



# 45%

PROPORTION  
OF WOMEN  
IN THE BoD\*

## ROBUST AND STRUCTURED GOVERNANCE

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

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

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# 3,090

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

# 100%

**ISO 27001  
CERTIFIED SITES\*\***

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

# 3. COMPANY STRUCTURE



**3,090**

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



**45%**<sup>40</sup>

Proportion of women in the BoD



**11**

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



**36.4%**

Members of the BoD with ESG-related skills



**100%**<sup>41</sup>

ISO 27001 certified sites

## 3.1 CORPORATE GOVERNANCE MODEL

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

Accordingly, the Corporate Governance System of the Brembo Group has always been inspired by and fully implements the recommendations issued from time to time by the Corporate Governance Committee<sup>42</sup>, which — in their most recent version<sup>43</sup> — have been incorporated into Brembo's Corporate Governance Code (hereinafter also re-

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

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

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

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

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

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

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

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

It should be noted that the Brembo CGC includes deviations<sup>44</sup> with respect to the 2020 CGC. Nonetheless, these are due to the fact that the practices recommended by the 2020 CGC were deemed as not functional or not compatible with Brembo's current governance model.

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

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

## CROSS-BORDER CONVERSION

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

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

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

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

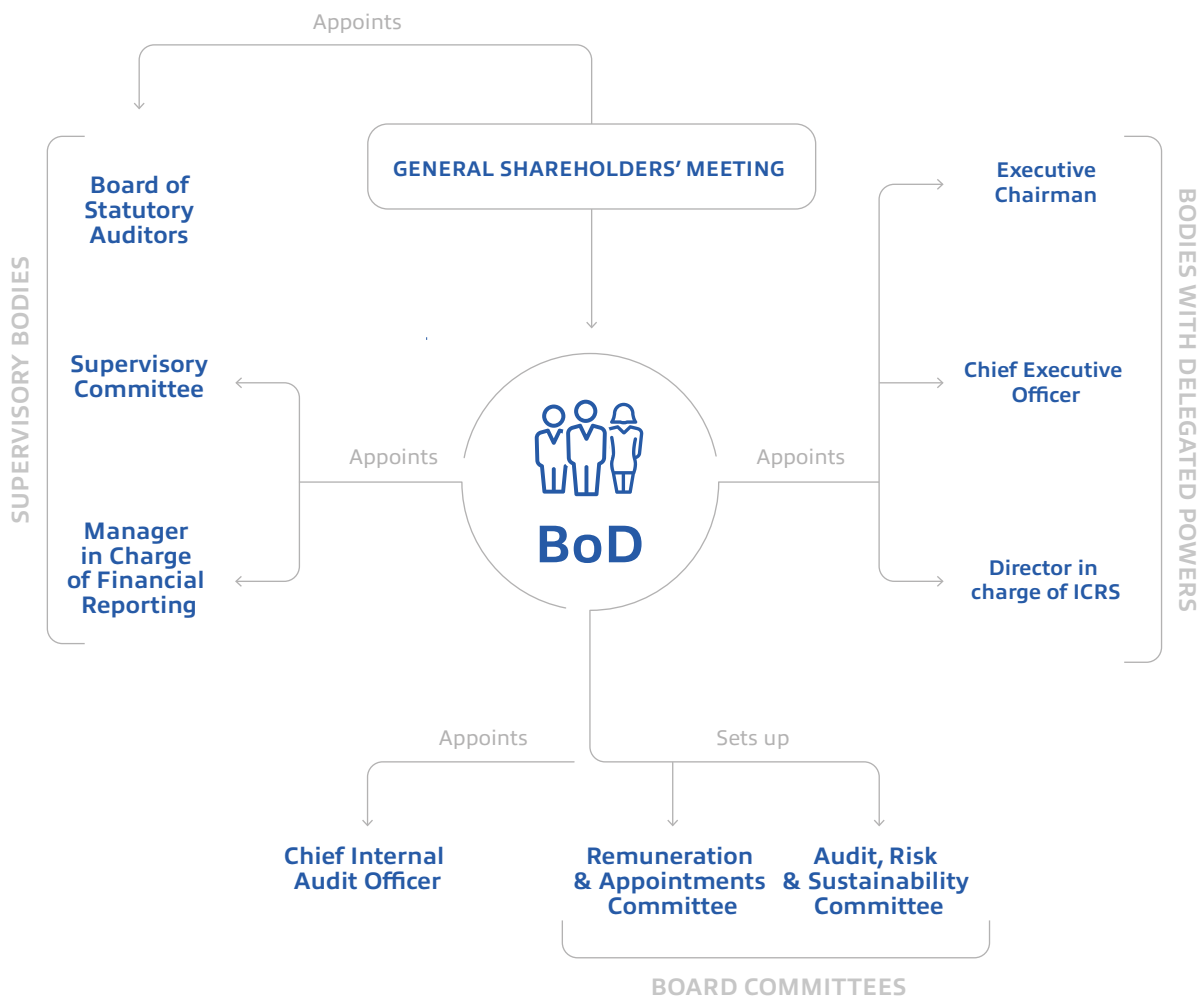
As part of this Transaction, on 12 January 2024 the Company proceeded with the voluntary Share Capital Decrease, from €34,727,914.00 to €3,339,222.50 (instrumental to the Transaction), as the disbursement amount condition, upon which the completion of the Transaction was conditional, had been met. For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

