

## Automobili Lamborghini accelerates to Sustainability projects and United Nations Sustainability Development Goals (UN SDG)

Lamborghini's goal is to create value by acting responsibly towards the world in which it operates, thereby contributing to sustainable development of society and the economy while placing a consistent focus on ecology.

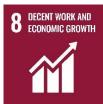
In a moment like now, where the whole Earth is forced to face an historic turning-point, and with the economists' outlook asserting consumptions will regress 25 years, companies' sustainability goals have diametrically changed. Milestones for these companies encompass poverty, social support and activities, and environment: areas heavily affected, although not exclusively, by this crisis. Increased effort will be needed by companies that recognize values and sustainability to raise global balance again. In this context, Automobili Lamborghini aims to maintain deeper engagement in social responsibility activities, as UN SDGs suggest.

In this regard, Lamborghini has already launched numerous environmental sustainability programs.

Automobili Lamborghini's environmental policy takes into account every aspect of operating a business within a community, and this commitment has made it the first, and so far the only, Italian automotive company to attain the EMAS environmental certification: an instrument which has been adopted by the Council of the European Union with the specific goal of highlighting the role and responsibility of businesses in safeguarding the environment. This important accreditation was awarded in July 2009, just a few months after the company achieved ISO 14001 certification, thereby meeting the international requirements for environmental management.

Automobili Lamborghini recognizes the <u>United Nations</u>' SDGs as important guidelines to follow in order to give everyone the chance to live in an evolved world that is sustainable from an environmental, social and economic point of view.





People are at the center of Lamborghini's corporate strategy: one of the main policy goals involves a focus on employee wellbeing through a structured program of initiatives. The company's plan aims to improve employees' wellbeing not only from a financial point of view, but also and above all in psycho-physical terms, precisely by putting people, individuals, at the center of corporate organization.

Employees have access to a wide range of activities and services, first and foremost **a supplemental health insurance plan** that also covers their families. Workers can consult nurses and the company physician at work in a cutting-edge infirmary. Lamborghini believes



in the importance of cancer screening, and for this reason breast cancer detection activities are organized in the workplace for employees, who are also able to request an annual flu vaccination.

In designing workstations, great attention has been paid to ergonomics and human-machineenvironment interaction with a view to employee safety and prevention of workplace accidents.

In 2018, Automobili Lamborghini created a 950-meter-long fitness trail in the Lamborghini Park, featuring eight different stations: the **LamboFIT program provides a structured range of fitness courses** dedicated to Lamborghini's employees, including Yoga, Pilates, cardio fitness and postural gymnastic lessons held in the park. This focus on employee well-being is also carried through to dietary matters, with the introduction of a wellness menu in the company canteen. In terms of health and well-being topics, the company has implemented numerous initiatives, supplying pediatric first-aid training courses and dedicated sessions on illness prevention and correct diet.

With the introduction of the Urus Super SUV, the company doubled its volumes, turnover, and space occupied, along with a substantial increase in the number of employees, reaching over 1,800 by the end of 2019: up 62% over the previous five years. The more than 100 new-hires last year were balanced between administrative staff and production line employees, and further lowered the average employee age, currently under 39 years old. Moreover, with a 43% increase in customer deliveries, from 5,750 to 8,205 units worldwide, the Italian super sports car brand saw sales growth for the ninth consecutive year, setting a new record.

With the increase in volumes and turnover, the company's commitment to its employees has also grown: in 2020, for the seventh consecutive year, Lamborghini received the prestigious "Top Employer Italia 2020" certification, an award given by the Top Employers Institute, a global certification body for companies that achieve the highest quality standards in their human resource management policies. The certification recognizes Lamborghini's strategic approach to human resource management, based on the enhancement of individual skills on one hand, and the promotion of social values and ethical corporate responsibility on the other.

Another activity that brought significantly positive reactions and confirms Automobili Lamborghini's tangible commitment during the pandemic, has been the production of **surgical masks and medical shields.** Automobili Lamborghini, with a direct and mandatory action supported by Emilia-Romagna Region, has converted departments of its super sports car production plant in Sant'Agata Bolognese to produce surgical masks and protective plexiglass shields. The masks have been donated to the Sant'Orsola-Malpighi Hospital in Bologna to be used in the fight against the COVID-19 pandemic. Producing 1,000 masks a day, this solidarity initiative has been carried out by atelier personnel that produce the interiors and specialty customization for Lamborghini cars. Realizing 200 units a day, the



medical shields are manufactured using 3D printers within the carbon fiber production plant and Research and Development department.





In order to support schools, universities and institutions in their mission of guaranteeing young people a comprehensive educational pathway corresponding to the needs of an everchanging economic world, Automobili Lamborghini is committed to continuous investment in education and training, **through partnerships with local universities, business schools and high schools**, allowing students to gain their first experience in the automotive sector.

