# **Ferrari - Climate Change 2020**

## **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 brand symbolizes exclusivity, innovation, state-of-the-art sporting performance and Italian design, craftsmanship and engineering heritage. 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 238 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 through a network of 166 authorized dealers operating 187 points of sale as of the end of 2019. 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 growth of the premium luxury market. 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, while enhancing and protecting the value and exclusivity of the Ferrari brand. We focus on cost-efficiencies and aim to achieve profitable growth by pursuing the following strategies. 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 716,000 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** |
| Reporting year | January 1 2019 | December 31 2019 | Yes | 3 years |

## **C0.3**

### **(C0.3) Select the countries/areas 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 chosen approach for consolidating your GHG 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. 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 2019 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. As an example of its involvement in climate-related issues, the Governance and Sustainability Committee recently approved the project to measure our comprehensive carbon footprint to enable us to defines concrete actions to reach our ambitious target to become carbon neutral over the longer term. |

## **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** | **Scope of board-level oversight** | **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 | <Not Applicable> | 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)** | **Reporting line** | **Responsibility** | **Coverage of responsibility** | **Frequency of reporting to the board on climate-related issues** |
| Other C-Suite Officer, please specify (Senior Management Team) | <Not Applicable> | Managing climate-related risks and opportunities | <Not Applicable> | Annually |
| Chief Financial Officer (CFO) | <Not Applicable> | Both assessing and managing climate-related risks and opportunities | <Not Applicable> | Annually |
| Other C-Suite Officer, please specify (Chief Technology Officer) | <Not Applicable> | Both assessing and managing climate-related risks and opportunities | <Not Applicable> | 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).**

In 2019, Ferrari made significant and manifold strides on its journey to sustainability. This progress was driven by a strategy designed around five pillars. One of these pillars is “Reducing environmental footprint: increase our environmental awareness to continuously set and implement related programs and actions”. This strategy, that also addresses climate related issues, was drafted with the collaboration of all members of the Senior Management Team.

In Ferrari, sustainability and climate-related issues concern the entire company functions. As the decision making body led by the CEO and composed of the heads of the operating segments and certain central functions, the Senior Management Team (“SMT”) is therefore the corporate body responsible for these topics.

The 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.

Our CFO, which directly reports to the CEO, is responsible for the risk management function that is involved, among the other risks, in the assessment, monitoring and management of climate related risks.

Our CFO is also responsible for the Sustainability function that is involved in: 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 Chief Technology Officer (“CTO”), which directly reports to the CEO, is in charge of developing Ferrari cars and he is responsible for future development aiming at reducing CO2 emissions of our cars. Furthermore, 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.

## **C1.3**

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

|  |  |  |
| --- | --- | --- |
|  | **Provide incentives for the management of climate-related issues** | **Comment** |
| Row 1 | Yes |  |

## **C1.3a**

### **(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**

|  |  |  |  |
| --- | --- | --- | --- |
| **Entitled to incentive** | **Type of incentive** | **Activity inventivized** | **Comment** |
| Chief Executive Officer (CEO) | Monetary reward | Other (please specify) (Innovation) | A portion of the new long term incentive plan is based upon an innovation target to determine the compensation of executive committee members. Ferrari is developing innovative solutions that further reduce emissions, such as hybrid engines. |
| Other, please specify (Executive Chairman) | Non-monetary reward | Other (please specify) (Innovation) | A portion of the new long term incentive plan is based upon an innovation target to determine the compensation of executive committee members. Ferrari is developing innovative solutions that further reduce emissions, such as hybrid engines. |
| Management group | Please select | Other (please specify) (Innovation) | A portion of the new long term incentive plan is based upon an innovation target to determine the compensation of executive committee members. Ferrari is developing innovative solutions that further reduce emissions, such as hybrid engines. |

## **C2. Risks and opportunities**

## **C2.1**

### **(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**

Yes

## **C2.1a**

### **(C2.1a) How does your organization define short-, medium- and long-term time 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. |

## **C2.1b**

### **(C2.1b) How does your organization define substantive financial or strategic impact on your business?**

A substantive financial or strategic impact is defined as an impact that could be well below the materiality as defined in the 2019 Annual Report of Euro 40 million (5% calculated considering an earnings-based measure, particularly profit before taxes, as the appropriate basis for determining our materiality because the users of the financial statements of profit-oriented entities tend to focus on operational performance), since we assess risks according to their potential impact, likelihood and the entity’s preparedness, that properly combined, determine an overall risk exposure to prioritize risks and focus the efforts on the most important ones. Ferrari expects that the risk responses which have been implemented or that will be deployed when activated by ad-hoc triggers, will mitigate the risks up to the level defined within the risk appetite.

## **C2.2**

### **(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.**

### **Value chain stage(s) covered**

Direct operations

Upstream

Downstream

### **Risk management process**

Integrated into multi-disciplinary company-wide risk management process

### **Frequency of assessment**

More than once a year

### **Time horizon(s) covered**

Short-term

Medium-term

Long-term

### **Description of process**

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. 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 well, the SMT is responsible for identifying and assessing opportunities and to define the strategies and operating procedures to achieve them. 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. As an example of this, Ferrari constantly monitors risk related to current and future regulations concerning vehicles emissions and focus on researching technologies that further reduce emissions of its vehicles. The transition to a low-carbon future may also be an opportunity for Ferrari. In fact, 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 SF90 Stradale, our first hybrid series-production car in Ferrari history, launched in 2019, perfectly reflects our commitment to this approach.

