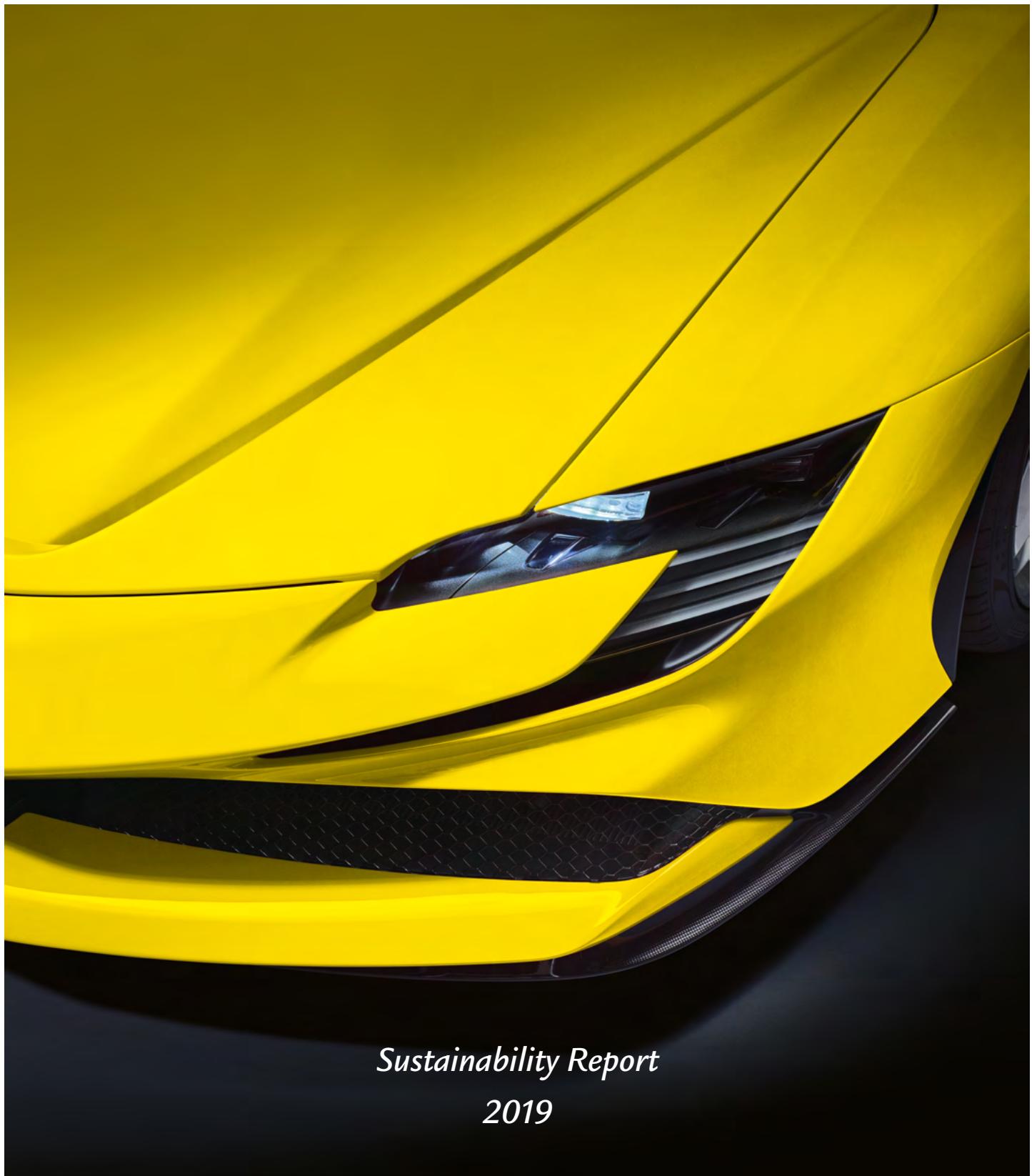




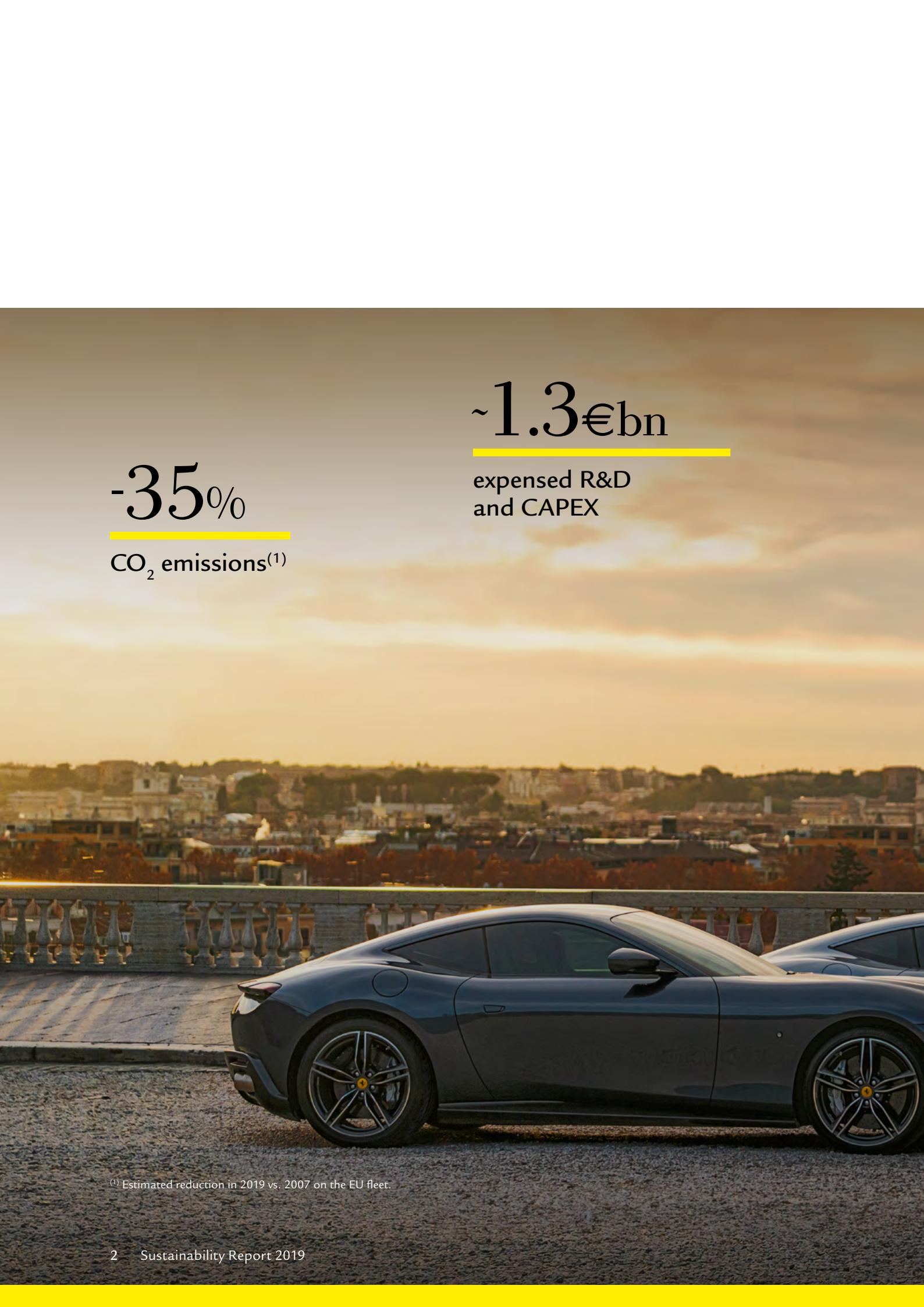
FERRARI N.V.



Ferrari N.V.  
Official Seat:  
Amsterdam, The Netherlands  
Dutch Trade Registration Number:  
64060977

Administrative Offices:  
Via Abetone Inferiore 4  
I-41053, Maranello (MO)  
Italy

FERRARI N.V.  
*Sustainability Report*  
2019



**-35%**

**CO<sub>2</sub> emissions<sup>(1)</sup>**

**~1.3€bn**

**expensed R&D  
and CAPEX**

<sup>(1)</sup> Estimated reduction in 2019 vs. 2007 on the EU fleet.

# *2019 Highlights*

over **57,600**

training hours

+11%

total employees<sup>(2)</sup>



<sup>(2)</sup> Vs. 2018.



# *Table of contents*

<i>Letter from the Chairman and the Chief Executive Officer</i>	<b>6</b>	<i>Being the employer of choice</i>	<b>75</b>
<i>Our Journey to Sustainability</i>	<b>9</b>	Our People	76
<i>Ferrari Group</i>	<b>13</b>	Working environment	77
About Ferrari	14	Training and talent development	79
Our DNA	16	Talent Recruitment and Employee Retention	82
Our Values	17	Occupational Health and Safety	84
Our Strategy	17	Our employees in numbers	86
<i>Our Business</i>	<b>19</b>	<i>Reducing environmental footprint</i>	<b>91</b>
Ferrari Line-Up Strategic Pillars	20	Our environmental responsibility	92
Personalization Offer	25	Plants and circuits	94
Formula 1 Activities	26	Vehicles environmental impact	101
Brand Activities	30		
Intellectual Property	33		
<i>Materiality Matrix and Stakeholder Engagement</i>	<b>35</b>	<i>Creating and Sharing Value with the Community</i>	<b>107</b>
Materiality Matrix of Ferrari Group	36	Ferrari contributes towards the community	108
Stakeholder Engagement	39	Economic Value Generated and Distributed	109
		Ferrari & Education	110
		Ferrari Museum Maranello & Museo Enzo Ferrari (MEF)	112
		Scuderia Ferrari Club	113
		Ferrari Driver Academy	114
<i>Proactively Fostering Best Practice Governance</i>	<b>43</b>	<i>Methodology and Scope</i>	<b>116</b>
Our Governance	44	<i>Forward-Looking Statements</i>	<b>118</b>
<i>Exceeding Expectations</i>	<b>53</b>	<i>GRI Content Index</i>	<b>120</b>
Research, Innovation and Technology	54	<i>Independent Auditors's Report</i>	<b>128</b>
Production process	62		
Client relations	64		
Customer Satisfaction	70		
Vehicle Safety	73		

FERRARI N.V.

# *Letter from the Chairman and the Chief Executive Officer*

Dear Shareholders,

2019 was a highly significant year from a financial perspective and our overall strategic positioning. The strong results delivered reflect the work of a Company pursuing its long term vision focussed on supporting the continued vitality of its brand through innovation, whilst maintaining an enviable competitive edge.

The Ferrari Group either met or exceeded all of its financial targets for the year. As a result, we are confident that the 2022 industrial plan will be successfully completed. We delivered 10,131 cars, a 9.5% increase on the previous year. The increase of our industrial free cash flow from Euro 375 million in 2018 to Euro 675 million was also a source of particular satisfaction.

We presented five new models this year, a record for Maranello, that ensures we are able to satisfy the varied requirements of our existing and new clients. Our first production hybrid model, the SF90 Stradale, opened a new chapter in our history, whilst the Ferrari Roma is a coupé that effortlessly translates the elegance of the Ferrari Grand Touring cars of the 1950s and 60s into very modern styling, allowing us to tap into the needs of a new client

segment. We also unveiled the F8 Tributo, a two-seater V8 mid-rear-engined berlinetta, in addition to its drop-top version, the F8 Spider, and 812 GTS, which hails a return exactly 50 years since the last series spider sported a front-mounted V12.

The presentation of the two spiders was the highlight of Universo Ferrari, the first event dedicated exclusively to Ferrari in its hometown. Held in September 2019 this exhibition opened its doors to over 14,000 customers, prospects and Ferrari enthusiasts, who had a unique chance to experience the multifaceted nature of our marque.

We now have the most complete range in our history and are continuing to garner international plaudits. Our V8 turbo engine has been named “International Engine of the Year” for the fourth consecutive occasion, whilst the styling of the Ferrari Monza SP1 secured us our fifth consecutive “Red Dot: Best of the Best” award. Ferrari has also been awarded the title of the world’s strongest brand for the second consecutive year by Brand Finance.

The same exclusive range approach is also applied to our brand diversification strategy, which has led to the

| Letter from the Chairman and the Chief Executive Officer |

termination of numerous licensing agreements and the exit from merchandise categories that do not reflect the Company's inherent values.

We ended the Formula 1 World Championship in a position that fell short of what our remarkable history deserves. We are conscious that we need to do more and better and will be intensifying our efforts and the investments necessary to achieve our sole objective: to win the Championship.

The GT Racing Season ended on a very positive note once again with a tally of 25 international titles crowned by our 36<sup>th</sup> victory in the 24 Hours of Le Mans. Ferrari's track car range is now more competitive than ever, thanks to the new 488 GT3 EVO 2020 and 488 Challenge EVO, unveiled during the Finali Mondiali at Mugello.

We are also increasing our commitment to sustainability in every area of the Company. Aside from hybrid and first steps in electric technology, our work has been focusing on energy consumption in our facilities. In fact, we are pleased to say that this year there was a decrease in energy consumption per car manufactured. We are determining our

comprehensive carbon footprint to enable us to set ambitious targets to become ultimately carbon neutral over the longer term. In the course of the year, we also further invested in one of our most important assets, our people, by making 12% more training hours available.

The extraordinary results we achieved this year are a tribute to all those who make up the Ferrari Group. We would like to thank all of them for their outstanding personal and professional contribution, and for the very clear passion and sense of responsibility displayed in their work each and every day.

We also take this opportunity to thank you, our shareholders, for remaining our trusted partners and supporters in this crucial period of growth and innovation for Ferrari.

We cannot close this letter without referring to the Covid-19 that, at the time of writing, affects us all worldwide and particularly in Italy. Our priority is and will always be to safeguard the health and wellbeing of all Ferrari employees while assuring to the extent possible our responsibilities towards our business partners, clients and all other stakeholders.

April 16, 2020

**John Elkann**  
*Chairman*

**Louis Carey Camilleri**  
*Chief Executive Officer*



# Our Journey to Sustainability

In 2019, Ferrari made significant and manifold strides on its journey to sustainability. This progress was driven by a strategy designed around the five pillars outlined below and cut across every area of the Group as well as its product and processes interventions and innovations.

**Exceeding expectations: drive technological innovation while pursuing excellence in design and craftsmanship to fuel the passion of our customers and fans.**

Innovation is part of Ferrari's DNA, so we support and promote it both inside and outside the confines of the Company.

Our greatest source of innovation is our employees. Through programmes such as Pole Position, we encourage them to think creatively and to communicate their ideas and solutions with regard to improving our products, methods and working environment. The response from our employees in 2019 was extraordinary with around 20,000 suggestions and proposals submitted, almost double the previous year's figure.

Another inexhaustible source of inspiration is the Scuderia Ferrari's involvement in the Formula 1 World Championship. Competing with the other teams at such an extremely high level acts as a constant stimulus to produce new technological solutions which are then transferred to our road cars, the hybrid propulsion unit being a case in point.

Ferrari also supports and promotes innovation outside the Company, through partnerships and synergies with other bodies and entities, including some from different sectors to our own. Proof of this comes from our many collaborations with universities and research centres. The latter

work with Ferrari to translate the most advanced theoretical research into solutions useful to its industrial processes. Start-ups too offer extremely interesting opportunities to foster a virtuous circle of innovation.

**Proactively fostering best practice governance: maintain Ferrari's corporate governance and risk management systems aligned with best practices to ensure an ethical business conduct while providing superior and sustainable returns to our shareholders.**

Car manufacturers are subject to rapidly changing legislation and standards across the world. The European, US and Chinese markets in particular are being impacted by new regulations implemented in response to legitimate concerns about vehicle safety, fuel consumption, noise levels and environmental impact.

Ferrari is committed to creating a culture of sustainability to address the complex scenario the global automotive industry is now facing. This culture demands efficient corporate governance and risk management, a proactive decision-making process and openness to change, all extending not just to our Company processes as a whole but through our entire supply chain.

A focus on excellence in terms of the quality, design and performance of our products, must be and is being flanked by responsible management of our relations with commercial partners, suppliers and dealers, who we encourage to adopt and share sustainable practices. Specifically, all of our suppliers must comply with our Code of Conduct which is as much a condition of collaborating with Ferrari as the high quality standards of the goods or services they provide to us.

## FERRARI N.V.

### / Our Journey to Sustainability

#### **Being the employer of choice: provide an inclusive, educational and inspiring work environment to unleash everyone's passion, creativity and talent.**

Behind every Company's success story are the men and women who work there every day. In Ferrari, the pursuit of excellence in its products goes hand-in-glove with the pursuit of a quality working life, the wellbeing and the professional development of our employees. In recent years, this has been the fulcrum of a growing number of specific, carefully crafted programmes.

The first programme targets skills development as the prerequisite for successfully tackling future challenges. Last year, we achieved a record of over 57,600 hours of training, an increase of 12% on 2018. The educational options on offer also grew in parallel due to our partnership with Harvard Business School, which has made one of the most advanced online learning platforms in the world available to our employees.

Another area of Ferrari excellence is its wellbeing and welfare programme for employees and their families. This spans a series of services and opportunities ranging from study grants to recreational activities and free medical visits as part of "Formula Benessere". The latter was further extended in 2019 with "Formula Benessere Donna" specifically designed for women. In the course of the year, Ferrari employees and their children availed themselves of over 4,500 medical and specialist check-ups.

**Reducing environmental footprint: increase our environmental awareness to continuously set and implement related programs and actions.**

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. On the one hand, this technological solution ensures Ferrari complies with both legal requirements and the desire to combat emissions shared with our clients, while on the other, it will raise the driving pleasure and fun behind the wheel that makes our car unique to new heights.

Our commitment to reducing our environmental impact is nothing new, however, and has already produced impressive results. In 2019, the Group achieved its objective of reducing the CO<sub>2</sub> emissions of its European fleet by 35% compared to 2007 levels. We are now aiming for an even more ambitious target of reducing emissions by 15% compared to 2014 across the entire fleet by 2020.

In 2019, Ferrari delivered another important result which saw it decouple its economic growth from the carbon footprint of its premises in Maranello and Modena. The CO<sub>2</sub> emissions of those premises remained generally on a par with the previous year, despite a net increase in output. This was as a result of investment in plant, the application of circular economy principles to certain processes, and meticulous management of energy requirements. 87% of the latter were also covered by the trigeneration system in Maranello, while almost 95% of the remaining energy shortfall was purchased from certified renewable sources.

That said, we have no intention of resting on our laurels with these results. In the course of 2020, we will begin calculating our carbon footprint on a subset of products and processes, an essential factor in tackling our goal to become ultimately carbon neutral over the longer term.

## | Our Journey to Sustainability |

### **Creating and Sharing value within the community: encourage strategic partnerships and the creation of positive externalities for all stakeholders**

Ferrari is a global Group with deep roots in the Motor Valley community and our first goal is to promote activities designed to fuel education. Its longstanding relationship with the local area extends to schools, such as, for example, the Alfredo Ferrari Technical High School in Maranello, which it supports and with which it shares work commencement and orienteering projects. Ferrari is also involved with the MUNER (Motorvehicle University of Emilia-Romagna) Project which pools the knowledge of the various universities of Emilia Romagna and the know-how of Motor Valley's leading companies. Ferrari's relationship with the local area is also further strengthened by the two Ferrari Museums which attracted over 600,000 visitors to Modena and Maranello in the course of the year, acting as a driver for the tourist industry in the entire area.

The Group's commitment to education also quite literally took physical shape in the Istituto

Omnicomprendivo school building in Amatrice which was officially opened last November by Chairman John Elkann and named in honour of the late Sergio Marchionne. Ferrari provided a large part of the funds required for its construction by auctioning a LaFerrari after the earthquake devastated Central Italy in 2016.

As a hugely iconic brand all over the world, Ferrari also aims to make its presence felt beyond Italy's borders. Once again, the focus is on education through a network of relationships with prestigious universities whose students are given the opportunity to collaborate with the company on degree theses, doctoral dissertations and research projects.

Ferrari is using these five pillars to pursue its development in a manner open to innovation and the sharing of ideas and projects to help both its employees and technology growing and flourish. In other words, development in which sustainability plays an essential role in mapping out the Company's future but also that of the car sector as a whole.

>60

markets  
worldwide

10,131

shipments in 2019



# *Ferrari Group*

**238**

Grand Prix  
races won

**166**

authorized  
dealers

**4,285**

total employees



## FERRARI N.V.

# About Ferrari

*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. Our product offering comprises four main pillars: the sports range, the GT range, special series and Icona, a line of modern cars inspired by our iconic cars of the past. Our current product range (including cars presented in 2019, for which shipments will commence in 2020) is comprised of five sports cars (SF90 Stradale, F8 Tributo, F8 Spider, 812 Superfast and 812 GTS), four GT cars (Ferrari Roma, Ferrari Portofino, GTC4Lusso and GTC4Lusso T) and two special series cars (488 Pista and 488 Pista Spider), as well as two versions of our first Icona car, the Ferrari Monza SP1 and the Ferrari Monza SP2. We also produce limited edition hypercars, *fuori serie* and one-off cars. Our most recent hypercar, the LaFerrari Aperta, was launched in 2016 to celebrate our 70<sup>th</sup> Anniversary and finished its limited series run in 2018. In 2019, we unveiled the SF90 Stradale (our first series production Plug-in Hybrid Electric Vehicle (PHEV)), the F8 Tributo, the F8 Spider, the 812 GTS and the Ferrari Roma, with shipments of the

F8 Tributo commencing in the fourth quarter of 2019 and shipments of the other cars expected to commence in 2020.

