# **Ferrari - Climate Change 2019**

## **C0. Introduction**

## **C0.1**

### **(C0.1) Give a general description and introduction to your organization.**

Ferrari is among the world’s leading luxury brands focused on the design, engineering, production and sale of the world’s most recognizable luxury performance sports cars.

Our name and history and the image enjoyed by our cars are closely associated with our Formula 1 racing team, Scuderia Ferrari, the most successful team in Formula 1 history. From the inaugural year of Formula 1 in 1950 through the present, Scuderia Ferrari has won 235 Grand Prix races, 16 Constructor World titles and 15 Drivers’ World titles. We believe our history of excellence, technological innovation and defining style transcends the automotive industry, and is the foundation of the Ferrari brand and image.

We design, engineer and produce our cars in Maranello, Italy, and sell them in over 60 markets worldwide.

We believe our cars are the epitome of performance, luxury and styling.

Whilst broadening our product portfolio to target a larger customer base, we continue to pursue a low volume production strategy in order to maintain a reputation for exclusivity and scarcity among purchasers of our cars and we carefully manage our production volumes and delivery waiting lists to promote this reputation.

We license the Ferrari brand to a selected number of producers and retailers of luxury and lifestyle goods.

We will continue focusing our efforts on protecting and enhancing the value of our brand to preserve our strong financial profile and participate in the premium luxury market growth. We intend to selectively pursue controlled and profitable growth in existing and emerging markets while expanding the Ferrari brand to carefully selected lifestyle categories.

Our strategy focuses on maintaining our leading position in the luxury performance sports car market, enhancing and protecting the value and exclusivity of the Ferrari brand.

We are subject to a variety of laws and regulations that, among others, are related to car emissions and fuel consumption. Ferrari vehicles must comply with extensive regional, national and local laws and regulations, as well as industry self-regulations. However, we currently benefit from certain regulatory exemptions because we qualify as a Small Volume Manufacturer or similar designation in most of the jurisdictions where we sell our cars.

We assemble all of our cars and manufacture all the engines used in our cars or sold to Maserati at our production facility in Maranello (Italy). The Carrozzeria Scaglietti plant, located in Modena (Italy), is where we manufacture aluminum bodyworks and chassis. The two plants cover a cumulative area of approximately 698,000 m2. We also own the Mugello racing circuit in Scarperia, near Florence (Italy), which covers an area of 1,700,000 m2.

CO2 emission data reported refers to these two plants (including offices) and the racing circuit.

Part of the environmental impact of our activities are related to the product lifecycle. Ferrari cars are perceived as collectibles and therefore the number of cars demolished each year is very scarce. In addition, the products are generally not considered means of transportation.

## **C0.2**

### **(C0.2) State the start and end date of the year for which you are reporting data.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Start date** | **End date** | **Indicate if you are providing emissions data for past reporting years** | **Select the number of past reporting years you will be providing emissions data for** |
| Row 1 | January 1 2018 | December 31 2018 | Yes | 2 years |

## **C0.3**

### **(C0.3) Select the countries/regions for which you will be supplying data.**

Italy

## **C0.4**

### **(C0.4) Select the currency used for all financial information disclosed throughout your response.**

EUR

## **C0.5**

### **(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.**

Operational control

## **C-TO0.7/C-TS0.7**

### **(C-TO0.7/C-TS0.7) For which transport modes will you be providing data?**

Light Duty Vehicles (LDV)

## **C1. Governance**

## **C1.1**

### **(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

## **C1.1a**

### **(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

|  |  |
| --- | --- |
| **Position of individual(s)** | **Please explain** |
| Board-level committee | The Governance and Sustainability Committee currently consists of the Chairman of the Company and other two independent non-executive directors, one of whom is the Chairman of the Board. The Governance and Sustainability Committee is responsible for, among other things, assisting and advising the Board of Directors with: (i) monitoring and evaluating reports on the Group’s sustainable development policies and practices, management standards, strategy, performance and governance globally, and (ii) reviewing, assessing and making recommendations as to strategic guidelines for sustainability-related issues, and reviewing the annual Sustainability Report. In 2018 the Governance and Sustainability Committee met once with 100 percent attendance of its members at such meeting. The Committee reviewed the Board of Directors’ and Committee’s assessments, the Sustainability achievement and objectives, and the recommendations for Directors’ election. |

## **C1.1b**

### **(C1.1b) Provide further details on the board’s oversight of climate-related issues.**

|  |  |  |
| --- | --- | --- |
| **Frequency with which climate-related issues are a scheduled agenda item** | **Governance mechanisms into which climate-related issues are integrated** | **Please explain** |
| Scheduled – some meetings | Reviewing and guiding strategy  Reviewing and guiding major plans of action  Reviewing and guiding risk management policies  Reviewing and guiding annual budgets  Reviewing and guiding business plans  Setting performance objectives  Monitoring implementation and performance of objectives  Overseeing major capital expenditures, acquisitions and divestitures  Monitoring and overseeing progress against goals and targets for addressing climate-related issues | The Board of Directors as a whole is responsible for the strategy of the Company. The Governance and Sustainability Committee is responsible for, among other things, assisting and advising the Board of Directors with: (i) monitoring and evaluating reports on the Group’s sustainable development policies and practices, management standards, strategy, performance and governance globally, and (ii) reviewing, assessing and making recommendations as to strategic guidelines for sustainability-related issues, and reviewing the annual Sustainability Report. |

## **C1.2**

### **(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

|  |  |  |
| --- | --- | --- |
| **Name of the position(s) and/or committee(s)** | **Responsibility** | **Frequency of reporting to the board on climate-related issues** |
| Other C-Suite Officer, please specify (Senior Management Team) | Managing climate-related risks and opportunities | Annually |
| Chief Financial Officer (CFO) | Both assessing and managing climate-related risks and opportunities | Annually |
| Other C-Suite Officer, please specify (Chief Technology Officer) | Both assessing and managing climate-related risks and opportunities | Annually |

## **C1.2a**

### **(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

Our risk management approach is an important business driver and it is integral to the achievement of the Group’s long-term business plan. We take an integrated approach to risk management, where risk and opportunity assessment are at the core of the leadership team agenda. The Board of Directors is responsible for considering the ability to control and manage risks crucial to achieving its identified business targets, and for the continuity of the Group. For this reason, Ferrari has developed varying appetites to achieve different strategic objectives, focusing attention at all relevant risk levels, from risk management to internal control. Ferrari has adopted the COSO Framework (Committee of Sponsoring Organizations of the Treadway Commission) as the foundation of its enterprise risk management (ERM) and is currently in the process of reviewing its ERM model to be in line with the last COSO publication (“Enterprise Risk Management - Integrating Strategy and Performance”). The Senior Management Team (“SMT”) is responsible for identifying, prioritizing and mitigating risks and for the establishment and maintenance of a risk management system across our business functions. As the decision making body led by the CEO and composed of the heads of the operating segments and certain central functions, the SMT reviews the risk management framework and the Company’s key global risks on a regular basis.

For those risks deemed to be significant, comprehensive risk response plans are developed and reviewed on a regular basis to ensure the actions are relevant and sufficient. At least annually, our risk management framework and risks are discussed with the Group’s Audit Committee.

The monitoring and management of the environmental performance of our productive plants is assigned to a team (lead by the Head of Technology department) that reports to our Chief Technology Officer. Their effort is aimed at minimizing the impact of our activities on the environment, particularly in relation to the energy consumption of production facilities.

A different team is in charge of overseeing regulatory developments while monitoring the emissions of Ferrari cars. This team reports to our Chief Technology Officer.

The Sustainability function is responsible for coordinating the activities within the Group with regard to sustainability, promoting the discussion between different teams and functions, and aiming at identifying risks and opportunities with regard to sustainability and climate change. The Sustainability function reports to the Chief Financial Officer.

## **C1.3**

### **(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

No

## **C2. Risks and opportunities**

## **C2.1**

### **(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **From (years)** | **To (years)** | **Comment** |
| Short-term | 0 | 2 | Short and medium-term time horizons are directly connected with our business plan. |
| Medium-term | 2 | 5 | Short and medium-term time horizons are directly connected with our business plan. |
| Long-term | 5 | 10 | Please consider the value ten as an indicative value, for specific risks, that we already consider, time horizon could be longer. |

## **C2.2**

### **(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.**

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

## **C2.2a**

### **(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency of monitoring** | **How far into the future are risks considered?** | **Comment** |
| Row 1 | Six-monthly or more frequently | 3 to 6 years | For those risks deemed to be significant, comprehensive risk response plans are developed and reviewed on a regular basis to ensure the actions are relevant and sufficient. At least annually, our risk management framework and risks are discussed with the Group’s Audit Committee. All functions directly or indirectly linked to climate-related issues cooperate with ERM in the monitoring, assessing and managing of these risks. |

## **C2.2b**

### **(C2.2b) Provide further details on your organization’s process(es) for identifying and assessing climate-related risks.**

We are committed to creating a culture of sustainability. Creating such a culture requires effective risk management, responsible and proactive decision-making, and innovation. Our efforts are aimed at minimizing the negative impacts of our business.

Our risk management approach is an important business driver and it is integral to the achievement of the Group’s long-term business plan. We take an integrated approach to risk management, where risk and opportunity assessment are at the core of the leadership team agenda. The Board of Directors is responsible for considering the ability to control and manage risks crucial to achieving its identified business targets, and for the continuity of the Group.

Ferrari has adopted the COSO Framework (Committee of Sponsoring Organizations of the Treadway Commission) as the foundation of its enterprise risk management (ERM) and is currently in the process of reviewing its ERM model to be in line with the last COSO publication (“Enterprise Risk Management - Integrating Strategy and Performance”). The Senior Management Team (“SMT”) is responsible for identifying, prioritizing and mitigating risks and for the establishment and maintenance of a risk management system across our business functions. At least annually, our risk management framework and risks are discussed with the Group’s Audit Committee.

We have integrated the analysis and assessment of socio-environmental risks in our risk management framework and are currently integrating our risk management activities with the outcomes of the materiality analysis.

Operating areas represent the first line of defense, they identify and assess climate-related risks and in collaboration with the central function of risk management those risks are assessed, monitored and managed at corporate level.

