



**ANNUAL
SUSTAINABILITY
REPORT
2021**

2021 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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Everything flows.

An unstoppable movement that translates into perpetual transformation, a continuous evolution of ideas, form and substance. Of existence. With a point of arrival that is growing ever distant. And greener every time.



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Letter of the Chief Corporate Social Responsibility Officer



Chief CSR Officer
Cristina Bombassei

Dear Stakeholders,

I am pleased to present the 2021 Consolidated Non-Financial Statement, the document in which the Brembo Group reports on its objectives, activities and results in the ESG (Environmental, Social and Governance) field, in order to share them with and ensuring transparency to all stakeholders — colleagues, shareholders, customers, suppliers and communities in all the territories in which it operates.

2021 was a very special year for us. In fact, Brembo celebrated an important milestone, having reached the first 60 years of history since its foundation, which took place in 1961. The principles that guide the Group's sustainable development and Social Responsibility originated with Brembo, and have grown and evolved over time with the Company. They are rooted in our corporate culture and we have made them an integral part of our strategy. Our goal is to contribute in a concrete way to the continuous improvement of the environmental and social aspects of our Company: from a responsible relationship with natural ecosystems to the wellbeing of communities and people belonging to the territories in which the Group operates the world around.

Starting from a small machining firm, in 60 years the Company has become an international entity. In all areas of our business, we are called upon to adopt a global strategy. Speaking, in particular, about our Company's Social Responsibility, our point of reference is, in fact, the virtuous stimulus that comes from the United Nations. In 2021, Brembo strengthened its support for the path set out by the UN, adhering as Brembo S.p.A. to the 10 Principles of the Global Compact to further confirm our commitment in the human rights, labour, environmental sustainability and anti-corruption areas.

This is in addition to Brembo's long-established experience in the framework of the 2030 Agenda, which in the four years since its endorsement in 2018 has seen the Group launching projects in support of the 17 Sustainable Development Goals. Projects shared with all Brembo People around the world through the We Support SDGs campaign, an initiative that aims to make all the people of the Group aware of the Goals of the 2030 Agenda and promote the tangible actions that each of us can take to achieve them.

In addition, driven by the intention to ensure the highest standards of transparency towards investors and adopt the European best practices, the Group has carried out a careful analysis of its activities, in order to identify those that are in line with the Taxonomy's criteria and can contribute to the European Union's ecological transition strategy.

Stakeholder engagement continued in 2021, where the main stakeholders were actively involved in defining the Group's priorities through an assessment of all Brembo's material topics.

In 2021, the materiality analysis was further extended. Thanks to a meticulous process of linking ESG (Environmental, Social and Governance) and ERM (Enterprise Risk Management) risks to material topics, the new matrix offers an immediate overview of the material topics associated with the most significant risks in terms of probability and impact, thus allowing more accurate planning and elaboration of scenarios based on a broader perspective.

The engagement of the people who work at Brembo is a fundamental element for our sustainable development. More than 12,000 employees belong to the Group, working in 15 countries on three continents in 23 production sites, six sales offices and seven research and



development centres. They are our most valuable resource: a source of passion and increasingly strategic skills, also for addressing the challenges of the significant transformation underway in the automotive sector.

In this constantly evolving context, the journey on which the Company had embarked in 2020 continued with the launch of our strategic vision, *Turning Energy into Inspiration*, with which the Group undertook to create increasingly green solutions aimed at the digital, connected and sustainable mobility of the future.

A fundamental stage of this journey took place in 2021, thanks to the global launch of SENSIFY™, our new pioneering intelligent braking system that integrates the most advanced software based on artificial intelligence with Brembo's brake components.

In its business development strategy, Brembo has also considered the sustainability of its products. With SBS Friction, a Danish company that joined the Group at the beginning of 2021, we, in fact, embarked on a journey that will allow us to develop and use increasingly sustainable processes and materials for our motorbike brake pads.

Research and Development of greener solutions is at the heart of our strategy. We also support this with our commitment to responsible and environmentally friendly production. In fact, together with the economic objectives, for the first time in 2021, Brembo set itself medium-long term targets regarding the environmental and social dimensions. With the pronouncement of the first Sustainability Plan, in this Non-Financial Statement, the Group once again reiterates its

commitment to continuous improvement, setting itself concrete and ambitious targets. These include carbon neutrality by 2040: we have been working on for years on different fronts to achieve it, particularly the reduction of CO₂ emissions and the responsible management of natural and energy resources. Compared to 2019, we have reduced our Scope 1 and Scope 2 emissions by approximately 29% thanks in part to energy efficiency projects and a steady increase in the use of renewable electricity, which in some plants reaches 100% of the sources used. We recycle waste materials, aiming to maximise their reuse and reduce the production of waste and consumption of energy and natural resources, including water, as far as possible. We also engage our supply chain in this commitment, in the belief that only by acting together we can contribute more incisively to a positive change.

As proof that we are on the right track, in addition to the aforementioned results, this year once again saw us receive awards from the international community that drive us to move forward with ever greater determination.

For the fourth year running, the CDP (formerly the Carbon Disclosure Project), a global non-profit organisation that supports companies in measuring and managing climate change information, awarded Brembo with a double A for having proven to be a leading Company at global level through meaningful and transparent actions in terms of climate change and water resource risk management.

Brembo received another significant recognition from EcoVadis, a French company that is today the world's largest supplier of corporate sustainability

assessments and which has awarded the Group the Platinum Sustainability rating, received by only 1% of the 75 thousand companies evaluated in the ESG field and belonging to 200 industrial supply chains in more than 165 Countries.

For several years, our sustainable development has also translated into social projects in support of childhood, education and training, art, culture, sport and scientific research. 2021 saw the continuation of our projects which we have been supporting for years in India, China and Italy, through virtuous collaboration with local NGOs. Of these projects, I would particularly like to highlight how the programmes in India, which provide support to children and women living in vulnerable situations, have found new methods of maintaining strong and effective dialogue with people despite the difficulties caused by the current situation.

I am also pleased to mention an initiative launched in 2021 and of great importance for Brembo because it is linked to its 60th anniversary, which we wanted to celebrate in the name of sustainability. In 2021, the first Brembo Forest was developed: we planted over 14 thousand stem and fruit trees in Kenya and donated them to all our employees worldwide as a tangible and enduring sign of this milestone.

This is a project that we decided to implement for its strong message of attention towards the planet and the environment — a value that will continue to be a priority for Brembo during its future development.






Un Global Compact Statement

Dear Stakeholders

I am pleased to announce that in 2021 Brembo S.p.A. adhered to the 10 Principles of the United Nations Global Compact. We have expressed our intention to continuously support the 10 Principles and to incorporate them into our business strategy, culture and daily activities.

In this 2021 Consolidated Non-Financial Information, we illustrate the actions implemented by Brembo that demonstrate how our commitment to corporate social responsibility and sustainability is becoming increasingly incisive and well-structured year on year.

Chief Executive Officer, Brembo S.p.A.
Daniele Schillaci



The Company endorses the United Nations Global Compact

Brembo S.p.A. has joined 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 fight against corruption.

Promoted by former UN Secretary Kofi Annan, more than 15,000 companies from 165 Countries have so far joined the Global Compact, creating a new model for global collaboration. The UN Global Compact requires its member companies to share, support and apply in their sphere of influence a set of fundamental principles relating to human rights, labour standards, environmental protection and the fight against corruption.

Brembo S.p.A. has endorsed it in the wake of 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's 2030 Agenda. A path that also meets the needs of the Group's stakeholders, starting with customers and investors.



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



Turning Energy into Inspiration



To learn more

Brembo's strategic vision

Electrification, autonomous driving, digitalisation and sustainability are macro-trends that are transforming the automotive world and are at the centre of the strategies of the market's main players.

For Brembo, the time has come to open up new horizons and grasp the challenges posed by the great changes taking place. The Group has decided to embark on a path, based on its strategic vision "Turning Energy into Inspiration" and its mission of becoming a Solution provider. "Turning Energy into Inspiration" is the result of Brembo's unique experience in braking systems, acquired during sixty years of history lived in a competitive and ever-changing context. Becoming an authoritative Solution provider is the mission that aims to a high value-added integration of products and services so as to anticipate the new mobility paradigms.

The path that Brembo has outlined for its future rests on three pillars: Digital, Global and Cool Brand.

In 2021, the Group is committed to translating its new corporate purpose into practice through these three strategic pillars, engaging around a hundred individuals of various origins and background in ambitious and challenging projects.



Digital The world has entered the era of data-centric artificial intelligence applications. The ability to analyse and manage data is a crucial skill for continuing to grow and create innovation. Brembo's new strategic vision provides for the widespread dissemination of a solid data culture within the Group, with the goal of becoming an innovative Company that develops increasingly digital solutions.





Global With 23 production sites, 6 sales offices and 7 R&D centres in 15 countries throughout the world, Brembo is an international Group that pursues an innovation-driven globalisation process. Its strategic vision's objective is twofold: creating new centres of excellence for software, data science and artificial intelligence expertise in the main countries in which it operates, and bringing the Group's innovation even closer to its customers.



Cool Brand Brembo targets the new generations in particular, who look at the automotive sector from points of view that are different from the past. The goal is to become a reference brand for them and inspire them with the same passion that has driven the Company since its beginning. Thanks to its leadership in motorsport and high-performance, reduced-emissions technological solutions, Brembo intends to increasingly become a byword for unparalleled driving experience. At the heart of its new strategic vision, there is also a commitment to sustainability: a priority that Brembo has always pursued in all its activities, products and processes and in its relationship with employees, supply chains and territories.



Sustainability Highlights

The Group

**15**Number of countries
in which the Group is
present**9**No. of Group
brands**7**Number of research
centres in different
Countries**12,225**¹

Brembo People

**236**million €
Net Investment**2,778**million €
Turnover

Sustainability



Organisational Structure

**4,501**Number of people
trained on ethical topics**45%**²Proportion of women
on the BoD**7**Annual meetings
of the Audit, Risk
& Sustainability
Committee (ARSC)**63.6%**Members of
the BoD with
ESG-related skills**ISO
27001**
certification

Brembo People

**10.7%**¹Year-on-year
workforce increase**over
275,000**Training hours
provided during
the year**100%**ISO 45001
certified plants

The Supply Chain



1,977
million €
Procurement value



88%
Local supplies, i.e., supply from suppliers located in the same geographical areas where the Group operates



70.6%
Suppliers of direct materials involved in social and environmental audits (in terms of value of supplies)

Production Process



3,211
Patents, utility models and designs



1,207 FTE³
People employed on R&D activities



100%⁴
Plants with IATF 16949 quality certification

Environment



-21.3%
Emissions of CO₂ per cast tonne compared to 2020



53%
Electricity coming from renewable sources



-23.7%
Emissions of CO₂ per unit of finished product compared to 2020



100%
ISO 14001 environmentally certified plants

Local areas



14,000
Trees planted in the Brembo Forest



2,539
million €
Economic value distributed



6
Action areas for social projects



1million+
€ Contribution to the scientific community and intensive care departments to combat Covid-19

Notes

¹ Increase following inclusion of the J. Juan Group's workforce. The acquisition of the group was finalised on 4 November 2021 and therefore the scope of the quantitative personnel data included in the Brembo Group's Consolidated Non-Financial Statement does not include these companies.

² Minimum quota of the less-represented gender in the corporate bodies of listed companies must be equal to 40% (Law No. 160 of 27 December 2019), in force at the date of appointment of the Board of Directors (General Shareholders' Meeting held on 23 April 2020) for the 2020-2022 three-year term.

³ Full Time Equivalent – FTE represents the workforce calculated based on the hours actually worked and/or paid by the company in which they are employed.

⁴ Net of the Zaragoza plant in Spain and SBS Friction (Denmark) which are ISO 9001-certified. It should be noted that the Carbon Factory will be certified by 2022.





Thinking responsibly, acting concretely

The Group

A shared goal



WHAT WE BELIEVE IN

Agile and united. Constantly open to change, without compromising one's identity. With a clear and conscious vision, that of people who do not conform to passing trends, but anticipate the market needs to be a Solution provider for its partners.

BREMBO'S ACTIVITY

- Brembo celebrates its first 60 years of history and 800 F1 victories.
- The Group's Vision takes shape through the launch of three pillars: Digital, Global and Cool.
- Becoming an authoritative Solution provider is the mission that aims to a high added value integration of products and services so as to anticipate the new mobility paradigms.

Sustainability

Innovation is green



Our commitment for an increasingly inclusive and responsible future. Sustainability disseminates through any idea or thought, in every process, product and solution. Ongoing transformation in all areas: Environmental, Social and Governance.

- Definition of the Group's Sustainability Plan.
- Continuation of the "We Support SDGs" campaign aimed at further analysing the Sustainable Development Goals.
- Significant increase of the number of internal and external stakeholders involved in the 2021 materiality analysis.
- Materiality matrix integrated with ESG-related risks.

Organisational structure

Resilience and dynamism



Building an organisation able to adapt to a changing context. Value creation stems from an harmonious balance of an increasingly open global vision, a strong and effective governance and a solid structure.

- Definition of new diversity policies and criteria for the Board of Directors, in addition to those established by applicable laws.
- 'Seamless Connect People': Brembo's digitalisation process that will allow to all Brembo People to collaborate, regardless of space, time and the device used, continued.

Brembo People

In each direction



People from every continent and culture. At the centre is diversity: an invaluable treasure, driving improvement and ongoing progress. In an surprisingly and unexpected way, the one that only a multicultural environment can generate.

- Safeguarding workplace health and safety: protocols, measures and awareness-raising activities to address the health emergency still underway.
- Brembo is launching the Gen Z Forum, the project in which a leading role is played by 20 young people of the Group to freely generate ideas and proposals for the Brembo of tomorrow.
- The 'LIFT' (Leader's International Fast Track) project, which engages and develop inter-functional and international young talents, continued.
- Over 250,000 training hours were provided in spite of the ongoing pandemic.



The Supply Chain

Travelling together



WHAT WE BELIEVE IN

It is an evolving bond, one that becomes more close-knit, based on trust, growth and shared objectives. In the automotive world, each swift change needs to be understood and shared: it is essential to count on one's partners.

BREMBO'S ACTIVITY

- Support was given to suppliers with regard to ongoing improvement activities by involving them in tutorship programmes based on the quality performance proven.
- Definition of the Brembo's Sustainable Procurement Policy is underway.
- Use of the Brembo Supplier Portal as a tool to carry out investigations and share the best practices on issues relating to the supply chain and sustainability was extended.

Production Process

A leap forward



Ideas and intuitions are not enough to leave an indelible mark in the vast global market. A leap forward is needed. A technology innovation that is, more than ever, open to the future, whose primary objectives are respect for people and the environment, starting from production processes.

- Brembo launched SENSIFY™, the first worldwide intelligent braking system.
- Life Cycle Assessment: Process for defining the internal methodology was launched.
- Brembo received, for the second time, the ADI Compasso d'Oro award for the rear caliper used in the Formula E championship.

Environment

Respecting one's nature



Constantly moving, even upstream. At each step, at each new solution, one's thought goes to the future of the planet. A virtuous circle in which resources are responsibly used and emissions reduced, with increasingly lighter and less pollutant materials.

- Recognition by CDP – 'AA' – as a Company leader in its commitment and ability to respond to climate change and water resource management.
- Brembo carried out the first Climate Change Risk Assessment (CCRA) on all relevant company activities and departments, in line with the recommendations of the Task Force on Climate-Related Financial Disclosures.
- The compliance module, the new environmental management system software, was made operational.

Local areas

Taking care



A synergy made of thought and action, where the goal is the wellbeing of local communities in the areas where we operate, and beyond. Support and development, growth and equality, inclusion and sustainability: these are the keywords of all projects and initiatives.

- Brembo is the main sponsor of the new Sustainability Gallery of the MUSE – Trento Science Museum.
- As part of the project Brembo4Earth, Brembo donated 14 thousand trees, one for each Brembo People, giving rise to the first Brembo's forest and thus meeting 10 out of the 17 SDGs.
- Brembo continued to support scientific research to combat the effects of the Covid-19 pandemic through the financing of over 20 projects that combine clinical and pharmaceutical works.
- In spite of difficulties, activities relating to the "Casa del Sorriso" project continued in India.



COVID-19: the Group's answer

The Covid-19 pandemic has been a health emergency that has overwhelmed all the countries in which Brembo operates. 2021 was another year marked, at certain times, by great

uncertainty to which Brembo reacted promptly referring to the guidelines already adopted in 2020 to safeguard first and foremost the health of all its employees.

Brembo's Initiatives

Emergency management

The Company's Board of Directors has been following developments relating to the spread of the Covid-19 virus very closely since the outbreak of health emergency, adopting all necessary measures in accordance with regulations in force from time to time to prevent, monitor and contain the pandemic in all Brembo's locations around the world.

The Company immediately instituted a task force, involving the Chief CSR Officer, the safety managers and top managers, to analyse and monitor the implementation of the measures adopted in response to the pandemic emergency, in full accordance with the provisions issued and changes to the latter.

The analysis of the main types of risk allowed the task force to promptly implement a series of activities:

- implementation of extraordinary measures aimed at combating the virus and protecting the health of its employees;
- ongoing monitoring of the impacts on the business, with a particular focus on the supply chain;
- keeping daily and constructive collaboration relationships with all its customers and suppliers worldwide.

The protection of Brembo's People

The Covid-19 emergency absorbed most of the resources and planned initiatives, particularly with regard to **workplace health and safety** aspects.

In particular, the entire Health & Safety function collaborated with the Human Resources Global Central Function (GCF), occupational physicians, Country General Managers and Employers and Workers' Safety Representatives to follow and carefully study the evolution of the pandemic situation in each country in which it operates, consequently updating the protocols in place and the practices to be applied with workers. One example of this is checking, where legislation so requires, that workers have the 'Green Pass' certification to allow them accessing the site or meeting rooms. In addition, to limit the spread of the virus, the Group carried out a constant audit identifying the activities and initiatives aimed at preventing and containing the spread of the pandemic within the Group sites.

Following the outbreak of the Covid-19 pandemic in 2020, 2021 was also marked by a series of pandemic 'waves' that required the highest safety standards to be maintained, continuing to implement a number of initiatives launched the previous year.



In order to ensure the safety of all its employees, the Group implemented and maintained the following initiatives:

- the Brembo Protocol aimed at preventing and protecting against the pandemic, compliant with national regulations, which collects all the requirements and directives to ensure the containment of the virus. This Protocol applies to Brembo personnel and external personnel who access Brembo's facilities;
- verification of the correct interpretations and in-depth analysis of the regulations issued at both national and local level so as to identify all applicable provisions and practices to be adopted;
- meetings of the Plant Committees for the creation, constant updating, verification and circulation of protocols within the plants;
- involvement of personnel through a communication plan;
- introduction of safety measures at the plants such as body

temperature checks on entry, social distancing, use of suitable Personal Protective Equipment, redefinition of workstations and communal spaces, cleaning and sanitisation of work environments;

- definition of a management process for potential symptomatic cases.

As soon as the first pandemic wave, the Listening Desk was also reinforced to offer mental health support at the times of greatest difficulty. For more than ten years, this service has offered Italian employees effective support in various situations of individual hardship and has been made available to staff in Italian companies, also remotely during the health emergency.

An audit plan was also prepared establishing specific checklists to be implemented, also involving the Plant Managers, the Plant Health and Safety Supervisor and Department Managers.



Brembo: safe reopening and Covid-19 Audits

In 2021, Brembo, despite the objective difficulties, was able to ensure the resumption of company activity in absolute safety. The Group conducted a major audit in the plants to check respect for the protocols and identify any non-conformities and related mitigation and improvement actions.

In particular, numerous audits were carried out on various levels:

- Audits by Plant Teams (very frequent activity, including on a weekly basis);
- Audits at least monthly by the H&S function, or through its local representatives in the plants; 761 audits of this type were carried out at Group level in 2021;
- Control by the Supervisory Committee regarding the audit activities carried out.

In this context, it is important to highlight the role played by the CSR Ambassadors who, making use of their knowledge of local needs, were engaged in each Brembo country in raising awareness and informing employees about the safety measures and initiatives implemented to combat the spread of the virus. Every country made its own contribution by promoting specific activities, such as the setting up at the Bergamo site of a special mental health help desk to assist people in the most

difficult moments, the distribution in the Czech Republic site of information material 'translating' into common language the national regulations and accurate monitoring of compliance with the rules through introduction of a safety card for each employee, the provision of kits with protective equipment for families in China, engagement activities for employees and their families and the identification of specific roles to check that the rules were respected during each work shift in India.



Supporting local areas and communities

At the outbreak of the pandemic, Brembo made its services immediately available to the local areas and communities, both in Italy and abroad, believing it extremely important not only to

tackle the daily emergency linked to patient care rapidly, but also to support scientific research to find an effective solution to the difficult situation. This commitment continued in 2021 as well with the following activities.

Brembo supports research to fight Covid-19



Sistema Socio Sanitario



Regione Lombardia

ASST Papa Giovanni XXIII



In 2021, Brembo decided to continue to support scientific research to combat Covid-19, a commitment that will continue in 2022.

The €1 million donation granted at the end of March 2020 to three première Bergamo institutions — Pope John XXIII Hospital, the Bergamo Hospital Research Foundation (FROM) and the Mario Negri Institute — that stood out for their commitment to fighting the coronavirus in one of the areas most severely affected by the pandemic, led to encouraging results.

Brembo's donation was, in fact, a new way of contributing to scientific research by combining clinical and pharmacological research: focusing on a single objective by combining different skills, with funding for research projects conducted jointly by the three beneficiaries.

To date, more than 20 research projects have been funded, the results of which 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.

The credit certainly goes to the teams of scientists engaged in the field, but also to the donation's governance structure that enabled three top-ranking Italian institutions to work together for the first time, combining the different skills to achieve common objectives.

A Scientific Committee chose the most deserving and high-impact projects to try to reduce hospitalisations and study the medium-term impacts after recovery.

The focus on a single objective, combining the different skills, was activated based on the scheme "from the patient's bed" to the laboratory, and then back to the patient with a possible pharmacological solution. For a Group like Brembo, whose very DNA is innovation- and research-oriented, it was natural to support the Project. Research is Brembo's way of doing business, the only viable way to find an effective solution even for such a complex situation.

It is important to highlight the fact that Brembo, in addition to supporting communities at corporate level, also worked in individual countries, implementing special initiatives. To counter the Covid-19 epidemic, for example, worthy of note is the vaccination campaign carried out in India for all its 1,200

employees. On the one hand, this improved the plant's safety level, and, on the other, increased employee engagement, making them feel an essential part of the Brembo Organisation and putting their health first.



Protecting the supply chain

During 2021, as was already the case in 2020, the priority in managing the pandemic was to protect the safety of Brembo People. Once this had been assured, every effort was directed to ensuring the continuity of supplies, which was sorely impacted by the lockdowns and reduced workforce, but also by an extremely difficult market situation in terms of availability of materials and transport, with prices at the highest levels ever recorded in the last decade or, for some materials/services, at the highest levels ever.

All this required a continuous and diligent commitment to ensuring business continuity, also thanks to:

- an in-depth understanding of the market context that was emerging both in terms of shortage and prices, in order to concentrate efforts on the sectors most affected by market dynamics;
- constant daily communication with suppliers in order to

anticipate any problems of availability of materials and workforce or financial vulnerability;

- targeted supply chain management actions, such as production increases, early material collection and back-up plans;
- the active and responsible collaboration provided by our suppliers, who once again proved themselves to be a valuable and indispensable resource for supporting the Group's production activities.

The Covid-19 pandemic has not significantly impacted Brembo's operations throughout its supply chain. However, the pandemic has raised even more the importance of a localised supply chain, a topic particularly relevant to the Group, which has always pursued an international development strategy that places the local area of reference at the centre. With regard to projects under development, the Group is favouring relationships with local suppliers.



The Group

A shared goal.

Agile and united. Constantly open to change, without compromising one's identity. With a clear and conscious vision, that of people who do not conform to passing trends, but anticipate the market needs to be a Solution provider for its partners.





1. The Group

1.1 Group profile and main applications

The Brembo Group — a global leader and recognised innovator in brake disc technology for vehicles — designs, develops, manufactures, assembles and sells braking systems, vehicle wheels and light alloy and metal castings. It supplies high performance braking systems, as well as clutches and other components for racing, to the most important manufacturers of cars, motorbikes and commercial vehicles worldwide.

The company currently operates in 15 Countries on 3 continents, with a staff of over 12,000⁵.

**15**

Number of Countries
in which the Group
is present

**9**

Number of Group
brands

**7**

Number of research
centres in different
Countries

Figures for the three-year period 2019 – 2020 – 2021



Employees
10,868 – 11,039
12,225⁵



Net investments
247 – 188
236
€ million



Turnover
2,592 – 2,209
2,778
€ million



Ebitda
515 – 389
503
€ million



Net financial debt
346 – 385
412
€ million



Net profit
231 – 137
216
€ million

⁵ The figure includes J. Juan's workforce (570 people). The acquisition of the Group was finalised on 4 November 2021 and therefore the scope of the quantitative personnel data included in the Brembo Group's Consolidated Non-Financial Statement does not include these companies.



Main applications

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 serves 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.



72.80%
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.



10.60%
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 developed 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.



4.70%
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.



11.90%
on total sales



1.2 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 internationalization

Brembo continues to grow: in 1995, the series production 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

The global economic scenario is not favourable and the pandemic that has affected the whole world has slowed down growth in the automotive sector significantly. Brembo, which has always stood out for its ability to innovate, has not stopped and has introduced a new vision and new mission with the aim of becoming a Solution provider to support its partners in the new challenges posed by the new mobility paradigms, such as electrification, autonomous driving and digitalisation.

In 2021, Brembo presented 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 Group's two most recent acquisitions — the Danish SBS Friction and the Spanish J.Juan — have enabled Brembo to continue to pursue its process for becoming an authoritative Solution provider, complementing its range of solutions for the motorbike braking system and to expand its brand family for the growing motorbike sector.

Brembo: 60 years of history

2021 was a special year for Brembo, which celebrated 60 years of history: in fact, in 1961, a small machining firm was the start of an extraordinary entrepreneurial adventure that made Brembo a global excellence, a brand that has become synonymous with brake all over the world.

To recount the journey we have taken in recent decades, numerous activities were organised during the year, from publication of the book 'The Beauty of Innovation', which tells the story of Brembo through the words of journalists and experts in the automotive sector, to presentation of the concept of the New G Sessanta caliper, which is inspired by the first motorbike caliper produced by the Company and which embodies the new vision of mobility of the future, to 'Brembo4Earth - A gift for you, our forest for the planet' initiative, whereby each employee received a tree as a gift, giving life to the first Brembo forest in the world, in Kenya.

The communication projects were accompanied by a special 60th anniversary celebration logo, steeped in the tradition of the celebrations organised for Brembo's 50th anniversary, to give continuity to a path of growth that has always looked to the future and to new goals.
























1.3 Global Footprint

Brembo S.p.A.'s headquarters are located in Italy, Curno (Bergamo).







Manufacturing plants:

-  **Italy**
Stezzano, Curno, Mapello, Sellero
-  **Denmark**
Svendborg
-  **Germany***
Meitingen
-  **Poland**
Częstochowa, Dąbrowa Górnicza, Niepołomice
-  **United Kingdom**
Coventry
-  **Czech Republic**
Ostrava-Hrabová
-  **Spain**
Barcelona**
-  **United States**
Homer
-  **Brazil**
Betim
-  **Mexico**
Apodaca, Escobedo
-  **China**
Nanjing, Langfang, Jiaxing
-  **India**
Pune, Chennai

Research and development

-  **Italy**
Stezzano
-  **Denmark**
Svendborg
-  **Polonia**
Dąbrowa Górnicza
-  **Spain**
Barcelona**
-  **USA**
Plymouth**
-  **Cina**
Nanjing
-  **India**
Pune

Distribution and sales plants

-  **Spain**
Zaragoza, Barcelona**
-  **Svezia**
Göteborg
-  **Germany**
Leinfelden-Echterdingen
-  **China**
Qingdao
-  **Giappone**
Tokyo
-  **Russia**
Moscow

* This NFI does not include the figures regarding this production plant, as it belongs to Brembo SGL Carbon Ceramic Brakes GmbH, which has not been fully consolidated.

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





15
Countries
in the world



23
Manufacturing
Sites



7
Research and
Development
Centres



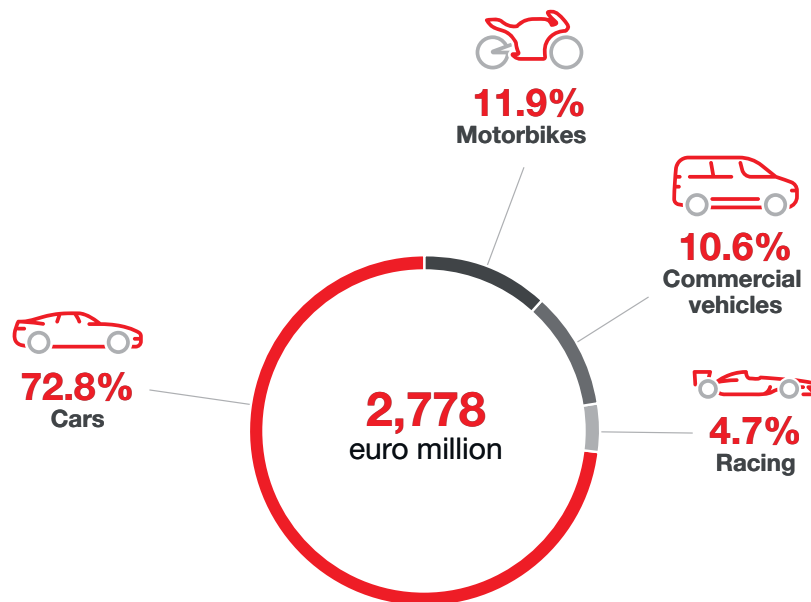


1.4 Target markets and brands

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

Overall in 2021, Brembo's consolidated net sales amounted to €2,778 million, with a 26% increase compared to €2,209 million in 2020.

Breakdown of net sales by application (% of total)



Cars

The global light vehicle market closed 2021 with an overall 4.6% increase in sales compared to 2020, mainly driven by the growth in the Chinese and U.S. markets.

The Western European market (EU14+EFTA+United Kingdom) reported a 1.5% decline in car registrations compared to 2020.

All the main markets closed the year on a positive note, with the exception of Germany (-10.1%): +5.5% in Italy, +0.5% in France, +1.0% in Spain, and +1.0% in the United Kingdom. The trend was also positive in Eastern Europe (EU 12), with car registrations up by 1.5% compared to 2020. In Russia, light vehicle registrations closed 2021 up by 4.3% in sales compared to the previous year. In 2021, light vehicles sales in the United States grew by 2.8% overall compared to 2020.

Brazil and Argentina as well overall recorded a growth in the sale of light vehicles equal to 2.4%.

With reference to Asian markets, China closed 2021 on a positive note, with sales of light vehicles increasing by +4.3% compared to 2020, thus remaining number-one market in the

world. By contrast, Japan recorded a negative trend, ending 2021 with a 3.1% decrease in sales.

Within this scenario, Brembo's net sales of car applications in 2021 amounted to € 2,022,225 thousand, accounting for 72.8% of the Group's turnover, in growth of up to 22.1% compared to 2020.

Motorbikes

Europe, the United States and Japan are Brembo's three most important markets in the motorbike sector.

In 2021, the first five European countries witnessed a 7.8% increase of registrations compared to 2020, with Italy reporting the strongest growth (+23.6%), followed by the United Kingdom at +10.2%, France at +8.5% and Spain at +8.0%, while Germany decreased by 9.7%. In the United States, registrations of motorbikes, scooters and ATVs (All Terrain Vehicles, quadricycles for recreation and work) declined by 0.6% overall in 2021 compared to 2020. The overall decline was attributable to registrations of ATVs (down 18.6%



compared to 2020), while motorbikes and scooters together closed the year at +9.1%. In 2021, the Japanese market, considering displacements over 50cc overall, reported a 22.0% increase compared to the previous year, whilst the Indian market (motorbikes and scooters together) rose by 2.0%. In Brazil, registrations grew by 26.4% overall compared to 2020.

Against this background, Brembo's net sales of motorbike applications amounted to €330,618 thousand in 2021, in growth of up to 55.2% (42.6% in the same scope) compared to €212,983 thousand for 2020.

Commercial and Industrial Vehicles

In 2021, the European commercial vehicles market (EU+EFTA) — Brembo's reference market — showed a 9.6% increase of registrations. In the reporting period, sales of light commercial vehicles in Europe (up to 3.5 tonnes) increased by 8.5% compared to 2020, with different performances in the main markets by sales volume: Germany and Spain declined by 4.0% and 0.8%, respectively, while Italy and France grew by 7.5% and 14.7%, respectively. In Europe, the segment

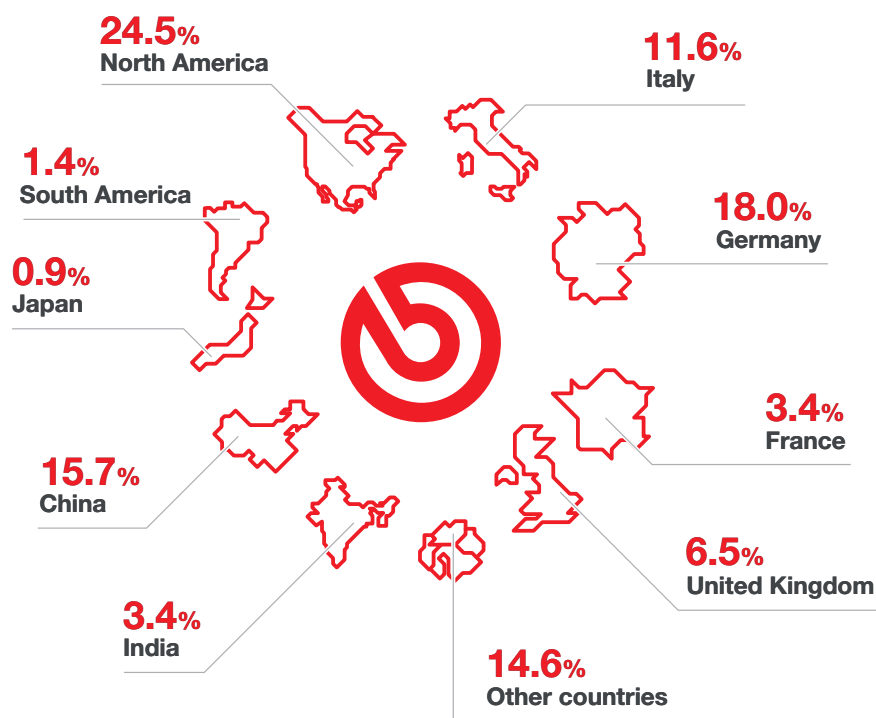
of medium and heavy commercial vehicles (over 3.5 tonnes) increased by 16.8% in 2021 compared to the previous year. Among the first four European markets by sales volume, a positive performance was reported by Germany (+5.6%), France (+5.5%), Italy (+22.3%) and Spain (+8.1%). In Eastern European countries, sales of commercial vehicles over 3.5 tonnes declined by 32.8% compared to the same period of the previous year. In 2021, Brembo's net sales of applications in this segment amounted to €293,933 thousand, in growth of up to 26.3% compared to €232,759 thousand for 2020.

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 2021, Brembo's net sales of applications in this segment amounted to €130,750 thousand, increasing by 22.7% compared to €106,604 thousand for 2020.

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 Formula 1, 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 engaged in the new Formula E championship.



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 Formula 1, GT, Touring and Rally teams at worldwide level.



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 the leading 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 much more.



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





Brembo blows out 800 candles in Formula 1 celebrating its innovation and technological supremacy

Eight hundred Grand Prix in Formula 1, another historic milestone that Brembo celebrated on the occasion of the 2021 Russian GP: eight hundred is the number of World Championship races in which at least one single-seater equipped with one or more Brembo braking components took part.

This long series started with **a small supply of cast iron discs for the Ferrari Racing Team, way back in 1975**. A great challenge for Brembo, which had been founded just a few years earlier — in 1961 — and at the time was still a small machining firm. A close collaboration with the Maranello Racing Team that has continued uninterrupted to this day. Obviously, with the passage of time, Brembo brake discs (first in cast iron and then in carbon) have been supplemented with **brake calipers, pads, disc hats and brake master cylinders up to the development of more complex braking systems including the brake-by-wire technology**, the electronically controlled braking system that has controlled the rear braking of F1 cars since 2014. A technological escalation that spans almost 50 years and in which Brembo has played a constant leading role with the introduction of increasingly innovative and effective solutions.

During these 800 GPs, the single-seaters with Brembo brakes have done the rounds on **56 tracks around the world**, most of which are located in Europe. Since the nineties, however, there has been a large increase in the number of GPs in Asia, which had made its first appearance on the calendar in 1976, when Brembo was already present on a permanent basis. In total, 455 GPs have been won by single-seaters equipped with Brembo brakes, more than half of those contested (precisely 57%). 186 of these were won by the Ferrari Team's single-seaters with 21 different drivers, while the remaining 270 were won by other teams that brought 41 drivers to the top step of the podium. Over the decades Brembo has ensured the supply of its braking systems to almost all the teams, from the most famous to the smaller ones. Originally these were standardised parts but, over time, the solutions have become increasingly customised to adapt to the design characteristics of the single-seaters they equip.

Today, this co-design activity concerns almost all the components destined for the Formula 1 market, ranging from brake calipers to brake-by-wire technology systems, with the ultimate goal of creating products that are geometrically very different from one another.

Brembo's technological innovation has made the history of the automotive sector: initially designed for competitions but later also applied to road cars to provide enthusiasts with the same feeling and effectiveness.

Indeed, **the transfer of technology from the track to the road has always been one of Brembo's founding principles.**



The 2021 awards

2021 Ling Xuan Award - Excellent Award	The Enesys Energy Saving System® spring won the prestigious “2021 Ling Xuan Award-Excellent Award”, winning the Chassis category. The Ling Xuan Award is considered the most prestigious award of the automotive components industry in China.
2021 China Automotive and Parts Industry Development Innovation Award - Innovative Technology Award	Prize awarded to Brembo for Enesys - Energy Saving System® in the Energy Efficiency and Emissions Reduction category during the 2021 China Automotive Industry Development Innovation Forum held in Shanghai. The event, attended by leading exponents of the Chinese automotive world, addresses and explores the most topical issues, with a particular focus on aspects of environmental sustainability.
Automotive Innovation Technology Award 2021	Brembo was assigned the Automotive Innovation Technology Award 2020 for the new Greentive® disc at the 13th International Automotive Conference 2020, which was held in Shanghai. With this award, the event organisers — some of the automotive industry’s leading players in Europe and China — intend to promote the sector’s technological development in the direction of innovative smart mobility: from new propulsion technologies to network connections, autonomous driving and green mobility.
Best Brand 2021	Brembo confirmed as “Best Brand”. In 2021 as well, the readers of specialist German magazines voted for the Italian Group in a series of surveys in which the brands considered to be most prestigious amongst the different brake system producers were chosen. Brembo was revealed as the favourite brand of Auto Motor Und Sport, Motorrad, Motorsport Aktuell Autobrid and Profi Werkstatt readers.
CDP – A List 2021	To recognise Brembo’s commitment to responsible management of water resources and reducing CO ₂ emissions, the non-profit organisation CDP (ex Carbon Disclosure Project) confirmed the Group among global A-List companies both for the ‘Water Security’ and ‘Climate Change’ categories for the fourth consecutive year.
PLATINUM SUSTAINABILITY Rating by EcoVadis	<p>In 2021, Brembo received the Platinum Sustainability Rating on EcoVadis, a rating attributed to only 1% of the companies evaluated, improving the already excellent results of previous years. EcoVadis is a sustainability performance monitoring platform, which helps companies manage relationships and exchange information with their supply chain on this issue.</p> <p>The lasting partnership with customers, founded on cooperation and shared objectives that put people and environment at the centre, is an aspect that Brembo believes is crucial for ever more sustainable development.</p>
Corporate Social Responsibility Awards	<p>Brembo confirmed its second place in the category of Corporate Leadership in CSR & Sustainable Growth-National in the eighth edition (2021) of the Corporate Social Responsibility Awards promoted by the European Union’s Chamber of Commerce in China.</p> <p>The CSR Awards aim to acknowledge the successes, raise awareness and share experiences of sustainability amongst companies that promote and operate corporate social responsibility in China. The initiative presented by Brembo in the 2021 competition was the Sustainability Governance Model, a model used to manage, monitor and measure all the sustainable projects promoted by the Group. Other projects of a similar nature accompanied Brembo’s 2021 proposal.</p>



Integrated Governance Index	Brembo is top of the ranking in the goods and consumer sector of the Integrated Governance Index, released by ETicaNews, which awarded Brembo the ESG IDENTITY – IGI COMPANY label, granted to companies that have accepted the challenge of the Integrated Governance Index 2021. The label attests to the Company's ability to expose itself in terms of sustainability as a priority, governance as an enabling factor for long-term sustainable identity and transversal awareness, i.e., bringing the ESG debate to the heart of the Company and to each employee by stimulating all the multiple functions involved and accelerating the transversal sharing of information and skills. The label is not a stamp of approval, but an indicator of consistency, commitment and vision.
MIB ESG Index	Brembo is among the 40 Italian companies included in the new MIB ESG index launched in October by Euronext and Borsa Italiana. This is the first index designed to identify large Italian listed issuers that feature ESG best practices.
Sodalitas Call for Future	With the "We support SDGs" project, Brembo participated in the 2021 Sodalitas Call for Future, an initiative that involves companies committed in Italy to carrying out actions for a sustainable future according to the UN 2030 Agenda, and young people, citizens of the world of tomorrow.
Workplace Health Promotion 2021	For the tenth year running, Brembo (Stezzano site) received WHP accreditation (Workplace Health Promotion), confirming its high level of 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.
General Motors Supplier Quality Excellence Award	General Motors has awarded the "Supplier Quality Excellence Award" to the Apodaca plant, in Mexico, and, for the fifth year running, to the Betim plant, in Brazil. 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.
Ford Q1 certification	Apodaca's disc processing in Mexico has obtained the Ford Q1 certification for the fourth time with the maximum score of 100. The Q1 is a specific certification for individual plants that have the ability to manage supplies optimally, meeting all the requirements for quality, logistics, standards, methodologies and effective communication flows with the customer.
Nio Quality Premium Partner	BNAC won the "Nio Quality Premium Partner 2021" for the excellent front caliper production and efficient supply service for all the car lines of NIO, a Chinese automotive manufacturer.
Casco d'oro (Golden Helmet) Autosprint 2021	Casco d'Oro 2021 awarded to Alberto Bombassei. The Autosprint Golden Helmets has always been the highlight event for all four-wheeled sports competitions that have rewarded the greatest in motorsport since 1966.
Barsanti and Matteucci international award	Chairman Bombassei received the award that recognises individuals who have stood out in the field of automotive engineering, facing the new challenges posed by energy consumption and pollution, and have made the motor vehicle famous thanks to their excellent technical skills, both in the industrial and sporting arena. This award recognises Brembo's ability to unleash the full potential of Italian craftsmanship — excellence that combines creativity, design and technology.