Lamborghini is a key member of the **Motorvehicle University** of Emilia-Romagna, MUNER, a particularly innovative project that has brought together four universities and eight automotive firms based in Motor Valley to train future automotive professionals who are able to operate Industry 4.0 production lines to produce road vehicles, racing vehicles, sustainable engines and smart systems.

There are also partnerships with local high schools. These partnerships include teacher training and continuing education; production line and museum visits with integrated training events; and participation in P.O.N (*Programmi Operativi Nazionali*, national operational programs) promoted by the Italian Ministry of Education.

Two **DESI Training Centers** were inaugurated in 2015 by Lamborghini and Ducati; the two companies have been working together since 2014 on the major **social project DESI, or** "**DualEducation System Italy**". The project was born in collaboration with the Volkswagen Employees' Foundation, Audi, the Italian Ministry of Education, and the Emilia-Romagna Region.

The central purpose of the project, which has become an integral part of the study plan of the Technical Institutes involved, can be divided into two main goals. The first is to support the territory and the labor market by training technicians through the most innovative methods. Secondly, the project supports schools in the development of joint educational programs capable of merging the essence of the school and business worlds, while helping to prevent young people leaving school early. Among the project's key objectives is to combine teaching within a work context, making use of a dedicated company team. This allows students to effectively integrate themselves within the workplace, orienting themselves in relationships and sharing experiences and knowledge by working in a team.

By continuously alternating activities within the classroom and the company, the study path develops over a two-year period, allowing young people to approach the more complex



issues of company production systems and the automotive world with increasing autonomy. At the end of the course, in addition to obtaining the five-year Professional Diploma in Maintenance and Technical Assistance, students receive a company certification detailing the skills acquired and practiced during the course.

In order to make itself competitive in the market and to guarantee the personal and professional growth of its employees, Automobili Lamborghini is investing in internal training with an extensive catalog of courses that aim to develop both soft and hard skills, while a structured internal **Job Rotation** program ensures ever-increasing cross-sector learning, allowing employees to extend their skills and improve career possibilities.

**Lamborghini MUDETEC** (Museo Delle Tecnologie) is supporting the **Affido Culturale** project. The initiative proposes to identify and involve 200 families in 29 cultural events via affiliations with cultural organizations in the region. Through this cooperation, families with children that don't have access to cultural activities for various reasons - linguistic, physical, economic or social barriers - will be able to visit, for free, MUDETEC inside Automobili Lamborghini's factory.

In 2017, the company signed an agreement with the **MIT** in **Boston** - the Massachusetts Institute of Technology, and specifically with two of its specialized centers: the Dinca Research Lab headed by Prof. Mircea Dincă of the Chemistry Department, and the Mechanosynthesis Group led by Prof. Anastasios John Hart of the Mechanical Engineering Department. The project's goal is to allow Lamborghini to develop the **technologies necessary to address the future of the super sports car** in five different dimensions: energy storage systems, innovative materials, propulsion systems, visionary design, and driving emotion. The joint research aims to radically transform the technologies involved in energy storage and composite materials.

In 2019, the collaboration between Automobili Lamborghini and the Massachusetts Institute of Technology produced a major initial result: a patent for an innovative synthetic material that will serve as the technological base for a **new generation of supercapacitors.** Supercapacitors already represent a winning solution in high-performance motorsport applications by virtue of their exceptional power and durability specifications, and they promise to become an essential technology for years to come. Automobili Lamborghini is a co-author of this patent. Further research will explore additional optimization of the material's properties, and its production on an increasingly larger scale. On a broader level, the materials development is part of the shift towards electric vehicle technology undertaken by Automobili Lamborghini in 2017 with the presentation of the Terzo Millennio, and most recently with the Lamborghini Sián, unveiled at the 2019 Frankfurt Motor Show.





With a view to achieving gender impartiality and reducing inequality amongst its employees, Automobili Lamborghini promotes initiatives to improve **Work Life Integration**, such as a structured program which includes **activities and incentives not just for maternity but also for paternity**. The aim is to favor parental equality through the integration of numerous activities and services for mothers and fathers, including preferential parking, coaching support upon returning to work, and wage subsidies of up to 60% of the salary during supplemental maternity or paternity leave, as well as extra leave in the event of child sickness.

The incentives in the gender equality area fall under a wider framework: Lamborghini operates an equal pay regime for women and men with equivalent qualifications and duties. Moreover, the company offers **remote working** in order to ensure work-life balance.