## **C2.2c**

### **(C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?**

|  |  |  |
| --- | --- | --- |
|  | **Relevance & inclusion** | **Please explain** |
| Current regulation | Relevant, always included | We manufacture and sell our cars around the world and our operations are therefore subject to a variety of laws and regulations relating to environmental, health and safety and other matters. These laws regulate our cars, including their emissions, fuel consumption and safety, as well as our manufacturing facilities and operations, setting strict requirements on emissions, treatment and disposal of waste, water and hazardous materials and prohibitions on environmental contamination. Current European legislation limits fleet average greenhouse gas emissions for new passenger cars. Due to our small volume manufacturer (“SVM”) status we benefit from a derogation from the existing emissions requirement and we are instead required to meet, by 2021, alternative targets for our fleet of EU-registered vehicles. In the United States, the U.S. Environmental Protection Agency (“EPA”) and the National Highway Traffic Safety Administration (“NHTSA”) have set the federal standards for passenger cars and light trucks to meet certain combined average greenhouse gas (“GHG”) and fuel economy (“CAFE”) levels and more stringent standards have been prescribed for model years 2017 through 2025. In response to severe air quality issues in Beijing and other major Chinese cities, in 2016 the Chinese government published a more stringent emissions program (National 6), providing two different levels of stringency effective starting from 2020. Under these existing regulations, as well as new or stricter rules or policies, we could be subject to sizable civil penalties or have to restrict or modify product offerings drastically to remain in compliance. We may have to incur substantial capital expenditures and research and development expenditures to upgrade products and manufacturing facilities, which would have an impact on our cost of production and results of operation. |
| Emerging regulation | Relevant, always included | We are subject throughout the world to comprehensive and constantly evolving laws, regulations and policies. We expect the extent of the legal and regulatory requirements affecting our business and our costs of compliance to continue to increase significantly in the future. In Europe and the United States, for example, significant governmental regulation is driven by environmental, fuel economy, vehicle safety and noise emission concerns. Evolving regulatory requirements could significantly affect our product development plans and may limit the number and types of cars we sell and where we sell them, which may affect our revenue. Governmental regulations may increase the costs we incur to design, develop and produce our cars and may affect our product portfolio. Regulation may also result in a change in the character or performance characteristics of our cars which may render them less appealing to our clients. We anticipate that the number and extent of these regulations, and their effect on our cost structure and product line-up, will increase significantly in the future. In the United States, considerable uncertainty is associated with emissions regulations under the current administration. New regulations are in the process of being developed, and many existing and potential regulatory initiatives are subject to review by federal or state agencies or the courts. Other governments around the world, such as those in Canada, South Korea, China and certain Middle Eastern countries are also creating new policies to address these issues which could be even more stringent than the U.S. or European requirements. As in the United States and Europe, these government policies if applied to us could significantly affect our product development plans. In the future, the advent of self-driving technology may result in regulatory changes that we cannot predict but may include limitations or bans on human driving in specific areas. Similarly, driving bans on combustion engine vehicles could be imposed, particularly in metropolitan areas, as a result of progress in electric and hybrid technology. Any such future developments may adversely affect the demand for our cars and our business. |
| Technology | Relevant, always included | Performance cars are characterized by leading-edge technology which is constantly evolving. In particular, advances in racing technology often lead to improved technology in road cars. Although we invest heavily in research and development, we may be unable to maintain our leading position in high performance car technology and, as a result, our competitive position may suffer. As technologies change, we plan to upgrade or adapt our cars and introduce new models in order to continue to provide cars with the latest technology. However, our cars may not compete effectively with our competitors’ cars if we are not able to develop, source and integrate the latest technology into our cars. For example, in the next few years luxury performance cars will increasingly transition to hybrid and electric technology, albeit at a slower pace compared to mass market vehicles. Developing and applying new automotive technologies is costly, and may become even more costly in the future as available technology advances and competition in the industry increases. If our research and development efforts do not lead to improvements in car performance relative to the competition, or if we are required to spend more to achieve comparable results, sales of our cars or our profitability may suffer. |
| Legal | Relevant, always included | We are subject to comprehensive and constantly evolving laws, regulations and policies throughout the world. We expect the legal and regulatory requirements affecting our business and our costs of compliance to keep increasing significantly in scope and complexity in the future. In Europe, United States and China, for example, significant governmental regulation is driven by environmental, fuel economy, vehicle safety and noise emission concerns and regulatory enforcement has become more active in recent years. Evolving regulatory requirements could significantly affect our product development plans and may limit the number and types of cars we sell and where we sell them, which may adversely affect our revenue and operating results. Our compliance controls, policies, and procedures may not protect us in every instance from acts committed by our employees, agents, contractors or collaborators that would violate the laws or regulations of the jurisdictions in which we operate, including employment, foreign corrupt practices, environmental, competition, and other laws and regulations. In particular, our business activities may be subject to anticorruption laws, regulations or rules of other countries in which we operate. If we fail to comply with any of these regulations, it could adversely impact our operating results, financial condition and reputation. |
| Market | Relevant, always included | We face competition in all product categories and markets in which we operate. We compete with other international luxury performance car manufacturers, which own and operate well-known brands of high-quality cars, some of them are part of larger automotive groups and may have greater financial resources and bargaining power with suppliers, particularly in light of our policy to maintain low volumes in order to preserve and enhance the exclusivity of our cars. We believe that we compete primarily thanks to our brand image, the performance and design of our cars, our reputation for quality and the driving experience for our customers. Several global luxury automotive manufacturers have increased competitive pressure for luxury cars particularly in EMEA and the United States. Considering that these are mature markets, we anticipate that existing market participants will try to aggressively protect or increase their market share. Increased competition may result in pricing pressure, reduction of marginality and our inability to meet our shipment targets, which could have a material adverse effect on our results of operations and financial condition. |
| Reputation | Relevant, always included | The preservation and enhancement of the value of the Ferrari brand is crucial in driving demand for our cars and revenues. The perception and recognition of the Ferrari brand are of strategic importance and depend on many factors such as the design, technology, performance, quality and image of our cars, the appeal of our dealerships and stores, the success of our client activities, as well as our general profile, including our brand’s image of exclusivity. Ferrari’s Code of Conduct includes, among others, rules related to anti-bribery, anti-corruption, competitive behavior and conflicts of interest. A violation of anti-bribery and anti-corruption laws is a serious offense for both companies and individuals, which can result in significant fines, reputational damage and imprisonment of individuals. Furthermore, if our suppliers fail to provide components in a timely manner or at the level of quality necessary to manufacture our cars, our clients may face longer waiting periods which could result in negative publicity, harm our reputation and relationship with clients and have a material adverse effect on our business, operating results and financial condition. Any product defects or any other failure of our performance cars to perform as expected could harm our reputation and result in adverse publicity, lost revenue, delivery delays, product recalls, product liability claims, harm to our brand and reputation, and significant warranty and other expenses and could have a material adverse impact on our business, operating results and financial condition. Any product recalls can harm our reputation with clients, particularly if consumers call into question the safety, reliability or performance of our cars. We selectively license the Ferrari brand to third parties that produce and sell Ferrari-branded luxury goods and therefore we rely on our licensing partners to preserve and enhance the value of our brand. If our licensees or the manufacturers of these products do not maintain the standards of quality and exclusivity that we believe are consistent with the Ferrari brand, or if such licensees or manufacturers otherwise misuse the Ferrari brand, our reputation and the integrity and value of our brand may be damaged and our business, operating results and financial condition may be materially and adversely affected. |
| Acute physical | Relevant, always included | All cars sold and assembled by us and all engines we use for our cars or we sell to Maserati are manufactured at our production facility in Maranello, Italy, where we also have our corporate headquarters and Formula 1 activities. We manufacture all our car chassis in a nearby facility in Modena, Italy. In the event that we are unable to continue production at either of these two facilities, we would need to seek alternative manufacturing arrangements which would take time and reduce our ability to produce sufficient cars to meet demand. Our Maranello or Modena plants could become unavailable either permanently or temporarily for a number of reasons, including contamination, power shortage or labor unrest. In addition, Maranello and Modena are located in the Emilia-Romagna region of Italy, which has the potential for seismic activity. If major disasters such as earthquakes, fires, floods, hurricanes, wars, terrorist attacks, pandemics or other events occur, our headquarters, Formula 1 activities and production facilities may be seriously damaged, or we may have to stop or delay the production and shipment of our cars. |
| Chronic physical | Relevant, always included | All cars sold and assembled by us and all engines we use for our cars or we sell to Maserati are manufactured at our production facility in Maranello, Italy, where we also have our corporate headquarters and Formula 1 activities. We manufacture all our car chassis in a nearby facility in Modena, Italy. In the event that we are unable to continue production at either of these two facilities, we would need to seek alternative manufacturing arrangements which would take time and reduce our ability to produce sufficient cars to meet demand. Our Maranello or Modena plants could become unavailable either permanently or temporarily for a number of reasons, including contamination, power shortage or labor unrest. In addition, Maranello and Modena are located in the Emilia-Romagna region of Italy, which has the potential for seismic activity. If major disasters such as earthquakes, fires, floods, hurricanes, wars, terrorist attacks, pandemics or other events occur, our headquarters, Formula 1 activities and production facilities may be seriously damaged, or we may have to stop or delay the production and shipment of our cars. |
| Upstream | Relevant, always included | Our business depends on a significant number of suppliers, which provide the raw materials, components, parts and systems we require to manufacture cars and parts and to operate our business. We use a variety of raw materials in our business including aluminum, and precious metals such as palladium and rhodium. We source materials from a limited number of suppliers. We cannot guarantee that we will be able to maintain access to these raw materials, and in some cases this access may be affected by factors outside of our control and the control of our suppliers. In addition, prices for these raw materials fluctuate and while we seek to manage this exposure, we may not be successful in mitigating these risks. As with raw materials, we are also at risk of supply disruption and shortages in parts and components we purchase for use in our cars. We source a variety of key components from third parties, including transmissions, brakes, driving-safety systems, navigation systems, mechanical, electrical and electronic parts, plastic components as well as castings and tires, which makes us dependent upon the suppliers of such components. In the future, we will also require a greater number of batteries and other components of hybrid engines as we introduce hybrid technology in our range model offering, and we expect producers of batteries will be called to increase the levels of supply as the shift to hybrid or electric technology gathers pace in the industry. While we obtain components from multiple sources whenever possible, similar to other small volume car manufacturers, most of the key components we use in our cars are purchased by us from single source suppliers. We generally do not qualify alternative sources for most of the single-sourced components we use in our cars and we do not maintain long-term agreements with a number of our suppliers. Furthermore, we have limited ability to monitor the financial stability of our suppliers. While we believe that we may be able to establish alternate supply relationships and can obtain or engineer replacement components for our single-sourced components, we may be unable to do so in the short term, or at all, at prices or costs that we believe are reasonable. Qualifying alternate suppliers or developing our own replacements for certain highly customized components of our cars. |
| Downstream | Relevant, always included | We do not own our Ferrari dealers and virtually all of our sales are made through our network of dealerships located throughout the world. If our dealers are unable to provide sales or service quality that our clients expect or do not otherwise adequately project the Ferrari image and its aura of luxury and exclusivity, the Ferrari brand may be negatively affected. We depend on the quality of our dealership network and our business, operating results and financial condition could be adversely affected if our dealers suffer financial difficulties or otherwise are unable to perform to our expectations. Furthermore, we may experience disagreements or disputes in the course of our relationship with our dealers or upon termination which may lead to financial costs, disruptions and reputational harm. |

## **C2.2d**

### **(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.**

The Senior Management Team (“SMT”) is responsible for identifying, prioritizing and mitigating risks and for the establishment and maintenance of a risk management system across our business functions. As the decision making body led by the CEO and composed of the heads of the operating segments and certain central functions, the SMT reviews the risk management framework and the Company’s key global risks on a regular basis. For those risks deemed to be significant, comprehensive risk response plans are developed and reviewed on a regular basis to ensure the actions are relevant and sufficient. At least annually, our risk management framework and risks are discussed with the Group’s Audit Committee.

The Company has in place an internal control system (the “System”), based on the model provided by the COSO Framework (Committee of Sponsoring Organizations of the Treadway Commission Report- Enterprise Risk Management model) and the principles of the Dutch Corporate Governance Code, which consists of a set of policies, procedures and organizational structures aimed at identifying, measuring, managing and monitoring the principal risks to which the Company is exposed. The System is integrated within the organizational and corporate governance framework adopted by the Company and contributes to the protection of corporate assets, as well as to ensuring the efficiency and effectiveness of business processes, reliability of financial information and compliance with laws, regulations, the Articles of Association and internal procedures.

The System, which has been developed on the basis of international best practices, consists of the following three levels of control:

• Level 1: operating areas, which identify and assess risk and establish specific actions for management of such risk;

• Level 2: departments responsible for risk control, which define methodologies and instruments for managing risk and monitoring such risk;

• Level 3: Internal Audit department, which conducts independent evaluations of the System in its entirety.

## **C2.3**

### **(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

## **C2.3a**

### **(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

### **Identifier**

Risk 1

### **Where in the value chain does the risk driver occur?**

Direct operations

### **Risk type**

Transition risk

### **Primary climate-related risk driver**

Policy and legal: Increased pricing of GHG emissions

### **Type of financial impact**

Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

### **Company- specific description**

Increasing operating costs due to potential rising price of EU-ETS allowances (EUA) as Ferrari’s production plant is subject to the European Union Emissions Trading System (EU-ETS).

### **Time horizon**

Short-term

### **Likelihood**

Likely

### **Magnitude of impact**

Low

### **Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

### **Potential financial impact figure (currency)**

200000

### **Potential financial impact figure – minimum (currency)**

<Not Applicable>

### **Potential financial impact figure – maximum (currency)**

<Not Applicable>

### **Explanation of financial impact figure**

A potential increase of operating costs could be related to the upward trend in the price of EU-ETS allowances (EUA). For example, considering the current amount (2018) of verified emissions (to be expected to not differ significantly) and given a 10% increase of the cost of EUA by 2020 (from around 25€/ton CO2 to 27.5€/ton CO2), as inferable by the current price of EUA futures, a negative potential financial impact of about €200,000 can be estimated.

### **Management method**

Given the small financial impact of this risk, the management method consists in monitoring the market of the EU-ETS and being ready to implement risk mitigation solutions if the price of the EUA will rise significantly in the next future.

### **Cost of management**

115200000

### **Comment**

The amount of about €115 million presented in the cell "Cost of management" corresponds to the annual average capex on infrastructures. The figure is calculated by dividing the capex dedicated to infrastructure (16% of €3.6 billion, cumulated 2018E-2022E capex spending) over the 5-year time-frame of our Business Plan. The actual cost of management of energy efficiency and others environmental impact-reduction activities will be a portion of such total amount.