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

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

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

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



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

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

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

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

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

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

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

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

## MAIN SHAREHOLDERS

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

\* treasury shares are not excluded from voting rights.

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

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## RELATIONS WITH SHAREHOLDERS - BREMBO SHAREHOLDER ENGAGEMENT POLICY

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

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

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

The Policy draws inspiration from the principles of propriety, transparency and symmetry of information, in accordance with EU and Italian legislation on market abuse. The full version of the Policy is available on the Company's website<sup>45</sup>.

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

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

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

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

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

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

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

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

<sup>45</sup> [www.brembo.com](http://www.brembo.com), section Company, Corporate Governance, Governance Documents.

## SHARE CAPITAL

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

It should be noted that, as part of the Cross-Border Conversion approved by the General Shareholders' Meeting of 27 July 2023, on 12 January 2024 Brembo proceeded with the voluntary share capital decrease from €34,727,914.00 to €3,339,222.50 instrumental to the Transaction<sup>46</sup>. The decrease was necessary as Dutch law, contrary to Italian law, does not allow the issuance of shares of Dutch N.V.'s without express indication of par value and it requires that the par value is specified in the articles of association and consist of no more than two decimal places.

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

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

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

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

### Executive Chairman

Appointed directly by the Shareholders' Meeting, the Chairman ensures balanced oversight of the Board's proceedings, playing a role of liaison between Executive Directors and Non-Executive Directors, in addition to ensuring the necessary balancing for effective, balanced management of meetings and the decision-making process, while also promoting the effective and adequate functioning of the corporate governance system and proceedings. His duties are regulated by the Regulations of the BoD (whose most recent update was approved during the BoD's meeting of 16 December 2022<sup>47</sup>).