As a committed supporter of the value of sharing, and in order to incentivize collaboration with other companies, Automobili Lamborghini is a member of the Bolognese business network Capo D (*Comunità di Aziende per le Pari Opportunità*, community of companies for equal opportunities), which aims to create a single system of organizations working in close partnership with local public institutions in order to encourage training and growth of workers, thus creating new career-development chances within an equal opportunities framework. The many goals of the network include developing social responsibility initiatives and sensitizing new generations to gender-equality topics by organizing activities and activities that also aim to increase female presence in STEM environments.

A **reverse mentoring pilot project** was started in 2019, aiming to reduce the generation gap in the company, which now has four different generations within its workforce. This stimulates the transfer of knowledge across junior employees and senior professionals, with a view to continuous skill development and the inclusion of newcomers.

Through its membership of the Capo D business network, the company is pursuing various goals:

- Comparison, networking and sharing of best practices
- Involving local SMEs to further develop social responsibility and welfare matters
- Sensitizing new generations to gender-equality topics by organizing activities and initiatives that also aim to increase female presence in STEM environments





Lamborghini's **cafeteria** became **plastic free** in 2019, switching to paper cutlery wrapping and cups made from completely biodegradable material. Lamborghini employees have **access to free water** coolers in the break areas of the production lines, as well as the company canteens, helping reduce plastic waste by approximately 3.4 tons per year. In 2019 Lamborghini also gifted reusable aluminum bottles to its employees - a further step to a plastic-free restauration system.

Within the Lamborghini Park, inaugurated in 2011, the company also takes care of protecting and restoring the ecosystems in the wet area of the park.







All electric energy used in Automobili Lamborghini derives from certified renewable sources, for example a large photovoltaic plant as well as trigeneration and long-distance heating systems. In 2015, the company was certified  $CO_2$  neutral. In early 2010, the company installed a **large photovoltaic system** covering an area of 15,000 square meters. In total, this system ensures a reduction in  $CO_2$  emissions of about 1,000 tons per year. It is one of the largest photovoltaic systems in the industrial landscape of Emilia-Romagna.

In 2012, Automobili Lamborghini opened its new **building dedicated to developing prototypes and pre-series vehicles**. Designed in partnership with the Prospazio engineering firm, the new multi-level facility was conceived specifically to obtain a Class-A energy rating, and was the first industrial building in Italy to feature these characteristics.

In July 2015, Automobili Lamborghini introduced its **new trigeneration and district heating systems**, two of the most significant projects undertaken by the Sant'Agata Bolognese company to obtain the **CO<sub>2</sub> neutral certification for its entire plant**. This certification, within the framework of the Carbon Neutrality program, is the first in the world issued to a company by DNV GL (Det Norske Veritas Germanischer Lloyd), one of the world's leading firms for the classification, assessment and management of environmental risk. Automobili Lamborghini achieved this important goal in 2015, by reducing and offsetting the CO<sub>2</sub> emissions associated with energy usage throughout its production site. The two trigeneration plants, located inside the Sant'Agata Bolognese factory, utilize natural gas to produce electricity, as well as for heating and cooling. The systems boast 2.4 MW of installed capacity and generate approximately 20,000 MWhe per year. The amount of energy



produced would be sufficient, for example, to meet the entire yearly demands of all homes in Sant'Agata. Savings in terms of emissions total approximately 1,640 tons of  $CO_2$  per year. The company also plans on converting both plants to Biogas, so as to further reduce  $CO_2$  emissions to 11,400 tons every year.

Automobili Lamborghini is also the first automotive company in Italy to use a **district heating system**. This system distributes hot water throughout the factory from a biogasfueled cogeneration plant located about six kilometers away, through a network of underground pipes. Lamborghini chose to use the energy generated by a cogeneration plant that would otherwise have been lost. Savings in terms of emissions will total approximately 1,800 tons of CO<sub>2</sub> every year.

In 2017, Lamborghini opened its new state-of-the-art office building, **Torre 1963**. The new building received a record score for Italy of 92 points in the **LEED** (**Leadership in Energy and Environmental Design**) **Platinum certification**, the world's most authoritative certification program for environmentally sustainable buildings. It is the first office building within a manufacturing site in Italy to receive this certification, which is awarded to "green" facilities that combine innovation and sustainability.

In 2018, the Sant'Agata Bolognese **factory** was expanded from **80,000** to **160,000** m² for the launch of the Urus project. The new production site includes a new assembly line dedicated entirely to the Urus; a new finishing department for all Lamborghini models; a new test track with thirteen different terrains specifically for SUVs; a new logistics warehouse; a second trigeneration plant; and the new energy hub for the centralized production of all energy carriers serving the site. The new buildings are all rated "A" by the Emilia-Romagna regional energy classification board. The outer structure of the building window surface has been designed to achieve the highest possible energy performance through use of a very high-performance polycarbonate facade system. All lighting, including in industrial areas, uses very high efficiency LED lights.