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 divide our regional markets into EMEA, Americas, Mainland China, Hong Kong and Taiwan, and Rest of APAC, representing respectively 48.3 percent, 28.6 percent, 8.3 percent and 14.8 percent of units shipped in 2019.

We focus our marketing and promotion efforts in the investments we make in our racing activities and in particular, Scuderia Ferrari's participation in the Formula 1 World Championship, which is one of the most watched annual sports series in the world, with approximately 405.5 million unique television

viewers in 2019 in the top 20<sup>(1)</sup> markets (*Source: Formula 1 Press Office*). Although our most recent Formula 1 world title was in 2008, we continuously enhance our focus on Formula 1 activities with the goal of improving racing results and restoring our historical position as the premier racing team in Formula 1. We believe that these activities support the strength and awareness of our brand among motor enthusiasts, clients and the general public.

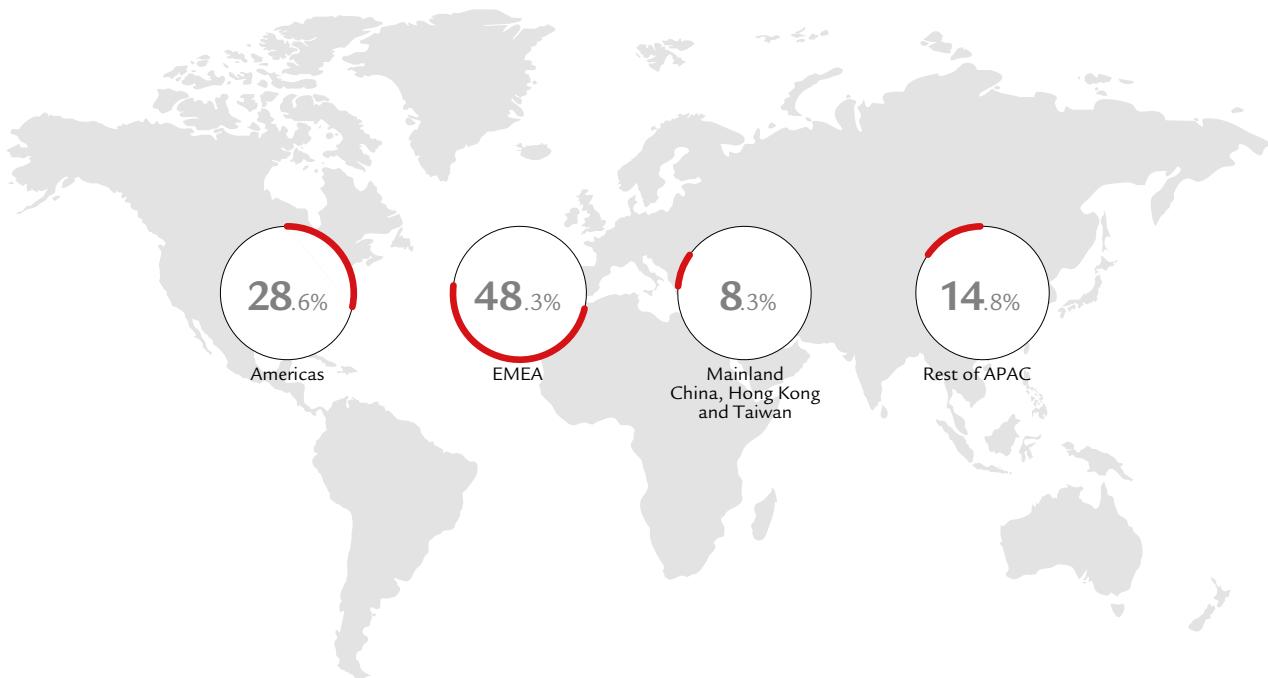
We license the Ferrari brand to a selected number of producers and retailers of luxury and lifestyle goods. In addition, we design, source and sell Ferrari-branded products through a network of 20 Ferrari-owned stores and 24 franchised stores (including 15 Ferrari Store Junior), as well as on our website. As one of the world's most recognized premium luxury brands, we believe we are well

positioned to selectively expand the presence of the Ferrari brand in attractive and growing lifestyle categories consistent with our image, including sportswear, watches, accessories, consumer electronics and theme parks which, we believe, enhance the brand experience of our loyal clients and Ferrari enthusiasts.

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.

The charts below set forth our unit shipments<sup>(2)</sup> for the year ended December 31, 2019, by geographic market:

### Units Shipped in 2019<sup>(3)</sup>



<sup>(1)</sup> Top 20 markets are, in alphabetical order, Australia, Austria, Belgium, Brazil, China, Finland, France, Germany, Greece, Italy, Mexico, Netherlands, Pan Africa, Pan Latin America, Pan Middle East, Pan Russia, Poland, Russia, United Kingdom and United States.

<sup>(2)</sup> Excluding the XX Progamme, racing cars, Fuoriserie, one-off and pre-owned cars.

<sup>(3)</sup> Shipments geographical breakdown: EMEA includes: Italy, UK, Germany, Switzerland, France, Middle East (includes the United Arab Emirates, Saudi Arabia, Bahrain, Lebanon, Qatar, Oman and Kuwait) and Rest of EMEA (includes Africa and the other European markets not separately identified); Americas includes: United States of America, Canada, Mexico, the Caribbean and Central and South America; Rest of APAC mainly includes: Japan, Australia, Singapore, Indonesia, South Korea, Thailand and Malaysia

**FERRARI N.V.**

## Our DNA

Working in Ferrari means being part of a unique future-focused team in which people are the most valuable resource. Together we compete on the track and markets all over the world.

Together we have crafted the Vision, Mission and Values that are the very essence of feeling part of Ferrari and which guide us through our day-to-day challenges.

### VISION

Ferrari, Italian Excellence that makes the world dream.

### MISSION

We build cars, symbols of Italian excellence the world over, and we do so to win on both road and track. Unique creations that fuel the Prancing Horse legend and generate a "World of Dreams and Emotions".



## Our VALUES

### INDIVIDUAL AND TEAM

People are our greatest resource but even they can only achieve truly great results if working as a team in a company that prioritises merit, competency and professional growth. Ferrari employees enjoy a strong sense of belonging, relish challenge and strive to improve both themselves and their company each and every day.

### EMOTION

Ferrari - an experience to be embraced wholeheartedly with pride and enthusiasm. The challenges that arise each day remind us that we are part of a unique and truly extraordinary company that inspires huge emotions in all of us.

### INTEGRITY

We are conscious of being part of a world-renowned company and are thus committed to adhering to the core values of respect, honesty, loyalty and consistency. We strive to guarantee a sustainable future.

### TRADITION AND INNOVATION

We represent a company in which tradition and innovation are melded each and every day to fuel the Ferrari legend. Our rich heritage and ability to combine developing extreme technological solutions with human-scale artisanal craftsmanship are a direct result of our company history and the international and multicultural context in which we operate.

### PASSION AND EXCELLENCE

We are driven by our passion for both the road and the track. The challenge we relish most is to set ambitious targets and guarantee our clients' complete satisfaction. We observe the outside world with open-minded curiosity to help grow our own competencies. We are committed to the pursuit of excellence on a daily basis.

## Our STRATEGY

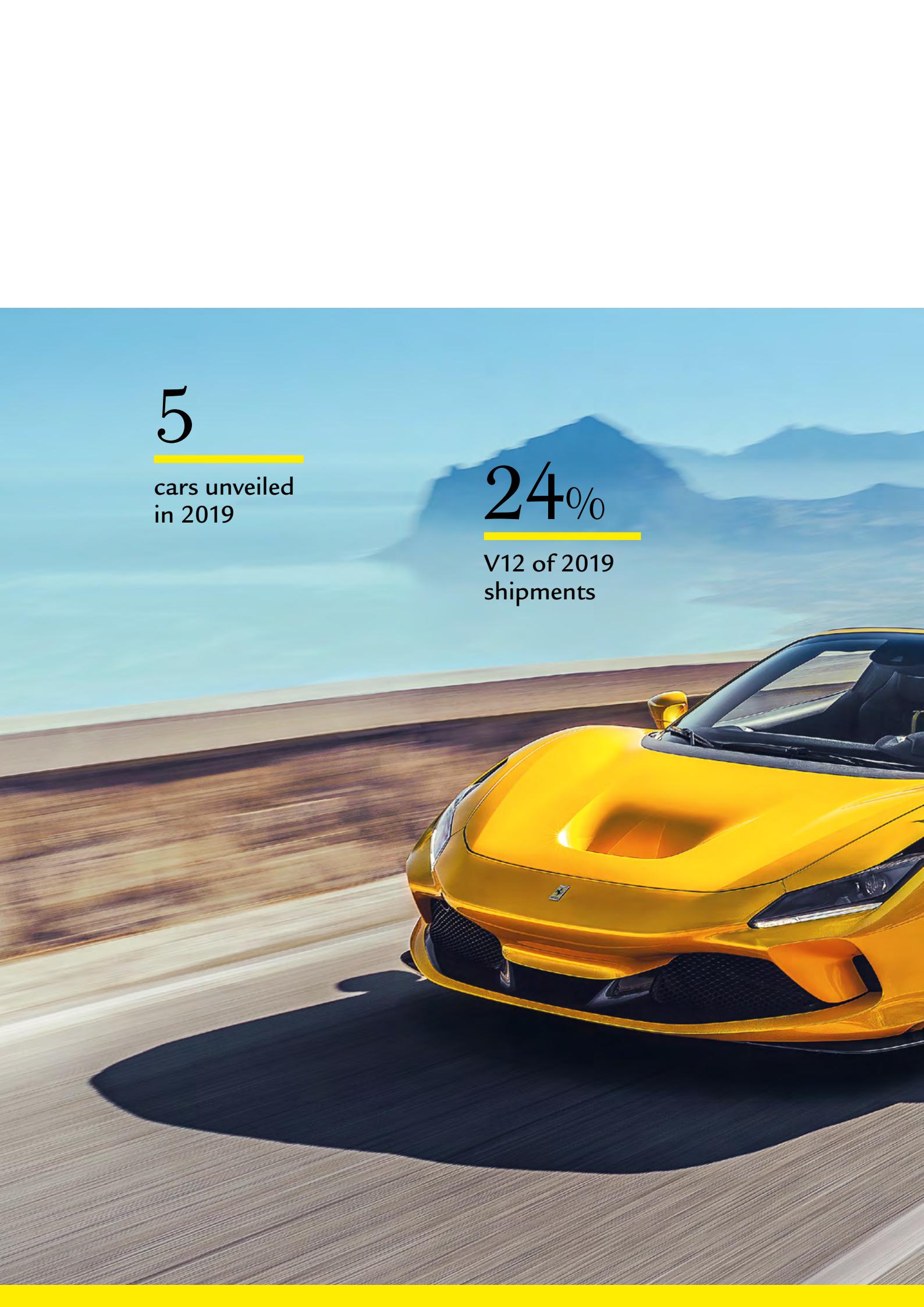
Our strategy focuses on maintaining our leading position in the luxury performance sports car market, while enhancing and protecting the value and exclusivity of the Ferrari brand. We focus on cost-efficiencies and aim to achieve profitable growth by pursuing the following strategies.

### REGULAR NEW MODEL INTRODUCTIONS AND ENHANCEMENTS

### PURSUE EXCELLENCE IN RACING

### CONTROLLED GROWTH

### CONTROLLED GROWTH IN ADJACENT LUXURY AND LIFESTYLE CATEGORIES

A dynamic photograph of a bright yellow Ferrari sports car, likely an 812 Superfast, driving from right to left across the frame. The car's sleek lines and aerodynamic features are highlighted by the low-angle sunlight. It casts a long, dark shadow onto the light-colored asphalt of the coastal road. In the background, a range of mountains is visible under a clear blue sky, suggesting a sunny day. The overall composition conveys a sense of speed and luxury.

5

---

cars unveiled  
in 2019

24%

---

V12 of 2019  
shipments

# *Our Business*

**76%**

V8 of 2019  
shipments

**+9.5%**

shipments in 2019



## FERRARI N.V.

# Ferrari Line-Up Strategic Pillars

Our product offering comprises four main strategic pillars: the sports range, the GT range, special series and Icona. Our current product range includes five sports cars, four GT cars and two special series cars, as well as our Icona cars, introduced in September 2018 with the Ferrari Monza SP1 and SP2. We target end clients seeking high performance cars with distinctive design and state of the art technology. Our broad model range is designed to fulfill the strategy of “Different Ferrari for different Ferraristi, different Ferrari for different moments”, which means being able to offer a highly differentiated product line-up that can meet the varying needs of new customer segments (in terms of sportiness, comfort, on-board space, design) and that can allow our existing clients to use a Ferrari in every moment of their lives. Our diversified product offering includes different architectures (such as front-engine and mid-rear engine), engine sizes (V8 and V12), technologies (atmospheric, turbo-charged, hybrid, electric), body styles (such as coupes and spiders), and seats (2 seaters, 2+2 seaters and 4 seaters).

We are also actively engaged in after sales activities driven, among other things, by the objective of preserving and extending the market value of the cars we sell. We believe our cars' performance in terms of value preservation after a period of ownership significantly exceeds that of any other brand in the luxury car segment. High residual value is important to the primary market because clients, when purchasing our cars, take into account the expected resale value of the car in assessing the overall cost of ownership. Furthermore, a higher residual value potentially lowers the cost for the owner to switch to a new model thereby supporting client loyalty and promoting repeat purchases.

The charts below set forth the percentage of our unit shipments (excluding the XX Programme, racing cars, Fuori Serie, one-off and pre-owned cars) for the year ended December 31, 2019 by pillar:

## Shipments by pillar<sup>(1)</sup>

Sport & Special Series

**64%** 

GT

**36%** 

Icona

**<1%** 

<sup>(1)</sup> Includes shipments of the LaFerrari Aperta. Shipments of Icona cars commenced in 2019, and contributed to less than 1 percent of our shipments for that year.

## Sports Range

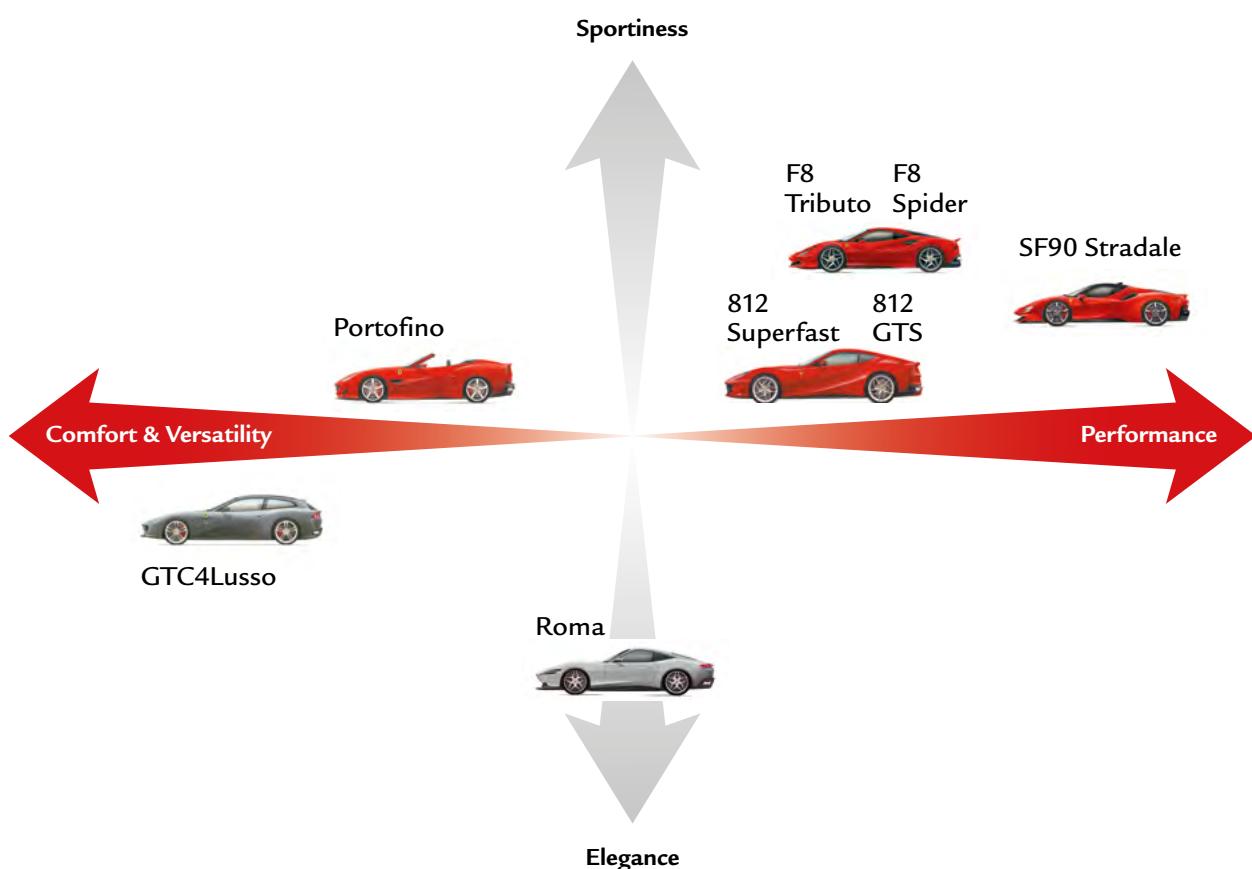
Our sports cars are characterized by compact bodies, a design guided by performance and aerodynamics, and often benefit from technologies initially developed for our Formula 1 single-seaters. They favor performance over comfort, seeking to provide a driver with an immediate response and superior handling, leveraging state of the art vehicle dynamics components and controls. In our sports car class, we offer five models: the SF90 Stradale, our first series production car which features PHEV technology that combines a V8 engine (780 hp) with three electric motors that allow the car to reach 1,000 hp; the F8 Tributo and the F8 Spider are equipped with a mid-rear V8 engine (720 hp), a 4 time winner of the engine of the year award; the 812 Superfast and the 812 GTS are equipped with a front V12 engine (800 hp).

## GT Range

Our GT cars, while maintaining the performance expected of a Ferrari, are characterized by more refined interiors with a higher focus on comfort and on-board life quality. In our GT class, we offer three models equipped with our V8 engine, the Ferrari Roma (620 hp), combining sportiness and elegant design; the Ferrari Portofino (600 hp) and the GTC4Lusso T (610 hp), the first Ferrari 4 seater equipped with a V8 turbo engine. We also offer one GT model equipped with our V12 engine, the GTC4Lusso (690 hp), our sport-luxury 4 seater and 4 wheel drive.

The following picture depicts the four dimensions of our customer value proposition for our sports and GT range models:

### Customer value proposition



## FERRARI N.V.

### Special Series

From time to time, we also design, engineer and produce special series cars which can be limited in time or volume and are usually based on our range sports models but introduce novel product concepts. These cars are characterized by significant modifications designed to enhance performance and driving emotions. Our special series cars are particularly targeted to collectors and, from a commercial and product development standpoint, they facilitate the transition from existing to new range models. Our current special series cars are the 488 Pista, powered by a 720 hp V8 engine, and its retractable hard top version, the 488 Pista Spider (720 hp).

### Icona

In September 2018, we introduced a new pillar of our product portfolio: the Icona, a unique concept that takes inspiration from the iconic cars of our history and reinterprets them in a modern fashion, pairing timeless design with state-of-the-art materials and technology. The first examples of this strictly limited-edition product line-up are the Ferrari Monza SP1 and SP2, which are inspired by the classic collectible barchetta cars, the 750Monza and 860Monza.

### Limited Edition Hypercars, Fuori Serie and One-Off

In line with our tradition of hypercars starting with the 288GTO in 1984 up to the Enzo in 2002 and the LaFerrari Aperta, our latest hypercar launched in 2016, we also produce limited edition hypercars. These are the highest expression of Ferrari road car performance at the time and are often the forerunners of technological innovations for future range models, with innovative features and futuristic design. Furthermore, in connection with certain events or celebrations, we also launch very limited edition cars (*our fuori serie*). These models can be offered globally, or may be limited to specific local markets. Based on an exotic product concept not available on the standard Ferrari model range, these cars feature completely unique design and specifications compared to our other models.

Finally, in order to meet the varying needs of our most loyal and discerning clients, we also produce a very limited number of one-off models. While based on the chassis and equipped with engines of one of the current range models for homologation and registration purposes, these cars reflect the exact exterior and interior design specifications requested by the clients, and are produced as a single, unique car. Some of the most iconic models emerged from our One-Off program include the SP12 EC (inspired by the 512 BB and created in 2011), the F12 TRS (a radical two-seat roadster created on the platform of the F12berlinetta in 2014), the SP38 (a superlative mid-rear V8 turbo taking inspiration from the legendary Ferrari F40), the 458MM Speciale (the last mid rear model with a V8 natural aspirated engine in 2016) and the P80/C, a real track car taking inspiration from past Ferrari Sport Prototipo models.

