ABSOLUTE TURNOVER (3)	PROPORTION OF TURNOVER (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)	
unit of measurement		€ thousand	%	%	%	%	%	%	%
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Taxonomy-aligned environmentally sustainable activities									
Turnover of Taxonomy-aligned environmentally sustainable activities (A.1)		0	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	0.00						
Total (A.1 + A.2)		0	0.00						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Turnover of Taxonomy-non-eligible activities (B)		3,629,011	100.00						
Total (A + B)		3,629,011							

DNSH 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⁾	TAXONOMY-ALIGNED PROPORTION OF TURNOVER, YEAR 2022 ⁽¹⁸⁾	TAXONOMY-ALIGNED PROPORTION OF TURNOVER, YEAR 2021 ⁽¹⁹⁾	CATEGORY (ENABLING ACTIVITY) ⁽²⁰⁾	CATEGORY (TRANSITIONAL ACTIVITY) ⁽²¹⁾	ECONOMIC ACTIVITIES ^(*)
y/n	y/n	y/n	y/n	y/n	y/n	y/n	%	%	E	T	unit of measurement
A. TAXONOMY-ELIGIBLE ACTIVITIES											
A.1 Taxonomy-aligned environmentally sustainable activities											
Turnover of Taxonomy-aligned environmentally sustainable activities (A.1)											
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)											
Total (A.1 + A.2)											
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES											
Turnover of Taxonomy-non-eligible activities (B)											
Total (A + B)											

PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2022

ECONOMIC ACTIVITIES (*)	CODE(S) (2)	ABSOLUTE CAPEX (3)	PROPORTION OF TURNOVER (4)	SUBSTANTIAL CONTRIBUTION CRITERIA				
				CLIMATE CHANGE MITIGATION (5)	CLIMATE CHANGE ADAPTATION (6)	WATER AND MARINE RESOURCES (7)	CIRCULAR ECONOMY (8)	POLLUTION (9)
unit of measurement		€ thousand	%	%	%	%	%	%
A. TAXONOMY-ELIGIBLE ACTIVITIES								
A.1 Environmentally sustainable activities (Taxonomy-aligned)								
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)								
A.2 Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)								
Manufacture of aluminium	3.8	676	0.21%	0.21%	0.00%			
Manufacture of iron and steel	3.9	745	0.23%	0.23%	0.00%			
Installation, maintenance and repair of renewable energy technologies	7.6	0	0.00%	0.00%	0.00%			
Close-to-market research, development and innovation	9.1	101	0.03%	0.03%	0.00%			
CapEx of Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1,522	0.48%	0.48%	0.00%			
Total (A.1 + A.2)		1,522	0.48%	0.48%	0.00%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES								
CapEx of Taxonomy-non-eligible activities (B)								
Total (A + B)		319,600						

DNSH 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⁾	TAXONOMY-ALIGNED PROPORTION OF CAPEX, YEAR 2022 ⁽¹⁸⁾	TAXONOMY-ALIGNED PROPORTION OF CAPEX, YEAR 2021 ⁽¹⁹⁾	CATEGORY (ENABLING ACTIVITY) ⁽²⁰⁾	CATEGORY (TRANSITIONAL ACTIVITY) ⁽²¹⁾	ECONOMIC ACTIVITIES ^(*)
y/n	y/n	y/n	y/n	y/n	y/n	y/n	%	%	E	T	unit of measurement
A. TAXONOMY-ELIGIBLE ACTIVITIES											
A.1 Environmentally sustainable activities (Taxonomy-aligned)											
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)											
A.2 Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)											
Manufacture of aluminium											
Manufacture of iron and steel											
Installation, maintenance and repair of renewable energy technologies											
Close-to-market research, development and innovation											
CapEx of Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)											
Total (A.1 + A.2)											
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES											
CapEx of Taxonomy-non-eligible activities (B)											
Total (A + B)											

PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED – DISCLOSURE COVERING YEAR 2022

ECONOMIC ACTIVITIES (*)	CODE(S) (2)	SUBSTANTIAL CONTRIBUTION CRITERIA							
		ABSOLUTE OPEX (3)	PROPORTION OF TURNOVER (4)	CLIMATE CHANGE MITIGATION (5)	CLIMATE CHANGE ADAPTATION (6)	WATER AND MARINE RESOURCES (7)	CIRCULAR ECONOMY (8)	POLLUTION (9)	BIODIVERSITY AND ECOSYSTEMS (10)
unit of measurement		€ thousand	%	%	%	%	%	%	%
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)									
A.2 OpEx of Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Manufacture of aluminium	3.8	12,833	6.81%	6.81%	0.00%				
Manufacture of iron and steel	3.9	16,399	8.71%	8.71%	0.00%				
Installation, maintenance and repair of renewable energy technologies	7.6	3,505	1.86%	1.86%	0.00%				
Close-to-market research, development and innovation	9.1	4,701	2.50%	2.50%	0.00%				
OpEx of Taxonomy-eligible but not Taxonomy-aligned activities		37,438	19.87%	19.87%	0.00%				
TOTAL (A1+A2)		37,438	19.87%	19.87%	0.00%				
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
OpEx of Taxonomy-non-eligible activities (B)									
Total (A+B)		188,383	%						