1.5 Stock performance

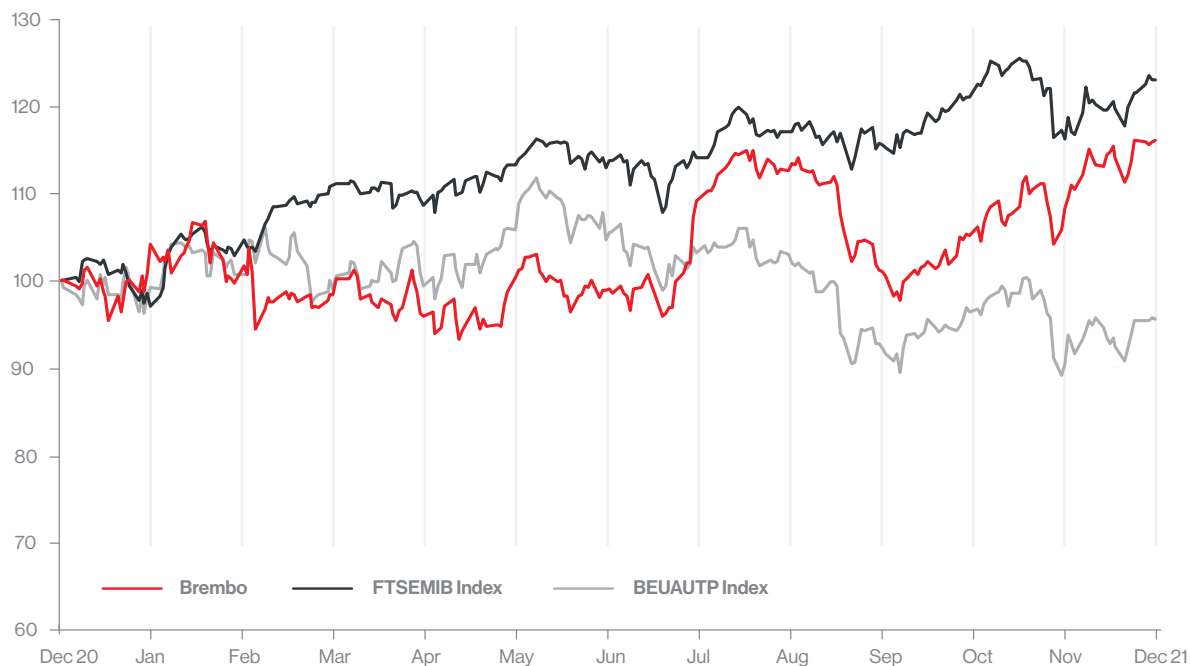
For a listed company, the value of its stock is an important indicator of its credibility and reputation. For this reason over the past few years the Group has paid particular attention to the brand's trust and relational capital and its competitive positioning.

Brembo's stock closed 2021 at €12.53, a 16.0% increase compared to year-start, reaching the low for the period on 12 May (€10.08) and its high on 23 and 30 December (€12.53). During the same period the FTSE MIB index closed upward

23.0%, whereas the BBG EMEA Automobiles Parts index declined by 4.4%.

During 2021, the Covid-19 pandemic continued to affect the global economy, although at that stage the focus was more on price dynamics than on aggregate demand. Following a strong recovery in global production in several sectors, general inflation peaked at the end of 2021, with numerous significant raw material price increases, even in the presence of widespread scarcity situations.

Brembo stock performance in 2021



1.6 Sustainable Finance: instruments adopted by the Group

In recent years, the sustainable finance market has undergone significant growth at the global, European and Italian level: the volumes of assets managed according to sustainable and responsible investment strategies are rising and a growing number of operators are integrating ESG criteria into the evaluation of their investments.

These are sustainable and responsible investments (SRIs), i.e. investments that seek to create value for the investor and for society as a whole through a strategy with a medium-to-long-term focus that integrates financial analysis with environmental, social and governance aspects in evaluating companies and institutions.

According to the Global Sustainable Investment Alliance (GSIA) 2020, investments in ESG funds increased from \$30.7 trillion in 2018 to \$35.3 in 2020, with Europe leading at \$12.017 trillion. In addition, 75% of senior executives of investment companies recognise that sustainability performance is important in investment decisions, whereas 65% of investors are ready to divest or exclude from their portfolios companies with poor sustainability performances⁶.

The World Economic Forum also indicates that in recent years there is growing sensitivity towards ESG risks amongst CEOs and company executives and a need to take an integrated, structured approach to risks in order to harness the disruptions. In particular, the Global Risk Report 2022 states that eight of the ten “top risks” are attributable to environmental or social phenomena and that the Global Risks Perception Survey (GRPS) 2021-2022 classifies the “climate action failure” as the

risk with potential to inflict the most damage at a global scale both in the medium (2-5 years) and long term (5-10 years)⁷.

Within this scenario, in which legislation is driving companies to manage and report on sustainability performances and investors to integrate the assessment of ESG risks into their processes, the United Nations have created the UN Global Compact and UNEP Finance Initiative, laying down six voluntary principles known as the Principles of Responsible Investment (PRIs). These principles offer a set of actions designed to incorporate ESG factors into traditional investment policies to foster the spread of sustainable, responsible investment among institutional investors.

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, while taking advantage of the opportunities offered by sustainable finance: in 2020, the Group obtained a medium/long-term “positive loan” of €300 million from BNL of the BNP Paribas Group. The financial terms of the loan improve when constantly monitored and measured precise sustainability goals are met.

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 carbon-neutral 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.

⁶ Source: survey Informativa Extra Finanziaria: da compliance a governance strategica dei rischi e delle opportunità by KPMG in collaboration with Nedcommunity

⁷ Source: The Global Risk Report 2022, World Economic Forum



1.7 EU Taxonomy Regulation (No 2020/852)

The European Union has developed an ambitious strategy to achieve more sustainable economic models in line with the 2050 climate neutrality target. To achieve these targets, the EU intends to promote investment in sustainable assets and activities through the use of public and private resources.

In this context, the classification system or “taxonomy” of sustainable activities is established, as set out in Regulation (EU) 2020/852, which defines the criteria to determine whether an economic activity can be considered to be environmentally sustainable so that the degree of eco-sustainability of an investment associated with that activity can be identified as a result. In particular, the taxonomy classifies economic activities that can be potentially brought into line with the six environmental objectives defined by the European Union:

- **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

Currently the legislation has defined technical screening criteria only for the first two objectives, and it is for these that compliance is required on the part of financial and non-financial companies falling within the scope of the Regulation.

Non-financial companies subject to the Non-Financial Reporting Directive are required, in fact, to notify for the 2021 reporting period the share of eligible economic activities in accordance with the taxonomy in terms of turnover, capital expenditure (CapEx) and operating expenditure (OpEx).

In 2021, the Brembo Group, in order to align itself with the requirements of the legislation and to make reporting increasingly transparent, carried out an initial analysis of its (so-called “eligible”) activities in order to assess their actual contribution to the objectives mentioned above.

Methodology

Identification of “eligible” activities

The first phase of the process made it possible to identify, through a careful analysis of the activities included in the Taxonomy Regulation, those applicable to Brembo’s business also considering the description provided and the potentially applicable NACE codes.

On the basis of this analysis, **Brembo’s activities** which can contribute to the achievement of the **Climate change mitigation and adaptation** objectives are:

	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	Cast iron 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	CapEx	Tangible assets - Property, plant, equipment and other equipment
		OpEx	Other operating costs
9.1	Research, development and innovation close to the market	CapEx	Intangible assets - development costs, goodwill and other intangible assets
		OpEx	Costs for capitalised internal works ⁸

⁸ This item refers to the capitalisation of development costs incurred during the year.



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 2021 financial year and involves all the companies consolidated on a line-by-line basis.

KPIs 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 schedule 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 revenues⁹. As of 2021, 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 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 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 Cast iron 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 and China BNBS);
- activity "7.6 Installation, maintenance and repair of technologies for renewable energy sources" specifically referred to **photovoltaic plant of the ecological area in Stezzano**;
- activity "9.1 Research, development and innovation close to the market" specifically referred to capitalised research and 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 constitutes total operating expenses. For this calculation, the **direct operating costs** related to the capital expenditure mentioned above were taken into account. In particular, **non-capitalised direct costs** related to research and development, rental costs, as well as any other direct expenses related to the maintenance of buildings, plant and machinery were taken into account in the calculation.

Table in accordance with Regulation (EU) 2020/852

KPIs	Total (EUR)	% of eligible activities as per the Taxonomy	% of not eligible activities as per the Taxonomy
Turnover	–	0%	100%
CapEx	236,175,278	0.4%	99.6%
OpEx	238,343,101	22.1%	77.9%

⁹ Assonime Circular No. 1 of 19 January 2022.



Sustainability



Innovation is green.

Our commitment for an increasingly inclusive and responsible future. Sustainability disseminates through any idea or thought, in every process, product and solution. Ongoing transformation in all areas: Environmental, Social and Governance.



2. Sustainability

2.1 Sustainability for Brembo

Corporate social responsibility is not an abstract concept for Brembo, rather it is part of its corporate strategy through daily concrete practices, designed to balance economic decisions against an assessment of their social and environmental impact, while always taking account of the expectations of all Group stakeholders.



Brembo has translated this awareness in a structured sustainability path started at the end of the Nineties with an analysis of the value of the intangibles, aimed at measuring the Group's 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 Brembo 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 the Group's 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.



2.2 The Sustainability Plan of Brembo

In order to give concrete shape to and direct its strategic commitment in terms of sustainability over time, Brembo has started work on preparing its first Sustainability Plan. In Brembo, sustainability is a way of thinking that also materialises through the definition of a clear strategy that allows the Group to enhance its contribution to a form of economic development compatible with the protection of the environment and people.

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.

It is precisely thanks to this comparison and dialogue that valuable requirements and priorities emerged for the identification of the most relevant sustainability targets for the Company.

The targets, mainly quantitative in nature, are organised in the five strategic areas in which the material topics are divided. In addition, 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 relevant to Brembo.

Taking into account the goals achieved in recent years, also thanks to the “We support SDGs” project aimed at promoting knowledge of the goals and raising people’s awareness of sustainable action, the process of defining the priorities has been conducted in line with the 17 Sustainable Development Goals of the United Nations 2030 Agenda, testifying to the Group’s concrete contribution to their achievement.

Brembo’s Sustainability Plan includes objectives to reduce environmental impact including the achievement of the Net Zero target by 2040, the recycling of waste produced, the constant monitoring of withdrawals, discharges and significant uses of water in all plants and, as a further step towards a circular economy approach, the launch of an internal path for the definition of Life Cycle Assessment parameters for all existing product families.

Overview of objectives





Through the Plan, the Group is renewing its commitment also from a social point of view, promoting in-house dedicated initiatives to promote diversity and inclusion, while active employee engagement activities will continue in parallel to support the creation of a positive working environment and the involvement of people.

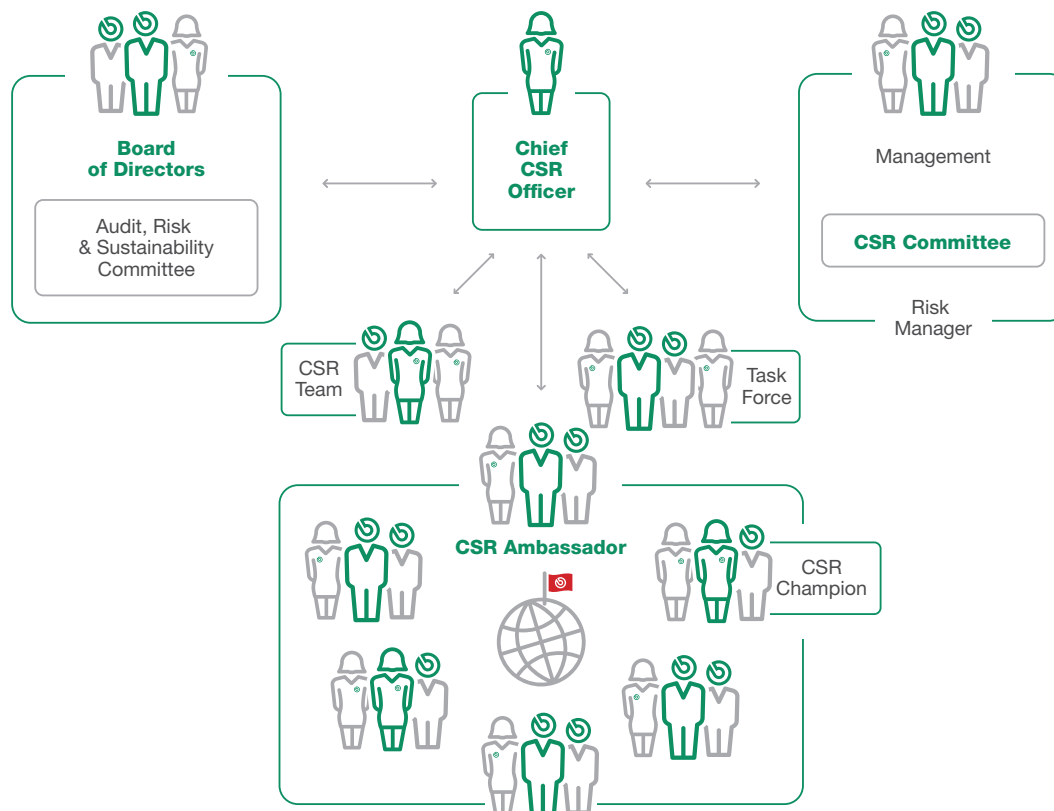
Finally, Brembo regards the relationship with its value chain as an important occasion for collaboration and a mutual opportunity for growth and enrichment. In this sense, the Plan provides for an ever greater involvement of customers and suppliers in a community perspective but also of synergistic dissemination of skills and best practice.

2.3 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 the auditing and management of these topics at Group 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 yearly Disclosure of Non-Financial Information.





To learn more

“Thinking responsibly,
acting concretely”.

The video on Brembo CSR

<https://www.brembo.com/en/sustainability/corporate-social-responsibility/sustainability-for-brembo>

To support the Chief CSR Officer, Brembo has appointed the **Task Force**, a group of experts belonging to the various Global Central Functions (GCF) involved in sustainability issues, with the task of thoroughly analysing — each within its remit — specific issues in the field of corporate projects and data collection for the Disclosure of Non-Financial Information. Two resources have been identified within the Communication GCF area that deal in particular with the promotion and communication of sustainability projects and collaborate continuously 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 created a **CSR Committee** consisting of the company’s top management and the heads of the GCF that are more closely involved with sustainability issues. The Committee is tasked with determining the Sustainability Guidelines, adopting the relative policies, proposing a plan containing the

environmental and social strategic objectives, approving the projects submitted by the Chief CSR Officer and validating the preparatory activities needed to launch the sustainability reporting process. The CSR Committee is also required to effectively oversee the stakeholder engagement process and the sustainability-related risks, as well as to assess the draft Disclosure of Non-financial Information.

Finally, 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 three Independent Directors, each with a three-year term expiring upon the General Shareholders’ Meeting called to approve the Financial Statements at 31 December 2022.

More specifically the Audit, Risk & Sustainability Committee provides support to the Board of Directors by analysing the sustainability policies and procedures, as well as the guidelines, 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 specialised opinions in relation to the identification of the main corporate risks, particularly those involving sustainability, environmental and social topics. Finally, it analyses and assesses the draft Disclosure of Non-Financial Information, which is submitted for approval to the Board of Directors on a yearly basis.





It should be noted that, in its meeting held on 4 March 2021, the Board of Directors resolved to submit to the Shareholders' Meeting the amendment to the Company's purpose (Article 4 "Purpose"), with a view to, *inter alia*, incorporate one of the Group's existing commitments — to pursue sustainable, lasting development. Such motion was approved by the Shareholders' Meeting on 22 April 2021.

CSR Ambassadors and **CSR Champions** positions were created as soon as 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 2021 as well the CSR Ambassadors and CSR Champions took part in dedicated sessions, both to inform on sustainability issues and share projects and initiatives. At the end of 2021, there were 12 CSR Ambassadors and 24 CSR Champions at work within the Group.



Brembo's sustainability management procedures

Brembo has adopted three procedures aimed at regulating the roles and responsibilities of sustainability governance bodies; the roles, responsibilities, activities and timeframes related to the process of preparing the Non-Financial Statement; and the roles, timeframes, responsibilities and proper information flow related to responding to stakeholder requests.

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 GCF involved in the planning, information gathering, and control needed to implement the reliability, consistency, traceability, timeliness, accuracy, comprehensiveness and substance requirements. Finally, it contains details relating to the validation 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 and support in the review activities coordinated by the CSR Team for their areas of expertise. 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.

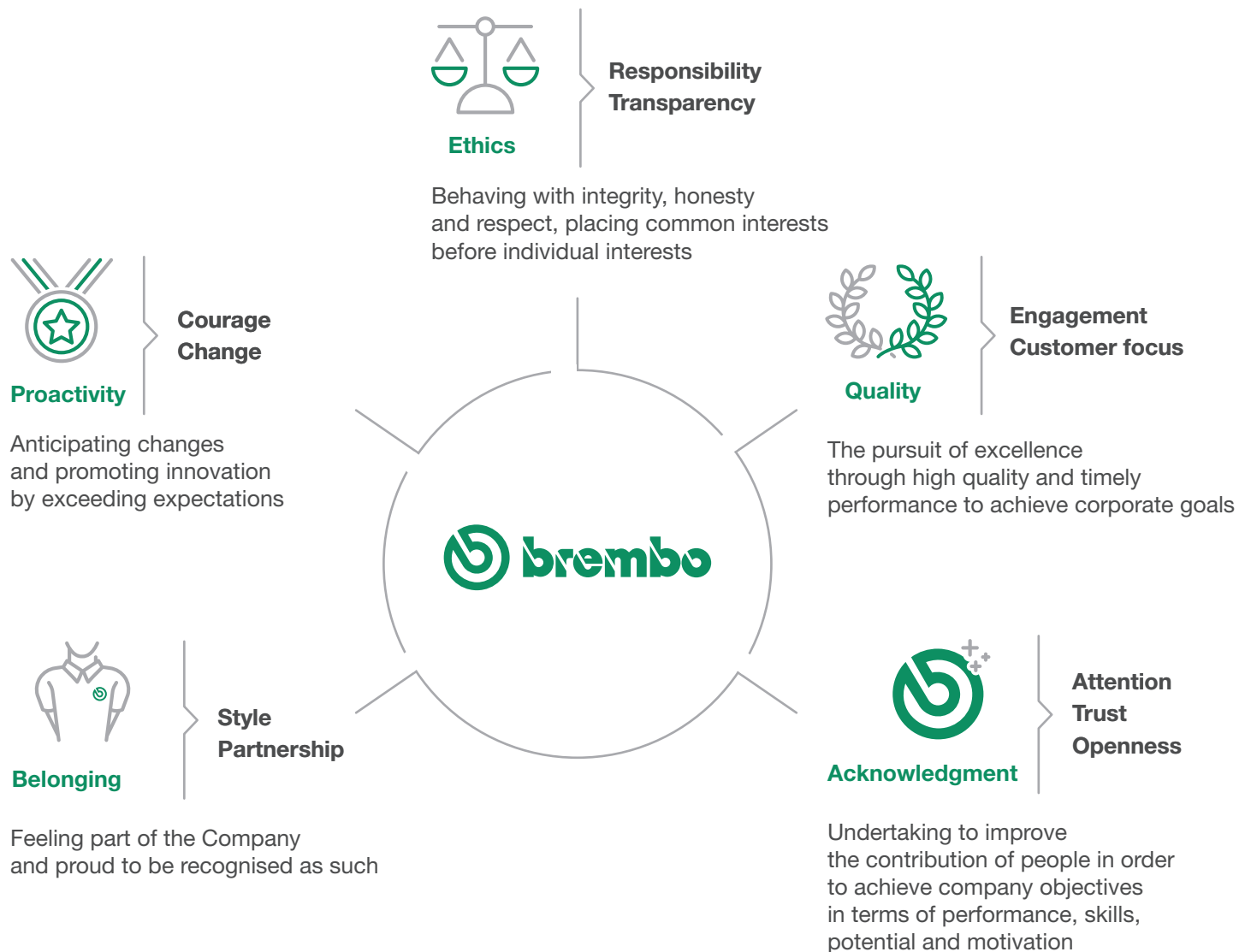
The **"Requests from stakeholders"** procedure aims at illustrating the proper information and responsibility flow when answering to stakeholders on sustainability-related topics. The CSR GCF is responsible for coordinating answers, availing to this end of the support of the Task Force.



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>



2.4 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 environment protection.



1961

Origins and values

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



1989

Associazione Brembo Italo Breda Foundation

Every year, this association awards study grants to Brembo employees and their children who have produced an outstanding academic performance.

1999

First Intangible Capital Report

This report documents Brembo's ability to create social and environmental value and to produce innovation.

First automotive Quality certification (QS 9000 – AVSQ 94)

2000

First ISO 14001 Environmental Certification

2001

Financial Statements Oscar
(listed companies)

2003

Adoption of the Code of Ethics on a Group level

First OHSAS 18001 Occupational Health and Safety Certification

2004

First Value Report

The report supplements the information in the Group's Financial Report with details about environmental and social performance.



2005

Receipt of the National Prize for Corporate Social Responsibility,
Rovigo, Italy

2006

First Family Day in Poland

2007

Publication of the Charter of Values

The document identifies and describes behaviours that
reflect and express the company's values.

Open Day at the Stezzano site in Italy

2009

Brembo North America takes part in the National Take Our
Daughters and Sons to Work Day for the first time

2010

The Brembo Kids educational project is launched in Italy
Hospitality project for the children of Group employees
during school holidays.

**2011**

**Brembo signs up to the CDP (former Carbon Disclosure Project) –
Climate Change**

A programme designed to monitor and reduce greenhouse
gas emissions.

**First edition of the Code of Basic Working Conditions Brembo
hosts the 30th FARO Convention, Raw Materials Monitoring Centre**
Event dedicated to suppliers.





2012

Ambrogio Lorenzetti award for business governance (listed companies)

Launch of the Brembo WHP (Workplace Health Promotion) Project, Italy

This project, in partnership with local institutions, promotes healthy lifestyles at work and at home.

Launch of Brembo for Family, Italy

This project, targeted at employees, offers opportunities for training and reflection on what it means to be a parent.

Launch of Brembo to You, Italy

This project aims to make people reflect upon individual wellbeing.

2014

The Social and Cultural Sponsorships and Donations Committee is set up

The Committee aims to guarantee structured sponsorship management on a Group level.

First Family Day in the Czech Republic

First edition of the Non-discrimination and Diversity Policy

Launch of the “Brembo Strong” project in Brembo North America

The project promotes a healthy lifestyle at work and at home.

2013

Institution of the CSR Steering Committee¹⁰ and appointment of the Chief CSR Officer

The Committee aims to promote and coordinate Brembo Group's sustainability efforts.

Brembo India, Water Saving Project

Safe reuse of water two, three times in the Pune plant thanks to a dedicated system.

Sustainability Supplier of the Year Award from Fiat-Chrysler

Brembo is recognised as the best supplier in terms of sustainability in the EMEA.

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



2015

Biofilter, Cast Iron Foundry in Mapello, Italy

A natural filtration system for an 85% reduction in odours generated by the production system at the emission point.

Sustainability audit by BMW, Car Division, Curno plant, in Italy

Support for the I Was a Sari Association, in India

The association aims to improve the quality of life of the most disadvantaged Indian women by teaching them specialist tailoring skills.

Launch of the Brembo Car Pooling Project

The project facilitates travel between home and work thanks to an innovative web-based system.



¹⁰ 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.



2016

SOSTeniamoci

In partnership with the NGO Cesvi, this project supports a Group of unaccompanied foreign minors living in Bergamo, helping them on their way to achieving social and economic independence.

Brembo signs up to the CDP (former Carbon Disclosure Project) – Water Programme designed to monitor and reduce water consumption.



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 former Carbon Disclosure Project (CO₂ emissions)

Recognition to Brembo because of its ability to respond to climate change.

Brembo-CESVI Houses of Smile in India

In partnership with the NGO Cesvi, a services hub and three educational centres for women and children in the slums of Pune were created.

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

Set up by the Indo-Italian Chamber of Commerce and Industry, in the "Community Development (Society) Awards 2017" category.

2018

Adherence to the sustainable development goals of the 2030 Agenda.

Brembo becomes an advocate of the Sustainable Development Guidelines.

The Group launches an internal communication campaign to raise awareness about this topic amongst all Brembo employees around the world.

Worldwide Publication of the Supplier Code of Conduct

Launch of the Internal Communication Campaign on Safety at Work Integrated Governance Index

No. 1 manufacturing company amongst those assessed for the integration of sustainability in its company strategies.

The CDP, former Carbon Disclosure Project, renews Brembo's inclusion into the Climate Change (CO₂ emissions) A-list for 2017 and includes it into the Water Security A-list

Brembo's capability to respond to climate change and to protect water resources is recognised.





2019

CSR Ambassador and CSR Champion were created

To complete Sustainability Governance, two positions were established to spread a culture of sustainability among Brembo personnel around the world.

Sustainability Awards

An annual competition designed to recognise the best sustainability projects proposed by Brembo Group personnel.

We support SDGs

A project designed to spread awareness of the 17 Sustainable Development Goals, supported by an ambitious communications campaign aimed at raising awareness of internal projects relating to the SDGs.

Cluster de Automoción de Aragón – Social Responsibility Prize

Received from Brembo Corporación for having implemented the best projects and good practices in the area of sustainability.

FCA Green Status

Award received by Brembo North America for compliance with diversity and minority protection criteria in supplier selection.

Welcome - Working for refugee integration

Recognition bestowed by UNHCR on Brembo for professional inclusion of refugees and support in their integration process in Italy with the "SOSTeniamoci" project.

Integrated Governance Index

Brembo was named first company in the "Industry and Consumer Goods" sector, of those evaluated by ETicaNews, for its degree of integration of ESG topics into its company strategies.

Sustainability Map

Brembo was included in the Sustainability Map prepared by the organisation CSR Natives, the first snapshot of responsible enterprises in Italy based on objectively measurable elements.

Call to Action

Chairman Alberto Bombassei joined the initiative promoted by Fondazione Sodalitas by signing the CEOs Call to Action, dedicated to expanding, developing and securing recognition for the business movement that seeks to confront tomorrow's decisive challenges, generating positive change for society.

Door Step School

"School on Wheels" project inaugurated. A bus fitted out to serve as a classroom was donated to the NGO Door Step School to bring education to approximately 200 children from disadvantaged areas of the outskirts of Pune, India.



The CDP (Carbon Disclosure Project) is a global non-profit organization that helps companies to measure and manage information on their environmental impact. Brembo has been acknowledged by the Carbon Disclosure Project as one of the leading 17 global companies as far as its commitment and ability to respond to climate change as well as water resource management is concerned. Brembo is the only Italian company that has been awarded a double 'A' in the 'Climate Change A List' and 'Water Security A List'.

TARGETS

- By 2025, a 15% reduction in direct and indirect emissions compared with 2015 levels.
- By 2040, a 4% reduction in direct and indirect emissions compared with 2015 levels.

ACTIONS

- Define medium- and long-term goals to reduce greenhouse gas emissions.
- Improve energy efficiency in the production processes.
- Gradually increase the amount of energy from renewable sources.
- Monitor energy consumption using a constantly expanding platform shared by all the plants in the Group.
- Priority dedicated technological investment programs and research projects.

RESULTS

- A 1.8% reduction in energy consumption in 2018 compared with 2017.
- A 0.77% reduction in CO₂ emissions due to improvements made in 2018 compared with 2017.
- Approximately 25% of energy used in 2018 came from renewable sources.

(Source: Brembo 2018 Annual Sustainability Report www.brembo.com)



2020

CSR Ambassador and CSR Champion

The CSR Ambassadors and CSR Champions took part in dedicated sessions, both to inform on environmental issues and share projects and initiatives.

Sustainability Awards

Assessment of sustainability projects proposed and election of the winners in each category.

We Support SDGs

Continuation of the communication campaign aimed at further analysing the Sustainable Development Goals, with the concurrent dissemination of Brembo's projects.

Daimler Supplier Award 2020

Award bestowed on Brembo by the Daimler Group as the most sustainable suppliers thanks to the results achieved in 2019, in addition to the commitment and attention towards the sustainability issue.

Supplier Quality Excellence Award 2020

Recognition bestowed by General Motors on two Brembo's production sites in North America and the Brembo do Brasil's plant for the excellent results achieved in terms of quality.

Corporate Social Responsibility Award 2020

Initiative promoted by the European Union's Chamber of Commerce in China within which Brembo ranked second in the category "Corporate Leadership in CSR & Sustainable Growth-National" with its project "We support SDGs".

Achilles

Achilles, the platform that uses questionnaires to assess suppliers' capacity to meet sustainability standards, validated Brembo S.p.A. and Brembo Poland with the Silver Status for 2020 for having responded in full to the questionnaire submitted.

EcoVadis

In 2020 as well, EcoVadis bestowed for the third year running on Brembo the Gold CSR rating, namely a rating awarded to 5% of the companies with the best sustainability performances according to the platform. This year's score was 70/100 and confirms the constant commitment of the Group towards CSR-related issues.

CDP

For the third year running Brembo was rewarded with a double A by CDP (formerly the "Carbon Disclosure Project") for both its commitment in the battle against climate change and its virtuous management of water resources.

Dream Center

Redevelopment of two schools in underdeveloped regions in China and definition of training programmes in partnership with the NGO Adream.





2021

CDP

Brembo received an award for the fourth year running for its leadership in corporate sustainability from CDP (formerly the "Carbon Disclosure Project"), securing a place on the prestigious 'A List', drawn up by the non-profit organisation that measures the commitment to the environment of companies, cities and organisations.

The Brembo Forest

On the occasion of the celebration of Brembo's 60th anniversary, the Group planted a forest of 14,000 trees, which will reduce CO₂ in the atmosphere and bring support to local farming communities. The initiative involved all the Group's employees: through the online platform Treedom they will be able to follow the growth of the tree in Kenya given to them as a gift.

Brembo and the MUSE

Main Sponsor of the Sustainability Gallery at the Science Museum (MUSE) in Trento, the Company narrates its brake disc production cycle, the result of highly innovative and sustainability-focused solutions.

"Towards 2030 - roads to the sustainable future" podcast

Four episodes produced in collaboration with the Italian newspaper Corriere della Sera, narrating Brembo's commitment to sustainability through stories of development, progress and sharing with human wellbeing and the environment at the centre, for thinking responsibly and acting concretely.

THE IMPROVES PROJECT

The project responds to the challenge of developing a new generation of electric motors and was established under the Regional Operational Programme 2014-2021 and co-financed by the Lombardy Region with European funds.

Gen Z Forum

Brembo is launching an innovative initiative with 20 young people of the Group to freely generate ideas and proposals for the Brembo of tomorrow.

Compasso d'oro

Brembo, winner of the Compasso d'Oro 2020 among the excellences of industrial design, participates with its brake caliper for the Formula E at Casa 500, at the exhibition inside the Pinacoteca Agnelli in Turin, which exhibits industrial design excellence able to combine beauty and utility.

Brembo Check

Brembo has developed an innovative solution in the form of an APP: Brembo Check (available for both IOS and Android) that allows users to unmask fake products and be 100% sure that they are buying an original product.

SENSIFY™

Brembo presents a new pioneering intelligent braking system, that integrates artificial intelligence to offer a unique driving experience.

ESG MIB Index

Brembo has been included among the first 40 Italian companies with the best ESG practices.





2.5 Dialogue with stakeholders

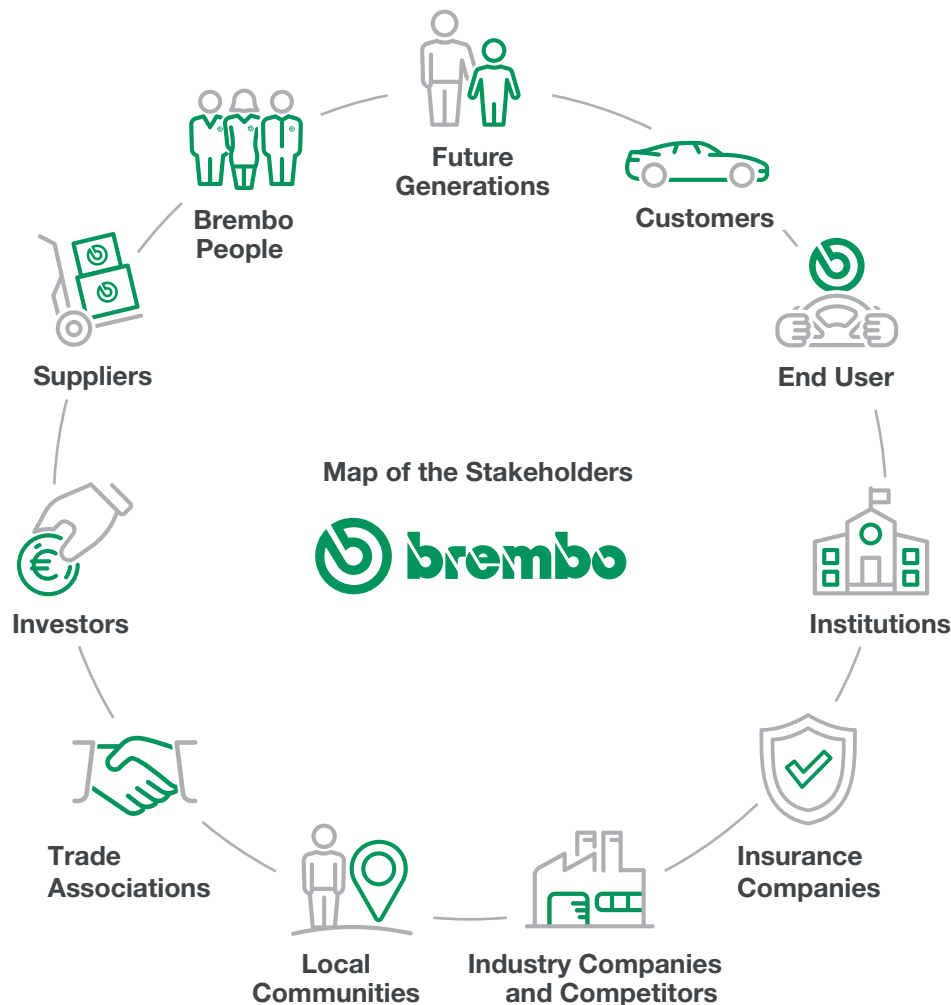
Over the years, Brembo has established an active and constant dialogue with its internal and external stakeholders, based on the values of transparency, trust and consensus in decisions. Thanks to this dialogue, the Group has the opportunity to obtain important information about the reference context 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: to this regard, the map of stakeholders, which includes the associated expectations, has been drawn up thanks to internal surveys 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 	<ul style="list-style-type: none"> • General Shareholders' Meeting • Feedback and support channels offered by the Investor Relations area • Shareholder Engagement Policy that defines the themes and methods of implementation of the dialogue between the Company and the shareholders, inspired by the principles of propriety, transparency and symmetry of information, in compliance with European and Italian regulations on market abuse • Meetings, roadshows (in 2021 as well, due to the health emergency all meetings were held virtually) and quarterly conference calls with analysts • Corporate website and dedicated e-mail accounts • Events for financial analysts • Engagement Survey on the relevance of material topics for Brembo 	<ul style="list-style-type: none"> • Increase in the value of the Brembo Group's shares • Reduction of the risks associated with the investment • Transparency of Corporate Governance structures, long-term strategy and objectives, management actions and company performance, as also extended to the environmental and social arena
Customers 	<ul style="list-style-type: none"> • Daily activities and reports of the Global Business Units: Car and Commercial Vehicle Systems Division, Brake Discs Division, Motorbikes, Aftermarket and Performance Group • Joint development programmes • Supplier assessment questionnaires and qualification processes • Customer support channels • Support and training network for Brembo Expert repair professionals • Surveys to identify customers' needs and expectations for the development of new products • Engagement Survey on the relevance of material topics for Brembo • Live events with customers and through the Brembo Next platform, the new virtual space created for all Group's events 	<ul style="list-style-type: none"> • Product reliability and safety • Reliability and flexibility of production processes to ensure business continuity and delivery times • Constant product innovation, including the improvement of environmental performance and attention to product design • Support for joint development of custom solutions • Technical support for the network of repair and maintenance service professionals in the transfer of know-how • Protection of the value of the Brembo brand as a distinctive element for vehicles and motorbikes







Group stakeholders		Feedback and engagement tools	Stakeholders' expectations and interests with regard to Brembo
End User		<ul style="list-style-type: none"> Customer support channels Monitoring and interaction on social networks Feedback from vehicle and motorbike manufacturers 	<ul style="list-style-type: none"> Reliability and safety of Brembo products Information about proper brake system maintenance Protection of the value of the Brembo brand as a distinctive element for vehicles and motorbikes
Brembo People		<ul style="list-style-type: none"> Global engagement surveys to measure the Group's internal climate (every three years) Pulse / Quick survey on specific topics (e.g., Brembo Purpose Pulse Survey) or on certain geographical areas (e.g., Czech Republic) Trade union roundtables Daily activities and reports of the Human Resources and Organisation function Channels for receiving reports of violations of the Code of Ethics, Code of Basic Working Conditions and Policy on Non discrimination and Diversity. 	<ul style="list-style-type: none"> Opportunities for personal and professional growth Training and expertise and technical skill development processes Training activities concerning organisational behaviour Remuneration policies and merit-based incentive systems Inclusion and appreciation of diversity Internal communication activity (Intranet portal, house organ and notice boards) Communication and engagement with regard to company objectives and performance Internal mobility, including international mobility Initiatives on human resources engagement Safe work environment, where the health and mental and physical wellbeing of individuals are protected Job stability
Suppliers		<ul style="list-style-type: none"> Daily activities and reports of the Purchasing function Engagement Survey on the relevance of material topics for Brembo Conflict Minerals Engagement Survey for the annual Supplier Survey in relation with their use of conflict minerals Cobalt Engagement Survey and Mica Engagement Survey Corporate Social Responsibility-related training provided to the Purchasing GCF personnel, with an in-depth analysis of the supply chain Brembo Supplier Portal 	<ul style="list-style-type: none"> Timely and proper fulfilment of contractual conditions Continuity of supply requests Possibility of developing strategic partnerships to improve activities Attention to human resources management, in particular to workplace health and safety as a primary risk factor Reduction of the environmental footprint, with particular regard to the monitoring of climate risks



Group stakeholders	Feedback and engagement tools	Stakeholders' expectations and interests with regard to Brembo
<p>Local Communities</p> 	<ul style="list-style-type: none"> • Orientation and involvement of secondary school and university students and related recruiting programmes • Roundtables and discussions with the Public Administration • Initiatives involving the opening of Brembo's facilities to visits from workers' families ("open door" days) in various countries where the Group is present (they have been temporarily suspended due to the ongoing pandemic) • Initiatives in support of the social and cultural development of local communities promoted by the Group • Whistleblowing mechanism for alleged violations of the Code of Ethics • Monitoring through the media (press, specialist publications, TV, Web and social networks) 	<ul style="list-style-type: none"> • Support to the world of schools, also through a willingness to host students on alternating school-work paths • Collaboration with Universities and research centres in the development and spread of engineering, technical and scientific knowledge and skills • Offering of job opportunities and transparent, merit-based recruitment processes • Creation and protection of employment within the Group and its ancillary businesses • 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 • Participation and support by Brembo in cultural development and social inclusion projects • Support in favour of centres of medical research • Support in favour of local communities through the distribution of personal protective equipment
<p>Institutions</p> 	<ul style="list-style-type: none"> • Roundtables and initiatives involving discussion with institutions, at national and international level • Hearings before parliamentary committees 	<ul style="list-style-type: none"> • Ensuring full compliance with and observance of applicable legislation • 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 • Promotion of local development and the achievement of the objectives established by the international agenda • Monitoring of the process to manage social and environmental risks throughout the value chain



Group stakeholders		Feedback and engagement tools	Stakeholders' expectations and interests with regard to Brembo
Future Generations 		<ul style="list-style-type: none"> • Focus on the awareness campaigns of environmental associations and on analyses of the scientific community • Awareness raising with regard to sustainability-related issues • Orientation and involvement of secondary school and university students and related recruiting programmes • Launch of targeted engagement projects 	<ul style="list-style-type: none"> • Fight against atmospheric pollution and global warming • Conservation of natural resources and circularity of the economy • Protection of ecosystems and natural biodiversity • Contribution to the achievement of the UN Sustainable Development Goals • Training for the preparation of the Consolidated Disclosure of Non-Financial Information
Industry Companies and Competitors 		<ul style="list-style-type: none"> • Participation in the proceedings and themed committees of trade associations • Participation in events and special roundtables on the reference market • Benchmark analysis of the main players (primary and secondary players operating in the automotive component supply industry) by market, product, target customer 	<ul style="list-style-type: none"> • Involvement in the analysis of the industry's performance and needs to define common strategies for improving the sector and developing industry-wide policies • Strengthening industrial relations, including in view of pre-competitive collaboration on certain key aspects, such as improving sector sustainability • Protection of freedom of competition
Insurance companies 		<ul style="list-style-type: none"> • Engagement Survey on the relevance of material topics for Brembo • Visits to the Group's plants by the insurer for property risk assessment • Periodic audits by the insurer regarding liability risks 	<ul style="list-style-type: none"> • Effective risk management system, in particular risks of product and product recall Civil Liability losses and those related to accidents and occupational diseases • Definition and implementation of technical and organisational measures aimed at preventing and controlling risks related to losses to property and activity
Trade associations 		<ul style="list-style-type: none"> • Roundtables and initiatives involving discussion with institutions, at national and international level • Hearings before parliamentary committees • Engagement Survey on the relevance of material topics for Brembo 	<ul style="list-style-type: none"> • Ensuring full compliance with and observance of applicable legislation • 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 • Promotion of local development and the achievement of the objectives established by the international agenda • Monitoring of the process to manage social and environmental risks throughout the value chain



Dialogue with the key players in the automotive industry

With a view to promote constructive dialogue with institutions and encourage discussion between the industry's key players, 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 international level, the Group collaborates with the following associations/organisations:

Association	Main objectives
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.
CAEF - European Foundry Association	Brings together and represents the foundry sector's operators at European level.
SAE - Society of Automotive Engineers	SAE International is a global association of engineers and technical experts employed in the automotive, aerospace and commercial vehicle production industry, which promotes collaboration, sharing of expertise and professional development of its members.
UNECE - United Nations Economic Commission for Europe	Its main aim is to promote economic integration amongst the 56 member states in Europe, North America and Asia.