## The most complete Ferrari Product Range ever

### ROAD CARS

#### RANGE MODELS

#### SPORTS



SF90  
Stradale



F8  
Tributo



F8  
Spider



812  
Superfast



812  
GTS

#### GRAN TURISMO



Roma



Portofino



GTC4Lusso T



GTC4Lusso

#### SPECIAL SERIES MODELS



488  
Pista



488  
Pista Spider

#### ONE-OFF



P80/C

#### ICONA



Ferrari Monza  
SP1/SP2

### TRACK CARS

#### FERRARI CHALLENGE

#### THE XX PROGRAMME

#### RACING CARS



488  
Challenge



FFX K EVO



488  
GTE/GT3

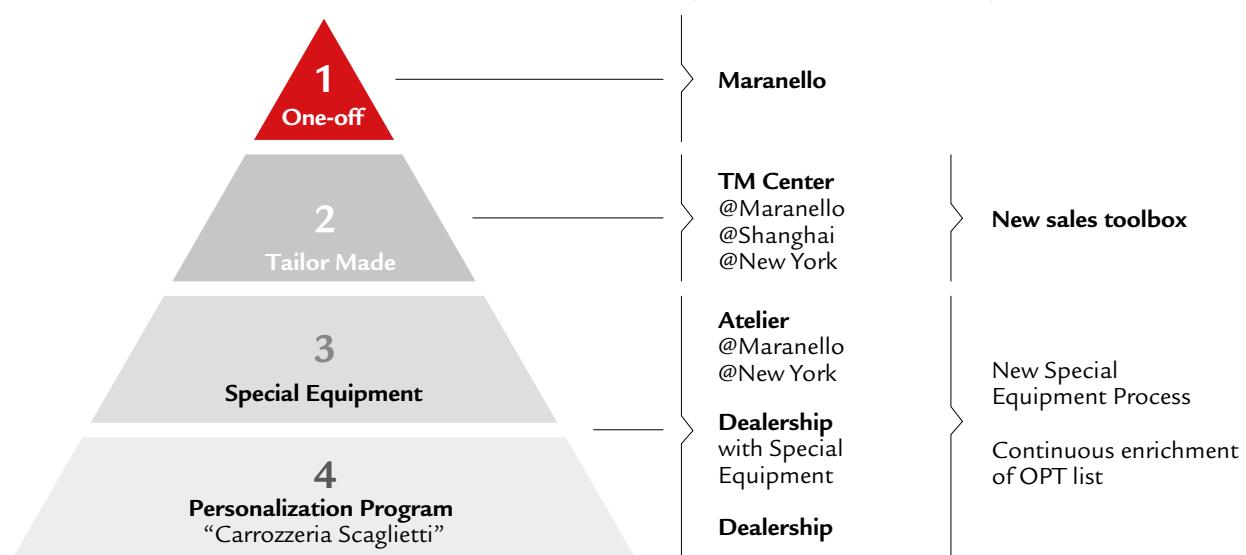


# Personalization Offer

All of our models feature highly customizable interior and exterior options, which are included in our personalization catalogue. Some of these options include performance contents like carbon fibre parts, carbon fibre wheels, titanium exhaust systems, alternative brake caliper colors, parking cameras, MagneRide dual mode suspension, panoramic roof

option, various door panel configurations, steering wheel inserts and state of the art custom high fidelity sound systems. Commencing with the SF90 Stradale, we have also introduced the “Assetto Fiorano” configuration, which provides numerous exclusive features for those who seek radical performance and design.

## Personalization by Level and Location



With our “Special Equipment” program, we offer clients additional customization choices for their cars. Our specialists are able to guide clients in creating a very customized car through a wide catalog of special items such as different types of rare leathers, custom stitching, special paints, special carbon fiber, and personalized luggage sets designed to match the car’s interior.

The “Tailor Made” program provides an additional level of personalization in accordance with the expectations of our clients. A dedicated Ferrari designer assists clients in selecting and applying virtually any specific design element chosen by the

client. Our clients benefit from a large selection of finishes and accessories in an array of different materials (ranging from cashmere to denim), treatments and hues. To assist our clients’ choice we also offer three collections inspired by Ferrari’s own tradition: *Scuderia* (taking its lead from our sporting history), *Classica* (bringing a modern twist to the styling cues of our signature GT models) and *Inedita* (showcasing more experimental and innovation-led personalization).

The “One-off” program is the maximum level of personalization and exclusivity. See “—*Limited Edition Hypercars, Fuori Serie and One-Offs*” above for more details.

**FERRARI N.V.**

# *Formula 1 Activities*

Participation in the Formula 1 World Championship with Scuderia Ferrari is the core element of our marketing effort and an important source of technological innovation for the engineering, development and production of our sports, GT and special series cars. The Formula 1 World Championship is the pinnacle of motorsports with a total global TV cumulative audience of 1.922 billion in 2019, the highest number since 2012, which represents an increase of 9% compared to 2018. In terms of unique television viewers, during 2019 the sport remained stable in the top 20 markets<sup>(1)</sup> at approximately 405.5 million (+0.3 percent) (*Source: Formula 1 Press Office*).

In 2019 the number of users across Formula 1's social media platforms again grew significantly, with the total number of followers on Facebook, Twitter, Instagram and YouTube reaching 24.9m (+32.9 percent compared to 2018). Again in 2019, Formula 1's social media channels were the fastest growing of all major sports leagues in the world.

Formula 1 cars rely on advanced technology, powerful hybrid engines and cutting edge aerodynamics. While Europe is the sport's traditional base, longstanding non-European venues such as Australia, Brazil, Canada, Japan, Mexico and the United States have recently been joined by racing venues in China, Bahrain, United Arab Emirates, Singapore and Azerbaijan. A new venue in Vietnam has been launched in 2020, while the Dutch Grand Prix has returned after several decades. This provides participants in the Formula 1 World Championship exceptional visibility on the world stage.

Scuderia Ferrari has been racing in the Formula 1 World Championship since the series was launched

in 1950, and won its first Grand Prix in 1951. We are the only team that has competed in each season since launch and the oldest and most successful in the history of Formula 1, with 238 Grand Prix wins. Throughout our racing history, we have won 15 Drivers' Championships and 16 Constructors' Championships, more than any other team. Many of the best known drivers in the sport's history have raced in Scuderia Ferrari's distinctive red cars including Alberto Ascari, Juan-Manuel Fangio, Mike Hawthorn, Phil Hill, John Surtees, Niki Lauda, Jody Scheckter, Gilles Villeneuve, Michael Schumacher and Kimi Raikkonen. Our drivers' line-up in 2019 comprised four-time World Champion Sebastian Vettel, who joined Ferrari at the beginning of 2015, and Charles Leclerc, the first graduate of the Ferrari Driver Academy training scheme to race for our Formula 1 race team.

For Scuderia Ferrari, 2019 was very much a year of reorganization, with many team members taking on new roles, including Mattia Binotto, who stepped up to the role of Team Principal, and one half of the driver line-up was renewed. During the past season, Scuderia Ferrari achieved three wins, nine pole positions, 19 podiums and 504 points. Its drivers led for a total of 406 laps, approximately a third of the total number of race laps over the entire season, and the team finished second in the Constructors' Championship.

Participation in the Formula 1 World Championship is regulated by bilateral Team Agreements entered into between Formula 1 World Championship Limited (FOWC), Formula 1's commercial rights holder, and each competing Formula 1 racing team (including Scuderia Ferrari) and by regulations issued by the Federation Internationale de l'Automobile (FIA), the motorsport's governing body.

<sup>(1)</sup> Top 20 markets are, in alphabetical order, Australia, Austria, Belgium, Brazil, China, Finland, France, Germany, Greece, Italy, Mexico, Netherlands, Pan Africa, Pan Latin America, Pan Middle East, Pan Russia, Poland, Russia, United Kingdom and United States.

## Scuderia Ferrari, the most winning team in the history of Formula One



**1951**  
First Grand Prix



**238**  
Grand Prix



**15**  
Drivers' Championships



**16**  
Constructors' Championships

1950 ←

→ 2019

We are the only team that has competed in each season since launch and the oldest and most successful in the history of Formula 1

### 2019 F1 World Championship Race Calendar



## FERRARI N.V.

### / Formula 1 Activities

The Team Agreements cover the 2013-2020 racing seasons and govern the terms by which the racing teams take their share of commercial profits. The FIA sets both the sporting and technical regulations for the competitions. In return for their participation in Formula 1 races the teams receive a share of a prize fund based on the profits earned from Formula 1 related commercial activities managed by FOWC, including in particular, television broadcasting royalties and other sources. Shares in the prize fund are paid to the teams, largely based on the relative ranking of each team in the championship. We use our share of these payments to defray part of the costs associated with Scuderia Ferrari, including the costs of designing and producing the race cars each year and the costs associated with managing a racing team including the salaries of the drivers, who are typically among the most highly paid athletes in the world. New regulations were introduced in 2019, relating to aerodynamics, drivers' weight, fuel allowance and the requirement for drivers to wear biometric gloves for additional safety. The discussions to establish the sport's regulations which will apply from 2021 onwards continued during 2019. The new rules were approved by the World Council on October 31, 2019, with the understanding that they will be subject to further discussions between F1, the FIA and the teams over the coming months, which may lead to further changes between now and 2021. Please see 2019 Annual Report *"Risk Factors—Our revenues from Formula 1 activities may decline and our related expenses may grow".*

Improvements in technology and, from time to time, changes in regulation require the design and production of a new racing car every year. Therefore, in addition to our long-term research and development efforts, we begin designing our cars each year in the Spring, in anticipation of the start of the racing season the following March. While the chassis we build each year are designed to be used throughout the racing season, the majority of other components fitted on our cars are adjusted from race to race depending on the characteristics of the circuits.

To maximize the performance, efficiency and safety of our Formula 1 cars, while complying with the strict technical rules and restrictions set out by the FIA, our research and development team plays a key role in the development of our road cars and their engines. We often transfer technologies initially developed for racing to our road cars. Examples include steering wheel paddles for gear-shifting, the use and development of composite materials, which makes cars lighter and faster, and technology related to hybrid propulsion.

Our road cars (especially our sports car models) have benefited from the know-how acquired in the wind tunnel by our racing car development teams, enjoying greater stability as they reach high speeds on and off the track. Our research and development team focused on combining minimal lap times with maximum efficiency, leading to advances in kinetic energy recovery system, or ERS, technology. Current advanced ERS features two electric motor/generator units in every car, which allow the car to recover, store and deploy energy generated both by the vehicle during braking and by the exhaust gases through a turbocharger.

The high brand visibility we achieve through participation in the Formula 1 World Championship has historically enabled us to benefit from significant sponsorship. Philip Morris International has been Scuderia Ferrari's partner for over forty years and currently remains our Title Partner. Starting from October 2018, the "Mission Winnow" logo has appeared on the cars' livery and drivers' overalls. Mission Winnow is a Philip Morris International global campaign aimed at driving change by constantly searching for better ways of doing things. Shell has also been a long term Sponsor and Technical Partner of Scuderia Ferrari (supporting the team continuously since 1996).

The other partners of the Team are divided into three different categories (Sponsor, Official Supplier and Supplier) and include Ray-Ban, Kaspersky lab, UPS, Lenovo, Weichai, Mahle, Hublot, AMD, OMR and Alfa Romeo among others. Visibility and placement of a sponsor's

logo reflects the level of sponsorship fees. Historically, our sponsors have sought advertising opportunities on the chassis of our cars, on clothes worn by our team members and drivers, and in the right to associate their brand to Ferrari in their marketing activities and communications.

We use the platform provided by Formula 1 for a number of associated marketing initiatives, such as the hosting of clients and other key partners in Ferrari Formula 1 Club Hospitality to watch and experience the Grand Prix races with Scuderia Ferrari, and our Formula 1 drivers' participation in various promotional activities for our road cars. We often sell older Formula 1 cars to customers for use in amateur racing or collection.

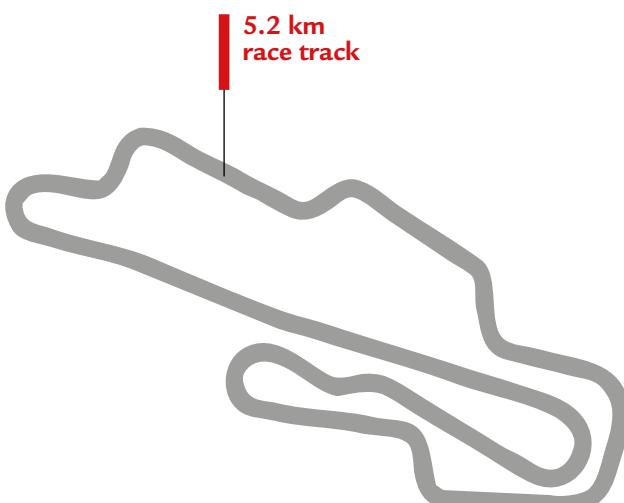
More generally, Formula 1 racing allows us to promote and market our brand and technology to a global audience without resorting to traditional advertising activities, therefore preserving the aura of exclusivity around our brand and limiting the marketing costs that we, as a company operating in the luxury industry, would otherwise incur.

## The Mugello Circuit

We acquired the international Mugello circuit in Scarperia, near Florence, in 1988. We have renovated its buildings, 5.2 km race track and other testing and racing facilities, making Mugello what we believe to be one of the world's finest circuits of its type, with FIA Grade 1 and FIM Grade A certifications, the highest level of homologation for a racetrack.

We promote the Mugello circuit to event organizers who regularly rent the circuit to host leading car and motorbike races, including the MotoGP World Championship since 1992. In 2019, the circuit hosted 16 race weekends and 250 days of track activities. Almost 121,000 spectators attended the 2019 MotoGP World Championship (71,000 on the Sunday), one of the largest audiences ever recorded in the 29 years of the Mugello circuit's history.

In 2011, the Mugello circuit won its fifth "Best Grand Prix" award, the highest honor given in the motor sport world to MotoGP organizers. The Mugello circuit is the only track race to have received this award five times.



## FERRARI N.V.

# Brand Activities

Ferrari is one of the world's leading luxury brands. We engage in brand development and protection activities through licensing contracts with selected partners, retail activities through a chain of franchised or directly managed stores, licensed theme parks and the development of a line of apparel and accessories sold exclusively in our monobrand stores and on our website [www.store.ferrari.com](http://www.store.ferrari.com).

Ferrari owns and manages two museums, one in Maranello and one in Modena, which attracted more than 600,000 visitors in 2019.

## Licensing, Entertainment and Theme Parks

We enter into license agreements with a number of licensees for the design, development and production of Ferrari branded products.

We carefully select our licensees through a rigorous process and we contractually seek to ensure that our brand and intellectual property are protected and that the products which will eventually bear our brand are of adequate quality, appearance and market positioning. Ferrari branded products include consumer electronics, sportswear, toys, video games, watches and other accessories, as well as theme parks.

In 2019, we commenced our participation in eSports (*i.e.*, electronic sports) with the launch of an entertainment platform and the selection of a team which took part in two of the main world championships: F1 Pro Series 2019 and SRO E-Sport GT Series, which our team won.

A significant portion of our revenues from licensing activities consists of royalties we receive in connection with Ferrari World, our theme park in Abu Dhabi. Ferrari World opened on Yas Island, on the North East side of Abu Dhabi's mainland, in 2010. Ferrari World's iconic sleek red roof is directly inspired by the classic double curve side profile of the Ferrari GT body, spanning 200,000 square meters and carrying the largest Ferrari logo ever created. Ferrari World Abu Dhabi offers an all-around Ferrari experience to children and adults alike.

Our second theme park, Ferrari Land Portaventura, opened in April 2017 near Barcelona, and includes Red Force, the tallest and fastest roller-coaster in Europe. In the long-term we aim to open one theme park in each of the main geographic areas where we operate, including North America and Asia.

## Retail

Through our network of stores (franchised or directly managed), we offer a wide range of Scuderia Ferrari branded products, including a line of apparel and accessories exclusively sold in our stores and on our website. All products sold in our stores and on our website are either directly sourced from our selected network of suppliers or manufactured by our licensees.

As at December 31, 2019, there were a total of 44 retail Ferrari stores, including those in Maranello, Milan, Rome, Macau, Miami, Los Angeles, Johannesburg, Dubai and Abu Dhabi, of which 24 are franchised stores (including 15 Ferrari Store Junior) and 20 stores owned and operated by us.

We require all franchisees to operate our monobrand stores according to our standards. Stores are designed, decorated, furnished and stocked according to our directions and specifications.

We use multiple criteria to select our franchisees, including know-how, financial condition, sales network and market access. Generally, we require that applicants meet certain minimum working capital requirements and have the requisite business facilities and resources. We typically enter into a standard franchising agreement with our franchisees. Pursuant to this agreement, the franchisee is authorized to sell our products at a suggested retail price. In exchange, we provide them with our products, the benefit of our marketing platform and association with our corporate identity.

## Brand Diversification Strategy

In November 2019, management presented the principles of its brand diversification strategy, recognizing Ferrari as a unique brand with a dual identity: exclusive, but also inclusive in relation to our F1 fan communities. To ensure long term profitable growth, Ferrari intends to focus its offering on product categories that enhance the vibrancy and vitality of the brand through the following pillars:

- “Brand Extension” pillar, a refined collection of products that will embody Ferrari’s DNA;
- “Entertainment” pillar, to reach out to a wider and younger customer base while leveraging Ferrari’s unique racing roots; and
- “Car Adjacencies” pillar, a collection of exclusive luxury products and services to complement the Ferrari experience.





# Intellectual Property

We own a number of registered designs and utility patents. We expect the number to grow as we continue to pursue technological innovations and to develop our design and brand activities.

We file patent applications in Europe, and around the world (including in the United States) to protect technology and improvements considered important to our business. No single patent is material to our business as a whole.

We also own a number of registered trademarks, designs and patents, including approximately 493 trademarks (word or figurative), registered in several countries and across a number classes. In particular, we ensure that the maximum level of protection is given to the following iconic trademarks, for which we own approximately 4,000 applications/ registrations in approximately 140 countries, in most of the main classes for goods and services.

The names of our sports, GT, special series and Icona car models and Formula 1 single-seater models are also registered as trademarks (and logotypes) and we also register their domain names and the cars' design.

The protection of intellectual property is also increasingly important in connection with our design and brand activities. Therefore, we adopt and follow internal processes and procedures to ensure both that all necessary protection is given to our intellectual property rights and that no third party rights are infringed by us. In addition, we are particularly active in seeking to limit any counterfeiting activities regarding our Ferrari branded products around the world. To reach this goal we closely monitor trademark applications and domain names worldwide, actively interact with national and local authorities and customs and avail ourselves of a network of experienced outside counsels.



# *Materiality Matrix and Stakeholder Engagement*



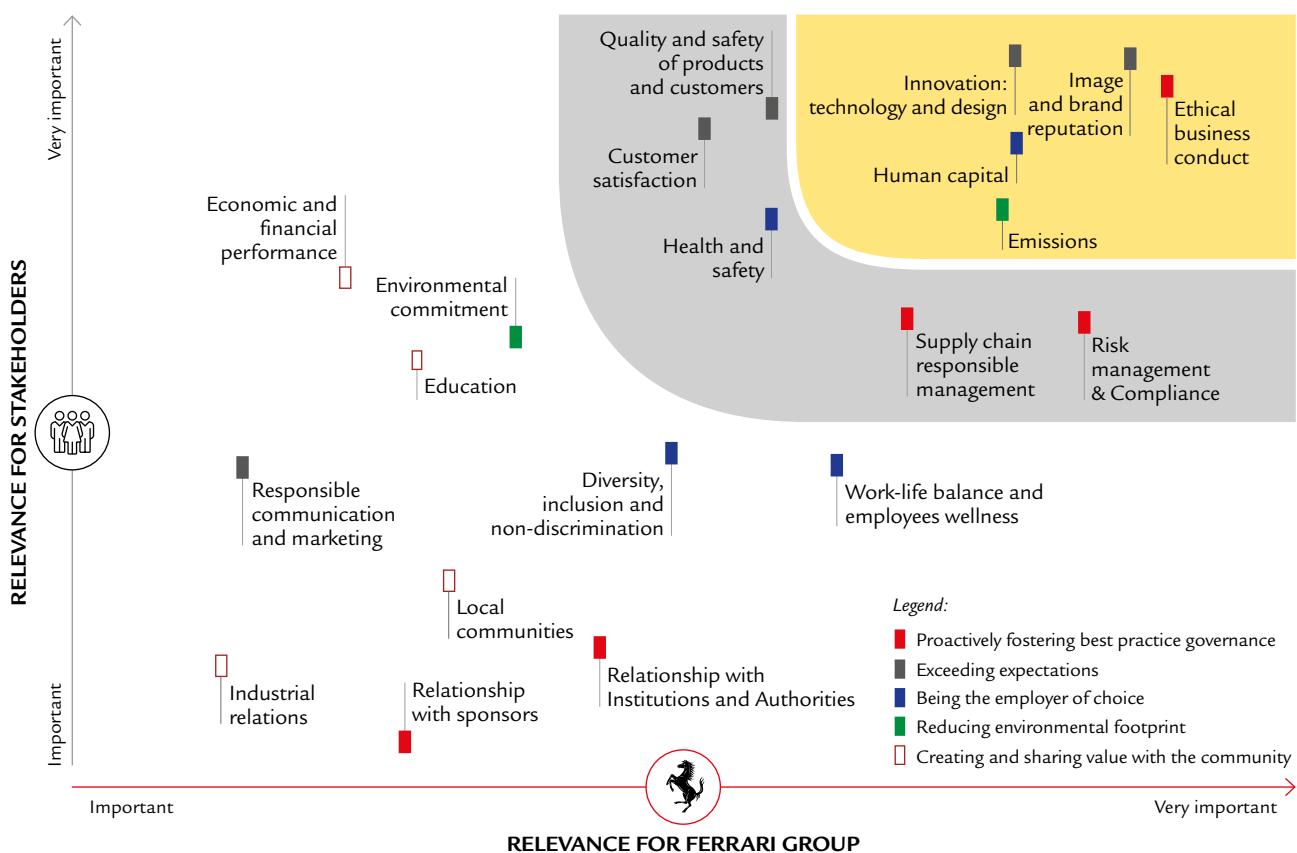
**FERRARI N.V.**

# Materiality Matrix of Ferrari Group

In 2019, we updated the analysis of the most relevant sustainability topics<sup>(1)</sup> (materiality analysis), for the Group and our stakeholders to better reflect sustainability context developments, changes in our drivers and goals, as well as our 2019-2022 plan, which led to the creation of our 5 sustainability strategic pillars: exceeding expectations; reducing

environmental footprint; being the employer of choice; creating and sharing value with the community and; proactively fostering best practice governance. This process has been complemented through a qualitative analysis by our Senior Management Team ("SMT"), which resulted in the materiality matrix below.