DNSH 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⁾	TAXONOMY-ALIGNED PROPORTION OF OPEX, YEAR 2022 ⁽¹⁸⁾	TAXONOMY-ALIGNED PROPORTION OF OPEX, YEAR 2021 ⁽¹⁹⁾	CATEGORY (ENABLING ACTIVITY) ⁽²⁰⁾	CATEGORY (TRANSITIONAL ACTIVITY) ⁽²¹⁾	ECONOMIC ACTIVITIES ^(*)
y/n	y/n	y/n	y/n	y/n	y/n	y/n	%	%	E	T	unit of measurement
A. TAXONOMY-ELIGIBLE ACTIVITIES											
A.1 Environmentally sustainable activities (Taxonomy-aligned)											
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)											
A.2 OpEx of Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)											
Manufacture of aluminium											
Manufacture of iron and steel											
Installation, maintenance and repair of renewable energy technologies											
Close-to-market research, development and innovation											
OpEx of Taxonomy-eligible but not Taxonomy-aligned activities											
TOTAL (A1+A2)											
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES											
OpEx of Taxonomy-non-eligible activities (B)											
Total (A + B)											

COUNTRY-BY-COUNTRY REPORTING

COUNTRY	DESCRIPTION OF THE MAIN ACTIVITIES OF THE ORGANISATION	EMPLOYEES (No.)	INCOME TAXES OF COMPANIES PAID ON A CASH BASIS (€ THOUSAND)
ITALY	Analysis, design, development, application, production, assembly and sale of braking systems, light alloy castings for various sectors, including the car and motorbike industries	3,342	9,238
	Precision mechanical processing, lathe work, mechanical component production and similar activities, on its own account or on behalf of third parties		
	Design, development, production and sale of carbon ceramic brake discs		
	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		
POLAND	Development, casting, production and sale of brake discs	2,274	2,280
	Discs and braking systems for cars and commercial vehicles		
UNITED KINGDOM	Production and sale of braking systems and clutches for road and racing vehicles	153	124
MEXICO	Casting, production and sale of car brake discs for original equipment and the after-market; casting, production and sale of braking systems for cars and commercial vehicles	1,805	21,211
BRAZIL	Production and sale of car brake discs for the original equipment market	204	1,688
CHINA	Casting, production and sale of brake discs for the original equipment and braking systems for cars and commercial vehicles	1,916	19,781
	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		
INDIA	Development, production and sale of braking systems for motorbikes	972	4,695
UNITED STATES	Development, casting, production and sale of brake discs for car original equipment and the aftermarket, and braking systems for cars, motorbikes and the racing sector	666	9,218
	<i>Inspiration Lab</i> : experimental lab focused on strengthening expertise in software development, data science and artificial intelligence		

WEF: Community
and social vitality

COUNTRY	DESCRIPTION OF THE MAIN ACTIVITIES OF THE ORGANISATION	EMPLOYEES (No.)	INCOME TAXES OF COMPANIES PAID ON A CASH BASIS (€ THOUSAND)
SPAIN	Sale of brake discs and drums for cars, distribution of the brake shoe kits and pads Production and sale of components for motorbike braking systems and braided hydraulic hoses	516	1,264
JAPAN	Sale of braking systems for the racing sector and original equipment for cars	26	297
DENMARK	Production of brake pads for motorbikes	112	846
RUSSIA	Promotion of the sale of car brake discs	3	-22
CZECH REPUBLIC	Casting, production and sale of braking systems for cars	955	0
GERMANY	Purchase and resale of vehicles, technical and sales services, as well as promotion of the sale of car brake discs Design, development, production and sale of carbon ceramic brake discs	10	396
SWEDEN	Promotion of the sale of car brake discs	2	150
TOTAL		12,956	71,167

LEGEND: HR AREA TERMINOLOGY

	DESCRIPTION NECESSARY WORDING IN REPORTS	ENGLISH
A	Employees with permanent or fixed-term contract	Employees
B	Temporary workers	Temporary workers
C	A+B	Brembo People

CASES OF NON-COMPLIANCE WITH LAWS AND REGULATIONS DETECTED IN 2022 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.

	NO. OF FINES	NO. OF NON-MONETARY SANCTIONS	NOTES
Total	18	1	
Europe	10	0	
America	6	1	Brembo received a Notice of violation — not entailing the payment of a fine — in relation with waste water management at one its foundry in the United States.
Asia	2	0	

Here below is detailed information of the **finances paid** by Brembo Group in **2022**, with reference to both violations detected in the same year and in previous reporting periods⁶⁶:

		2022			
		ENVIRONMENTAL LEGISLATION		LABOUR LAW AND OCCUPATIONAL SAFETY LEGISLATION	
		NO. OF SANCTIONS	OVERALL AMOUNT (€)	NO. OF SANCTIONS	OVERALL AMOUNT (€)
Europe	Violations in 2022	0	0	10	11,495
	previous	0	0	0	0
America	Violations in 2022	1*	0	5	16,416
	previous	1	140,721	2	12,664
Asia	Violations in 2022	2	40,771	0	0
	previous	0	0	0	0

Reasons underlying sanctions attributable to **environmental legislation violations** were the atmospheric pollution emissions beyond limit (for 71% of its value) and irregularities in waste and water discharge management (29%).