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

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

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



### Chairman Emeritus

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

### Board of Directors (BoD)

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

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

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

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## APPOINTMENT, SELECTION AND COMPOSITION OF THE BOARD OF DIRECTORS

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

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

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

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

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

These criteria aim at ensuring the appointment of Board

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

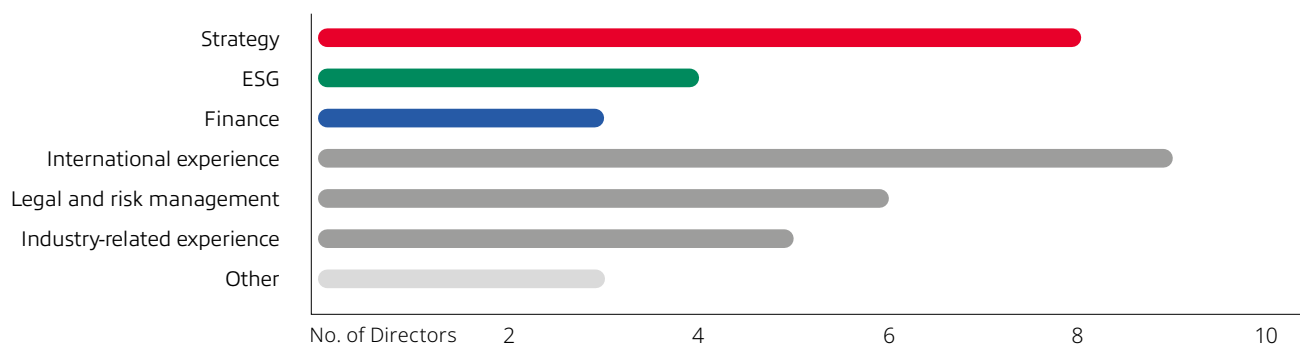
- reserve a minimum quota to the less represented gender in accordance with the provisions in force from time to time: at the date of approval of this document, law provides for a quota of 2/5;
- formulate qualitative and quantitative criteria to be used to assess the significance of the relationships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

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

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

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

#### BOD'S SKILL MATRIX 2023<sup>48</sup>



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

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



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

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

### DIRECTORS WHO LEFT OFFICE IN 2023

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

#### NOTES

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

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

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

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

#### REMUNERATION POLICIES

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

Said Policy is then submitted for approval to the General

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

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

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

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

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

The 2024 Policy<sup>49</sup>, incorporated into the Report on the Remuneration Policy and Remuneration Paid, was approved by the BoD on 5 March 2024, on the proposal of the Remuneration & Appointments Committee, and subsequently disclosed to the public in accordance with the terms established by law for the approval by the General Shareholders' Meeting to be held on 23 April 2024<sup>50</sup>.

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



### 1. Ensuring the sustainable growth of our Group

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



### 2. Creating value for our shareholders

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



### 3. Balancing decisions against their social and environmental impact

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



### 4. Promoting the Guiding Principles that characterise the Group

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



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

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

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

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

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

#### SECTION I:

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

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

#### SECTION II:

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

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

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

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

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

With regard to the remuneration of Brembo's Non-executive Directors, the Policy provides for compensation adequate to their duties, professionalism and commitment required by their assignments within the Board of Directors and Board committees. Such compensation is not linked to financial performance objectives and, in line with the best market practices, no form of variable remuneration is provided for. There is, however, a Directors & Officers (D&O) Liability policy to cover the risk of third-party claims arising from their actions in performance of their duties. This policy also extends to any legal expenses. With regard to Directors holding special offices, the Board of Directors deemed it appropriate that, as Executive Directors and Key Management Personnel<sup>51</sup>, a significant part of their remuneration be linked to the achievement of specific performance objectives, indicated in advance and determined in accordance with the guidelines laid down in the General Remuneration Policy, defined by the Board of Directors.

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



In addition, it should be noted that:

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

## GOVERNANCE COMMITTEES

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

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

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

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

## BOARD OF DIRECTORS' PERFORMANCE ASSESSMENT

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

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

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

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

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

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

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

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

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

## INDUCTION PROGRAM

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

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



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

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

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

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

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

#### Board of Statutory Auditors

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

The General Shareholders' Meeting held on 20 April 2023 appointed the Board of Statutory Auditors for the three-year period 2023-2025, i.e., until the General Shareholders' Meeting called to approve the Financial Statements for the year ending 31 December 2025<sup>52</sup>, based on the two lists submitted, respectively by the majority shareholder Nuova FourB S.r.l. and a group of Asset Management Companies and other institutional investors (holding 2.372% of the share capital, overall).