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

Italy



- **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.
- **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.
- **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.
- **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.
- **ASSOFOND:** represents the Italian foundry sector in its relations with national, European and international economic, political and social institutions, administrations, and organisations.
- **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 was appointed a member of the Board of Directors for the 2017- 2018 two-year period.
- **AIR:** the Associazione Italiana Investor Relations promotes the role of the Investor Relations Officer (IRO) within the financial community.
- **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 No. 231/2001.

- **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.
- **Sodalitas Foundation:** a network of enterprises, volunteers and colleagues committed to generating shared value, promoting the culture of partnerships seeking to build a future of growth, sustainability, inclusion and development throughout the community.
- **GEO – Green Economy Observatory:** a collaborative platform, promoted by IEF Bocconi, for businesses and entities in all the sectors interested in the issues of sustainability and the circular economy.
- **Global Compact:** a United Nations initiative created to encourage companies around the world to adopt sustainable policies and respect corporate social responsibility and to make public the results of the actions undertaken.

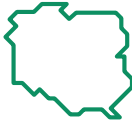
Brembo is also part of the following associations: **Automotive SPIN Italia** – Software Process Improvement; **AICIPI** – Italian association of consultants and experts in business and enterprise intellectual property; **AIPI** – Italian Interior Designers Association; **UNI** – Italian national body for standardisation; – Functional Safety – **ISO 26262** – (UNI/CT 315/SC 02/GL 08); **AUTOSAR** (Safety Group) – Automotive Open System Architecture; **ASM** – American Society for Metals; **FIA** – Italian Automobile Federation; **NEDCOMMUNITY** – Italian association of non-executive and independent directors; **ASFOR** – Italian association for managerial training; **AIGI** – Italian Company Lawyers Association; Forum of the Secretaries of the Boards of Directors of FTSE-MIB Companies; **ISPI** – Institute of International Political Studies; **Club FARO** – Organisation for the optimised acquisition of raw materials and non-ferrous materials.



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.
- **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.



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**.



United Kingdom

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

United States



- **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.
- **SAE Brake Executive Board:** global network of mobility engineers providing industry standards and opportunities for lifelong learning, networking and career development.
- **State Bar of Michigan:** State Bar of Michigan.
- **MMSDC - Michigan Minority Supplier Development Council:** organisation committed to developing economic growth among minority communities.
- **AASA - Automotive Aftermarket Suppliers Association:** an association that aims to promote a collaborative environment.
- **MiX - Modern Industry Expertise:** a consultation council for aftermarket executives with the objective of educating and tackling business concerns from the standpoint of millennials.
- **PRSA - Public Relations Society of America.**
- **Women of Auto Care Council**

Brembo is also a member of various local Chambers of Commerce that encourage the development of economic activities in the state of Michigan, including the **Plymouth Chamber of Commerce** and **Michigan Chamber of Commerce**.



Mexico



- **CANACINTRA:** represents, defends and promotes the interests of the country's industrial community, with a particular focus on the development, sustainability, innovation, competitiveness and integration of industries.

Brazil



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

Japan



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

China



- **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.
- **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** and **Langfang Equipment Industry Association**.

India



- **Society of Indian Automobile Manufacturers:** brings together and represents the main motor vehicle and component manufacturers.
- **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.
- **Maharatta Chamber of Commerce & Industries:** an association for the industrial and economic development of the Pune region.
- **International Market Assessment India Pvt. Ltd:** an association offering consultancy services. Brembo participates in the CEO & CFO forum.
- **Indo-Italian Chamber of Commerce and Industry:** promotes trade between India and Italy.
- **Automotive Component Manufacturers Association:** association representing the interests of the Indian automotive industry.



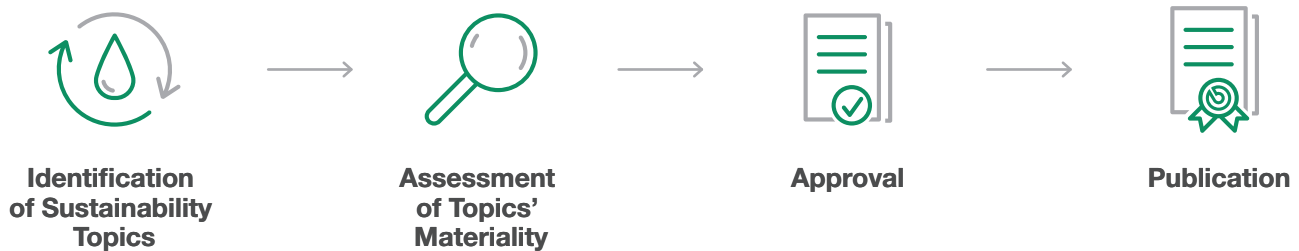
2.6 The materiality matrix

Brembo is aware of how important it is to identify the topics that are relevant for its stakeholders and to 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 promoted by the GRI Standards of materiality, inclusiveness, sustainability context and completeness. For this reason, the Group carries out an annual materiality analysis process in order to identify the areas in which Group activities may have the greatest impact on natural ecosystems, as well as on the wellbeing of the community, individuals and all of the Group's stakeholders.

When applying the sustainability reporting standard set forth by the GRI's Global Sustainability Standard Board, the material

sustainability aspects were evaluated in terms of their capacity to have a significant influence on stakeholder decisions and opinion, as well as in relation to their impact on Group performance.

The analysis process was conducted by the Chief CSR Officer, with the involvement of top management and external stakeholders (customers, suppliers, investors, insurance companies, trade associations, members of the Board of Directors, members of the Board of Statutory Auditors) 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 four main phases.



The phase of identification of sustainability topics that are material for the Group's industry and situation took into account, as in past years, the following different information sources:

- ▶ corporate documents, including, among others, the Group's Annual Report, the Organisation, Management and Control Model according to of Legislative Decree No. 231/2001, presentations, press releases and transcriptions of conference calls with financial analysts, minutes of the General Shareholders' Meeting, the Code of Ethics, Brembo's Policy on Non discrimination and Diversity, the Code of Basic Working Conditions, as well as the Anti-bribery Code of Conduct, the "My Brembo" house organ, and Safety, Environment and Quality performance monitoring reports;
- ▶ external documents such as reports analysing scenario changes, prepared by the World Economic Forum and the GRI amongst others (Sustainability Topics - What Do Stakeholders Want to Know?), questionnaires evaluating Brembo's sustainability performance sent by the main customers, benchmarking analysis carried out on the main

competitors, Internet searches, Brembo's press clippings;

- ▶ international standards and multi-stakeholder initiatives, including the Sustainable Development Objectives, the UN Global Compact, the United Nations "Protect, Respect and Remedy" framework, the OECD Guidelines for Multinational Enterprises, the European Commission's CSR Agenda for Action, GRI standards 101, 102, 103, 200, 300 and 400, the SASB standard, UNI ISO 26000 Guidance on Social Responsibility of Organisations and the CDP (former "Carbon Disclosure Project") Climate Change and Water questionnaires.

In addition, three Aspects were considered to be a prerequisite at the base of Brembo's sustainability model and so were not subject to further materiality analyses:

- ▶ the creation of economic value sustainable in the long term;
- ▶ the adoption of an effective and transparent governance system;
- ▶ the constant focus on compliance regarding standards and regulations.



The Materiality Matrix

In 2021, Brembo involved representatives of the company's top managers in a process aimed at assessing and updating the materiality matrix. Consistent with last year, the potential new topics were identified by considering various sources: the issues reported in the previous two-year period, the subjects that emerged from interviews of top managers and members of the CSR Committee and benchmarking activities. In addition, in line with 2020, considering the continuing Covid-19 emergency, the interviewees tried to identify, in their assessment, the impacts generated by the emergency virus situation on material topics and to identify the areas on which Brembo should focus to address the identified impacts.

The categories into which the topics are divided are the same as in 2020: 'Environment', 'Customers and Products', 'Suppliers and Local Communities', 'Human Resources Management' and 'Other Topics'. It bears emphasising, once again, that the aspects relating to governance, legal compliance and economic performance associated with the creation of economic value are considered prerequisites in the materiality analysis and will therefore be explicitly presented in the Sustainability Report, but will not be subject to specific assessment and inclusion in the Materiality Matrix.

In order to define the 2021 Materiality Matrix, the positioning of the 17 material topics¹¹ that emerged for the first time from the interviews carried out in 2019 was reconsidered.

Internally, the Board of Directors, the Board of Statutory Auditors and the CSR Committee of the Group evaluated the materiality of the topics by completing an online questionnaire both by taking Brembo's perspective and interpreting the views of the external stakeholders with whom they interface daily. The Directors and Statutory Auditors completed the questionnaire through dedicated telephone interviews, while a workshop was organised for the CSR Committee. The meeting had 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 matrix, and collecting the participants' assessments on the relevance of the material topics, through an online questionnaire.

Differently from the previous year, a wider sample of external stakeholders was directly involved. In 2020, in fact, a stakeholder engagement process was conducted that saw suppliers, customers together with trade associations and insurance companies as the main subjects involved. In 2021, the analysis was extended to include the category of investors, by involving the main both Italian and foreign investment companies. For the suppliers stakeholder group, the survey was conducted by sending a questionnaire to a sample of approximately 500 companies through the Brembo Supplier Portal. The customer stakeholder group, comprised of a cluster of 21 leading firms in the automotive sector, was contacted via dedicated telephone interviews, in order to collect interesting areas for reflection regarding further developments of the subjects under analysis. In keeping with the previous year, Brembo involved some of the main Italian and international trade associations that the firm works with daily and a selection of the insurance firms that the Group deals with on a regular basis. Regarding the new category of stakeholders, the main investment firms were contacted by telephone and individually interviewed. A particularly high response rate was reported for insurance companies and investors, with 100% and 83%, respectively. The external stakeholder engagement dedicated to customers, trade associations and suppliers saw an equally high participation rate, i.e. 43% for customers, 50% for trade associations and 34% for suppliers.

During 2022, Brembo will continue to refine the engagement path undertaken so far, expanding the pool of stakeholders involved and evaluating the possibility of extending the involvement to other categories.

The combination of all evaluations received is illustrated in the 2021 Materiality Matrix, the basis for reporting valid for the three-year period 2019-2021.

¹¹ After assessment by the CSR Committee (formerly the CSR Meeting) performed in 2019, the following topics were not considered material for the Group: Protection of the soil from losses and contaminating substances; Protection of biodiversity; Conflict Minerals; Responsible selection of materials; Proximity to the reference markets for shared company-local area growth; Partnership with universities; Participation in system/sector initiatives.



The Materiality Matrix





The matrix includes the 17 most material topics for Brembo and its Stakeholders, 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 order to offer an increasingly integrated vision of ESG issues with the Group's strategy, during 2021 the Risk Management area and the CSR GCF carried out a careful correlation analysis between material topics and Brembo's ESG and ERM (Enterprise Risk Management) risks. The correlation analysis made it possible to associate each material topic with a "risk index" graphically represented in the table below by the size of the bubble associated with each material topic. The index summarises the probability of the risk occurring and the severity of its impact, weighted on the basis of the number of risks associated with each material topic.

The graphic representation provides a clear view of the "weight" that each topic has in risk terms, in relation to the relevance that the topic itself has for Brembo and for stakeholders.¹²

The Matrix was reviewed and approved by the Board of Directors on 17 December 2021 following examination by the Audit, Risk & Sustainability Committee, in the meeting held on 9 December 2021. The different colours of the topics identify the stakeholder category most influenced by the various sustainability aspects. The Matrix will be subject to constant updates to take account of rapid developments in the sector and international megatrends.

In 2021, the materiality matrix confirmed once again 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 is also important to highlight the major impact that Covid-19 and the healthcare crisis continued to have on the assessment of the material issues and stakeholder expectations.

In particular, the issue of **product quality and safety** is one of the aspects considered most relevant both for external stakeholders and for Brembo. Both dimensions are a fundamental part of the Group's business and ensure its competitive advantage, allowing Brembo to adequately meet customer demands. Moreover, the priority attributed to these topics is the result of a global legal scenario and market trends that emphasise, today more than ever, the need for greater attention to be paid by companies such as Brembo to product quality and safety, together with a concrete commitment to the effective management of risks inherent in end consumer safety.

The topics of workplace **health and safety** continued to be a priority. This confirms Brembo's need to adopt a structured approach consistent with changes and trends recorded in regulations on the relevant markets and the geographical diversification that characterises the Group in operational and strategic terms. The current emergency situation due to the Covid-19 pandemic has accentuated the importance and urgency for companies to equip themselves with safety systems to ensure the wellbeing of their employees, confirming Brembo as up to this challenge.

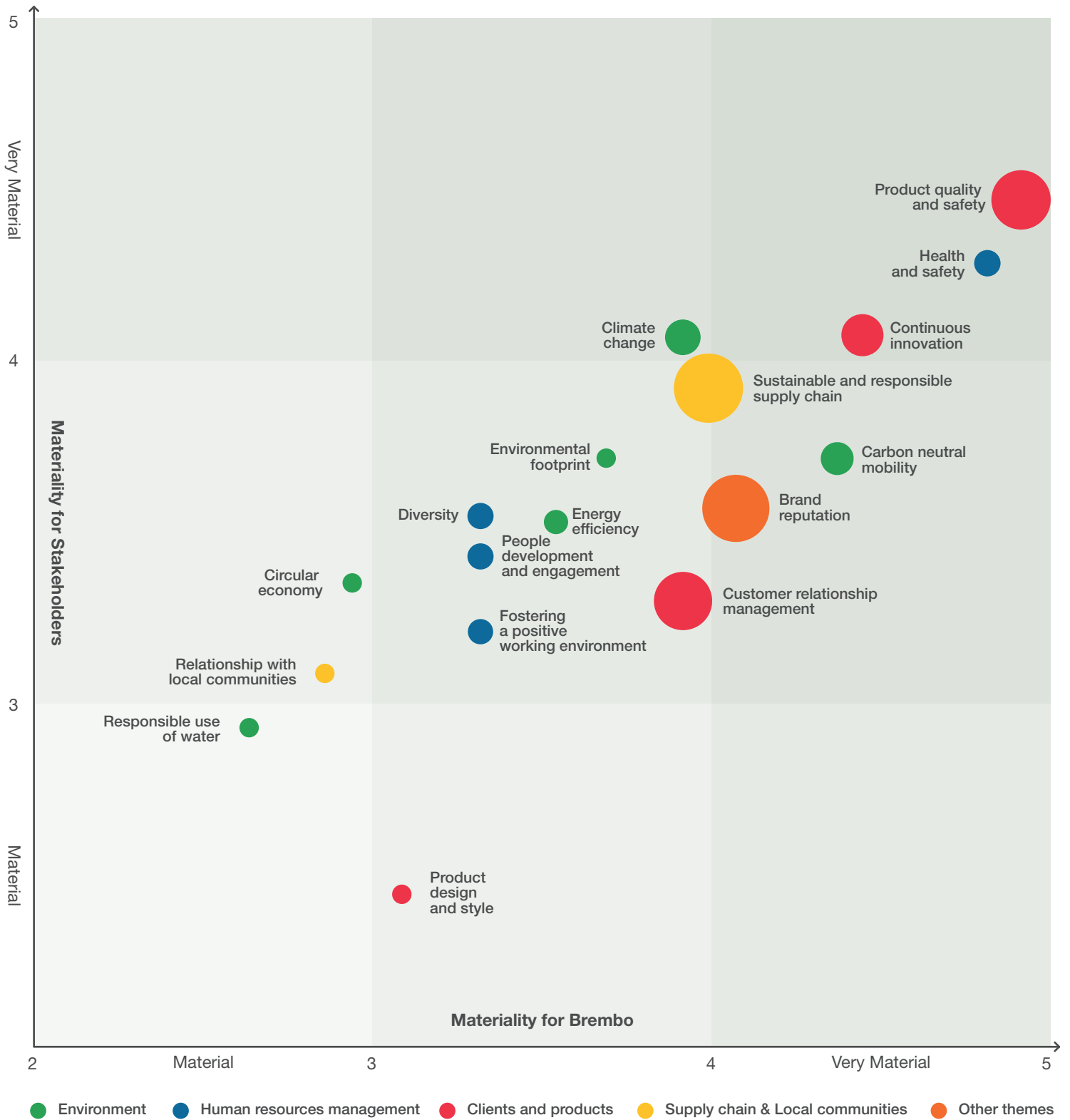
Finally, in line with the previous year, the theme of **continuous innovation** has been re-proposed, but with a broader meaning. Constant process and product innovation to ensure improved product quality and a constant attempt to reduce its impacts on the environment are a key factor of success for Brembo and its stakeholders. This is essential both to opening the Company to new markets and to rising to the challenges posed by the effects of climate change, and therefore from the standpoint of efficiency and use of renewable resources.

In this sense, it is important to highlight the close relationship between **continuous innovation** and **carbon neutral mobility**, issues about which Brembo is particularly sensitive in order to reduce the environmental impact of its products. Innovation, tied primarily to new component architecture and the selection of materials, is a necessary tool for succeeding in the challenges posed by the mobility of the future, represented by the process

¹² The aggregate risk index was calculated as follows: one or more risk scenarios were associated with each material topic. Each risk scenario was assigned a severity level by multiplying probability by impact. To calculate the aggregate risk index for each material topic, the most severe risk scenario was multiplied by a "numerosity coefficient" of scenarios K ranging from 1 (if there is only one scenario) up to 1.3 (for the topic with the largest number of scenarios), providing for a linear multiplicative effect for the other topics calculated with the following formula: $K = 1 + 0.3 * (n-1) / (n \text{ max}-1)$ where n is the number of scenarios. The most severe scenario was identified by calculating the impact by probability.



Materiality Matrix integrated with ESG and ERM risks





of electrifying and decarbonising the automotive industry. With regard to this aspect, it is also worth highlighting here that Brembo has established a team devoted to researching

low-carbon products and actively assisting the company in its decarbonisation process, ultimately becoming carbon-neutral by 2040.



The impacts of Covid-19 according to stakeholders

This year's materiality analysis, in line with that of the previous year, required the stakeholders involved to also express an assessment with reference to the impacts that the virus has had on the topics identified as relevant in order to support the Group in their management, with a view to continuous improvement.

Internal stakeholders believe that, following the Covid-19 pandemic, the topics that have become more relevant concern primarily health and safety in the workplace and the management of human resources — through people development and engagement and fostering a positive working environment — and relations with the supply chain.

Stakeholders, both internal and external, agree that the topics that have been most affected by the pandemic concern first of all health and safety in the workplace, which is confirmed to be a central theme, and the management of human resources. These topics are always at the centre of the main business strategies and regulatory compliance. In this context, being able to maintain a positive work environment and at the same time ensure the continuous development of people, aligning training programs with the new working reality, represent today's challenges. The rethinking of working practices, caused by the pandemic, has accelerated the spread of remote work: it is therefore crucial to find a new balance between the work and private spheres, as well as to keep the attention of employees high, stimulating a constant dialogue and dedicated engagement activities.

It is interesting to note how the pandemic emergency has posed critical issues at international level in the management of global and delocalised supply chains, highlighting the importance of managing and enhancing a sustainable and responsible supply chain: the pandemic experience has brought to light the importance of enhancing and increasingly strengthening a localised supply chain, safeguarding the relationship with suppliers (for example through engagement and training activities, due diligence) in order to ensure business continuity. During this moment of *disruption*, it is essential to be able to rely on an ethical business model and consolidated relationships with all stakeholders, preparing to provide a coordinated and effective response to the new development models. The analysis, in fact, has brought out even more the need to attract and direct investments to promote innovation, focusing on the electrification of vehicles, paying particular attention to the new component architectures and selection of materials.



The 17 material topics identified through materiality analysis are thoroughly reported in this Disclosure with an increasing level of detail according to their importance to the Group and its stakeholders. A description is provided below in the interest of a better understanding of these topics:

Environmental impact



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.

Energy efficiency



Seeking a constant reduction of direct and indirect energy consumption and making investments in adopting the best available technologies in terms of energy efficiency.

Climate change



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.

Responsible water use



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.

Circular economy



Seeking to reuse and exploit waste materials, maximising recovery and minimising waste disposal and natural resource and energy consumption from the product design phase.

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.

Customer relationship management



Placing customers at the heart of the Group's 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.

Continuous innovation



Constant process and product innovation to ensure improvements in product quality, also with a view to reducing environmental impact.

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 to be a pioneering Group in design as well as in technology.

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.

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.

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".

People development and engagement



Providing Brembo's people with concrete personal and professional development opportunities by constantly monitoring their expectations and periodically honing their skills.

Health and safety



Promoting working conditions that ensure compliance with the health and physical wellbeing of employees through management systems that allow workplace accidents and occupational diseases to be prevented.

Brand reputation



Guaranteeing Brembo brand's distinctive features and protecting Group's reputation and brand value.



2.7 The 2030 Agenda: sustainable development objectives and priorities for Brembo

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.

In order to make a tangible contribution to the implementation of the Global Agenda, the UN members states set themselves

17 shared sustainable development goals, with 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 from businesses, which can use their resources and skills to make a fundamental contribution to achieving the SDGs.

In 2018, 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. Aware of its global innovator role, Brembo decided to endorse the 2030 Agenda, advocating the sustainable development guidelines for all 17 goals.

SUSTAINABLE DEVELOPMENT GOALS



To learn more

United Nations Sustainable Development Goals
<https://www.un.org/sustainabledevelopment/>



In accordance with international best practices, Brembo has identified the links between the priorities defined in the materiality matrix and analysed their impact on each of the Global Agenda's goals.

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

Environment	Environmental footprint	3 GOOD HEALTH AND WELL-BEING	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND
	Energy efficiency					7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION
	Climate change				3 GOOD HEALTH AND WELL-BEING	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND
	Responsible use of water						6 CLEAN WATER AND SANITATION	8 DECENT WORK AND ECONOMIC GROWTH	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	Circular economy	3 GOOD HEALTH AND WELL-BEING	6 CLEAN WATER AND SANITATION		11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	14 LIFE BELOW WATER	15 LIFE ON LAND	
	Carbon neutral mobility						9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES	13 CLIMATE ACTION
Clients and products	Customer relationship management								16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	Continuous innovation	3 GOOD HEALTH AND WELL-BEING		7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND
	Product quality and safety							3 GOOD HEALTH AND WELL-BEING	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
	Product design and style								9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

* It should be noted that the matrix between the material topics and the SDGs was updated taking account of the document *Linking the SDGs and the GRI Standards* – March 2021 edition.



Human resources management	Diversity	 
	Fostering a positive working environment	    
	People development and engagement	     
	Health & Safety	  
Supply chain & Local communities	Sustainable and responsible supply chain	  
	Relationship with local communities	  
Other themes	Brand reputation	



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 Brembo's 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 direction was circulating in 2019 the Brembo calendar, which contains images and slogans illustrating each of the 17 Goals, to all personnel worldwide.

The communications campaign then continued by distributing to all employees illustrative material with the description of 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.

This material consists of two types of information pamphlets:

- ▶ goal pamphlets: these describe the goal and daily actions that each employee can take to become a spokesperson for


sustainability in their company and private lives;


- ▶ project pamphlets: these are Brembo initiatives that contribute concretely to achieving the targets for each goal.


The pamphlets, which are also available in video form, are circulated via the Group's main internal and external communications channels, such as the company Intranet, institutional site, social media channels, displays and monitors. The material is translated into 8 languages and disseminated in 15 countries worldwide.

The message that the Group wishes to send can be summarised by the quote: “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 employees and their families, the effect generated is really amplified and incisive”. It is this context that the campaign is intended to be a virtuous contamination that can extend beyond company confines.


To date the following SDGs and the related Brembo projects have been analysed:


 **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 Foundation Cesvi).

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


 **Good health and wellbeing** - 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).


 **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 Foundation Cesvi).


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


 **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).


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


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


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


 **Responsible consumption and production** - Replacement of materials and structural optimisation of the packaging of top-end discs (in Italy and at BSCCB's plant in Stezzano).

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

 **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).

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

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

 **Partnerships for the goals** - Partnerships aimed at improving process and product environmental impact.



We Support SDGs



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庇护和援助。并在印度、西部的多个村庄开展社区发展计划。MAHER目前由50个不同的住所中收容了大约1000名儿童、100名男性和350多名妇女。她位于浦那及其周边地区、马哈拉施特拉邦、贾坎德邦、喀拉拉邦。这家非政府组织由Lucy Kurien修女在1997年创立。她是一位伟大的女性、无私、地帮助那些最需要帮助的人，并因此获得重要奖项。从健康和经济的角度来看，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。
 - 发展浦那周边偏远村庄和贫民窟的社区福利。
- 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膳食。
 - 收集并分配提供给贫民窟居民的口粮。
 - 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、没有食物或监护人的处境。
- 成果**
- 为浦那周边超过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.maherashram.org



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 à pesquisa.



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 distintivo lo stile.
 - Ridurre l'impatto ambientale in frenata.
- AZIONI**
- GreenTive®: 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 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 APFIDA: sviluppo di un nuovo materiale d'attrito che, grazie all'utilizzo di leganti completamente inorganici, garantisce un azzeramento 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.



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 Cesvi we współpracy z Brembo i Centrum do Spraw Opieki nad Młodzieżą Rodziną w Bergamo, którego celem jest wspomaganie i wspieranie młodych cudzoziemców, którym nie udało się w realizacji planów życiowych, a także ułatwienie im integracji społecznej oraz osiągnięcia niezależności finansowej. Zakorczyła się już druga, trwająca dwa lata, edycja projektu.



- CEL**
- Wspieranie w procesie przyjęcia i integracji społecznej 19 cudzoziemców, wśród których znalazły się osoby niepełnosprawne oraz takie, które dopiero co osiągnęły pełnoletność.
 - Rozwijanie indywidualnych zdolności w pięciu poszanowaniu ambicji każdego z uczestników.
 - Podporowanie szans 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 dobranych 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**
- 15 młodych migrantów biernych 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 Numeruomini



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 užitečný růst a šířit tak skutečnou kulturu integrity. Na podporu preventivní politiky skupiny proti společnosti Brembo zavedla systém globálního a integrovaného dodržování pravidel a vytvořila se nástroj, jejichž cílem je zaručit vysoký etický standard.



- CIL**
- Podporit přijetí etického a transparentního systému vedení.
 - Rozvíjet a šířit základní hodnoty společnosti.
- AKCE**
- Dále jsou uvedeny některé kodexy společnosti Brembo.
 - **Etický kodex:** formuluje normy chování, jímž 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.
 - **Vzor 231 a Místní privacy dodržování 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 přímot stejné chování, jaké definovala skupina Brembo v oblasti užitečnosti, a převést je do svého dodavatelského řetězce.
- VÝSLEDKY**
- Podpora užitečného růstu a ochrana dobré pověsti společnosti.
 - Silnější kultury integrity ve vztazích a v chování.

Více informací:
brembo.com - sustainability - ESG - governance - codes and policies



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 Ergos.



- 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 / 1,200 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. avoid 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





Organizational structure

Resilience and dynamism.

Building an organisation able to adapt to a changing context. Value creation stems from an harmonious balance of an increasingly open global vision, a strong and effective governance and a solid structure.





3. Organisational structure

3.1 Corporate Governance Model

Brembo has structured a sound Corporate Governance Model based on the recommendations of the 2020 Corporate Governance Code and best international practices, through which it meets the interests of all its stakeholders effectively. Over the years, the Group has paid particular attention to ensuring that its corporate structure always complies with best international practices, that its own reference Codes are kept up to date and its processes for managing both operating and sustainability risks are improved.

**4,501**

Number of people trained on ethical topics

**45%**¹³

Proportion of women on the BoD

**63.6%**

of the BoD members with ESG-related skills:

**7**

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

The new Corporate Governance Code

As of March 2020, the Group has monitored the developments and interpretative discussions relating to the New Corporate Governance Code in effect since 1 January 2021. To this end, Brembo participated actively in the many alignment and/or analysis meetings organised by Assonime for detailed

exploration of all aspects of the New Corporate Governance Code (hereafter referred to as “2020 CGC”).

In 2021, Brembo thus prepared a new Brembo’s Corporate Governance Code, which was circulated in preliminary

¹³ 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.

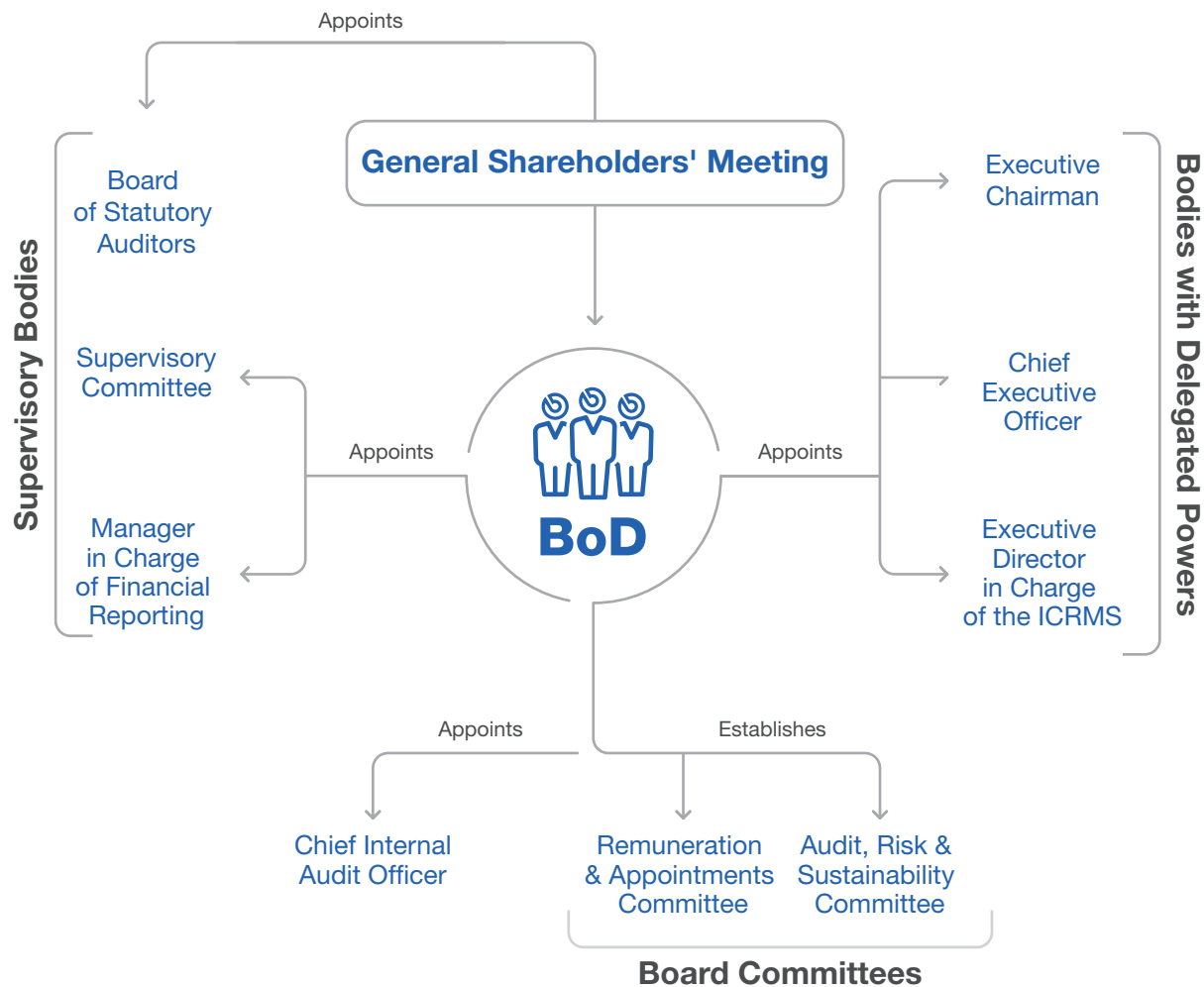


consultation on 15 October 2021 to the members of the Audit, Risk & Sustainability Committee and Board of Statutory Auditors — along with comparative details, underscoring the proposals for deviations and reasons for the same — and then to all Directors.

The new Brembo's Corporate Governance Code was then expanded to include some formal suggestions, and on 25 October 2021 once again forwarded, in its final version, to the members of the Audit, Risk & Sustainability Committee and Board of Statutory Auditors, who gave their approval on 9 December 2021.

Following the above in-depth analysis, on 17 December the Board of Directors of Brembo S.p.A. thus approved the final text of the Brembo's Corporate Governance Code (hereafter referred to as "Brembo's CGC"), which incorporates all the principles and recommendations of the 2020 CGC, examined and evaluated by the Board of Directors on the basis of the principle of the prevalence of substance over form and also of the comply-or-explain principle.

The concrete application of the principles and recommendations provided for by the 2020 CGC is illustrated in the 2021 Corporate Governance and Ownership Structure Report (in the official website of the Group, section Company, Corporate Governance, Corporate Governance Reports).





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.

► Shareholders' Meeting.

It is the body through which corporate intentions are forged and expressed for subsequent implementation by the Board of Directors 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	178,729,705	53.527	357,463,370	69.688
2		BREMBO SPA	ITALIAN	10,035,000	3.005	10,035,000*	1.956
3		STATE STREET BANK AND TRUST CO	U.S.	8,105,963	2.428	8,105,963	1.580
4		MAWER GLOBAL SMALL CAP FUND	CANADIAN	6,765,451	2.026	6,765,451	1.319
5		CITY OF NEW YORK GROUP TRUST	U.S.	5,026,584	1.505	5,026,584	0.980
6		VANGUARD INTERNATIONAL VALUE FUND	U.S.	4,513,767	1.352	4,513,767	0.880
7		BANK OF ITALY	ITALIAN	3,354,123	1.004	3,354,123	0.654
8		MAWER GLOBAL EQUITY FUND	CANADIAN	3,058,396	0.916	3,058,396	0.596
9		GOVERNMENT OF NORWAY	NORWEGIAN	2,593,985	0.777	2,593,985	0.506
10		BNP PARIBAS SMALLCAP EU-ROLAND	FRENCH	2,024,014	0.606	2,024,014	0.395

* Treasury shares are not included in voting rights





Share capital

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

The Shareholders' Meeting on 18 April 2019 approved the amendment to Article 6 of the By-laws, introducing — pursuant to Article 127-quinquies of TUF — the increased voting right mechanism. The amendment aims to foster stable and loyal ownership by promoting medium/long-term investment in Brembo in order to support the Group's organic and non-organic growth strategy.

The company's By-laws thus provides for the allotment of two votes for each share belonging to the shareholder requesting to be registered in the Special List — maintained and updated by the Company — provided that the said share is held for a period of no less than 24 subsequent months starting from the date of its registration in such Special List.

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 512,947,515;
- shares entitling to the increased voting right mechanism are 179,025,265 out of a total of 333,922,250 shares;
- the overall voting rights are 358,050,530.

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 Board of Directors, whose most recent update was approved during the BoD's meeting of 17 December 2021.

► 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 BoD adopted its Regulations, for the first time in November 2017, to identify the criteria for its optimal composition and the rules and procedures for its functioning, in particular to ensure effective management of Board reporting. The most recent update was approved on 17 December 2021.





The activities performed by the BoD in 2021, also with the aim of pursuing the Sustainable Success, are illustrated in the 2021 Corporate Governance and Ownership Structure Report (in

the official website of the Group, section Company, Corporate Governance, Corporate Governance Reports).

Members of the Board of Directors

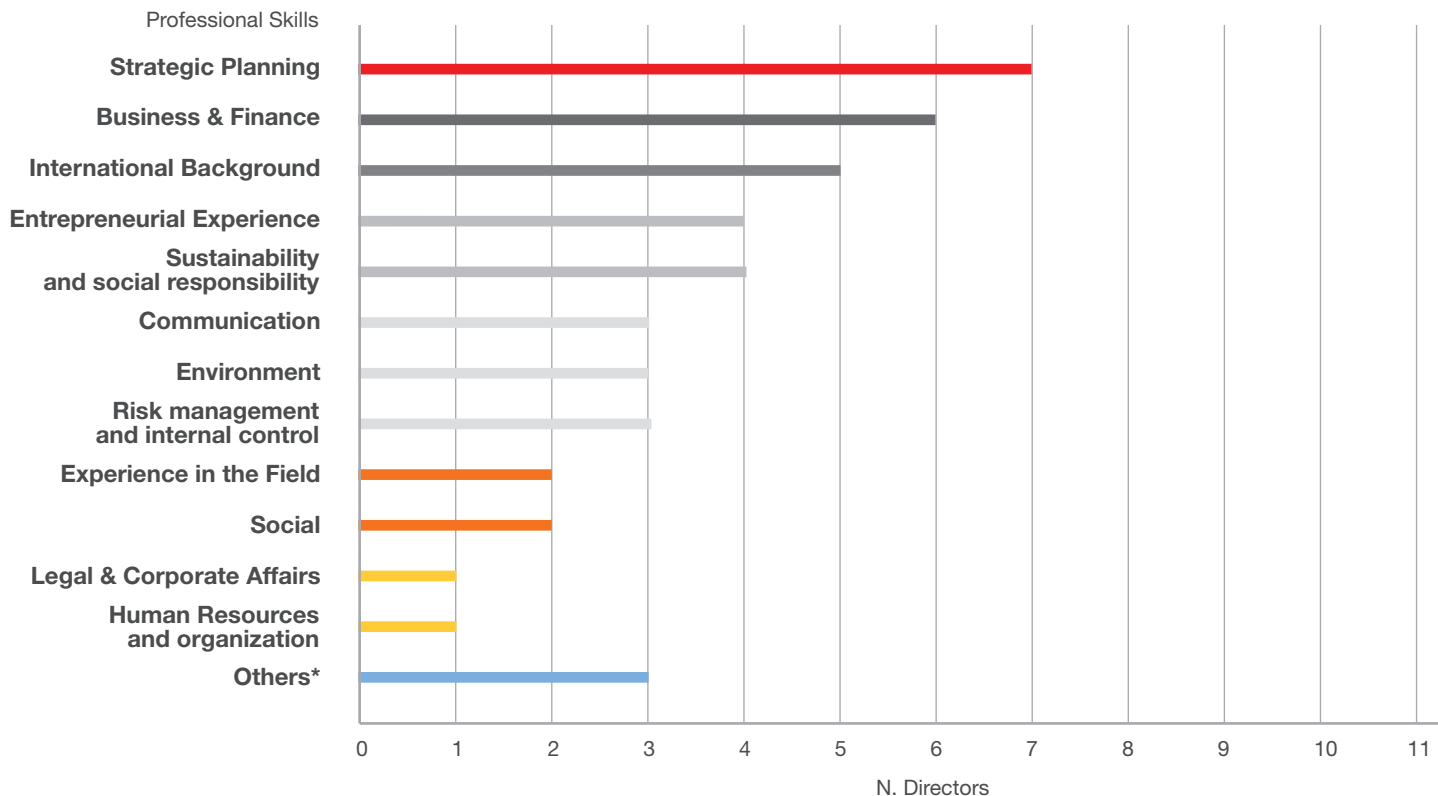
The current BoD, which was appointed by the Shareholders' Meeting held on 23 April 2020, is made up of 11 members will remain in office for the 2020-2022 three-year period, i.e. until the Shareholders' Meeting called to approve the Financial Statements for the year ending 31 December 2022. All the appointed 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 84. It should be noted that, following the resignation of Alberto Bombassei from his role as Chairman, the Shareholders' Meeting of 17 December 2021, on the proposal of

the Board of Directors, appointed Matteo Tiraboschi Chairman of the Board of Directors of Brembo. In accordance with the 2020 CGC, the powers attribute the Executive Chairman, *inter alia*, a more strategic and institutional role than in the past, identifying him as the liaison between the Company and its stakeholders.

On that same date, through an amendment to the By-laws on 17 December 2021, the role of Chairman Emeritus was introduced. Said role was attributed to Alberto Bombassei. A director or person external to the Board of Directors may be appointed Chairman Emeritus, provided that he or she has contributed to the Company's prestige and development notably and for a significant period of time.

BoD's skill Matrix 2021

Members of the BoD's skills - BPE 2021



* Others include the additional skills not listed above that each Director has declared independently.





Diversity policies and criteria for the Board of Directors

Brembo's Board of Directors approved the Board of Directors' Diversity Policies and Criteria, applicable with effect already from the Board's 2017-2019 term of office, which provide for new criteria, based on as objective a foundation as possible, in addition to those established by applicable laws and regulations, relating to the professionals to propose as candidates in order to ensure that the composition of the Board of Directors is adequate to the Group's size, position, complexity and the specific nature of its business sector and strategies.

These criteria take account of the adjustment of the minimum quota reserved to the less represented gender in the corporate bodies introduced by Law No. 160, of Law 27 December 2019¹⁴.

The Board of Directors' Diversity Policies and Criteria, indicated in the Corporate Governance Code of Brembo S.p.A. and the Regulations of the Board of Directors (and in line with the 2020 Corporate Governance Code), 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 administrative body's composition not only with regard to gender, but also experience, professionalism, age and other relevant aspects. Within these criteria, qualitative and quantitative criteria have also been formulated to be used to assess the significance of the relationships being examined for the purposes of assessing the independence of the Directors.

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.

The above-mentioned criteria constituted, *inter alia*, the basis for the orientation by the outgoing Board of Directors for the managerial and professional candidates to be nominated for the incoming company officers during the General Shareholders' Meeting of 23 April 2020 and the integration of the same during the Shareholders' Meeting of 17 December 2021.

For more information about the diversity criteria for the Board of Directors as defined by Brembo please refer to the 2021 Corporate Governance and Ownership Structure Report (<https://www.brembo.com/en/company/corporate-governance/corporate-governance-reports>).

¹⁴ 2020 Budget Law – which applies from the first renewal of the governing and control bodies of companies listed in regulated markets after the law enters into force, i.e. after 1 January 2020. Article 1, paragraphs 302 and 303, provides that: i) the three terms of office be extended to six terms; ii) at least 2/5 (no longer at least 1/3) of the members of the relevant governing or control body be reserved for the less represented gender.