The actual outlay for environmental sanctions was €181,492 in 2022, including the payment of the sanction relating to a violation detected in 2021 in the United States and net of the new sanction (*) imposed on the same site and for which €103,189 will be paid in 2023.

With regard to sanctions for **violation of labour law and occupational safety**, in 2022 Brembo received fines amounting to €27,911 for a total of 15 cases. It should be noted that these violations merely refer to formal failures to fulfil obligations. Total payments made in 2022 amounted to €40,575 taking into account the sanctions notified in previous periods.

⁶⁶ Consistent with the other information contained in this document, data relating to payments made in 2022 with reference to warnings received in the prior two-year period (2020-2021) is reported below under "previous violations".

EXPLANATORY NOTE ON THE OCCUPATIONAL HEALTH AND SAFETY INDICATORS (GRI 403-1)

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. <p>In particular, the definition of the KPIs, the planning, monitoring and measure of performances, as well as the of the Management System, are based on the Plan / Do / Check / Act (PDCA) cycle concept.</p>
Resources, competences, awareness and communication	The purpose of the <i>Guideline</i> is to define the principles which describe the procedures: <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.

THE GROUP GUIDELINES	MACRO CONTENTS
Guidelines, procedures, instructions and modules	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.
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	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.
Management of particularly hazardous substances	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.
Management of chemical products entering the plant	The <i>Guideline</i> describes the minimum activities that must be carried out to ensure that chemical substances entering the Plant are managed correctly.
Chemical risk management	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.
Ergonomic risk management in production plant construction and risk assessment	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.
Work permits	The purpose of the <i>Guideline</i> is to provide the principles to be applied to safely plan and carry out potentially hazardous work
Hot work	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 Guideline are applicable to hot work regardless of whether it is carried out on a temporary basis or continuously.
Contract and outsourcing management	<p>The purpose of the <i>Guideline</i> is to define the Group standard for managing processes inherent to:</p> <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.

THE GROUP GUIDELINES	MACRO CONTENTS
Emergency response	<p>The purpose of the <i>Guideline</i> is to define the proper procedures for:</p> <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. <p>The purpose of the management of possible occupational health and safety emergencies is to:</p> <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	<p>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.</p>
Management review	<p>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.</p> <p>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, H&S and Environment & Energy Committees' meetings.</p> <p>The General Manager reviews the Plant Management System at least annually in order to assess its suitability, adequacy and efficacy in maintaining:</p> <ul style="list-style-type: none"> ▪ compliance with applicable laws and requirements; ▪ compliance with the ISO 45001 requirements; ▪ ongoing performance improvement; <p>compliance with the principles defined by the <i>Occupational Health and Safety Management System Manual</i> and the Guidelines.</p>
Management of incidents, near misses and continual improvement	<p>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.</p>

Finally, in order to ensure that the Management System is correctly implemented by the sites, it is specified that H&S 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 by H&S on the Plants.

MATERIAL TOPICS, LEGISLATIVE AREAS AND RELATED GRI ASPECTS

MATERIAL TOPICS IDENTIFIED BY BREMBO	AREAS OF LEGISLATIVE DECREE (IT) 254/2016	IMPACTS	REFERENCE GRI STANDARDS	EXTERNAL IMPACT	BOUNDARY LIMITATIONS
Environmentally Sustainable Product	Social	Adoption of a circularity-oriented business model	*		
Research and Innovation	Environmental	Development of innovative services	302: Energy (2016)		
		New vehicle technologies	305: Emissions (2016)		
Energy and Water Efficiency	Environmental	Use of energy from non-renewable sources	302: Energy (2016)	Suppliers	Reporting partially extended to suppliers
		Use and production of energy from renewable sources and energy efficiency initiatives	302: Energy (2016)	Suppliers	Reporting partially extended to suppliers
		Use of water for production	303: Water and Effluents (2018)	Suppliers	Reporting partially extended to suppliers
		Water discharge to the external environment and soil pollution	303: Water and Effluents (2018)		
Training and Development of Personnel	Employee matters	Employees' engagement and retention	401: Employment (2016)		
		Talent attraction	404: Training and Education (2016)		
Digital Transformation Roadmap	Social	Simplification of the internal and external processes	*		
		Business vulnerability	418: Customer Privacy (2016)		
		Improvement of customer experiences	416: Customer Health and Safety (2016)		
Product Safety	Social	Product reliability and safety	416: Customer Health and Safety (2016)	Customers	
Health and Safety	Social	Work-related incidents and illnesses	403: Occupational Health and Safety (2018)	Collaborators other than employees Contractors	Reporting partially extended to contractors
		Employees' wellbeing and company welfare	403: Occupational Health and Safety (2018)		