## **C2.2a**

### **(C2.2a) Which 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. Despite global shipments exceeding 10,000 vehicles in 2019, Ferrari still qualifies as an SVM under EU regulations, since its total number of registered vehicles in the EU per year is less than 10,000 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 that 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. An example of this with the presentation in May 2019 of the SF90 Stradale, Ferrari’s first production hybrid model, we embarked upon a new phase of hybridizing the range. |
| Legal | 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. Our compliance controls, policies, and procedure may not in every instance protect us 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 which form part of larger automotive groups and may have greater financial resources and bargaining power with suppliers than we do, particularly in light of our policy to maintain low volumes in order to preserve and enhance the exclusivity of our cars. In addition, several other manufacturers have recently entered or are attempting to enter the upper end of the luxury performance car market, thereby increasing competition. We believe that we compete primarily on the basis of our brand image, the performance and design of our cars, our reputation for quality and the driving experience for our customers. If we are unable to compete successfully, our business, results of operations and financial condition could be adversely affected. |
| Reputation | Relevant, always included | The preservation and enhancement of the value of the Ferrari brand is crucial in driving revenue and demand for our cars. 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. We constantly engage with our top investors to better understand what they consider to be the main ESG drivers for Ferrari, as well as participating in a variety of ESG questionnaires such as the SAM Corporate Sustainability Assessment (CSA) and the CDP Climate Change questionnaire. |
| 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. In order to protect itself from these physical risk, Ferrari has taken out an insurance policy that covers events as earthquakes, fires, floods, hurricanes. |
| 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. In order to protect itself from these physical risk, Ferrari has taken out an insurance policy that covers events as earthquakes, fires, floods, hurricanes. |

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

|  |  |
| --- | --- |
| Current regulation | Carbon pricing mechanisms |

### **Primary potential financial impact**

Increased indirect (operating) costs

### **Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

### **Company-specific description**

Ferrari’s production plant is subject to the European Union Emissions Trading System (EU-ETS). In 2019, our trigeneration plant, fueled by natural gas, produced 83% of the electricity needed for the Maranello plant, Ferrari’s main production plant. This risks refers to the increase of operating costs due to potential rising price of EU-ETS allowances (EUA).

### **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 (2019) 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.

### **Cost of response to risk**

115200000

### **Description of response and explanation of cost calculation**

At the moment Ferrari purchases allowances on the market to be compliant with EU ETS scheme. 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. 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.

### **Comment**

### **Identifier**

Risk 2

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

Direct operations

### **Risk type & Primary climate-related risk driver**

|  |  |
| --- | --- |
| Current regulation | Mandates on and regulation of existing products and services |

### **Primary potential financial impact**

Increased indirect (operating) costs

### **Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

### **Company-specific description**

Ferrari vehicles are subject to a variety of laws and regulations that, among others, are related to car emissions and fuel consumption, like EU regulations (Regulation (EC) No. 443/2009 and Regulation (EU) No. 2019/631) on vehicles emissions. In case of non-compliance to these regulations, Ferrari would incur in a monetary penalty. 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, a single figure estimate

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

1600000

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

<Not Applicable>

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

<Not Applicable>

### **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 2019 scenario (2019 provisional average emissions of the Ferrari EU fleet: 281 gCO2/km; EU shipments: 4121 vehicles\*) persists in 2021, taking into consideration the EU 2021 emission target of 277 gCO2/km. \*2019 EMEA shipments less Switzerland and Middle East, as reported at page 56 of Ferrari 2019 Annual Report.

### **Cost of response to risk**

597600000

### **Description of response and explanation of cost calculation**

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. Thanks to these innovations, in 2019, we achieved a 35% reduction in CO2 emissions (compared to 2007) for our European fleet. We have also undertaken an important program to develop hybrid and electric technology. In fact, we had the pre Covid-19 ambition to be selling by 2022 nearly 60% of the models with a hybrid powertrain, that will further reduce fleet’s average emissions. The SF90 Stradale, our first hybrid series-production car in Ferrari history, launched in 2019, perfectly reflects our commitment to this approach. 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.

### **Comment**

### **Identifier**

Risk 3

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

Direct operations

### **Risk type & Primary climate-related risk driver**

|  |  |
| --- | --- |
| Emerging regulation | Carbon pricing mechanisms |

### **Primary potential financial impact**

Increased indirect (operating) costs

### **Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

### **Company-specific description**

In 2019, 94% of Ferrari’s energy consumption are related to non-renewable fuels. Considering the current scenario, in case of an introduction of a carbon tax, Ferrari would incur higher costs for its energy consumption. In order to tackle climate change and achieve the 2015 Paris Agreement targets, many policy makers and leading economists are advocating the introduction of a global carbon tax. In the October 2019 edition of Fiscal Monitor, published by the International Monitory Funds, is presented a scenario considering the introduction of a global carbon tax reaching 75$ a ton of CO2 by 2030. Under such a scenario, over 10 years electricity prices would rise, on average, by 45 percent cumulatively and gasoline prices by 15 percent. In such a case, Ferrari would have to pay higher prices for its energy consumption.

### **Time horizon**

Medium-term

### **Likelihood**

More likely than not

### **Magnitude of impact**

Low

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

Yes, a single figure estimate

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

5800000

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

<Not Applicable>

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

<Not Applicable>

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

The potential financial impact was estimated considering a scenario where a carbon tax of 75$ per CO2 ton is introduced and the consequent impact on our energy costs considering the current energy consumption. The amount reported represent the potential increase in energy costs in EUR, considering a 50% increase of cost related to the purchase of about 1.5 million GJ of natural gas (2019 Ferrari consumption) at 8.3$ per GJ (as reported in the IMF Report) and a 9% increase in diesel and gasoline costs (2$ per liters) to purchase 64 thousand GJ (2019 Ferrari consumption)of diesel and gasoline.

### **Cost of response to risk**

115200000

### **Description of response and explanation of cost calculation**

Since 2014, Ferrari has been purchasing electricity with Guarantee of Origin Certificates and aims to increase its share of renewable energy purchase in the future. Moreover, Ferrari continues to focus on researching technologies that further reduce emissions. 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 products (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.

### **Comment**

## **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

### **Primary potential financial impact**

Increased revenues resulting from increased demand for products and services

### **Company-specific description**

With the presentation in May 2019 of the SF90 Stradale, Ferrari’s first production hybrid model, we embarked upon a new phase of hybridising the range. 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 investments in hybridization is a sensitive information and we cannot disclose it. To give you a sense please note that hybridization investments are included in our product capex as presented during our Capital Markets Day: 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.