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

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

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

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

## BOARD OF STATUTORY AUDITORS - COMPOSITION AT 31 DECEMBER 2023

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

### NOTES

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

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

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

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

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

### Independent Auditors

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

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

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

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

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

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

### 1. Delegation of Powers

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

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

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

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

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

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

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

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

### 2. Governance Model of Subsidiaries

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

## 3.2 RESPONSIBLE BUSINESS MANAGEMENT SYSTEM

Brembo considers that transparent, ethical and compliant conduct, under all aspects, is essential for the company's activities to be managed correctly. This means not only observing the current laws and regulations, but also considering the expectations and aspirations of the various stakeholders. In order to promote a Group's prevention policy, Brembo has implemented an integrated global compliance system, adopting a system of tools which apply to the entire Group (Brembo Corporate and Compliance Tools<sup>54</sup>) designed to ensure a high ethical standard.

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



# 3,090

Employees trained  
on the Code of Ethics in 2023

### Code of Ethics

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

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

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

### Anti-bribery Code of Conduct

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

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

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

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

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

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

In 2023, the 231 Model was updated twice:

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

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

### Local Compliance Programmes

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

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

### Related Party Transactions Procedure Conflicts of interest

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

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

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

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

#### Antitrust Code of Conduct

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

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

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

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

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

#### Privacy Policy

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

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

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

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

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

#### **Code of Basic Working Conditions**

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

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

#### **Policy on Non Discrimination and Diversity**

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

#### **Modern Slavery Statement**

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

#### **Sustainable Procurement Policy**

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

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

#### **Environmental Policy**

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

### Quality Manual

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

### Quality Policy

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

### Occupational Health and Safety Management System Manual

Issued in 2020 by the Parent, this sets out Brembo's commitment to a continual improvement in performance in the health and work safety area within the Group. It sets explicitly the principles which govern the health and safety aspects and the main goals related to these aspects, such as improving workplace health and safety, through integrated planning of the phases of each individual process, with the goal of minimising all risks for workers. This is illustrated within an organic Management System both at Group and Plant level<sup>55</sup>.

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

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

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

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

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

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

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

<sup>55</sup> For further details, please refer to the Appendix.



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## BREMBO'S ACTIONS TO COMBAT CORRUPTION

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

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

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

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

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

- the undertaking of an ethics-specific *due diligence* on suppliers, to the sole exclusion of intellectual service providers through the "Supplier Pre-assessment Questionnaire";
- the inclusion in the General Supply Terms and contractual specifications applicable worldwide, of compliance clauses<sup>56</sup>.

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

### Supervisory Committee

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

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

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

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

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

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

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

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

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

#### Internal Audit GCF

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

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

#### Legal & Corporate Affairs GCF

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

#### Human Resources & Organisation GCF

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

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

#### Whistleblowing Procedure

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

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

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

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

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

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

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

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

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

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

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

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

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

#### Training schemes

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

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

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

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

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

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

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



## BREMBO ACADEMY

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

## 3.3 FISCAL RESPONSIBILITY

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

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

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

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

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

The Tax Strategy, whose principles and guidelines draw inspiration from the Group's Code of Ethics, was approved in 2019 by Brembo S.p.A.'s Board of Directors and is available on the Company's website<sup>57</sup>.

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

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



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

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

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

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

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

## TAX CONTROL FRAMEWORK



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

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

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

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

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

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

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

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

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

## 3.4 INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

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

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



### BREMBO AND THE GOVERNANCE SYSTEMS EXCELLENCE INDEX

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

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

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

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

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

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

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

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

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

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

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

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

adopted by Brembo.