GRI: 3-2

MATERIAL TOPICS IDENTIFIED BY BREMBO	AREAS OF LEGISLATIVE DECREE (IT) 254/2016	IMPACTS	REFERENCE GRI STANDARDS	EXTERNAL IMPACT	BOUNDARY LIMITATIONS
Emissions	Environmental	Generation of GHG and non-GHG emissions in production	305: Emissions (2016)	Suppliers	Reporting partially extended to suppliers
		Generation of GHG and non-GHG emissions throughout the supply chain	305: Emissions (2016)	Suppliers	Reporting partially extended to suppliers
		Generation of GHG and non-GHG emissions from vehicles	305: Emissions (2016)		
Support to Local Communities	Social	Direct, indirect and induced impacts on employment	201: Economic Performance (2016)		
		Impacts on the social growth of the local areas and local communities	201: Economic Performance (2016)		
Responsible Purchases	Social	Supply chain transparency and traceability	204: Procurement Practices (2016)		
	Environmental	Environmental impacts throughout the supply chain	308: Supplier Environmental Assessment (2016)		
	Social	Social impacts throughout the supply chain	414: Supplier Social Assessment (2016)		
Human Rights	Respect for Human Rights	Human rights violations	406: Non discrimination (2016)		
		Fair and inclusive working environment	202: Market Presence (2016)		
Waste Management	Environmental	Production of hazardous and non-hazardous waste	306: Waste (2020)		
Diversity, Equity and Inclusion	Employee matters	Episodes of discrimination	405: Diversity and Equal Opportunity (2016) 406: Non-discrimination (2016)		
Data Protection and IT Security	Social	Loss of sensitive data	418: Customer Privacy (2016)	Customers	
Ethics and Integrity	Active and passive fight against corruption and bribery	Episodes of corruption	201: Economic Performance (2016) 205: Anti-corruption (2016) 206: Anti-competitive behaviour (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.

COMPARISON BETWEEN THE MATERIAL TOPICS FOR 2022 AND MATERIAL TOPICS FOR 2021

The table reported below shows a comparison between the material topics identified with the 2022 materiality analysis and those included in the 2021 Consolidated Disclosure of Non-financial Information. For a description of the material topics for 2022, please refer to paragraph 2.5 “Materiality analysis”.

MATERIAL TOPICS FOR 2022	MATERIAL TOPICS FOR 2021	2022 VS 2021
<p>EMISSIONS</p> <ul style="list-style-type: none"> • Generation of GHG and non-GHG emissions in production • Generation of GHG and non-GHG emissions throughout the supply chain • Generation of GHG and non-GHG emissions from vehicles 	<p>CLIMATE CHANGE</p> <p>Becoming a leading company in terms of commitment and ability to respond to climate change, through attentive monitoring and reduction of emissions of climate-altering gases generated by production processes and throughout the value chain.</p>	<p>The “Climate Change” topic was totally included in the “Emissions” topic.</p>
<p>ENERGY AND WATER EFFICIENCY</p> <ul style="list-style-type: none"> • Use of energy from non-renewable sources • Use and production of energy from renewable sources and energy efficiency initiatives • Use of water for production • Water discharge to the external environment and soil pollution 	<p>ENERGY EFFICIENCY</p> <p>Seeking a constant reduction of direct and indirect energy consumption and making investments in adopting the best available technologies in terms of energy efficiency.</p> <p>RESPONSIBLE WATER USE</p> <p>Promoting the reduction of water consumption in production processes by thoroughly monitoring the quantities of water withdrawn, consumed and recycled, and by developing solutions for the reuse of water in process cycles.</p> <p>ENVIRONMENTAL IMPACT</p> <p>Taking concrete actions for continuous improvement of the Group’s environmental profile through attentive management of risks in this area and adoption of increasingly structured and effective environmental management systems.</p>	<p>The three topics relating to “Energy Efficiency”, “Responsible Water use” and “Environmental impact” were fully included in the “Energy and Water Efficiency” topic.</p>
<p>WASTE MANAGEMENT</p> <ul style="list-style-type: none"> • Production of hazardous and non-hazardous waste 	<p>CIRCULAR ECONOMY</p> <p>Seeking to reuse and exploit waste materials, maximising recovery and minimising waste disposal and natural resource and energy consumption from the product design phase.</p>	<p>The “Circular Economy” topic was included in the “Waste Management” topic for the part relating to waste management and proper disposal with the aim of minimising production.</p>
<p>HEALTH AND SAFETY</p> <ul style="list-style-type: none"> • Work-related incidents and illnesses • Employees’ wellbeing and company welfare 	<p>HEALTH AND SAFETY</p> <p>Promoting working conditions that ensure compliance with the health and physical wellbeing of employees through management systems that allow workplace incidents and occupational diseases to be prevented.</p>	<p>The 2021 “Health and Safety” topic was totally included in the “Health and Safety” topic.</p>
<p>TRAINING AND DEVELOPMENT OF PERSONNEL</p> <ul style="list-style-type: none"> • Employees’ engagement and retention • Talent attraction 	<p>PEOPLE DEVELOPMENT AND ENGAGEMENT</p> <p>Providing Brembo’s people with concrete personal and professional development opportunities by constantly monitoring their expectations and periodically honing their skills.</p>	<p>The “People Development and Engagement” topic was fully included by the “Training and Development of Personnel” topic. In the latter was also added an in-depth analysis of Brembo’s capacity of attracting new talents.</p>