Composition of the Board of Directors and of Board Committees - 2021

Board of Directors													2021 Meetings	Audit Risk & Sustainability Committee/ Related Party Transactions Committee	Remuneration & Appointments Committee
Office held	Name and surname	Year of birth	Date of first appointment ¹	In office from	In office until	List ²	Exec.	Non. exec.	Indep. as per Code	Indep. as per TUF	Attendance rate at 2021 meetings ³	Other offices held ⁴	Attendance rate at Shareholders' Meetings of 22.04.2021 and 17.12.2021	Member	Member
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 (coopt.)	23.04.2020	Approval of the Financial Statements at 31.12.2022	Ma	x				100%	–	100%		
Director	Cristina Bombassei	1968	16.12.1997 (coopt.)	23.04.2020	Approval of the Financial Statements at 31.12.2022	Ma	x				100%	–	100%		
Director	Elisabetta Magistretti	1947	23.04.2020	23.04.2020	Approval of the Financial Statements at 31.12.2022	Ma		x	x	x	87.5%	2	100%	x (100%)	
Director	Elizabeth M. Robinson	1956	23.04.2020	23.04.2020	Approval of the Financial Statements at 31.12.2022	Ma		x	x	x	100%	3	100%		x (100%)
Director	Laura Cioli	1963	20.04.2017	23.04.2020	Approval of the Financial Statements at 31.12.2022	Ma		x	x	x	87.5%	3	100%	x (Chair) 100%	x (100%)
Director	Gianfelice Rocca	1948	29.04.2011	23.04.2020	Approval of the Financial Statements at 31.12.2022	Ma		x	x ⁵	x	100%	8	50%		
Director	Umberto Nicodano	1952	03.05.2000	23.04.2020	Approval of the Financial Statements at 31.12.2022	Ma		x			100%	–	100%		
Director (LID)	Valerio Battista	1957	20.04.2017	23.04.2020	Approval of the Financial Statements at 31.12.2022	Ma		x	x	x	87.5%	2	100%		
Director	Nicoletta Giadrossi ⁶	1966	20.04.2017	23.04.2020	Approval of the Financial Statements at 31.12.2022	Mi		x	x	x	100%	3	50%	x (100%)	x (Chair) 100%
Director	Roberto Vavassori	1959	17.12.2021	17.12.2021	Approval of the Financial Statements at 31.12.2022	Ma	x				100%	–	100%		
Number of meetings held during the year of reference (2021)											BoD: 8	Shareholders' Meetings: 2	Audit, Risk & Sustainability Committee: 7	Remuneration & Appointments Committee: 4	
Directors who left office in 2021															
Chairman Emeritus	Alberto Bombassei	1940	21.12.1984	23.04.2020	17.12.2021	Ma	x				100%	–	100%		

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; 'coopt.' means the date of co-optation by the Board of Directors.

² This column indicates the list from which each Director was appointed ("Ma": majority list; "Mi": minority list). It should be noted that Brembo's By-laws does not provide for the possibility for the outgoing Board of Directors to submit its own list.

³ This column shows the Directors' attendance rate at the meetings held by the BoD or Board Committees in 2021 (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 companies listed on regulated markets, including foreign markets, financial companies, banks, insurance companies and large companies. Said information can be obtained from their respective

statements. It should be noted that the maximum number of Directorships and Auditorships in listed companies is set at four. Positions at listed companies in which the Director also holds a significant equity interest should not be considered. The positions of each Director are indicated in his or her respective Professional profile.

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.



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 and is also tasked with ensuring that the effective remuneration is consistent with the principles and criteria defined in the Policy.

Brembo's 2021 Remuneration Policy mainly aims at giving a tangible contribution to the Group's corporate strategy and sustainability, taking into account its medium/long-term strategic direction, in order to assure *attraction* and *retention* for all the key roles with the necessary credentials and skills to ensure that value is created for all stakeholders, including shareholders, employees, customers and suppliers.

The 2021 Policy¹⁵, incorporated into the Remuneration Policy and Remuneration Paid, was examined by the BoD on 4 March 2021, 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 22 April 2021¹⁶.

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 in a clear, transparent and intelligible way, the general principles and purposes pursued, information regarding the governance of the process aimed at defining Brembo's Remuneration

Policy with details of the main Bodies and Parties involved, as well as information on the purposes, tools and recipients of the said policy.

Section I of the Report on Remuneration Policy and Remuneration Paid, in accordance with the provisions of Legislative Decree No. 49 of 10 May 2019, is subject to the binding vote of the Ordinary Shareholders' Meeting, called to approve the 2021 Financial Statements.

► SECTION II: organised into two parts and audited, in accordance with the provisions of Legislative Decree No. 49 of 10 May 2019, by the firm EY S.p.A., appointed to perform the audit. The first part contains an illustration of each of the components of remuneration paid to the members of the Board of Directors, the members of the Board of Statutory Auditors and Key Management Personnel in 2020, in accordance with the Remuneration Policy adopted for that year. The second provides a detailed account of the compensation paid during the reporting year, in any capacity and form, by the Company and its subsidiaries and associates, using the tables annexed to the Report, which are an integral part thereof.

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 2021 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.

In line with corporate values and consistent with company's regulations and stakeholders' expectations, the Policy, like previously, is structured so as to achieve a twofold objective:

¹⁵ <https://www.brembo.com/en/company/corporate-governance/remuneration-policies>

¹⁶ 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).



- ▶ defining a remuneration system based on ethics, quality, proactivity, belonging and enhancement, and able to both attract and retain human resources who, thanks to their excellent professional skills, can successfully manage and operate within the Company;
- ▶ motivating those resources to achieve increasingly challenging performance targets aiming at constant improvement, also through the adoption of incentive schemes designed to orient them towards the fulfilment

of strategic business objectives, hence creating value in the medium-to-long term and aligning the management's interests and shareholders' expectations.

Finally, 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).

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. 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	ATTENDANCE RATE	PRESENCE OF INDEPENDENT MEMBERS
Remuneration & appointments committee	4	100%	100%
Audit risk & sustainability committee (Which also acts as the related party transactions committee)	7	100%	100%
Lid (Lead Independent Director) + independent directors	3	100%	100%

The Committees' composition and duties and the activities performed in 2021 are illustrated in the 2021 Corporate Governance and Ownership Structure Report (www.brembo.com).

www.brembo.com, section Company, Corporate Governance, Corporate Governance Reports).



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.

Induction activities performed in 2021, during Board or Board Committees' meetings, referred to law and regulatory changes relating to tax offences within the scope of the 231 Model; the automotive market performance; the recent non-financial reporting standardisation trends and the evolution of the sustainability reporting context, as well as the new European Directive on Taxonomy; the analysis of the results of voting with regard to the Reports on Remuneration Policy; and Brembo's Succession Plan & Talent Management Process.

Moreover, in order to promote and foster that also non-executive members of the Company's Board of Directors and Statutory

Auditors have a more direct knowledge of the different entities in which the Group's business is structured and the specific features of each entity, a plan of visits at the Group's plants is regularly defined. It should be noted that, in 2021 as well, the Company decided to postpone plant visits until the end of the Covid-19 emergency, in compliance with the established safety measures and protocols.

► Board of Statutory Auditors.

It is the body in charge of supervising compliance with the law and corporate By-laws, observance of the principles of sound management and adequacy of the organisational, administrative and accounting structures adopted by the Company.

The Board of Statutory Auditors has been identified with the "Internal Control and Audit Committee" pursuant to Legislative Decree No. 39/2010 (as amended by Legislative Decree No. 135/2016), 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.

The General Shareholders' Meeting held on 23 April 2020 appointed the new Board of Statutory Auditors for the three-year period 2020-2022 that will remain in office through to the date of the General Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2022. The Board of Statutory Auditors is composed as shown in the table below, and was appointed based on the two lists presented respectively by the Majority Shareholder Nuova FourB S.r.l. and a group of Asset Management Companies and other institutional investors (holding 2.27836% of the share capital, overall).

All members of the Board of Statutory Auditors satisfy the eligibility, integrity and professionalism requirements laid down by the law. In addition, the Acting Auditors shall be chosen from persons who qualify as independent as per provisions of the 2020 CGC.



Board of Statutory Auditors - Composition at 31 December 2021

Office held	Name and surname	Year of birth	Seniority of service appointment ¹	In office from	In office until	List ²	Indep. as per Code	Weight of other offices held ³	Attendance to Board of Statutory Auditors' meetings in 2021 ⁴	Attendance to Board of Directors' meetings in 2021 ⁴	Attendance to the Shareholders' Meetings ⁴
Acting Auditors											
Chairwoman	Raffaella Pagani	1971	29.04.2014	23.04.2020	Approval of the Financial Statements at 31.12.2022	Mi	x	4.39	100%	100%	100%
Acting Auditor	Mario Tagliaferri	1961	20.04.2017	23.04.2020	Approval of the Financial Statements at 31.12.2022	Ma	x	5.95	100%	100%	100%
Acting Auditor	Paola Tagliavini	1968	23.04.2020	23.04.2020	Approval of the Financial Statements at 31.12.2022	Ma	x	5.45	100%	100%	100%
Alternate Auditors											
Alternate Auditor	Stefania Serina	1984	23.04.2020	23.04.2020	Approval of the Financial Statements at 31.12.2022	Ma	x	–	–	–	–
Alternate Auditor	Myriam Amato	1974	29.04.2014	23.04.2020	Approval of the Financial Statements at 31.12.2022	Mi	x	–	–	–	–
Number of meetings held during the year of reference (2021)									Board of Statutory Auditors: 10	Board of Directors: 8	Shareholders' Meeting: 2

NOTES

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

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

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

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

⁴ This column shows the percentage of the Board of Statutory Auditors' and Board of Directors' meetings, as well as Shareholders' Meetings attended by Statutory Auditors in 2021 (No. of meetings attended/No. of meetings held during the Auditor's actual term of office); preparatory meetings and induction sessions are not included.





Diversity policies for the Board of Statutory Auditors

When company boards were renewed for the period 2020-2022, the outgoing Board of Directors expressed its position to the Shareholders on the managerial and professional figures deemed as key or relevant, to be valued together, and therefore in the lists of candidates for the control body in order to ensure adequate diversity of the members of the administrative body.

It should be noted that, in addition to the applicable statutory and regulatory requirements, by updating Brembo S.p.A.'s Corporate Governance Code on 7 November 2018, the Board of Directors also approved diversity-based criteria, including related to gender issues, in addition to those established by applicable laws and regulations. These criteria aim at ensuring the composition of a control body that is adequate to the Group's size, positioning, complexity and the specific nature of its business sector and strategies. These criteria were also confirmed in the Brembo's Corporate Governance Code approved on 17 December 2021.

In detail, the prerequisites for candidates to the position of Statutory Auditor include the following:

Minimum quota reserved to the less represented gender determined in accordance with the laws and regulations in force, that at the time of approval of the document is 1/3¹⁷;

For more information about the diversity criteria for the control Body as defined by Brembo please refer to the 2021 Corporate Governance and Ownership Structure Report (<https://www.brembo.com/en/company/corporate-governance/corporate-governance-reports>).

¹⁷ For the three-year term 2020-2022, the 2020 Budget Law applies, with the following exception: it being understood that where the application of the distribution criterion between genders results in a non-integer number, this must be rounded down to the next lower unit. Therefore, the rounding-down criterion and the 1/3 quota applies for the Board of Statutory Auditors.



► Independent Auditors.

It is an external entity in charge of the statutory audit appointed by the Shareholders' Meeting. The audit firm EY S.p.A. has been appointed for the years 2013 to 2021. Given the imminent end of the term of the current Independent Auditing Firm, the General Shareholders' Meeting convened on 22 April 2021 granted the mandate for auditing the accounts of Brembo S.p.A.¹⁸ to Deloitte & Touche S.p.A. for a 9-year term, i.e. for the years ended 31 December 2022-2030, on the basis 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 the abuse of the powers assigned.

On the basis of the new top management organisational structure approved by the Shareholders' Meeting on 17 December 2021, the Board of Directors granted new powers to Matteo Tiraboschi as Executive Chairman and to Daniele Schillaci as Chief Executive Officer.¹⁹ The changes in powers were necessary to

implement the new governance structure, which, in any event, did not entail a significant change in the structure of powers granted (including those regarding workplace health and safety, which continue to be responsibility of the CEO).

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

The new structure is focused on the diversification of the duties and responsibilities of the delegated bodies (the Executive Chairman and CEO) and is intended to make the most of the respective professional and personal aptitudes, competencies and characteristics of the delegated bodies, 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. In addition, in accordance with the 2020 CGC, adopted by the Company, the powers attribute the Executive Chairman a more strategic and institutional role than in the past, identifying him as the liaison between the Company and its stakeholders.

It should be noted that, on the basis of the Brembo Group's organisational and corporate structure (company with concentrated ownership), the BoD has decided to assign also an executive role to the Chairman to ensure optimal use of the wealth of knowledge, experience, values and skills gained over time by the founder of Brembo, that will be able to continue its growth and development without interruption, in accordance and harmony with its past and identity.

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.

¹⁸ 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.

¹⁹ Until 17 December 2021, on the basis of the succession plan approved on 6 June 2011, the Board of Directors had split these powers between the Chairman, Executive Deputy Chairman and Chief Executive Officer. Until that date, authority to delegate powers was vested solely in the Chairman of the Board, the Executive Deputy Chairman, and Chief Executive Officer (exclusively in relation with powers concerning safety and environment), on the basis of specific powers vested in the latter by the Board of Directors, without prejudice to specific Board resolutions.





BLGIS – Legal, Governance, Legal-Compliance and IPR System

To ensure compliance with all applicable laws and regulations in an increasingly complex legal framework, Brembo's Legal and Corporate GCF has developed a system called "Legal, Governance, Legal-Compliance and IPR System (BLGIS)", characterised by a common language and standards and by clear and shared objectives.

The Legal and Corporate GCF shares, adopts, promotes and ensures — within the BLGIS system — a culture of lawfulness, respect of the Group's values, openness to diversity, and the principles entrenched in Brembo's Code of Ethics and Antibribery Code of Conduct.

Moreover, the Legal and Corporate GCF avails of Legal Advisers/external Consultants for the BLGIS system full implementation and ongoing improvement in the context in which the Group operates with special attention to developing specialist, business-oriented know-how and soft skills required to contribute excellent support during negotiations and in managing critical situations.

Legal activities cover all contractual and litigation activities involving the knowledge and use of all legal aspects as levers for:

- ▶ **prevention of legal and/or reputational risk**, which is one of the cornerstones of Brembo's Code of Ethics;
- ▶ **dynamic management of the business** through the analysis, negotiation and drafting of several contracts and contractual Standards, capable of protecting Brembo's interests and/or preventing the risks and/or losses arising from non-performance or partial performance of those contracts and standards;
- ▶ **management of disputes** that may involve the Group, with the exception of those relating to the management of labour relations, which are the sole responsibility of the HRO function.

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. They are approved by the Board of Directors.

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 Tools²⁰) 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 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.

²⁰ The Brembo Codes of Conduct and Policies are available for public consultation at <http://www.brembo.com/en/company/corporate-governance/codes-policies>



► **Code of Ethics.** This Code sets out the behavioural standards that must be adhered to by all those who, for whatsoever reason, work on behalf of Brembo, in order to support sustainable growth and protect the company's reputation, in compliance with the principles shared on a Group level, applicable laws and best practice. The document encourages the understanding of and respect for diversity in countries where Brembo operates, and fostering a real culture of integrity with all the company's stakeholders. The third edition of the Code of Ethics, approved by the Board of Directors in December 2016, is available in the local languages of the Countries where Brembo operates. In 2021, the Code of Ethics was also extended to the Danish company SBS Friction A/S acquired in the same year, and its content was translated into the local language and disseminated to employees. Moreover, an e-learning course on the principles and values defined in the Code was organised.

► **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. The second edition of the Code was approved by Brembo S.p.A.'s Board of Directors in July 2017 and circulated to all Group employees.

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. As was the case for the Code of Ethics, in 2021 the Anti-bribery Code of Conduct as well was extended to the Danish company acquired in the same year and its content was disseminated to employees.

Moreover, in addition to this information activity, the Legal and Corporate Affairs GCF provided training sessions reserved to employees.

► **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 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. The 231 Model is made up of:

- a General Section illustrating the Company's profile, the regulations of reference, the purpose of the 231 Model and the ways in which it is constructed, the recipients, the Regulation of the Supervisory Committee, as well as the disciplinary system and the measures to be implemented in terms of staff training, dissemination, and amending and updating processes;
- several Special Sections focusing on specific types of offences which — in light of Brembo's profile and business operations — could, in the abstract, be committed within the company; these sections define the principles of conduct and preventive measures that the Company has adopted;
- Sensitive Activity Analysis Sheets that can be broken down by offence and sensitive area, and provide the following information: (i) description of the underlying Offence; (ii) description of the Sensitive Area at risk of commission of the aforesaid underlying Offence; (iii) persons involved in the Sensitive Activity; (iv) Control Environment; (v) description of the Controlling & Prevention Measures in force.

As part of the Model 231 update, carried out in 2021, a check was performed of the existence of any new prevention protocols put in place by the Company and the progress of improvement actions arising from audit activities that impact on the control protocols contained in the various reference reports. These activities also included the start of an evaluation of any impacts on processes sensitive for the category of both public and private corruption offences, taking into account the update of the Confindustria Guidelines issued in July 2021. As this analysis did not reveal any variances and the protocols/measures indicated in the reports were found to be adequate, the existing paragraphs required minimal additions, including a reference to the Brembo Group's IT 27001 certification. It should also be noted that a comparison was made with the "Assonime Notes and Studies 10/2021" regarding the composition and functioning



of Brembo's Supervisory Committee, which indicated that Brembo S.p.A.'s Supervisory Committee is in line with the best practices highlighted in the survey.

In 2021, the work on controlling, monitoring and preventing 231 offences continued steadily throughout the year and no impacts/effects caused by the continuing health emergency were detected.

► **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. 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. On 10 May 2021, the Board of Directors approved an update to Brembo S.p.A.'s Related Party Transactions Procedure, with the favourable opinion of the Audit, Risk & Sustainability Committee of 4 May 2021, incorporating the amendments to

the RPT Regulation introduced by Consob by Resolution No. 21624 of 10 December 2020 (in implementation of Legislative Decree No. 49/2019 transposing the SHRD – Directive EU No. 2017/828).

► **Antitrust Code of Conduct.** This Code was approved by Brembo S.p.A.'s Board of Directors on 9 November 2017, 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 2019, the local Boards of Directors of the European subsidiaries implemented the Brembo's Antitrust Code of Conduct with an Addendum (translated into the local language) with the aim, *inter alia*, of indicating and modifying (where necessary) employees' behaviour in accordance with local legislation. In reference to the Covid-19 emergency, on the basis of the analysis and assessments conducted with regard to Brembo's compliance with the antitrust safeguards established in the code, the Company does not believe that there have been any particular impacts, in the sense that, thanks in part to the training activity performed and the progressive monitoring carried out within the framework of ordinary legal activities, the application of preventive provisions and measures continued constantly and positively. During this emergency phase, 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. During this emergency phase, the Company and its personnel acted in full accordance with the rules, proving full, concrete maturity in understanding and applying them.

In line with 2020, in 2021 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 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, 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 employees and contractors 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. Furthermore, the Group has established the dedicated email address privacy.italy@brembo.it, which stakeholders can use 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). This email address is also one of the main channels for data subjects to exercise their rights. 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 with 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 interested parties, the training activity carried out and planned and any requests received from the Supervisory Authorities.

During the COVID health emergency, the regulatory framework was constantly monitored by the main functions involved (specifically, the Legal and Corporate Affairs GCF - Compliance Area-, the HRO GCF, the DPO, the Privacy Oversight Board) on an ongoing basis, and all data processing provisions and measures (including the specific documentation implemented) were implemented in full compliance with the rules. The training and awareness-raising

activities progressively carried out on these issues involving the various privacy contact persons and all employees contributed to this result.

In 2021, there were no reported instances of data protection breach or customer data leaks at Brembo.

- **Code of Basic Working Conditions.** Introduced in 2011, this Code highlights Brembo's commitment to the recognition that its most important asset is the workforce in all its worldwide sites. It sets out the underlying principles assuring a respect for workers' human rights.

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

- **Policy on Non Discrimination and Diversity.** Through this policy, Brembo recognises and promotes the positive value of diversity and demonstrates its commitment to combating any form of discrimination, based on gender, race, colour, religion, creed, age, ethnic origin, national origin, civil status, pregnancy, disability, sexual orientation or any other characteristic or personal condition, within the context of all working relations. In particular, Brembo undertakes to ensure that all people 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 S.p.A. publishes its Modern Slavery Act annually (lastly amended in May 2021). 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. z o.o. and Brembo Czech s.r.o.). 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.

- ▶ **Supply Chain Policy.** Issued and published at the end of 2017 on the company’s website, the new version of the Supply Chain Policy expresses Brembo’s commitment to selecting potential suppliers that are able to supply products and services in line with the Group’s approach to quality and customer satisfaction. The criteria and methods of selecting and interacting with the suppliers are designed to ensure that components purchased are of adequate levels of quality and reliability, and also that the related environmental aspects are managed correctly.
- ▶ **Supplier Code of Conduct.** Published in 2017, it summarises the principles contained in Brembo’s sustainability policy, with which the Group’s suppliers are required to comply. The signing of the Code is an essential prerequisite to register onto the “Brembo Supplier Portal”. This entails for suppliers

a commitment towards adopting the same sustainability behaviours defined by the Group, and to transpose them into their own supply chain. Additionally, the Code contains the guidelines for the control and monitoring of the implementation of sustainability principles by suppliers. In 2018, the Supplier Code of Conduct was published in the suppliers’ section of the Group’s website: <https://www.brembo.com/en/company/suppliers/supplier-policy>. Moreover, the Supplier Code of Conduct has replaced the Code of Basic Working Conditions in the list of annexes to the General Terms & Conditions of Purchasing that Brembo requires all suppliers to observe and that are included in every purchase order it issues. In fact, Brembo includes in contracts with its business partners specific references to the Code of Ethics, the Anti-bribery Code, the 231 Model and the Supplier Code of Conduct, mentioning the ethical and anti-bribery principles adopted by the Group and including withdrawal clauses should the other party be accused of predicate offences contemplated by Legislative Decree No. 231/2001. During 2021, Brembo embarked on a path to define the Brembo Sustainable Procurement Policy, incorporating the Purchasing Policy and the Supplier Code of Conduct, in order to formalise the



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 directly 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 their 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.



principles that the Procurement function promotes in the field of Sustainability within its organisation and in the relationship with its supply chain.

- ▶ **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 as of 2020 by the Parent Company, this sets out Brembo's commitment to a continual improvement in performance in the health and work safety area within the Group. It contains the principles, which are made public on the company's website, through the Safety & Safety Policy 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.
- ▶ **Global Tax Strategy and Brembo S.p.A.'s Tax Strategy.** 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.

Brembo's actions to combat corruption

As described in the preceding paragraph, Brembo has adopted various rules of conduct and general principles of behaviour that are contained in the Group's documents, in order to prevent the occurrence of bribery offences and monitor the risk of such offences being committed. 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). 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 e 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 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 clauses²¹ providing for:
 - the inclusion of clauses requiring compliance with Brembo's Code of Basic Working Conditions in agreements with suppliers;
 - the inclusion of "231 Clauses" in its contracts, including purchase orders, to emphasise the importance that Brembo attaches to the conduct of parties with whom it deals (ethical purpose); informing its counterparties of the Group's ethical values and principles of conduct, as set forth in its Code of Ethics and as provided for in Model 231, which underpins Brembo's conduct (information purpose); protecting its reputation; entitling Brembo to suspend for precautionary reasons or terminate the contract/relationship if the counterparty is charged (even only in "interim" proceedings) with one of the "predicate offences" envisaged by Legislative Decree 231/2001 (precautionary purpose)²²;
 - the inclusion in intellectual service agreements of the ability to withdraw on a discretionary basis, i.e., the ability to withdraw for compliance-related or other reasons. In addition, whenever the Client proposes contractual clauses that refer to ethical values, Brembo requires that both parties assume an obligation to comply with its Code of Ethics.

The other principles pursued by the Group include:

- prohibition (i) to engage in conduct aimed at exerting pressure or undue influence in the management of relations with the Public Administration and (ii) to submit untruthful statements to national, EU or foreign public bodies;
- prohibition of any conduct that is intended to induce, or actually induces, any person to render false testimony before any judicial authority whatsoever;
- on the occasion of M&A transactions all related due diligence activities are completed in accordance with best practices, including without limitation, counterparty reliability assessments, especially with a view to verifying the appropriateness of the investment;

- the "Gadget Catalogue" section which is constantly updated by the Communications Department, and includes an indication of the cost of each give-away. The Give-away Catalogue was set up to allow each employee to book corporate give-aways, specifying the intended beneficiaries;
- all payments made to third parties must be compliant with applicable prevailing corporate procedures and may in no event be made in cash. The Company does not make or accept payments in cash from customers;
- Pursuant to the provisions of Legislative Decree 231/2007, as amended by Decree-Law No. 78 of 31 May 2010, the Company requires the use of non-transferable bank drafts for payments to third-party suppliers (who are very few in number), as well as for withdrawals effected to cover business operations (cash disbursements to employees seconded on missions, as well as for postal services, etc.);
- any and all forms of payments or donations to political parties or organisations or leaders of the same must be made with a view to ensuring the utmost traceability and transparency of the payment, as well as in strict compliance with applicable regulations;
- the power to authorise specific donations or contributions to charitable organisations, business dealings with consultants and brokers, sponsorships is invested in a small number of persons, in accordance with Brembo's system of delegated powers, tasks and authorisations.

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.** The current Supervisory Committee is made up of three members, and was appointed by the Board of Directors on the occasion of the renewal of corporate offices by the Shareholders' Meeting held on April 23, 2020. It will continue to serve until the end of the term of office of the BoD, thus until the approval of the 2022 Financial Statements.

In accordance with Brembo's 231 Model concerning the requirements for members of the Supervisory Body (autonomy, independence, integrity and professionalism),

²¹ Brembo also requires its suppliers to comply with applicable regulations and the relevant provisions of Brembo's Model and the internal rules, but also subjection to audits aimed at verifying that the supplier also properly fulfils its compliance obligations.

²² It is understood that, regardless of the inclusion of the "231 Clause," protection is nonetheless always considered achieved when Brembo is granted a discretionary withdrawal option in a contract.



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. All members meet the requirements of autonomy, independence, integrity and professionalism aimed at ensuring continuity of action and an effective and efficient implementation of the Model.

Office held	Members	Attendance rate at meetings (6 meetings in 2021, in addition to preliminary meetings)	Position within the Audit, Risk & Sustainability Committee
External Director	Giovanni Canavotto	100%	Chairman
Independent Director	Elisabetta Magistretti	100%	Member
Brembo's Chief Internal Audit Officer	Alessandra Ramorino	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-corruption Code of Conduct, which apply across the Group. During the year, no violations of laws subject to the penalties provided for in Legislative Decree No. 231/2001 were reported.

The Supervisory Committee submits periodically, and at least once a year, a written report on the activities undertaken, together with a reasoned statement of account of any and all expenses, where applicable, 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. In addition, the Supervisory Committee implements ad hoc information flows, irrespective of the periodic flow forecast, if circumstances exist that make it necessary or, in any case, appropriate to provide information.

Bodies (collegial or single-member) with a similar function have been set up in both the Italian company Lacam S.r.l. and in the Spanish company Corporación Upwards '98 S.A. (by virtue of the Spanish legislation on corporate liability). These meet at least once a year with Brembo S.p.A.'s Supervisory Committee for an exchange of information on the activities carried out in the reference period.

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

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 and antitrust 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 without fear of potential reprisals that such a report or any further related investigations could generate.

In line with previous year, in 2021 as well there were no corruption-related complaints reported within the Group.

- **Training schemes.** Special training schemes for the Group staff 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. In addition, a copy of the Code of Ethics is distributed to all those who work for Brembo and to all new recruits. A presentation is available on the corporate Intranet detailing Brembo's Governance and Compliance System. This is meant to be used during training activities across all Group companies. 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 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 adoption of the first edition of the Anti-bribery Code of Conduct – November 2013).

The training campaign, which includes topics on ethics, antitrust, anti-bribery, compliance with Model 231/01 and GDPR, continued steadily in remote mode in 2021 as well, involving 38.62% of group employees (in particular, training at Group companies in Mexico, Czech Republic and Poland increased). Following the recent acquisition, the employees of

the new SBS 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 resources who have received Anti-corruption training is 1,359, i.e. 11.66% of the entire workforce (including 7.31% managers, 15% employees and 10.82% blue-collar workers). The script of the basic online course relating to Model 231 was updated during 2021. The programme will be disseminated to all employees as of January 2022.



4,501

Brembo People (S.p.A and Group) that received training in 2021 regarding Ethics, business integrity, Antitrust, Anti-bribery, compliance with the 231 Model, and privacy.

As far as Board members 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 and specific matters are examined in subsequent years of the three-year term. In 2021, these focused on regulatory changes within the scope of the 231 Model (tax offences and updates to the 231 Model in light of the new Confindustria Guidelines).

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. S.r.l. The course has been extended to all the Group's European companies, who are implementing it from time to time with the necessary local adjustments.

Antitrust training is an integral part of the company training scheme that is planned on an annual basis (Brembo Academy) 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.



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



3.3 Fiscal responsibility

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

In accordance with the principle of "corporate responsibility", Brembo acts in accordance with the values of honesty and integrity in the management of its tax activities, being aware that tax revenues are one of the main sources of the Group's contribution to the economic and social development of local communities. Therefore, Brembo's conduct is oriented towards compliance with the tax rules applicable in the Countries in which it conducts business, managing tax risk responsibly, while protecting its image and reputation. In this regard, Brembo considers taxes as a cost of doing business, which must be managed as such, with the aim of safeguarding the company's assets and pursuing the primary interest of creating value for stakeholders over the medium to long term.

To ensure tax compliance, Brembo has adopted a Tax Strategy at both global Group and local level through the Global Tax Strategy and the Tax Strategy of Brembo S.p.A. 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 website²³.

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 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 (such as 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, etc.) 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. Supervisory Board to ensure the reporting of irregularities or breaches of the

²³ Brembo S.p.A.'s Tax Strategy is available on the following website: <https://www.brembo.com/en/company/corporate-governance/codes-policies>.



Code of Ethics, the Anti-Corruption 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>.



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, implemented as of 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.



The IT contribution to Brembo's renewed strategy

Turning Energy into Inspiration is Brembo's strategic vision. The new IT strategy leverages the latest technologies to embrace inspiration and put "data" at the heart of every product, service and operation. To activate the strategy and ensure that we achieve our goals, Brembo focuses on the crucial success factors to create a safer and more sustainable world. We are committed to a better connected community where Brembo employees can easily collaborate with customers, partners and suppliers at global level.

More sustainable

Brembo is, clearly, committed to becoming carbon-neutral by 2040. The contribution of ICT GCF is to allow the business to achieve these objectives over time with the Green IT principles.

The ICT GCF applies these principles in all contracts and, in the process of selecting new IT suppliers, ensures that it only works with partners and suppliers who share Brembo's vision and are committed to achieving measurable sustainability goals.

Brembo has launched a digital transformation programme throughout the company, to streamline business processes and workflows, increasing the level of automation where possible. One of the key objectives is to create paperless processes by leveraging the latest technologies to increase efficiency and at the same time reduce the use of natural resources. Moving the energy-intensive on-premises infrastructure to a greener cloud and Software-as-a-Service environment will be a key priority for the IT providers selected, in order to help Brembo achieve its ambitious goals.

Seamless connect people

The ICT GCF is investing significantly in upgrading infrastructure globally. "Digital Workplace Anywhere" is one of the fundamental pillars of the new IT strategy. Brembo aims to connect people around the world using the latest technology, so that everyone can utilise their skills efficiently to collaborate, regardless of location, time or device.

More secure

As the world moves rapidly in a direction where products and services are becoming "smarter" and technologies like artificial intelligence will become the new normal, we need to make sure that everything we do, create or use is secure by design. Therefore, Brembo is continuously improving the practice of CyberSecurity, protecting corporate assets and proactively monitoring potential threats, to anticipate and react appropriately, if necessary. The Group complies with industry security standards and is ISO 27001 certified, as well as being constantly committed to increasing its experience in the field. In addition, Brembo is clearly committed to going further and is promoting additional automotive industry standards — such as TISAX — to ensure that the entire ecosystem of customers, partners and suppliers is certified throughout the supply chain.

In addition to its desire to ensure security for Brembo, its customers and partners, the Group recognises that one of its top priorities is to create a secure digital workplace for employees by using effective solutions to protect data.



3.4 Internal Control and Risk Management System

A company's ability to manage corporate risks effectively serves to maintain its value in the interest of long-term sustainability. It is for this reason that Brembo has defined a precise Internal Control and Risk Management System (ICRMS), which forms an integral part of the Group's Corporate Governance system. This system has been defined in accordance with best national and international practices and includes specific rules, procedures and organisational responsibilities for identifying and managing corporate risks correctly.

The Internal Control and Risk Management 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.

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;
- ▶ the **Audit, Risk & Sustainability**, tasked with supporting the Board of Directors' evaluations and decisions on internal control and risk management issues, including those relevant from the standpoint of sustainability;
- ▶ the **Executive Director** in charge of the Internal Control and Risk Management System is tasked with identifying the main corporate risks by executing risk management Guidelines and verifying their adequacy;
- ▶ the **Management Risk Committee**, which is responsible for identifying and weighing the macro-risks and working with the system parties to mitigate such risks;



Brembo and the governance systems excellence index

On the 17th 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 2021, which refers to the 2020 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 topics addressed during the event ranged from the application of the principles of the new Corporate Governance Code compared to best practices in other international arenas, to the challenges raised by the economic-health emergency and its impact on companies and on organisational and decision-making processes, including for example the operating methods adopted by listed companies for holding their GM in 2021.

Brembo achieved excellent scoring in the EG Index, as it ranked among the top 5 companies in the FTSE ITALIA MID-CAP segment for the industrial sector out of a sample of 50 analysed companies. More specifically, it ranked **first** for its Control and Risk Management System, which takes into account factors such as the number of Control and Risk Committee meetings, 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 **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.



The Board of Directors (BoD) of Brembo S.p.A. on 20 January 2022, after consulting the Audit, Risk & Sustainability Committee, approved the new edition of the “Guidelines for the Internal Control and Risk Management System”; the new document reaffirms the principles and general vision of the Company on the subject of ICRMS, the overall and final examination of which is the responsibility of the Board of Directors annually, focusing on Brembo’s risk management policy and the objectives that guide the Internal Control System.

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.

Risk management is an integral part of decision-making and business management 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. With reference to risk management, Brembo has defined the following Guidelines and procedures:



Risk management policy

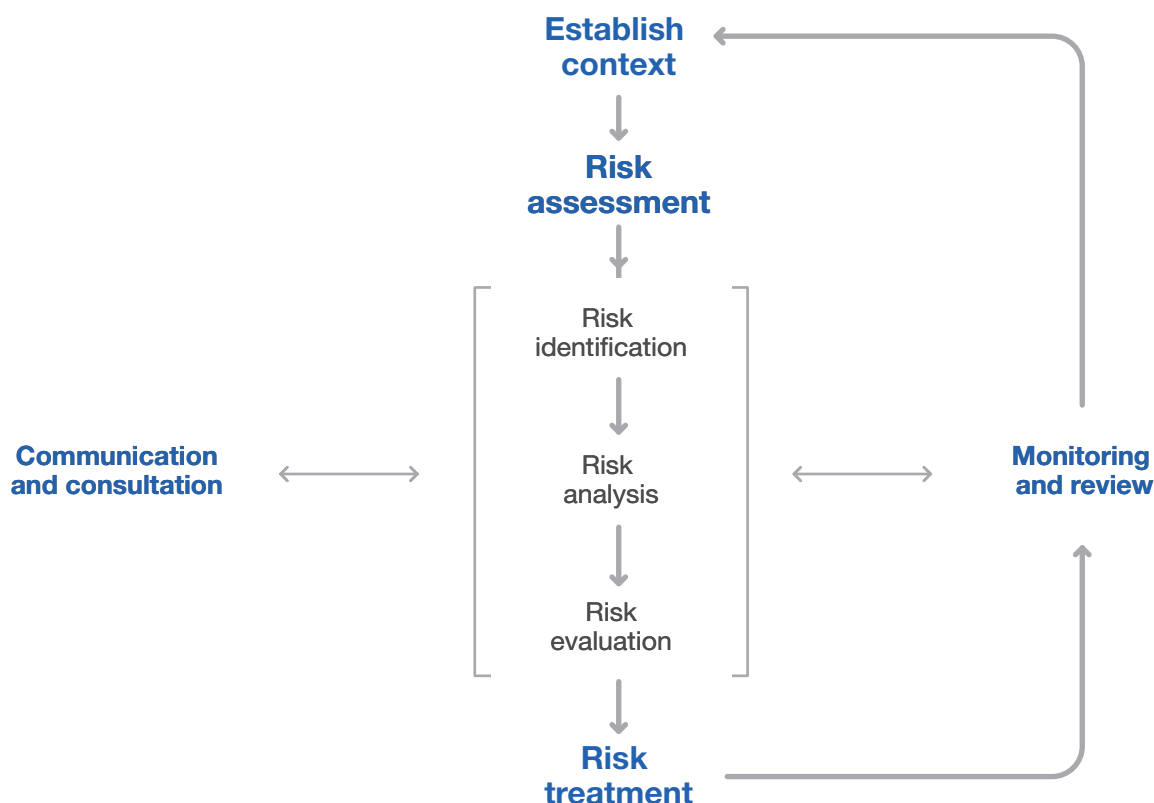
A **Risk Management Policy** based on **ISO standard 31000**, which establishes the Group's general direction and policies relating to risks, risk management and harmonisation of processes. The risk management policy pursues a variety of aims, including: increasing the likelihood that company

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.

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;
- **Evaluation:** designed to support the decision-making processes by identifying risks that need to be treated and the related priorities for action or implementation;
- **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.





Risk Model

A risk management process founded on a **Risk Model** consisting 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, 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 risks**: connected to ineffective and inefficient management of events arising in key financial markets: market risk, commodity risk, liquidity risk and credit risk.

For further information about risk families, reference should be made to the Risk Management Policy included in 2021 Annual Report²⁴.

Legislative Decree No. 254/2016

During 2021, 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 adopted an Environmental Risk Management System, an integral part of the Environmental Management System certified to ISO 14001:2015. In 2020, Brembo adopted ORME, a new software developed for the purpose of strengthening this management system. The software in its compliance module was made fully operational during 2021 while the implementation of a second module is planned for 2022 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.

²⁴ www.brembo.com, section Investors, Reports.



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 environment. To safeguard against such critical issues, the Group monitors emerging studies on the matter, above all in terms of assessment of such risks. Brembo has also mapped the current exposure of its production sites to the risk of natural disasters and the resulting risk profile is generally low: the peaks of exposure are in fact at an intermediate level and concern the risk of hail in Italy, tornadoes in the USA and floods in Poland (Niepolomice) and China (Nanjing). In order to assess the evolution of current exposures, during the year Brembo started an assessment of the risks deriving from climate change inspired by the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures), demonstrating a deep interest in managing its exposure to climate-related risk. A further risk related to environmental issues concerns possible non-compliance with the regulations on chemical products, which are becoming increasingly more stringent worldwide. These regulations mainly relate to product end of life, with the aim of ensuring correct product recycling and disposal; Brembo is subject to these regulations both as a producer and as a consumer. The management of this risk is coordinated by the Environmental & Energy area through dedicated resources.

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 Code of Conduct 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.

Furthermore, in the second half of 2021, Brembo started to use a dedicated platform that allows the monitoring of potential risks inherent in the supply chain also through the use of Artificial Intelligence. Thanks to this tool, Brembo is able to receive real-time alerts from the web that notify the presence of a risk event or situation impacting its supply base.

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 humankind and human rights. In 2021, the percentage of Direct Material suppliers that completed the self-assessment questionnaire was 70.6%.

Brembo selects partners who share its values and gets them actively involved in the risk prevention process, launching 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.

In addition, one should note the peculiar regulatory context in China, where the existence of more stringent environmental requirements, in line with the implementation of the China Blue Sky anti-pollution Plan, could generate a risk for Brembo regarding interrupted supplies from some companies located in those areas. In this regard, the Group continued to implement specific supplier monitoring activities with regard to compliance with the ISO 14001 standard and updating to the most recent local legislation, as well as diversification, measures to mitigate this risk, identifying and selecting alternative suppliers.

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 monitors 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 is putting 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.

In 2021 as well, one of the company's priorities concerned the management of the risk associated with the Covid-19 emergency, both in terms of safeguarding people, as described in the special section, and its potential repercussions in terms of production continuity. In fact, quarantine situations, including preventive quarantine, and/or generalised confinement in certain geographical areas can result in a slowdown in activities. In line with last year, Brembo continued to promote the management of working from home for all those tasks where this was possible, continuing to monitor the evolution of the pandemic phenomenon.

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. In 2021, the Group launched a global engagement survey and constantly monitors its positioning compared to its competitors.

In some 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. Brembo constantly monitors the job market in the geographical areas of interest and periodically reviews the salary entry levels for the most critical roles. To help with the personnel search and selection process, the Group also employs specialist companies, as well as structured and strategic partnerships with the academic world, local research bodies and educational

institutions, within a broader context of talent attraction and retention policies. 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 carries out a periodic mapping of the skills of the professional manufacturing family, so as to identify the areas that, regarding the Industry 4.0 implementation plan, will be involved in targeted training pathways or will see development through the introduction of skills from outside. The Group is carrying out training campaigns which aims to promote new skills and accustom the company's workforce with the new issues 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, there is provision for the training offer in the technical-specialist area to be renewed constantly.

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 Compliance Tools. The system of delegation of power and authority, which is based on the separation of powers and ensures the full traceability and transparency of behaviour, in particular in cash transactions, is also an integral part of this system. The risk of corruption is also constantly monitored through regular audits. In addition, in order to spread and promote a culture of compliance and ensure the optimal dissemination and adoption of ethical



values, specific training plans are conducted for all employees (in Italy and internationally) on general principles of conduct. 2021 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 next year compliance programmes dedicated to the recently 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, development and production) based on homogenous quality standards and indicators. Again in order to ensure maximum safety, Brembo carefully controls the supplier selection and monitoring process through supplier site visits to check their ability to meet the quality and process requirements. In 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.



Brembo People

In each direction.

People from every continent and culture. At the centre is diversity: an invaluable treasure, driving improvement and ongoing progress. In an surprisingly and unexpected way, the one that only a multicultural environment can generate.



4. Brembo People

4.1 A Group that grows with talented people: where passion becomes work

Human capital represents the most important strategic heritage for Brembo, which firmly believes that the knowledge and skills of each and every one constitute the real competitive advantage behind the Group's ability to innovate and pursue excellence when manufacturing all its objectives.

**+10.7%**

Workforce increase compared to the previous year²⁵

**Over 275,000**

Training hours provided during the year

**100%**

ISO 45001 certified plants

For this reason, in line with its strategy's pillars, Brembo promotes the growth, development and continual enhancement of its employees' skills. Today, more than 12,000²⁵ 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 belonging and the motivation of everyone who works for the Group and, on the other, to consolidate its image as a "best place to work". This commitment is witnessed by the places obtained in Employer Branding-related rankings, such as the 2021 ranking drawn by Statista which saw Brembo rank fourth among the best employers in Italy in the industry of reference.

The Brembo brand's major ability to attract talented people, distinguished not only by their professional experience and abilities, but also by 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 2021, with a positive balance of 1,186 new staff compared to the previous year.