## Materiality Matrix of Ferrari Group



The materiality matrix highlights the assessed topics that are most relevant for the Group and our stakeholders and therefore represent our strategic sustainability priorities.

Specifically, the most relevant topics are related to product responsibility: image and brand reputation, innovation, quality and safety of products and customers, customer satisfaction and supply

<sup>(1)</sup> The potentially relevant topics are identified by taking into consideration sector benchmarking analyses, UN Sustainable Development Goals (SDGs), and relevant international studies and publications.

## | Materiality Matrix and Stakeholder Engagement |

chain responsible management. Special attention is also paid to ethical business conduct and risk management and compliance. The analysis also confirmed the importance of the development of human capital and the commitment to employees' health and safety. With a particular focus on

reducing emissions, environmental responsibility is also a key aspect. Compared to last year's materiality matrix, we incorporated the material topics "Attention to enthusiasts" and "Sport fair play" into "Image and brand reputation" and "Ethical business conduct", respectively.

This materiality matrix translated into our sustainability approach characterized by:

### **EXCEEDING EXPECTATIONS:**

Drive technological innovation while pursuing excellence in design and craftsmanship to fuel the passion of our customers and fans.

#### Material topic

- Image and brand reputation
- Innovation: technology and design
- Quality and safety of products and customers
- Customer satisfaction
- Responsible communication and marketing



SDGs

### **PROACTIVELY FOSTERING BEST PRACTICE GOVERNANCE:**

Maintain Ferrari's corporate governance and risk management systems aligned with best practices to ensure an ethical business conduct while providing superior and sustainable returns to our shareholders.

#### Material topic

- Ethical business conduct
- Risk management and Compliance
- Supply chain responsible management
- Relationship with Institutions and Authorities
- Relationship with sponsors



SDGs

### **BEING THE EMPLOYER OF CHOICE:**

Provide an inclusive, educational and inspiring work environment to unleash everyone's passion, creativity and talent.

#### Material topic

- Human capital
- Health and safety
- Work-life balance and employees wellness
- Diversity inclusion and non-discrimination



SDGs

### **REDUCING ENVIRONMENTAL FOOTPRINT:**

Increase our environmental awareness to continuously set and implement related programs and actions.

#### Material topic

- Emissions
- Environmental commitment



SDGs

### **CREATING AND SHARING VALUE WITH THE COMMUNITY:**

Encourage strategic partnerships and the creation of positive externalities for all stakeholders.

#### Material topic

- Economic and financial performance
- Education
- Local communities
- Industrial relations



SDGs

## FERRARI N.V.

### / Materiality Matrix of Ferrari Group

The abovementioned material topics have been linked to the Sustainable Development Goals (SDGs), that are impacted by our business. Each material topic is analyzed in the subsequent chapters

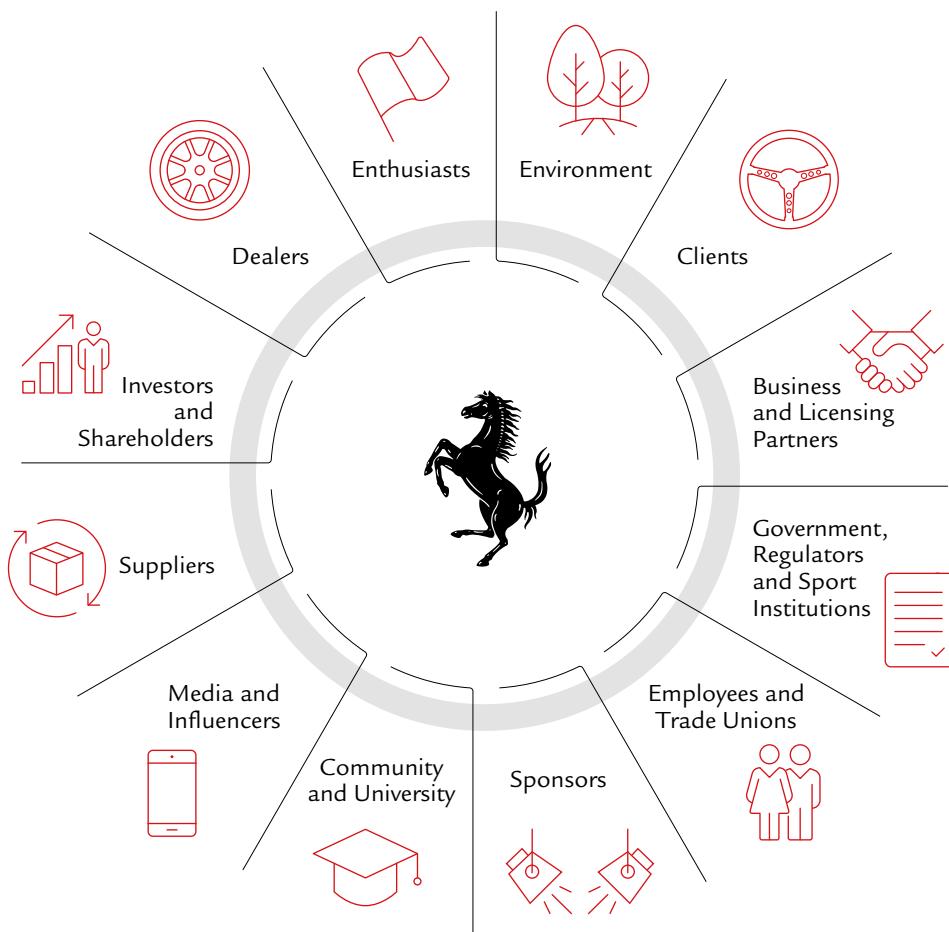
within this Sustainability Report and includes a qualitative description of management's approach and, where available, selected performance indicators, as shown in the table below.

MOST SIGNIFICANT MATERIAL TOPICS	PURSUED POLICIES	KEY RISKS AND RISK TRENDS	RELEVANT CHAPTERS OF THE SUSTAINABILITY REPORT
<b>IMAGE AND BRAND REPUTATION</b>	Enhancing and protecting the value and exclusivity of the Ferrari brand.	• Brand image	<i>Ferrari Group</i>
<b>ETHICAL BUSINESS CONDUCT</b>	Maintaining a culture dedicated to integrity, responsibility and ethical behavior.	• Non-compliance with laws, regulations, local standards (including tax) and codes	<i>Proactively fostering best practice governance</i>
<b>INNOVATION: TECHNOLOGY AND DESIGN</b>	Being focused on developing new technologies and distinctive designs.	• Brand image • Competition	<i>Exceeding expectations</i>
<b>HUMAN CAPITAL</b>	Creating an inspiring working environment, enabling the development of everyone's talent	• Attraction, development and retention of talents	<i>Being the employer of choice</i>
<b>EMISSIONS</b>	Focusing on researching technologies that further reduce emissions and preparing for a low-emission future	• Non-compliance with laws, regulations, local standards (including tax) and codes	<i>Reducing environmental footprint</i>
<b>QUALITY AND SAFETY OF PRODUCTS AND CUSTOMERS</b>	Designing and manufacturing while keeping the safety of our customers and other road users always in mind	• Non-compliance with laws, regulations, local standards (including tax) and codes	<i>Exceeding expectations</i>
<b>RISK MANAGEMENT &amp; COMPLIANCE</b>	Taking an integrated approach to risk management.  Acting with the highest level of integrity, complying with applicable laws.	• Non-compliance with laws, regulations, local standards (including tax) and codes	<i>Proactively fostering best practice governance</i>
<b>CUSTOMER SATISFACTION</b>	Being devoted to the highest level of customer satisfaction.	• Brand image • Competition	<i>Exceeding expectations</i>
<b>HEALTH AND SAFETY</b>	Enforcing a safety-first culture.	• Attraction, development and retention of talents	<i>Being the employer of choice</i>
<b>SUPPLY CHAIN RESPONSIBLE MANAGEMENT</b>	Implementing a responsible and efficient supply chain management;  Encouraging the adoption of sustainable practices and sharing among our business partners and suppliers	• Non-compliance with laws, regulations, local standards (including tax) and codes	<i>Proactively fostering best practice governance</i>

# Stakeholder engagement

As an international firm with ambitious corporate objectives and a complex value chain, we need to develop forms of communication and collaboration with both our internal and external stakeholders that allow us to understand their various needs, interests and expectations.

This Sustainability Report is addressed to all stakeholders involved in our activities, as shown in the following image:



With regard to stakeholder involvement, we support our brand value by promoting a strong connection with the Ferrari community: our enthusiasts and clients. We focus on strengthening this connection by rewarding our most loyal clients through a range of initiatives.

The high attention and care towards our products is the foundation upon which our success is built, and this is achieved thanks to the efforts of our employees.

**FERRARI N.V.****/ Stakeholder engagement**

We rely on a significant number of suppliers who play an important part in the success of the Group: for the sourcing of certain key components with high technological specifications, we have developed strong synergistic relationships with some of our suppliers, which are considered “key strategic innovation partners”.

We continue to invest heavily to minimize our environmental impact. Our vehicles must comply with extensive regional, national and local laws and regulations, as well as industry self-regulations (including those that regulate vehicle safety).

We are a dual-listed Company, therefore, the financial discipline, enhanced through the relationship with shareholders and investors, further supports the Company in pursuing its business targets.

Furthermore, we collaborate with universities and high schools to provide scholarships to talented students.

In 2019, we carried out various stakeholder engagement activities in order to enhance the voice of our stakeholders. We engaged with our employees by explaining what sustainability stands for within Ferrari while taking into consideration their priorities. We also engaged 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. All these activities allowed us to further strengthen our materiality analysis.

Considering the rising environmental and social changes, these engagement activities are an important part of the sustainability approach that helps us identifying our sustainability risks and opportunities, as well as supporting management in achieving the Company's objectives.



| Materiality Matrix and Stakeholder Engagement |

## STAKEHOLDERS DIALOG

STAKEHOLDERS	AREAS OF INTEREST	COMMUNICATION METHODS
 <b>Enthusiasts</b>	<ul style="list-style-type: none"> <li>• F1 Activities</li> <li>• Sport and GT Cars</li> <li>• “Ferrari Classiche”</li> <li>• Brand Value</li> <li>• Innovation</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Scuderia Ferrari</li> <li>&gt; Motor show</li> <li>&gt; Website, social media</li> </ul>
 <b>Environment</b>	<ul style="list-style-type: none"> <li>• Emissions</li> <li>• Environmental commitment</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Motor show</li> <li>&gt; Website</li> </ul>
 <b>Clients</b>	<ul style="list-style-type: none"> <li>• Image and brand reputation</li> <li>• Customer satisfaction</li> <li>• Innovation: technology and design</li> <li>• Privacy and security</li> <li>• Quality and safety of products</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Client relations: client and driving events</li> <li>&gt; Personalization Programs</li> <li>&gt; Customer satisfaction survey</li> <li>&gt; Website, social media</li> </ul>
 <b>Business and Licensing Partners</b>	<ul style="list-style-type: none"> <li>• Image and brand reputation</li> <li>• Continuity of the service</li> <li>• Contract terms and conditions</li> <li>• Financial soundness</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Meetings</li> <li>&gt; Website</li> </ul>
 <b>Government, Regulators and Sports Institutions</b>	<ul style="list-style-type: none"> <li>• Compliance with the law</li> <li>• Sport fair play</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Dialogues concerning new regulations and available technologies</li> <li>&gt; Scuderia Ferrari</li> <li>&gt; Financial statements</li> <li>&gt; Website</li> </ul>
 <b>Employees and Trade Unions</b>	<ul style="list-style-type: none"> <li>• Motivation and development</li> <li>• Work-life balance</li> <li>• Welfare</li> <li>• Health and safety</li> <li>• Equal opportunities</li> <li>• Industrial relations</li> <li>• Ethical business conduct</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Induction for new employees and training programs</li> <li>&gt; Internal initiatives</li> <li>&gt; Meetings with Top Management</li> <li>&gt; Collective bargaining agreements</li> <li>&gt; Participation in management-worker health and safety committees</li> <li>&gt; Website, social media</li> </ul>
 <b>Sponsors</b>	<ul style="list-style-type: none"> <li>• Formula 1 Activities</li> <li>• Image and brand reputation</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Scuderia Ferrari</li> <li>&gt; Website, social media</li> </ul>
 <b>Community and University</b>	<ul style="list-style-type: none"> <li>• Support local initiative</li> <li>• Employment support</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Partnerships with universities</li> <li>&gt; Meeting and local events</li> <li>&gt; Website, social media</li> </ul>
 <b>Media and Influencers</b>	<ul style="list-style-type: none"> <li>• Transparency</li> <li>• Formula 1 Activities</li> <li>• Image and brand reputation</li> <li>• Innovation: technology and design</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Scuderia Ferrari</li> <li>&gt; Press releases</li> <li>&gt; Website, social media</li> <li>&gt; Communication with journalists</li> <li>&gt; New model/technology launch events</li> </ul>
 <b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Continuity of the service</li> <li>• Supplier risk assessment</li> <li>• Contract terms and conditions</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Website</li> <li>&gt; Meeting</li> <li>&gt; Contractual documents</li> </ul>
 <b>Investors and Shareholders</b>	<ul style="list-style-type: none"> <li>• Market transparency</li> <li>• Financial soundness</li> <li>• Economic performance</li> <li>• Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Financial earnings</li> <li>&gt; Investor Conference</li> <li>&gt; Roadshow</li> <li>&gt; Website</li> </ul>
 <b>Dealers</b>	<ul style="list-style-type: none"> <li>• Image and brand reputation</li> <li>• Transparency</li> <li>• Motivation and development</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Communication with Management</li> <li>&gt; Convention</li> <li>&gt; Training course</li> <li>&gt; Website</li> </ul>



*Proactively fostering  
best practice governance*



## FERRARI N.V.

# Our Governance

*Ferrari N.V. is a public limited liability Company, incorporated under the laws of the Netherlands and endorses the principles and best practice provisions of the Dutch corporate governance code issued by the Dutch Corporate Governance Code Committee except for certain provisions as disclosed in its 2019 Annual Report.*

## Our Board of Directors

As of December 31, 2019, our Board of Directors is composed by ten Directors as shown in the table below:

### DIRECTORS AND COMMITTEES AS OF DECEMBER 31, 2019

Directors	Executive	Non Executive	Independent			Committees			Directors from <sup>(1)</sup>
			NYSE Rules	Dutch Code	Audit	Compensation	Governance and Sustainability		
<b>John Elkann</b> (Chairman of the Company and Executive Director) <sup>(2)</sup>	•						•		April 15, 2016
<b>Louis C. Camilleri</b> (CEO) <sup>(3)</sup>	•								January 2, 2016
<b>Piero Ferrari</b> (Vice Chairman)	•	•				•			January 2, 2016
<b>Sergio Duca</b> (Chair of the Board and Senior Non-Executive)	•	•	•	•					January 2, 2016
<b>Delphine Arnault</b>	•	•	•						April 15, 2016
<b>Giuseppina Capaldo</b>	•	•	•	•	•	•	•		January 2, 2016
<b>Eddy Cue</b>	•	•	•			•	•		January 2, 2016
<b>Maria Patrizia Grieco</b>	•	•	•	•					April 15, 2016
<b>Adam Keswick</b>	•	•	•						April 15, 2016
<b>Elena Zambon</b>	•	•	•						January 2, 2016

<sup>(1)</sup> References in this table to directors refers to Ferrari N.V.. The Board of Directors are appointed annually on each annual general meeting of shareholders.

<sup>(2)</sup> Mr. John Elkann is Executive Director from April 12, 2019.

<sup>(3)</sup> Mr. Luis C. Camilleri is Executive Director from September 7, 2018.

## DIRECTORS BY AGE GROUP AND GENDER

Directors	31.12.2019			
	30-50	>50	Total	Total %
Male	2	4	6	60%
Female	2	2	4	40%
<b>Total</b>	<b>4</b>	<b>6</b>	<b>10</b>	<b>100%</b>

For more information regarding our Board of Directors and Committees, please refer to the “*Corporate Governance*” paragraph of 2019 Annual Report.

## Our Governance and Sustainability Committee

The Governance and Sustainability Committee is responsible for, among other things, assisting and advising the Board of Directors, and acting under authority delegated by the Board of Directors, with respect to:

- (i) the identification of the criteria, professional and personal qualifications for candidates to serve as Directors,
- (ii) periodic assessment of the size and composition of the Board of Directors,
- (iii) periodic assessment of the functioning of individual Directors and reporting on this to the Board of Directors,
- (iv) proposals for appointment of executive and non-executive Directors,
- (v) supervision of the selection criteria and appointment procedure for senior management,
- (vi) monitoring and evaluating reports on the Group’s sustainable development policies and practices, management standards, strategy, performance and governance globally, and
- (vii) reviewing, assessing and making recommendations as to strategic guidelines for sustainability-related issues, and reviewing the annual Sustainability Report.

The Governance and Sustainability Committee currently consists of Mr. John Elkann (Chairperson), Ms. Giuseppina Capaldo and Mr. Eddy Cue. Effective as of July 24, 2019 Mr. Eddy Cue was appointed member of the Governance & Sustainability Committee instead of Mr. Sergio Duca.

The Governance and Sustainability Committee is elected by the Board of Directors and is comprised of at least three Directors. More than half of the members shall be independent under the Dutch Corporate Governance Code, and at most one of the members may be an executive Director.

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.

## FERRARI N.V.

# Integrity of Business Conduct

The foundation of Ferrari's governance model is the Code of Conduct that reflects our commitment to a culture dedicated to integrity, responsibility and ethical behavior. Ferrari endorses the United Nations ("UN") Declaration on Human Rights, the International Labor Organization ("ILO") Conventions and the Organization for Economic Co-Operation and Development ("OECD") Guidelines for Multinational Companies.

Accordingly, the Code of Conduct is intended to be consistent with such guidelines and aims to ensure that all members of the Ferrari Group workforce act with the highest level of integrity, comply with applicable laws, and build a better future for our Company and the communities in which we do business. The complete Code of Conduct can be found on our website at

[http://corporate.ferrari.com/en/governance/code-conduct.](http://corporate.ferrari.com/en/governance/code-conduct)

Ferrari's integrity system comprises the following primary elements:

- Principles that capture the Company's commitment to important values in business and personal conduct;
- Practices that are the basic rules that must guide our daily behaviors required to achieve our overarching Principles;
- Procedures that further articulate the Company's specific operational approach to achieving compliance and that may have specific applications limited to certain geographical regions and/or businesses as appropriate.

Our Code of Conduct is approved by the board of directors of Ferrari N.V. and applies to all board members and officers, as well as full-time and part-time employees of the Ferrari Group.

The Code of Conduct also applies to all temporary, contract and all other individuals and companies that act on behalf of the Ferrari Group.

The Code of Conduct is completed with the following Ferrari Practices: (i) Conducting Business, (ii) Interacting with External Parties, (iii) Managing

our Assets and Information and, (iv) Protecting our Workforce. These Practices, which further explain the Code of Conduct, can be consulted by all employees on the Company intranet.

Internal Audit investigates possible violations of the Code of Conduct during standard periodic audits and through specific Business Ethics Compliance (BEC) audits. In 2019, BEC surveys were carried out to measure employees' awareness on: Code of Conduct, Whistleblowing Procedure, Gift and Entertainment Expenses Management. In light of the results, dedicated training activities have been implemented accordingly.

The Company's governance model includes policies for respecting Human Rights, which prohibit child and forced labor and pay attention to safe working environment for our employees.