### **Identifier**

Risk 2

### **Where in the value chain does the risk driver occur?**

Direct operations

### **Risk type**

Transition risk

### **Primary climate-related risk driver**

Policy and legal: Mandates on and regulation of existing products and services

### **Type of financial impact**

Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

### **Company- specific description**

Non compliance with EU regulations on vehicles emissions. In 2014, the European Union set new 2020 emissions targets. Pursuant to the derogation approved by the European Commission following our petition, we are required to meet certain CO2 emissions target levels in the 2017-2021 period, reaching a target of 277 grams per kilometer in 2021 for our fleet of EU-registered cars that year.

### **Time horizon**

Short-term

### **Likelihood**

Unlikely

### **Magnitude of impact**

Low

### **Are you able to provide a potential financial impact figure?**

Yes, an estimated range

### **Potential financial impact figure (currency)**

<Not Applicable>

### **Potential financial impact figure – minimum (currency)**

0

### **Potential financial impact figure – maximum (currency)**

2000000

### **Explanation of financial impact figure**

The potential maximum financial impact was estimated considering the penalty of 95€ for each gCO2/km of target exceedance per vehicle, that would be paid in case the 2018 scenario (average emissions of the Ferrari EU fleet: 281.353 gCO2/km; EU shipments: 3521 vehicles\*) persists in 2021, taking into consideration the EU 2021 emission target of 277 gCO2/km. \*2018 EMEA shipments less Switzerland and Middle East, as reported at page 49 of Ferrari 2018 Annual Report.

### **Management method**

Ferrari continues to focus on researching technologies that further reduce emissions. Through innovations in areas such as turbochargers, engine downsizing, transmission, electric steering and hybrid technologies, we continue to target further reductions in CO2 emissions. We are undertaking an important program to develop hybrid technology and we are researching how to improve the performance and driving experience of our cars without losing fuel efficiency advantages. We are now working hard on the integration of hybrid technology more broadly into our car portfolio. By 2022, nearly 60% of the models we produce will be built around hybrid powertrains. The recently launched SF90 Stradale perfectly reflects our commitment to this approach. SF90 Stradale is our first hybrid series-production supercar.

### **Cost of management**

597600000

### **Comment**

The amount of about € 598 million presented in the cell "Cost of management" corresponds to the annual average capex on infrastructures. The figure is calculated by dividing the capex dedicated to products (83% of €3.6 billion, cumulated 2018E-2022E capex spending) over the 5-year time-frame of our Business Plan. This value includes all the investments related to the development of the new Ferrari product range including hybrid technologies and other fuel efficiency activities.

### **Identifier**

Risk 3

### **Where in the value chain does the risk driver occur?**

Direct operations

### **Risk type**

Transition risk

### **Primary climate-related risk driver**

Policy and legal: Mandates on and regulation of existing products and services

### **Type of financial impact**

Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

### **Company- specific description**

Non compliance with US CAFE regulations on vehicles emissions in case of the application of the LVM status instead of our actual SVM status. In the United States, Corporate Average Fuel Economy (“CAFE”) standards are imposed on manufacturers of passenger cars. In September 2016, we petitioned the National Highway Traffic Safety Administration (NHTSA) for recognition as an independent manufacturer of less than 10,000 vehicles produced globally, and we proposed alternative CAFE standards, for model years 2017, 2018 and 2019. In December, 2017, we amended the petition by proposing alternative CAFE standards for model years 2016, 2017 and 2018, covering also the 2016 model years. NHTSA have not yet responded to our petition. If our petitions are rejected or if we produce annually more than 10,000 vehicles globally, we will not be able to benefit from the more favorable CAFE standards levels which we have petitioned for.

### **Time horizon**

Short-term

### **Likelihood**

Very likely

### **Magnitude of impact**

Low

### **Are you able to provide a potential financial impact figure?**

Yes, an estimated range

### **Potential financial impact figure (currency)**

<Not Applicable>

### **Potential financial impact figure – minimum (currency)**

3000000

### **Potential financial impact figure – maximum (currency)**

9000000

### **Explanation of financial impact figure**

The potential financial impact was estimated considering a scenario on which we produce annually more than 10,000 vehicles globally, thus entering the LVM status. This may require us to pay a penalty between 5.5$ (based on today's regulation scenario) and 14 $ per each tenth of a mile per gallon that our fleet average falls short of its compliance obligations.

### **Management method**

Ferrari continues to focus on researching technologies that further reduce emissions. Through innovations in areas such as turbochargers, engine downsizing, transmission, electric steering and hybrid technologies, we continue to target further reductions in CO2 emissions. We are undertaking an important program to develop hybrid technology and we are researching how to improve the performance and driving experience of our cars without losing fuel efficiency advantages. We are now working hard on the integration of hybrid technology more broadly into our car portfolio. By 2022, nearly 60% of the models we produce will be built around hybrid powertrains. The recently launched SF90 Stradale perfectly reflects our commitment to this approach. SF90 Stradale is our first hybrid series-production supercar.

### **Cost of management**

597600000

### **Comment**

The amount of about € 598 million presented in the cell "Cost of management" corresponds to the annual average capex on infrastructures. The figure is calculated by dividing the capex dedicated to products (83% of €3.6 billion, cumulated 2018E-2022E capex spending) over the 5-year time-frame of our Business Plan. This value includes all the investments related to the development of the new Ferrari product range including hybrid technologies and other fuel efficiency activities.

## **C2.4**

### **(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

## **C2.4a**

### **(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

### **Identifier**

Opp1

### **Where in the value chain does the opportunity occur?**

Direct operations

### **Opportunity type**

Products and services

### **Primary climate-related opportunity driver**

Development of new products or services through R&D and innovation

### **Type of financial impact**

Other, please specify (Enhanced competitive position resulting in increased revenues)

### **Company-specific description**

One of the more relevant topics of this generation, the concept of the car in an era of climate change, will likely be an opportunity for us. Innovation runs within Ferrari, so the challenge of building a Ferrari for a low-emissions future is one that we are already embracing. The increased offering of hybrid powertrains will allow us to meet both specific regulatory requirements but also to satisfy customers’ desires for significantly improved emissions while enhancing the driving emotions that render Ferrari simply unique. We are undertaking an important program to develop hybrid technology and we are researching how to improve the performance and driving experience of our cars without losing fuel efficiency advantages. We are now working hard on the integration of hybrid technology more broadly into our car portfolio.

### **Time horizon**

Short-term

### **Likelihood**

Very likely

### **Magnitude of impact**

High

### **Are you able to provide a potential financial impact figure?**

Yes, an estimated range

### **Potential financial impact figure (currency)**

<Not Applicable>

### **Potential financial impact figure – minimum (currency)**

1000000000

### **Potential financial impact figure – maximum (currency)**

1500000000

### **Explanation of financial impact figure**

The potential financial impact between €1 billion and €1.5 billion represents the estimated revenues growth driven by cars and spare part by 2022, compared to 2017 net revenues, as outlined during out Capital Markets Day. The growth of our business plan will be based on our ability to continuously innovate the product range.

### **Strategy to realize opportunity**

We continue to regularly launch new cars with enhanced technological innovations and design improvements. Our plan is to launch 15 new models between 2018-2022 with the purpose of maintaining the product portfolio’s leading position and to respond quickly to market demand and technological breakthroughs. In this context, hybrid technology is a core component of our strategy, and we expect that a significant portion of our shipments will consist of hybrid vehicles by 2022. By 2022, nearly 60% of the models we produce will be built around hybrid powertrains. The recently launched SF90 Stradale perfectly reflects our commitment to this approach. SF90 Stradale is our first hybrid series-production supercar.

### **Cost to realize opportunity**

597600000

### **Comment**

The amount of about € 598 million presented in the cell "Cost of management" corresponds to the annual average capex on infrastructures. The figure is calculated by dividing the capex dedicated to products (83% of €3.6 billion, cumulated 2018E-2022E capex spending) over the 5-year time-frame of our Business Plan. This value includes all the investments related to the development of the new Ferrari product range including hybrid technologies and other fuel efficiency activities.

### **Identifier**

Opp2

### **Where in the value chain does the opportunity occur?**

Customer

### **Opportunity type**

Products and services

### **Primary climate-related opportunity driver**

Shift in consumer preferences

### **Type of financial impact**

Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

### **Company-specific description**

Our continued success depends in part on our ability to originate and define product and trends in the automotive and luxury industry, as well as to anticipate and respond promptly to changing consumer demands and automotive trends in the design, styling, technology, production, merchandising and pricing of our products. By gradually expanding the use of hybrid technology in our road cars we believe to seize the opportunity to capture the preferences of the urban, affluent GT cars purchasers whom we are increasingly targeting.

### **Time horizon**

Short-term

### **Likelihood**

Likely

### **Magnitude of impact**

Medium

### **Are you able to provide a potential financial impact figure?**

Yes, an estimated range

### **Potential financial impact figure (currency)**

<Not Applicable>

### **Potential financial impact figure – minimum (currency)**

1000000000

### **Potential financial impact figure – maximum (currency)**

1500000000

### **Explanation of financial impact figure**

The potential financial impact between €1 billion and €1.5 billion represents the estimated revenues growth driven by cars and spare part by 2022, compared to 2017 net revenues, as outlined during out Capital Markets Day. A portion of this revenues will be derived from hybrid.

### **Strategy to realize opportunity**

We continue to regularly launch new cars with enhanced technological innovations and design improvements. Our plan is to launch 15 new models between 2018-2022 with the purpose of maintaining the product portfolio’s leading position and to respond quickly to market demand and technological breakthroughs. We seek to anticipate and promptly respond to changing in consumer demands and automotive trends in the design, styling, technology, production, merchandising and pricing of our products. By 2022, nearly 60% of the models we produce will be built around hybrid powertrains. The recently launched SF90 Stradale, is our first hybrid series-production supercar intended to satisfy the demands of today’s sustainable world and attract new potential customers.

### **Cost to realize opportunity**

597600000

### **Comment**

The amount of about € 598 million presented in the cell "Cost of management" corresponds to the annual average capex on infrastructures. The figure is calculated by dividing the capex dedicated to products (83% of €3.6 billion, cumulated 2018E-2022E capex spending) over the 5-year time-frame of our Business Plan. This value includes all the investments related to the development of the new Ferrari product range including hybrid technologies and other fuel efficiency activities.

### **Identifier**

Opp3

### **Where in the value chain does the opportunity occur?**

Direct operations

### **Opportunity type**

Resource efficiency

### **Primary climate-related opportunity driver**

Use of more efficient production and distribution processes

### **Type of financial impact**

Reduced operating costs (e.g., through efficiency gains and cost reductions)

### **Company-specific description**

Our culture embraces energy consumption reduction, constantly implementing actions such as the replacement of traditional illumination systems to LED technology and the use of pumps with inverter technology in the industrial water distribution system.

### **Time horizon**

Short-term

### **Likelihood**

Virtually certain

### **Magnitude of impact**

Low

### **Are you able to provide a potential financial impact figure?**

Yes, an estimated range

### **Potential financial impact figure (currency)**

<Not Applicable>

### **Potential financial impact figure – minimum (currency)**

10000

### **Potential financial impact figure – maximum (currency)**

50000

### **Explanation of financial impact figure**

The estimated range provided represents the annual monetary savings associated with the implementation of our 2017-2023 relamping plan.

### **Strategy to realize opportunity**

By implementing energy efficiency and consumption reduction activities Ferrari expects to reduce its costs related to energy consumption. Thanks to regular energy audit, mandatory to be compliant with the Italian Legislative Decree 102/2014, many energy efficiency and consumption activities could be detected and implemented. The aim is to identify different KPIs for each production area and to compare them with industry best available technologies and other companies.

### **Cost to realize opportunity**

100000

### **Comment**

€100,000 represent the cost of two energy efficiencies activities of lighting makeover carried out in 2018. The planning of the other interventions is under way.