### **Cost to realize opportunity**

597600000

### **Strategy to realize opportunity and explanation of cost calculation**

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, 5 of which were unveiled during 2019, 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. We started working with hybrid technology back in 2011, when we introduced the HY-KERS (Kinetic Energy Recovery System) technology in our F1 cars, which was transferred in 2013 to LaFerrari, our first road car to use hybrid technology. Further enhancing the hybrid technologies in 2014, we introduced hybrid power units in our F1 cars and, in 2019 we launched the SF90 Stradale, our first hybrid series-production car. In fact, we had the pre Covid-19 ambition to be selling by 2022 nearly 60% of the models with a hybrid powertrain. 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). This value includes all the investments related to the development of the new Ferrari product range including hybrid technologies and other fuel efficiency activities.

### **Comment**

### **Identifier**

Opp2

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

Downstream

### **Opportunity type**

Products and services

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

Shift in consumer preferences

### **Primary potential financial impact**

Increased revenues resulting from increased demand for products and services

### **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. This technological solution ensures Ferrari ability to reduce emissions. This is shared with our clients while at the same time enhancing the driving pleasure for which Ferrari is known. In this context, we have the pre Covid-19 ambition to be producing by 2022 nearly 60% of the models with a hybrid powertrain.

### **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.

### **Cost to realize opportunity**

597600000

### **Strategy to realize opportunity and explanation of cost calculation**

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, 5 of which were unveiled during 2019, 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. In fact, we have the pre Covid-19 ambition to be producing by 2022 nearly 60% of the models with a hybrid powertrain. The SF90 Stradale, our first hybrid series-production car in Ferrari history, launched in 2019, perfectly reflects our commitment to this approach. 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.

### **Comment**

### **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

### **Primary potential financial impact**

Reduced indirect (operating) costs

### **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. In 2019 Ferrari carried out four energy efficiencies activities of lighting makeover in different areas of its production plant. These activities will reduce CO2 emissions by approximately 126 tons a year.

### **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)**

50000

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

100000

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

The estimated range provided represents the annual monetary savings associated with the implementation of our 2017-2023 relamping plan, considering the actual electric energy consumptions of the area involved and the current cost of electric energy.

### **Cost to realize opportunity**

145000

### **Strategy to realize opportunity and explanation of cost calculation**

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. €145,000 represent the cost of four energy-efficiency activities of lighting makeover carried out in 2019. The planning of the other interventions is under way.

### **Comment**

## **C3. Business Strategy**

## **C3.1**

### **(C3.1) Have climate-related risks and opportunities influenced your organization’s strategy and/or financial planning?**

Yes

## **C3.1a**

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

Yes, qualitative and quantitative

## **C3.1b**

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

|  |  |
| --- | --- |
| **Climate-related scenarios and models applied** | **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 between 5 and 10 years from today and specific CO2 emissions and fuel economy values depending on the technical content under development. We then monitor the various scenarios with the current and expected financials impacts due to worldwide emission regulations. |

## **C3.1d**

### **(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.**

|  |  |  |
| --- | --- | --- |
|  | **Have climate-related risks and opportunities influenced your strategy in this area?** | **Description of influence** |
| Products and services | Yes | Growing demand for low carbon products and regulations on vehicles emissions have influenced our product strategy. 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 cars simply unique. In this context, we had the pre Covid-19 ambition to be selling by 2022 nearly 60% of the models with a hybrid powertrain. 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. Thanks to these innovations, in 2019, we achieved a 35% reduction in CO2 emissions (compared to 2007) for our European fleet. The SF90 Stradale, our first hybrid series-production car, has an average CO2 emissions per kilometers 45% lower than the Ferrari F8 Tributo (160 gCO2/km vs. 292 gCO2/km). |
| Supply chain and/or value chain | Evaluation in progress | At the moment, climate-related risks and opportunities have not influenced our supply chain strategy. 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. In the future, we are planning to delve deeper into the evaluation of climate related risks and opportunities in our supply chain, also in relation to our goal to become carbon neutral in the long run. |
| Investment in R&D | Yes | We invest heavily in research and development since our cars are characterized by leading-edge technology that is constantly evolving. Climate-related risks and opportunities, especially regarding shifting consumer’s preferences and emission regulations are influencing our investment in R&D strategy. As outlined in our business plan, we are increasing our R&D spending during the 2018-2022 period, particularly on hybrid and electric technology-related projects. As an example of this, we started working with hybrid technology back in 2011, when we introduced the HY-KERS (Kinetic Energy Recovery System) technology in ourF1 cars, which was transferred in 2013 to LaFerrari, our first road car to use hybrid technology. Further enhancing the hybrid technologies in 2014, we introduced hybrid power units in our F1 cars and in 2019 we launched the SF90 Stradale, our first hybrid series-production car. |
| Operations | Yes | Climate-related risks and opportunities have influenced your strategy on our operations both in the short and in the long term. 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 and we are modelling our strategy accordingly. An example of this is the decision to purchase only renewable electric energy for our production plant in Maranello and Scaglietti. |

## **C3.1e**

### **(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

|  |  |  |
| --- | --- | --- |
|  | **Financial planning elements that have been influenced** | **Description of influence** |
| Row 1 | Revenues  Direct costs  Indirect costs  Capital expenditures  Capital allocation  Access to capital | REVENUES: Climate-related risks and opportunities have influenced our financial planning, since over the next few years a growing share of our revenues will derive from vehicles with hybrid powertrains, to respond both to changes in customer preferences and emissions regulations requirements. In fact, we had the pre Covid-19 ambition to be selling by 2022 nearly 60% of the models with a hybrid powertrain. The SF90 Stradale, our first hybrid series-production car in Ferrari history, launched in 2019, perfectly reflects our commitment to this approach. DIRECT AND INDIRECT COSTS: Climate-related risks and opportunities have influenced our financial planning on direct costs. 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. CAPITAL EXPENDITURES: Climate-related risks and opportunities have influenced our financial planning on capital expenditures. We have planned a relevant capex increase to support broadening and hybridization of our product range in line with the expected volume growth over the 2020-2022 period. In 2019 our Capex grew more than 10% compared to previous year. This data reflect also our effort to develop hybrid technology in our fleet. The investments in hybridization is a sensitive information and we cannot disclose it. To give you a sense please note that hybridization investments are included in our product capex as presented during our Capital Markets Day. As a reminder, we had the pre Covid-19 ambition to be selling by 2022 nearly 60% of the models with a hybrid powertrain. ACCESS TO CAPITAL: Climate-related risks and opportunities have influenced our financial planning on access to capital. Financial institutions and investors are paying closer attention to climate related issues on their investment decisions. This may result in a higher or lower cost of financing. We are planning to increase our engagement with financial investors on climate related topics. In this context, we plan to progressively develop our environmental governance, strategy, metrics and goals, in line with TCFD (Task Force on Climate-related Financial Disclosures) and other relevant recommendations. CAPITAL ALLOCATIONS: Climate-related risks and opportunities have influenced our capital allocations. The priority for the allocation of free cash flow generated from our business activities is reinvestment, over the 5-year time frame of our Business Plan we are planning to invest €3.6 billion in Capex. Rewarding shareholders in the form of dividends and buybacks is the other use of cash we have in Ferrari. |