The expansion was carried out fully in keeping with the company's focus on environmental sustainability: even after its transformation, the entire production plant in Sant'Agata Bolognese has maintained the carbon neutral certification obtained in 2015.

The **new Urus paint shop**, opened in 2019, has once again reaffirmed Lamborghini's commitment to environmental sustainability. The verticalization of the new plant enabled a significant 30% reduction in footprint compared to a traditionally-designed paintshop of equivalent capacity. The building has a **Class A rating**, features perfect insulation, and is equipped with next-generation LED lighting. **Ninety-five percent of the colors used are water-based**. Solvent emissions are extremely low, thanks to a post burner able to recover heat and reuse it to heat the painting line ovens. This technology provides a 25% reduction in energy consumption. Moreover, the cutting-edge technologies of the air-misting systems provide superior efficiency in terms of paint consumption. Eighty percent of the paint is actually applied to the vehicles' bodywork, compared to about half that figure in standard systems. Finally, E-Cube technology makes it possible to capture the overspray during the painting process, thereby reducing water consumption for air filtration to zero.



Another initiative in which Automobili Lamborghini has had a strong impact is the **LKDF4Industry of UNIDO** (United Nations Industrial Development Organization's Learning and Knowledge Development Facility). LKDF4Industry aims to help the industrial sector to overcome obstacles through knowledge sharing and innovation. The Learning and Knowledge Development Facility promotes demand-driven industrial skills among young people in emerging economies: the global outbreak of Covid-19 has imposed new challenges on the demand for skills while accelerating the need to adapt to new production methods and work arrangements.







Environmental sustainability is incorporated as a goal within Automobili Lamborghini's corporate strategy. Numerous activities provide ample proof of the company's desire to contribute to maintaining a healthy and stable environment.

Thanks to the industrial projects implemented to save the environment and to use clean energy, Automobili Lamborghini saves up to 5.700 tons of CO₂ each year, the amount that 285.000 trees would absorb in only one year.

In 2011, the company launched the **Parco Lamborghini**, a pioneering environmental initiative developed in collaboration with the Sant'Agata Bolognese community and the universities of Bologna, Bolzano and Munich. The project involved the **planting of 10,000 oak trees.** Its goal is to better understand the relationships between tree density, forestry productivity and the ability to absorb  $CO_2$  emissions and maintain climactic biodiversity. In order to reproduce local vegetation, a protected 17-acre area was created which incorporates a collection of different species of trees typical to plain areas, a shrub zone, a marshy wetland area, a copse, and fruit trees.

In April 2016, Automobili Lamborghini decided to equip its park with an **apiary in order to begin Environmental Bio-Monitoring using bees**. The environmental bio-monitoring station comprises three of the twelve beehives which are used to produce honey. The components of the beehive (honey, pollen, wax, propolis, the bees themselves) can be analyzed to reveal a wide range of environmental pollutants: from pesticides used in agriculture and urban and private green spaces to heavy metals, radionuclides, aromatic compounds and dioxins. The three-kilometer average foraging radius around the apiary also covers the factory production plant and the entire village of Sant'Agata Bolognese. In addition to serving its environmental and pollution-monitoring functions, the project is also used for the production of certified Lamborghini-brand honey that is distributed every year to the company's employees.

The community of Sant'Agata Bolognese has **free access to the Lamborghini Park**, which hosts sustainable events for employees and the local community, such as educational



programs for schools on the topic of environmental sustainability held in the park, alongside a visit at the Lamborghini Museum MUDETEC.

In 2017, Lamborghini launched a new **corporate car-pooling service**. Although currently paused due to the pandemic, the choice is offered to staff to opt for sustainable mobility: a year and a half after its launch, the platform for Lamborghini employees has 450 registered users who, through car-pooling, have already reduced CO<sub>2</sub> emissions by approximately 26 tons.

Thanks to its efforts in addressing environmental sustainability, Lamborghini was also invited to take part in the 38th edition of the **Climate Reality Leadership Corps**, hosted in Berlin by **The Climate Reality Project**. An organization founded by former US Vice President and Nobel Peace Prize winner Al Gore, The Climate Reality Project works to spread awareness on the global effects of climate change, drawing attention to a global solution to this crisis in order to guarantee a sustainable future driven by clean, renewable energy. Lamborghini's has been a compelling journey that sees the company fully committed to raising awareness among its employees and community on the current climate crisis, while promoting solutions to mitigate its effects through energy transition and sustainable mobility.



In keeping with its social responsibility goals, Automobili Lamborghini works with **EMERGENCY**, an Italian association that promotes a culture of peace, solidarity and respect for human rights, to develop a social cooperation program that creates voluntary work experiences involving employees in the structures and projects managed by EMERGENCY. Employees have the opportunity to take a lead role in a human growth experience, which is important for the development of emotional and social skills, an essential element in company dynamics.