GRI: 3-2

MATERIAL TOPICS FOR 2022	MATERIAL TOPICS FOR 2021	2022 VS 2021
DIVERSITY, EQUITY AND INCLUSION <ul style="list-style-type: none"> • Episodes of discrimination 	DIVERSITY Sustaining and promoting diversity, in all of its forms and manifestations, in order to create an increasingly inclusive working environment, in which each person's perspective, voice, individuality and specific traits matter. FOSTERING A POSITIVE WORKING ENVIRONMENT Creating a positive working environment that increases the sense of membership and motivation of those who work for Brembo, while also consolidating Brembo's image as one of the "Best Places to Work".	The "Diversity" and "Fostering a Positive Working Environment" topics were fully included in the "Diversity, Equity and Inclusion" topic.
RESPONSIBLE PURCHASES <ul style="list-style-type: none"> • Supply chain transparency and traceability • Environmental impacts throughout the supply chain • Social impacts throughout the supply chain 	DEVELOPMENT OF A SUSTAINABLE, RESPONSIBLE SUPPLY CHAIN Responsibly managing relations with suppliers, promoting the integration of sustainability criteria into selection and qualification processes and forming partnerships for the joint development of new products.	The "Development of a sustainable, responsible supply chain" topic was fully included in the "Responsible purchases" topic.
SUPPORT TO LOCAL COMMUNITIES <ul style="list-style-type: none"> • Direct, indirect and induced impacts on employment • Impacts on the social growth of the local areas and local communities 	RELATIONSHIP WITH LOCAL COMMUNITIES Promoting the growth of related local industry in the areas in which the Group has an operational presence, thus contributing to the creation of infrastructure, jobs, training and development of the local business community.	The "Relationship with Local Communities" was fully included in the "Support to local communities" topic.
RESEARCH AND INNOVATION <ul style="list-style-type: none"> • Development of innovative services • New vehicle technologies 	CONTINUOUS INNOVATION Constant process and product innovation to ensure improvements in product quality, also with a view to reducing environmental impact. CARBON NEUTRAL MOBILITY Investing in the development of innovative brake systems designed to guide and support the process of electrification and decarbonisation of the automotive sector.	The "Carbon neutral mobility" topic was fully included in the "Research and innovation" topic.
PRODUCT SAFETY <ul style="list-style-type: none"> • Product reliability and safety 	PRODUCT QUALITY AND SAFETY Improving the safety of products, in all their components, each day to offer customers and end users a guarantee of the maximum safety of the brake systems marketed. PRODUCT DESIGN AND STYLE Focusing on product quality in terms of form and aesthetics, as well as to be a pioneering Group in design and not just technology.	The "Product quality and safety" and "Product design and style" topics were fully included in the "Product safety" topic.

MATERIAL TOPICS FOR 2022	MATERIAL TOPICS FOR 2021	2022 VS 2021
<p>ENVIRONMENTALLY SUSTAINABLE PRODUCT</p> <ul style="list-style-type: none"> Adoption of a circularity-oriented business model 	<p>CIRCULAR ECONOMY</p> <p>Seeking to reuse and exploit waste materials, maximising recovery and minimising waste disposal and natural resource and energy consumption from the product design phase.</p>	<p>The topic "Circular economy" was included in the "Environmentally sustainable product" topic for the part relating to research on reuse and exploitation of waste material and the reduction of natural resources and energy consumption in order to achieve a circularity-oriented business model, since the very product design.</p>
<p>ETHICS AND INTEGRITY</p> <ul style="list-style-type: none"> Episodes of corruption Tax transparency 		<p>The topic "Ethics and Integrity" was introduced in 2022.</p>
<p>HUMAN RIGHTS</p> <ul style="list-style-type: none"> Human rights violations Fair and inclusive working environment 		<p>The "Human Rights" topic was introduced in 2022 and relates to human rights' management in Brembo and throughout its value chain. It is necessary to point out that this topic was also reported in 2021, but it was included in the "Diversity" and "Development of a sustainable, responsible supply chain" topics.</p>
<p>DIGITAL TRANSFORMATION ROADMAP</p> <ul style="list-style-type: none"> Simplification of the internal and external processes Business vulnerability Improvement of customer experiences 		<p>The topic "Digital Transformation Roadmap" was introduced in 2022.</p>
<p>DATA PROTECTION AND IT SECURITY</p> <ul style="list-style-type: none"> Loss of sensitive data 		<p>The topic "Data Protection and IT Security" was introduced in 2022.</p>
	<p>CUSTOMER RELATIONSHIP MANAGEMENT</p> <p>Placing customers at the heart of the Group's strategic and operational decisions to understand and anticipate their present and future needs and to respond and promote the joint development of innovative new solutions in technological areas that have yet to be explored.</p>	<p>The "Customer Relationship Management" topic was not included among the topics analysed as part of the 2022 materiality. The aspects relating to it were in any case reported within this document. Moreover, materiality analysis also took into account the impacts generated towards the stakeholder-customer.</p>
	<p>BRAND REPUTATION</p> <p>Guaranteeing Brembo brand's distinctive features and protecting Group's reputation and brand value.</p>	<p>The "Brand Reputation" topic was not included among the topics analysed as part of the 2022 materiality. The aspects relating to it were in any case reported within this document.</p>