## **C3.1f**

### **(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).**

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. In 2019, Ferrari made significant and manifold strides on its journey to sustainability. This progress was driven by a strategy designed around five pillars. One of these pillars is “Reducing environmental footprint: increase our environmental awareness to continuously set and implement related programs and actions”.

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. We had the pre Covid-19 ambition to be selling by 2022 nearly 60% of the models with a hybrid powertrain The SF90 Stradale, our first hybrid series-production car in Ferrari history, launched in 2019, perfectly reflects our commitment to this approach.

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 of our 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. In fact, we had the pre Covid-19 ambition to be selling by 2022 nearly 60% of the models with a hybrid powertrain.

At production site level, our purpose is to minimize our environmental impacts by implementing energy efficiency activities and by keeping 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.

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. 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 fact, we had the pre Covid-19 ambition to be selling by 2022 nearly 60% of

the models with a hybrid powertrain.

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 2019 to purchase more than 90% of electric energy certified as renewable and it resulted in a reduction of 14,785 tons of CO2eq.

Climate Change aspects:

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

Short, medium and long-term strategy:

Our short-term strategy (up to 2 years) is to continue to develop hybrid technology. The SF90 Stradale, our first hybrid series-production car in Ferrari history, launched in 2019, perfectly reflects our commitment to this approach. In the medium-term, Ferrari had the pre Covid-19 ambition to be selling by 2022 nearly 60% of the models with a hybrid powertrain.

In the medium term, by precisely determining our comprehensive carbon footprint, we aim at reducing CO2 in all the life cycle phases of our products.

Finally, our long-term strategy is to set ambitious targets to become ultimately carbon neutral over the longer term.

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 SF90 Stradale, our first hybrid series-production car in Ferrari history, launched in 2019, perfectly reflects our commitment to this approach.

Other aspects:

In 2019, we published our third 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.

## **C4. Targets and performance**

## **C4.1**

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

Both absolute and intensity targets

## **C4.1a**

### **(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.**

### **Target reference number**

Abs 1

### **Year target was set**

2019

### **Target coverage**

Company-wide

### **Scope(s) (or Scope 3 category)**

Scope 2 (market-based)

### **Base year**

2019

### **Covered emissions in base year (metric tons CO2e)**

826

### **Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

100

### **Target year**

2021

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

100

### **Covered emissions in target year (metric tons CO2e) [auto-calculated]**

0

### **Covered emissions in reporting year (metric tons CO2e)**

826

### **% of target achieved [auto-calculated]**

0

### **Target status in reporting year**

New

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

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

### **Please explain (including target coverage)**

Mugello racing circuit has set a target to purchase 100% of electric energy from renewable sources with Guarantee of Origin certificates by 2021.

## **C4.1b**

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

### **Target reference number**

Int 1

### **Year target was set**

2016

### **Target coverage**

Product level

### **Scope(s) (or Scope 3 category)**

Scope 3: Use of sold products

### **Intensity metric**

Grams CO2e per kilometer

### **Base year**

2014

### **Intensity figure in base year (metric tons CO2e per unit of activity)**

0

### **% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure**

100

### **Target year**

2020

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

15

### **Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]**

0

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

0

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

0

### **Intensity figure in reporting year (metric tons CO2e per unit of activity)**

0

### **% of target achieved [auto-calculated]**

<Calculated field>

### **Target status in reporting year**

Underway

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

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

### **Please explain (including target coverage)**

Please note that 2014 CO2 emissions data for Ferrari is considered confidential. In 2019, we achieved a 35% 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. 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 emissions 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.

### **Target reference number**

Int 2

### **Year target was set**

2016

### **Target coverage**

Product level

### **Scope(s) (or Scope 3 category)**

Scope 3: Use of sold products

### **Intensity metric**

Grams CO2e per kilometer

### **Base year**

2016

### **Intensity figure in base year (metric tons CO2e per unit of activity)**

281

### **% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure**

41

### **Target year**

2021

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

1.45

### **Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]**

276.9255

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

0

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

0

### **Intensity figure in reporting year (metric tons CO2e per unit of activity)**

281

### **% of target achieved [auto-calculated]**

0

### **Target status in reporting year**

Underway

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

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

### **Please explain (including target coverage)**

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.

## **C4.2**

### **(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

Other climate-related target(s)

## **C4.2b**

### **(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.**

### **Target reference number**

Oth 1

### **Year target was set**

2018

### **Target coverage**

Company-wide

### **Target type: absolute or intensity**

Absolute

### **Target type: category & Metric (target numerator if reporting an intensity target)**

|  |  |
| --- | --- |
| Waste management | metric tons of waste generated |

### **Target denominator (intensity targets only)**

<Not Applicable>

### **Base year**

2017

### **Figure or percentage in base year**

12269

### **Target year**

2021

### **Figure or percentage in target year**

8834

### **Figure or percentage in reporting year**

11002

### **% of target achieved [auto-calculated]**

36.8850072780204

### **Target status in reporting year**

Underway

### **Is this target part of an emissions target?**

This target is not part of an emissions target.

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

No, it's not part of an overarching initiative

### **Please explain (including target coverage)**

Ferrari has set a target to reduce by 28% the waste produced in Maranello and Modena plants, where all Ferrari vehicles are assembled. Please note, that 11,002 tons provided as figure in reporting year refers to the same scope of 2017 figure and considering the impact of waste reduction activities mentioned below. The figure provided in target year (8,834 tons) was calculated considering the 2017 production level and the same scope of activities as 2017. Therefore, the 2021 overall waste figure may differ due to changes in production or other changes in activities. 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 lubricant in mechanical department (atlm).