# Anti-Bribery and Corruption

Ferrari's Code of Conduct includes, among others, rules related to anti-bribery, anti-corruption, competitive behavior and conflicts of interest. Ferrari is committed to the highest standards of integrity, honesty and fairness in all internal and external affairs and will not tolerate any kind of bribery. The laws of virtually all countries in which Ferrari operates prohibit bribery. Ferrari's policy is that no one - director, officer, or other employee, agent or representative - shall, directly or indirectly, give, offer, request, promise, authorize, solicit or accept bribes or any other perquisite (including gift or gratuities with the exception of commercial items universally accepted in an international context of modest economic value, permitted by applicable laws and in compliance with the Code of Conduct and all applicable practices and procedures) in connection with their work for Ferrari at any time or for any reason. 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.

| Proactively fostering best practice governance |

## Whistleblowing

Violations of the Code of Conduct are determined through periodic activities carried out by our Internal Audit and Compliance Departments, through the analysis of the reports received in accordance with the Ethics Helpline Management Procedures and through checks which form part of the standard operating procedures.

The Ethics Helpline is a dedicated channel that allows employees, suppliers, dealers, consumers and other stakeholders to request advice about the application of the Code of Conduct, and to report any concerns about alleged situations, events, or actions that they believe may be inconsistent with the Code of Conduct. Stakeholders can also report alleged violations anonymously if permitted by local law. The Ethics Helpline can be accessed either by phone or by web intake (with multiple languages available) and is an essential element of the management process, in accordance with the Code of Conduct, in relation to raised concerns. It is managed by an independent provider, available 24 hours a day, seven days a week.

Furthermore, Ferrari employees may also seek advice concerning the application and interpretation of the Code of Conduct by contacting their immediate supervisor, Human Resources representatives or the Legal and Compliance Departments.

Internal Audit, with the support of the Legal Department, Human Resources and other business functions possibly involved, assesses all

the allegations received. The results and potential disciplinary actions are then reported based on the necessary escalation process (the relevant internal functions are notified of the violations).

On November 15, 2017, Italian law for whistleblowing, which contains provisions for the protection of reporters of crimes or irregularities that have come to light in the context of a public or private employment relationship, was definitively adopted (Law n. 179/2017). The law concerns the protection of workers, public or private, who report or denounce crimes or other illegal conduct which they have come to know about in the context of their employment relationship. Our whistleblowing procedures are in line with the provisions of Law n.179/2017.

The violations of the Code of Conduct have been categorized according to the Principles of the Code of Conduct. Accordingly, Managing Our Assets and Information includes: Communicating Effectively, Protecting Ferrari Assets and Maintaining Appropriate Records. The category Interacting with External Parties comprises Avoiding Conflicts of Interest and Supporting Our Communities. Conducting Business covers Sustainably Purchasing Goods or Services, Transacting Business Legally and Engaging in Sustainable Practices. Finally, Protecting Our Workforce includes behaviors related to Maintaining a Fair and Secure Workplace, and Ensuring Health and Safety. For all Code of Conduct violations, the disciplinary measures taken are commensurate with the seriousness of the case and comply with local legislation.

### WHISTLEBLOWING REPORTING AS OF DECEMBER 31, 2019

Category	Reports received in 2019	Reports closed in 2019*	Reports in which a violation was confirmed
Conducting business	1	1	1
Interacting with external parties	4	4	1
Managing our assets and information	-	2	-
Protecting our workforce	16	9	5
<b>Total</b>	<b>21</b>	<b>16</b>	<b>7</b>

\* Including 2 WB received in 2018.

Periodic reporting is provided to the CEO as well as to the Audit Committee.

## FERRARI N.V.

## Compliance

In 2019, there were no significant final judgements relating to breach of (i) corruption laws, (ii) anti-competitive, antitrust and monopoly laws, (iii) environmental laws and (iv) social and economic area laws. During the reporting period there were no significant fines and/or non-monetary sanctions with respect to points (iii) and (iv) above and no incidents of discrimination were identified.

## Sustainability Risks

We are committed to creating a culture of sustainability. Creating such a culture requires effective risk management, responsible and proactive decision-making, and innovation. Our efforts are aimed at minimizing the negative impacts of our business. Our risk management approach is an important business driver and it is integral to the achievement of the Group's long-term business plan. We take an integrated approach to risk management, where risk and opportunity assessment are at the core of the leadership team agenda. The Board of Directors is responsible for

considering the ability to control and manage risks crucial to achieving its identified business targets, and for the continuity of the Group.

Ferrari has adopted the last publication ("Enterprise Risk Management - Integrating Strategy and Performance") of the COSO Framework (Committee of Sponsoring Organizations of the Treadway Commission) as the foundation of its enterprise risk management (ERM). 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. Our risk management framework is discussed with the Group's Audit Committee at least on an annual basis.

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 described in the paragraph "Materiality Matrix of Ferrari Group".

In particular, the most material topics identified by Ferrari are strongly connected with the following key risks and risk trends:

Topics	Key risks and risk trends
Image and brand reputation	BRAND IMAGE
Innovation: technology and design	BRAND IMAGE - COMPETITION
Customer satisfaction	

The preservation and enhancement of the value of the Ferrari brand is crucial in driving revenue and demand for our cars. The perception and recognition of the Ferrari brand are of strategic importance and depend on many factors such as the design, technology, performance, quality and image of our cars, as well as the appeal of our dealerships and stores, the success of our client activities, and our general profile, including our brand's image of exclusivity.

The prestige, identity and appeal of the Ferrari brand also depend on the continued success of the Scuderia Ferrari racing team in the Formula 1 World Championship.

| Proactively fostering best practice governance |

We believe that we compete primarily thanks to our brand image, the performance and design of our cars, our reputation for quality and the driving experience we offer our customers.

Topics	Key risks and risk trends
Ethical business conduct	
Emissions	
Risk management and Compliance	NON-COMPLIANCE WITH LAWS, REGULATIONS, LOCAL STANDARDS (INCLUDING TAX) AND CODES
Quality and safety of products and customers	
Supply chain responsible management	
Health and safety	

We are subject to comprehensive and constantly evolving laws, regulations and policies throughout the world. In Europe, United States and China, for example, significant governmental regulation is driven by environmental, fuel economy, vehicle safety and noise emission concerns, and regulatory enforcement has become more active in recent years.

Topics	Key risks and risk trends
Human capital	ATTRACTION, DEVELOPMENT AND RETENTION OF TALENTS

Our success depends on the ability of our senior executives and other members of management to effectively manage individual areas of the business and our business as a whole. If we are unable to attract, retain and incentivize senior executives, drivers, team managers and key employees to succeed in international competitions or devote the capital necessary to fund successful racing activities, new models and innovative technology, this may adversely affect the potential enthusiasm of Ferrari clients for the brand and their perception of our cars, which could have an adverse effect on our business, results of operations and financial condition.

A detailed description of how we respond to these risks can be found in the section "Risk, Risk Management and Control Systems" of the 2019 Annual Report.

## Responsible Supply Chain

Our focus on excellence, in terms of luxury, quality, aesthetics and performance, requires us to implement a responsible and efficient supply chain management in order to select suppliers and partners that are able to meet our high standards. Notwithstanding the low volume of cars manufactured, our production process requires a great variety of inputs entailing a complex supply chain management to ensure continuity of production. We source a variety of components (among which transmissions, brakes, driving-safety systems and others), raw materials (such as aluminum or special steel), supplies, utilities, logistics and other services from numerous suppliers.

## FERRARI N.V.

### / Responsible Supply Chain

Ferrari encourages the adoption and sharing of sustainable practices among our business partners, suppliers and dealers. All suppliers must respect the Ferrari Code of Conduct, which includes the set of values recognized, adhered to and promoted by our Company. The Code of Conduct was updated to include specific guidelines relating to the respect of human rights and conflicts of interest. The Group made its best effort to ensure that the Code of Conduct is regarded as a best practice of business conduct and followed by third parties, including long lasting relationships and business partners such as suppliers, dealers, advisors and agents. 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.

Relevant suppliers are assessed through a risk analysis that aims at identifying critical suppliers, thanks to a mix of a financial-economical (the first step of the supplier assessment is always the financial stability) and industrial assessments. Their growth capability is analyzed to identify where we need to support the development of our business partners to help them meet the requests of the Group.

The Supplier Risk Committee (SRC) meets on a quarterly basis and, using the data provided by the Supplier Risk Manager, is responsible for: ensuring that operational procedures used by Purchasing Department to qualify new vendors are aligned to Group Policy and Guidelines; reviewing the situation of critical suppliers and approving current action plan and mitigating actions, requesting further action plans to mitigate risks that could come from supply relationships or existing critical situations (e.g. bank guarantees in case of advances to the supplier for fixed costs such as R&D and tooling); approving any exceptions, if needed. The approval of the SRC is binding with regard to supplier evaluation in case of High Risk suppliers profile.

We have established long lasting relationships with suppliers that produce key components for our cars, especially those focusing on innovation. This synergistic relationship aims at putting together

high-level know-how to develop exclusive best-in-class solutions for Ferrari. We currently rely on 14 key strategic innovation partners, including for the supply of transmissions and brakes. We have also developed strong relationships with other industrial partners for bodyworks and chassis manufacturing and for powertrain and transmissions, among other things. Pursuant to our make-or-buy strategy, we generally retain production in-house whenever we have an interest in preserving or developing technological know-how or when we believe that outsourcing would impair the efficiency and flexibility of our production process. Therefore, we continue to invest in the skills and processes required for low-volume production of components that we believe improve product quality.

Products sold through Ferrari's wholesale network, stores (franchised or directly managed) and on our website are either developed directly or produced through licensing agreements.

### Conflict minerals

Ferrari supports the goal of preventing the exploitation of minerals violating human rights. As part of Ferrari's commitment to respect and promote human rights and the sustainability of its operations, Ferrari selects suppliers based not only on the quality and competitiveness of their products and services, but also on their adherence to social, ethical and environmental principles, as outlined in Ferrari's Code of Conduct. Many geopolitical experts believe that conflicts may increasingly arise over access to raw materials. For this reason, Ferrari places a high priority on responsible sourcing and the integrity of its suppliers.

The cars we produce contain various metals, which may include tantalum, tin, tungsten and/or gold (collectively, "3TG" or "Conflict Minerals").

Ferrari has developed strategies addressing Section 1502 of the Dodd-Frank Act, as well as subsequent rules promulgated by the U.S. Securities and

| Proactively fostering best practice governance |

Exchange Commission (collectively, the “Conflict Mineral Rules”), requiring companies to determine whether 3TG in their supply chain originated from the Democratic Republic of the Congo and its adjoining countries (collectively, the “Covered Countries”), and whether the procurement of those minerals supported the armed conflict in this region. Due to the complexity of our supply chain, we are dependent upon suppliers to provide the information necessary to correctly identify the smelters and refiners that produce the 3TG contained in our products and take appropriate action to determine that these smelters and refiners source responsibly.

We strive to ensure that legitimate business activities and the livelihoods of individuals in Covered Countries are not harmed by our efforts. To this end, we promote responsible sourcing in Covered Countries.

In accordance with the Organization for Economic Co-operation and Development (OECD) Guidance, we have established an internal management system in relation to the supply of Conflict Minerals, with the objective, *inter alia*, of (1) minimizing the trade in Conflict Minerals that directly or indirectly finance or benefit armed

groups anywhere in the world; and (2) enabling legitimate minerals from conflict and high risk regions to enter Ferrari’s global supply chain, thereby supporting the economies and the local communities that depend on the export of such minerals. We have strengthened our engagement with suppliers, communicating our position on responsible sourcing and our expectations in terms of responsible supply chains. In addition, we have established a control and transparency system over our 3TG supply chain. Such system includes surveying our suppliers about the 3TG in their supply chain.

Among other things, we:

- expect our suppliers to assure that the 3TG in their products do not directly or indirectly finance or benefit armed groups in the Covered Countries; and
- require all of our 3TG suppliers to conduct the necessary due diligence and provide us with adequate information on the country of origin and source of the materials used in the products they supply to us.

In 2018, 93% of Ferrari’s direct suppliers by purchased value submitted responses to our survey. We are strongly committed to increase the coverage of our analysis and the response rate through targeted actions.

Red Dot:  
best of the  
best award

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5 years in a row

187

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points of sale



# *Exceeding expectations*

**~1.3€bn**

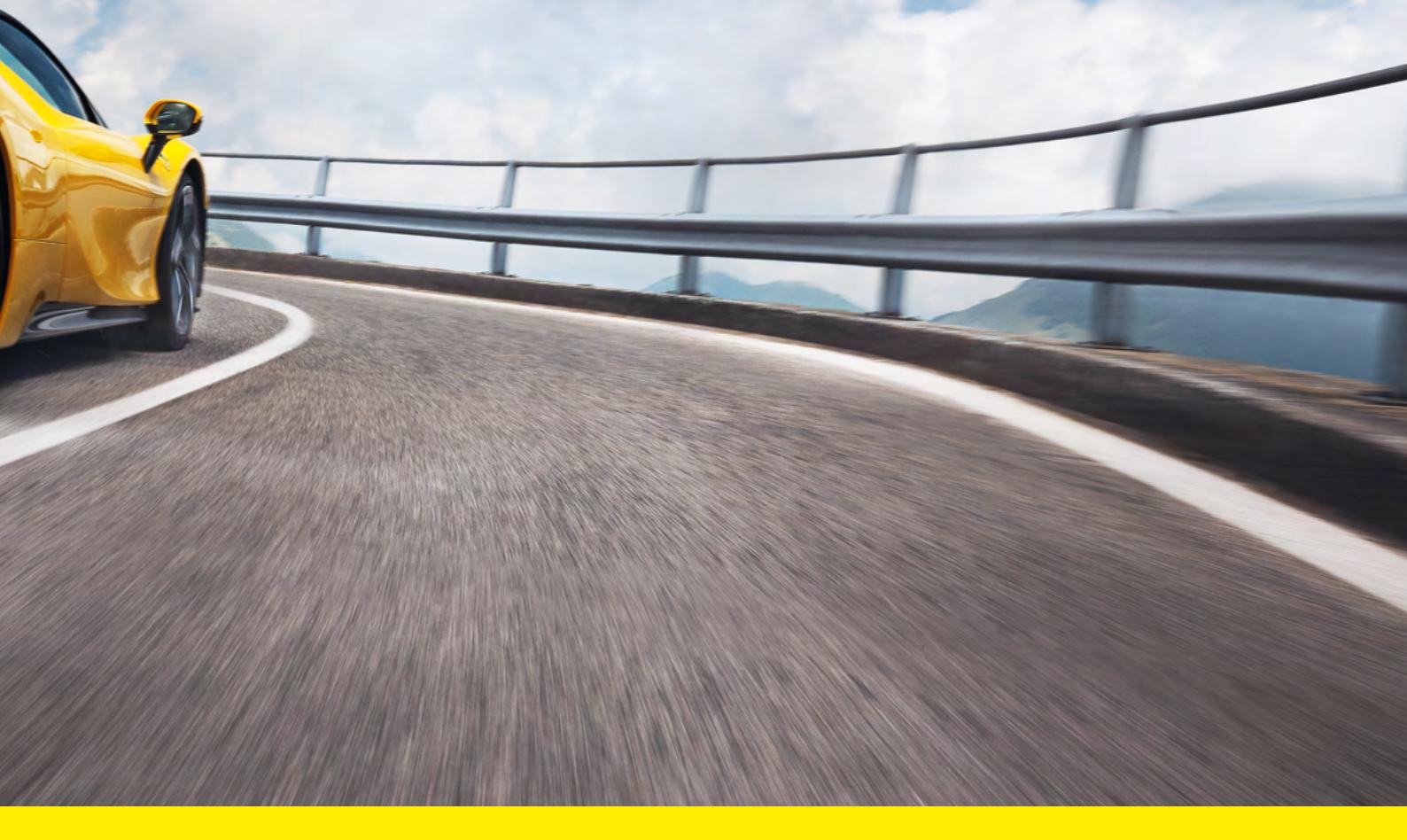
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expensed R&D  
and CAPEX

International  
engine  
of the year

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4 years in a row



**FERRARI N.V.**

# *Research, Innovation and Technology*

*Innovation is in our DNA and we will continue pushing boundaries to respond to customers' desires, always setting new standards in the "Ferrari way".*

Innovation drives products and processes, which represents one of our key differentiating factors. This is why we are focused on developing new technologies and distinctive designs.

Participation in the Formula 1 World Championship with Scuderia Ferrari is an important source of technological innovation, which is then transferred or adapted into our road cars, such as the hybrid configuration of the SF90 Stradale. Moreover, our development efforts take into account the three defining dimensions of Ferrari cars: performance, versatility and comfort, as well as driving emotions. In addition to these internally driven factors, regulation is key in determining the direction of technical innovation.

One of our other main focuses is on innovating our working methods, which involves stimulating the creativity of our employees. With this in mind, we have implemented programs designed to encourage the development of ideas and solutions that will improve products, methods and the working environment. Pole Position Evo, for instance, rewards ideas put forward by individual staff members. In 2019, we received around 20,000 suggestions from employees, more than doubling from the previous year.

In recent years, several of our innovations have been renowned, for instance, by winning the International Engine of the Year award for four years in a row (2016 - 2019). Additionally, in 2018, Ferrari's engine was voted the best engine of the past 20 years.

Our focus on excellence requires a strong collaboration with our suppliers, and a handful of them are considered "key strategic innovation partners". Collaborations with leading universities are also in place to foster the development of new ideas.

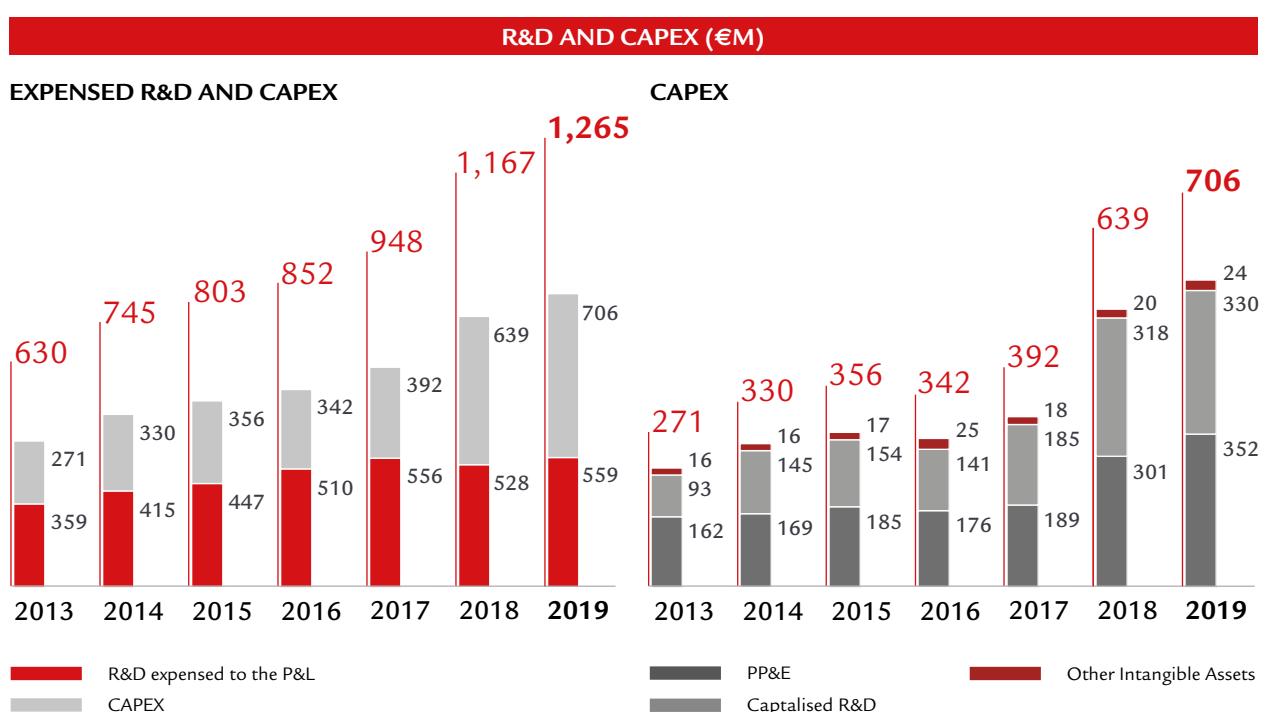
Technological breakthroughs are further enhanced through design. In 2010, the Ferrari Design Center was established as a best-in-class in-house design department to improve control over the design process and to ensure long-term continuity of the Ferrari style. A guiding principle of the Ferrari style is that each new model represents a clear departure from prior models and introduces new and distinctive aesthetic elements, delivering constant innovation within the furrow of tradition. Our designers, modelers and engineers work together to create car bodies that incorporate the most innovative aerodynamic solutions within the elegant and powerful lines typical of Ferrari cars.

The Design team has been presented with several design awards such as the "Red Dot: Best of the Best" award, which was granted for five years in a row (2015 – 2019).

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. A clear example of this is the SF90 Stradale, our first hybrid series-production car.

| Exceeding expectations |

The R&D investments and expenses to fuel the growth of the Group, as described above, are represented in the charts below:



In 2017, according to OECD data, the gross domestic spending on R&D was 1.35% of the GDP in Italy, 1.97% in European Union and 2.79% in the USA<sup>(1)</sup>. The automotive sector is the EU's number one investor in R&D and is responsible for 28% of total spending, with €57.4 billion annually<sup>(2)</sup>. Increasing amounts of R&D are being directed at developing electric vehicles and autonomous driving, while other funds are deployed to improve vehicle safety. On this last issue, the European Union has set a target to reach zero deaths and serious injuries by 2050<sup>(3)</sup>.