## **C2.5**

### **(C2.5) Describe where and how the identified risks and opportunities have impacted your business.**

|  |  |  |
| --- | --- | --- |
|  | **Impact** | **Description** |
| Products and services | Impacted | The risks and opportunities identified in the C2.3a and C2.4a have impacted Ferrari’s products and services. In fact, the introduction of electric and hybrid technology and the associated changes in customer preferences that may follow are also a challenge we will face in future periods. If we misjudge the market for our products, we and our dealers may be faced with excess inventories for some cars and missed opportunities with others. We are undertaking an important program to develop hybrid technology and we are researching how to improve the performance and driving experience of our cars without losing fuel efficiency advantages. We are now working hard on the integration of hybrid technology more broadly into our car portfolio. |
| Supply chain and/or value chain | Impacted | The risks and opportunities identified in the C2.3a and C2.4a have impacted Ferrari’s Supply chain and/or value chain. Our focus on excellence, in terms of luxury, quality, aesthetics and performance, requires us to implement a responsible and efficient supply chain management in order to select suppliers and partners that are able to meet our high standards. Notwithstanding the low volume of cars manufactured, our production process requires a great variety of inputs entailing a complex supply chain management to ensure continuity of production. We source a variety of components (among which transmissions, brakes, driving safety systems and others), raw materials (such as aluminum or special steel), supplies, utilities, logistics and other services from numerous suppliers. |
| Adaptation and mitigation activities | Not yet impacted | The risks and opportunities identified in the C2.3a and C2.4a have not yet impacted Ferrari’s adaptation and mitigation activities. Climate Change Risk Assessment, such as the assessment of flood risk, has the aim to identify the critical plants and geographic area likely to be impacted by extreme weather events in order to define the mitigation activities to prevent and limit the damages when the risk occurs. |
| Investment in R&D | Impacted | The risks and opportunities identified in the C2.3a and C2.4a have impacted Ferrari’s investment in R&D. We continue to regularly launch new cars with enhanced technological innovations and design improvements. Our plan is to launch 15 new models between 2019-2022 with the purpose of maintaining the product portfolio’s leading position and to respond quickly to market demand and technological breakthroughs. In the future, we intend to use hybrid and Formula 1 technology to increase specific power output without turbo lag. We are deploying considerable resources for the development of hybrid powertrains, which will be mounted on an increasingly larger portion of our car models. As outlined in our business plan, we intend to increase R&D spending during the 2018-2022 period. |
| Operations | Impacted | The risks and opportunities identified in the C2.3a and C2.4a have impacted Ferrari’s operations. New laws, regulations, or policies of governmental organizations regarding increased fuel economy requirements, reduced greenhouse gas or pollutant emissions, or vehicle safety, or changes in existing laws, may have a significant effect on our costs of operation and/or how we do business. |
| Other, please specify | Please select |  |

## **C2.6**

### **(C2.6) Describe where and how the identified risks and opportunities have been factored into your financial planning process.**

|  |  |  |
| --- | --- | --- |
|  | **Relevance** | **Description** |
| Revenues | Impacted | The risks and opportunities identified in the C2.3a and C2.4a have factored into revenues. Demand for luxury automobiles depends to a large extent on general, economic, political and social conditions in a given market as well as the introduction of new vehicles and technologies. Demand for our cars may also be affected by factors directly impacting automobile prices or the cost of purchasing and operating automobiles, such as governmental regulations, including tariffs, import regulation and other taxes, resulting in limitations to the use of high performance sports cars or luxury goods more generally. We continue to regularly launch new cars with enhanced technological innovations and design improvements. Our plan is to launch 15 new models between 2019-2022 with the purpose of maintaining the product portfolio’s leading position and to respond quickly to market demand and technological breakthroughs. In the future, we intend to use hybrid and Formula 1 technology to increase specific power output without turbo lag. We are deploying considerable resources for the development of hybrid powertrains, which will be mounted on an increasingly larger portion of our car models. |
| Operating costs | Impacted | The risks and opportunities identified in the C2.3a and C2.4a have factored into operating cost. For example, new laws, regulations, or policies of governmental organizations regarding increased fuel economy requirements, reduced greenhouse gas or pollutant emissions, or vehicle safety, or changes in existing laws, may have a significant effect on our costs of operation and/or how we do business. We may have to incur substantial capital expenditures and research and development expenditures to upgrade products and manufacturing facilities, which would have an impact on our cost of production and results of operation. |
| Capital expenditures / capital allocation | Impacted | The risks and opportunities identified in the C2.3a and C2.4a have factored into capital expenditures/capital allocation. Relevant capex increase to support broadening and hybridization of our product range in line with the expected volume growth over the 2019-2022 period. |
| Acquisitions and divestments | Not impacted | As of now the Group has not had to undertake any decision concerning acquisition or divestment due to climate change risk or opportunities, that are dealt with other financial planning areas. |
| Access to capital | Not impacted | As of now, we do not expect that climate change risks and opportunities will impact our access to capital. |
| Assets | Not evaluated | As of now, we have not evaluated the impacts. |
| Liabilities | Not yet impacted | As of now, we do not expect that climate change risks and opportunities will impact our liabilities. |
| Other | Please select |  |

## **C3. Business Strategy**

## **C3.1**

### **(C3.1) Are climate-related issues integrated into your business strategy?**

Yes

## **C3.1a**

### **(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?**

Yes, qualitative and quantitative

## **C-AC3.1b/C-CE3.1b/C-CH3.1b/C-CO3.1b/C-EU3.1b/C-FB3.1b/C-MM3.1b/C-OG3.1b/C-PF3.1b/C-ST3.1b/C-TO3.1b/C-TS3.1b**

### **(C-AC3.1b/C-CE3.1b/C-CH3.1b/C-CO3.1b/C-EU3.1b/C-FB3.1b/C-MM3.1b/C-OG3.1b/C-PF3.1b/C-ST3.1b/C-TO3.1b/C-TS3.1b) Indicate whether your organization has developed a low-carbon transition plan to support the long-term business strategy.**

Yes

## **C3.1c**

### **(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.**

1. Influence on business strategy

Ferrari is aware of the challenges and opportunities posed by climate change for sustainable business development. For this reason, we take into account climate-related issues in defining and developing our business strategy. As mentioned in our Environmental Policy, our purpose is to minimize the negative impacts of our activities on natural resources and the global environment.

Our business strategy is also influenced by climate change-related commitments and developments at the international, regional and national level, such as the Paris Agreement and Sustainable Development Goals (SDGs). In particular, we take into consideration GHG-related normative requirements, as in many parts of the world, significant governmental regulation is driven by environmental, fuel economy and emissions concerns.

The significance of climate change issues in our business strategy is also reflected in our materiality matrix, which highlights the emission topic as one of the most relevant for both Ferrari and its stakeholders.

In this context, our most significant environmental efforts are deployed through a program for the reduction of polluting and GHG emissions, both at manufacturing and product level. In particular, we are currently working on developing hybrid powertrains and other innovations also to meet specific regulatory requirements and preparing for a low-emission future. In 2018, during Ferrari Capital Markets Day, Ferrari announced to aim for around a 60% of hybrid engines on its cars by 2022. The recently launched SF90 Stradale perfectly reflects our commitment to this approach. SF90 Stradale is our first hybrid series-production supercar.

2. Link between business strategy and emissions reduction target

In line with this strategy, through innovations in areas such as turbochargers, engine downsizing, transmission, electric steering and hybrid technologies, we continue to target further reductions in CO2 emissions and have set a target to reduce by 2020 CO2 emission by 15% (compared to 2014) on our entire fleet.

Pursuant to the derogation approved by the European Commission following our petition, we are required to meet certain CO2 emissions target levels in the 2017-2021 period, reaching a target of 277 grams per kilometer in 2021 for our fleet of EU-registered cars that year.

We are undertaking an important program to develop hybrid technology and we are researching how to improve the performance and driving experience of our cars without losing fuel efficiency advantages. We are now working hard on the integration of hybrid technology more broadly into our car portfolio. Ferrari has announced to aim for around a 60% of hybrid engines on its cars by 2022.

At production site level, our purpose is to minimize our environmental impacts by implementing energy efficiency activities, such as lighting makeover, and by keep on purchasing Guarantee of Origin certificates in order to increase the percentage of energy consumed by Ferrari derived from renewable sources, thus reducing the corresponding CO2 emissions.

3.Substantial business decisions made

As announced during the Capital Markets Day, Ferrari has decided to accelerate the pace of technical investments and therefore to increase its CAPEX spending for 2018. Cumulated CAPEX spending over the plan period will amount to €3.6 billion.

A portion of our research and development efforts are related to the development of the various components used in our models, and in particular electronic and mechanical components for hybrid, in this context Ferrari announced to aim for around a 60% of hybrid engines on its cars by 2022. The recently launched SF90 Stradale perfectly reflects our commitment to this approach. SF90 Stradale is our first hybrid series-production supercar.

At production site level, since 2014, Ferrari has been purchasing Guarantee of Origin certificates in order to increase the percentage of energy consumed derived from renewable sources. This lead in 2018 to purchase more than 90% of electric energy certified as renewable and it resulted in a reduction of 8,447 tons of CO2eq.

4. Climate Change aspects

Currently the main climate change aspects that influence our strategy are related to emission regulations, for both vehicles and production plants.

5-6. Short, medium and long-term strategy

Our short-term strategy (up to 2 years) is to continue to develop hybrid technology. The recently launched SF90 Stradale perfectly reflects our commitment to this approach.

In the medium-term, Ferrari has announced to aim for around a 60% of hybrid engines on its cars by 2022.

Finally, our long-term strategy takes into consideration the ongoing trends that impact the automotive business, including studying the feasibility of a Ferrari electric vehicle.

7. Opportunities

One of the more relevant topics of this generation, the concept of the car in an era of climate change, will likely be an opportunity for us. Innovation runs within Ferrari, so the challenge of building a Ferrari for a low-emissions future is one that we are already embracing. The increased offering of hybrid powertrains will allow us to meet both specific regulatory requirements but also to satisfy customers’ desires for significantly improved emissions while enhancing the driving emotions that render Ferrari simply unique.

The recently launched SF90 Stradale, our first hybrid series-production supercar, intends to satisfy the demands of today’s sustainable world and attract new potential customers.

Other aspects

In 2018, we published our second Sustainability Report to ensure transparent and structured communication towards our stakeholders about sustainability matters. In it we reported two indicators to monitor our economic growth and its climate impact: the Carbon on net revenues ratio and the Carbon on Adj EBITDA ratio. These two indicators showed that Ferrari managed to decouple its economic growth from its environmental impact, in other words we keep on growing our business activities while at the same time maintaining almost stable our CO2 emissions.

## **C3.1d**

### **(C3.1d) Provide details of your organization’s use of climate-related scenario analysis.**

|  |  |
| --- | --- |
| **Climate-related scenarios** | **Details** |
| Other, please specify (Custom analysis) | In the main markets, we constantly monitor the climate related risks through a model that takes into account both vehicles sold / projected to be sold and specific CO2 emissions and fuel economy values depending on the technical content under development. |

## **C-AC3.1e/C-CE3.1e/C-CH3.1e/C-CO3.1e/C-EU3.1e/C-FB3.1e/C-MM3.1e/C-OG3.1e/C-PF3.1e/C-ST3.1e/C-TO3.1e/C-TS3.1e**

### **(C-AC3.1e/C-CE3.1e/C-CH3.1e/C-CO3.1e/C-EU3.1e/C-FB3.1e/C-MM3.1e/C-OG3.1e/C-PF3.1e/C-ST3.1e/C-TO3.1e/C-TS3.1e) Disclose details of your organization’s low-carbon transition plan.**

Ferrari low-carbon transition plan includes elements regarding both vehicles and manufacturing plants related emissions.

Through innovations in areas such as turbochargers, engine downsizing, transmission, electric steering and hybrid technologies, we continue to target further reductions in CO2 emissions. These efforts, through the investment of huge resources, also allow the reduction of CO2 emissions and fuel consumption thanks to the development of emission reducing technologies. The main technologies deployed in the Ferrari fleet until 2018 are: lightweight chassis, gasoline direct injection (200 bar), start & stop with improved direct start, Dual Clutch Transmission, increased compression ratio, multi-spark ignition, smart alternator, improved Dual Clutch Transmission oil control system, low friction synchromesh device, downsizing, finger follower valve actuation with rollers, variable displacement oil pump with variable feed pressure, smart aerodynamics systems, smart cooling (transmission).

Ferrari has announced to aim for around a 60% of hybrid engines on its cars by 2022. The recently launched SF90 Stradale perfectly reflects our commitment to this approach. SF90 Stradale is our first hybrid series-production supercar. Ferrari is investing heavily to minimize its environmental impact since 2001, when the Company was given the ISO 14001 certification for our plants in Maranello and Modena. Our culture embraces energy consumption reduction, constantly implementing actions such as the replacement of traditional illumination systems to LED technology and the use of pumps with inverter technology in the industrial water distribution system.

As of today, all our new buildings in Maranello are Class A-ranked and the Formula 1 team headquarters comply with the new net zero energy building protocol (NetZeb), meaning that the total amount of energy used by the building is approximately equal to the amount of renewable energy it generates.

Since 2014, our Group has been purchasing Guarantee of Origin certificates in order to increase the percentage of energy consumed by the Group derived from renewable sources, thus reducing the corresponding CO2 emissions, as determined by the market-based method of calculation. This resulted in 2018 in a reduction of 8,447 tons of CO2eq.