## **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 |  |  |
| To be implemented\* |  |  |
| Implementation commenced\* |  |  |
| Implemented\* | 4 | 126.2 |
| Not to be implemented |  |  |

## **C4.3b**

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

### **Initiative category & Initiative type**

|  |  |
| --- | --- |
| Energy efficiency in buildings | Lighting |

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

92.5

### **Scope(s)**

Scope 2 (location-based)

### **Voluntary/Mandatory**

Voluntary

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

41120

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

79007

### **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 65% 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 2019, as reported by ARERA, the national authority for energy.

### **Initiative category & Initiative type**

|  |  |
| --- | --- |
| Energy efficiency in buildings | Lighting |

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

16.6

### **Scope(s)**

Scope 2 (location-based)

### **Voluntary/Mandatory**

Voluntary

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

7360

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

30375

### **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 44% 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 2019, as reported by ARERA, the national authority for energy.

### **Initiative category & Initiative type**

|  |  |
| --- | --- |
| Energy efficiency in buildings | Lighting |

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

3.5

### **Scope(s)**

Scope 2 (location-based)

### **Voluntary/Mandatory**

Voluntary

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

1739

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

5300

### **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 48% 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 2019, as reported by ARERA, the national authority for energy.

### **Initiative category & Initiative type**

|  |  |
| --- | --- |
| Energy efficiency in buildings | Lighting |

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

13.6

### **Scope(s)**

Scope 2 (location-based)

### **Voluntary/Mandatory**

Voluntary

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

6062

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

30571

### **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 23% 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 2019, 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**

0

### **% of total portfolio value**

<Not Applicable>

### **Asset classes/ product types**

<Not Applicable>

### **Comment**

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 so far in the Ferrari fleet are: the 8-gear Dual Clutch Transmission, optimized smart alternator, brake by wire with regenerative braking strategy and weight reduction, improved aerodynamic rims for drag reduction, gasoline direct injection (200-350 bar), start & stop with improved direct start, increased compression ratio, multi-spark ignition, low friction synchromesh device, downsizing, finger follower valve actuation with rollers, variable displacement oil pump with variable feed pressure and 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**

0

### **% of total portfolio value**

<Not Applicable>

### **Asset classes/ product types**

<Not Applicable>

### **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**

Before 2016, Ferrari's emission data were included in FCA's emissions data, since Ferrari was part of FCA Group.

### **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 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 emissions.**

Market-based indirect greenhouse gas emissions, measured in tons of CO2, were calculated using the Residual Mix emission factors indicated in “2018 European Residual Mixes, V.1.2”, published by AIB.

Location-based indirect greenhouse gas emissions, measured in tons of CO2, were calculated using the emission factor indicated in “Confronti internazionali; 2017”, 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)**

93789

### **Start date**

January 1 2019

### **End date**

December 31 2019

### **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. In addition, 2019 data include Ferrari’s leased car fleet.

### **Past year 1**

### **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 2**

### **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 3**

### **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**

11603

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

826

### **Start date**

January 1 2019

### **End date**

December 31 2019

### **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**

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 2**

### **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 3**

### **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 20 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 gross global 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>

### **Please explain**

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>

### **Please explain**

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>

### **Please explain**

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>

### **Please explain**

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>

### **Please explain**

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>

### **Please explain**

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>

### **Please explain**

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>

### **Please explain**

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, calculated

### **Metric tonnes CO2e**

5482

### **Emissions calculation methodology**

Data refer to CO2 emissions related to the outbound logistic activities of Ferrari shipments in 2019. This calculation was based on Greenhouse Gas Protocol’s Corporate Value Chain (Scope 3) Accounting and Reporting Standard and Technical Guidance for Calculating Scope 3 Emissions. Different coefficients and emission factors have been used for each type of transport. For road transportation, the considered distance travelled is from our manufacturing plant in Maranello to the city where the dealer is based. For sea transportation, the considered distance travelled is from the port of departure to the port of destination. For air transportation, the considered distance travelled is from the airport of departure to the airport of destination. The weight of the vehicles considered in the calculation refers to homologation data.

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

0

### **Please explain**

### **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>

### **Please explain**

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>

### **Please explain**

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>

### **Please explain**

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>

### **Please explain**

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>

### **Please explain**

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>

### **Please explain**

CO2 emissions from our plants are included in Scope 1 and 2 figures; CO2 emissions from other investments not included in Scope 1 and 2 are not considered relevant.

### **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>

### **Please explain**

### **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>

### **Please explain**

## **C6.7**

### **(C6.7) Are carbon dioxide emissions from biogenic 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**

0.0000251

### **Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

94.61

### **Metric denominator**

unit total revenue

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

3767000000

### **Scope 2 figure used**

Market-based

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

6.4

### **Direction of change**

Decreased

### **Reason for change**

In the last years, 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**

74.56

### **Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

94615

### **Metric denominator**

Other, please specify (Ebitda, Mln €)

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

1269

### **Scope 2 figure used**

Market-based

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

9.5

### **Direction of change**

Decreased

### **Reason for change**

In the last years, 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**

9.34

### **Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

94615

### **Metric denominator**

vehicle produced

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

10131

### **Scope 2 figure used**

Market-based

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

5.86

### **Direction of change**

Decreased

### **Reason for change**

In the last years, 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 | 91958.8 | IPCC Fifth Assessment Report (AR5 – 100 year) |
| CH4 | 236.1 | IPCC Fifth Assessment Report (AR5 – 100 year) |
| N2O | 51.4 | IPCC Fifth Assessment Report (AR5 – 100 year) |
| Other, please specify (Leaks of refrigerant gas) | 1542.4 | 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 | 93788.8 |

## **C7.3**

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

By business division

By facility

## **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 | 90765.4 |
| Offices | 2734.7 |
| Racing circuit | 288.7 |

## **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 | 92333.2 | 44.31 | 10.51 |
| Scaglietti plant | 1166.9 | 44.39 | 10.55 |
| Mugello circuit | 288.7 | 43.59 | 11.22 |

## **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 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 (midstream) | <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 | 90765 | <Not Applicable> | Scope 1 emissions related to production activities. |
| 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 for in Scope 2 market-based approach (MWh)** |
| Italy | 11.603 | 826 | 32320 | 30611 |