<sup>(1)</sup> Source: OECD, 2017.

<sup>(2)</sup> Source: ACEA (European Automobile Manufacturers' Association), The Automobile Industry Pocket Guide 2019- 2020, 2019.

<sup>(3)</sup> Source: European Commission, Mobility and Transport, 2020.

**FERRARI N.V.****Innovation**

Innovation drives products and processes, which represents one of our key differentiating factors.

Participation in the Formula 1 World Championship with Scuderia Ferrari is an important source of technological innovation.

**Design**

Design is a fundamental and distinctive aspect of our products and our brand.

Our designers, modelers and engineers work together to create car bodies that incorporate innovation and tradition. In 2010 we established the Ferrari Design Centre, our in-house design department.

**Engineering development**

Our development efforts take into account the three defining dimensions of Ferrari cars: performance; versatility and comfort; and driving emotions. These three dimensions variably interact in our sports and GT cars.

**Open Innovation**

Innovation runs within Ferrari and we are well aware that partnerships and synergies with external entities of different sectors have to be established to face the future challenges of the automotive industry. By getting access to the most advanced researches and studies, we aim to develop new practical solutions for our industrial processes and technical products. We believe that open innovation is a proficient tool capable of helping us crossing the boundaries between different sectors and technologies. Below are just a few examples on how we lead innovation in our Company.

Ferrari has established partnerships with universities and research centers to convert the most advanced theoretical researches, especially in technology, engineering and computer science, into practical solutions for our industrial processes. Ferrari also collaborates with research centers and other organizations to find common solutions to technological problems, combining state-of-the-art expertise from different sectors.

The spreading of cross-fertilization and high-end know-how between different companies is becoming more relevant for the emergence of innovative ideas. Ferrari is one of the founding members of CRIT, a private company specialized

in the research and analysis of technical and scientific information and in the development of research project activities. The aim of CRIT is to spread collaborative innovation between different enterprises and to share different needs and knowledge in order to generate new ideas and access enabling technologies.

A more fertile environment for innovation could also be created by generating a virtuous circle between big companies and start-ups. Ferrari, with the help of specialized partners, is scouting start-ups to develop specific innovation projects that will result in the realization of prototypes.

By working in close contact with key suppliers to foster innovative solutions and by sharing different expertise, Ferrari is able to overcome several challenges in many different fields. An example of this approach can be found in the partnership created with suppliers for the realization of a state-of-the-art 1:1 scale static and dynamic simulator that is able to replicate the behavior of Ferrari's vehicles in all the relevant driving conditions.

Since several added-value ideas are also generated within our Company, we have launched the pilot project "Internal Open Innovation" with the objective of spreading "innovation pills" to allow access to everyone's ideas in all technical

fields. The project consists of three main tools, with a common goal of knowledge sharing and strategical know-how growth, while also improving the network of opportunities in the innovation ecosystem. The internal event called Smart Technology Trends Roundtable offers employees the opportunity to take a deep dive into new topics through dedicated lectures from universities, research or other industry experts, therefore creating a conducive environment for brainstorming new ideas.

The two editions of 2019 covered stimulating topics that fostered creativity, know-how and the generation of new ideas. The second tool, Smart Technology Trends journal covers a large number of innovation topics, analyzing new technologies in the automotive, cross or start-up worlds. Finally, an Innovation Newsletter with tips and highlights is completing the overview on artificial intelligence, sensors, future mobility, connectivity, human machine interface technologies, and many other topics of interest.

## Design

Design is a fundamental and distinctive aspect of our products and our brand. Our designers, modelers and engineers work together to create car bodies that incorporate the most innovative aerodynamic solutions in the sleek and powerful lines typical of our cars. The interiors of our cars seek to balance functionality, aesthetics and comfort. Cockpits are designed to maximize the driving experience, tending towards more sporty or more comfortable, depending on the model. The interiors of our vehicles boast elegant and sophisticated trims and details that enhance the ergonomic layout of all main controls, many of which are clustered on the steering wheel. A guiding principle of our design is that each new model represents a clear departure from prior models and introduces new and distinctive aesthetic elements, delivering constant innovation within the furrow of tradition.

For the design of our cars we have relied historically on Italian coachbuilders such as Carrozzeria Touring, Vignale, Scaglietti and Pininfarina. These partnerships helped Ferrari in defining its design language at the forefront of design advance. Throughout the years this area of excellence has been recognized repeatedly by a long series of awards being bestowed upon Ferrari road cars.

In 2010 we established the Ferrari Design Centre, our in-house design department, with the objective of improving control over the entire design process and ensuring long-term continuity of the Ferrari style. The mission of the Ferrari Design Centre is to define and evolve the stylistic direction of the marque, imprinting all new products with a modern stamp, according to a futuristic, uncompromised vision. The name and logo “Ferrari Design” denotes all concepts and works from Ferrari Design Centre (see “—*Intellectual Property*”). Ferrari Design handles all aspects of automotive styling for the Ferrari road cars product range, encompassing the styling of all bodywork, external components and interior trim, applied to series production models for the GT and sports car range special editions, limited editions, Icons, one-off models, concept cars and some track-only models. Ferrari Design also includes a Color & Trim unit which manages the choice of materials and finishes for both exterior and interior trim and, in addition, is responsible for the Tailor Made program in conjunction with the Product Marketing department. Ferrari Design is also involved in the styling and conceptual definition of Ferrari branded products produced by our licensees (see “—*Brand Activities*”). In 2019, we created the Advanced Design team, a laboratory that aims at defining the brand’s design vision, developing new concepts and formal languages through so far unexplored methods and tools, and trying to achieve simplification and formal purity while staying true to the Ferrari DNA which has characterized its history.

In September 2018 we opened a new building for the Ferrari Design Centre, which is our first facility fully dedicated to the Ferrari Design. The new building hosts two Ateliers and the Tailor Made department

## FERRARI N.V.

### / Design

to engage clients with Ferrari's rich personalization services. The Ferrari Design Centre entirely designed our most recent cars, including the Ferrari Roma, the SF90 Stradale, the F8 Tributo and F8 Spider, the 812 GTS and the Ferrari Monza SP1 and SP2.

or all wheel drive and, in future, electric-powered driving. Comfort results from the ease of the riding experience and on board interface. Regulation will affect development in this area - for example, a prescribed electric range may be required in future to access city centers.

## Product development

### *Product development and technological innovation*

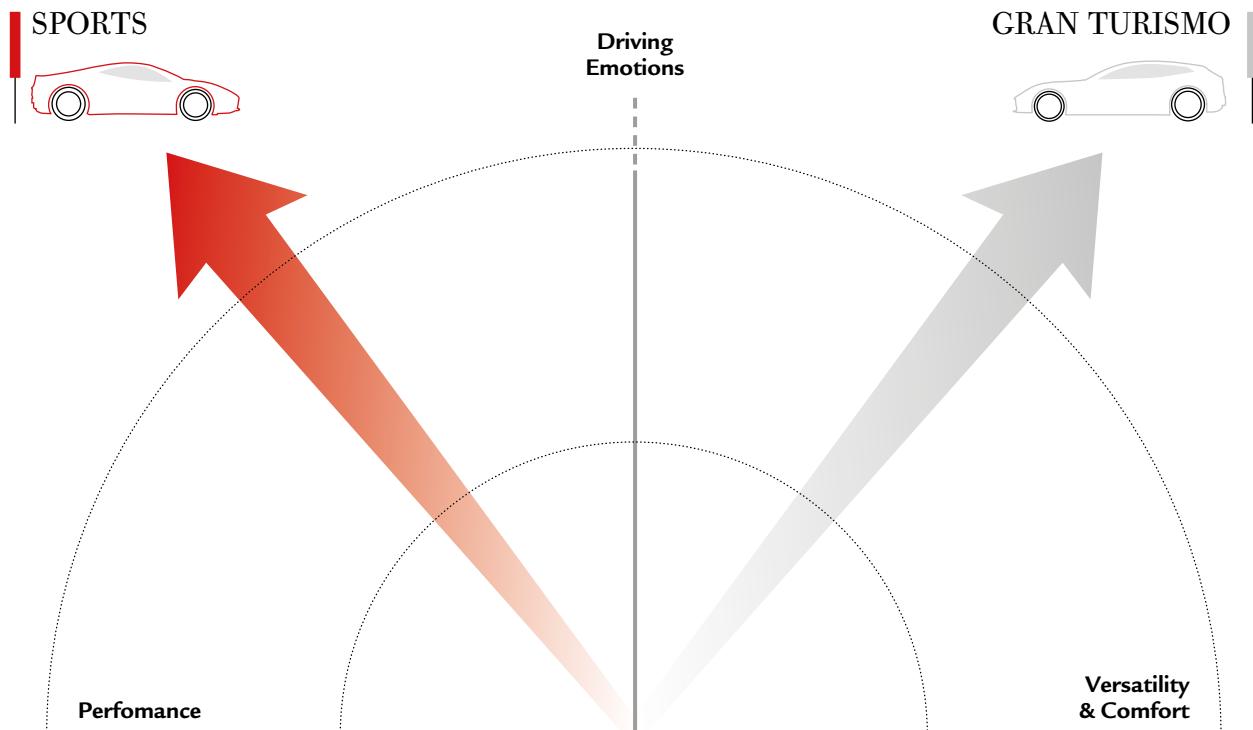
Our development efforts take into account the three defining dimensions of Ferrari cars: performance; versatility and comfort; and driving emotions.

Performance reflects features such as weight, horsepower, torque, aerodynamic efficiency, acceleration, and maximum speed, which all contribute to determine the lap time on track. We strive to ensure that every Ferrari is the best performing car in its segment.

Versatility derives from spaciousness, accessibility and mode of traction, including rear wheel drive

Driving emotions is a key differentiator of Ferrari cars. There are three elements to driving emotions: sound, perceived acceleration and responsiveness of the car. Sound is an important part of the experience and very involving for the driver. Perceived acceleration is the driver's subjective impression of the car acceleration beyond the actual 0-100 or 0-200 km/h performance measured in the car technical specifications. Responsiveness requires that every driver command lead to a direct and controllable reaction of the car.

These three dimensions variably interact in our sports and GT cars. As we work on the future product range, we strive to improve on each of those dimensions, focusing for sports cars on performance and driving emotions, and for GT cars on versatility and comfort on board and fun to drive - driving emotions.



## Innovation principles

We believe there are five key guidelines to innovation at Ferrari:

### 1.

**Focus on the three key defining dimensions previously described above**

### 2.

**Leveraging on Formula 1 know-how**

### 3.

**First mover positioning in core areas such powertrain and aerodynamics**

### 4.

**Customization of technologies available on the market (such as the turbo technology)**

### 5.

**Pursuit of synergies**

(arising from common architectures within our range)

In addition to these internally driven factors, regulation is key in determining the direction of innovation.



**Best Engine  
of the Year 2019**

## Combustion engines

We believe internal combustion engines will remain important in Ferrari's powertrain mix and therefore we continue to invest significantly in new combustion engine technologies and the development or use of bio-fuels. In 2018 we won the "Engine of the Year" award for the newest edition of our V8 turbocharged engine mounted on the 488 Pista.

Going forward, Ferrari will have three engine families: we will maintain and develop the V12 naturally aspirated engine family, long the pinnacle of Ferrari engines; we will implement the next technological step ups for the V8 family; and we will develop a completely new V6 family based on a specific and innovative architecture.

The industry effort to combine greater power outputs with lower emissions and consumption often leads to a higher turbo lag. Through a technological breakthrough, Ferrari has engineered a turbo engine with turbo engine performance but with the response of a naturally aspirated engine. For example, the specific power output of the 488 Pista was increased to 184 horsepower without meaningful turbo lag.

In the future, we intend to use hybrid and electric technology, as well as Formula 1 technology, to increase specific power output without turbo lag.

We are deploying considerable resources for the development of hybrid and electric powertrains, which will be mounted on an increasingly larger proportion of our car models; this is intended to improve performance and driving experience while also satisfying customer preferences and regulatory requirements regarding emissions. With the SF90 Stradale we developed the first series production car in our range with Plug-in-Hybrid Electric Vehicle (PHEV) technology.

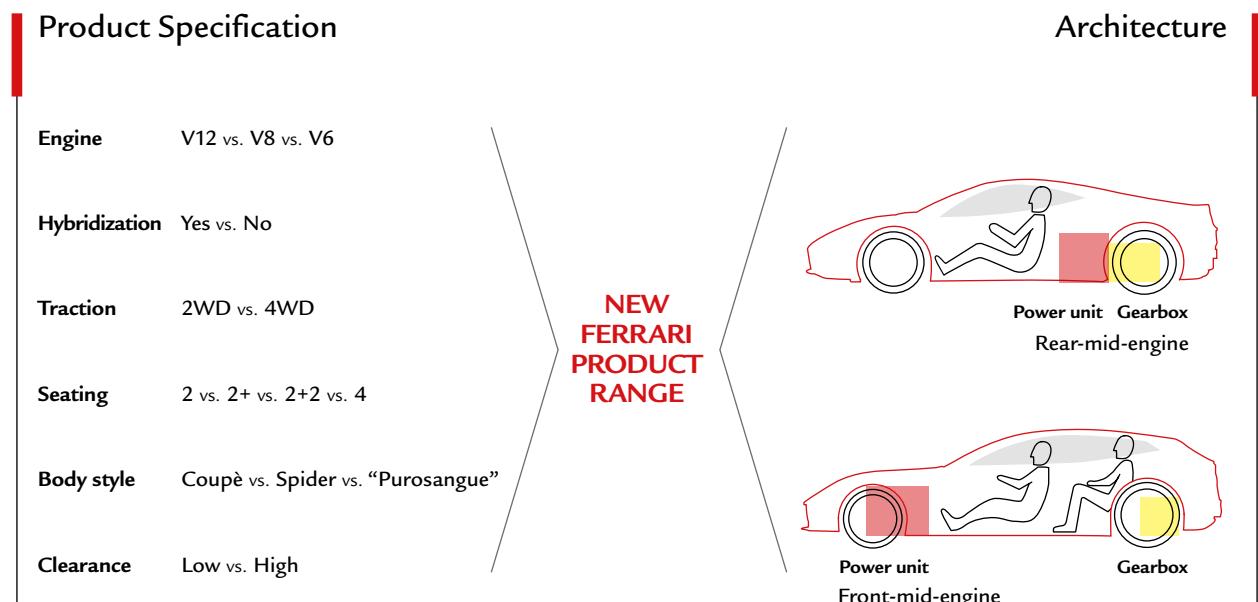
## FERRARI N.V.

### / Product development

#### *Architecture*

In addition to engines, the other principal technical area we are focusing on is the architecture. Our architecture covers all principal technical specifications of future Ferrari models. We expect that innovation requirements will arise principally from: the evolution of engine families; the level of hybridization and electrification; modes of traction; the number of seats up to a real four-seater; and the body style, which will vary much more significantly than in the past in light of the introduction of the Purosangue.

We expect that our core architectures will be the rear-mid-engine architecture and the front-mid-engine architecture, each comprising several variants.



#### *Rear-mid-engine architecture*

The rear-mid-engine architecture is designed to integrate multiple power units with a higher specific power output than the 488 Pista. In this architecture, combustion engines can be combined with an electric motor to realize hybridization, including a battery to enable electric range. In combination, we have developed a new and highly innovative 8-shift double clutch transmission gearbox. Hybridization will impact the weight of engines and therefore we will deploy new lightweight technologies to compensate this impact. Package efficiency will also be key to achieve a compact car that reduces weight and inertia. In order to apply the architecture to different powertrains, the wheelbase may vary. The first example of this new architecture is the SF90 Stradale.

#### *Front-mid-engine architecture*

The front-mid-engine architecture, also a transaxle powertrain concept, is even more flexible than the rear-mid-engine architecture. This architecture is able to accommodate an all wheel drive powertrain, will allow for hybridization, and will have a flexible wheelbase suited to a variety of engines as well as seat configurations including two seaters and four seaters. It will be accessible, spacious and comfortable. Key to this architecture will be the new suspension systems we are developing, with a high range between comfort and sportiness.

| Exceeding expectations |

## New-generation human-machine interface

Particularly driven by growth in the GT segment, Ferrari has developed the next generation of human machine interface (HMI) technologies.

Using state-of-the-art technologies we will be guided by the Formula 1 derived concept of “eyes on the street, hands on the steering wheel”, for a focused, safe and enjoyable drive. The new HMI includes several new technologies, including a new head-up display, a new innovative cluster, a new steering wheel that features new commands and a new infotainment system, as well as tools aimed at positively enhancing the passengers’ experience.

## Autonomous driving

While we do not intend to develop self-driving cars, we will adopt certain features of autonomous driving technology in response to regulatory developments and customer preferences, especially in the GT segment. For example, in 2018 we launched initial functionalities for Advanced Driving Assistant Systems (ADAS) such as predictive breaking and automatic cruise control on current models, and further innovations will be introduced in future models.

Ferrari is carefully monitoring the evolution of autonomous driving technologies, including sensors and artificial intelligence, and we will select and customize those innovations compatible with the Ferrari experience. These technologies will also have an important impact on the electronic architecture of our cars.



## FERRARI N.V.

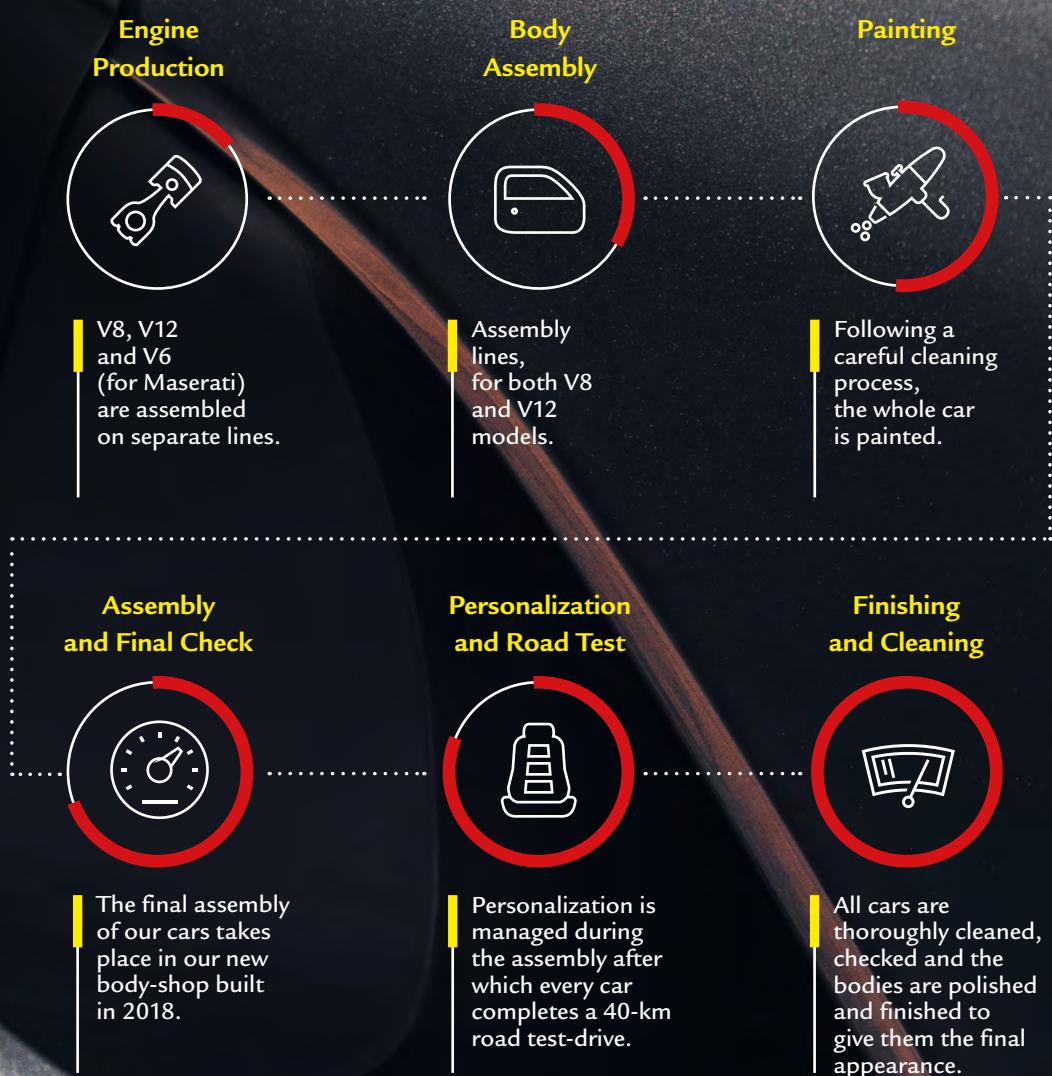
# *Production process*

Our production facilities are located in Maranello and in Modena, Italy (see “—*Properties*”). Our production processes include supply chain management, production and distribution logistics of cars in our range models and special series, as well as assembly of prototypes and avanseries.