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		2022 CDP PARAGRAPH AND 2022 NFI
AREA	DISCLOSURES REQUIRED	
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 "The 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"; 7.4 "Greenhouse gas emissions"; 7.5 "Atmospheric polluting emissions"; 7.6 "Collaborations to reduce the impacts"
	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"; 7.4 "Greenhouse gas emissions"; 7.5 "Atmospheric polluting emissions"; 7.6 "Collaborations to reduce the impacts"

TCFD'S RECOMMENDATIONS		2022 CDP PARAGRAPH AND 2022 NFI
AREA	DISCLOSURES REQUIRED	
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 "Atmospheric polluting emissions"
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	2022 CDP: See answers to questions C4.1, C4.1a, C4.1b, C4.2, C4.2a, C4.2b, C6.1, C6.3, C6.5, C6.5a, C9.1 2022 DNF: 7.2 "The system for effective management of environmental (ISO 14001) and energy (ISO 50001) impacts"; 7.3 "Energy consumption"; 7.5 "Atmospheric polluting 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: 2.6 "Turning sustainability into action"; 3.4 "Internal control and risk management system"

METHODOLOGICAL NOTE

REPORTING STANDARDS APPLIED

Now in its sixth edition, the Consolidated Disclosure of Non-financial Information (hereinafter also "Non-Financial Information", "Disclosure" or "NFI") of the Brembo Group (hereinafter also "Brembo", "Group", "Company") 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 240 to 246 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 247 and shall be construed as an addition to the disclosure drawn up pursuant to GRI Standards to comply with the provi-

sions 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 57 to 62, paragraph 2.5 "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. EU CSR Directive 2022).

For disclosures published following 1 January 2022, Brembo must include in the NFI the information required by the EU Taxonomy Regulation with regard to environmentally sustainable activities carried out by the Group. In relation to this, please refer to paragraph "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 2022 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 climate change mitigation and climate change adaptation objectives, 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 2022. 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 excluded (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 also includes the J.Juan sites (Spain-China), specialising in the manufacturing of components for the braking system safety for the motorbike sector, and the Brembo Inspiration Lab (USA) focused on strengthening the expertise in software development, data science and artificial intelligence, in line with the Brembo’s strategy of becoming a Solution provider.

It should be noted that at the date of this document the company Brembo Argentina S.A., currently in dissolution and winding up procedure following the Group’s decision, taken in 2019, to discontinue its industrial operations at the Buenos Aires plant.

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 2020 and 2021 financial years have been included and duly indicated.

Independent Auditors’ control activities did not include information relating to the SASB and TCFD requirements summarised in the “Appendix” section, in the tables reported on page 247 and pages 235-236, respectively, nor the information included in paragraph 1.8 “EU Taxonomy Regulation (No 2020/852)” on EU Taxonomy” on pages 32 to 35 required by Article 8 of the Regulation (EU) 2020/852.

For information or comments about this document please send an email to the following address: sustainability@brembo.it.

REPORTING PROCESS

The preparation of the 2022 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 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.

GRI: 2-4

The audit does not include other reporting standards and assessment of the Taxonomy-eligible and -aligned activi-

ties pursuant to the Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021.

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.




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TABLE OF CONTENTS OF THE DISCLOSURE OF NON-FINANCIAL INFORMATION “IN ACCORDANCE” WITH THE GRI STANDARDS FOR THE FISCAL YEAR 2022


















The GRI Standards applicable to Brembo Group for the Fiscal Year 2022 are illustrated below. For this year, any Sector Standard published applies to Brembo.












































GRI CONTENT INDEX

















GRI ID	DISCLOSURE	PAGE NUMBER OR OTHER DISCLOSURE	OMISSIONS*	UN GLOBAL COMPACT	SDGS
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2-2	Entities included in the organisation's sustainability reporting	237-238; Annual Report			
2-3	Reporting period, frequency and contact point	237-238, 252. The 2022 Consolidated Disclosure of Non-Financial Information (pursuant to Legislative Decree No. 254/2016) has been published on 20 March 2023 (English version on April 20 2023)			
2-4	Restatements of information	238-239			
2-5	External assurance	248-251			
ACTIVITIES AND WORKERS					
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2-7	Employees	12, 18, 108-109, 114-117, 205-208; Annual Report			
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GOVERNANCE					
2-9	Governance structure and composition	12, 74-81, 84-87, 204; Corporate Governance and Ownership Structure Report			 