## **C4. Targets and performance**

## **C4.1**

### **(C4.1) Did you have an emissions target that was active in the reporting year?**

Intensity target

## **C4.1b**

### **(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).**

### **Target reference number**

Int 1

### **Scope**

Scope 3: Use of sold products

### **% emissions in Scope**

100

### **Targeted % reduction from base year**

15

### **Metric**

Other, please specify (gCO2/Km)

### **Base year**

2014

### **Start year**

2016

### **Normalized base year emissions covered by target (metric tons CO2e)**

### **Target year**

2020

### **Is this a science-based target?**

No, and we do not anticipate setting one in the next 2 years

### **% of target achieved**

### **Target status**

Underway

### **Please explain**

In 2012, we achieved a 27% reduction in CO2 emissions (compared to 2007) for our European fleet through improvements in energy efficiency by increasing the energy produced for the same level of input and therefore reducing the cars’ energy requirements. Following the achievement of this result, we continued focusing on researching technologies that further reduced emissions. The recently launched SF90 Stradale perfectly reflects our commitment to this approach. SF90 Stradale is our first hybrid series-production supercar. Through innovations in areas such as turbochargers, engine downsizing, transmission, electric steering and hybrid technologies, we continue to target further reductions in CO2 emissions and have set a target to reduce by 2020 CO2 emission by 15% (compared to 2014) on our entire fleet. The target considered the expectations until 2020 of Group’s homologated shipments and the CO2 emissions values according to requirements set by the European Union.

### **% change anticipated in absolute Scope 1+2 emissions**

### **% change anticipated in absolute Scope 3 emissions**

### **Target reference number**

Int 2

### **Scope**

Scope 3: Use of sold products

### **% emissions in Scope**

38

### **Targeted % reduction from base year**

1.4

### **Metric**

Other, please specify (gCO2/Km)

### **Base year**

2016

### **Start year**

2016

### **Normalized base year emissions covered by target (metric tons CO2e)**

### **Target year**

2021

### **Is this a science-based target?**

No, and we do not anticipate setting one in the next 2 years

### **% of target achieved**

0

### **Target status**

Underway

### **Please explain**

In 2014, the European Union set new 2020 emissions targets, calling for 95 percent of a manufacturer’s full fleet of new passenger cars registered in the EU in 2020 to average 95 grams of CO2 per kilometer, rising to 100 percent of the fleet in 2021. The 2014 regulation extends the small volume and niche manufacturers derogation. Pursuant to the derogation approved by the European Commission following our petition, we are required to meet certain CO2 emissions target levels in the 2017-2021 period, reaching a target of 277 grams per kilometer in 2021 for our fleet of EU-registered cars that year. Note on “KPI in baseline year”: 281 grams per kilometer represents the average specific emissions of CO2 for 2016 of our fleet of EU-registered cars as reported by the European commission in its Implementing Decision 2018/44. Note on “KPI in target year”: 277 grams per kilometer represent the 2021 specific emission target of CO2 for our fleet approved by the European Commission in 2016.

### **% change anticipated in absolute Scope 1+2 emissions**

### **% change anticipated in absolute Scope 3 emissions**

## **C4.2**

### **(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.**

### **Target**

Waste

### **KPI – Metric numerator**

Total waste (ton)

### **KPI – Metric denominator (intensity targets only)**

### **Base year**

2017

### **Start year**

2018

### **Target year**

2020

### **KPI in baseline year**

12269

### **KPI in target year**

8834

### **% achieved in reporting year**

37

### **Target Status**

Underway

### **Please explain**

The main activities, among others, to achieve this target are: the renewal of the wastewater treatment plant will allow to treat process wastewaters that are currently disposed of as waste; foundry sand classified as a by-product (no more as a waste); use of a new cooling lubrificant in mechanichal department (atlm)

### **Part of emissions target**

No, it's not part of an emissions reduction target.

### **Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

## **C4.3**

### **(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

## **C4.3a**

### **(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

|  |  |  |
| --- | --- | --- |
|  | **Number of initiatives** | **Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked \*)** |
| Under investigation | 0 | 0 |
| To be implemented\* | 0 | 0 |
| Implementation commenced\* | 0 | 0 |
| Implemented\* | 2 | 66 |
| Not to be implemented | 0 | 0 |

## **C4.3b**

### **(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

### **Initiative type**

Energy efficiency: Building services

### **Description of initiative**

Lighting

### **Estimated annual CO2e savings (metric tonnes CO2e)**

44.4

### **Scope**

Scope 2 (location-based)

### **Voluntary/Mandatory**

Voluntary

### **Annual monetary savings (unit currency – as specified in C0.4)**

18000

### **Investment required (unit currency – as specified in C0.4)**

54000

### **Payback period**

1-3 years

### **Estimated lifetime of the initiative**

11-15 years

### **Comment**

The lighting makeover (with LED technology) allowed to reduce by over 53% the annual consumption of electricity compared with the previous lighting technology of this department. Please note that the annual monetary saving was calculated considering the average price paid by an industrial operator for electricity in 2018, as reported by ARERA, the national authority for energy.

### **Initiative type**

Energy efficiency: Building services

### **Description of initiative**

Lighting

### **Estimated annual CO2e savings (metric tonnes CO2e)**

21.6

### **Scope**

Scope 2 (location-based)

### **Voluntary/Mandatory**

Voluntary

### **Annual monetary savings (unit currency – as specified in C0.4)**

8700

### **Investment required (unit currency – as specified in C0.4)**

47000

### **Payback period**

4 - 10 years

### **Estimated lifetime of the initiative**

11-15 years

### **Comment**

The lighting makeover (with LED technology) allowed to reduce by over 60% the annual consumption of electricity compared with the previous lighting technology of this department. Please note that the annual monetary saving was calculated considering the average price paid by an industrial operator for electricity in 2018, as reported by ARERA, the national authority for energy.

## **C4.3c**

### **(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

|  |  |
| --- | --- |
| **Method** | **Comment** |
| Dedicated budget for energy efficiency | In order to realize our emissions reduction activities, such as the initiatives implemented in the reporting year (reported in C4.3b), we have a defined budget dedicated for environmental and energy efficiency and managed by the “Tecnologie, infrastrutture ed impianti” department (technology department). This budget is annually updated. |

## **C4.5**

### **(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

Yes

## **C4.5a**

### **(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.**

### **Level of aggregation**

Group of products

### **Description of product/Group of products**

Hybrid powertrains

### **Are these low-carbon product(s) or do they enable avoided emissions?**

Avoided emissions

### **Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify (Emissions compared to previous models)

### **% revenue from low carbon product(s) in the reporting year**

### **Comment**

Revenues are considered confidential. We are currently working on developing hybrid powertrains and other innovations with the aim to meet specific regulatory requirements and preparing for a low-emission future.

### **Level of aggregation**

Group of products

### **Description of product/Group of products**

Through innovations in areas such as turbochargers, engine downsizing, transmission, electric steering and hybrid technologies, we continue to target further reductions in CO2 emissions. These efforts, through the investment of huge resources, allow the reduction of CO2 emissions and fuel consumption thanks to the development of CO2 emission reducing technologies. The main technologies deployed in the Ferrari fleet until 2018 are: lightweight chassis, gasoline direct injection (200 bar), start & stop with improved direct start, Dual Clutch Transmission, increased compression ratio, multi-spark ignition, smart alternator, improved Dual Clutch Transmission oil control system, low friction synchromesh device, downsizing, finger follower valve actuation with rollers, variable displacement oil pump with variable feed pressure, smart aerodynamics systems, smart cooling (transmission).

### **Are these low-carbon product(s) or do they enable avoided emissions?**

Avoided emissions

### **Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify (Emissions compared to previous models)

### **% revenue from low carbon product(s) in the reporting year**

### **Comment**

Revenues are considered confidential. We are currently working on developing hybrid powertrains and other innovations with the aim to meet specific regulatory requirements and preparing for a low-emission future.

## **C5. Emissions methodology**

## **C5.1**

### **(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).**

### **Scope 1**

### **Base year start**

January 1 2016

### **Base year end**

December 31 2016

### **Base year emissions (metric tons CO2e)**

92319

### **Comment**

### **Scope 2 (location-based)**

### **Base year start**

January 1 2016

### **Base year end**

December 31 2016

### **Base year emissions (metric tons CO2e)**

9105

### **Comment**

Measured in tons of CO2. Regarding Scope 2 emissions, measured in tons of CO2,the percentage of methane and nitrous oxide has a negligible effect on the total greenhouse gas emissions (CO2 equivalent) as indicated into the ISPRA Report “Atmospheric emission factors of CO2 and other greenhouse gases in the electricity sector”.

### **Scope 2 (market-based)**

### **Base year start**

January 1 2016

### **Base year end**

December 31 2016

### **Base year emissions (metric tons CO2e)**

767

### **Comment**

Measured in tons of CO2. Regarding Scope 2 emissions, measured in tons of CO2,the percentage of methane and nitrous oxide has a negligible effect on the total greenhouse gas emissions (CO2 equivalent) as indicated into the ISPRA Report “Atmospheric emission factors of CO2 and other greenhouse gases in the electricity sector”.

## **C5.2**

### **(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.**

Defra Voluntary 2017 Reporting Guidelines

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

Other, please specify (Please see the comment box (C5.2a))

## **C5.2a**

### **(C5.2a) Provide details of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.**

Market-based indirect greenhouse gas emissions, measured in tons of CO2, were calculated using the Residual Mix emission factors indicated in “2017 European Residual Mixes, V.1.3”, published by AIB.

Location-based indirect greenhouse gas emissions, measured in tons of CO2, were calculated using the emission factor indicated in “Confronti internazionali; 2016”, published by Terna.

## **C6. Emissions data**

## **C6.1**

### **(C6.1) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?**

### **Reporting year**

### **Gross global Scope 1 emissions (metric tons CO2e)**

91001

### **Start date**

January 1 2018

### **End date**

December 31 2018

### **Comment**

The emissions of CO2eq derive from the production facility in Maranello where we assemble all of our cars and manufacture all the engines used in our cars or sold to Maserati, the Carrozzeria Scaglietti plant, located in Modena, where we manufacture aluminium bodyworks and chassis and the Mugello racing circuit in Scarperia, near Florence. Scope 1 emissions are related to the use of natural gas (mainly for the trigeneration plant), gasoline and diesel.

### **Past year 1**

### **Gross global Scope 1 emissions (metric tons CO2e)**

91789

### **Start date**

January 1 2017

### **End date**

December 31 2017

### **Comment**

The emissions of CO2eq derive from the production facility in Maranello where we assemble all of our cars and manufacture all the engines used in our cars or sold to Maserati, the Carrozzeria Scaglietti plant, located in Modena, where we manufacture aluminium bodyworks and chassis and the Mugello racing circuit in Scarperia, near Florence. Scope 1 emissions are related to the use of natural gas (mainly for the trigeneration plant), gasoline and diesel.

### **Past year 2**

### **Gross global Scope 1 emissions (metric tons CO2e)**

92319

### **Start date**

January 1 2016

### **End date**

December 31 2016

### **Comment**

The emissions of CO2eq derive from the production facility in Maranello where we assemble all of our cars and manufacture all the engines used in our cars or sold to Maserati, the Carrozzeria Scaglietti plant, located in Modena, where we manufacture aluminium bodyworks and chassis and the Mugello racing circuit in Scarperia, near Florence. Scope 1 emissions are related to the use of natural gas (mainly for the trigeneration plant), gasoline and diesel.

## **C6.2**

### **(C6.2) Describe your organization’s approach to reporting Scope 2 emissions.**

### **Row 1**

### **​Scope 2, location-based​**

We are reporting a Scope 2, location-based figure

### **Scope 2, market-based**

We are reporting a Scope 2, market-based figure

### **Comment**

The emissions of CO2eq derive from the production facility in Maranello where we assemble all of our cars and manufacture all the engines used in our cars or sold to Maserati, the Carrozzeria Scaglietti plant, located in Modena, where we manufacture aluminum bodyworks and chassis and the Mugello racing circuit in Scarperia, near Florence. Since 2014, our Group has been purchasing Guarantee of Origin certificates in order to increase the percentage of energy consumed by the Group derived from renewable sources, thus reducing the corresponding CO2 emissions, as determined by the market-based method of calculation.