## **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 (metric tons CO2e)** | **Scope 2, market-based (metric tons CO2e)** |
| Production | 10673.2 | 0 |
| Offices | 316.1 | 0 |
| Racing circuit | 613.8 | 825.7 |

## **C7.6b**

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

|  |  |  |
| --- | --- | --- |
| **Facility** | **Scope 2, location-based (metric tons CO2e)** | **Scope 2, market-based (metric tons CO2e)** |
| Maranello plant | 9706.6 | 0 |
| Scaglietti Plant | 1282.7 | 0 |
| Mugello circuit | 613.8 | 825.7 |

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

### **(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 (midstream) | <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 | 10673.2 | 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.**

### **Activity**

Light Duty Vehicles (LDV)

### **Emissions intensity figure**

0

### **Metric numerator (Scope 3 emissions: use of sold products) in Metric tons CO2e**

0

### **Metric denominator**

p.km

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

0

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

0

### **Vehicle unit sales in reporting year**

10131

### **Vehicle lifetime in years**

999

### **Annual distance in km or miles (unit specified by column 4)**

0

### **Load factor**

1 driver

### **Please explain the changes, and relevant standards/methodologies used**

Please note that the annual distance travelled by Ferrari cars is considered a confidential information and therefore we are not able to provide an overall Scope 3 emission figure. For this reason we inserted 0 as annual distance in km or miles. Please note that the figure provided as vehicle lifetime refers to the fact that Ferrari cars are perceived as collectibles and the number of Ferrari cars demolished each year is very scarce. For this reason we inserted 999 as vehicle lifetime in years.

## **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?**

Increased

## **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 | 2378 | Decreased | 2.37 | In 2019 we increased our amount of renewable energy purchased by 28%. Our total Scope1 and Scope 2 emissions in the previous year was 100,200 tons of CO2. We calculated -2.37% through (-2,378/ 100,200) \* 100 = -2.37% |
| Other emissions reduction activities | 126 | Decreased | 0.13 | Consumption reduction activities reported in question C4.3b. The lighting makeover (with LED technology) allowed to reduce by 350 MWH the annual consumption of electricity. Our total Scope1 and Scope 2 emissions in the previous year was 100,200 tons of CO2. We calculated -0.13% through (-126/ 100,200) \* 100 = -0.13% |
| Divestment | 0 | No change | 0 |  |
| Acquisitions | 0 | No change | 0 |  |
| Mergers | 0 | No change | 0 |  |
| Change in output | 8290 | Increased | 8.27 | Despite a production growth, the emissions did not increase at the same pace. Over the last years, Ferrari managed to decouple its economic growth from its environmental impact. Our total Scope1 and Scope 2 emissions in the previous year was 100,200 tons of CO2. We calculated 8.27% through (8290/ 100,200) \* 100 = 8.27% |
| Change in methodology | 0 | No change | 0 |  |
| Change in boundary | 0 | No change | 0 |  |
| Change in physical operating conditions | 614 | Decreased | 0.61 | The decrease was mainly due to the reduction of leakages of refrigerant gases. Our total Scope1 and Scope 2 emissions in the previous year was 100,200 tons of CO2. We calculated -0.61% through (614/ 100,200) \* 100 = -0.61% |
| Unidentified | 0 | No change | 0 |  |
| Other | 0 | No change | 0 |  |

## **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 undertook this energy-related activity in the reporting year** |
| 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 (renewable and non-renewable) MWh** |
| Consumption of fuel (excluding feedstock) | LHV (lower heating value) | 0 | 450966 | 450966 |
| Consumption of purchased or acquired electricity | <Not Applicable> | 30611 | 1710 | 32320 |
| 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> | 929 | <Not Applicable> | 929 |
| Total energy consumption | <Not Applicable> | 31540 | 452676 | 484216 |

## **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**

433383

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

<Not Applicable>

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

120552

### **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**

312831

### **Emission factor**

0.05626

### **Unit**

metric tons CO2e per GJ

### **Emissions factor source**

Emission factors indicated in “Emission Factors from Cross-Sector Tools; March 2017” and “Global Warming Potential Values Guidance; May 2015”, published by The Greenhouse Gas Protocol.

### **Comment**

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

Petrol

### **Heating value**

LHV (lower heating value)

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

14917

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

<Not Applicable>

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

14917

### **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

### **Emission factor**

0.06907

### **Unit**

metric tons CO2e per GJ

### **Emissions factor source**

Emission factors indicated in “Emission Factors from Cross-Sector Tools; March 2017” and “Global Warming Potential Values Guidance; May 2015”, published by The Greenhouse Gas Protocol.

### **Comment**

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

Diesel

### **Heating value**

LHV (lower heating value)

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

2667

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

<Not Applicable>

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

2667

### **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

### **Emission factor**

0.07405

### **Unit**

metric tons CO2e per GJ

### **Emissions factor source**

Emission factors indicated in “Emission Factors from Cross-Sector Tools; March 2017” and “Global Warming Potential Values Guidance; May 2015”, published by The Greenhouse Gas Protocol.

### **Comment**

## **C8.2d**

### **(C8.2d) 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 | 121523 | 118954 | 929 | 929 |
| Heat | 48382 | 48382 | 0 | 0 |
| Steam | 0 | 0 | 0 | 0 |
| Cooling | 4009 | 4009 | 0 | 0 |

## **C8.2e**

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

### **Sourcing method**

Unbundled energy attribute certificates, Guarantees of Origin

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

Other, please specify (Hydropower, wind, solar, marine and bioliquids)

### **Country/region of consumption of low-carbon electricity, heat, steam or cooling**

Italy

### **MWh consumed accounted for at a zero emission factor**

30611

### **Comment**

## **C-TO8.5**

### **(C-TO8.5) Provide any efficiency metrics that are appropriate for your organization’s transport products and/or services.**

### **Activity**

Light Duty Vehicles (LDV)

### **Metric figure**

47.54

### **Metric numerator**

MWh

### **Metric denominator**

Production: Vehicle

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

481646

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

10131

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

-4.3

### **Please explain**

The total energy consumption within the Group for 2019 increased by 4.8% from 2018. In light of the efficiencies we always strive to implement, this increase was lower than our production growth (+9.5%).