GRI ID	DISCLOSURE	PAGE NUMBER OR OTHER DISCLOSURE	OMISSIONS*	UN GLOBAL COMPACT	SDGS
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2-11	Chair of the highest governance body	77; Corporate Governance and Ownership Structure Report			
2-12	Role of the highest governance body in overseeing the management of impacts	78, 88-92, 97-99; Corporate Governance and Ownership Structure Report			
2-13	Delegation of responsibility for managing impacts	93-95; Corporate Governance and Ownership Structure Report			
2-14	Role of the highest governance body in sustainability reporting	39-41, 57, 78, 80-81, 204; Corporate Governance and Ownership Structure Report			
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2-19	Remuneration policies	81-83; Report on the Remuneration Policy for 2023 and Remuneration Paid in 2022 of the Brembo Group			
2-20	Process to determine remuneration	81-83; Report on the Remuneration Policy for 2023 and Remuneration Paid in 2022 of the Brembo Group			

GRI ID	DISCLOSURE	PAGE NUMBER OR OTHER DISCLOSURE	OMISSIONS*	UN GLOBAL COMPACT	SDGS
2-21	Annual total compensation ratio	Report on the Remuneration Policy for 2023 and Remuneration Paid in 2022 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	88-95		Principle 10	
2-24	Embedding policy commitments	88-95			
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3-2	List of material topics	59-62, 67, 230-234			
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205-3	Confirmed incidents of corruption and actions taken	94		Principle 10	
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	90			
415-1	Political contributions	In 2022, Brembo did not grant political or financial contributions, nor contributions in kind.		Principle 10	
MATERIAL TOPIC: HUMAN RIGHTS					
3-3	Management of material topics	59-62, 88-91, 103, 116-117, 135-139			
202-2	Proportion of senior management hired from the local community	116		Principle 6	
MATERIAL TOPIC: RESPONSIBLE PURCHASES					
3-3	Management of material topics	13, 59-62, 103, 134-139			 
204-1	Proportion of spending on local suppliers	135			
308-1	New suppliers that were screened using environmental criteria	136		Principle 7, 8	
414-1	New suppliers that were screened using social criteria	136		Principle 2, 4, 5	  
CATEGORY: ENVIRONMENTAL PERFORMANCE					
MATERIAL TOPIC: ENERGY AND WATER EFFICIENCY					
MATERIAL TOPIC: RESEARCH AND INNOVATION					
3-3	Management of material topics	13, 59-62, 102, 105, 142-153, 163-164, 168-174, 180-182			
302-1	Energy consumption within the organisation	174		Principle 7, 8	   
302-4	Reduction of energy consumption	173		Principle 8, 9	  

GRI ID	DISCLOSURE	PAGE NUMBER OR OTHER DISCLOSURE	OMISSIONS*	UN GLOBAL COMPACT	SDGS
303-1	Interactions with water as a shared resource	181-182		Principle 7, 8	 
303-2	Management of water discharge related impacts	181-182		Principle 8	
303-3	Water withdrawal	182		Principle 8	
303-4	Water discharge	183		Principle 8	
303-5	Water consumption	183, Water storage does not have a significant impact in relation with the use of water resources		Principle 8	
MATERIAL TOPIC: EMISSIONS					
MATERIAL TOPIC: RESEARCH AND INNOVATION					
3-3	Management of material topics	13, 59-62, 102, 105, 142-153, 163-165, 176-177, 180			
305-1	Direct (Scope 1) GHG emissions	177-178		Principle 7, 8	   
305-2	Energy indirect (Scope 2) GHG emissions	177-178		Principle 7, 8	   
305-3	Other indirect (Scope 3) GHG emissions	177-178		Principle 7, 8	   
305-5	Reduction of GHG emissions	168, 173, 176		Principle 8, 9	 
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	180		Principle 7, 8	  
MATERIAL TOPIC: WASTE MANAGEMENT					
3-3	Management of material topics	59-62, 102, 184-185			
306-1	Waste generation and significant waste-related impacts	184-185			  
306-2	Management of significant waste-related impacts	184-185		Principle 8	   
306-3	Waste generated	185		Principle 8	    
306-4	Waste diverted from disposal	185			  
306-5	Waste directed to disposal	185			    