## **C6.3**

### **(C6.3) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?**

### **Reporting year**

### **Scope 2, location-based**

9219

### **Scope 2, market-based (if applicable)**

772

### **Start date**

January 1 2018

### **End date**

December 31 2018

### **Comment**

The emissions of CO2eq derive from the production facility in Maranello where we assemble all of our cars and manufacture all the engines used in our cars or sold to Maserati, the Carrozzeria Scaglietti plant, located in Modena, where we manufacture aluminum bodyworks and chassis and the Mugello racing circuit in Scarperia, near Florence. Since 2014, our Group has been purchasing Guarantee of Origin certificates in order to increase the percentage of energy consumed by the Group derived from renewable sources, thus reducing the corresponding CO2 emissions, as determined by the market-based method of calculation.

### **Past year 1**

### **Scope 2, location-based**

9822

### **Scope 2, market-based (if applicable)**

820

### **Start date**

January 1 2017

### **End date**

December 31 2017

### **Comment**

The emissions of CO2eq derive from the production facility in Maranello where we assemble all of our cars and manufacture all the engines used in our cars or sold to Maserati, the Carrozzeria Scaglietti plant, located in Modena, where we manufacture aluminum bodyworks and chassis and the Mugello racing circuit in Scarperia, near Florence. Since 2014, our Group has been purchasing Guarantee of Origin certificates in order to increase the percentage of energy consumed by the Group derived from renewable sources, thus reducing the corresponding CO2 emissions, as determined by the market-based method of calculation.

### **Past year 2**

### **Scope 2, location-based**

9105

### **Scope 2, market-based (if applicable)**

767

### **Start date**

January 1 2016

### **End date**

December 31 2016

### **Comment**

The emissions of CO2eq derive from the production facility in Maranello where we assemble all of our cars and manufacture all the engines used in our cars or sold to Maserati, the Carrozzeria Scaglietti plant, located in Modena, where we manufacture aluminum bodyworks and chassis and the Mugello racing circuit in Scarperia, near Florence. Since 2014, our Group has been purchasing Guarantee of Origin certificates in order to increase the percentage of energy consumed by the Group derived from renewable sources, thus reducing the corresponding CO2 emissions, as determined by the market-based method of calculation.

## **C6.4**

### **(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

Yes

## **C6.4a**

### **(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.**

### **Source**

Emissions of CO2eq deriving from additional facilities.

### **Relevance of Scope 1 emissions from this source**

Emissions are not relevant

### **Relevance of location-based Scope 2 emissions from this source**

Emissions are not relevant

### **Relevance of market-based Scope 2 emissions from this source (if applicable)**

Emissions are not relevant

### **Explain why this source is excluded**

We directly operate 18 retail stores and maintain offices for our foreign subsidiaries and other smaller facilities in Italy, such as the Museo Enzo Ferrari (MEF) in Modena and the Ferrari museum in Maranello. The environmental impact of these additional facilities is deemed negligible.

## **C6.5**

### **(C6.5) Account for your organization’s Scope 3 emissions, disclosing and explaining any exclusions.**

### **Purchased goods and services**

### **Evaluation status**

Relevant, not yet calculated

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Explanation**

Our production process requires a great variety of inputs entailing a complex supply chain management to ensure continuity of production. We recognize the relevance of emissions deriving from purchased goods and services and we are considering to evaluate them in the future.

### **Capital goods**

### **Evaluation status**

Relevant, not yet calculated

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Explanation**

We recognize the relevance of emissions deriving from capital goods and we are considering to evaluate them in the future.

### **Fuel-and-energy-related activities (not included in Scope 1 or 2)**

### **Evaluation status**

Not relevant, explanation provided

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Explanation**

Scope 3 emissions deriving from Fuel and energy related activities are not considered relevant given the business of the company and have not been calculated.

### **Upstream transportation and distribution**

### **Evaluation status**

Relevant, not yet calculated

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Explanation**

We recognize the relevance of emissions deriving from logistic operations and we are considering to evaluate them in the future.

### **Waste generated in operations**

### **Evaluation status**

Not relevant, explanation provided

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Explanation**

Scope 3 emissions deriving from Waste generated in operations are not considered relevant given the business of the company and have not been calculated

### **Business travel**

### **Evaluation status**

Relevant, not yet calculated

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Explanation**

We recognize the relevance of emissions deriving from business travel and we are considering to evaluate them in the future.

### **Employee commuting**

### **Evaluation status**

Relevant, not yet calculated

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Explanation**

We recognize the relevance of emissions deriving from employee commuting and we are considering to evaluate them in the future.

### **Upstream leased assets**

### **Evaluation status**

Not relevant, explanation provided

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Explanation**

Scope 3 emissions deriving from leased assets are not considered relevant given the business of the company and have not been calculated.

### **Downstream transportation and distribution**

### **Evaluation status**

Relevant, not yet calculated

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Explanation**

Our network of third party dealers is comprised of 188 point of sales around the world. A meticulous work is constantly carried out to optimize logistical operations with the aim of reducing the impact on the environment and associated air emissions.

### **Processing of sold products**

### **Evaluation status**

Relevant, not yet calculated

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Explanation**

The most relevant part of processing of sold products is related to engines sold to Maserati. We recognize the relevance of emissions deriving from this activity and we are considering to evaluate them in the future.

### **Use of sold products**

### **Evaluation status**

Relevant, not yet calculated

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Explanation**

Our cars are perceived as collectibles, the products are generally not considered means of transportation. However we recognize the relevance of emissions deriving from use of sold products and we are considering to evaluate them in the future.

### **End of life treatment of sold products**

### **Evaluation status**

Not relevant, explanation provided

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Explanation**

Part of the environmental impact of our activities are related to the product lifecycle. Ferrari cars are perceived as collectibles and therefore the number of cars demolished each year is very scarce. In addition, the products are generally not considered means of transportation.

### **Downstream leased assets**

### **Evaluation status**

Not relevant, explanation provided

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Explanation**

Scope 3 emissions deriving from leased assets are not considered relevant given the business of the company and have not been calculated.

### **Franchises**

### **Evaluation status**

Not relevant, explanation provided

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Explanation**

We design, source and sell Ferrari-branded products through a network of 18 Ferrari-owned stores and 17 franchised stores. The environmental impact of these additional facilities is deemed negligible. The scope 3 emissions of franchised stores are therefore not considered relevant compared to the other operations.

### **Investments**

### **Evaluation status**

Not relevant, explanation provided

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Explanation**

This category is applicable to investors (i.e., companies that make an investment with the objective of making a profit) and companies that provide financial services.

### **Other (upstream)**

### **Evaluation status**

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Explanation**

### **Other (downstream)**

### **Evaluation status**

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Explanation**

## **C6.7**

### **(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?**

No

## **C6.10**

### **(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

### **Intensity figure**

0.0000268

### **Metric numerator (Gross global combined Scope 1 and 2 emissions)**

91773

### **Metric denominator**

unit total revenue

### **Metric denominator: Unit total**

3420000000

### **Scope 2 figure used**

Market-based

### **% change from previous year**

0.99

### **Direction of change**

Decreased

### **Reason for change**

Ferrari managed to decouple its economic growth from its environmental impact, in other words we keep on growing our business activities while at the same time maintaining almost stable our CO2 emissions.

### **Intensity figure**

82.4

### **Metric numerator (Gross global combined Scope 1 and 2 emissions)**

91773

### **Metric denominator**

Other, please specify (Ebitda, Mln €)

### **Metric denominator: Unit total**

1114

### **Scope 2 figure used**

Market-based

### **% change from previous year**

7.84

### **Direction of change**

Decreased

### **Reason for change**

Ferrari managed to decouple its economic growth from its environmental impact, in other words we keep on growing our business activities while at the same time maintaining almost stable our CO2 emissions.

### **Intensity figure**

9.92

### **Metric numerator (Gross global combined Scope 1 and 2 emissions)**

91773

### **Metric denominator**

vehicle produced

### **Metric denominator: Unit total**

9251

### **Scope 2 figure used**

Market-based

### **% change from previous year**

10.04

### **Direction of change**

Decreased

### **Reason for change**

Ferrari managed to decouple its economic growth from its environmental impact, in other words we keep on growing our business activities while at the same time maintaining almost stable our CO2 emissions.

## **C7. Emissions breakdowns**

## **C7.1**

### **(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?**

Yes

## **C7.1a**

### **(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).**

|  |  |  |
| --- | --- | --- |
| **Greenhouse gas** | **Scope 1 emissions (metric tons of CO2e)** | **GWP Reference** |
| CO2 | 88570 | IPCC Fifth Assessment Report (AR5 – 100 year) |
| CH4 | 226 | IPCC Fifth Assessment Report (AR5 – 100 year) |
| N2O | 48 | IPCC Fifth Assessment Report (AR5 – 100 year) |
| Other, please specify (Leaks of refrigerant gas ) | 2157 | IPCC Fourth Assessment Report (AR4 - 100 year) |

## **C7.2**

### **(C7.2) Break down your total gross global Scope 1 emissions by country/region.**

|  |  |
| --- | --- |
| **Country/Region** | **Scope 1 emissions (metric tons CO2e)** |
| Italy | 91001 |

## **C7.3**

### **(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

By business division

By facility

By activity

## **C7.3a**

### **(C7.3a) Break down your total gross global Scope 1 emissions by business division.**

|  |  |
| --- | --- |
| **Business division** | **Scope 1 emissions (metric ton CO2e)** |
| Production | 88438 |
| Offices | 2265 |
| Racing circuit | 298 |

## **C7.3b**

### **(C7.3b) Break down your total gross global Scope 1 emissions by business facility.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Facility** | **Scope 1 emissions (metric tons CO2e)** | **Latitude** | **Longitude** |
| Maranello plant | 89612 | 44.31 | 10.51 |
| Scaglietti plant | 1091 | 44.39 | 10.55 |
| Mugello circuit | 298 | 43.59 | 11.22 |

## **C7.3c**

### **(C7.3c) Break down your total gross global Scope 1 emissions by business activity.**

|  |  |
| --- | --- |
| **Activity** | **Scope 1 emissions (metric tons CO2e)** |

## **C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4**

### **(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization’s total gross global Scope 1 emissions by sector production activity in metric tons CO2e.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Gross Scope 1 emissions, metric tons CO2e** | **Net Scope 1 emissions , metric tons CO2e** | **Comment** |
| Cement production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Chemicals production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Coal production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Electric utility generation activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Metals and mining production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Oil and gas production activities (upstream) | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Oil and gas production activities (downstream) | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Steel production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Transport OEM activities | 88438 | <Not Applicable> |  |
| Transport services activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |

## **C7.5**

### **(C7.5) Break down your total gross global Scope 2 emissions by country/region.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Country/Region** | **Scope 2, location-based (metric tons CO2e)** | **Scope 2, market-based (metric tons CO2e)** | **Purchased and consumed electricity, heat, steam or cooling (MWh)** | **Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)** |
| Italy | 9219 | 772 | 25608 | 23987 |

## **C7.6**

### **(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**

By business division

By facility

## **C7.6a**

### **(C7.6a) Break down your total gross global Scope 2 emissions by business division.**

|  |  |  |
| --- | --- | --- |
| **Business division** | **Scope 2, location-based emissions (metric tons CO2e)** | **Scope 2, market-based emissions (metric tons CO2e)** |
| Production | 8366 | 0 |
| Offices | 269 | 0 |
| Racing circuit | 584 | 772 |

## **C7.6b**

### **(C7.6b) Break down your total gross global Scope 2 emissions by business facility.**

|  |  |  |
| --- | --- | --- |
| **Facility** | **Scope 2 location-based emissions (metric tons CO2e)** | **Scope 2, market-based emissions (metric tons CO2e)** |
| Maranello plant | 7532 | 0 |
| Scaglietti Plant | 1103 | 0 |
| Mugello circuit | 584 | 772 |

## **C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7**

### **(C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7) Break down your organization’s total gross global Scope 2 emissions by sector production activity in metric tons CO2e.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Scope 2, location-based, metric tons CO2e** | **Scope 2, market-based (if applicable), metric tons CO2e** | **Comment** |
| Cement production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Chemicals production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Coal production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Metals and mining production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Oil and gas production activities (upstream) | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Oil and gas production activities (downstream) | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Steel production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Transport OEM activities | 0 |  | For the entire electric energy purchased and consumed by our productive plant the Group purchased guarantee of Origin (GO) certificates. |
| Transport services activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |

## **C-TO7.8**

### **(C-TO7.8) Provide primary intensity metrics that are appropriate to your indirect emissions in Scope 3 Category 11: Use of sold products from transport.**