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

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

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

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

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## RISK MANAGEMENT POLICY

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

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

## RISK MANAGEMENT PROCEDURE

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

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

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

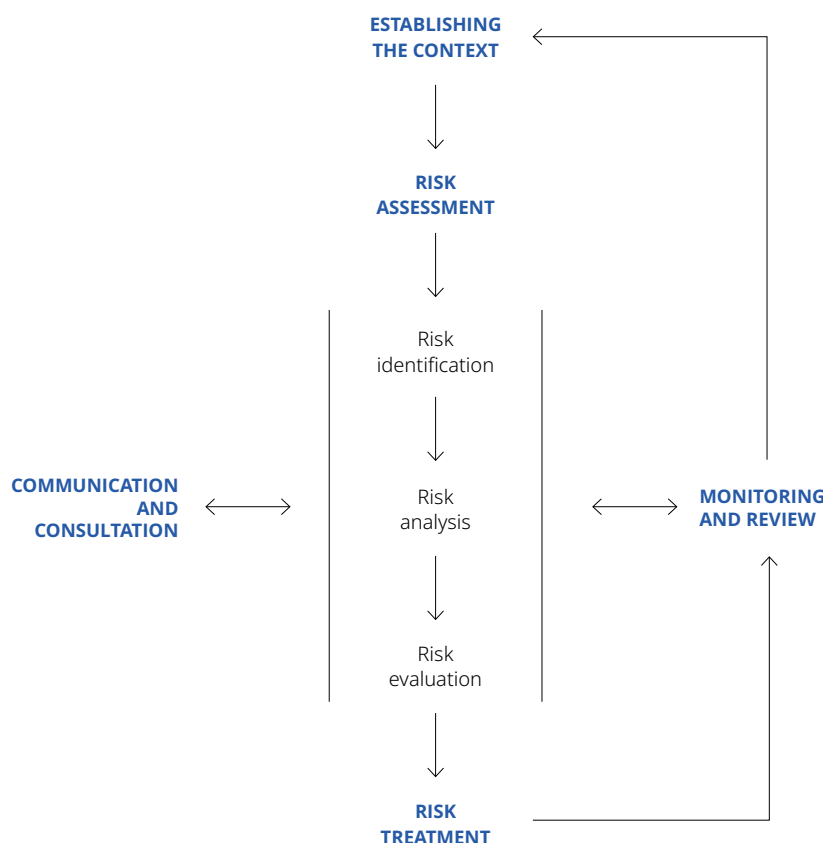
- **Risk evaluation:** designed to support the decision-making processes by identifying risks that need to be treated and the related priorities for action or implementation;
- **Risk treatment:** designed to select one or more options for changing risk exposure, both in terms of impact and probability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

The list of the main risks, the related scenarios and impacts regarding the Group is mapped within the ERM (Enterprise Risk Management) risk register, which is updated annually concurrently with the register of Environmental, Social and Corporate Governance (ESG) risks. In order to foster the integration of the risk assessment in defining the business choices at the various company levels, creating and disseminating a common risk management culture throughout the Group, the Enterprise Risk Management Model provides for the involvement of the whole company management and in particular of several specific parties:

- the Head of Risk Management, who is tasked with updating the Group Risk Report through workshops in coordination with the Global Central Functions, the Global Business Units and the main geographical areas, and, following examination by the Audit, Risk & Sustainability Committee, submits it on an annual basis to the Board of Directors;
- the ICRMSD, who reports on an annual basis on risks, impacts and action plans;
- the Audit, Risk & Sustainability Committee and the Supervisory Committee, that report on a half-yearly basis to the Board of Directors on risks and the related impacts, each for their respective tasks.

Risks are monitored at regular meetings, where results, opportunities and risks are analysed for all the business units and geographical areas in which Brembo operates.

At these meetings, further necessary actions are also defined to mitigate new internal or external risks emerged during the year in the performance of corporate activities.