Notwithstanding the low volumes of cars produced, our production process requires a great variety of inputs - over 40,000 product identifier codes sourced from approximately 750 total suppliers - entailing complex supply chain management to ensure continuity of production. Our stock of supplies is warehoused in Ubersetto, near Maranello, and its management is outsourced to a third party logistics company.

Most of the manufacturing process takes place in Maranello, including aluminum alloy casting in our foundry, engine construction, mechanical machining, painting, car assembly, and bench testing; at our second plant in Modena (Carrozzeria Scaglietti) we manufacture our cars' aluminum bodyworks. All parts and components not produced in house at Ferrari are sourced from our panel of suppliers.

Unlike most low volume car producers, we operate our own foundry and machining department producing several of the main components of our engines, such as engine blocks, cylinders heads and crankshafts. We believe this accelerates product development and results in components that meet our specifications more closely.



## FERRARI N.V.

# Client relations

Our clients are the backbone of our business together with our brand and our technology. We do not promote our brand or our cars through general advertising. Our main brand marketing and promotional activities have two principal targets.

Firstly, we target the general public. Our most significant effort in this respect is centered on our racing activities and the resonance of Scuderia Ferrari (see “*—Formula 1 Activities*”). We also engage in other brand-promotional activities, including participation in motor shows and other public events.

Secondly, we target existing and prospective clients, seeking to promote clients’ knowledge of our products, and their enjoyment of our cars both on road and on track, and to foster long-term relationships with our clients, which is key to our success. In 2019, more than 70 percent of our new cars were sold to Ferrari owners.

By purchasing our cars, clients become part of a select community sharing a primary association with the Ferrari image and we foster this sense of fellowship with a number of initiatives. We strive to maximize the experience of our clients throughout their period of interaction with Ferrari - from first contact, through purchasing decision process, to waiting-time management and ownership.

During the fourth quarter of 2019, we launched the MyFerrari App, an app created to enhance our clients’ connection to the Ferrari world through the direct distribution of tailored content. This new channel enables clients to directly access features and services, expanding their relationship with both the brand and their preferred official Ferrari dealer.

## Client events

We organize a number of client events in Maranello as well as other locations.

Our factory in Maranello is the core of our client engagement strategy and a symbolic hub attracting clients and prospects worldwide. Upon invitation, clients and prospects can visit the factory, witness some of its workings and experience several Ferrari core values such as heritage, exclusivity and customization. At the factory, clients also have the opportunity to configure their cars through our personalization and bespoke program (see “*—Ferrari Line-Up Strategic Pillars-Personalization Offer*”).

Every new model launch is carefully staged and selected clients and prospects have preferential access to the new car. The new model presentation begins with the release of images providing a preliminary view of its design. Clients are then invited to a preview or world premiere. A public model presentation generally follows at motor shows where clients are provided access to the Ferrari stand. Further country and regional events follow before delivery of the first cars to dealers.

In May 2019, clients from all over the world were invited to the world premiere of our first series production Plug-in Hybrid Electric Vehicle (PHEV) - the SF90 Stradale - with a presentation and gala dinner hosted at the Fiorano race circuit.

In September 2019, Ferrari launched “Universo Ferrari” exhibition, the first ever immersive exhibition dedicated to the world of Ferrari, set in a dedicated location overlooking the Fiorano Circuit. This new event format hosted the premieres of two new Spider models - the 812 GTS and F8 Spider, and had over 14,000

attendees including clients, prospective clients, and fans.

In November 2019, clients were invited to the Stadio dei Marmi in Rome for the world premiere of the new Ferrari Roma, an event in the “La Nuova Dolce Vita” spirit of the new luxury model.

## Driving events

Driving events serve the dual objective of allowing clients to enjoy the best emotions of driving a Ferrari, and to foster client loyalty and repeat purchases by creating enhanced opportunities to experience new Ferrari cars. The Ferrari community is a passionate group supported by a wide array of experiences tailored to the dreams of modern car owners, classic car connoisseurs, and racetrack enthusiasts.

We see nurturing our clients' passion for driving as a key asset for our future commercial success, particularly in markets where racing traditions are less pronounced. We offer to our prospective and existing clients interested in new Ferrari models our *Esperienza Ferrari* program, which consists of driving sessions with a team of highly qualified and skilled Ferrari instructors and technicians. In addition we also offer to our clients on-track driving courses (*Corso Pilota*), catering to different levels of skill and experience and teaching essential driving skills for high performance cars. In our newer markets, such as China, we also offer complimentary driving courses on-track to any new car buyer.

In addition to on-track racing, we organize various on-the-road driving events, both under proprietary formats (*Ferrari Cavalcade, including the Cavalcade Classiche and the International Edition*) and with our own

branded presence within established driving events. For example, in the *Ferrari Tribute to Mille Miglia* and the *Ferrari Tribute to Targa Florio* modern Ferrari cars take part in their own dedicated competition before the start of the main racing events.

Another exclusive driving experience was initiated in October 2019, led by experts of the Ferrari Classiche Academy, and aimed at classic car enthusiasts and clients interested in learning more about Ferrari's Classiche certification program and the storied archives at our Officine Classiche restoration department. The initiative also offers the opportunity to experience on-track driving of these celebrated models on our own Fiorano race circuit.

## GT Racing activities

In addition to several track day activities, organized by local sales departments and dealers to allow clients to enjoy their cars on ad-hoc rented tracks, Ferrari has a central department responsible for professionally organizing races and racing courses, *Corse Clienti*. The *Corse Clienti* activities take place on some of the world's most famous race tracks, and include both competitive races, such as the Ferrari Challenge Championships (Europe, UK, North America and the Asia-Pacific series), and non-competitive events, such as with *XX Programme* and *F1Clienti* activities, dedicated to clients who own respectively, non-homologated GT laboratory cars and F1 single-seaters previously used by the Scuderia Ferrari in the Formula 1 Championship. Ferrari Challenge and *XX Programme/F1 Clienti* events are run together in the so-called *Ferrari Racing Days*, which are open to the public and intended for a wider audience, and in 2019 were held in Laguna Seca, Shanghai and Nurburgring.

## FERRARI N.V.

### / GT Racing activities

These track activities reach their climax at the *Finali Mondiali*, an annual gathering of all Ferrari client racing programs under Corse Clienti, which last year took place from October 24 to 27 at the Mugello Circuit to celebrate the winners of the Challenge Series. The new Ferrari 488 Challenge EVO and 488 GT3 EVO were unveiled to our sporting customers from all over the world, while over the weekend 43,000 spectators in the stands were treated to the traditional Ferrari Show, with the 488 GTE celebrating 70 years of Ferrari victories at Le Mans, and the F60 celebrating the 90th anniversary of Scuderia Ferrari.

During the 2019 season, the *Competizioni GT* department supported both the Ferrari 488 GTE and the Ferrari GT3 cars that competed in the most important international championships. The 488 GTE, with a team composed of Alessandro Pier Guidi, James Calado and Daniel Serra, won the Le Mans 24 Hours competition in the WEC, and the same team also won the Petit Le Mans competition, the last round of the IMSA series. The 488 GT3, gave clear proof of its exceptional competitiveness and reliability, allowing Ferrari to grow its impressive record of victories, with 285 since its debut and 67 titles across various international series. In 2019 the new program, *Club Competizioni GT*, was successfully launched. The initiative is aimed at bringing back to the track the most beautiful Ferrari GT racing cars of the last 30 years and is dedicated to clients who love on-track racing and wish to unleash their cars' maximum potential, without short, time-constrained testing sessions and outside of competitive race settings.

## Dealer network

We sell our cars exclusively through a network of authorized dealers (with the exception of one-offs and track cars which we sell directly to end clients). In our larger markets we act as importer either through wholly owned subsidiaries or, in China, through a subsidiary partly owned by a local partner, and we sell the cars to dealers for resale to end clients. In smaller markets we generally sell the

cars to a single importer/dealer. We regularly assess the composition of our dealer network in order to maintain the highest level of quality. At December 31, 2019, our network comprised 166 dealers operating 187 points of sale.

We do not presently own dealerships and, while our strategy does not contemplate owning dealerships, we retain flexibility to adapt to evolving market requirements over time.

We believe that our careful and strict selection of the dealers that sell our cars is a key factor for promoting the integrity and success of our brand. Our selection criteria are based on the candidates' reputation, financial stability and proven track records. We are also intent on selecting dealers who are able to provide a purchase and after-sales experience aimed at exceeding our clients' high expectations. Furthermore, our dealers are committed to promote and market our cars in a manner intended to preserve the Ferrari brand integrity and to ensure the highest level of client satisfaction.

While dealers may hold multiple franchises, we enjoy a high degree of prominence and level of representation at each point of sale, where most of the client interface and retail experience is exclusive to Ferrari. Our network and business development team works with all dealers to ensure our operating standards are met. Our rigorous design, layout and corporate identity guidelines guarantee uniformity of the Ferrari image and client interface. Through our in-house Ferrari Academy we provide training to dealers for sales, after-sales and technical activities. This ensures that our dealer network delivers a consistent level of market leading standards across diverse cultural environments. We train and monitor dealers intensively. We collect and observe data relating to their profitability and financial health in order to prevent or mitigate any adverse experience for clients arising from a dealer ceasing to do business or experiencing financial difficulties. Our regional representatives visit dealerships regularly to monitor and measure performance and compliance with our operating standards. We have the right to terminate dealer relationships

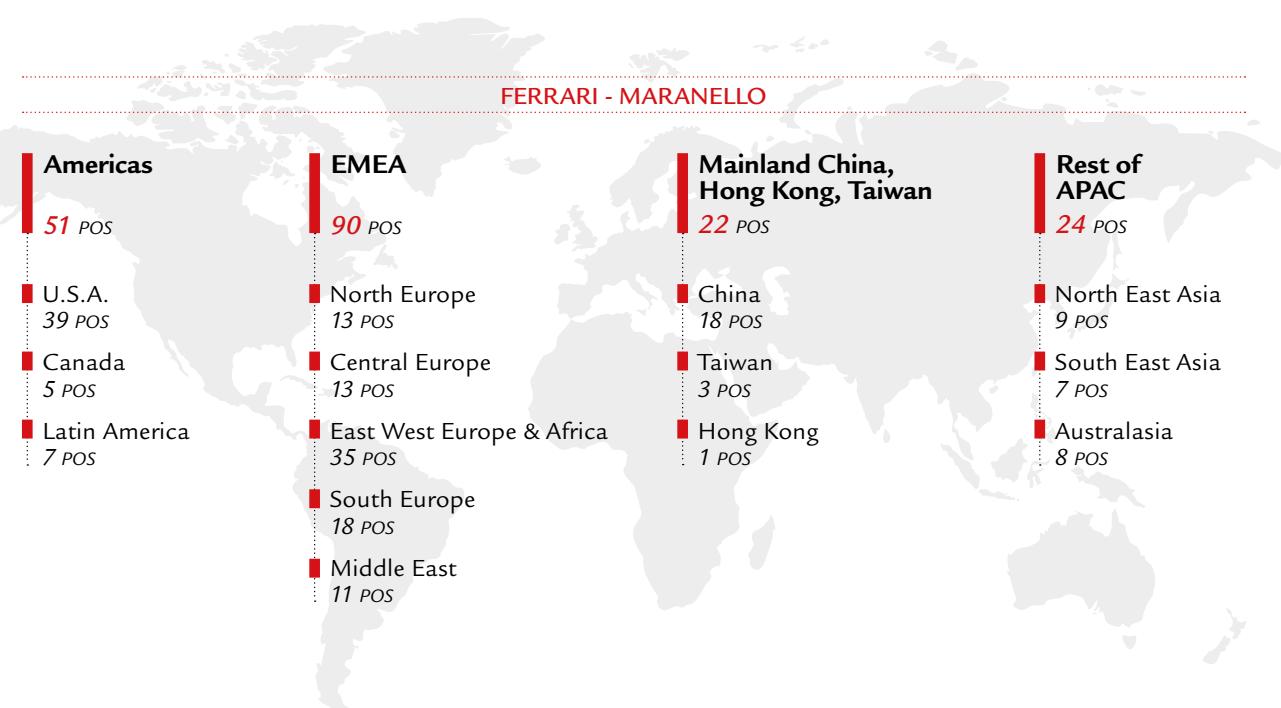
in a variety of circumstances, including failure to meet performance or financial standards, or failure to comply with our guidelines. Dealer turnover is relatively low, reflecting the strength of the franchise and our selection processes, but is sufficient to guarantee an orderly renewal over time and to stimulate the network's health and performance.

We provide a suggested retail price or a maximum retail price for all of our cars, but each dealer is free to negotiate different prices with clients and to provide financing. Although many of our clients in certain markets purchase our cars from dealers

without financing, we provide direct or indirect finance and leasing services to retail clients and to dealers. (See “—*Financial Services*”).

The total number of our dealers as well as their geographical distribution tends to closely reflect the development or expected development of sales volumes to end clients in our various markets over time.

The chart below sets forth the geographic distribution of our 187 points of sale at December 31, 2019:



Our sales are diversified across our dealer network, with the largest dealer representing approximately 2.5 percent of sales, and our 15 largest dealers representing 22.5 percent of sales.

As part of our supply and demand management, we determine allocations based on various metrics including expected developments in the relevant market, the number of cars sold historically by the various dealers, current order book of dealers and the average waiting time of the end client in the relevant market. Our order reporting system allows us to collect and monitor information regarding end client orders and is able to assist us in production planning, allocation and dealer management.

## FERRARI N.V.

## Parts

We supply parts for current and older models of Ferrari to our authorized dealer network. In addition to substitution of spare parts during the life of the car, sales are driven by clients' demand for parts to customize their cars and maximize performance, particularly after a change in ownership and to compete in the Ferrari Challenge and other client races. We also supply parts to Ferrari models currently out of production, with stocks dating back to 1995. The stock of parts for even older models is currently owned and managed by a third party which in some cases also manufactures out-of-stock parts based on our design. The sale of parts is a profitable component of our product mix and it is expected to benefit from the increase in the number of Ferrari cars in circulation.

## After-sales

Dealers provide after-sales services to clients, either at facilities adjacent to showrooms, or in stand-alone service points across 230 facilities worldwide. After-sales activities are very important for our business to ensure the client's continued enjoyment of the car and the experience. Therefore, we enforce a strict quality control on our dealers' services activities and we provide continued training and support to the dealers' service personnel. This includes our team of "flying doctors," Ferrari engineers who regularly travel to service centers to address difficult technical issues for our clients.

We sell cars together with a scheduled program of recommended maintenance services in order to ensure that these cars are maintained to the highest standards to meet our strict requirements for performance and safety.

Our 7 Year Maintenance Program (free of charge for customers since 2011 on any new cars) is offered to further strengthen customer retention in the official network and has been coupled with the possibility to extend the statutory warranty term

of our standard warranty terms through the Power warranty coverage program up to the 15<sup>th</sup> year of life of the car.

After the 7<sup>th</sup> year of life, a car (if in perfect maintenance condition) can be included in the Main Power warranty coverage program (Maintenance and Power) through to the car's 15<sup>th</sup> year of life. Between the 10<sup>th</sup> year of life and the Classiche eligibility (20 year old car) Ferrari provides its customers, in addition to standard maintenance items, also certain specific maintenance kits (Ferrari Premium) to preserve car performance and safety systems. When a car follows the full maintenance program up to the 20<sup>th</sup> year of life, it automatically obtains the Ferrari Classiche certification.

While we do not have any direct involvement in pre-owned car sales, we seek to support a healthy secondary market in order to promote the value of our brand, benefit our clients and facilitate sales of new cars. Our dealers provide an inspection service for clients seeking to sell their car which involves detailed checks on the car and a certification on which the client can rely, covering, among other things, the authenticity of the car, the conformity to original technical specifications, and the state of repair. Furthermore, we offer owners of classic Ferrari cars maintenance and restoration services through the 73 "Officina Ferrari Classiche" workshops, part of our service network.

In addition, owners of our classic cars can seek assistance in car and engine restorations at our Ferrari Classiche department in Maranello.

## Financial services

We offer retail client financing for the purchase of our cars and dealer financing through the operations of Ferrari Financial Services ("FFS"). We offer retail client financing:

- directly in the United States through our fully owned subsidiary Ferrari Financial Services Inc. ("FFS Inc");

| Exceeding expectations |

- through our associate Ferrari Financial Services GmbH in certain markets in EMEA (primarily the UK, Germany and Switzerland); and
- through various partnerships in other European countries and other major international markets, such as Japan and Australia.

We also offer direct dealer financing in the United States through FFS Inc.

Through FFS, we offer a range of flexible, bespoke financial and ancillary services to clients (both current and new) interested in purchasing a wide range of cars, from our current product range of

sports, GT and special series cars, to older pre-owned and classic models. FFS also provides special financing arrangements to a selected group of our most valuable and loyal customers.

Starting in 2016, FFS Inc has pursued a strategy of autonomous financing for our financial services activities in the United States, further reducing dependency on intercompany funding and increasing the portion of self-liquidating debt with various securitization transactions.

At December 31, 2019, the consolidated financial services portfolio was €966 million and originated in the United States.



## FERRARI N.V.

# Customer Satisfaction

We are devoted to the highest level of customer satisfaction. We have a structured process to assess the overall customer satisfaction on product, service provided, events organized by us and the overall customer experience with the car. Specific KPIs are constantly monitored and analyzed by the Marketing Intelligence department. The KPIs are measured through bespoke surveys for each car launch and collected for every new model, from range vehicles to special and limited editions. A similar approach is adopted for evaluating the quality of service and satisfaction of our events.

**>70%**  
new cars sold  
to Ferrari owners

**41%**  
customers owning  
more than one Ferrari

The assessment process can involve proactively submitting online questionnaires and conducting telephone interviews with a sample of customers, or the customers directly reaching out to Ferrari.

Product satisfaction is evaluated through three different questionnaires in different time frames, which enable Ferrari to collate customer comments and feedback:

- Early stage: at the commercial launch of a new Ferrari model, customer/prospect satisfaction is monitored with Demo Test Drives of the new car at dealer showroom (still not purchased).
- Second stage: after about 3-4 weeks of ownership, the first customers of the new model receive a survey, “Report200”, to gather their first impressions of the recently purchased car. A brief questionnaire, which is managed by the Ferrari Customer Care, is conducted by phone with the initial customers and ends after the first 200 replies have been collated.

- Third stage: a few months following the launch, a third survey named New Car Buyer Satisfaction (“NCBS”) is sent by email to customers. The NCBS is a more complete, in depth and detailed assessment on the car and is composed of more than 100 online questions aimed at gathering a thorough feedback of the vehicle.

Service satisfaction is evaluated through two different indices: Customer Satisfaction Index (“CSI”) and Ferrari Relationship Index (“FRI”). The purpose of both indices is to evaluate customer satisfaction in respect of sale and after-sale service. CSI focuses more on the latest service offered by the dealer, while FRI is designed for gauging the long-term relationship established between clients and Ferrari. All results are then collated and analyzed through a statistical model at our headquarters.

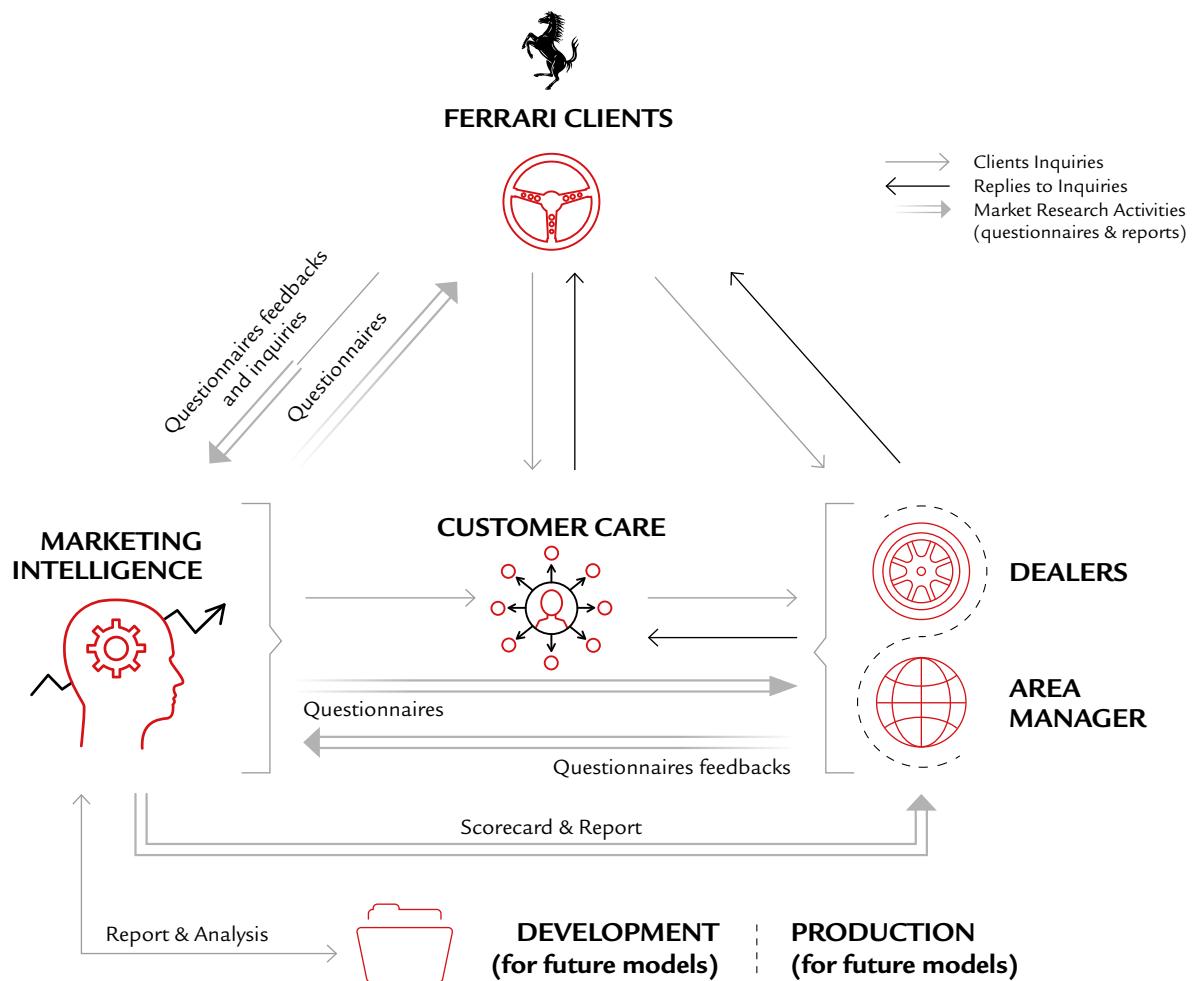
The results of the product and service satisfaction analyses are used to outline any necessary action plans for current models and, additionally, to identify potential features to be added to the next generation of vehicles. Recent surveys show that customer satisfaction for Ferrari products and services has constantly stayed at a very high level.