## **C7.9**

### **(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Decreased

## **C7.9a**

### **(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Change in emissions (metric tons CO2e)** | **Direction of change** | **Emissions value (percentage)** | **Please explain calculation** |
| Change in renewable energy consumption |  | <Not Applicable> |  |  |
| Other emissions reduction activities | 66 | Decreased | 0.1 | Consumption reduction activities reported in question C4.3b. |
| Divestment |  | <Not Applicable> |  |  |
| Acquisitions |  | <Not Applicable> |  |  |
| Mergers |  | <Not Applicable> |  |  |
| Change in output | 297 | Increased | 0.3 | Despite a production growth, the emissions did not increase at the same pace. Ferrari managed to decouple its economic growth from its environmental impact. |
| Change in methodology |  | <Not Applicable> |  |  |
| Change in boundary |  | <Not Applicable> |  |  |
| Change in physical operating conditions | 1623 | Decreased | 1.6 | The decrease was mainly due to the reduction of leakages of refrigerant gases. |
| Unidentified |  | <Not Applicable> |  |  |
| Other |  | <Not Applicable> |  |  |

## **C7.9b**

### **(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Location-based

## **C8. Energy**

## **C8.1**

### **(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

## **C8.2**

### **(C8.2) Select which energy-related activities your organization has undertaken.**

|  |  |
| --- | --- |
|  | **Indicate whether your organization undertakes this energy-related activity** |
| Consumption of fuel (excluding feedstocks) | Yes |
| Consumption of purchased or acquired electricity | Yes |
| Consumption of purchased or acquired heat | No |
| Consumption of purchased or acquired steam | No |
| Consumption of purchased or acquired cooling | No |
| Generation of electricity, heat, steam, or cooling | Yes |

## **C8.2a**

### **(C8.2a) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Heating value** | **MWh from renewable sources** | **MWh from non-renewable sources** | **Total MWh** |
| Consumption of fuel (excluding feedstock) | LHV (lower heating value) | 0 | 435365 | 435365 |
| Consumption of purchased or acquired electricity | <Not Applicable> | 23987 | 1621 | 25608 |
| Consumption of purchased or acquired heat | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Consumption of purchased or acquired steam | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Consumption of purchased or acquired cooling | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Consumption of self-generated non-fuel renewable energy | <Not Applicable> | 873 | <Not Applicable> | 873 |
| Total energy consumption | <Not Applicable> | 24860 | 436986 | 461846 |

## **C8.2b**

### **(C8.2b) Select the applications of your organization’s consumption of fuel.**

|  |  |
| --- | --- |
|  | **Indicate whether your organization undertakes this fuel application** |
| Consumption of fuel for the generation of electricity | No |
| Consumption of fuel for the generation of heat | Yes |
| Consumption of fuel for the generation of steam | No |
| Consumption of fuel for the generation of cooling | No |
| Consumption of fuel for co-generation or tri-generation | Yes |

## **C8.2c**

### **(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

### **Fuels (excluding feedstocks)**

Natural Gas

### **Heating value**

LHV (lower heating value)

### **Total fuel MWh consumed by the organization**

421962

### **MWh fuel consumed for self-generation of electricity**

<Not Applicable>

### **MWh fuel consumed for self-generation of heat**

109165

### **MWh fuel consumed for self-generation of steam**

<Not Applicable>

### **MWh fuel consumed for self-generation of cooling**

<Not Applicable>

### **MWh fuel consumed for self-cogeneration or self-trigeneration**

312796

### **Comment**

### **Fuels (excluding feedstocks)**

Petrol

### **Heating value**

LHV (lower heating value)

### **Total fuel MWh consumed by the organization**

13013

### **MWh fuel consumed for self-generation of electricity**

<Not Applicable>

### **MWh fuel consumed for self-generation of heat**

13013

### **MWh fuel consumed for self-generation of steam**

<Not Applicable>

### **MWh fuel consumed for self-generation of cooling**

<Not Applicable>

### **MWh fuel consumed for self-cogeneration or self-trigeneration**

0

### **Comment**

### **Fuels (excluding feedstocks)**

Diesel

### **Heating value**

LHV (lower heating value)

### **Total fuel MWh consumed by the organization**

390

### **MWh fuel consumed for self-generation of electricity**

<Not Applicable>

### **MWh fuel consumed for self-generation of heat**

390

### **MWh fuel consumed for self-generation of steam**

<Not Applicable>

### **MWh fuel consumed for self-generation of cooling**

<Not Applicable>

### **MWh fuel consumed for self-cogeneration or self-trigeneration**

0

### **Comment**

## **C8.2d**

### **(C8.2d) List the average emission factors of the fuels reported in C8.2c.**

### **Diesel**

### **Emission factor**

0.075

### **Unit**

metric tons CO2e per GJ

### **Emission factor source**

GHG Protocol: Emission Factors from Cross-Sector Tools; March 2017

### **Comment**

The emission factor provided was calculated considering the emission factor of the fuel, in terms of ton CO2/TJ (taken from the GHG Protocol: Emission Factors from Cross-Sector Tools; March 2017) and the relative global warming potential value (taken from GHG Protocol: Global Warming Potential Values Guidance; May 2015),thus obtaining a value in term of CO2e/GJ.

### **Natural Gas**

### **Emission factor**

0.056

### **Unit**

metric tons CO2e per GJ

### **Emission factor source**

GHG Protocol: Emission Factors from Cross-Sector Tools; March 2017

### **Comment**

The emission factor provided was calculated considering the emission factor of the fuel, in terms of ton CO2/TJ (taken from the GHG Protocol: Emission Factors from Cross-Sector Tools; March 2017) and the relative global warming potential value (taken from GHG Protocol: Global Warming Potential Values Guidance; May 2015), thus obtaining a value in term of CO2e/GJ.

### **Petrol**

### **Emission factor**

0.07

### **Unit**

metric tons CO2e per GJ

### **Emission factor source**

GHG Protocol: Emission Factors from Cross-Sector Tools; March 2017

### **Comment**

The emission factor provided was calculated considering the emission factor of the fuel, in terms of ton CO2/TJ (taken from the GHG Protocol: Emission Factors from Cross-Sector Tools; March 2017) and the relative global warming potential value (taken from GHG Protocol: Global Warming Potential Values Guidance; May 2015), thus obtaining a value in term of CO2e/GJ.

## **C8.2e**

### **(C8.2e) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Total Gross generation (MWh)** | **Generation that is consumed by the organization (MWh)** | **Gross generation from renewable sources (MWh)** | **Generation from renewable sources that is consumed by the organization (MWh)** |
| Electricity | 123196 | 121042 | 873 | 873 |
| Heat | 47657 | 47657 | 0 | 0 |
| Steam | 0 | 0 | 0 | 0 |
| Cooling | 5095 | 5095 | 0 | 0 |

## **C8.2f**

### **(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.**

### **Basis for applying a low-carbon emission factor**

Energy attribute certificates, Guarantees of Origin

### **Low-carbon technology type**

Solar PV

Wind

Hydropower

Biomass (including biogas)

### **Region of consumption of low-carbon electricity, heat, steam or cooling**

Europe

### **MWh consumed associated with low-carbon electricity, heat, steam or cooling**

23987

### **Emission factor (in units of metric tons CO2e per MWh)**

0

### **Comment**

Since 2014, our Group has been purchasing Guarantee of Origin certificates in order to increase the percentage of energy consumed by the Group derived from renewable sources, thus reducing the corresponding CO2 emissions, as determined by the market-based method of calculation. This resulted in 2018 in a reduction of 8,447 tons of CO2eq.

## **C-TO8.4**

### **(C-TO8.4) Provide any efficiency metrics that are appropriate for your organization’s transport products and/or services.**

### **Activity**

Light Duty Vehicles (LDV)

### **Metric figure**

49.7

### **Metric numerator**

MWh

### **Metric denominator**

Production: Vehicle

### **Metric numerator: Unit total**

459693

### **Metric denominator: Unit total**

9251

### **% change from previous year**

-8.5

### **Please explain**

Notwithstanding a production increase, the total energy consumption within the Group for 2018 remained in line with 2017. Our culture embraces energy consumption reduction, constantly implementing actions such as the replacement of traditional illumination systems to LED technology and the use of pumps with inverter technology in the industrial water distribution system.

## **C9. Additional metrics**

## **C9.1**

### **(C9.1) Provide any additional climate-related metrics relevant to your business.**

### **Description**

Waste

### **Metric value**

1.19

### **Metric numerator**

Total waste (tons)

### **Metric denominator (intensity metric only)**

Shipments (number of cars)

### **% change from previous year**

18.6

### **Direction of change**

Decreased

### **Please explain**

We acknowledge that rational use of raw materials, together with careful waste management, helps reduce the environmental impact of the manufacturing process. In addition, innovative solutions and advanced technical processes minimize waste and negative environmental impact. To achieve this target, a series of initiatives in the different phases of the manufacturing process have been implemented. As an example, aluminum scraps are melted in the foundry to avoid waste: this is particularly important considering that aluminum is the first raw material (by weight) used in our manufacturing process. This reduction was achieved, among others, by two initiatives started in 2018: the first is that we started to recover sand from the foundry by selling it as a by-product to a third party player that transforms it in a new product following a circular economy principle. The second activity is the use of a more long-lasting cooling lubricant. Combined, these two activities amounted to a 4.6% reduction of the total waste, compared to 2017.

## **C-TO9.3/C-TS9.3**

### **(C-TO9.3/C-TS9.3) Provide tracking metrics for the implementation of low-carbon transport technology over the reporting year.**

## **C-TO9.6/C-TS9.6**

### **(C-TO9.6/C-TS9.6) What is your investment in research and development (R&D), equipment, products and services and which part of it would you consider a direct investment in the low-carbon transition?**

## **C10. Verification**

## **C10.1**

### **(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

|  |  |
| --- | --- |
|  | **Verification/assurance status** |
| Scope 1 | Third-party verification or assurance process in place |
| Scope 2 (location-based or market-based) | Third-party verification or assurance process in place |
| Scope 3 | Third-party verification or assurance process in place |

## **C10.1a**

### **(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.**

### **Scope**

Scope 1

### **Verification or assurance cycle in place**

Annual process

### **Status in the current reporting year**

Complete

### **Type of verification or assurance**

Limited assurance

### **Attach the statement**

[Ferrari N.V. - GHG 2018 - Relazione revisione EY.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/e2ADnWigNUaFMPU6T_Lewg/FerrariN.V.GHG2018RelazionerevisioneEY.pdf)

### **Page/ section reference**

### **Relevant standard**

ISAE 3410

### **Proportion of reported emissions verified (%)**

100

### **Scope**

Scope 2 location-based

### **Verification or assurance cycle in place**

Annual process

### **Status in the current reporting year**

Complete

### **Type of verification or assurance**

Limited assurance

### **Attach the statement**

[Ferrari N.V. - GHG 2018 - Relazione revisione EY.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/e2ADnWigNUaFMPU6T_Lewg/FerrariN.V.GHG2018RelazionerevisioneEY.pdf)

### **Page/ section reference**

### **Relevant standard**

ISAE 3410

### **Proportion of reported emissions verified (%)**

100

### **Scope**

Scope 2 market-based

### **Verification or assurance cycle in place**

Annual process

### **Status in the current reporting year**

Complete

### **Type of verification or assurance**

Limited assurance

### **Attach the statement**

[Ferrari N.V. - GHG 2018 - Relazione revisione EY.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/e2ADnWigNUaFMPU6T_Lewg/FerrariN.V.GHG2018RelazionerevisioneEY.pdf)

### **Page/ section reference**

### **Relevant standard**

ISAE 3410

### **Proportion of reported emissions verified (%)**

100

## **C10.1b**

### **(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.**

## **C10.2**

### **(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

Yes

## **C10.2a**

### **(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?**

|  |  |  |  |
| --- | --- | --- | --- |
| **Disclosure module verification relates to** | **Data verified** | **Verification standard** | **Please explain** |
| C6. Emissions data | Year on year emissions intensity figure | EU-IFRS | Question C6.10, revenues, EBITDA and number of vehicles produced used as metric denominators for the intensity figures. Please refer to the Independent Auditors’ Report on Ferrari 2018 Annual Report, pages 304-310. Please also refer to the GHG statement attached to this CDP questionnaire. |
| C7. Emissions breakdown | Other, please specify (energy consumptions) | ISAE 3000 | Question C7.5 data of Purchased and consumed electricity, heat, steam or cooling (MWh) and Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh). Please refer to the Independent Auditors’ Report on Ferrari 2018 Sustainability Report. |
| C7. Emissions breakdown | Year on year change in emissions (Scope 1) | ISAE 3000 | Question C7.9.a, year on year change in emissions. Please refer to the Independent Auditors’ Report on Ferrari 2018 Sustainability Report. |
| C8. Energy | Other, please specify (energy consumptions and emission factors) | ISAE 3000 | Question C8.2a, C8.2c, C8.2d, C8.2f. energy consumption data and emission factors. Please refer to the Independent Auditors’ Report on Ferrari 2018 Sustainability Report. |
| C9. Additional metrics | Other, please specify (total waste ) | ISAE 3000 | Question C9.1, metric numerator: total waste (tons) Please refer to the Independent Auditors’ Report on Ferrari 2018 Sustainability Report. |

## **C11. Carbon pricing**

## **C11.1**

### **(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

Yes

## **C11.1a**

### **(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.**

EU ETS

## **C11.1b**

### **(C11.1b) Complete the following table for each of the emissions trading systems in which you participate.**

### **EU ETS**

### **% of Scope 1 emissions covered by the ETS**

82

### **Period start date**

January 1 2018

### **Period end date**

December 31 2018

### **Allowances allocated**

74498

### **Allowances purchased**

60000

### **Verified emissions in metric tons CO2e**

74498

### **Details of ownership**

Facilities we own and operate

### **Comment**

## **C11.1d**

### **(C11.1d) What is your strategy for complying with the systems in which you participate or anticipate participating?**

In order to be compliant with the EU Emissions Trading System (ETS) in which Ferrari participates, ad hoc procedures have been put in place in order to monitor and measure the emissions covered by the ETS. A specific monitoring plan has been established according to the requirements of the regulation and it is communicated to the Ministero dell'Ambiente e della Tutela del Territorio e del Mare in order to be approved. Moreover, a third party annually verifies the monitoring plan.