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## RISK MODEL

A risk management process founded on a **Risk Model** consists of the following **risk families**:

- **external risks:** connected to the occurrence of external events that are difficult (or partly) difficult to predict or can be influenced by Brembo; based on its international footprint, the Group is exposed to the **country risk**, which is however mitigated by the adoption of a policy of business diversification by product and geographical area, so that the risk can be balanced at Group level. In addition, Brembo constantly monitors the development of political, financial and security risks associated with Countries in which the general political and economic climate and tax system could prove unstable in the future, so as to take any measures suited to mitigating the potential risks;
  - **operating risks:** connected to inefficient and ineffective processes, with negative consequences for Brembo's value creation. This family includes risks concerning personnel, production, product quality, environment, health and safety, supply chain, information technologies (IT), business interruption (linked to production sites being unavailable and their operating continuity), planning and reporting processes, as well as legal and compliance aspects;
  - **strategic risks:** connected to events that could influence strategic policies or the organisational and business model adopted by Brembo. This family includes risks related to the business model adopted, target markets, innovation, investments, sustainability and management of relations with stakeholders in general;
  - **financial risks:** connected to ineffective and inefficient management of events arising in key financial markets: market risk, commodity risk, liquidity risk and credit risk.
- For further information about risk families, reference should be made to the Risk Management Policy included in 2023 Annual Report<sup>58</sup>.

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## LEGISLATIVE DECREE No. 254/2016

During 2023, Brembo continued along its development path designed to reinforce its Sustainability Model and comply with the non-financial statutory disclosure requirements, introduced with Legislative Decree No. 254/2016. Brembo has updated the risk assessment in the Sustainability area, using the assessment criteria aligned with the Group's risk management methodology.

Set out below are the main risks identified by Brembo, as well as the mitigation measures put in place to date and the future objectives for managing them.

### Environmental risks

Brembo pays particular attention to compliance with the environmental requirements specified in legislation of

countries where it operates, with a particular focus on atmospheric emissions, waste management and water discharges. Brembo also carries out regular audits to check that its production sites worldwide are in compliance with environmental requirements. The Group has implemented an environmental risk analysis methodology, which is an integral part of the Environmental Management System certified to ISO14001:2015. To strengthen this management system, Brembo has also adopted a software called ORME (Obligation and Risk Management for Environment and Energy), which includes a module designed to facilitate the management of the risk assessment process.

Environmental risks include the acquisition by the Group of land for production purposes, or existing businesses, with contaminated subsoil caused by events prior to purchase.

58 [www.brembo.com](http://www.brembo.com), section Investors, Reports.

To monitor such risk, Brembo carries out environmental due diligence work to identify any critical issues within the acquisition process.

In order to map and monitor these critical issues, Brembo is also exposed to the risk associated with achieving the "Net Zero" objective. In this regard, Brembo has set up a Task Force devoted to formulating and implementing measures designed to ensure achievement of this objective. For further details on this topic, please refer to para-

graph "Greenhouse gas emissions".

Lastly, another risk is emphasised, i.e., the risk related to possible non-compliance with the regulations on chemical products, applicable to substances, mixtures and articles, which are becoming increasingly numerous and complex worldwide. The management of this risk is responsibility of the Environment & Energy area. In fact, it supports the GBUs in interpreting regulations and verifying their applicability.



### **TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE: BREMBO DRAWS INSPIRATION FROM THE TCFD'S RECOMMENDATIONS**



Brembo is strongly committed to responding to the challenges posed by climate change, to improve the Group's resilience and seize the opportunities arising from the transition to a low-carbon economy. A key element to achieve this objective is the active management of climate-related risks and opportunities and their impacts. In this context,

with the help of an external consultant, Brembo conducted a Climate Change Risk Assessment (CCRA) on all relevant business activities and departments, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

The project, launched at the end of 2020 and completed in 2021, provided the scenario analysis and the qualitative-quantitative assessment of the main risks and opportunities related to climate change.

Companies that adhere to the TCFD are required to communicate in a clear, comparable and consistent way the information that investors and stakeholders need to know to correctly assess climate-related risks and opportunities and how this can impact companies such as Brembo. The assessments relating to the potential financial impacts of climate-related risks and opportunities continued in 2023.

For further details please refer to the Appendix.