Brembo Group is thus able to rely on a dynamic, highly professionalised and qualified team, with 70% of the workforce having achieved a mid-high level of education and over 23% graduated university qualification, of whom more than 1,750 People, 15% of employees, holding a degree in engineering or other technical-scientific disciplines.

**12,225**

Brembo People²⁵

**40.11**

Years: average age

**+1,186²⁵**

People: headcount increase in 2021

²⁵ The figure includes the J. Juan's workforce (570 employees). The acquisition of the Group was finalised on 4 November 2021. Therefore, the scope of quantitative data relating to personnel which are indicated in Brembo Group's Disclosure of Non-Financial Information does not include such companies.



Constant research for and attraction of talents able to stand out for their ability to contribute and anticipate and exceed future challenges in a continually evolving context such as the one in which Brembo operates is 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. Brembo also works to offer its people

a positive and stimulating work environment with concrete opportunities for professional growth and job stability, pursuing dialogue with the trade union organisations where required. As proof of this commitment on the matter of employment more than 80% of staff are hired with an indefinite-term contract. In addition, the Group, consistent with the contents of the Code of Basic Working Conditions, applies collective bargaining when the law so require. In particular, as of today, 70.48% of the workforce is covered by a collective bargaining system²⁶.

People hired by geographical area²⁷ and gender (No.)

Geographical area	2019		2020		2021	
	Men	Women	Men	Women	Men	Women
Europe	600	138	344	93	483	130
America	434	128	482	89	873	161
Asia	308	27	868	48	850	52
Total	1,342	293	1,694	230	2,206	343

People terminated by geographical area²⁷ and gender (No.)

Geographical area	2019		2020		2021	
	Men	Women	Men	Women	Men	Women
Europe	569	100	456	102	424	103
America	390	102	367	65	658	140
Asia	422	32	714	48	700	46
Total	1,381	234	1,537	215	1,782	289

People hired and terminated by age in 2021

Age group	Hired	Terminated
≤30 years	1,570	1,050
31-40 years	653	566
41-50 years	263	261
≥ 51 years	63	194
Total	2,549	2,071

²⁶ The difference in the percentage of the population covered by a collective bargaining system compared to FY 2019 is due to a change in criteria of classification in Poland.

²⁷ The three macro-areas include the countries indicated below:

Europe: Italy, Poland, United Kingdom, Czech Republic, Spain, Denmark and other;

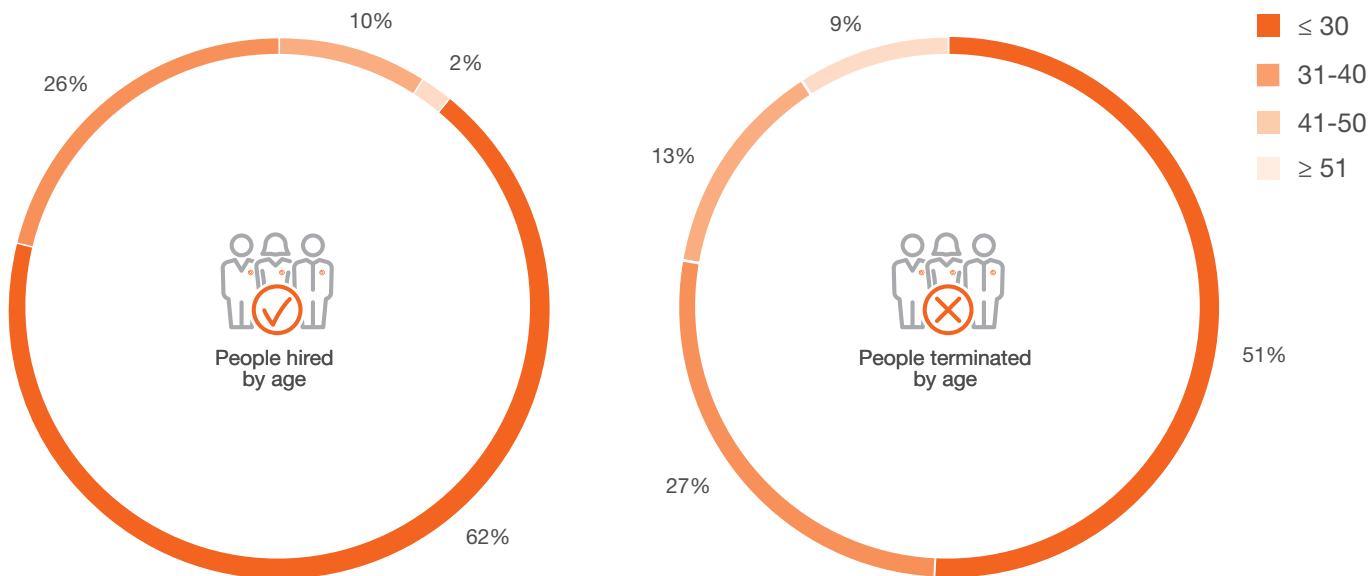
America: Brazil, United States and Mexico;

Asia: China, Japan and India.





People hired and terminated by age



Turnover in itself has not been a structural problem for Brembo over the years, as shown by the turnover data. However, in view of specific labour market situations detected in some Countries, the Group has decided to strengthen certain mechanisms for the periodic monitoring of terminations and the quality of voluntary resignations, analysing the reasons why people consider job opportunities outside the Group. As a safeguard measure for issues relating the attraction and retention of talents, the Group is committed to applying different strategies, such as close collaboration with Universities and Educational and Training Institutions, as well as the periodic analyses connected with the results of the Global Engagement Survey — all tools that have proven to be effective over the years. Non-financial reporting is seen by the Group 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, the various remedial measures are activated as necessary, in the broader context of the corporate meetings provided for by Brembo's annual Corporate Committee System.

As already mentioned, the Group believes that active collaboration with the higher education institutions (for example, amongst others, those in the Bergamo province, Italy), and the university institutions present in the various local areas where

it operates, is a key part of its own talent search and selection process. In order to place itself as a point of reference for many talents, Brembo has set up structured and strategic partnerships with more than 25 Universities worldwide (including the most prestigious in Italy, Sweden, Germany, Czech Republic, Poland, the United Kingdom, the United States and Mexico). This heritage is mapped annually through the annual structured "University Relations Mapping" process involving all the Group's companies at global level.

Among the various initiatives, Brembo S.p.A. also continued this year to offer scholarships that reward employees who are students and employees' children in possession of the necessary requisites, confirming the scholarships for students who obtain, with excellent results, the lower secondary school diploma, high school diploma, university degree and 1st and 2nd level university Masters with a technical-economic-scientific or humanities content.

Moreover, Brembo takes part in several *job fairs* and meetings (over these last years mainly in a virtual mode) with schools and universities, and promotes initiatives aimed at both making contact with those about to graduate and new graduates interested in the Group — informing them about 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 these communication channels with the Universities is proving to be fundamental, both for promoting a constant interchange of experiences, and for multiplying the occasions for reciprocal knowledge and bringing together valued people interested in the world of Brembo and its wealth of job opportunities.



The following are 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

Masters in Motor Racing Engineering,
Professional Datagest

Formula SAE Italy – Formula Electric Italy,
Student Competition

In this regard, 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 professionals and researchers make available their skills and experience to students. They do this both by giving students the opportunity

to spend time in the company on thesis, research or internship projects and by providing Brembo specialists to teach as part of certain specific training initiatives, such as the Accademia del Freno organised in collaboration with the Polytechnic University of Milan.

Collaboration with training and research Bodies and Institutions is also instrumental to promote 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 parallel, through a series of initiatives, the Company offers its collaboration in matching job supply and demand and improving intergenerational dialogue, firstly, Brembo's active participation in the We4Youth project, promoted by the Sodalitas Foundation. In fact, the Group takes an active part in the policy and management committees for the training offer of various universities (such as, *inter alia*, the Steering Committee of the Degree Course in Modern Foreign Languages and Literatures at the University of Bergamo), supports specific *training/apprenticeship programmes* and puts in place initiatives to support young people in actively approaching the world of work.



Brembo China Campus Recruitment: Recruiting Online for new talent

Brembo China continued to avail of the "Brembo China Campus Recruitment" to search for high-level talent and profiles online, especially technicians and engineers to work in the R&D Centre and in the Discs and Systems GBUs in China. The event takes place through two online conferences, in which a number of company managers, after giving a video presentation of the campus, provide the young graduates with an illustration of the Brembo world, automotive sector and the increasingly new innovation needs linked to braking systems. During the meetings there is also discussion of the careers in Brembo, the positions sought and the professional path offered by the Company, as well as the living conditions in Nanjing, Brembo China headquarter.

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. One of these is the "LIFT" (Leader's International Fast Track) initiative, the fourth edition of which was launched at the end of 2021. The

programme aims to nurture Brembo's global talent pool and foster the growth of the next generation of global leaders, ensuring, over time, the continuity of the business for the Group's key positions and the Company's competitiveness. The LIFT programme represents the opportunity for brilliant newly graduates to take part in an inter-functional and international



training pathway, lasting 27 months, and a job rotation scheme over three positions belonging to different business areas (production plants, platforms, technical and testing areas, etc.). The first job rotation occurs at Brembo S.p.A. Throughout the course, young people can rely on different company staff:

- a Human Resources and Organisation driver who follows the talent pool throughout the entire programme;
- a sponsor belonging to the C-Suite who meets the participant every six months;
- a mentor identified among the line managers assigned to each participant;
- a Human Resources and Organisation tutor who follows 2-3 participants with quarterly meetings;
- a direct manager who manages the participant for the entire period in which the person carries out the job rotation.

Brembo offers those embarking on their professional career in the Group — as an integral part of 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 staff 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.

For instance, 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 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 Group people (white-collars and blue-collars).

A number of local initiatives were organised to raise awareness of the survey and invite to participate in it.



Focus on Digitalisation: towards a new human resource management process

As part of Brembo's strategy to become a digital company, the Company has launched an important Digital Transformation Programme for the Group which includes the standardisation and digitalisation of processes relating to the management of the Group's human resources, and resulting in the adoption of a Group Human Capital Management System.

The benefits that can be obtained will be multiple. Some of these are mentioned below, purely by way of example and not limited to:

- ▶ **Speed of response:** instant availability of staff data and information to support decisions
- ▶ **Standardisation and Compliance:** standardisation and synchronisation of processes in the Human Resources area for all Brembo countries
- ▶ **Quality:** improvement of the Brembo employee experience
- ▶ **Efficiency:** simplification of reporting and analysis of KPIs and greater accuracy of data and consolidation of Human Resources data at Group level
- ▶ **Expanded Value Proposition:** opportunities to work in a more targeted way to develop skills and promote a useful mindset for addressing the complexity of technological and organisational innovation

The programme will continue with the implementation of processes and guidelines in the coming years and will also be accompanied by change management initiatives for Brembo People to encourage and support personal change.

The first process that was worked on in 2021 and that will be released in the first quarter of 2022 is the Performance Management (BYR).

At local level both in Italy and in the United States and Mexico, a payroll and attendance system migration process was managed using more sophisticated and respected providers in the local reference context.





Pulse Survey

Following the communication within the Group of the new corporate Purpose or the Vision, Mission and Values, and before the Global Engagement Survey was conducted, a “Pulse Survey” was carried out at the end of March by the Human Resources and Organisation GCF to “detect the pulse” of the organisation involving a sample of employees (about 400) – representative of the Group in terms of gender, generation, professional family, company and country (excluding China which had already conducted a similar survey at local level).

Response rate was 82.5%. People appreciated the widespread communication of the vision and mission and the pillars that support them and understood Brembo’s Purpose and the overall plan that will guarantee the Company’s success over time. They also expressed enthusiasm and engagement in this transformational challenge, aware that a change of mindset will also be necessary.



The media aimed at Brembo employees

Brembo strongly believes in the importance of internal communications: informing employees about what is happening in the Group at all levels (both business and geographical), sharing company addresses, celebrating successes and telling the stories of people who work in the company means involving them and creating a sense of belonging to the Company and the Brand.

Brembo achieves this goal primarily through two different editorial tools: the Intranet Red Portal, which can be used by all employees who have a computer, and the House Organ *MyBrembo*, distributed at all sites and also accessible to those who work in production in the plants.

The Brembo Intranet features editorial content produced in seven languages (Italian, English, Polish, Spanish, Czech, Brazilian Portuguese and Chinese), published periodically and relating to company’s main activities. Red Portal also provides users with infotainment content (animations, videos, podcasts).

The main indicators of the effectiveness and efficiency of Brembo’s Intranet are the number of news items published and the number of distinct users who access this content monthly.

During 2021, with the resumption of activities after the slowdown due to the Covid-19 health emergency, the number of news items published increased slightly compared to 2020, although not yet recovering the levels of previous years, while the number of users fell slightly.

The House Organ *MyBrembo* is a quarterly publication of 12-16 pages, produced in eight languages (Italian, English, Polish,

Spanish, Czech, Brazilian Portuguese, Chinese and Hindi) and distributed to all Brembo plants worldwide. Since 2020 the publication has also been available in all the languages on the Intranet Red Portal thanks to a page navigation function.

The topics covered are of a diverse nature, ranging from institutional (events, awards) and business matters (products, applications, fairs), to motorsport (products, victories) and news about the plants (growth, technology) to topics relating to the environment, stories of people and professions in the various locations around the world and information on Corporate Social Responsibility activities.

over 120	news published on the Red Portal in 2021
over 1,850	monthly users viewed at least one editorial content on the Red Portal
over 90	news published in the <i>MyBrembo</i> House Organ
over 22,000	copies of the House Organ <i>MyBrembo</i> distributed worldwide

The main indicators relating to this means of internal communication are the number of news items published, which indicates the degree of adherence to the company and its activities, and the number of copies printed and distributed in all the plants worldwide, which measures its level of dissemination amongst employees. During 2021, both indicators showed a recovery in the levels prior to the Covid-19 pandemic.





Brembo used this tool in 2021 to involve its employees in the celebrations dedicated to the 60th anniversary of its foundation, publishing a special edition of the *MyBrembo* house organ taken

from the publication “The beauty of innovation”, created for the 60th anniversary of the Company.

Intranet Red Portal	2019	2020	2021
No. of pieces of news published during the year	127	92	103
Average No. of users who viewed at least one editorial content	2,184	2,051	1,865
Brembo's House Organ			
No. of news published during the year	96	64	93
No. of copies distributed worldwide	20,876	13,240	22,091

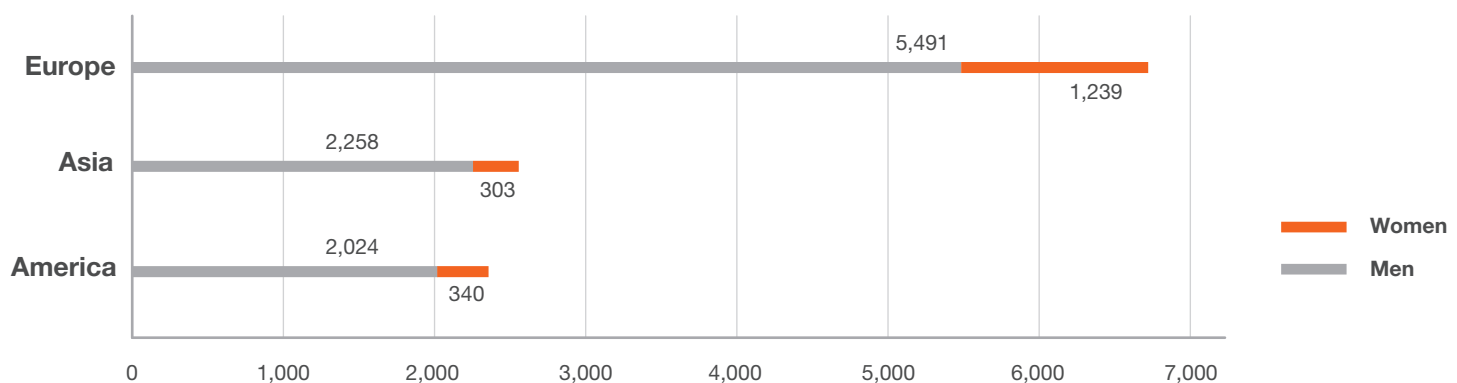
4.2 Different ways of being Brembo People

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. Every day Brembo is committed to promoting an inclusive environment that ensures people's sense of belonging and encourages them to feel they are leading characters in the Group's success, fostering a culture of inclusion and respect for diversity from the moment they are hired and respecting the points of view, voices, individualities and special qualities of each person. As a

proof of this is also the presence of Brembo in the 2021 Statista's Diversity Leaders Europe ranking.

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 People, 27.99 % work in Italy, 18.57 % in Poland, 13.53 % in China, 13.00 % in Mexico, 8.30 % in the Czech Republic, 8.26 % in India and 5.53 % in the United States, while the remaining 4.82 % are distributed among Brazil, the United Kingdom, Spain, Japan, Denmark and other Countries.

Brembo People by geographical* and gender (No.)



Personnel changes by geographical area compared to 2021

+ 170 Europe

+ 267 America

+ 179 Asia

* The three macro-areas include the countries indicated below:

Europe: Italy, Poland, United Kingdom, Czech Republic, Spain, Denmark and other;

America: Brazil, United States and Mexico;

Asia: China, Japan and India.



As far as gender differences are concerned, men make up the predominant percentage of total workforce. In fact, 84% of employees are men against a female component of 16%, which also reflects 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 clerical staff, 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 staff. More specifically, the distribution of people by age band sees 25% under 30, 31% between 31 and 40, 29% between 41 and 50 and 15% over 51. In fact, particular emphasis was given to generational diversity through the launch of the Gen Z Forum in which about twenty representatives of generations Z and Y were involved in the development and collection of creative ideas able to contribute to Brembo's future growth. In addition, cross-functional, intergenerational and global working groups were formed with the aim of implementing the company's strategy through the DIGITAL, GLOBAL and COOL pillars, which constitute the main backbone of our Mission.

Brembo's focus on diversity and inclusion also takes shape in the recruitment into the Company of people with disabilities, in accordance with the rules and practices laid down in applicable legislation. In particular, 125 people with disabilities were working in the company at 31 December 2021.

In addition, the training offer helps to create awareness on diversity-related issues and raise awareness of all levels of the company regarding respectful and inclusive behaviour through specific training programmes dedicated to different job positions. In 2021, these training packages continued to be

delivered in the Brembo Academy, aimed at both managers and professionals.

This work is supplemented by a number of socialisation events designed to disseminate the culture of diversity enhancement, such as the activities normally organised in Brazil, India and the United States on the occasion of Women's Day, as well as participation in the "4 weeks for inclusion" marathon, an inter-company initiative organised by TIM that in 2021 involved over 200 Italian organisations on diversity and inclusion issues. The objective, pursued through webinars, digital workshops and online thematic creative groups, was to create awareness and share the inclusion practices adopted by the various companies, related to the aspects of gender, generation, disability, vulnerability and interculturality. Brembo signed up to the initiative, giving its employees the opportunity to participate in certain webinars. It also contributed by creating a webinar held by three Brembo employees of different backgrounds, nationalities and organisational perimeters in which the different inclusion and diversity-related initiatives promoted by the Brembo Group were presented to the internal and external community.

In 2021 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 (such as the conference "Il talento non ha genere (Talent has no gender)", within the orientating path "STEM in Pink", speech of a colleague operating within the R&D GCF a BergamoScienza). The proposal stems from the desire to increase the capacity to attract and select female staff and to mitigate preconceptions in favour of gender parity.

People by age and gender (No.)

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
≤ 30 years	2,400	357	2,757	2,377	329	2,706	2,545	336	2,881
31–40 years	2,828	627	3,455	2,881	622	3,503	3,028	625	3,653
41–50 years	2,489	610	3,099	2,571	638	3,209	2,666	658	3,324
≥ 51 years	1,358	199	1,557	1,411	210	1,621	1,534	263	1,797
Total	9,075	1,793	10,868	9,240	1,799	11,039	9,773	1,882	11,655



**People by classification level and gender (No.)**

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Managers	478	77	555	473	76	549	502	86	588
White-collar workers	2,017	688	2,705	2,004	698	2,702	2,102	724	2,826
Blue-collar workers	6,580	1,028	7,608	6,763	1,025	7,788	7,169	1,072	8,241
Total	9,075	1,793	10,868	9,240	1,799	11,039	9,773	1,882	11,655

People by classification level and age (No.)

	2021				
	≤30	31-40	41-50	≥ 51	Total
Managers	2	145	260	181	588
White-collar workers	635	1,012	808	371	2,826
Blue-collar workers	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 enhances multiculturalism is its proximity to local issues. In this regard, taking the managerial team as a reference, the clear majority of local managers at all Group Companies comes from the local area: out of 558 Brembo managers operating in the different countries, 91% were born in the country where they are working. The inclusion of members of the local community in management improves the Company's ability to understand actual local needs, providing it with a better service as a whole.

With reference to the protection of diversity and respect for people and workers' human rights, Brembo continued to avail of, in addition to the provisions set out in the Group's Code of Ethics, the Code of Basic Working Conditions and the Policy on Non Discrimination and Diversity²⁸. These documents reflect and represent the universal beliefs of the Group and the foundations of the employer-worker relationship. In detail, they confirm and establish rules of conduct regarding child labour, forced labour, the treatment of human beings, 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 view of the renewed context in which the Company operates and the growing awareness and sensitivity regarding diversity and

inclusion issues, in 2021 work started on updating the non-discrimination and diversity Policy.

In order to monitor the effective implementation and the respect of the Code of Basic Working Conditions and the Policy on Non Discrimination and Diversity, beside the protection guaranteed by the Human Resources and Organisation GCF and the related management safeguards present in the organisational units in the rest of the world, as well as the presence of the institutional Whistleblowing channel managed by the Supervisory Committee, another specific mechanism has been put in place to gather any reports on behaviour that does not comply with company policies, including a dedicated email address working_conditions@brembo.it, accessible from both inside and outside the company. 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, Countries, Global Business Units and Global Central Functions). Following any contact, the consequent hierarchical reporting procedure is activated — where necessary — which culminates in the periodic "HR & ORG" Meeting between Chief Human Resources and Organisation Officer, Executive Chairman and CEO, where the need to manage any specific urgencies or critical issues is raised.

²⁸ Documents available on the website <https://www.brembo.com/en/company/corporate-governance/codes-policies>.



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” (a 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 situations that present personal and temporary difficulties. In addition, the Group in the USA and the UK has set up structured EAPs that are available to employees in partnership with local operators and/or vendors.

In the Czech Republic a communication campaign was organised for all staff to inform people of the existence of a whistleblowing channel used to report cases of discrimination and inappropriate behaviour.

Five episodes that the reporting person considered to be possible workplace discrimination was brought to Brembo's attention in 2021, through the different available channels. Such events were the subject of in-depth investigation. Some of these have already been archived, others are undergoing in-depth investigation.

The Brembo Group promotes precise policies designed to create a positive and inclusive work environment and define organisational tools able to promote remote working in the current pandemic context, supporting people's work-life

balance. In this area the Group offers its employees the option to subscribe to part-time working schemes, which were taken up, in 2021, by 271 employees, of whom more than 80% were women.

In 2021 as well, the external factor represented by the Covid-19 pandemic had a major impact on the issue of remote working introduced with the “Bsmart” project in 2019 in Brembo S.p.A. Said project, launched in 2019 as a trial on a sample of 150 people in different organisational units and company offices, took off apace during 2020 until it became the main way of working for all white-collar workers in 2021. During the year, the company's welfare, rolled out in 2019, was fully implemented through a dedicated Internet platform, offering Brembo employees the possibility of using new and various types of services (for example education, transport, welfare).

Many initiatives were promoted, also in relation to health: from continuation of the WHP (Workplace Health Promotion) accreditation in Italy (and all the related initiatives, including the Listening Desk, which focused a service line on problems linked to the pandemic during the Covid-19 period. These are in addition to education and training initiatives generally conducted in India on domestic safety (so, well outside the business scope) and HIV transmission, in Mexico, Poland and the USA on damage from tobacco, the prevention of breast cancer and prostate diseases in Brazil, as well as other prevention initiatives in Poland and Mexico.

Brembo People with part-time contracts by gender

2019			2020			2021		
Men	Women	Total	Men	Women	Total	Men	Women	Total
52	219	271	46	217	263	46	225	271

4.3 Training and development of skills

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

2021 confirmed Brembo's commitment to continuing with

training investment and preparing various training initiatives with an increasingly inclusive and global approach in favour of transversal enrichment and greater collaboration between Group Companies.

One of the “global” training projects directly related to our Mission is the cascading relating to SENSIFY™, the new intelligent braking system that combines Brembo's traditional





product portfolio with digitalisation and artificial intelligence. This is an online training event initially dedicated to strategic people and organisational areas and conducted by a team of staff who have worked on developing the new technology. From 2022 this programme will be open to all the Group staff concerned, by self-enrolment, while staff in the technical areas will have access to the SENSIFY™ seminars organised on two levels of increasing difficulty, included in the R&D Academy.

Other programmes connecting to Brembo Purpose cascading were designed and implemented throughout the year. The design of these programmes was also guided by the need to develop in people a Brembo mindset based on four dimensions: open, digital-ready, data-driven and solution oriented.

One example is the “Culture of Data” programme, managed by an international pool of in-house teachers trained with the support of Data Scientists, who are also in-house, and useful for increasing the spread of the data culture to support corporate decision-making processes.

Another success story is the training programme on Artificial Intelligence and Machine Learning that serves to develop innovative and strategic skills also through the use of AI and its multiple related tools.

The “Knowledge Management” programme continues alongside the certification of employees who hold critical know-how to ensure that such know-how is transferred within the Group through internal teaching and participation in inter-functional project groups, as well as through the drafting of manuals.

In technical training, worthy of note is the launch of the “Cast Iron Foundry Seminar”, run by teachers of the Brembo Academy, included in the Manufacturing Academy and dedicated to iron casting and open to all Group personnel worldwide.

2021 saw the launch of the “Skill Factory” global development project for various company populations with critical know-how regarding Commercial, Technical and Platform Management issues. This development path precedes an individual assessment focusing on two aspects: the mindset and the technical skills critical for the role. Over 160 Group people were assessed during the year and many of them, after obtaining the related feedback, have already begun a development and training path.



More than 275,000
training hours
provided in 2021

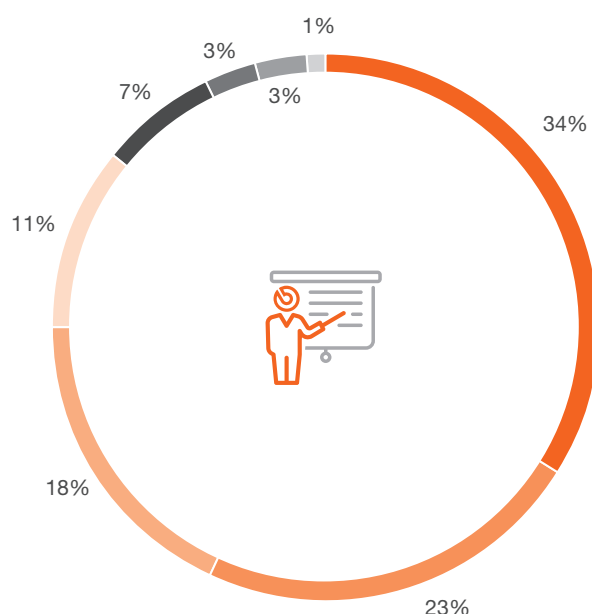
For Brembo it is essential to promote the ability to experiment and innovate, as well as the development of a strong tension to the future, so as that its people are able to anticipate market trends, promote continual product and service innovation and offer customers high-quality solutions.

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.

In 2021, on average each employee received 24 hours of training, with this figure reaching an average of 24 hours per year for managers, 29 hours for white-collar workers and 22 hours for blue-collar workers. Over the course of the year, 20% of people participated in training about human rights and the associated procedures (Code of Ethics included), for a total of more than 6,370 hours.



Training provided by type of content (% on total hours)



- Training on product/process quality management and improvement
- Health and Safety training
- Professional training
- Training on environmental management
- Managerial training
- Code of Ethics and compliance with Leg. Decree No. 231/2001
- Language training
- Other

Average hours of training by classification level

	2019	2020	2021
Managers	28	16	24
White-collar workers	38	15	29
Blue-collar workers	18	13	22

Average hours of training by gender

	2019	2020	2021
Men	24	15	26
Women	21	10	16

Average hours of training by employee

	2019	2020	2021
	23	14	24

To ensure an effective control and management of training activities, Brembo avails of a specific Group procedure — pillar of the Quality System, together with the Organisation Management 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 “Mapping of training needs” process. The individual’s training plan is accompanied by other initiatives for accessing training such as self-enrolment in courses (self-application) and institutional training initiatives provided through the international online learning platform in e-learning mode. In terms of self-development, Brembo People can therefore also access training courses — on a remote or e-learning basis — by self-enrolment authorised by their direct manager.

More specifically, 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 need to be analysed in more depth and improved. The Company also takes account of the views expressed in the *Brembo Managerial Competencies Model* and *Technical Competencies Libraries*. In these latter, — such as for example in the case of Industrial Operations GCF — the technical competencies required within specific professional families at global level are mapped and formalised, also in the context of other company projects and processes relating to Digital Transformation.

In addition, Brembo offers its employees also the opportunity to take part in special coaching, mentoring and tutoring programmes, such as for example the “Internal Buddy” in Poland, so as to personalise their own personal and professional



development path. Thanks to these programmes the Group aims to nurture and empower its people, involving them proactively in defining their own personal learning and development path, starting from their very first day within the company.

Finally, during 2021 as well the Group's Training offer continued to be enriched — online on the Company's portal —, both regarding managerial and technical-specialist topics, in order to make it more effective, featuring increased accessibility and immediacy of consultation.

In 2021, the “catalogue” was further enriched to feature, amongst other things, the training offer in the Digital field (with a particular focus on the “Culture of Data” and “Artificial Intelligence” paths) and strengthening remote or e-learning provision.

The Brembo Academy catalogue currently offers more than 130 different subject titles (in addition to those in the Environment Safety area), allowing the user to find the desired course interactively using tag and keywords.

The broader framework of personal and leadership development also includes the Group Talent Management and Succession Planning system focused on several annual phases. This starts with the Yearly Performance Review (BYR), goes through the updating of the Country Talent Pools and then consolidates the Group Talent and Succession Portfolio downstream the Development Committees of the Global Business Units (GBU) and GCF and Top Management validation.



Fostering knowledge sharing among the Brembo Group's competence centres



The Brembo Academy of Brembo S.p.A. was set up to promote the invaluable know-how developed by the various GBUs and GCFs and teams in Brembo companies around the world. This authentic corporate training school, with UNI EN ISO:9001 quality certification, avails also of teachers from within the Company to ensure a structured sharing of Brembo expertise across the Group.

Precisely in order to strengthen the ability of Brembo experts to transfer their knowledge, experiences and best practices, the training course for trainers (“Train the trainer”) at the Brembo Academy itself was updated and relaunched.

The Academy offers numerous courses: from more technical and engineering-related courses focusing on product research, held by R&D Academy experts, to courses dedicated to competences specific to the production process and included in the Manufacturing Academy programme.

In addition, the implementation of the production methodology known as World Class Manufacturing (WCM) was extended at global level. The training phase —held in virtual mode — was followed by the implementation, at the Group plants involved in the new methodology, of the pillars on which it is based and that envisage technical, organisational and safety-related abilities. In order to integrate the wide knowledge shared with an increasing focus on product value as soon as the design phase, training paths were organised to develop economic-financial competences, along with seminars held by internal teachers covering value analysis and cost engineering with a view to raising awareness to internal and external costs.



4.4 Professional growth through recognition of merit

The performance assessment for white-collar workers (BYR - Brembo Yearly Review) represents an important element for Brembo, as well as an essential tool for ensuring continual improvement of its people and retain talents and key skills within the company.

The performance assessment for blue collar workers falls under the Brembo Production System and is based on a multi-functional and multi-competency analysis of individuals in relation to specific metrics and matrices.

The Group has activated special processes at world level, designed to regulate management and assessment flows, as well as define special 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.

A wide variety of qualitative-quantitative objectives may be included in the personal scorecards within the general context of the Annual Incentive System reserved to specific target population (e.g., executives and managers). These include, for example, implementation of specific projects, meeting one's own spending budget targets, the results of the Engagement Index for a given area or specific KPIs linked to the efficacy of training initiatives.

For the white-collar worker population, Brembo uses a performance assessment process, i.e. a constant dialogue between managers and employees, which terminates with a structured discussion between the same and during which the year's results are analysed, the future objectives to be pursued are defined, along with the preparation of an improvement plan, and future growth paths are identified.

During the year, 82% of Brembo People (82% of men and 80% of women) took part in a performance assessment process, with a rate of 84.5% for blue-collar workers, and 76% for managers and white-collar workers.

Brembo People 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	362	76.53%	55	72.37%	417	75.96%
White-collar workers	1,577	78.69%	471	67.48%	2,048	75.80%
Blue-collar workers	5,667	83.79%	919	89.66%	6,586	84.57%
Total	7,606	82.32%	1,445	80.32%	9,051	81.99%

* Data refer to the 2020 performance assessment process ended in April 2021 and refer to workforce at 31 December 2020.

Moreover, in order to further promote the personal and professional development of its people, Brembo has promoted the use of internal mobility tools, so as to facilitate employees in accessing new job opportunities within the Group. The Internal Job Posting is a very widespread tool. Where present, it advertises worldwide and through the most appropriate

company's tools open positions currently unfilled and collects any applications, giving interested talents the possibility to apply in a proactive way. This is supplemented by other tools including Job Rotation which allows people to express their willingness to change function/role even regardless of the opportunities available at a specific moment.





4.5 Safeguarding workers' health and wellbeing

Brembo has made the protection of safety a distinctive element of its own business DNA, guaranteeing braking systems of the highest quality. This focus on Health and Safety issues not only assures safe products, but 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.



100%
of Brembo's plants
in full operation remained
ISO 45001:2018 certified

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 relating to its production facilities, while promoting constant dialogue with its personnel 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 aims for continuous improvement, the Policy is available to all interested parties both internal and external to the Group, through publication on the company intranet portal and workplace notice boards. Updated during 2020, upon the issue of the new Management System — a System that has adopted the principles of the ISO 45001 standard and is an integral part of the broader "Organisation, Management and Control Model" —, the certification of all

sites to this standard was confirmed for 2021 through special maintenance audits carried out by a third party, which revealed no significant non-conformities.

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 accidents, injuries and occupational diseases, raise awareness among people and spread the workplace safety culture throughout the company; 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 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 Company, is applied within each individual plant.

The Parent Company's Management System is reflected in the Worker Health and Safety Management System Manual, Guidelines and Brembo Safety Document System (BSDS)²⁹.

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.

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.

²⁹ 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.



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 and Chief Human Resources and Organisation Officer. This is also where the findings of the analysis of the situation conducted at the Group level are presented, along with risk mitigation activities identified as significant, which may compromise Brembo's ability to achieve the expected results, as established in the Management System. 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 function undertakes to send the goals, targets and projects relating to the reduction of the risks identified. The Plant Manager sets goals and plans activities at the plant level, considering all information received, the analysis of the Group's situation and the expectations of the various stakeholders. In particular, he or she identifies dangers, assesses risks and plans actions to take advantage of 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 of the plans and targets set and achieved. Moreover, on a site level, in keeping with rules established by the Group, committees or work groups meet to discuss aspects of health and safety. All the workers are represented in these groups.

The Group's approach as part of the Health and Safety Policy entails analysing, on a plant level, potential sources of risk for its personnel and putting the most effective 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 priorities in terms of 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 accidents, near misses, unsafe acts and objective conditions³⁰. 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, where necessary, 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.

Annually, the Group defines quantitative targets relating to the accident frequency rate to be achieved annually. Specific objectives are then defined for each site, based on the previous year's performance and the results of the assessments and periodic audits. In 2021, Brembo reported for employees an accident rate of 0.71 (excluding en route accidents), the lowest figure ever reported. The main types of accidents are connected to the use of machinery, transport of materials and product manual lifting, in other words connected with the work environment and the operations carried out therein.

30 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 accidents 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.



	2019		2020		2021	
	Men	Women	Men	Women	Men	Women
Workplace accidents by gender (%) - (employee)	87%	13%	82%	18%	85%	15%

Accident rates of employees*

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Accident frequency rate** (No. of workplace accidents / No. of hours worked) x 200,000	1.38	0.91	1.29	0,98****	1.14	1,0****	0.73	0.61	0.71
Accident frequency rate with serious consequences*** (No. of workplace accidents with serious consequences / No. of hours worked) x 200,000	0.05****	0.05****	0.06****	0,03****	0.07	0,03****	0.01	0.00	0.01

* The calculation of reported accident rates takes into account only accidents occurred to employee 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 accident 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 accidents with lost days and those without lost days apart from the day on which the incident occurred (e.g., medical treatment or change in work duties).

*** "Serious consequences" mean accidents that may lead to the permanent loss of body function or accidents that report an absence of more than 180 days.

**** Data has been adjusted as three accidents that had occurred in 2019 led to an absence exceeding 180 days in 2020, thus qualifying as "accidents with serious consequences".

Brembo pays constant attention to the health and safety of all those people who, despite not being Group employees, operate in the company plants or office facilities. In 2021, the

accident frequency rate stood at 0.90, whilst the frequency rate for accidents with serious consequences was 0, in line with the figure for the previous two years.

Accident rates of workers, who are not employees, operating at the Group's sites*

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Accident frequency rate** (No. of workplace accidents / No. of hours worked) x 200,000	0.92	1.97	1.05	0.79	0.96	0.82	0.99	0.56	0.90
Accident frequency rate with serious consequences*** (No. of workplace accidents with serious consequences / No. of hours worked) x 200,00	0	0	0	0	0	0	0	0	0

* The calculation of reported accident rates takes into account only accidents occurred to workers that are not employees, but whose work and/or workplace is under the control of the organisation. The "Appendix" section provides further details in order to meet the GRI 403 Standards (2018) disclosure requirements. Compared to the 2018 Disclosure of Non-financial Information, the method used to calculate accident 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 accidents with lost days and those without lost days apart from the day on which the incident occurred (e.g., medical treatment or change in work duties).

*** "Serious consequences" mean accidents that may lead to the permanent loss of body function or accidents that report an absence of more than 180 days.



As far as contractors are concerned, as of 2021 Brembo has begun a process to standardise accident indices as had already been done for employees and temporary staff. With regard to contractors, in 2021 Brembo reported 4 workplace accidents, of which 3 in Italy and one in Czech Republic. None of them was with serious consequences. It also began to collect data on the hours worked by contractors in relation to the Italian plants with the aim of extending this monitoring to the entire Group. The

accident frequency rate occurred to contractors operating at Italian plants was 4.26 in 2021.

Lastly, no fatalities relating to employees, temporary staff and contractors were reported during the year.

In 2021, 15 cases of employee occupational diseases were reported.

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Recordable occupational diseases (No.) (employees)	12	5	17	8	7	15	5	10	15

People 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 health and safety

in the workplace courses in compliance with current legislation and are provided to all company personnel, with a particular focus on new employees.





Over **52,680**
hours of training regarding Health
and Safety provided in 2021

Brembo is committed to keeping all staff responsible for managing workplace health and safety issues up to date with professional training, as well as adapting training content to the different functions in accordance with the risk assessments and training needs. In order to structure effective and useful courses, training planning starts from the concrete needs of the different company functions, identifying the needs that may arise as a result of organisational changes, process changes or internal improvement programmes. In most cases, the teachers are external and are chosen after their qualifications, competence and experience have been verified.

In 2021, Brembo continued to invest in training and workshops by providing online courses, in compliance with Covid-19 regulations.

In particular, the Group has carried out training activities

with the aim of keeping its employees up to date on Health and Safety issues and promoting the observance of safe behaviour. The Company also continued its commitment to raising awareness about the **“10 Life Saving Behaviours”** that all employees must comply with at the workplace, through periodic initiatives to spread the knowledge and implementation of said behaviours.

In addition, in the wider, more positive and inclusive sense of promoting workplace health, a number of sensitisation and prevention initiatives regarding specific illnesses were carried out in each site, such as: WHP (Workplace Health Promotion) in Italy; “Pink Week” (dedicated to breast cancer) in Mexico and Brazil; targeted programmes against tobacco addiction conducted in the United States, Mexico, Poland and Italy. Moreover, Brembo supports a variety of sports-related initiatives promoting the positive values of physical exercise, including the Brembo Sporting Event in the Czech Republic, Running, Volleyball and Football Teams in Poland, Brembo Ski in Italy. Worthy of note in this context are also Brembo Strong, a wellness and welfare corporate programme carried out in the USA aimed at encouraging healthy behaviour alongside discounts on medical insurance.





Health and Safety Campaign in Poland

During September 2021, Brembo Poland launched an awareness campaign involving everyone working at its plant, to draw their attention to important health and prevention issues and raise awareness among employees.

Particular emphasis was placed on showing the most significant risks a worker may incur and the related Personal Protective Equipment necessary to prevent and limit such risks. Important information and tools were also provided to verify the health of employees in the plants.

This initiative represents a tangible step towards archiving the 17 Sustainable Development Goals set out in the UN's 2030 Agenda, particularly SDG 3, targeted at the health and wellbeing of people around the world, and SDG 4, aimed at spreading a quality education.



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 workers.

In addition to these meetings, the company offers women over 40 the chance to undergo breast examinations, while men are able to do a PSA test at a medical clinic partnering Brembo do Brasil.

The campaigns aimed to promote healthcare and psychological support, both of which are fundamental to people's wellbeing.

This initiative represents a tangible step towards archiving the 17 Sustainable Development Goals set out in the UN's 2030 Agenda, particularly SDG 3, targeted at the health and wellbeing of people around the world.





Open dialogue and discussion for continual improvement

Brembo pursues the goal of guaranteeing Health and Safety at work, making consultation, involvement and empowerment of workers one of the cornerstones of its actions. In fact, one of the most significant innovations in the update of the Management

System during 2020 was the definition of management methods, common to the whole Group, allowing more active employee participation and consultation on H&S issues.

Local Health & Safety Committees	<p>At all Group sites, the workers and management meet at least on a half-year basis, to discuss and take decisions on open health and safety issues and identify specific solutions. In particular, they include the Plant Manager, H&S, the Workers' Representative and the Physician, along with the heads of plant functions. The subjects dealt with are circulated to workers through their representatives or, subordinately, in the minutes of the meetings. The issues handled include topics such as risk assessment, accident and occupational illness performance, training and information programmes, opportunities for improvement identified, the nature of accidents, near-misses and non-conformities and the results of measures taken to mitigate them, together with any best practices.</p>
Prevention through information sharing	<p>In order to encourage information sharing and discussion about problems, an IT portal facilitates the prompt communication and analysis of information regarding incidents, accidents or <i>near misses</i> 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, as well as 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.</p>
Promoting worker wellbeing	<p>The Group's commitment to promoting the health and wellbeing of its workers has received in 2021 as well, for the tenth year in a row, recognition from the Associazione Confindustria Bergamo. Together with other firms in the area, Brembo was rewarded for its participation in the WHP — "Workplace Health Promotion" 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, courses on proper nutrition, programmes to combat addiction and the Brembo wellness program.</p>





Brembo's Health Service

Employees' health is an absolute priority for Brembo. For this reason, in order to ensure that residual risks do not cause, over time, consequences on personnel's health, Brembo equipped its plants with a free Health Service for employees, comprised of a doctor, first aid teams and paramedical personnel. The Health Service also uses facilities external to the plant in order to look after all aspects of employees' health in the best possible way, such as carrying out blood tests, X-rays and spirometry tests, as well as first aid in emergency situations.