## **C9. Additional metrics**

## **C9.1**

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

### **Description**

Waste

### **Metric value**

1.1

### **Metric numerator**

Total waste (tons)

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

Shipments (number of cars)

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

9.1

### **Direction of change**

Decreased

### **Please explain**

Total waste for 2019 was equal to 11,175.4 tons, in line with 2018, notwithstanding a production increase. This result was mainly achieved through two initiatives that were introduced in 2018: the first is that we started recovering sand from the foundry to sell 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 longer-lasting cooling lubricant. Since the inception of these two activities, there has been a waste reduction of 10.2%.

## **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.**

### **Activity**

Light Duty Vehicles (LDV)

### **Metric**

Production

### **Technology**

Plug-in hybrid vehicle (PHEV)

### **Metric figure**

0

### **Metric unit**

Units

### **Explanation**

In 2019, we launched the SF90 Stradale, the first hybrid series-production car in Ferrari’s history. As planned, production started in 2020.

## **C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6**

### **(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?**

|  |  |  |
| --- | --- | --- |
|  | **Investment in low-carbon R&D** | **Comment** |
| Row 1 | Yes | We are investing on technologies that further reduce emissions, such as hybrid and electric technology. |

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

### **(C-TO9.6a/C-TS9.6a) Provide details of your organization’s investments in low-carbon R&D for transport-related activities over the last three years.**

### **Activity**

Light Duty Vehicles (LDV)

### **Technology area**

Unable to disaggregate by technology area

### **Stage of development in the reporting year**

<Not Applicable>

### **Average % of total R&D investment over the last 3 years**

0%

### **R&D investment figure in the reporting year (optional)**

889000000

### **Comment**

R&D investment on hybrid and electric technology is a sensitive information, for this reason we inserted 0 as average % of total R&D investment over the last 3 years. Researching technologies that further reduced emissions, such as hybrid and electric technologies are a key activities for Ferrari. We started working with hybrid technology back in 2011, when we introduced the HY-KERS (Kinetic Energy Recovery System) technology in our F1 cars, which was transferred in 2013 to LaFerrari, our first road car to use hybrid technology. Further enhancing the hybrid technologies in 2014, we introduced hybrid power units in our F1 cars and, in 2019 we launched the SF90 Stradale, our first hybrid series-production car.

## **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 emissions, and attach the relevant statements.**

### **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 - GHG 2019 - Relazione di revisione.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/WrVXYRPAG0CgkQucwJ94ZA/FerrariGHG2019Relazionedirevisione.pdf)

### **Page/ section reference**

Pages 1-3 of Auditor Report and pages 6- 7 of "Statement on 2019 GHG emissions"

### **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 2 emissions and attach the relevant statements.**

### **Scope 2 approach**

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 - GHG 2019 - Relazione di revisione.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/WrVXYRPAG0CgkQucwJ94ZA/FerrariGHG2019Relazionedirevisione.pdf)

### **Page/ section reference**

Pages 1-3 of Auditor Report and pages 7- 8 of "Statement on 2019 GHG emissions"

### **Relevant standard**

ISAE 3410

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

100

### **Scope 2 approach**

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 - GHG 2019 - Relazione di revisione.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/WrVXYRPAG0CgkQucwJ94ZA/FerrariGHG2019Relazionedirevisione.pdf)

### **Page/ section reference**

Pages 1-3 of Auditor Report and pages 7- 8 of "Statement on 2019 GHG emissions"

### **Relevant standard**

ISAE 3410

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

100

## **C10.1c**

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

### **Scope 3 category**

Scope 3 (downstream)

### **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 - GHG 2019 - Relazione di revisione.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/WrVXYRPAG0CgkQucwJ94ZA/FerrariGHG2019Relazionedirevisione.pdf)

### **Page/section reference**

Pages 1-3 of Auditor Report and page 8 of "Statement on 2019 GHG emissions"

### **Relevant standard**

ISAE 3410

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

100

## **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 2019 Annual Report, page 320. Please also refer to the GHG statement attached to this CDP questionnaire.  [fnv\_2019\_annual\_report\_red\_book\_0.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/6YI_dDOv3U-wq08zoh9Pfw/fnv2019annualreportredbook0.pdf) |
| C7. Emissions breakdown | Energy consumption | ISAE3000 | 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 2019 Sustainability Report.  [Ferrari - sustainability Report 2019.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/J4iqcpvmOEq-thE60UChEg/FerrarisustainabilityReport2019.pdf) |
| C7. Emissions breakdown | Year on year change in emissions (Scope 1) | ISAE3000 | Question C7.9.a, year on year change in emissions. Please refer to the Independent Auditors’ Report on Ferrari 2019 Sustainability Report.  [Ferrari - sustainability Report 2019.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/J4iqcpvmOEq-thE60UChEg/FerrarisustainabilityReport2019.pdf) |
| C8. Energy | Energy consumption | ISAE3000 | Question C8.2a, C8.2c, C8.2d, C8.2f. energy consumption data and emission factors. Please refer to the Independent Auditors’ Report on Ferrari 2019 Sustainability Report.  [Ferrari - sustainability Report 2019.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/J4iqcpvmOEq-thE60UChEg/FerrarisustainabilityReport2019.pdf) |
| C9. Additional metrics | Other, please specify (total waste) | ISAE3000 | Question C9.1, metric numerator: total waste (tons) Please refer to the Independent Auditors’ Report on Ferrari 2019 Sustainability Report.  [Ferrari - sustainability Report 2019.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/J4iqcpvmOEq-thE60UChEg/FerrarisustainabilityReport2019.pdf) |

## **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 schemes you are regulated by.**

### **EU ETS**

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

78

### **% of Scope 2 emissions covered by the ETS**

0

### **Period start date**

January 1 2019

### **Period end date**

December 31 2019

### **Allowances allocated**

73546

### **Allowances purchased**

50000

### **Verified Scope 1 emissions in metric tons CO2e**

73546

### **Verified Scope 2 emissions in metric tons CO2e**

0

### **Details of ownership**

Facilities we own and operate

### **Comment**

## **C11.1d**

### **(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?**

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. For example in 2019 the allowances allocated are 73546 tons of CO2e emissions related to scope 1. 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. The monitoring and management of the activities related to ETS is assigned to a team lead by the Head of Technology department.