#### **Risks relating to climate change**

Brembo is strongly committed to responding to the challenges posed by climate change to improve the Group's resilience and seize the opportunities arising from the transition to a low-carbon economy. A key element to achieve this objective is the active management of climate-related risks and opportunities and their impacts. In this context, Brembo conducted a "Climate Change Risk Assessment" (CCRA), in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The evaluation was updated in 2023 with the support of a specialised consulting firm and involves a scenario analysis and qualitative and quantitative assessment of the main risks and opportunities with regard to physical and transition risks over various time horizons.

In terms of physical risks, most of the Group's sites are exposed to acute atmospheric events, which, however, on the basis of the technical evaluations performed, do not give rise to particularly significant exposure to the risk of damage to property and/or the business. Some manufacturing plants are exposed to flood risk. However, thanks to the existing prevention and control systems, including hydraulic barriers, the residual risk exposure is modest, in addition to being transferred to the insurance market in financial terms. At the level of physical risks associated with chronic events, some Group sites are exposed to the risk of water shortages. To reduce this exposure, the Group has already implemented — and is further investing in — measures to reduce water consumption, differentiate water sources (typically water mains and wells drawing on aquifers) and

implement water purification and storage systems that enable the utmost flexibility in the various industrial and civil uses at plants.

Transition risks and opportunities have been mapped over time horizons to 2030 and 2050. The main opportunities are attributable to the trend towards an increase in the share of electric vehicles in the global automotive market, with the possibility of extending the Group's segments and "value chain" thanks to the new products being studied by the Group (such as "Sensify"), as well as to the appreciation and spread on the market of products with a high environmental performance (such as Greenance discs). The main risks are associated with the spread of forms of mobility representing alternatives to the use of traditional road vehicles, higher costs due to the implementation of Net Zero policies and the possible implementation of systems of taxation associated with externalities (such as "cap-and-trade" systems).

#### **Risks relating to supply chain management and protection of human rights**

These risks concern any failure on the part of suppliers to comply with Brembo's Sustainable Procurement Policy regarding issues, such as respect for human rights — including issues relating to *human trafficking and modern slavery* —, environmental protection, safeguarding workplace health and safety and the fight against corruption.

Brembo requires its direct material suppliers to complete a self-assessment questionnaire about its commitment to the aforementioned topics. The completed questionnaires are then analysed by the areas involved with the aim of ensuring a consistent assessment of suppliers and the related sustainability risk profile. In addition, Brembo involves a number of direct material suppliers, selected based on the critical issues of the country and production process, in on-site sustainability audits. Finally, the Group requires its suppliers to develop and maintain an environmental management system compliant with ISO 14001 standards and to base their own conduct on the main international declarations and guidelines on mankind and human rights. Within the area of human rights, Brembo also assesses the potential risk involving non-conformity with regulations relating to data protection (e.g., the GDPR in the European Union).

To safeguard against this risk, Brembo has adopted and disseminated special policies containing data protection principles, acquired a Processing Record and defined an organisational structure with suitable privacy-related roles and responsibilities, also providing for continual training activities devoted both to a specific target of workforce and to all employees.

#### **Risks relating to human resources**

Brembo identifies and manages both risks relating to health and safety and risks relating to human resource management. Brembo's commitment to safeguarding and promoting workplace health and safety translates into a thorough risk management process, as described in the relevant section, through a continual analysis of the critical issues and adoption of a preventive approach. The Group puts into place numerous mitigation measures. These include testing of automatic systems within the sites; the dissemination of the LOTO (Lock Out Tag Out) procedure, and research into new load handling systems. The ongoing training and promotion of a culture of safety, health and ergonomics in all work environments is also key in the health and safety area.

The Brembo Group is also exposed to the risk arising from the "Great Resignation" phenomenon marking the post-pandemic global labour market. To safeguard against this risk, Brembo constantly monitors the job market in the geographical areas of interest and periodically reviews the salary entry levels for the most critical roles. To help with the personnel search and selection process, the Group also employs specialist companies, as well as structured and strategic partnerships with the academic world, local research bodies and educational institutions, within a broader context of talent attraction and retention policies.