The doctors and paramedical personnel are normally present in the plants during the main shift. Some plants guarantee a continuous presence across all shifts. The first aid team is made up of suitably trained employees and covers all the work shifts.

As well as carrying out the more institutional tasks, such as writing the health monitoring plan, the activity progress report, carrying out medical check-ups and issuing certificates of suitability to work, the Health Service also:

- participates in the assessment of risks, accidents, near misses and the identification of the relative mitigation actions, which also involves sharing the results of the monitoring activities in an anonymous form;
- visits the departments and takes part in the H&S Committees on a plant level;
- trains the First Aid teams and provides workers with support for health issues, including those not directly related to work.

Access to the Health Service is guaranteed for employees thanks to proper activity planning during working hours and information activities designed to encourage employees to use the services provided (example through noticeboards, website, training courses). However, if employees have to visit external facilities, they will receive additional days off or be paid for the hours taken up by the medical visits (e.g. medical check-up during working hours). The Services is also available for any requests made directly by employees.

The Plant Manager periodically monitors the activities provided for by the Health Monitoring plan to make sure they are being carried out properly. This is achieved by monitoring specific KPIs, employee interviews, ensuring that employees attend their medical check-ups or undertakings, checking and filing reports written by the Health Service.

Brembo guarantees the confidentiality of the data managed by the Health Service, absorbing and applying legislation in the sector, including as regards contracts stipulated with external health services.

Lastly, Brembo also makes it easier for employees to access healthcare services outside working hours, for example:

- private health insurance for employees and their families;
- annual physical check-up;
- partial reimbursements for the use of sports centres and discounts for spas and fitness centres;
- flu vaccine;
- free Covid-19 testing;
- 24h medical advice and access to medical services;
- psychological support;
- provision of eye care and physiotherapy.



Methods and tools supporting workers' health and safety

LOTO (Lockout-Tagout) Guideline	In 2021, Brembo completed the periodic annual audit of the application of LOTO procedures in all plants. This work gave rise to improvement plans where non-conformities had been detected in order to continuously ensure the necessary level of safety for operations and access to robotic lines and inside machinery.
World Class Manufacturing	As part of the World Class Manufacturing programme, the <i>Safety</i> pillar was also launched during the year in five pilot plants (in Italy and Poland). In the first phase of the project's Kick Off, the activities carried out concerned the creation and initial training of teams, identification of model areas and identification of the first improvement activities. The activity is due to continue with the project being gradually extended to the other Group sites with the final goal of involving 100% of Brembo sites.
Ergonomics	The aim of the project is to anticipate the ergonomic analyses of production processes in their design phase so as to facilitate line modifications before their construction and also prevent the risks associated with the manual handling of loads and inappropriate postures. Numerous construction sites have been started to test this methodology, in Production and in Technologies, both on existing lines and on lines in the design phase in order to be able to trial the use of the method and evaluate its effectiveness.
Safe behaviour project	60% of accidents 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 accidents 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" for the correct behaviours to follow.
Workshop 'Melting deck'	The activity aimed at completing the application and implementation of standards identified and designed during previous years workshops intended to identify the greatest risks in the melting furnace area, to devise solutions to eliminate or mitigate those risks, and to standardise methods and tools for managing emergencies continued.
Workshop 'Robot line'	Following the workshop held at the end of 2019 which involved the central technologies and several disc mechanical processing facilities, the basic criteria and safety standards (the "safety concept design") have been defined to design and build future robotic production lines and the same have been gradually introduced in supplier specifications of new lines.
Workshop 'Aluminium Foundries'	In September 2020, a series of meetings was launched in remote online format (similar to those organised for the Cast Iron Foundries), involving the Operations area of the Aluminium Foundries (Technology and Production), which resulted in the identification of the main risks and the formulation of countermeasures and mitigation of the risks concerned. This initiative was fully developed during 2021.
'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 participation and information tools available to employees.

Health and safety in business relationships

Brembo aims to promote Health and Safety issues throughout its supply chain, in order to ensure suitable and healthy working environments for all people who have dealings with Brembo.

For this reason, in 2021 the outsourced supplier management process for Health and Safety aspects was further improved.



Outsourced supplies

Aware that it does not have direct control over suppliers and even less over the work environments they use, the Group has focused its attention on structured processes with the aim of raising awareness among suppliers on Health and Safety issues and accompanying and supporting them in the effective management of these aspects. In this way, the Group aims to prevent, and when this is not possible, mitigate, its impacts caused by outsourced activities.

Specifically, the management process applicable to workplace Health and Safety issues is structured into three aspects:

- communication and sharing of occupational health and safety standards that Brembo intends to apply to its outsourced suppliers;
- assessment of the ability of suppliers to apply and comply with the necessary requisites;
- sharing with suppliers the path designed to continuously improve performance.

In line with the objective of ensuring that the Health and Safety principles are respected throughout the supply chain, Brembo uses third parties to carry out audits of suppliers in order to verify compliance with the required standards, while new suppliers are subject to a preliminary assessment to verify that they meet the minimum requirements. If the checks highlight critical situations, Brembo asks the supplier to take the necessary actions to bring the risk under control and monitors the related implementation plan.

Important results were achieved during 2021:

- in all the countries where Brembo is present with its operational activities, 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, 28% of relevant outsourced suppliers;
- the suppliers involved in third-party audits account for 77% of the total 2020 turnover of relevant suppliers.



The Supply Chain



Travelling together.

It is an evolving bond, one that becomes more close-knit, based on trust, growth and shared objectives. In the automotive world, each swift change needs to be understood and shared: it is essential to count on one's partners.



5. The Supply Chain

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.



1,977 € million
Procurement value



88%
Local supplies, i.e.,
supply from supplier
located in the same
countries where the
Group operates



70.6%
Suppliers of direct
materials involved in
socio-environmental
audits
(in terms of value
of supplies)

During 2021 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 **€1,803** million, in addition to about €173 million for machinery and industrial plant. In 2021 as well, the scope of the analysis, in line with previous years, also include services not closely linked to production, such as costs of ICT, cleaning, security, canteen and other outsourced services, so as to provide as comprehensive view as possible of the total value

managed by the Procurement function.

The supply of raw materials, such as ferrous scrap (amounting to more than 400 thousand tonnes), aluminum (about 48 thousand tonnes), cast iron goods, binders and refining agents directly used in the Group's foundries are fundamental to the Group and accounted for an overall purchase value of nearly €570 million during the year.

Equally significant, worth a total of more than €755 million, are components and outsourced processing.



Value of supplies* by category (€)

	2019	2020	2021
Raw materials and cast iron goods	477,100,854	387,680,031	569,247,032
Components and outsourced processing	637,224,059	555,096,440	754,713,751
Ancillary products and services	417,749,405	380,926,578	479,527,436
Total	1,532,074,318**	1,323,703,048	1,803,488,219
Industrial assets	154,620,841	117,701,757	173,589,519
Total	1,686,695,159	1,441,404,805	1,977,077,738

* 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.

** In 2019, Brembo Argentina S.A. was not included for the Company's months of operation.

Value of supplies by geographical area (€)

	2019	2020	2021
Europe	885,417,700	747,028,764	1,023,421,591
North America	275,773,880	237,376,285	316,636,567
South America	34,183,929	21,024,009	25,848,759
Asia	334,770,342	315,020,934	444,685,424
Other*	1,928,467	3,252,957	2,895,877
Total	1,532,074,318	1,323,703,048	1,803,488,219

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

Brembo pursues an international development strategy with a central focus on the local area and a commitment to create stable relations with local communities. This is proved by the high percentage of purchases received from local suppliers in the same country where the Group operates, equal to 88% of purchases³¹.

	2019	2020	2021
Europe	87%	87%	87%
North America	86%	83%	83%
South America	99%	99%	99%
Asia	92%	93%	96%

³¹ This percentage is only calculated with regard to the purchase categories of raw materials and cast iron goods, components and outsourced processing, ancillary products and services (excluding industrial assets).



5.2 Promoting sustainable business models through responsible purchasing practices

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, over the years, the Group has 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 matters throughout the supply chain.

This process is structured into three main phases:

1. Clear communication of the standards that Brembo expects from its business partners in terms of product and service quality, respect for human rights and employee protection and, more generally, attention to ESG issues.
2. Assessment of suppliers' capacity to meet ESG-related technical specifications and requirements both during the qualification phase and during the business relationship and monitoring of the risk relating to supply.
3. Supporting suppliers in their continuous improvement activities of their performances and in the strengthening of the ability to innovate.



Clear communication of what the Group expects from suppliers



In light of the complexity of the production and technological sector in which Brembo operates, it asks the Group main suppliers to adopt the Supplier Code of Conduct which summarises the guidelines set out in the Group's sustainability policy, the rules and principles that Brembo's suppliers are required to uphold. Up to now, about 700 suppliers have adhered to the Supplier Code of Conduct.

In particular, Brembo asks:

- to base their conduct on the Universal Declaration of Human Rights, the ILO's Tripartite Declaration on the Principles Concerning Multinational Enterprises and Social Policy, as well as the OECD Guidelines for Multinational Enterprises;
- to implement a quality management system certified by independent accredited bodies, promoting where possible, the use of Automotive IATF standard 16949 among the suppliers of direct materials;
- to develop and maintain an ISO 14001-compliant environmental management system, preferably obtaining third-party certification;
- to apply an effective safety management system in accordance with ISO 45001 standards or equivalent, preferably obtaining third-party certification.

During 2021, Brembo embarked on a path to define the Brembo Sustainable Procurement Policy, incorporating the Purchasing Policy and the Supplier Code of Conduct, in order to formalise the principles that the Procurement GCF promotes in the field of Sustainability within its organisation and in the relationship with its supply chain.



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>). The questionnaire also includes a CSR section, intended to assess aspects relating to safeguard workers' rights, counter corruption and minimise the risks for the environment. During 2021, 33% of the new suppliers activated were evaluated on ESG issues by completing the pre-assessment questionnaire. This first analysis phase enables Brembo not to establish commercial relationships with suppliers who do not comply with the minimum requirements and allows it to identify in advance any critical issues regarding new potential suppliers and to implement corrective actions. The questionnaires are analysed by the Purchasing, Administration & Finance, Quality & Corporate Social Responsibility GCFs with the aim of assessing the operating, financial and sustainability risk profiles.
- Once the pre-assessment phase is concluded positively, all potential suppliers of direct materials receive onsite visits from the Quality GCF to check that the quality and process requirements are met effectively.
- Once the pre-assessment and 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

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 planned the establishment of Crisis Committee composed of an inter-functional team to take the measures needed to minimise the impact.

During 2021, 29 risk events were monitored and, thanks to the actions taken, seven of these were fully mitigated.

In the second half of the year, Brembo activated the use of a platform dedicated to the analysis of online information to monitor potential risks inherent in the supply chain. Through the use of AI, Brembo is able to receive real-time alerts from the web that notify the presence of an event or a risk situation impacting its supply base.

In addition, with regard to ESG issues, in consultation with experts, Brembo has conducted third-party 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.

The objective of the third-party assessment is to identify critical issues affecting areas such as: working conditions, related remuneration and working hours, health, safety and the environment.

The Supplier is required, for each non-conformity reported, to develop corrective action plans, which are then monitored by Brembo using the same third-party assessment body.

To date, Brembo has involved 99 suppliers in sustainability-related audits, of which 7 in 2021.

The percentage of the turnover monitored further increased by 1.5%, reaching 70.6% of the overall purchase costs for direct materials.

A particular focus in the selection of suppliers to be audited



in 2021 was applied to contract work suppliers, which Brembo evaluates from a safety point of view, just like its own production processes, in compliance with the requirements of ISO 45001 certification.

The pandemic has had a significant impact on the number of CSR audits and follow-up activities, particularly as regards

on-site audits, in view of the Covid-19 containment measures put in place.

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, carbon neutrality and sustainability in general.



Engagement and awareness raising

In the area of supply chain engagement and transparency, the main surveys conducted in 2021 were:

- the **Engagement Survey “Materiality Matrix”**, which saw the participation of 173 relevant suppliers;
- **Engagement Survey “Conflict Minerals”**: conducted on a panel of 200 relevant suppliers with a response rate of 90%; in 2021 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 “Cobalt”**: 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 96 suppliers with a redemption rate of 93%.

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 issues through detailed thematic reports, such as sharing a brochure dedicated to Conflict Minerals and another one to Cobalt.

With a view to raising awareness of the importance of sustainability issues, during 2021 the CSR team organised a training course, which saw the participation of the entire Purchasing function located in China and India, focused on:

- understanding of the meaning of “Corporate Social Responsibility/Sustainability” in today’s world;
- introduction to “Corporate Social Responsibility” in Brembo and the growing interest of stakeholders;
- in-depth analysis of Corporate Social Responsibility activities applied to the Supply Chain.

In 2022, the same training course will involve the Purchasing function in Europe and America.

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 practice.

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 2021 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.



In addition, during 2021 the outsourcing supplier management process was further refined with regard to Health and Safety aspects.

Brembo applies a structured process, shared with the suppliers,

with the aim of raising their awareness and supporting them in the effective management of workplace Health and Safety aspects, in order to prevent or mitigate any impacts caused by the activities outsourced by Brembo.

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.



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

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 Supplier Code of Conduct, 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 to verify their possible origin from 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, other high-risk material that comes from conflict zones.



Production Process



A leap forward.

Ideas and intuitions are not enough to leave an indelible mark in the vast global market. A leap forward is needed. A technology innovation that is, more than ever, open to the future, whose primary objectives are respect for people and the environment, starting from production processes.





6. Production Process

6.1 Designing innovation

The transport sector has to tackle the challenges posed by climate change and air pollution. Through its Research and Development activity, Brembo monitors the continuous evolution of the sector, directing research into the best braking system toward solutions able to meet the challenges of the future such as electrification, autonomous driving and digitalisation.

**3,211**Patents, utility
and designs models**1,207^{FTE}**People employed
in R&D activities**100%³²**Plants with
IATF 16949
quality certification

Aware of the environmental impacts generated by the production processes typical of the automotive market, Brembo is committed to strengthening the development of innovative and carbon neutral products, convinced that purchasing decisions will be increasingly driven by environmental impact, but especially by the will to consolidate the change to sustainable mobility and reduce the environmental impact of the Group's entire value chain.

The activities 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, as well as the application of 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 minimising disc and pad wear, in the framework of 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 Brembo's products and the control of the dispersion of braking-related dust, thus contributing to combating the climate change;
- ▶ **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

³² Net of the Zaragoza plant (Spain) and the SBS Friction plant (Denmark) which are ISO 9001-certified. It should be noted that the Carbon Factory will be certified by 2022.



neutralising GHG emissions, is now divided into the following action areas:

- ▶ Understanding of the impact throughout the production chain (Life Cycle Assessment)
- ▶ 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

Firmly believing in the collaboration with the value chain and in order to improve its management approach to this issue, Brembo is involved in external initiatives by taking part to workshops, conferences, webinars. The Company 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 impacts such as those linked to raw materials production.

Brembo reports information on GHG 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.

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. 3,211 patents, utility models and designs divided into 536 families have already been registered in the world in sixty years since its foundation. In 2021, the Group filed several patent applications for cast-iron brake discs and light brake discs, made possible by research, development and testing of unconventional solutions based on the study of shapes, materials, technologies and surface treatments capable of meeting the needs of next-generation hybrid and electric drivetrain vehicles or conquering new segments of the market. In 2021, 44 patents and 6 design models were filed, for a total of 50, in addition to 30 filed the previous year and 54 in 2019. In 2021, Brembo also registered 9 new trademarks, bringing the total registered since its foundation to 276, divided into 67 families.



3,211
patents, utility and design
models filed by the Group
since it was founded

Continuous innovation is the stylistic approach taken by Brembo to 100% of its products and processes, both existing and in development, with regard to quality and environmental impact, including through prior analysis of the relevant laws and regulations in force in the countries where the product will be marketed.

In addition, the Group uses the Life Cycle Assessment methodology to monitor the entire life cycle of products and processes, with the aim of extending it to all products and processes. Currently, several methodologies and software are



RADEGAST will produce for electric cars

Radegast is the Brembo project that in Ostrava, Czech Republic, is set to debut a new plant for the integrated production of aluminium calipers that is going to support and expand the current site, which has been operating for ten years. With new production standards and new cutting-edge performance in terms of sustainability with "zero emissions" and "paper free" targets, this plant will produce for the new electric platforms of customers such as Audi, Porsche, Mercedes, BMW and Tesla. Once fully operational, about 80% of the calipers produced will be fitted on the electric platforms of the world's leading manufacturers. This is what makes this new plant unique. The production integrated with painting started.



used to quantify environmental impact, including ReCiPe 2016. Innovation for Brembo is also 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: the "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 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, completely 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.

6.2 Partnerships to improve the environmental impact of products

As indicated previously, innovation, for Brembo, aims to ensure not only increasingly cutting-edge products able to anticipate and meet the new needs typical of the automotive industry, but also products that allow the environmental impact to be improved, through:

- ▶ the design of products involving the use of low-impact materials and protections;
- ▶ the reduction of GHG emissions thanks to the use of light alloys allowing to limit braking systems weight;
- ▶ the reduction of particulates during braking, harmful for human health thanks to the use of technical materials and solutions;
- ▶ the development of smart products such as mechatronic components;
- ▶ the implementation and the development of structured Life Cycle Assessments, both on process and material level.

To improve the effectiveness of research in these areas, and in a perspective of open-innovation, the Group encourages collaboration, through networks and joint work projects, with other players in the automotive sector: Research Centres 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).

Also important was the collaboration between eNovia and Brembo for electronic development and the development synergies that will allow both facilities to grow in the coming years. eNovia brought to the bicycles market an ABS brake system based on the concept developed and patented by Brembo Performance in 2016, whereas Brembo brought



electromechanical systems in which the electronic component was developed according to its specifications by eNovia to the racetrack.

With regard to the Aeronautics Project, Brembo — that has been certified by the EASA as a qualified developer and designer of complete brake systems and by the Italian Civil Aviation Authority (ENAC) to produce front and rear wheels — at the end of year completed all the activities.

In addition, 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 keeping with the previous year, in 2021 Brembo took part in the following joint research projects:

nPETS: the project with the acronym nPETS - *nano Particle Emissions from the Transport Sector* - 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 story that nPETS aims to communicate is the life of the sub 100 nm emissions from its creation to its potential path to 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/>

SSM-STEEDER: STEEDER is the innovative apparatus that finally allows the market adoption of Aluminium and Magnesium up to 100% from recycle to manufacture high quality light components for a sustainable EU transport sector. The project involves the high-tech SME InnSight aiming at commercialising the innovations, with the SME Veltman and BREMBO.

For further information: <https://www.ssm-steeder.com/>

MODALES (MOfify Drivers' behaviour to Adapt for Lower EmissionS): this project 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 projects of the calibre of Rebrake, COBRA and LOWBRASYS. This project, 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 him.

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

ENSEMBLE: the main goal of this project is to support the adoption of a multi-brand truck platooning in Europe, by working on standardisation, universal communication projects and international legislation. Improved traffic security, productivity, fuel savings and, overall, a direct positive impact on total emissions represent the immediate benefits connected with the implementation of this initiative. These benefits will be demonstrated by guiding up to six trucks of different brands in one or more platoons in real traffic conditions across national borders during the final event.

For further information: <https://platooningensemble.eu/>

EVC1000: 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/>

IMPROVES: a project to develop and validate high performance electric motors to be used in the next generation of braking and electric propulsion systems for electric vehicles. The project

meets the sustainability goals of the Group that has decided to invest in the production of electric motors with a potential significant impact on the environment, thanks to the reduction in fossil fuel consumption. The project, completed in 2021, achieved the result of having installed in Brembo plants a complete production line for the assembly of electric motors for the first time in Brembo's history.



The carbon-carbon brake system

Regarding the racing world, the “carbon-carbon brake system for racing applications” project (F1, LMP – Le Mans Prototype, IRL – Indy Racing League and Super-Formula) continued to focus on three strategic areas:

- ▶ production of carbon-carbon discs and pads with the new 2022 Formula 1 TNT disc, in addition to discs under production for the other categories;
- ▶ development of new systems — on the basis of the F1 disc — for the other categories as well; launch of new research activity relating to the architecture and fibre used in the F1 discs and pads, with pad research on mechanical, thermal and friction characteristics;
- ▶ development of new carbon ceramic discs for extreme road applications for both cars and motorbikes.

In the area of carbon ceramic discs destined for road applications, production with CCMR carbon ceramic brakes was launched for a specific customer's vehicle that offers racing-like performance. This vehicle will be in production for around two years, for a total of over 2,500 vehicles, with a significant increase on initially forecast figures.

Moreover, the testing approval process was completed both internally and by the customer on a new CCMR braking system conceived for vehicles with extreme “racing-like” performance. The vehicle will enter production in the first months of 2022.

6.3 The results of innovation

The automotive market has embarked on one of the most important revolutions in its history, which could radically alter the concept of the car and its use. A profound transition as a mark of the new electric drive systems, autonomous driving and integration of different vehicle systems, where the car is increasingly more able to carry out independent actions and provide assistance to the driver in real time. In particular, over the next few years 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. Over the course of 2021, Brembo continued in this direction with the official presentation of SENSIFY™, the latest development in the research work on the braking system with by-wire technology.

SENSIFY™ is a new pioneering intelligent braking system that integrates the most advanced software based on artificial intelligence with the Company's brake components.

SENSIFY™ is the natural evolution of Brembo's experience and know-how. It combines the design of the best braking components with the integration of a digital control system and sensors that manage each wheel independently. The result is



more precise driving of the car, an increase in performance, confidence and, ultimately, a unique driving experience in total safety.

Thanks to the optimised braking action on each wheel, combined with the absence of resistance between pads and discs that minimises emissions, SENSIFY™ is a more sustainable braking solution.

Accordingly, on the one hand, integration with the regenerative systems optimises energy use in hybrid and electric cars; on the other, in the more “traditional” combustion engine car disappearance of the phenomenon known as ‘residual torque’, caused by intrinsic and unwanted friction between disc and pad outside the braking phase. This causes the car to brake, albeit imperceptibly, increasing its fuel consumption and as a result its emissions. This technology provides car drivers with increasingly higher safety standards, thanks to a significant reduction in stopping distances compared to a traditional system, and unprecedented driving comfort, the result of the system’s capacity to ensure braking that can automatically adapt to the vehicle’s load conditions, whilst maintaining constant stopping distances.

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 big data to improve the driver experience and allows the system to be constantly updated.

SENSIFY™ comes from the fusion of two words: SENSE, or the ability with which a person perceives an external signal, a stimulus and SIMPLIFY, which indicates the simplicity in installing the product in harmony with the vehicle. Therefore, SENSIFY™ constantly delivers the best of two worlds: driving pleasure and total safety. It is intuitive, responsive, stable and gives the driver the expected performance when needed, combined with exceptional control.

Today Brembo also extends this technology to the motorbike sector and to three markets in the racing sector: from 2024 Formula 1 and Formula E (from 2018, on one customer and from 2023 on all customers) and from 2023 also to the Le Mans

category (LMH). The advanced systems with By Wire technology for racing are characterised by the same safety concept that allows a return to traditional pedal braking in a very short time, performed by the driver if there is a fault on the by wire system.

Brembo’s commitment to increasing its presence in the scooter market has taken concrete form with the launch of six different projects for two important customers, with design work to take place in Italy and manufacturing in India.

The search for new markets in the field of high performance two-wheelers also 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. The design activity is continuing in order to have the first prototypes available by May 2022. In this area, collaboration with the new players entering the electric vehicle sector becomes a strategic priority for the Group which has received a mandate to supply the brake system for a commercial electric vehicle from a major American manufacturer. The planning and industrialisation phase for the production launch has started and the project would result in Brembo being the first company in the world to enter into production in 2022.

Mechatronics and system integration entail the development of new components for Brembo’s products, including sensors, mechanisms and electric motors. Brembo is therefore coordinating a group of companies based in the Lombardy region within the framework of the funded project “Improves”, with the aim of creating brushless motors based on permanent magnets offering very high levels of performance, specifically designed for the brakes of the future. The first prototypes of motors designed by Brembo for its By Wire actuators were created in 2019, while a prototyping line for these motors was built in 2020. The project was officially concluded, with a view to extend the activities performed to specific future projects for Brembo.

In addition, 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.

After consolidating the technical solutions for fixed calipers, resulting in the assignment in 2019 of a share of the business relating to a platform of fully electric vehicles created by a major German manufacturer, the Group's focus shifted to the study and application of floating calipers for commercial vehicles. The concept approval phase was successfully completed and the product, which represents the current state of the art, was proposed in the first half of 2020 to a major European customer for the renewal of its range of commercial vehicles.

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 maintain unchanged the aesthetics of the

disc in different situations, is particularly appreciated for the new generations of electric vehicles, characterised by different use of the brake system.

In 2021, application development was intensified with a major German manufacturer for the supply of the Greentive® disc paired with brake pads developed specifically by Brembo Friction for high-performance applications, in particular for the premium and luxury segment vehicles. Production is set to begin in 2022, while the development phase continued in parallel with other major car manufacturers.

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. The release in the coming years of a European legislation that will regulate the emissions of fine particles from braking systems helps 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.

In line with the automotive market guidelines, the Group has also continued with studies researching into new geometries that would allow 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. 2021 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 designed to meet the needs of hybrid and electric vehicles, which use regenerative braking and thus introduce new requirements for brake discs.

Regarding commercial vehicle applications, Brembo continued to develop a new light disc solution that reduces weight by up to 15%, thanks to the combination of two different materials. In particular, it is due to this solution that Brembo has been chosen as the brake disc supplier for all the new generation rear-drive cars produced by a leading German customer. 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.

The development of street motorbike discs made with new materials and new surface treatments continued. In particular, prototypes have been launched for the “lightweight” metal disc and the coated disc is being tested. Both products are currently in the process of concept validation.

For the new product range created for the Indian market, the four-piston front caliper and the handlebar master cylinder were added; their design was defined and the validations for the first prototypes for mass-produced permanent mould casting are ongoing. In addition to its uniform design, the entire new product range has been conceived to be able to be customised according to the needs of motorbike manufacturers, combining, once again, product high quality with an innovative design.

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 solutions that are the reference 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. Concept approval is currently underway, whereas validation of small-series production process is expected by the end of 2022.

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 materials for the “low emission” line and, accordingly, the approval process for an alloy that uses completely recycled aluminium is underway. Production of fixed calipers using recycled aluminium is expected to begin in 2025 with a major European manufacturer.



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. 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 but offer a high level of heat and mechanical

resistance. The search for innovative friction materials also embraces the development of new environmentally friendly solutions with an increasingly limited environmental impact.

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

Finally, the advanced technology 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.

Brembo's capacity to achieve significant results in all areas where the Group is committed to product and process innovation is the result of:



the work of 1,207 Full time equivalent
People engaged in research and development activities



more than 20 years
of refining the **Brembo Project Development System** methodology which structures phases, roles, responsibilities, controls and tools for the innovation management process



To learn more
Greentive®

<https://www.brembo.com/en/sustainability/esg/environment/innovation>



To learn more
Enesys, Energy Saving System®

<https://www.brembo.com/en/sustainability/esg/environment/innovation>





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, which has been ongoing since 2015, 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.

Innovation in Brembo comes through design, becoming the success story of a brand known worldwide.

"Brand reputation" or ("company reputation") is a fluid concept which refers to several aspects such as the ability to attract and retain talented individuals, social responsibility towards the community and environment, the degree of innovation, the quality of products and services, the use of company resources, financial solidity and the value of investments. It is nonetheless possible to identify a common element which connects these aspects to brand reputation: namely customers' expectations towards the brand. Brembo's goal is precisely to consolidate trust in the brand to the extent that consumers expect that the products and services offered will also be of quality.

Product brand and design share the same spirit: innovation. Design innovation means strengthening the identity of a product so that it becomes recognisable even in the absence of the brand, thus conveying a message of innovation and value.

If a car's design is often one of the reasons for purchasing it, then Brembo has a part to play in determining the car's particular character. Brembo is an industry leader also due to its focus on brake system aesthetics. Technology and innovation, excellence in braking performance and style have made it the market leader for 60 years. Technological innovation and design render the vehicle unique and can be summed up in the phrase that accompanied the award of the Compasso d'Oro award in 2004: "If it wasn't a brake, it would be a sculpture worthy of any modern art museum".

In 2019, Brembo reinforced its unique nature and attention to detail by launching Brembo Style, a think-tank where styles, approaches and methods fuse technology, style and design into a new aesthetic language that strengthens the brand's identity.





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 presented **SENSIFY™**, a new braking system that integrates the most advanced software based on artificial intelligence with the Company's brake components. Fully in line with the company's "Turning Energy into Inspiration" vision, SENSIFY™ enhances the on-road experience and customises the brakes' response to their driving style, offering driving pleasure and total safety. 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. This system, combined with the absence of resistance between pads and discs, minimises emissions making SENSIFY™ a more sustainable braking solution.



Brembo adds to the GP4 brake caliper family the new **GP4-MINI**, designed specifically for motorbikes used on the track by the younger generations, tackling international circuits with the same technologies used in the higher categories.

This new aluminium two-piece, 4-piston, radial mount, billet caliper has an extreme design inspired by some of the styling cues also used on the calipers of large displacement supersport models. It also incorporates the characteristic elements of the prestigious GP4-MS, with ribs between the central bridge, which embrace the pistons and give rigidity to the system, to the benefit of consistent performance on the track. The hard oxidation finish treatment gives strength and performance even at high operating temperatures.

Particular attention has been paid to the study of the internal ducting, to ensure optimal system bleeding. In addition, the amount of fluid inside the braking system has been reduced, resulting in more consistent performance and a very direct and linear feeling of lever travel and braking power. This characteristic is crucial when braking on the track with the bike in the crease.



Brembo has made the new **ventilated disc** available to the teams participating in the 2021 Superbike. This disc's characteristic feature is precisely the ventilation that aims to increase heat exchange and hence improve disc cooling. It is a solution designed specifically so that the teams can use it on circuits that are very hard for the braking system such as Donington, Barcelona and Magny Cours. The adoption of a double diameter option combined with different thicknesses, four in all, will allow teams and drivers to have a wider choice to be able to optimise braking system temperatures and thus performance, depending on the difficulty of the rounds.

Brembo has officially presented the **new braking system for the 2021 Moto3 World Championship**.

The new monobloc caliper in aluminium machined from billet with a radial mount with two 32 mm diameter pistons and features external radiant fins with the aim of increasing heat exchange. The design recalls the appearance of the new GP4 caliper thus reinforcing the **family feeling** of the product.

The new steel disc is characterised by a reduction in band height that allows a reduction in disc weight with the aim of limiting the unsprung masses and particularly the rotating masses; the braking system weighs 2000g less than last season's system. In addition, one of the great product innovations is the introduction of the wheelbase gearbox system, developed with the RCS master cylinder for road motorbikes and now also introduced in the two-wheel Racing world.





Brembo Stile

“Brembo Stile” was presented at the Frankfurt IAA (International Motor Show) in September 2019 with a large video installation at the Group’s booth. Set up as a part of the Marketing GCF, Brembo Stile acts as a home to the knowledge and experience gained by the Group thus far in the style arena. A key partner for the customers with which Brembo has been collaborating for years in developing new projects, Brembo Stile is the place in which to increasingly define the brand’s identity through product design.

Planning a Brembo Stile project involves a number of activities and divisions: from market to style research, from surveying customer needs to celebrating innovative aspects, from the values and positioning to convey to identifying the language to be used, in terms of colours, offerings and even names. Only in the past two years have the Stile projects managed by the Group involved the Systems GBU (Mazda, Infiniti, Volvo, Lamborghini, Jaguar Land Rover, as well as the specific product Enesys®), the Motorbikes GBU (Stylema, Bybre, Harley Davidson and Ducati), Performance (RCS Corsa Corta and GP4-MS caliper) and the Discs GBU (Jaguar Land Rover, as well as the specific product Greentive®).

In 2020, Brembo received the second ADI Compasso d’Oro award for the rear caliper used in the Formula E championship, in addition to the one already received in 2004. Conceived by Gio Ponti in 1954, the Compasso d’Oro has today become the most prestigious design award at world level. From this year, two Brembo Compasso d’Oro awards are exhibited in Milan at the ADI Design Museum, the new design hub that houses the historic collection of industrial products which received said award.

Brembo carbon-ceramic makes its debut on the new Cadillac

The Brembo carbon-ceramic system also debuts as an option on the new Cadillac CT5-V Blackwing and marks a brand-new innovation for the American company’s V models.

As standard, the new CT5-V Blackwing is equipped with a Brembo braking system with high-performance cast iron discs and uses a 6.2-liter V8 engine delivering 668 horsepower that allows it to reach 320 km/h and be one of the best performing Cadillacs ever. The exclusive new bronze colour of the large calipers, also available in grey, red, blue and visible through the wheels, helps to emphasise its refined look.

A further innovation, which also concerns the CT4-V Blackwing, concerns vehicle parking. On both models it will be enough to press a button to activate the Brembo electric parking brake (EPB), which eliminates the need for the traditional handbrake.

With this project Brembo is continuing along the path of becoming a respected Solution provider, in line with the new mission of the Company, responding to the new paradigms of sustainable mobility and offering the best driving experience.





6.4 Listening to customers for product improvement

For Brembo, the creation of value also relies on collaboration and ongoing discussion with the main manufacturers of vehicles equipped with its brake systems: a daily relationship allows to understand and anticipate 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.

The annual analyses of data relating to issues encountered by drivers in certain key markets during brake use are particularly important tools in this context. The Group uses, amongst others, the "Initiative Quality Study" and "Vehicle Dependability Study" monitoring research, published by J.D. Power. These studies

cover drivers in the first few months after buying a new vehicle, as well as those using vehicles from one to three years old, and reveal the main braking system issues.

In addition to monitoring the quality and comfort perceived by users of Brembo solutions, the Group also involves end customers in its processes to develop new products. In 2021, with the easing of restrictions due to the pandemic, Brembo returned to participate in trade fairs. In particular, the new GP4-MINI caliper was presented during EICMA, the international two-wheeler exhibition. This is specifically designed for the motorbikes used on the track by the new generations, who are racing to become the riders of the future, tackling the international circuits with the same technologies used in the higher categories.

Other important opportunities for making contact and engaging with the Group's clients include its Tech Days, such as the ones held in Brazil, designed to reveal 'another side' to Brembo, which differs from the one clients usually encounter, highlighting



**more than
1.5 million fans**

**for the Brembo brand
Facebook page**, who
have generated almost
2 million interactions



**over
725,000 fans**

**for Brembo's
Instagram profile**



**over
174,000 followers**

**for Brembo's
LinkedIn profile**



**over
30,000 followers**

**for Brembo's
Twitter profile**



**over
78,900 followers**

**for Brembo's WeChat
profile (China)**



**over
25,100 followers**

**for the Weibo
profile (China)**



everything that goes into making Brembo a global leader in braking systems.

In 2018 Brembo also participated in the “ADI Impresa Docet” event cycle, organised by Scuola del Design, in collaboration with the Design Department of Politecnico di Milano, Polidesign and ADI, intended as an opportunity for dialogue and discussion amongst design students, businesses and professionals in Italy. On this occasion, Brembo contributed its experience as a company capable of making product design the foundation of its competitive advantage, presenting the main challenges overcome over the years to turn a project into a successful product. In other developments relating to the association ADI, Brembo was added to the ADI Design Index for the design of its new Formula E caliper, which stands out for its distinctive, dynamic and sporty aesthetics, consistent with the style of the vehicles for which it was designed.

Other important moments in terms of contact and engagement with the Group’s clients included some virtual days and meetings

organised in 2021 via the new Brembo Next platform, designed to share Brembo’s new vision and mission.

Brembo is also in contact with its customers’ style centres and designers, with which it often collaborates to set the design guidelines for its new products. In recent years, this has been accompanied by participation in the prestigious Car Design Award organised by the magazine Auto&Design, a prize bestowed on outstanding projects in the automotive design sector. The winners were given trophies specially designed and manufactured by Brembo: in 2021, the trophies consisted of a section of the Greentive® brake disc, a disc known for its sustainable characteristics and its aesthetic value.

In addition, this year Automobili Pininfarina has also chosen to rely on the innovative design and undisputed technology of Brembo brakes. Through this partnership, the Battista is the world’s first electric hypercar to use Brembo CCM-R carbon ceramic discs, which increase the enormous performance potential of this Italian masterpiece.



Brembo’s commitment to connecting with the new generations

In 2021, Brembo wanted to expand the dialogue with the new generations through an important initiative dedicated to the end users of tomorrow: Brembo becomes official partner for the braking systems of Playstation Gran Turismo™ 7. In fact, this partnership will strengthen the relationship with young people and its brand identity, in line with the “Turning Energy into inspiration” vision.

More specifically, Brembo will make its “upgrade” products available to players in Gran Turismo™ 7’s Tuning Shop, the virtual store where the car’s performance can be boosted. In this environment, gamers can start by replacing the original equipment brake discs with those of the Sport range and, progressing in the video game, develop their car with different Brembo braking systems, until the best performing and distinctive products for road cars, including the Carbon Ceramic brake discs and GT | BM calipers, available in eight different colours.

In addition, players will be able to get to know and take an interest in the Brembo company: in fact, they will find the Company’s profile and values in the Brand Central of Gran Turismo™ 7 and the Brand’s 60 years of history in the Brand Central Museum.



The New G Sessanta caliper: bridge between past and future

The New G Sessanta caliper combines past and future, history and new corporate vision, and is inspired by the first brake caliper produced by the Company, in 1972, embodying at the same time Brembo's new vision of mobility. A solution in dialogue with the new generations that, through light, combines the suggestion of colour with innovation and customisation.

The core of the concept lies in the revolutionary application of LED technology directly on the body of the caliper. This solution is adaptable to every application and type of caliper, and enhances its form and function: it can be both an interface, communicating directly with the user, and an aesthetic choice, adapting to the user's tastes and preferences. The project is a concept designed to be personalisable, by using wireless technology, when the vehicle is at stop, to control the desired shade of light to express mood, enhance the style of the bike, or adapt it to the surroundings. The use of colour and light also has the potential to enable data and information to be sent on the conditions of the vehicle and the caliper itself, or even help localise a parked vehicle by emitting a courtesy light. If the New G Sessanta shapes evoke the first ever brake caliper produced by Brembo, in 1972 for Moto Guzzi, the name wants to celebrate its designer at the time, Gianni Gotti, who joined Brembo in the early days, in 1971, and who then accompanied the company's growth for decades.



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 key element of Brembo's ecosystem of websites is represented by the corporate website www.brembo.com that saw further improvements to all the main performance parameters in 2021. The number of unique visitors has grown by 11% compared to the previous year. In 2021, the number of new content postings on [brembo.com](http://www.brembo.com) website — constantly being updated both from a structural standpoint and to enrich the content available — reached 122 new content postings (1 new content every 3 days), thereby increasing the information offered on the site's pages.

It should be noted that website visitors are increasingly "mobile" as 4 out of 5 connected to the website through a smartphone or a tablet. The site seeks to communicate with all stakeholders in

the relevant market sectors (Cars, Motorbikes and Performance), presenting the Group's global activities, product ranges and all market information to users the world over. It also offers a general overview of the Group's history, growth and constant research.

Brembo Group's other sites also grew compared to the previous year, with more than 9 million total unique visitors. The organic growth of the various sites of Brembo's ecosystem has to be added to the traffic generated by two additional sites launched during the year: the Revelia e-commerce website (www.brembostore.cn) and the www.sensify.brembo.com website. Revelia is an e-commerce website dedicated to the Chinese market that, after being launched last spring, registered over a million unique visitors in just 9 months. The Sensify website launched during the month of October, is a site dedicated to Brembo's new pioneering intelligent braking system that combines the best of two worlds: driving pleasure with total safety and totalled over 58,000 unique visitors over the course of just two and a half months of activity.³³

³³ The analysis currently does not include the websites of the AP Racing, SBS and J.Juan foreign companies and brands.



Similarly to what was seen on web channels, Brembo continued its positive performance on social media as well, where the number of its followers on the seven main channels (Facebook, Instagram, LinkedIn, We-Chat, Twitter, Douyin and Weibo) increased by 9% in 2021, although with different trends reported by the individual social platforms. At the same time, 2021 witnessed an increase in content production (+9% compared to 2020) and the overall engagement level (+62%). It bears emphasising that the level of engagement with its followers, i.e. the brand's ability to stimulate conversations and constantly offer a good reason to talk about and interact with the brand, should be considered one of its most valuable intangible assets in the current knowledge economy environment. During 2021, more than 9,000 contents in total 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 GenZ.

The brand follower audience on the most popular platforms, Facebook and Instagram, is divided quite evenly between America (43%), Asia (31%) and Europe (26%). A distribution that reflects Brembo's global approach.

From an age point of view, more than 70% of the Company's followers on Facebook and Instagram 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 the Cool Pillar strategy, which aims to attract the future generations to Brembo.

With this in mind, in 2021 Brembo opened its channel on Douyin in China (known outside of China as TikTok) and rapidly saw its follower base grow to over 32,000 units in the matter of just a few months.

No. of followers in 2021					
Facebook	Instagram	LinkedIn	Twitter	We-Chat	Weibo
1,545,557	725,717	174,820	30,689	78,904	37,512

No. of interactions in 2021					
Facebook	Instagram	LinkedIn	Twitter	We-Chat	Weibo
1,096,838	7,997,183	51,142	27,143	7,295	9,955



Revelia: Brembo's platform dedicated to end consumers

Revelia is the online platform that allows Brembo to interact directly and in an "informal" way with its customers using a single point of access and end-consumer-oriented content, thereby offering a unique customer experience. Revelia also hosts Brembo's first independent online e-commerce store, which enables end customers to directly purchase the Company's products. BremboStore.cn has been online since 31 March 2021 and targets all automotive and Brembo brand enthusiasts in China who desire to choose on their own the Group's aftermarket products, from brake discs to pads and brake fluid, deciding whether they need the help offered by the platform's "Customer service". Revelia has been conceived with a view to integrating Brembo High Performance Kit and Motorbike AM products, Brembo's innovative services and all that may interest end consumers, thus acting as a Solution provider. The platform marks Brembo's debut on the B2C market. The Group plans to extend this service in the next two years, covering also Europe and Asian-Pacific countries and regions, from Australia to New Zealand, south-eastern Asia and Japan.





