

ILLUSTRATIVE REPORT OF THE BOARD OF DIRECTORS, PURSUANT TO ARTICLE 125-TER OF CONSOLIDATED LAW ON FINANCE, AND CONCERNING THE FOURTH ITEM ON THE AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING OF BREMBO S.P.A., CALLED ON 23 APRIL 2020 (SINGLE CALLING)

4. Presentation of the Consolidated Statement on Non-Financial Information of the Brembo Group for the year ended 31 December 2019 pursuant to Legislative Decree 254/2016.

Shareholders,

The Ordinary Shareholders' Meeting has been convened to examine the Consolidated Statement on Non-Financial Information of the Brembo Group (hereinafter referred to as "Group") for the year ended 31 December 2019, pursuant to Legislative Decree 254/2016 (hereinafter as "NFS"), that is a separate report from the Financial Statements of the Brembo Group.

It is remind that the Legislative Decree No. 254 of 30 December 2016 (transposed European Directive 2014/95/EU on the subjects of non-financial and diversity information), introduced the obligation for the Listed Companies, banks and large insurance companies (as well as reinsurance) to prepare and publish, for each financial year, a statement at the individual or consolidated level containing a series of information on environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The information contained in the Group's NFS has been defined in compliance with Legislative Decree 30 December 2016, n. 254 in a series of non-financial information areas of a social / environmental nature considered relevant, taking into account the Group's activities and characteristics.,
For each of the aforementioned areas, the relative business model of management and organization of the activities, the policies applied and the results achieved, as well as the fundamental non-financial performance indicators are described. The main risks, generated and / or suffered, connected, are also identified.

The information was provided according to the methodologies and principles in compliance with the Guidelines published by the Global Reporting Initiative (GRI standards).

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

For year 2019, the materiality analysis process has been performed identifying new material topics on the basis of the 2018 report, the macro trend emerged through benchmark and the topics emerged during the Management interviews. The methodology used to identify the material topics of the 2019 MAtrix, involved, besides a deeper analysis by the Management, also the internal and external (clients and suppliers) stakeholder.

The 2019 Matrix has been submitted to the analysis by the CSR Steering Committee on 5 December 2019, then to the check by the Audit, Risk & Sustainability Committee on 12 December 2019 and thereafter to the approval by the Board of Directors on 18 December 2019.

The NFS for 2019 was examined and approved by the Board of Directors of Brembo S.p.A. at its meeting on 9 March 2020, after being examined by the Audit, Risks & Sustainability Committee during its meeting on 25 February 2020, and it was then submitted to the control bodies (Board of Statutory Auditors and Independent Auditors (EY S.p.A.)) for the activities within their remit. The NFS was also subject to limited assurance by the same auditing firm commissioned to audit the financial statements, who verified that it conforms to Decree No. 254/2016 and complies with the principles and methodologies of the reporting standard used (GRI). The related report, which is separate from the independent auditors' report, is appended to and published together with the NFS.

It bears also recalling that the NFS is available for the Shareholders and for public consultation in accordance with the terms set forth by current regulations applied for the Financial Statement Report, at the Company's registered offices in Curno (Bergamo), Via Brembo 25, as well as on the corporate website www.brembo.com, Sustainability section, Reports, and through the mechanism for the storage of regulated information (www.1info.it). All documents, to which you are referred, will be distributed in digital format to the participants attending the Shareholders' Meeting. Should any participant wish to receive a paper format of the above mentioned documentation, a request can be sent to ir@brembo.it no later than 31 March 2020.

In light of the foregoing, the Shareholders' Meeting of Brembo S.p.A. is invited to examine the Consolidated Financial Statements of the Brembo Group at 31 December 2019.

Stezzano, 9 March 2020

On behalf of the Board of Directors
The Chairman
signed by Alberto Bombassei