## **C11.2**

### **(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

No

## **C11.3**

### **(C11.3) Does your organization use an internal price on carbon?**

No, and we do not currently anticipate doing so in the next two years

## **C12. Engagement**

## **C12.1**

### **(C12.1) Do you engage with your value chain on climate-related issues?**

Yes, our suppliers

Yes, our customers

## **C12.1a**

### **(C12.1a) Provide details of your climate-related supplier engagement strategy.**

### **Type of engagement**

Compliance & onboarding

### **Details of engagement**

Included climate change in supplier selection / management mechanism

### **% of suppliers by number**

100

### **% total procurement spend (direct and indirect)**

100

### **% Scope 3 emissions as reported in C6.5**

### **Rationale for the coverage of your engagement**

All suppliers must respect the Ferrari Code of Conduct, which includes the set of values recognized, adhered to and promoted by our Company. The environmental policy of Ferrari is available to all our suppliers.

### **Impact of engagement, including measures of success**

We are still evaluating the impact of the engagement.

### **Comment**

Ferrari encourages the adoption and sharing of sustainable practices among our business partners, suppliers and dealers. Therefore, we dedicate ourselves to implementing sustainable practices to ensure that we minimize our environmental footprint and create efficiencies. More specifically, the Ferrari Group considers collaboration with the supply chain an integral part of its success and, therefore, strives to operate as an integrated team with suppliers. The selection of suppliers is based not only on the quality and competitiveness of their products and services, but also their adherence to social, ethical and environmental principles, as outlined in our Code of Conduct. Moreover, suppliers are requested to comply to 2011/65/UE (RoHS Directive) and 2000/53/EC (End-of-life Directive), and to provide through the International Material Data System all the information related to the composition of substances used in the manufacturing process. Our internal systems automatically reject noncompliant components.

## **C12.1b**

### **(C12.1b) Give details of your climate-related engagement strategy with your customers.**

### **Type of engagement**

Collaboration & innovation

### **Details of engagement**

Run a campaign to encourage innovation to reduce climate change impacts

### **% of customers by number**

100

### **% Scope 3 emissions as reported in C6.5**

### **Please explain the rationale for selecting this group of customers and scope of engagement**

In 2018, the sixth consecutive edition of KiSS Mugello took place. This is the environmental and social sustainability program of the Italian Grand Prix that wants to raise awareness on the importance of sustainability during major sporting events, as well as in everyday life. The main environmental initiatives consisted in a plan to improve the quantity and quality of recycling during the Grand Prix, the collection and recovery of used edible oils and raising awareness on the importance of recycling among operators, teams and hospitality in the paddock area. KiSS Mugello has been recognized as one of the best practices at international level for sustainability in sport events by WWF, GREEN SPORT ALLIANCE and UEFA, who included it in the report “Playing for Our Planet. How Sports Win from Being Sustainable”.

### **Impact of engagement, including measures of success**

One of the principal aims of the KiSS project is to raise awareness of the need to reduce the environmental footprint left behind by mega-events such as the Italian Moto GP. Thanks to this project, during the 2018 Italian Grand Prix, 50% of waste was recovered, 180 kg of waste edible oil were collected and in collaboration with Banco Alimentare, more than 2 thousand meals were collected and donated.

## **C12.3**

### **(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?**

Direct engagement with policy makers

## **C12.3a**

### **(C12.3a) On what issues have you been engaging directly with policy makers?**

|  |  |  |  |
| --- | --- | --- | --- |
| **Focus of legislation** | **Corporate position** | **Details of engagement** | **Proposed legislative solution** |
| Other, please specify (Vehicles emissions) | Neutral | We manufacture and sell our cars around the world and our operations are therefore subject to a variety of laws and regulations relating to environmental, health and safety and other matters. These laws regulate our cars, including their emissions, fuel consumption and safety, as well as our manufacturing facilities and operations, setting strict requirements on emissions, treatment and disposal of waste, water and hazardous materials and prohibitions on environmental contamination. Our vehicles, together with the engines that power them, must comply with extensive regional, national and local laws and regulations, and industry self-regulations (including those that regulate vehicle safety). However, we currently benefit from certain regulatory exemptions, because we qualify as an SVM or similar designation in certain jurisdictions where we sell cars. In the last years, our specific team is in charge of overseeing regulatory developments while monitoring the emissions of Ferrari cars, directly engaged with a series of public institutions (e.g. the EU Commission in the European Union, and the EPA and the NHTSA in the United States). The Ferrari Group is committed to conducting its government and public institution relations including lobbying in accordance with applicable laws and ethics rules as well as in full compliance with the Code of Conduct and any applicable local procedures. The Ferrari Group aims to contribute positively to the future development of regulations and standards in the automotive industry and in all other sectors related to the mobility of people and goods. | Pursuant to the derogation approved by the European Commission following our petition, we are required to meet certain CO2 emissions target levels in the 2017-2021 period, reaching a target of 277 grams per kilometer in 2021 for our fleet of EU registered cars that year. Under current US regulation, for model years 2017-2025, the EPA allows a SVM, defined as manufacturer with less than 5,000 yearly unit sales in the United States, to petition for a less stringent standard. The EPA has granted us SVM status. We have therefore petitioned the EPA for alternative standards for the model years 2017-2021 and 2022-2025, which are aligned to our technical and economic capabilities. In September 2016, we petitioned NHTSA for recognition as an independent manufacturer of less than 10,000 vehicles produced globally, and we proposed alternative CAFE standards, for model years 2017, 2018 and 2019. In December, 2017, we amended the petition by proposing alternative CAFÉ standards for model years 2016, 2017 and 2018, covering also the 2016 model years. |

## **C12.3f**

### **(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

The Ferrari Group is committed to conducting its government and public institution relations including lobbying in accordance with applicable laws and ethics rules as well as in full compliance with the Code of Conduct and any applicable local procedures. The Ferrari Group aims to contribute positively to the future development of regulations and standards in the automotive industry and in all other sectors related to the mobility of people and goods.

At the operational level, a specific team is in charge of overseeing regulatory developments while monitoring the emissions of Ferrari cars. The team reports to our Chief Technology Officer, part of the Senior Management Team (SMT).

## **C12.4**

### **(C12.4) Have you published information about your organization’s response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

### **Publication**

In mainstream reports

### **Status**

Complete

### **Attach the document**

[Annual Report\_2018\_Ferrari NV.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/1PaCrxisZ0qhqdDSgoKi4A/AnnualReport2018FerrariNV.pdf)

### **Page/Section reference**

Non financial statement – pages 137-169

### **Content elements**

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

Other, please specify (Energy and water consumption and waste production)

### **Comment**

### **Publication**

In voluntary sustainability report

### **Status**

Complete

### **Attach the document**

[SR\_2018\_Ferrari\_NV.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/HCEDQzBir06Kmjsdvuzx4Q/SR2018FerrariNV.pdf)

### **Page/Section reference**

### **Content elements**

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

Other, please specify (Energy and water consumption and waste production)

### **Comment**

## **C14. Signoff**

## **C-FI**

### **(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

Forward Looking Statements This document contains forward-looking statements. In particular, these forward-looking statements include statements regarding future performance and the Company’s expectations as to the achievement of certain targeted metrics. These statements may include terms such as “may”, “will”, “expect”, “could”, “should”, “intend”, “estimate”, “anticipate”, “believe”, “remain”, “continue”, “successful”, “grow”, “design”, “target”, “objective”, “goal”, “plan”, “guidance” or similar terms. Forward-looking statements are not guarantees of future performance. Rather, they are based on the Group’s current state of knowledge, future expectations and projections about future events and, by their nature, are subject to inherent risks and uncertainties. They relate to events and depend on circumstances that may or may not occur or exist in the future and, as such, undue reliance should not be placed on them. Actual results may differ materially from those expressed in such statements as a result of a variety of factors, including: the Group’s ability to preserve and enhance the value of the Ferrari brand; the success of Ferrari’s Formula 1 racing team and the expenses the Group incurs for Formula 1 activities, as well as the popularity of Formula 1 more broadly; the Group’s ability to keep up with advances in high performance car technology and to make appealing designs for its new models; the challenges and costs of integrating hybrid and electric technology more broadly into Group’s car portfolio over time; Group’s ability to preserve its relationship with the automobile collector and enthusiast community; the Group’s low volume strategy; the ability of Maserati, the Group’s engine customer, to sell its planned volume of cars; changes in client preferences and automotive trends; changes in the general economic environment and changes in local economic and political conditions, including changes in some of the markets in which we operate, changes in global financial markets and changes in demand for luxury goods, including high performance luxury cars, which is highly volatile; the impact of increasingly stringent fuel economy, emission and safety standards, including the cost of compliance, and any required changes to its products; the Group’s ability to successfully carry out its growth strategy and, particularly, the Group’s ability to grow its presence in growth and emerging market countries; the Group’s ability to achieve its key financial targets and financial policy; the Group’s ability to service and refinance its debt; competition in the luxury performance automobile industry; reliance upon a number of key members of executive management, employees, and the ability of its current management team to operate and manage effectively; the performance of the Group’s dealer network on which the Group depend for sales and services; increases in costs, disruptions of supply or shortages of components and raw materials; disruptions at the Group’s manufacturing facilities in Maranello and Modena; the Group’s ability to provide or arrange for adequate access to financing for its dealers and clients, and associated risks; the performance of the Group’s licensees for Ferrari-branded products; the Group’s ability to protect its intellectual property rights and to avoid infringing on the intellectual property rights of others; product recalls, liability claims and product warranties; continued compliance with customs regulations of various jurisdictions; labor relations and collective bargaining agreements; exchange rate fluctuations, interest rate changes, credit risk and other market risks; changes in tax laws and regulations, tariff or fiscal policies and regulatory, political and labor conditions in the jurisdictions in which the Group operates, including possible future bans of combustion engine cars in cities and the potential advent of self-driving technology; ability to ensure that its employees, agents and representatives comply with applicable law and regulations; the adequacy of its insurance coverage to protect the Group against potential losses; potential conflicts of interest due to director and officer overlaps with the Group’s largest shareholders; ability to maintain the functional and efficient operation of its information technology systems, including our ability to defend from the risk of cyberattacks, including on our in-vehicle technology, and other factors discussed elsewhere in this document. The Group expressly disclaims and does not assume any liability in connection with any inaccuracies in any of the forward-looking statements in this document or in connection with any use by any third party of such forward-looking statements. Any forward-looking statements contained in this document speak only as of the date of this document and the Company does not undertake any obligation to update or revise publicly forward-looking statements. Further information concerning the Group and its businesses, including factors that could materially affect the Company’s financial results, is included in the Company’s reports and filings with the U.S. Securities and Exchange Commission, the AFM and CONSOB.

## **C14.1**

### **(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

|  |  |  |
| --- | --- | --- |
|  | **Job title** | **Corresponding job category** |
| Row 1 | Antonio Picca Piccon, Chief Financial Officer (CFO). | Chief Financial Officer (CFO) |