## **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

### **% of supplier-related Scope 3 emissions as reported in C6.5**

99

### **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. The goal is to ensure that our supply chain is active on climate change topics. Ferrari encourages the adoption and sharing of sustainable practices among its 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. Ferrari's internal systems automatically reject noncompliant components.

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

We are still evaluating the impact of the engagement.

### **Comment**

Please note that data referred to the percentage of suppliers and procurement spent refers only to direct suppliers. Please not that 99 as % of supplier-related Scope 3 was estimated by considering that almost all of the activities included in question 6.5 are provided by direct suppliers.

## **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

### **% of customer - related Scope 3 emissions as reported in C6.5**

0

### **Portfolio coverage (total or outstanding)**

<Not Applicable>

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

In 2019, the seventh consecutive edition of KiSS Mugello took place. The main environmental initiatives consisted in a plan to improve the quantity and quality of recycling during the Grand Prix: a project to reduce plastic water bottles, the collection and recovery of exhausted lubricant and food oils, and a plan to encourage spectators to use public transport and 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”. The group of customer considered for this awareness activity refers to the spectators (140,000 in 2019) of the 3-day event of the Mugello MotoGp Grand Prix.

### **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. The results of this initiative are monitored at the end of the event and compared to previous years. Thanks to this project, during the 2019 Italian Grand Prix, 39% of waste was recovered and in collaboration with Banco Alimentare, more than 2,700 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 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. Then, in December, 2017, we amended the petition by proposing alternative CAFE standards for model years 2016, 2017 and 2018 instead, covering also the 2016 model year. |

## **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).

The Investor Relations and Sustainability function is responsible to communicate to Ferrari's stakeholders the initiatives and actions taken in order to pursue our overall climate change strategy.

## **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**

[fnv\_2019\_annual\_report\_red\_book\_0.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/6YI_dDOv3U-wq08zoh9Pfw/fnv2019annualreportredbook0.pdf)

### **Page/Section reference**

Non financial statement – pages 141-173

### **Content elements**

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

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

### **Comment**

### **Publication**

In voluntary sustainability report

### **Status**

Complete

### **Attach the document**

[Ferrari - sustainability Report 2019.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/J4iqcpvmOEq-thE60UChEg/FerrarisustainabilityReport2019.pdf)

### **Page/Section reference**

all pages

### **Content elements**

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

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

### **Comment**

## **C15. 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.**

Statements contained in this report, particularly those regarding our possible or assumed future performance are “forward-looking statements” that contain risks and uncertainties. In some cases, words such as “may”, “will”, “expect”, “could”, “should”, “intend”, “estimate”, “anticipate”, “believe”, “remain”, “continue”, “on track”, “successful”, “grow”, “design”, “target”, “objective”, “goal”, “forecast”, “projection”, “outlook”, “prospects”, “plan”, “guidance” and similar expressions are used to identify forward-looking statements. These forward-looking statements reflect the respective current views of Ferrari with respect to future events and involve significant risks and uncertainties that could cause actual results to differ materially from those indicated in the forward-looking statements. Such risks and uncertainties include, without limitation: • our ability to preserve and enhance the value of the Ferrari brand; • the success of our Formula 1 racing team and the expenses we incur for our Formula 1 activities, the impact of the application of the new Formula 1 regulations (both financial and technical) progressively coming into effect from 2021 and 2022, the uncertainty of the sponsorship and commercial revenues we generate from our participation in the Formula 1 World Championship, including as a result of the impact of the COVID-19 pandemic, as well as the popularity of Formula 1 more broadly; • our ability to keep up with advances in high performance car technology and to make appealing designs for our new models; • our ability to preserve our relationship with the automobile collector and enthusiast community; • changes in client preferences and automotive trends; • changes in the general economic environment, including changes in some of the markets in which we operate, and changes in demand for luxury goods, including high performance luxury cars, which is highly volatile; • competition in the luxury performance automobile industry; • our ability to successfully carry out our growth strategy and, particularly, our ability to grow our presence in growth and emerging market countries; • our low volume strategy; • reliance upon a number of key members of executive management and employees, and the ability of our current management team to operate and manage effectively; • the performance of our dealer network on which we depend for sales and services; • increases in costs, disruptions of supply or shortages of components and raw materials; • disruptions at our manufacturing facilities in Maranello and Modena; • the effects of the evolution of and response to the COVID-19 pandemic; • the effects of Brexit; • the performance of our licensees for Ferrari-branded products; • our ability to protect our intellectual property rights and to avoid infringing on the intellectual property rights of others; • the ability of Maserati, our engine customer, to sell its planned volume of cars; • our continued compliance with customs regulations of various jurisdictions; • the impact of increasingly stringent fuel economy, emission and safety standards, including the cost of compliance, and any required changes to our products; • the challenges and costs of integrating hybrid and electric technology more broadly into our car portfolio over time; • product recalls, liability claims and product warranties; • the adequacy of our insurance coverage to protect us against potential losses; • our ability to ensure that our employees, agents and representatives comply with applicable law and regulations; • our ability to maintain the functional and efficient operation of our information technology systems, including our ability to defend from the risk of cyberattacks, including on our in-vehicle technology; • our ability to service and refinance our debt; • our ability to provide or arrange for adequate access to financing for our dealers and clients, and associated risks; • labor relations and collective bargaining agreements; • exchange rate fluctuations, interest rate changes, credit risk and other market risks; • changes in tax, tariff or fiscal policies and regulatory, political and labor conditions in the jurisdictions in which we operate, including possible future bans of combustion engine cars in cities and the potential advent of self-driving technology; • potential conflicts of interest due to director and officer overlaps with our largest shareholders; and • other factors discussed elsewhere in this document. We expressly disclaim and do 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. Actual results could differ materially from those anticipated in such forward-looking statements. We do not undertake an obligation to update or revise publicly any forward-looking statements.

## **C15.1**

### **(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

|  |  |  |
| --- | --- | --- |
|  | **Job title** | **Corresponding job category** |
| Row 1 | Chief Financial Officer | Chief Financial Officer (CFO) |