An additional element of challenge derives from the current trend towards technological innovation, which involves the introduction in all company processes, and not just production processes, of automation, data, AI, software, etc.

This phenomenon is associated with the risk of failing to acquire and constantly update new skills through hiring and training processes.

To monitor this risk, Brembo carries out a periodic mapping of the skills of the professional families of the key functions/ areas, so as to identify the areas that will be involved in targeted training pathways or will see development through the introduction of skills from outside. In view of continuous improvement, Brembo Academy — already operational in the technical and engineering disciplines — will be consolidated and constantly expanded, and partnerships with universities and R&D centres will be reinforced to develop courses on emerging new trends.

#### **Risks connected to corruption and regulatory compliance**

This area includes risks related to the entity's corporate liability in the event of breaches of anti-corruption regulations with particular reference to the countries considered to be most critical. To mitigate this risk, Brembo has adopted instruments such as: the Organisational, Management and Control Model according to Legislative Decree No. 231/2001, which ensures transparent, ethical behaviour by employees and promotes a preventive Group policy; the Anti-Bribery Code of Conduct, adopted for the first time in November 2013 (approved and circulated to employees) and updated, in its second edition, in July 2017, as well as integrated with a special Addendum for China; the Supervisory Committee; and, finally, an entities' administrative and criminal liability compliance programme in accordance with applicable local legislation of Countries where it operates through Subsidiaries.

Brembo promotes the implementation of the general principles of conduct at all Subsidiaries through the Brembo Corporate and Compliance Tools. The system of delegation of power and authority, which is based on the separation of powers and ensures the full traceability and transparency of behaviour, in particular in cash transactions, is also an integral part of this system. The risk of corruption is also constantly monitored through regular audits. In addition, in order to spread and promote a culture of compliance and ensure the optimal dissemination and adoption of ethical values, specific training plans are conducted for all employees, in Italy and internationally, on general principles of conduct. 2023 reconfirmed Brembo's commitment to monitoring, updating and refining the compliance system in order to ensure maximum adherence to the regulatory changes in the Countries in which it operates, including with regard to the obligations

related to the transfer of the Group's registered office in the Netherlands.

#### **Social risks**

The very nature of the sector in which Brembo operates makes the quality and safety of products one of the major risks pertaining to the social sphere, with particular regard to new and innovative products that require specific know-how both during the supplier selection and assessment phase and during the production process. To best tackle such risks the Group has acquired a Quality Management System, featuring Guidelines common to all plants, in order to manage all phases of the production process (design, development and production) based on homogenous quality standards and indicators. Again in order to ensure maximum safety, Brembo carefully controls the supplier selection and monitoring process through supplier site visits to check their ability to meet the quality and process requirements. In addition, with reference to the quality and safety management of new and innovative products (e.g. SENSIFY™), the Group plans to implement further action plans to manage, monitor and mitigate the potential risks arising from the development and production of innovative products.

In the current context, the risk associated with a production shutdown scenario, regardless of the cause (e.g. natural event, fire, machine downtime etc.) may have repercussions for Brembo's stakeholders, such as suppliers, consultants, etc. Therefore, although this is a risk scenario that is typically assessed from the point of view of the financial and operational impact, this risk is considered to have an impact also from an ESG standpoint.

Lastly, it should be noted that there is a risk for the Group to suffer cyber-attacks with a potential impact in terms of loss of own or third-party sensitive data. To safeguard against this risk, Brembo has implemented the controls provided for by the ISO 27001 standard for which it is certified and is committed to ongoing improvement of its IT systems' protection tools. 2022 also saw the implementation of a Security Operation Centre (SOC) which operates under the responsibility of the Head of Information Security, who every six months reports to the Audit and Risk Committee on the progress made in improving cyber-security procedures.