6.5 Creativity and method: ensuring product safety

The drive for innovation and continual improvement of its production processes have always been distinguishing features of Brembo's assets. Thanks to the research and implementation of cutting-edge solutions, the Group 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 the Group operates.

Following a preventive and proactive approach, Brembo is committed to applying the voluntary technical standards that national and international standards bodies develop to define in detail how to produce excellent products and align its own production processes with best practice, guaranteeing safety, quality, respect for the environment and certain performance. All Brembo products have to pass controls and checks designed to ensure their quality and safety, following a logic of ongoing improvement, which makes an essential contribution to increasing the ability to meet all requirements, as well as process efficacy and efficiency, both within the Group and throughout the supply chain. From this standpoint, 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.



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 the brand they belong to. Similarly to what happens in a 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 content is highlighted also during the new product development phase.

> The tests



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 product 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.

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, by contrast, 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. To reduce development times, these benches, developed by Brembo, in collaboration with qualified suppliers, operate 24/7 thanks to sophisticated control systems. 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 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°C and +40°C. These are test booths which simulate road tests in all conditions in terms of temperature and humidity.

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 carried out 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 2021, there were 501 BTSs in place.

The entire test system falls within the solid Project Management (BPDS - Brembo Project 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 moments (so-called "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.

During 2021 the Project Development System underwent a



- ▶ 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.

major renovation. In fact, during the year Brembo dedicated itself to the global updating of 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 GBU 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. To disseminate the new methodology and plan its implementation, specific training sessions have been organised in Italy and abroad, starting from the second quarter of 2022.



Training on the Butterfly system

Given the importance that the Butterfly system holds for Brembo, the Quality GCF, with the support of the Brembo Academy, designed in 2018 the first BPDS training course conceived and taught by certified internal teachers. The main objective of this project is to train new people recruited for platform roles and who are not familiar with this methodology. At the same time, Brembo intends to highlight the strategic nature and importance of this process for the entire company population operating in development platforms. This training campaign, which began as a pilot initiative in 2018, has now seen the involvement of more than 200 people. The training package has a duration of 16 hours.



FMEA/FMECA analysis

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 take preventive correction measures. In detail, during the **design and development phase**, the Group carries out product and process FMEAs/FMECAs to identify in advance the weaknesses and critical issues that could compromise product reliability and safety, by defining the necessary improvements and priority measures to be taken before the product enters into production. FMEA methodology is used, in particular, to identify product and process characteristics having a potential impact on end-user safety, so that these characteristics can be managed and controlled systematically throughout the entire production chain (product development, internal process and supplier process). These elements represent a fundamental part of Brembo's Quality Management System, compliant with **IATF 16949:2016** technical specification³⁴. 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. Like other management systems, in newly opened sites the Quality Management System is implemented when production gets underway and certification audits are normally carried out around twelve months after the plant is commissioned.



100%*
of production plants
are IATF 16949:2016 certified³⁴

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.

From an internal standpoint, the most important indicators involved are those regarding waste, while from an external standpoint, those regarding complaint monitoring and the number of defective items sent out to clients are key, both as regards their level of criticality (in terms of inconvenience for the client) and severity (in terms of their impact on end-user safety). Brembo also monitors any product recalls from the market, or customer's notifications of non-compliance with the pre-defined qualitative standards. The application of these indicators also extends to the monitoring of product quality and safety made by the suppliers.

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.

In addition, from 1 February 2021, the Quality function has defined the new "Product Regulation" area which will have the task of developing and consolidating skills related to the management of mandatory requirements, ensuring compliance with new product requirements, implementing action plans when needed and constantly liaising with customers, suppliers and national and supranational regulatory bodies on issues related to mandatory product requirements.

³⁴ Net of Zaragoza plant (Spain) and SBS Friction plant (Denmark) which are ISO 9001 certified. It should be noted that Carbon Factory will be certified by 2022.





Eureka: a software to tackle and manage product criticalities

As of 2019 Brembo implemented “Eureka”, a software that enables 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 2021, 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.

It is important to highlight that as of 2020 a rise in counterfeiting was reported, especially in relation to the particular year marked by the pandemic which had a major effect on the market. In particular, in 2021 535 internet domain names were analysed, a significant number compared to the previous years.

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.

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 2021 to prevent 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 2021, 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 brand protection. In addition, VICE TV has created a video service on the anti-counterfeiting phenomenon, in which Brembo also talks about different categories of products. These measures, combined with those mentioned above, have resulted in several fake products being blocked.

In 2022, Brembo intends to take new actions to stop fraudulent activities, especially in China.



Brembo check, the new anti-counterfeiting app

To ensure that the product is 100% original, the Company has implemented an anti-counterfeiting programme and launched "Brembo Check", a new app to certify the originality of upgrade products. All one has to do is use a smartphone to scan the unique QR Code shown on the label placed on the purchased component or on the box, to receive immediate confirmation of the product's originality. 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.

6.6 Awards for innovative ideas of employees

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

BREMBO Excellence Awards



Thanks to its Excellence Awards Brembo promotes continuous improvements through the application of the Brembo Production System (BPS) principles, and it rewards the most innovative ideas and solutions put forward by employees in the category:

Best Ideas, which promotes, in all areas of the company's organisation, ongoing improvement projects stemmed from the application of the Brembo Production System's principles.

Among the projects submitted in the Best Ideas category, innovative ideas in the larger areas of Sustainability and Digital Factory have been given particular emphasis with the introduction of the related special mention awards:

- "Sustainability": assessment of the impacts achieved by project results, including aspects such as environmental sustainability, personal growth and the surrounding context;
- "Digital Factory": assessment of the application of new digital technologies to support ongoing improvement and performance-boosting projects.

Participation in the Excellence Awards is open to individual employees or groups of employees from all of the Brembo sites. The 2021 edition saw the participation of 25 global sites, with a total of 131 ideas for improvement submitted in six



different categories: “Safety” (24 projects), “BPS Application” (20), “Cost reduction” (21), “Productivity” (21), “Quality” (23) and “Office Improvement” (22). Innovative proposals have also been formulated with regard to special mention awards “Sustainability” and “Digital Factory”.

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 one judged to be the best in product category, and the one voted as the best for process for a given year get the accolade.

In 2021, 35 ideas were presented, comprising 13 product ideas and 22 process ideas: the latter regarded both the systems and the discs. Out of all those submitted, awards were given to 32 ideas: 12 product ideas and 20 process ideas. All areas took part in this year's edition by submitting their respective projects: in particular, 2021 witnessed the participation of the Digital & Innovation GCF, whose ideas received a positive feedback.

BREMBO Sustainability Awards



“Thinking responsibly, acting concretely”: this is Brembo's approach to sustainability. In 2019, the new Brembo Sustainability Awards competition was launched. The award now complements the long-standing Brembo Excellence Awards and the Brembo Innovation Awards, and it is awarded to Brembo People 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 year, in 2021 the Brembo Sustainability Awards competition met with excellent results in terms of participation. A total of 71 projects were put forward, in the six categories, mostly in the Environment and People categories, with 122 participants overall and five prize-winning projects³⁵. Countries which submitted their projects include: Mexico, China, Brazil, Italy, Poland, India and Czech Republic.

The Brembo Sustainability Awards made use of the CSR Ambassadors' and CSR Champions' contributions, these being people nominated by each Brembo country and plant with the aim of inspiring and engaging all Brembo People into CSR issues and to act as a bridge between the Corporate HQ and the Group's companies. They are the sustainability spokespeople, and they are tasked with engaging all Brembo employees into adopting sustainable behaviours, as well as with officially representing the Corporate HQ's CSR Office.

Due to the continuation of the health emergency, in 2021 as well it was not possible to hold the traditional prize-giving ceremony for the Brembo Awards concluded in 2020. Despite this, the assessment process went ahead as usual and the names of the winners were announced on the company Intranet Red Portal and through posters at all plants worldwide.

³⁵ No one was awarded in the Governance category since the projects submitted were merely about the application of corporate guidelines and not about “innovative” ideas. Therefore, it was deemed appropriate not to consider it as valid for assessment purposes.



Environment

Respecting one's nature.

Constantly moving, even upstream.
At each step, at each new solution, one's
thought goes to the future of the planet.
A virtuous circle in which resources are
responsibly used and emissions reduced,
with increasingly lighter and less pollutant
materials.

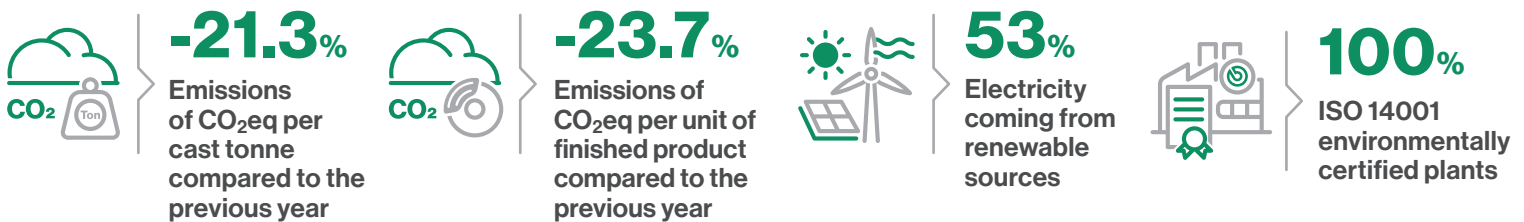




7. Environment

7.1 Efficiency and environmental protection in production processes

Climate change represents a threat to the entire planet: the inexorable increase in global temperature due to the increase in the concentration of greenhouse gases in the atmosphere causes the alteration of entire ecosystems with loss of biodiversity, acidification of the oceans, melting of ice, increased desertification, with the related impact on human activities.



Rising sea levels caused by melting ice can jeopardise the very existence of cities and coastal activities, just as the increased intensity and frequency of extreme weather events can cause unprecedented damage and devastation. In addition, an increase in migratory phenomena is expected, as entire populations will be forced to seek more favourable living conditions. Ultimately, all these effects of climate change in turn produce social and economic consequences, so much so that the World Economic Forum has for years now included climate change among the main risks worldwide.

To cope with this risk scenario, institutions, investors, companies and civil society are mobilising to mitigate its effects and study growth strategies based on social equity and environmental sustainability.

At global level, sustainability occupies an important place in the main international working groups: **COP26** is an example of this. The conference, held in Glasgow in November 2021, brought countries back to constructive dialogue: many bilateral and multilateral agreements marked a step forward. These

include the **US-China bilateral agreement**: in fact, two of the main contributors to global emissions of climate-altering substances have announced that they want to collaborate to keep the growth of global average temperatures below 1.5°C as established by the 2015 Paris Agreement. This is in addition to the “**Declaration on forests and land use**” which establishes the commitment of over 100 countries, including Brazil, Russia, Canada, Indonesia, the Democratic Republic of Congo and China, where more than 90% of the Earth’s forests are located, to stop deforestation by 2030, the “**Global Methane Pledge**”, which aims to reduce methane emissions by 30% compared to 2020 by 2030, and also, the **commitment**, of various countries and financial institutions, to **stop financing fossil fuels abroad**. Europe, in line with the other major world powers, has also committed, through the **European Green Deal**, to reduce its emissions, aiming for a **Net Zero economy by 2050**. As first step towards making Europe the first climate-neutral continent by 2050 was the proposal of a European climate regulation for the purpose of transforming this political commitment into legal obligation. The regulation is designed to identify the long-term



path to be followed in order to a) achieve the goal of zero climate impact by 2050 across all policies, in a manner that is socially equitable and cost-effective; b) create a progress monitoring system and, if necessary, taking additional action; c) ensure that the investors and other financial stakeholders know what to expect and guarantee that the transition towards climate neutrality is irreversible.

In order to support Member States in exiting from the socio-economic crisis triggered by the Covid-19 pandemic, the European Union issued the **Next generation EU Recovery Plan** in 2020. The programme shows that economic recovery cannot be separated from ecological and digital transition. In order to be beneficiaries of the huge support packages, Member States have been asked to present a set of investments and reforms in the name of environmental sustainability, social, territorial and gender inclusion and digitalisation. In Italy the programme has taken concrete shape in the **National Recovery and Resilience Plan** (PNRR) where 30% of the planned investments will be allocated to the “Green revolution and ecological transition” mission.

It is also interesting to note that at global level this focus on sustainability issues is being promoted more and more by stakeholders from the business world and investors. In fact, legislative engagement on environmental issues is increasingly accompanied, worldwide, by a strong push from the financial market. Sustainability investments have experienced steady growth over the past few years: sustainable investment activities have increased by 55% since 2016 and see the United States as the leading country in terms of sustainable investments made. In addition, during COP26, the Glasgow Financial Alliance for Net Zero (GFANZ) announced that over \$130 trillion of private capital has been committed to achieving Carbon Neutrality.

The strong financial drive encourages the private sector to align the information disclosed to investor expectations. Because of this, the Financial Stability Board (FSB), the body that promotes and monitors the world financial system, established the Task Force on Climate-related Financial Disclosures (TCFD) in 2015, assigning it the task of drawing up a series of recommendations on the reporting of risks linked to climate change.



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 project, which saw the involvement of the COO - Chief Operating Officer of all GBUs and GCFs including the Purchasing and CSR and the Risk Management area, as well as increasing corporate awareness on the subject, gave the possibility to rely on assessments on the potential financial impacts of climate-related risks and opportunities, representing a valid starting point for the orientation of corporate strategies and disclosure initiatives on climate change.

In particular, the definition of the CCRA methodology and its application have allowed Brembo to:

- ▶ raise awareness among Brembo's main internal stakeholders on the potential climate change-related risks and opportunities;
- ▶ integrate climate change into Brembo's internal risk management framework;
- ▶ identify the main climate change-related risks and opportunities and assess their impacts on the business.



In this context of reference, as a global company leading in the sector in which it operates and consistent with the principles of responsible and sustainable business, Brembo is engaged in constantly transforming its operating model to be increasingly more focused on countering climate change, using water resources rationally and protecting the environment in all its forms. To give tangible form to its commitment to the environment, in recent years Brembo has developed an operating model based on increasingly strict, innovative requirements capable of anticipating future legislation, with the goal of continuing to create value for its stakeholders, by adopting solutions that minimise the environmental impact of its processes, thus ensuring industrial development balanced against respect for the environment everywhere the Group operates.

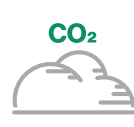
Thanks to the steps it has taken, Brembo is certain that it will be able to ensure operating efficiency together with containment of emissions of climate-altering substances, while positively heeding the “call to action” from the international scientific community to fight against climate change, having embarked on a process of gradual transition to an increasingly “carbon-neutral” model.

The energy use required for the functioning of the Group’s production facilities represents the main source of its greenhouse gas emissions. It is for this reason that Brembo actions in the environmental area are aimed at reducing polluting atmospheric emissions through a gradual transition to more efficient production processes, featuring reduced CO₂eq emissions and an ever-increasing use of energy from renewable sources. The CO₂eq emission reduction and energy efficiency objectives have been defined precisely based on these elements, which, as of 2018, form part of the performance assessment scheme for each of the Group’s managers.

This process is founded on creating a solid culture of sustainability within the Brembo community, as a fundamental tool for stimulating the creation of innovative ideas aimed at constantly reducing energy consumption, atmospheric emissions and use of water resources. In this way all employees are hence asked to make a daily contribution to achieving the business objectives defined by the Group for environmental protection.

Brembo’s commitment also translates into an in-depth knowledge of the emissions generated by company’s operations. The identification and quantification of all the direct and indirect

emission sources means that it is possible to identify the priority action areas for which specific objectives and improvement measures have to be defined. For this reason, Brembo has drawn up an internal procedure that describes the process of building the emissions inventory in all the Group’s factories and the data collection and processing process.



Slightly over 1,394,000 t of CO₂eq greenhouse gas emissions into the atmosphere



Since 2018

every site has maintained an **environmental identity card**, containing all the environmental information necessary to understand the environmental impact of Brembo’s site in qualitative terms.

The environmental protection process embarked on by Brembo also includes rational use of water.

In this area the propensity for technological innovation and awareness of the water resource’s value has led the Group to identify and gradually introduce new production processes requiring a more sustainable water use aiming at limiting its use, eliminating waste and avoiding any possible form of contamination. Brembo’s commitment is most evident at the plants located in areas with significant water strain due to local climate and hydrogeological conditions.

The year 2021 was characterised by the constant increase in requests from all stakeholders for information on environmental impacts. These stakeholders include customers, with many of whom joint activities have been launched to identify solutions that can reduce environmental impact, first and foremost the impact of climate change. The areas of discussion and collaboration with customers concern many other areas including energy efficiency, renewable energy supply, circular economy and more generally all those aimed at achieving a reduction in the environmental impact of products from a *life cycle perspective*. The Brembo Group has proven to be ready and prepared to respond in a concrete manner to the growing demands in the ESG field, with particular regard to environmental issues, which have become fundamental and essential elements of the business, and for which 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.

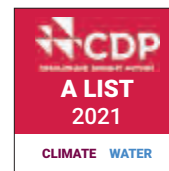
Brembo’s environmental strategy, in terms of values, vision and mission, is described and made available in its Environment and Energy Policy, where the Group states its commitment to full endorsement of sustainable development principles in order to minimise the use of non-renewable resources, and keep 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 voluntarily adhered to CDP initiatives 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. It should also be recalled that requests by the main external stakeholders are managed in coordination with the GCF CSR, which provides an immediate, precise response where needs arise.

Brembo has progressively extended this 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. Finally, since 2016 Brembo has extended its reporting to water resources as well, identifying improvement measures with particular regard to the plants located in geographical areas where there is a greater water risk.



In recognising this commitment, in 2021 as well CDP named Brembo, for the fourth year running, as one of the world’s leading companies in terms of commitment both against climate change and to guarantee water security. At the global level, there are only 55 companies that, together with Brembo, are on both the “Climate Change” and “Water Security” A Lists, while in Italy, it remains the only company to achieve this prestigious twofold environmental recognition. Looking instead at each individual reporting, only 205 companies have been included globally in the A list for Climate Change, in addition to Brembo, and 117 have been included in the Water Security A list.

7.2 System for the effective management of environmental (ISO 14001) and energy (ISO 50001) impact

Brembo has developed and maintains an up-to-date Environmental Management System compliant with the ISO 14001 standard in order to meet the constant evolution of regulatory requirements, the commitment to minimising its environmental impact, and, lastly, the growing attention from stakeholders — communities, governments, customers, investors — towards the environmental and sustainability-related performance, by reducing any environmental risk. 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 once again maintained 100% of its ISO 14001-certified plants in 2021.

After the slowdown suffered in 2020 as a result of the Covid-19 pandemic, the plan to extend the ISO 50001 certification regarding energy management to all Group sites was fully resumed. During 2021, the plants in Sellero (Italy) and the cast iron foundries in Homer (USA) and Escobedo (Mexico) were certified. In 2021, the Group acquired two companies for a total of five plants for which work began on integrating the Group Management System. While the J.Juan Company’s four plants are already ISO 14001-certified, the SBS Friction plant is expected to obtain certification by 2022. As of 2021 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. In spite of the Covid-19 pandemic, which has made physical site visits difficult, all the planned audit activities — including third-party activities — have been met also through activities carried out remotely.

The management system is based on legislative compliance and the risk-oriented approach, going beyond the traditional approach 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 platform (Obligation and RISK Management for Environment and energy), developed by E&E during 2020. Integrated in the same B-Sustainable platform, O.R.M.E supports sites in the management of "Obligation and Risk Management for Environment and Energy" processes, namely the set of activities to ensure compliance with all mandatory, voluntary and Risk Management requirements, for the identification and estimation of environmental risks and opportunities generated by the impacts of production activities, with the consequent planning and implementation of mitigation and improvement activities.

Again during 2021, an IT application was released for the collection of environmental and energy performance data, also integrated into the same B-Sustainable platform, to which it is connected. This tool allows the effective collection of all the information useful for preparing the Annual Sustainability Report (NFI, Disclosure of Non-Financial Information) and monitoring the environmental performance of each Group plant.

As from April 2021, Environment & Energy has integrated the regulatory issues related to the chemicals used in the company, both as raw materials (substances and mixtures),

and as substances present in the products. The purpose of the function is to ensure compliance with all regulations dealing with chemicals in all the geographical areas in which Brembo operates or which represent a market for the Group, ensuring a uniformity of approach integrated within the Environmental Management System.

Lastly, in addition to investments in technology and services to protect the environment, the human factor is a decisive element for ensuring the effective protection of the environment in everyday corporate activities. Accordingly, within the framework of its Management System, Brembo invests in training activities designed to provide information on how to handle the main environmental aspects, including specific technical training for those affected on the front lines, participation in 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. In 2021, as well as standard training, more than 7,500 hours of training on environmental issues were provided across the Group's sites.

In particular, during 2021 four training modules were developed in e-learning mode concerning the requirements defined by Brembo procedures for the management of water, atmospheric emissions, waste and emissions of climate-altering gases. The delivery of these modules, scheduled for the beginning of 2022, will involve all Brembo Group technical staff who in various ways may have an impact on these issues.



over 7,500
hours of training provided to personnel
on environmental management



7.3 Energy consumption

In line with the indications of the global scientific community, Brembo's policy is to maximise efficiency in the use of energy while keeping CO₂eq and other pollutant emissions to a minimum. This policy is aimed at minimising the environmental impact and continuously improving energy performance, reducing energy intensity and CO₂eq emissions due to production processes and at the same time ensuring economically sustainable operations. The improvement in energy performance is also intended to maintain and maximise 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 line with what has been expressed through the Environment and Energy Policy, Brembo has defined a strategy aimed at the progressive reduction of energy consumption, designed both to cut processing costs and reduce the Group's contribution to the emission of climate-altering substances. In order to reach these objectives, and in keeping with that 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 Management System are represented by:

- ▶ measurement and reporting of site energy uses and CO₂ equivalent emissions;
- ▶ audit and review of the performance of the Energy Management System;
- ▶ setting of targets for reducing energy intensity and CO₂ equivalent 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 efficient 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.

When choosing energy sources, Brembo favours renewable energy sources over fossil fuels, by also increasing its self-production capacity, including through the installation of photovoltaic panels.

As a result, the Group's commitment to purchase renewable energy also continued in 2021. In particular, the energy quota from renewable sources which the Group procured rose from 43% in 2020 to 53% in 2021. This result was achieved thanks to the purchase of renewable energy certificates (Guarantee of Origin and I-RECs), PPAs (Power Purchasing Agreements) and other contractual agreements.

100% renewable electricity has been maintained at the Italian and Mexican sites, acquired through the Guarantees of Origin and contractual agreements with suppliers.

Starting from this year, the purchase of renewable energy certificates (I-RECs) was also begun in Brazil (100%), Czech Republic (26%) and China (7%).

Worthy of mention is the result obtained in Poland where, thanks to the adoption of a renewed purchasing strategy, 2021 saw the signing of PPA (Power Purchasing Agreement) contracts and contracts for the purchase of GO, through which the renewable energy component was increased up to 77%.

Self-production is also a further area of intervention: in addition to the recent photovoltaic systems installed in Italy, in Curno and Stezzano, in 2021 work began that will lead to the installation of additional photovoltaic systems on the Mapello and Curno production hubs for a self-generation capacity of 3,500 kWp. The total power generation will reach more than 3.5% of the energy needs of the two hubs.

During 2021, new photovoltaic systems were also installed on the roofs of the Indian site in Pune (900 kWp), reaching a total generation of energy such as to cover more than 16% of its energy needs.

With regard to energy efficiency, the actions taken to achieve these goals include, for example, adopting advanced monitoring systems, interconnected with the factory's main utilities according to a smart factory approach, replacing obsolete systems with others using more efficient technologies, reducing waste, and automatically shutting down systems or parts of systems during unproductive periods.





To further strengthen the collection, monitoring and sharing of energy efficiency projects at the different Group's sites, in 2021 a specific tool for digitalise these activities started to be developed.

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 2021 at 2.77% (calculated as contribution from improvement actions achieved thanks to energy efficiency projects compared to previous year's consumption).

This objective has been largely exceeded, with an about **3.14%** result especially thanks to the activities aimed at optimising the foundries' production processes.

The cast iron foundries, the processes of which make up about **65%** of total consumption, have implemented energy efficiency projects that have helped achieve about 48% the goal achieved by the Group.

The energy consumption optimisation measures have produced major savings and reduced costs significantly, both in the Group's older plants built with previous-generation technology, and in the more recently constructed plants which, built with high energy efficiency, cutting-edge technologies, have focused on the management procedures connected with electricity use in both general technical and processing systems. Overall the measures implemented in 2021 in the various production sites reduced energy consumption by **105,581 GJ**, equivalent to **16,062 tonnes** of emissions of CO₂eq.



3.14%
energy consumption reduction
compared to 2020 thanks to energy
efficiency initiatives



About 67%
the contribution of cast iron and
aluminium foundries to **the Group's**
energy efficiency in 2021



The Brembo Energy Platform

In 2018, Brembo launched a project to permanently monitor the energy consumption of every facility, of every department and, where consumption levels are significant, of production machinery as well, whether general or auxiliary to process.

After experiencing a slowdown in 2020 due to the Covid-19 pandemic, the goal of completing the installation of the platform at all the Group's production sites was achieved during 2021.

Detailed data on electricity consumption continued to be available to an increasing number of technical staff in each factory who, thanks to a dedicated training programme, are increasingly involved in data processing and analysis activities to identify possible opportunities for improvement and reduction.

In addition to electricity consumption data, the platform is designed to monitor the consumption of other carriers, such as natural gas, compressed air and water. In this sense, the process of installing and connecting the meters began according to centrally defined criteria and in line with an implementation plan agreed with the plants. An additional benefit provided by this tool is the support offered to the ISO 50001-compliant energy management system, implemented and incorporated within the Group's Environmental Management System as of 2019.



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)	2,358	360
Compressed air system optimisation (replacement of compressors, leak detection and repair, optimised use during production processes)	14,921	2,196
Replacement of processing systems with more efficient technology*	9,785	1,675
General production process optimisation*	75,390	11,377
Optimisation of general technical equipment management	2,008	247
Installation of photovoltaic plant	1,119	207
TOTAL	105,581	16,062

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

Overall, in 2021 Brembo's energy consumption amounted to 4.7 million GJ, with a 13% increase compared to 2020 (4% compared to 2019), 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 approx. 71% of total energy consumption) equivalent to more than 3,000,000 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 1,000,000 GJ.

Annual energy consumption broken down by source (GJ)*

	2019	2020	2021
DIRECT CONSUMPTION	1,300,475	1,169,096	1,359,479
Natural Gas	990,104	909,787	1,066,140
Other fossil fuels**	308,768	257,533	292,042
Sources (photovoltaic, thermal solar, etc.)	1,603	1,776	1,297
INDIRECT CONSUMPTION	3,258,755	3,029,482	3,388,026
Electrical energy	3,232,565	3,007,889	3,353,182
from non-renewable sources	2,247,507	1,705,544	1,565,949
from renewable sources	985,058	1,302,345	1,787,233
District heating	26,190	21,593	34,844

* The self-produced energy quota and sent to network is not material.

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





7.4 Greenhouse gas emissions

Brembo has been active in the fight against climate change since 2011, when it began to build its own emission inventory and gradually expand its monitoring and reporting scope to include all its plants in 2015. In its sustainability journey, Brembo has significantly reduced its absolute emissions, while growing in its industrial and business activities. 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. In 2021, 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 25%, achieved thanks to the energy efficiency projects implemented in all the Group's plants and the increase in the share of renewable energy used in Mexico, Brazil, Poland, Czech Republic and China.

**Reduction of Scope 1 & 2 emissions
achieved through improvement actions**

**Previous year's Scope
1 & 2 emissions**

≥19%

Compared to the 2020 reporting, in 2021 the Group reviewed its medium- and long-term objectives, relating to all factories, with a commitment to a year-on-year reduction of Scope 1+2+3 emissions by at least 4.2%, with the ultimate goal of reaching Net Zero emissions by 2040. Objectives are inspired by the SBTi (Science-Based Targets initiative) 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 (Scope 2) indirect emissions by **100%**

100% use of electricity coming from renewable sources

Reducing absolute Scope 1+2+3 emissions by **42%** compared to 2020

By 2040

Reducing absolute Scope 1+2+3 emissions by **90%** compared to 2020

Setting off absolute emissions by a maximum of **10%** compared to 2020 through the financing of neutralisation projects



-21.3%

reduction of CO₂eq emissions per cast tonne compared to the previous year.



-23.7%

reduction of CO₂eq emissions per unit of finished product compared to the previous year.





Road Map to Net Zero

To achieve Net-Zero emissions, Brembo has defined a Road Map that is subject to continuous refinement in accordance with technical, technological and market developments. The Road Map 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 CSR GCF 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, 2 and 3 emissions generated by Brembo's production activities in 2021 amounted to slightly more than 1,394,000 tonnes CO₂eq. In a like-for-like comparison with 2020, when Scope 1 + 2 emissions amounted to about 367,000 tonnes of CO₂eq, Brembo's factories reported emissions totalling 342,000 tonnes of CO₂eq, marking a reduction of almost 7%. This result

was achieved thanks to energy efficiency projects totalling 16,062 tonnes of CO₂eq and to the purchase of renewable energy solutions equal to 303,000 tonnes of CO₂eq.

Like every year, the emissions inventory and calculation methodology underwent assurance certification by an accredited third-party body in accordance with the ISO 14064 standard.

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 CO₂eq)***

	2019	2020	2021
Scope 1	80,707	72,954	89,406
Emissions from foundries	30,576	26,560	33,754
Emissions from production plants and heating systems	45,579	42,142	50,366
Coolants for air-conditioning systems**	990	1,104	1,512
Emissions from company vehicles and other fuels	3,562	3,148	3774
Scope 2***	404,531	294,512	253,094
Indirect emissions due to power consumption and district heating			
Market based	404,531	294,512	253,094
Location based	509,850	475,071	477,130
Scope 3	990,493	876,500	1052143
Emissions due to product distribution logistics and waste transport	250,885	164,689	113,736
Emissions due to employees commuting between home and workplace	34,743	31,291	36,483
Emissions due to business trips	2,878	561	577
Emissions due to product transport within the Group	18,862	18,027	31,962
Emissions due to the energy lost through power distribution and transmission	40,794	37,436	37,946
Emissions generated by the purchase of hardware, machinery and equipment	91,842	107,976	143,672
Emissions generated by suppliers to produce materials and/or services for Brembo	550,489	516,520	687,767
Total	1,475,731	1,243,966	1,394,643

* 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)
- IEA (International Energy Agency)
- EPA (Environmental Protection Agency)
- UK Department for Environment Food & Rural Affairs and Department for Business, Energy & Industrial Strategy
- GHG Protocol

** 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.



7.5 Atmospheric polluting emissions

The Environment and Energy Management System that Brembo has implemented introduces a series of requirements common to all the Group's plants aimed at containing the environmental risk well below the emission limits imposed by the legislation in which the Group 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, and each plant has established appropriate monitoring plans for its emissions with the ultimate aim of limiting the emissions generated by its production processes to the technological limit, including odorous ones, an aspect not normally covered by legislative requirements.

The typical parameters subject to sampling and analysis are those emitted by melting processes (such as powders, NOx and SOx) and those generated by mechanical processing and painting processes (powders and VOCs). Although each plant provides for a periodic control of emissions, it is very difficult to

carry out assessments on each parameter's emission trends because these are extremely influenced by the variability of the production mixes. The requirements defined by Brembo therefore specify the need to ensure that each emission point is adequately equipped with abatement systems capable of amply ensuring the limit defined by local legislation.

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 2021, 0.77 tonnes of ozone-depleting gases and 0.04 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.

Emissions of harmful substances (t)*

	2019	2020	2021
Nitrogen oxides (NOx)	122.31	68.22	66.32
Sulphur oxides (SOx)	122.69	83.49	100.04
Persistent organic pollutants (POP)	0.00	1.10	0.003
Volatile organic compounds (VOC)	171.52	84.96	108.32
Hazardous pollutants	7.15	3.83	1.37
Fine particulates (PM)	117.46	114.10	177.64
Carbon monoxide (CO)	282,25	235.62	246.59

* 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.



7.6 Management and use of water resources

Water is an invaluable commodity due to the countless uses that are made of it in everyday life, for example, in the irrigation of agricultural crops, in industry and in domestic uses.

Although water is present for 70% on our planet, fresh water available to man represents only 1% of the total and the change in demand, in the future, could increase competition between the various uses (livestock rearing, agriculture, industry) and aggravate water stress both due to the lack of water availability and in terms of worsening the quality of the resource itself.

Climate change and in particular the increase in extreme weather phenomena, such as floods and droughts, increase and distort this precarious relationship, creating more irregular and uncertain water availability, thus aggravating problems in areas that already have high water stress and potentially generating new ones in places where water stress is currently not a problem. In addition, the quality of fresh water is increasingly deteriorating due to pollution, with detrimental effects for human health and ecosystems.

Therefore, protecting and conserving water is of vital importance and water supply is considered one of the main environmental aspects. For this reason, the 2030 Agenda for Sustainable Development recognises the importance of water, mainly in its Goal 6 and Goal 14 but also in all the other Goals, linked to water directly or indirectly.

Brembo, which requires for its production processes water resources quantifiable as just under 1,500 MI, has defined a strategy aimed at promoting the rational use of water, both by gradually reducing its use in its production processes and minimising the presence of possible pollutants that could have a negative impact on the environment.

Due to its commitment, since 2017 CDP has recognised Brembo as one of the world's leading companies for its capability in water resource management and safety.

With regard to water performance, in 2021 a total of about 1,440 megalitres of water were taken, an increase compared to the trend of recent years. The overall figure reflects, in addition to the inclusion in the reporting scope of the plant acquired in Denmark and the expansion of the plant in the Czech Republic, a major fault that caused a significant increase

in water withdrawal estimated at about 150 MI at the Homer foundry (USA).

The public water mains still constitutes the main source of supply (approximately 67%) 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 2%) of waste water is destined to other types of release (e.g., released into surface water bodies or in the subsoil), after ensuring that the relevant local legal specifications on acceptability are met.

To enable increasingly accurate water reporting, and identify and reduce every source of waste, the Group completed at all production plants the installation of flowmeters at the site's entry and exit points. In addition, the installation of measuring equipment of the most significant uses has been gradually extended and is expected to be completed in 2022, thus in advance compared to the originally 2025 target. A further development of the project is the inclusion of water measurements within the BEP 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.

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. It should also be noted that 2021 saw a number of episodes of accidental spillages of material recorded that did not generate any negative impact on the environment having all been properly controlled and managed. It should be noted that a scheme has been launched at the Escobedo cast iron foundry to collect "environmental near misses" which includes the reporting of accidental spillages of material. The scheme encourages all employees to report any anomaly found to ensure the timely intervention of specially trained personnel to restore normal operating conditions, avoiding any type of water contamination.



WATER WITHDRAWAL (MI= megalitres)

	2019		2020		2021	
	<i>All areas</i>	<i>Water stressed areas</i>	<i>All areas</i>	<i>Water stressed areas</i>	<i>All areas</i>	<i>Water stressed areas</i>
Groundwater	317.44	107.31	296.93	0	481.51	0
Fresh water	317.17	107.31	279.15	0	481.51	0
Other types of water	0.27	0	17.78	0	0	0
Third-party water resources	942.88	263.94	854.89	326.66	967.29	360.20
Fresh water	942.88	263.94	854.89	326.66	967.29	360.20
Other types of water	0	0	0	0	0	0
Total	1,260.32	371.25	1,151.81	326.66	1,448.80	360.20

Total third-party water withdrawal for water stressed areas by source

Surface water	-	252.71	-	256.23	-	274.75
Groundwater	-	11.23	-	70.42	-	85.14
Produced water	-	-	-	-	-	0.31
Total	-	263.94	-	326.66	-	360.20

WATER DISCHARGE (MI= megalitres)

	2019		2020		2021	
	<i>All areas</i>	<i>Water stressed areas</i>	<i>All areas</i>	<i>Water stressed areas</i>	<i>All areas</i>	<i>Water stressed areas</i>
Surface water	11.91	-	8.50	8.50	0	0
Fresh water	11.91	-	8.50	8.50	0	0
Other types of water	-	-	0	0	0	0
Groundwater	13	13	12.83	0	8.33	0.01
Fresh water	-	-	11.81	0	8.33	0.01
Other types of water	13	13	1.02	0	0	0
Third-party water resources	519.25	87.65	473.13	149.17	510.51	173.57
Fresh water	311.23	63.56	235.76	60.97	380.72	105.34
Other types of water	208.02	24.09	237.37	88.2	129.79	68.23
Total	544.16	100.65	494.45	157.66	518.84	173.58

Water discharge by level of treatment*

Any processing	124.08	150.97	175.49
Level of processing 1	14.44	23.82	15.67
Level of processing 2	277.95	257.32	53.49
Level of processing 3	76.06	62.34	287.50**
Total	492.53	494.45	532.16

* Treatment level 1: aims at removing the solid substances which either deposit or float on top of the water

Treatment level 2: aims at removing the substances and materials which remain suspended or are dissolved in the water

Treatment level 3: aims at improving water quality before its disposal. This treatment also includes removal processes for substances such as heavy metals, nitrogen and phosphorous.

** The figure includes the quantity of water recovered by the Pune (India) processing plant and entirely reused within the plant.



**WATER CONSUMPTION (MI= megaliters)**

	2019		2020		2021	
	<i>All areas</i>	<i>Water stressed areas</i>	<i>All areas</i>	<i>Water stressed areas</i>	<i>All areas</i>	<i>Water stressed areas</i>
Total water consumption	716.16	270.59	657.37	169	929.96	186.62

7.7 Waste reduction

In nature, something discarded by an organism becomes a resource for other living beings. Therefore, there is no concept of “waste”, far less a concept of “profligate waste”, but only of matter that is transformed, within the evolutionary cycle of natural systems. The economic system, unlike the ecological one, is, through human activities, interacting with and altering the natural regenerative flow of matter more and more, consuming raw materials and producing waste that interferes with the circularity of nature.

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 business growth that is in balance with the environment.

Brembo intends to act in accordance with the circular economy principle, promoting a reduced use of primary raw materials, namely virgin raw materials, encouraging and enhancing secondary raw materials, in other words those deriving from processing waste or from salvage or recycling processes. 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 as waste in the process.

One virtuous example is the project on which Brembo is working to offer its customers calipers made of secondary aluminium alloys in order to help reduce the impact on climate change in full compliance with the performance, quality and aesthetic criteria that distinguish the Group’s products.

Although the Group has not identified any targets for the management of this issue, each plant has defined its own objectives with regard to waste management, such as those relating to the reduction of waste per product unit, rather than those connected to the reduction of hazardous waste.

During 2021, Brembo generated a total of just under 400,000 tonnes of waste, an increase on the amount generated in 2020, and a return to the pre-COVID-19 pandemic values since it was no longer affected by plant shutdowns caused by the pandemic, while hazardous waste continued to account for 5% of total waste, while non-hazardous waste for 95%.

It is worth mentioning the significant decrease in waste bound for disposal in landfills, which fell to 15% of the total compared to 38% in 2019, a result that testifies to Brembo’s commitment and willingness to identify disposal chains able to reinject its production process waste materials into the market in keeping with the circular economy. In this regard, special mention can be made of the experience of the Dabrowa plant (Poland), home of the Brembo Group’s largest foundry, which has reached the ambitious goal of zero landfill waste thanks to the collaboration with waste disposal providers, with whom contracts have been defined to ensure the recycling of all the waste produced by the factory.

The increase in the percentage of waste for recycling has also been achieved thanks to an increasingly precise classification of waste, as required in every Brembo plant in line with the requirements of Group procedures that define the criteria to be followed for correct waste management. In this regard, starting from 2021, the reporting is improved with quantitative data for waste typically produced in Brembo production processes.



WASTE BY TYPE AND PERCENTAGE ON TOTAL (t)

	2021	%
Iron chip and filings	135,801	34.28%
Foundry sands	80,772	20.39%
Scrap moulds and cores	61,735	15.58%
Dust from abatement plants	44,362	11.20%
Foundry slag	22,860	5.77%
Waste emulsions	10,822	2.73%
Packaging materials	3,290	0.83%
Wood	2,675	0.67%
Aluminium foams	2,444	0.62%
Acid/basic waste solutions	2,248	0.57%
Sludge	1,890	0.48%
Waste filter materials	125	0.03%
Waste not classified differently	27,128	6.85%
Total	396,152	

WASTE GENERATED (t)

	2019	2020	2021
Hazardous waste	20,406	16,424	20,213
of which: discharged	12,427	2,617	3,675
of which: reused	7,979	13,807	16,538
Non-hazardous waste	364,119	328,320	375,939
of which: discharged	133,838	43,353	55,043
of which: reused	230,281	284,967	320,896
Total	384,525	344,744	396,152
of which: discharged	146,265	45,970	58,718
of which: reused	238,260	298,774	337,434

**From primary to secondary aluminium**

Producing a brake caliper using secondary aluminum to replace, in whole or partly, the primary one while ensuring equal 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 aluminum.



Local areas

Taking care.

A synergy made of thought and action, where the goal is the wellbeing of local communities in the areas where we operate, and beyond. Support and development, growth and equality, inclusion and sustainability: these are the keywords of all projects and initiatives.



8. Local areas

8.1 Creating opportunities for local areas

After the 2020 slowdown due to the lockdowns implemented in various countries to combat the effects of the Covid-19 pandemic, in 2021 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.



2,539 € million
Economic value distributed



14,000
Trees planted in the Brembo Forest



6
Action areas for social projects

Group's total net investments undertaken in 2021 at all operations amounted to €236,175 thousand, of which €180,018 thousand was invested in property, plant and equipment, €29,988 thousand in intangible assets, and €26,169 thousand in leased assets. The most significant investments were concentrated in Italy (30.6%), North America (32.2%), China (14.1%) and Poland (9.8%).

In Italy, works on the new building in Curno, which houses the Carbon Factory, 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 2021 for a gradual increase in production capacity, which will reach full operation in 2022.

To meet the need for new production spaces, Brembo Czech entered into a new operating lease at the end of 2020 for a building (called O23) of about 22 thousand square metres in the same industrial park where the current production site is located. The RoU (Right of Use) recognised in the Financial Statements, calculated over a period of 15 years, was about €25 million. Painting, logo printing and assembly of fixed aluminium calipers, as well as storage of semi-finished and finished products, will be gradually transferred to the new building, part of which will be dedicated to offices.

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 2021 amounted to €21,463 thousand (9.1% 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 2021, much of the wealth distributed by Brembo went towards

remunerating and supporting the system of businesses in the supply chains: overall, the Group's purchases exceeded €1,997 million. More than €506 million was distributed to Brembo personnel in the form of salaries, variable remuneration and social security contributions.