GRI ID	DISCLOSURE	PAGE NUMBER OR OTHER DISCLOSURE	OMISSIONS*	UN GLOBAL COMPACT	SDGS
CATEGORY: SOCIAL PERFORMANCE					
MATERIAL TOPIC: TRAINING AND DEVELOPMENT OF PERSONNEL					
3-3	Management of material topics	12, 59-62, 104, 108-112, 118-121, 208-209			
401-1	New employee hires and employee turnover	109-110, 208-209		Principle 6	 
404-1	Average hours of training per year per employee	119		Principle 6	   
404-3	Percentage of employees receiving regular performance and career development reviews	120-121		Principle 6	 
MATERIAL TOPIC: HEALTH AND SAFETY					
3-3	Management of material topics	12, 59-62, 91, 104, 122-131, 210-215, 225-229			
403-1	Occupational health and safety management system	12, 122-131, 225-228			
403-2	Hazard identification, risk assessment, and incident investigation	122-125			
403-3	Occupational health services	123-124, 129-130			
403-4	Worker participation, consultation, and communication on occupational health and safety	129			 
403-5	Worker training on occupational health and safety	126-128			
403-6	Promotion of worker health	117, 128-130			
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	131			

GRI ID	DISCLOSURE	PAGE NUMBER OR OTHER DISCLOSURE	OMISSIONS*	UN GLOBAL COMPACT	SDGS
403-8	Workers covered by an occupational health and safety management system	123			
403-9	Work-related injuries	125-126, 210-211, 213-214			  
403-10	Work-related ill health	126, 212, 215			  
MATERIAL TOPIC: DIVERSITY, EQUITY AND INCLUSION					
3-3	Management of material topics	12, 59-62, 114-117, 204		Principle 6	
405-1	Diversity of governance bodies and employees	12, 80-81, 114-116, 204		Principle 6	 
406-1	Incidents of discrimination and corrective actions taken	94, 117		Principle 1, 2, 6	 
TOPIC: PRODUCT SAFETY					
3-3	Management of material topics	13, 59-62, 158-162			
416-1	Assessment of the health and safety impacts of product and service categories	158-162			
MATERIAL TOPIC: LOSS OF SENSITIVE DATA MATERIAL TOPIC: DIGITAL TRANSFORMATION ROADMAP					
3-3	Management of material topics	10-11, 20-21, 59-62			
418-1	Substantiated complaints regarding breaches of customer privacy and losses of customer data	90			
MATERIAL TOPICS THAT ARE NOT COVERED BY GRI INDICATORS MATERIAL TOPIC: ENVIRONMENTALLY SUSTAINABLE PRODUCT					
3-3	Management of material topics	59-62, 142-153			

* For omissions please provide the disclosure omitted, the reason and related explanation.

SASB - AUTO PARTS

TOPIC	SASB ID	DISCLOSURE	PAGE NUMBER OR OTHER DISCLOSURE
Energy Management	TR-AP-150a1	(1) Total energy consumed, (2) Percentage grid electricity, (3) Percentage renewable	174
Waste Management	TR-AP-130a1	(1) Total amount of waste from manufacturing, (2) Percentage hazardous, (3) Percentage recycled	184

WEF MEASURING STAKEHOLDER CAPITALISM - CORE METRICS

TOPIC	GOVERNANCE BODY COMPOSITION	PAGE NUMBER OR OTHER DISCLOSURE
Quality of governing body	Anti-corruption	78-81
Ethical behaviour	Protected ethics advice	88-89, 92-95, 104-105
	and reporting mechanisms	94, 117
Risk and opportunity oversight	Integrating risk and opportunity into business process	102-105
Climate change	Greenhouse gas (GHG) emissions	177-178
	TFCD implementation	235-236
Freshwater availability	Water consumption and withdrawal in water-stressed areas	181-182
Dignity and equality	Diversity and inclusion	74, 78-79, 115-116, 204
Community and social vitality	Total tax paid	95-97, 222-223, Paragraph Section "Performance of Brembo Companies" included in the Directors' Report on Operations
Employment and wealth generation	Absolute number and rate of employment	108-109, 206-208
	Economic contribution	189
	Financial investment contribution	189



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**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. 20267/2018**

**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 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, 2022 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 2, 2023 (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 "The EU Taxonomy Regulation (No. 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 *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. Our auditing firm applies *International Standard on Quality Control 1 (ISQC Italia 1)* and, accordingly, maintains 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 conducted the verifications described in the subsequent point 5, letter a) of this report;

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 J.Juan S.A.U., Brembo Mexico Sa de CV, Brembo Poland Spolka Zo.o and Brembo North America INC. 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 Group level:
 - a) with regard 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 regard 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 J.Juan S.A.U.'s sites of St.Cugat and Gava, for Brembo Mexico Sa de CV 's sites in Escobedo and for the site of Brembo S.p.A. in Stezzano, 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, 2022 is not prepared, in all material aspects, in accordance with article 3 and 4 of the Decree and the GRI Standards.

Our conclusion on the NFS does not extend to the information required by art. 8 of the European Regulation 2020/852 included in the paragraph "The EU Taxonomy Regulation (No. 2020/852)".

GRI: 2-5



4

Other matters

The NFS for the year ended December 31, 2021, whose data are presented for comparative purposes, have been subject to a limited assurance engagement by another auditor that, on March 21, 2022 expressed an unmodified conclusion.

DELOITTE & TOUCHE S.p.A.

Signed by
Stefano Dell'Orto
Partner

Bergamo, Italy
March 20, 2023

This report has been translated into the English language solely for the convenience of international readers.



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