The economic impact of the Group can also be measured in its support for public spending through its contribution to tax revenue and its dividends to Shareholders, thereby encouraging further investments.

Economic value generated, distributed and retained (€ thousand)

	2019	2020	2021
Economic value generated	2,687,122	2,276,003	2,887,840
Economic value distributed	2,338,379	1,985,387	2,539,452
Suppliers	1,683,433	1,448,583	1,828,581
Brembo People*	465,696	425,029	506,617
Investors and lenders	124,495	53,235	138,229
Public Administration	62,977	55,755	64,312
Gifts and sponsorships	1,778	2,785	1,713
Economic value retained	348,743	290,616	348,388

* The item "Economic value distributed to Brembo People" includes the costs of Brembo's employed personnel and temporaries.

The 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. This is the case, for example, with the Homer production plant in the United States and the Ostrava plant in the Czech Republic — areas that are characterised by an above-average employment rate.

In recognition of the benefits produced by the presence of highly specialised manufacturing firms, in 2021 — as part of national policies designed to attract and support industrial innovation and development — the Group received more than €11 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 investments (€ thousand)

	2021
Capex	242,037
Depreciation	214,715
Share buybacks	0
Dividend distribution	71,132
Total	528,007



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 Lund University in Sweden, the University of Brescia, 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 reported below:

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 of Milan

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 in the University and in the company. 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. 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 Social and cultural development of local communities

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 set aside for 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 providing support to the

communities, trying to meet specific targets of the Sustainable Development Goals of the United Nations 2030 Agenda and to offer solutions to the emergency situation outlined as a result of the Covid-19 pandemic. 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 requirements emerging in local communities.

In particular, in 2021 the Group supported initiatives in six areas of intervention viewed as priorities by Brembo:

- **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.

Action areas for social projects





Brembo4Earth - The Brembo Forest

Every single tree is oxygen for the planet and a resource for man. It is sustenance and life, a symbol of rebirth and a gaze towards the future.

To celebrate the 60th anniversary of its foundation, Brembo has decided to donate a tree to all the people of the Group, thus giving life to the first Brembo Forest in the world.

The initiative, called **“Brembo4Earth - A gift for you, our forest for the planet”** has aimed to involve all the Group’s people in celebrating 60 years of activity and at the same time strengthening Brembo’s global commitment to sustainability.

The forest project consists of a combination of stem and non-fruit trees species created according to the needs of the local area. Banana, avocado, coffee, markhamia, grevillea, guava, papaya and Japanese medlar are the species of the 14 thousand trees that have been planted in Kenya, in the Lake Victoria Region, allowing the development of small-scale agro-forestry projects to be promoted in rural areas and profitable alternatives provided for the population, together with local

farmers’ cooperatives. The project involves about 1,300 farmers who manage and take care of the forest.

The initiative is conducted in partnership with Treedom, a web platform that allows people to plant trees remotely and follow online the history of the project in which they are taking part.

All Brembo People around the world have received a postcard with a unique code that allows them to “adopt” a forest tree. Each tree is geolocated and it is possible to know its characteristics and meaning, personalise it with a name, follow the story of those who take care of it and much more. All online from the Treedom platform.

The Brembo Forest contributes to the achievement of 10 of the 17 Sustainable Development Goals defined by the United Nations, producing both environmental and social benefits.

On the environmental front, the initiative reduces the destructive pressure on primary forests, protects biodiversity and soil fertility and counteracts soil erosion.

The social benefits that stand out include the strengthening of local communities through the training and transmission of skills for the care of trees to local farmers, the creation of positive synergies between communities and the increase in available food resources.



To learn more

Brembo Forest

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





A gift for you, our forest to help the planet.



Houses of Smiles

As a result of the collaboration between Brembo and Foundation CESVI, an NGO, founded in Bergamo in 1985, 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 Bibwedi 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.

The children, divided into classes by age, attend daily classroom sessions in the three educational centres, consisting of fully structured and equipped facilities, and take part in a programme aimed at encouraging literacy, supporting study, civic education and proper, healthy nutrition.

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.

A fundamental part in the development of this important project is played by the active participation of the Brembo Brake India local team which, even throughout the Covid-19 health emergency, has kept up an open and ongoing dialogue with the managers of the Swadhar Association in order to support the women and families of the young people who benefit from the services of the House of Smiles.



In 2021 as well, during the lockdown imposed by the pandemic, the managers of the Swadhar Association continued to provide psychological support to the families and women online and educational support to young people with access to a mobile phone (despite living in a situation of extreme poverty, each family unit owns at least one).

The Swadhar teachers regularly sent parents activities for children and teenagers via WhatsApp, asking them to register their children when carrying out the activities and hand in the completed tasks by taking a photo of their work. There was constant follow-up with parents to monitor how the young people were progressing and support them in the event of any difficulties. These online activities met with a positive response among children and parents.

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 hundreds of 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 3 to 14 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.



I was a Sari

“I was a Sari” — one of the projects that Brembo has been supporting since 2015 — is a social enterprise based in Mumbai, founded by an Italian entrepreneur with the aim of improving the lives of Indian women from the most disadvantaged social and economic classes.

The Sari is the traditional dress for Indian women that has passed down through the centuries in local culture.

The women involved in this project create hand-crafted fashion accessories — necklaces, bracelets, purses, shawls — using recycled Sari fabrics or premium textiles.

At the Mumbai logistics centre, awash in the unique colours of the fabrics, women select items, perform quality control, cut the saris and create fashion items.

Before they are dispatched to the customers, the products created at the “I was a Sari” tailoring centres are stocked and a custom label with a description of the project is affixed to each item.

The Indian women are thus taught specialist tailoring skills and guaranteed a dignified regular wage, which provides them with precious independence.

Brembo’s contribution has made it possible to transform a social

project for women’s empowerment into an independent “social business”.

In 2017, The “Houses of Smile” and “I was a Sari” projects received the Impresa Award, set up by the Italian-Indian Chamber of Commerce, in the “Community Development (Society) Awards” category, and dedicated to corporate initiatives that have made the biggest contribution to the development of local communities in India. The two projects were judged to be the best from among more than 50 initiatives presented by as many Italian and Indian firms.





Dream Center

Within the socioeconomic 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 four 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.

Alongside Brembo China, there has also been significant engagement with the project among Brembo’s collaborators in Nanjing 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.



SOSTeniamoci

SOSTeniamoci is a development, progress and sharing programme that was created in 2016 to help the Bergamo's young unaccompanied foreign minors to achieve their life goals and lead them — through a job induction programme — towards social integration and economic independence. Thanks to this project, young people are supported from a psychological and linguistic point of view, are guided through ad hoc training courses and accompanied in their induction into the world of work taking into account their aptitudes and aspirations.



The young people involved are selected based on their motivation to build a life in Italy and later to be able to rejoin their family. Their attitudinal and personal characteristics are evaluated through a balance of skills that determines the paths to be taken within the project. All participants have signed a “pact of educational Responsibility”, in which they undertake to complete the two-year course on a reliable and committed basis. They are attending courses of study that involve participation in training programmes run by local training agencies or schools and vocational activities or workshops, followed by periods of hands-on experience at businesses in the Province of Bergamo. SOSTeniamoci is the result of Brembo's collaboration with the Cesvi Foundation, the AFP (Vocational Training Association)

Patronato San Vincenzo, an association that carries out vocational training, education, assistance and social promotion activities, and the Minors and Family service in Bergamo local area 1. Fundamental to the programme, moreover, is the cooperation with social workers, host communities, associations and the children themselves.

The first and second editions of the project involved a total of 41 young unaccompanied foreign minors who received diplomas attesting to the goals achieved during their training course.

On 21 March 2019, Brembo was given an award for SOSTeniamoci as part of the “Welcome - Working for refugee integration” project, recognition that UNHCR, the UN Refugee Agency, awards to companies that have distinguished themselves in promoting refugee employment and supporting their integration process in Italy.

SOSTeniamoci was also narrated through “NumerUomini”, a short film of about 12 minutes, by the Director Gianfranco Ferraro, which documents the life path of young people from the escape from their lands of origin to their arrival in Italy and inclusion in the project. On 13 June 2018, “NumerUomini” received a special mention during the Award Ceremony of the Globi D'oro assigned by the Foreign Press Association in Rome on June 13, 2018.

For Brembo, a company that operates in 15 countries on three continents with the collaboration of over 12,000 people³⁶, it is essential to encourage multiculturalism and value differences. In this sense, the SOSTeniamoci project represents an exemplary example, the two editions having involved young people from Albania, Bangladesh, Ivory Coast, Egypt, Gambia, Guinea, Kosovo, Mali, Morocco, Nigeria, Pakistan and Senegal.



To learn more

Numeruomini

<https://www.brembo.com/it/company/news/numeruomini>

³⁶ The figure includes J. Juan's workforce (570 employees). It should be noted that the acquisition of the company was finalised on 4 November 2021. Therefore, the scope of quantitative data relating to personnel which are indicated in Brembo Group's Disclosure of Non-Financial Information does not include this company.

The partnership with the Atalanta Youth Team

Brembo supports the social role of professional and competitive sport and shares 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 for the 2021-2022 and 2022-2023 sporting seasons.

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 2021, the ceremony took place on 9 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.



Muse - The Sustainability Gallery

Brembo is the main sponsor of the Muse Sustainability Gallery, Trento Science Museum, inaugurated on 4 October 2021. The Muse is one of the main Italian exhibition centres that also participates in the scientific debate on the major issues of sustainable development and respect for the environment.

Inside the Sustainability Gallery, a special area called Goal Zero contains virtuous sustainability and production experiences that run through new business models: eight entrepreneurial stories, eight companies that operate concretely in the field of sustainability.

Brembo's exhibition at the Muse Sustainability Gallery in Trento talks about the use of recycled ferrous materials for the production of the Company's brake discs, a fundamental component of a car's braking system and its safety.

With its own process, the result of innovation and attention to sustainability, Brembo promotes circular production that helps reduce consumption of natural resources and energy and production of waste.

The different ferrous recycled materials that make up Brembo brake discs can be seen at the exhibition, such as sections of rails, discharged batteries, cans for preserves and parts of car metal sheets sent to the breaker's yard.

In addition to these materials, visitors to the Muse can also discover the new Greentive® disc, a name created by combining the terms Green and Distinctive, to highlight on the one hand the sustainability aspect of a disc that reduces braking system emissions by up to 50%, and on the other the unique aesthetic characteristics of its special mirror-like finish.

The exhibition is completed by a GP4-MS motorbike caliper, designed for track enthusiasts, and a B-M8 caliper, one of the largest ever made by Brembo, to also express innovation and design as fundamental traits of the Company's DNA.



Archivio MUSE

Bergamo Science Festival

The 19th edition of the BergamoScienza Festival took place from 1 to 17 October 2021. Brembo was Gold Sponsor of the event and hosted one of the virtual tours "Science in the company", which was attended by Roberto Vavassori (Chief Public Affairs and Institutional Relations Officer), Sara Arragoni (System GBU Design Engineer) and the scientific journalist Gianluca Dotti.

The tour covered some of the interior spaces of the Kilometro Rosso headquarters, showed the Company's products and talked about the innovations introduced in 60 years of Brembo history, looking at the challenges that await it in the future.

BergamoScienza is the first scientific popularisation festival established in Italy that every autumn transforms the city into a national stage and not only of science, inviting to the discussion the most representative voices in the world, including, to date, as many as 31 Nobel Laureates. In 2021, the Festival returned to being a live attended event, while offering the opportunity to follow conferences, workshops and debates streamed on the website www.bergamoscienza.it.

The Festival has always involved an audience of all ages, eager to discover the changing world, with 2,355,921 attendees in 18 editions also achieved thanks to the help of 39,849 volunteers.

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.

Children can therefore face what will happen to them in a fun manner; the operating theatre becomes a space ship and 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. In the context of the pandemic, the Giocamico project has taken on a valuable role, becoming even more of an element of support for families. A project that accompanies and provides supports in the approach to care and the network of caregivers, providing at the same time a bridge between “an inside and an outside”, which have never been so distant as in this historic period.

It was precisely the reflections that emerged during the period of the pandemic that gave rise to Giocamico as a tool for young patients involved in long and complex hospitalisations to “approach and dialogue” with their siblings.

In January 2021, the new room set up for paediatric patients accessing the Neuroradiology Unit to perform magnetic resonance imaging without using general anaesthesia was also inaugurated. This space contains a model machine that can

support the child in the simulation of the procedure, set up in an environment designed to recall elements of fantasy that can help young patients approach the examination in a positive way.



FROM 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 2021, Brembo decided to continue to support scientific research to combat Covid-19, a commitment that will continue in 2022 as well.

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 contribution 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 Brembo's way of doing business, as it believes it to be 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



Appendix



**Board of Directors 2021**

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 ending 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	
5	Elizabeth M. Robinson	1956	F		X	X		X
6	Laura Cioli	1963	F		X	X	X (Chair)	X
7	Gianfelice Rocca	1948	M		X	X ¹		
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				

1. 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.

Workforce

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees (Headcount)	9,075	1,793	10,868	9,240	1,799	11,039	9,773	1,882	11,655
Temporaries (Full Time Equivalent)	1,249	170	1,419	1,322	268	1,590	988	291	1,279

Temporaries by gender and geographical area³⁷ (FTE)

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total	1,249	170	1,419	1,322	268	1,590	988	291	1,279
Europe	690	132	822	639	196	835	553	193	746
America	80	11	91	54	14	68	81	23	104
Asia	479	27	506	629	58	687	354	75	429

³⁷ The category "geographical area" is broken down in three macro-categories: Europe, America and Asia.

Europe: includes Italy, Poland, the United Kingdom, Czech Republic, Spain and other countries;

America: includes Brazil, the United States and Mexico;

Asia: includes China, Japan and India.



Employees by gender and geographical area³⁷ (No.)

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total	9,075	1,793	10,868	9,240	1,799	11,039	9,773	1,882	11,655
Europe	5,483	1,205	6,688	5,371	1,189	6,560	5,491	1,239	6,730
America	1,668	294	1,962	1,782	315	2,097	2,024	340	2,364
Asia	1,924	294	2,218	2,087	295	2,382	2,258	303	2,561

Employees by employment contract and gender (No.)

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total	9,075	1,793	10,868	9,240	1,799	11,039	9,773	1,882	11,655
Permanent contract	7,336	1,445	8,781	7,576	1,483	9,059	8,092	1,573	9,665
Fixed-term contract	1,739	348	2,087	1,664	316	1,980	1,681	309	1,990

Employees by employment contract and gender (No.)

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total	9,075	1,793	10,868	9,240	1,799	11,039	9,773	1,882	11,655
Full-time employees	9,023	1,574	10,597	9,194	1,582	10,776	9,727	1,657	11,384
Part-time employees	52	219	271	46	217	263	46	225	271

Employees by educational qualification

Educational qualifications of Brembo People (% on total)	2019	2020	2021
Brembo People	10,868	11,039	11,655
Compulsory primary school	27%	26%	30%
High school*	49%	51%	47%
University	24%	23%	23%

People with a university degree by subject studied (% of the total)	2019	2020	2021
Brembo People with a university degree	2,559	2,581	2,690
Engineering	53%	54%	55%
Business and Law	20%	21%	21%
Arts, Humanities and Foreign Languages	8%	8%	7%
Mathematical, Physical and Natural Sciences	7%	6%	6%
IT	4%	3%	3%
Social, Political and Behavioural Sciences	3%	3%	3%
Chemistry	1%	2%	2%
Other	4%	3%	3%

* As of 2018, the category "High school" includes exclusively Brembo People bearing a diploma awarded at the end of the whole secondary education.



**Turnover by gender (%)**

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Hiring rate	14.8	16.3	15	18.3	12.8	17.4	22.6	18.2	21.9
Termination rate	15.2	13.1	14.9	16.6	12.0	15.9	18.2	15.4	17.8

Turnover by age (%)

	2019				2020				2021			
	≤30	31-40	41-50	≥51	≤30	31-40	41-50	≥51	≤30	31-40	41-50	≥51
Hiring rate	31.7	14	6.8	4.1	48.3	11.4	5.6	2.4	54.5	17.9	7.9	3.5
Termination rate	28.5	13.9	6.7	9	35.9	10.6	7.0	11.2	36.4	15.5	7.9	10.8

Turnover rate by geographical area³⁸ (%)

	2019			2020			2021		
	Europe	America	Asia	Europe	America	Asia	Europe	America	Asia
Hiring rate	11	28.6	15.1	6.7	27.2	38.5	9.1	43.7	35.2
Termination rate	10	25.1	20.5	8.5	20.6	32.0	7.8	33.8	29.1

Training hours by classification level and gender (h)

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total	215,285	38,155	253,440	134,114	18,714	152,828	249,488	30,506	279,994
Managers	12,819	2,704	15,523	7,510	1,394	8,904	12,565	1,774	14,339
White-collar workers	78,624	22,878	101,502	32,341	8,736	41,077	63,059	17,823	80,882
Blue-collar workers	123,842	12,573	136,415	94,263	8,584	102,847	173,865	10,909	184,774

³⁸ The category “geographical area” is broken down in three macro-categories: Europe, America and Asia.

Europe: includes Italy, Poland, the United Kingdom, Czech Republic, Spain and other countries;

America: includes Brazil, the United States and Mexico;

Asia: includes China, Japan and India.



Recordable accidents³⁹, fatalities and hours worked of employees by geographical area³⁸ and gender (No.)

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Accidents at work without serious consequences⁴⁰									
Europe	83(*)	11(*)	94(*)	54(*)	11	65(*)	41	8	49
America	20	4	24	15	4	19	16	2	18
Asia	5	0	5	3	1	4	6	1	7
Total	108(*)	15(*)	123(*)	72(*)	16	88(*)	63	11	74
Accidents at work with serious consequences⁴⁰ (excluding fatalities)									
Europe	4(*)	2(*)	6(*)	2(*)	1	3(*)	0	0	0
America	0	0	0	0	0	0	0	0	0
Asia	0	0	0	0	0	0	1	0	1
Total	4(*)	2(*)	6(*)	2(*)	1	3(*)	1	0	1
Fatalities									
Europe	0	0	0	0	0	0	0	0	0
America	0	0	0	0	0	0	0	0	0
Asia	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0
Accidents at work - total									
Europe	87	13	100	56(*)	12	68(*)	41	8	49
America	20	4	24	15	4	19	16	2	18
Asia	5	0	5	3	1	4	7	1	8
Total	112	17	129	74(*)	17	91(*)	64	11	75
Accidents during work commuting									
Europe	20	4	24	14	4	18	19	5	24
America	1	2	3	2	5	7	10	4	14
Asia	0	0	0	3	0	3	4	0	4
Total	21	6	27	19	9	28	33	9	42
Hours worked (No.)									
Europe	9,275,271	2,101,026	11,376,297	8,095,013	1,654,265	9,749,278	8,942,007	2,141,679	11,083,686
America	3,783,708	637,907	4,421,615	3,237,760	606,421	3,844,181	4,002,291	798,415	4,800,706
Asia	3,171,060	1,003,976	4,175,036	3,822,892	725,805	4,548,697	4,613,251	637,499	5,250,750
Total	16,230,039	3,742,909	19,972,948	15,155,665	2,986,491	18,142,156	17,557,549	3,577,593	21,135,142

(*) Data has been adjusted as two accidents that had occurred in 2020 led to an absence exceeding 180 days in 2021, thus qualifying as "accidents with serious consequences" and an accident that occurred in 2020 was not recognised as accident in 2021.

39 A recordable workplace accident is an accident that causes 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.

40 "Serious consequence" mean accidents that may lead to the permanent loss of body function or accidents that report an absence of more than 180 days.



**Rate of recordable³⁹ accidents and fatalities of employees (at work) by geographical area³⁸ and gender**

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Accident frequency rate without serious consequences⁴⁰									
Europe	1.79(*)	1.05(*)	1.65(*)	1.33(*)	1.33	1.33(*)	0.92	0.75	0.88
America	1.06	1.25	1.09	0.93	1.32	0.99	0.80	0.50	0.75
Asia	0.32	0.00	0.24	0.16	0.28	0.18	0.26	0.31	0.27
Total	1.33(*)	0.80(*)	1.23(*)	0.95(*)	1.07	0.97(*)	0.72	0.61	0.70
Accident frequency rate with serious consequences⁴⁰									
Europe	0.09(*)	0.19(*)	0.11(*)	0.05(*)	0.12	0.06(*)	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	0.04	0.00	0.04
Total	0.05(*)	0.11(*)	0.06(*)	0.03(*)	0.07	0.03(*)	0.01	0.00	0.01
Fatality frequency rate									
Europe	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0
America	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0
Asia	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0
Total	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0
Accident frequency rate - total									
Europe	1.88	1.24	1.76	1.38(*)	1.45	1.39(*)	0.92	0.75	0.88
America	1.06	1.25	1.09	0.93	1.32	0.99	0.80	0.50	0.75
Asia	0.32	0.00	0.24	0.16	0.28	0.18	0.30	0.31	0.30
Total	1.38	0.91	1.29	0.98(*)	1.14	1.00(*)	0.73	0.61	0.71

Calculation methods:

- Accident frequency rate without serious consequences: (No. of recordable accidents without serious consequences/ No. of hours worked) x 200,000
- Accident frequency rate with serious consequences (No. of recordable accidents with serious consequences/ No. of hours worked) x 200,000
- Fatality frequency rate: (No. of fatalities resulting from accidents at work/ No. of hours worked) x 200,000

(*) Data has been adjusted as three accidents that had occurred in 2019 led to an absence exceeding 180 days in 2020, thus qualifying as “accidents with serious consequences”.

Cases of employee occupational diseases and fatalities by geographical area³⁸ and gender (No.)

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Cases of recordable* occupational diseases									
Europe	6	2	8	8	7	15	5	10	15
America	6	3	9	0	0	0	0	0	0
Asia	0	0	0	0	0	0	0	0	0
Total	12	5	17	8	7	15	5	10	15
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.



Recordable³⁹ accidents, fatalities and hours worked of workers who are not employees by geographical³⁸ and gender (No.)

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Accidents at work without serious consequences⁴⁰									
Europe	12	3	15	6	1	7	13	1	14
America	2	1	3	1	0	1	0	1	1
Asia	0	0	0	1	1	2	1	0	1
Total	14	4	18	8	2	10	14	2	16
Accidents at work with serious consequences⁴⁰ (excluding 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
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
Accidents at work - total									
Europe	12	3	15	6	1	7	13	1	14
America	2	1	3	1	0	1	0	1	1
Asia	0	0	0	1	1	2	1	0	1
Total	14	4	18	8	2	10	14	2	16
Hours worked (No.)									
Europe	1,310,764	234,212	1,554,976	925,476	230,156	1,155,632	1,508,022	502,189	2,010,211
America	113,032	47,954	160,986	86,900	34,147	121,047	126,490	52,120	178,610
Asia	1,606,021	124,569	1,730,590	1,003,978	151,870	1,155,848	1,195,542	162,603	1,358,145
Total	3,029,817	406,735	3,436,552	2,016,354	416,173	2,432,527	2,830,054	716,912	3,546,966

38 The category “geographical area” is broken down in three macro-categories: Europe, America and Asia.

Europe: includes Italy, Poland, the United Kingdom, Czech Republic, Spain and other countries;

America: includes Brazil, the United States and Mexico;

Asia: includes China, Japan and India.

39 A recordable workplace accident is an accident that causes 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.

40 “Serious consequence” mean accidents that may lead to the permanent loss of body function or accidents that report an absence of more than 180 days.



**Rate of recordable³⁹ accidents and fatalities of workers who are not employees (at work) by geographical area³⁸ and gender**

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Accident frequency rate without serious consequences⁴⁰									
Europe	1.83	2.56	1.94	1.30	0.87	1.21	1.72	0.40	1.39
America	3.54	4.17	3.73	2.30	0	1.65	0.00	3.84	1.12
Asia	0.00	0.00	0.00	0.20	1.32	0.35	0.17	0.00	0.15
Total	0.92	1.97	1.05	0.79	0.96	0.82	0.99	0.56	0.90
Accident frequency rate with serious consequences⁴⁰									
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
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
Accident frequency rate - total									
Europe	1.83	2.56	1.94	1.30	0.87	1.21	1.72	0.40	1.39
America	3.54	4.17	3.73	2.30	0	1.65	0.00	3.84	1.12
Asia	0.00	0.00	0.00	0.20	1.32	0.35	0.17	0.00	0.15
Total	0.92	1.97	1.05	0.79	0.96	0.82	0.99	0.56	0.90

Calculation methods:

- Accident frequency rate without serious consequences: (No. of recordable accidents without serious consequences/ No. of hours worked) x 200,000
- Accident frequency rate with serious consequences (No. of recordable accidents with serious consequences/ No. of hours worked) x 200,000
- Fatality frequency rate: (No. of fatalities resulting from accidents at work/ No. of hours worked) x 200,000



Cases of occupational diseases and fatalities of workers who are not employees by geographical area³⁸ and gender (No.)

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Cases of recordable* 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
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

	2019			2020			2021			
	Men	Women	Total	Men	Women	Total	Men	Women	Non specific	Total
Reported near misses										
Europe	260	8	268	222	9	231	241	26	40	307
America	22	1	23	22	0	22	26	0	2	28
Asia	139	1	140	89	0	89	81	2	13	96
Total	421	10	431	333	9	342	348	28	55	431

38 The category "geographical area" is broken down in three macro-categories: Europe, America and Asia.

Europe: includes Italy, Poland, the United Kingdom, Czech Republic, Spain and other countries;

America: includes Brazil, the United States and Mexico;

Asia: includes China, Japan and India.

39 A recordable workplace accident is an accident that causes 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.

40 "Serious consequence" mean accidents that may lead to the permanent loss of body function or accidents that report an absence of more than 180 days.





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	<ul style="list-style-type: none"> • Analysis, design, development, application, production, assembly and sale of braking systems, light alloy castings for various sectors, including the car and motorbike industries • 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 	3,262	€13,973
Poland	<ul style="list-style-type: none"> • Development, casting, production and sale of brake discs • Discs and braking systems for cars and commercial vehicles 	2,165	€9,061
United Kingdom	<ul style="list-style-type: none"> • Production and sale of braking systems and clutches for road and racing vehicles 	143	€298
Czech Republic	<ul style="list-style-type: none"> • Casting, production and sale of braking systems for cars 	975	€0
Mexico	<ul style="list-style-type: none"> • Casting, production and sale of car brake discs for original equipment and the aftermarket; casting, production and sale of braking systems for cars and commercial vehicles 	1,516	€8,304
Brazil	<ul style="list-style-type: none"> • Production and sale of car brake discs for the original equipment market 	203	€792
China	<ul style="list-style-type: none"> • Casting, production and sale of brake discs for the original equipment and braking systems for cars and commercial vehicles • 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 	1,577	€18,353
India	<ul style="list-style-type: none"> • Development, production and sale of braking systems for motorbikes 	963	€3,650
United States	<ul style="list-style-type: none"> • 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 	645	€7,746
Spain	<ul style="list-style-type: none"> • Sale of brake discs and drums for cars, distribution of the brake shoe kits and pads 	65	€649



Japan	<ul style="list-style-type: none"> • Sale of braking systems for the racing sector and original equipment for cars 	21	€238
Denmark	<ul style="list-style-type: none"> • Production of brake pads for motorbikes 	106	€0
Russia	<ul style="list-style-type: none"> • Promotion of the sale of car brake discs 	3	€107
Germany	<ul style="list-style-type: none"> • 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 	9	€232
Sweden	<ul style="list-style-type: none"> • Promotion of the sale of car brake discs 	2	€222
Total		11,655	€63,625



Methodological note

Reporting standards applied

The Consolidated Disclosure of Non-Financial Information (hereinafter also “Non-Financial Information”, “Disclosure” or “NFI”) of the Brembo Group (hereinafter also “Brembo”, “Group”, “Company”) pursuant to Article 4 of Legislative Decree No. 254/2016 (hereinafter also “Decree”), as amended and extended, contains information relating to environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters, providing stakeholders with an accurate, thorough and transparent view of Brembo’s strategies, activities, performance and the Group’s results in its pursuit of economic growth and business development, while taking account of the expectations of the stakeholders involved and seeking constant improvement of the environmental and social impacts of its activities.

This Disclosure, published annually, has been written in accordance with Italian Legislative Decree No. 254/2016 and in compliance with the Sustainability Reporting Standards published by the Global Reporting Initiative - GRI (Core Option). These Guidelines currently represent the most widespread and recognised standard on an international level regarding non-financial reporting. In order to facilitate the reader in finding information within the document, pages 213-222 contain the GRI Content Index.

In the reporting process, with a view to continuous improvement and in response to stakeholder requirements, for purposes other than those required pursuant to Legislative Decree No. 254/2016, 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 277 and shall be construed as an addition to the disclosure drawn up pursuant to GRI Standards to comply with the provisions of Articles 3 and 4 of Legislative Decree No. 254/16”.

The information included in the non-financial report reflects the principle of materiality or relevance, an element provided for by reference standards and characterising the GRI standards: the issues discussed within the Disclosure are those that, following a materiality analysis and assessment, described on pages 63-70 of this document, were deemed to be relevant, inasmuch as they reflect the social and environmental impacts of the Group’s activity or influence the decisions made by its stakeholders.

The Disclosure of Non-Financial Information was approved by the Board of Directors on 3 March 2022, following examination by the Audit, Risk & Sustainability Committee in the meeting held on 23 February 2022. With regard to external assurance, the Disclosure of Non-Financial Information, except for the information on indicators given in table on pages 224-226 and for section 1.7 EU TAXONOMY REGULATION (No. 2020/852), is subject to limited assurance by EY S.p.A., the Group’s independent auditors, whose report is available at the end of this document.

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 2021. 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 Brembo acquired the J.Juan Group and SBS Friction. The three J.Juan plants in Spain and the plant located in China manufacture in particular metallic braided brake hoses, a strategic component for the braking system’s safety that will complement the current range of Brembo products for the motorbike sector.

Moreover, in line with the strategy of becoming a Solution provider, in 2021 the Brembo Inspiration Lab was created with the aim of strengthening the expertise in software development, data science and artificial intelligence.

In these cases the change in the consolidation area is indicated in a footnote. Any further boundary limitation is appropriately specified in the document.

For the purposes of comparing or contextualising information, data from the 2019 and 2020 financial years have been included and duly indicated.

For information or comments about this document, please send an email to the following address: sustainability@brembo.it.

Reporting process

The preparation of the 2021 Consolidated Disclosure of Non-Financial Information is a real annual reporting process, subject to inspection, analysis and approval by several parties. In fact, 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 made available to the Auditors (Board of Statutory Auditors and Independent Auditors);

- subject to limited audit by EY S.p.A. pursuant to the International Standard on Assurance Engagement (ISAE 3000 Revised); therefore the 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.



Reporting Principles

The following principles have been taken into consideration in defining and reporting the contents of the Consolidated Disclosure of Non-Financial Information:

Materiality	The report must include the topics which reflect the Company's economic, environmental and social impacts and that can significantly influence the Group's and stakeholders' decisions.
Stakeholder inclusiveness	The Organisation has to identify its stakeholders and explain how it has responded to their reasonable interests and expectations. The latter are a key reference point for many decisions related to preparation of the report.
Sustainability Context	The report has to present the Organisation's performance 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 issues and their perimeters to a sufficient extent to reflect significant economic, environmental and social impacts and to enable stakeholders to assess the Organisation's performance during the reporting period.
Balance between positive and negative aspects	The reported data must reflect negative and positive aspects of the Organisation's performance so as to allow for a weighted assessment of its general performance. 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 Organisation's performance over time and that could support an analysis relative to other Organisations.
Accuracy	The information provided in the report must be sufficiently accurate and detailed for the stakeholders to be able to assess the Organisation's performance.
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 comprehensible and accessible to the stakeholders using it.



Material topics and related GRI aspects:

Material topics identified by Brembo	Reference GRI Standards	Impacts boundary		
		Internal impact	External impact	Boundary limitations
Environmental footprint	302: Energy (2016) 303: Water and Effluents (2018) 305: Emissions (2016)	•	Suppliers	Reporting partially extended to suppliers
Energy Efficiency	302: Energy (2016)	•	Suppliers	Reporting partially extended to suppliers
Responsible use of water	303: Water and Effluents (2018)	•	Suppliers	Reporting partially extended to suppliers
Climate change	305: Emissions (2016)	•	Suppliers	Reporting partially extended to suppliers
Circular economy	306: Waste (2020)	•		
Carbon neutral mobility	*	•		
Customer relationship management	416: Customer Health and Safety (2016) 418: Customer Privacy (2016)	•	Customers	
Continuous innovation	302: Energy (2016) 305: Emissions (2016)	•		
Product quality and safety	416: Customer Health and Safety (2016)	•	Customers	
Product design and style	*	•		
Sustainable and responsible supply chain	204: Procurement Practices (2016) 308: Supplier Environmental Assessment (2016) 414: Supplier Social Assessment (2016)	•		
Relationship with local communities	201: Economic Performance (2016) 202: Market Presence (2016) 204: Procurement Practices (2016)	•		
Diversity	405: Diversity and Equal Opportunity (2016) 406: Non-discrimination (2016)	•		
Fostering a positive working environment	401: Employment (2016) 403: Occupational Health and Safety (2018) 412: Human Rights Assessment (2016)	•		
People development and engagement	403: Occupational Health and Safety (2018) 404: Training and Education (2016)	•		
Health and safety	403: Occupational Health and Safety (2018)	•	Collaborators other than employees Contractors	Reporting partially extended to Contractors
Brand reputation	205: Anti-corruption (2016) 206: Anti-competitive Behaviour (2016) 207: Tax (2019) 307: Environmental Compliance (2016) 415: Public Policy (2016)	•		

(*) As regards the topic in question (not directly linked to an aspect covered by GRI Standards), Brembo reports the management approach adopted and the relative indicators in the document.














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GRI table of contents 'in accordance' – core option


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GRI ID	Disclosure	Page number or disclosure	Omissions	UN Global Compact	SDGs
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401-1	New employee hires and employee turnover	113-114, 206		Principle 6	  
ASPECT: OCCUPATIONAL HEALTH AND SAFETY (2018)					
103-1, 103-2, 103-3	Management approach	16-17, 64-70, 94-95, 108, 126-130, 217			
403-1	Occupational health and safety management system	126-128			  
403-2	Hazard identification, risk assessment, and incident investigation	126-128			
403-3	Occupational health services	132-133			
403-4	Worker participation, consultation, and communication on occupational health and safety	129-130			 
403-5	Worker training on occupational health and safety	132-134			
403-6	Promotion of worker health	130-134			
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	126, 140			
403-8	Workers covered by an occupational health and safety management system	126-127			
403-9	Work-related injuries	126-129, 207-211			  
403-10	Work-related ill health	129, 208, 211			  
ASPECT: TRAINING AND EDUCATION (2016)					
103-1, 103-2, 103-3	Management approach	64-70, 108, 121-124, 129-130, 217			
404-1	Average hours of training per year per employee	123		Principle 6	   
404-3	Percentage of employees receiving regular performance and career development reviews	125		Principle 6	  




GRI ID	Disclosure	Page number or disclosure	Omissions	UN Global Compact	SDGs
ASPECT: DIVERSITY AND EQUAL OPPORTUNITY (2016)					
103-1, 103-2, 103-3	Management approach	64-70, 89, 94-95, 118-121, 217		Principle 6	
405-1	Diversity of governance bodies and employees	78, 84, 119-120, 204-205		Principle 6	 
ASPECT: NON-DISCRIMINATION (2016)					
103-1, 103-2, 103-3	Management approach	64-70, 94-95, 118-121, 217		Principle 6	
406-1	Incidents of discrimination and corrective actions taken	121		Principle 1, 2, 6	 
ASPECT: HUMAN RIGHTS ASSESSMENT (2016)					
103-1, 103-2, 103-3	Management approach	64-70, 97-99, 107-108, 122, 217			
412-2	Employee training on human rights policies or procedures	122		Principle 1, 2, 4, 5	
ASPECT: SUPPLIER SOCIAL ASSESSMENT (2016)					
103-1, 103-2, 103-3	Management approach	64-70, 107, 138-143, 217			
414-1	New suppliers that were screened using social criteria	141-142		Principle 2, 4, 5	  
ASPECT: PUBLIC POLICY (2016)					
103-1, 103-2, 103-3	Management approach	64-70, 217, Code of Ethics			
415-1	Political contributions	In 2021, Brembo did not grant political or financial contributions, nor contributions in kind.		Principle 10	
ASPECT: CUSTOMER HEALTH AND SAFETY (2016)					
103-1, 103-2, 103-3	Management approach	64-70, 108-109, 162-166, 217			
416-1	Assessment of the health and safety impacts of product and service categories	163			



GRI ID	Disclosure	Page number or disclosure	Omissions	UN Global Compact	SDGs
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ASPECT: CUSTOMER PRIVACY (2016)

103-1, 103-2, 103-3	Management approach	64-70, 93-94, 107-108, 217			
418-1	Substantiated complaints regarding breaches of customer privacy and losses of customer data	94			

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103-1, 103-2, 103-3	Management approach	64-70, 109, 150-153, 217			
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MATERIAL TOPIC: PRODUCT DESIGN AND STYLE

103-1, 103-2, 103-3	Management approach	64-70, 155-157, 166-167, 217			
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SASB and WEF Indicators

SASB - Auto parts

Topic	SASB ID	Disclosure	Page number or disclosure
Energy Management	TR-AP-130a1	(1) Total energy consumed, (2) Percentage grid electricity, (3) Percentage renewable	177
Waste Management	TR-AP-150a.1	(1) Total amount of waste from manufacturing, (2) Percentage hazardous, (3) Percentage recycled	185

WEF Measuring Stakeholder Capitalism - Core metrics

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		Protected ethics advice and reporting mechanisms	98-99, 121
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Climate change		Greenhouse gas (GHG) emissions	180
		TCFD implementation	107, 170-171
Freshwater availability		Water consumption and withdrawal in water-stressed areas	183-184
Dignity and equality		Diversity and Inclusion	78, 89, 119-120, 204
Community and social vitality		Total tax paid	100-101, 212-213, Section "Performance of Brembo Companies" included in the Directors' Report on Operations
Employment and wealth generation		Absolute number and rate of employment	113-114, 206
		Economic contribution	189
		Financial Investment contribution	189







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Independent auditors' report on the consolidated disclosure of non-financial information in accordance with Article 3, par. 10, of Legislative Decree 254/2016 and with Article 5 of CONSOB Regulation adopted with Resolution n. 20267 of 18 January 2018

(Translation from the original Italian text)

To the Board of Directors of
Brembo S.p.A.

We have been appointed to perform a limited assurance engagement pursuant to Article 3, paragraph 10, of Legislative Decree 30th December 2016, n. 254 (hereinafter "Decree") and article 5 of CONSOB Regulation adopted with Resolution 20267/2018, on the consolidated disclosure of non-financial information of Brembo S.p.A. and its subsidiaries (hereinafter the "Group" or "Brembo Group") for the year ended on 31st December 2021 in accordance with article 4 of the Decree and approved by the Board of Directors on 3rd March 2022 (hereinafter "DNF").

Our limited assurance engagement does not cover the information included in the paragraph "EU Taxonomy Regulation (No 2020/852)" of the DNF, that are required by art.8 of the European Regulation 2020/852.

Responsibilities of Directors and Board of Statutory Auditors for the DNF

The Directors are responsible for the preparation of the DNF in accordance with the requirements of articles 3 and 4 of the Decree and the "Global Reporting Initiative Sustainability Reporting Standards" defined by GRI – Global Reporting Initiative (hereinafter "GRI Standards"), identified by them as a reporting standard.

The Directors are also responsible, within the terms provided by law, for that part of internal control that they consider necessary in order to allow the preparation of the DNF that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for identifying the contents of the DNF within the matters mentioned in article 3, par. 1, of the Decree, considering the business and the characteristics of the Group and to the extent deemed necessary to ensure the understanding of the Group's business, its performance, its results and its impact.

The Directors are also responsible for defining the Group's management and organization business model, as well as with reference to the matters identified and reported in the DNF, for the policies applied by the Group and for identifying and managing the risks generated or incurred by the Group.

The Board of Statutory Auditors is responsible, within the terms provided by the law, for overseeing the compliance with the requirements of the Decree.

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Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior. Our audit firm applies the International Standard on Quality Control 1 (ISQC Italia 1) and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the DNF with the requirements of the Decree and of the GRI Standards. Our work has been performed in accordance with the principle of "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. This principle requires the planning and execution of work in order to obtain a limited assurance that the DNF is free from material misstatements. Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the ISAE 3000 Revised ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the DNF were based on our professional judgment and included inquiries, primarily with company's personnel responsible for the preparation of the information included in the DNF, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

1. analysis of the relevant matters in relation to the activities and characteristics of the Group reported in the DNF, in order to assess the reasonableness of the selection process applied in accordance with the provisions of article 3 of the Decree and considering the reporting standard applied;
2. analysis and evaluation of the criteria for identifying the consolidation area, in order to evaluate its compliance with the provisions of the Decree;
3. comparison of the economic and financial data and information included in the DNF with those included in the Brembo Group's consolidated financial statements;
4. understanding of the following aspects:
 - o Group's management and organization business model, with reference to the management of the matters indicated in the article 3 of the Decree;
 - o policies adopted by the Group related to the matters indicated in the article 3 of the Decree, results achieved and related key performance indicators;
 - o main risks, generated or suffered related to the matters indicated in the article 3 of the Decree.





With regard to these aspects, we obtained the documentation supporting the information contained in the DNF and performed the procedures described in item 5. a) below.

5. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the DNF.
In particular, we have conducted interviews and discussions with the management of Brembo S.p.A. and with the personnel of Brembo Poland Spolka Zo.o. and of Brembo Do Brasil Ltda. and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of non-financial data and information to the management responsible for the preparation of the DNF.

Furthermore, for significant information, considering the Group activities and characteristics:

- at group level:
 - a) with reference to the qualitative information included in the DNF, and in particular to the business model, policies implemented and main risks, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
 - b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
- For the production sites of Dąbrowa Górnicza (cast iron foundry and disc machining) of Brembo Poland Spolka Zo.o. and for the production site of Betim (disc machining) of Brembo Do Brasil Ltda., that we have selected based on their activities, relevance to the consolidated performance indicators and location, we have carried out remote interviews during which we have had discussions with management and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the DNF of the Brembo Group for the year ended on 31st December 2021 has not been prepared, in all material aspects, in accordance with the requirements of articles 3 and 4 of the Decree and the GRI Standards.

Our conclusions on the DNF of the Brembo Group do not refer to the information included in the paragraph "EU Taxonomy Regulation (No 2020/852)" of the DNF itself, that are required by art.8 of the European Regulation 2020/852.

Bergamo, 21st March 2022

EY S.p.A.

Signed by: Marco Malaguti (Auditor)

This report has been translated into the English language solely for the convenience of international readers.



Brembo S.p.a.

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