Starting from 2017, to improve the main events (such as Cavalcade, Universo Ferrari, World Premiere, etc) organized by Ferrari’s headquarters, the level of customer satisfaction has also been evaluated. All the results are collated and shared with Operative Marketing. In addition, a similar approach has been adopted for Ferrari Driving Courses worldwide (US, Europe, Mainland China). In this case, the results are collated and shared with the Corse Clienti department and Hub representatives.

Customer Contact Service is centralized at Group level, except for Mainland China, Hong Kong and Taiwan region, where the service is provided locally. When a customer enters into contact with customer service, including the one in Mainland China, Hong Kong and Taiwan, every single inquiry is categorized, monitored and managed until resolved and all specifics are integrated in a globally and centrally managed shared database. Detailed reports

are periodically created to assess the status of inquiries and subsequently shared within Company departments and made available to dealers. All customer complaints are addressed and available for consulting through a dynamic dashboard.

The chart below shows the flow between clients, dealers and Ferrari.



*We have developed an integrated system between our customer care, dealers, marketing department and area managers to track all contacts with clients, manage inquiries and share the results of customer and dealer satisfaction analysis.*

## FERRARI N.V.

### Privacy and data protection

Customer personal data and information is one of Ferrari's cornerstones and a key component of our competitive advantage.

We care about processing personal data in a safe and transparent manner, as it is a fundamental part of our accountability towards our customers. We strive for safeguarding our network against security risks and incidents, preventing cyberattacks in order to guarantee the security and confidentiality of our Customers' information.

We act in accordance with the current legislative framework that governs the processing of our personal data at global scale, including but not limited to the General Data Protection Regulation "GDPR" (EU Regulation no. 2016/679).

Data protection law requires, among others, the application of increased transparency obligations, the introduction of common records of processing activities, the appointment of a

Data Protection Officer "DPO" and - where advisable - privacy impact assessments before processing personal data.

Within this context, we have adopted a progressive approach to ensure compliance with data protection and privacy law requirements, such as the implementation of ICT and security systems (e.g. system collecting consents and privacy notices, back-end systems managing direct personal data etc.), the enhancement of internal policies and procedures (e.g. data breach policy, data retention policy etc.), the guarantee of an effective and prompt response to requests from data subjects, the update of privacy notices, drafting of operating instructions for authorized persons within the Company as well as the designation of internal privacy referents within Company departments.

Regular training sessions, aimed at raising the awareness on the data privacy regulations and requirements, are organized and addressed to those employees involved in the processing of personal data.



## Vehicle Safety

Vehicle safety is among our top priorities and Ferrari cars are always designed and manufactured with the safety of our customers and other road users in mind. Given the nature of our cars, the electronic equipment is developed with an integrated approach, ensuring the best balance between safety, control and best-in-class performance, to further enhance the Ferrari driving emotions.

All of our range models are subject to a series of tests to obtain approval from the relevant authorities. Moreover, we start assessing all our new models at an early stage of planning and design to identify areas of improvement.

To guarantee the highest level of passenger safety, we develop both passive and active safety systems.

Passive safety requirements are the initial guidelines assigned to the engineers in order to define the design of every component, from car framework to all the retain components (airbags, seat belts, etc.). Moreover, specific devices are installed in racing cars to obtain FIA (Federation Internationale de l'Automobile) approval.

With the aim of solving issues beforehand and reducing the environmental impact of these activities, all tests are reproduced in a state-of-the-art virtual environment before conducting them with real cars.

Regarding Active safety, we believe that the future developments of vehicle safety will be linked to advanced driver assistance systems (ADAS) and human-machine interface (HMI), capable of

preventing or mitigating crash occurrences. We are currently assessing the implementation of the most recent trends and developments in terms of simplifying and easing the interaction between the car and the driver to avoid any distraction. In 2019, we extended ADAS to our entire fleet, after the initial introduction on the GTC4Lusso in 2018.

In 2019, we launched the SF90 Stradale, the first hybrid series-production car in Ferrari's history. This new model encapsulates the most advanced technologies developed in Maranello, including the HMI, which with its track derived "eyes on the street, hands on the steering wheel" philosophy takes on a truly central role. The result is an HMI (Human-Machine Interface) that is a complete departure from previous models. The "hands-on-the-steering-wheel" philosophy has consistently driven the development of the human-machine interface in every Ferrari F1 car and its subsequent gradual transfer to its road-going sports cars. The SF90 Stradale's steering wheel completes that transfer process from the racing competition and also ushers in a new era by introducing a series of touch commands that allow the driver to control virtually every aspect of the car without ever taking their hands off the wheel. The Head Up Display is another part of the innovative HMI and allows various data to be projected onto the windshield within the driver's field of vision so that their attention is not distracted from driving.

Regarding further aspects of vehicle safety, please refer to 2019 Ferrari Annual Report (See "*Overview of Our Business - Regulatory Matters – Vehicle safety*").



**4,285**

employees, up  
11.2% vs. 2018

over **57,600**

hours of training,  
up 11.8% vs. 2018

↑ Lavorazioni manuali acciaio  
↑ Lavaggio prodotto e test di conformità  
↓ Superfinitura teste e basamenti

↓ Area di espansione

↑ Autrezzeria meccanica

# *Being the employer of choice*

ni manuali e automatiche alluminio

over **4,500**

medical checkups and  
specialistic checkups  
performed through  
“Formula Benessere”

riunioni

over **860**

children attended  
the summer  
camp “Formula  
Estate Junior”

ri finitura teste e basa



FERRARI N.V.

# Our People

*The high attention and care for our products is the foundation upon which Ferrari's success is built and this is feasible thanks to the efforts of the people working in Ferrari.*

One of the many strengths is the ability to attract, retain and develop talents. Since 1997, we have developed the "Formula Uomo" initiative, with the intention of developing a high quality working life for our employees.

Over the years, the project has become a pillar of our culture, based on redesigning the working environment, enforcing a safety-first culture, enabling individual development, enhancing teamwork and building a community now comprising 53 different nationalities.

**"I believe factories are made of machines, walls and people. Ferrari is made most of all by people."**

*Enzo Ferrari*



At the end of 2019, in Italy around 25 million people were employed<sup>(1)</sup>, with the employment rate increasing by 1.5%<sup>(2)</sup> compared to the previous year. The difference between Italy and EU employment rates is still relevant (59% for Italy vs. 69% for EU28<sup>(3)</sup>), in particular for young people and women. Regarding health and safety at work, according to the Italian National Institute for Insurance against Workplace Accidents (INAIL), in 2019, 642 thousands work related injuries occurred in Italy (+0.1% vs. 2018), of which 1,089 fatalities<sup>(4)</sup>.

<sup>(1)</sup> Source: ISTAT, 2019.

<sup>(2)</sup> Source: ISTAT, 2019, calculated Q3 2019 vs Q3 2018.

<sup>(3)</sup> Source: OECD, Q3 2019.

<sup>(4)</sup> Source: INAIL, 2019.

## Working environment

*We know that the best individual and team performance is only achieved if employees feel they are in the right environment. We also believe that the quality of our products cannot be separated from the lives of the people working in Ferrari.*

This is why the working environment and wellbeing of the Company's employees are among our most important priorities, representing the key focus of our "Formula Uomo" initiatives.

Our complex in Maranello, a state-of-the-art work environment, was designed to reinforce the synergistic relationship between work and results. With the needs of our employees firmly in mind, our manufacturing facilities are specifically created to combine carefully designed lighting systems, projected to maximize the amount of natural light, and several external and internal green areas. Thermal comfort throughout the factory is also a crucial requirement; since 2013, the in-plant foundry is equipped with a cooling system that makes it air-conditioned and climate controlled. Special measures aimed at reducing the environmental impact and noise through the use of advanced technologies are also in place. As an example, the design of our Machining Department is aimed at providing the workplace with maximum acoustic comfort thanks to noise reduction solutions (source and reverberation).

To promote an active lifestyle among our employees, we rely on our "Formula Benessere" program, aimed at providing preventative healthcare to employees and their children. A gym is available for all the employees at Maranello and employees at the Modena plant have free membership in one of the city gyms. Initially provided to the F1 racing team as part of their training program for the Grand Prix activities, the initiative was subsequently rolled out to all employees.

As part of the "Formula Benessere" benefits, preventative healthcare is provided to all employees and their children. Medical specialists are available for consultation in areas such as ophthalmic, cardiology, osteopathy and dermatology, among others. A free annual check-up focusing on general health and fitness is also provided to managers and children of all employees aged 5 to 15. In 2019, "Formula Benessere Donna", a preventative healthcare program specifically designed for women's health, was launched. All female employees are offered the opportunity of undergoing a free gynecological examination as well as mammary and thyroid gland ultrasound scans.

**~1,750** employees and **700** children  
benefitted from "Formula Benessere" service in 2019

Our attention to the promotion of health and safety among our employees goes beyond what is required by law, and to this effect, special workshops are organized for employees to raise awareness on the importance of these topics.

To foster a sense of belonging among employees and their families and to offer concrete support to working parents with the demanding duties of childcare during school holidays, we have launched the program "Formula Estate Junior". This initiative consist of a free day camp for employees'children aged 3 to 13, with various programs including sports, outdoor activities, excursions and workshops. The program, at its 10<sup>th</sup> edition, has a duration of 11 weeks (with a shorter 4-day version taking place

## FERRARI N.V.

### / Working environment

during Easter holidays) and allows children to enjoy an exciting experience with a didactic purpose: each edition of the “Formula Estate Junior” camp has an educational theme developed by 119 professional educators and is organized in collaboration with the local community.

**Over 860** children attended the summer day camp program and over **360** children attended the Easter camp

Education is also the focus of a series of different initiatives that provide scholarships to talented junior high, high school and university students. In 2019, our scholarship program, named after our founder “Enzo Ferrari”, was awarded to 56 talented students. The awards were handed by our Chairman during an event that saw the participation of all Ferrari Senior Managers. Moreover, in 2019 we reimbursed almost 600 employees for the cost of their children’s textbooks (reimbursement is offered to all employees’ children until high school and, in certain cases, we reimburse the cost of school textbooks for employees in continued education).

We offer additional benefits to our employees in five different areas - food, free time, wellness, travel and personal services - including personalized loans at competitive rates at the internal branch of a local bank, special rates for the employees’ housing needs and discounts at the Ferrari Museums, Ferrari Stores and at the Ferrari company outlet.

To foster the sense of belonging, the Company organizes multiple events. In September 2019, the Ferrari Family Day, the open day dedicated to Ferrari employees and their families, was attended by 24,000 people. During the same month, the first edition of the Universo Ferrari event in Maranello welcomed employees during two dedicated evenings. More than 2,600 people among employees and their guests attended the Ferrari Challenge championship event Finali Mondiali at the Mugello Circuit. Approximately 4,400 people among employees and their family members attended the 2019 edition of “Natale Bimbi” our Christmas event.

All these benefits are provided to all of our employees.

# *Training and talent development*

*Along with the need to hire, develop and retain talents, we are aware that we must manage human capital as a critical resource to achieve the best possible results.*

The success, prestige and appeal of our brand depends on the ability to attract talents and retain them. In particular, top drivers, racing management, engineering talent and all the employees that make Ferrari unique have to be rewarded, based on their ability, determination, and expectations. This is why we offer career progression opportunities tailored to each individual's strength and ambition, and our Company's requirements, underpinned by substantial investments in training. A total of over 57,600 hours (up 11.8% vs. 2018) of training have been provided right across the Company's employees in 2019. What makes Ferrari's craftsmanship unique is the direct transfer of knowledge and expertise from senior to junior workers, which in our manufacturing process takes place directly on the job since we believe in constantly maintaining excellence through "learning by doing".

**More than 57,600 hours of training delivered across the Company's employees in 2019, up 11.8% vs. 2018**

Human capital development ensures that our Company has the appropriate skill set to execute the business strategy and improve employee attraction, retention, as well as motivation, and, as a result, enhance productivity and the quest for innovation. Training requests, for employees who receive a regular performance and career development review, are identified during this review process in order to address the needs of both our Company and employees.

A Training Plan with three specific objectives is in place:

## **To protect and pass on the strategic and specific know-how of Ferrari**

Among all training initiatives, in Ferrari we are very proud of our "Scuola dei mestieri", started in 2009. It is a unique in-house technical training project which increases the professionalism of junior talents and motivates senior employees, recognizing their competencies by asking them to become Maestri and pass on Ferrari's unique heritage to the next generation. The initiative combines different didactic methodologies, including on the job sessions and in-classroom training, both focused on the consolidation of competencies and skills, with a particular focus on innovation.

While the Maestri transfer their know-how to other employees, we have also internally developed the "Department Team Leaders", who are expert workers in our R&D and Manufacturing processes. In the last few years, we have decided to invest strongly in the team leaders' professional and soft skills. We are creating a cross-functional group with the objective to become the point of reference for the rest of the team. Department Team Leaders (now around 125 employees) are also responsible for the Pit Stop and Pole Position programs among their shift colleagues.

In 2019, we consolidated the activities started in the previous year, with the three main areas of focus being: product innovation (mainly with regard to hybridization, HMI and new components, in a cross functional training), process innovation (as in the case of low bake painting and additive manufacturing) as well as support and induction of new colleagues. Additionally, in 2019 we started a specific training focusing on managerial and organizational skills necessary to meet our strategic plan.

## FERRARI N.V.

### / Training and talent development

#### To shape and prepare the managerial class of the future for the business, innovation, management and human capital development challenges.

In 2019, 40 Ferrari talents, from all across the organization, started the second edition of the Ferrari Corporate Executive MBA, organized in partnership with the Bologna Business School. The objective of the masters program is to improve the management skills of the attendees, to let them gain experience on the most recent innovation trends and to convey the Ferrari leadership model. This master's degree offers a unique, tailor-made program to form a critical mass within the management class that will be able to grasp the challenges of the future, while at the same time preserving the tradition of Ferrari. During the course of the studies, innovation talks, leadership scrums and site visits to production plants are carried out. This master's degree will help to develop a group of managers with a shared approach to leadership, while respecting and valuing individual differences. A group on which Ferrari can rely on to tackle future challenges.

#### To foster and support the inclusion, growth and development of our people.

In line with business and Company requirements and coherently with the needs expressed in the Performance & Leadership Management system, training activities were provided in the managerial, technical and linguistic fields, using various training tools such as: online courses, classroom courses, coaching programs and teambuilding activities.

The innovation of 2019 was gaining access to the Harvard Manage Mentor e-learning platform. The training offer, provided through this platform, has been customized according to our needs and the following three lines of development: to integrate this platform with the Performance and Leadership Management system, to give employees, especially newcomers, the basic managerial skills that we consider essential requirements and to adapt professional development paths based on employees' career levels.

In addition, an online training campaign is launched every 3 months and includes all the corporate mandatory trainings dedicated to new employees. These kind of campaigns are repeated periodically to provide a training update to all employees. Among the mandatory courses, a session is dedicated to our Code of Conduct that covers also anti-corruption and human rights topics. In 2019, a similar mandatory online campaign was launched on GDPR (General Data Protection Regulation) training.

In 2019 we consolidated the activities started the previous year: we introduced the new employees to the "Ferrari way" to ensure know-how continuity and continued to build employee skills in order to meet the challenges of the future: 15 new cars between 2019-2022, 5 of which were presented during 2019, including the SF90 Stradale, our first hybrid series-production car.

#### NUMBER OF PARTICIPATIONS AND TOTAL TRAINING HOURS OF "SCUOLA DEI MESTIERI"<sup>(1)</sup>

	2019	2018	2017
Participations	2,241	2,219	1,580
Training hours	15,415	13,775	11,912

<sup>(1)</sup> The figures provided refer to all employees and external staff of Ferrari S.p.A.

| Being the employer of choice |

## AVERAGE HOURS OF TRAINING BY GENDER AND BY EMPLOYEE CATEGORY

Gender	2019	2018	2017
Male	13.62	13.57	10.98
Female	12.40	12.22	7.18
<b>Total</b>	<b>13.45</b>	<b>13.40</b>	<b>10.51</b>

Employee category	2019	2018	2017 <sup>(2)</sup>
Managers and Senior Managers	42.75	42.18	24.68
Middle Managers	23.94	17.53	13.36
White collars	14.50	14.93	11.11
Workers	8.38	9.90	8.50
<b>Total</b>	<b>13.45</b>	<b>13.40</b>	<b>10.51</b>



<sup>(2)</sup> The 2017 data by employee category has been restated to align the subsidiaries' categories to the headquarters' definition.

## FERRARI N.V.

# Talent Recruitment and Employee Retention

*The excellence, that our products and our brand embody, is what attracts and retains the best talents worldwide.*

At Ferrari, recruitment and selection is about sourcing the right qualities and skills that will represent the backbone of our future success. Our recruitment process provides a platform to engage with future employees, to assess competencies through a structured selection process and to prepare for post-recruitment integration and development.

The mission of the recruitment team is to identify, evaluate and bring onboard the individuals which are aligned with our requirements and values

We received in excess of 45,000 applications during 2019, including specific as well as spontaneous applications from around the world for engineering, technical, marketing and financial positions.

We also undertake exchange programs with top universities around the world to engage with students, professors, career offices and a network of professionals in order to identify talents for the future. We offer company insight presentations, testimonials by Ferrari staff, selected case studies at university campus and, for partner universities we offer the opportunity to visit the Ferrari facilities. These activities allow us to transmit the key values of the company, and therefore to engage directly, or indirectly through communications and social media, nourishing our recruitment pipeline. In 2019, alongside our graduate project “Ferrari F1 Engineering Academy”, active since 2015, we launched three more Academy programs: “Ferrari GT Manufacturing Academy”, “Ferrari GT Engineering Academy” and “Ferrari GT Marketing and Sales Academy” with dedicated communication at universities, integrating on-line testing as well as dedicated assessment centers managed in Maranello to ensure that the most

suitable applicants have the opportunity to join the Ferrari team.

To ease employees into their new jobs, Ferrari provides a two-day induction program. The first day is dedicated to introducing the Company culture and mission, as well as guiding new employees through the corporate offices and production plants. The following day is focused on health and safety training.

To promote a responsible behavior during the assembling phase of cars and engines, we launched many years ago the “Pit Stop” and “Fiorano Race” initiatives, where colleagues on the same shift are assigned to “teams”, with key performance indicators in place for the improvement of quality, efficiency and environmental sustainability. The teams are then ranked based on the data, with the best performers being rewarded. Furthermore, we organize the “Pole Position Evo” program to evaluate individual performances.

We reward our employees, excluding senior management, through a productivity bonus called “Premio di Competitività” based on yearly shipments and adj. EBITDA results, as well as a product quality index adjusted for individual absenteeism rates. In 2019, each employee received around Euro 5,500.

A huge part of our employees receive a regular performance review based on performance and leadership behaviors, which ends with a final evaluation from their assessors at the end of the year. Workers undergo a different review, which is based on regular assessments aimed at developing their internal career path.

| Being the employer of choice |

In 2019, we further increased the number of employees who received a performance evaluation through our specific online tool: around 1,400 employees were evaluated on our system. This online tool allows us to track and share with employees and management the results of the assessment, including strengths and improvement areas as well as the professional aspirations and the final evaluation.

#### EMPLOYEES WHO RECEIVED A REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEW BY GENDER

Gender	2019	2018	2017
Male	31%	23%	22%
Female	55%	45%	42%
<b>Total</b>	<b>34%</b>	<b>26%</b>	<b>24%</b>

#### EMPLOYEES WHO RECEIVED A REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEW BY EMPLOYEE CATEGORY

Employee category	2019	2018	2017 <sup>(1)</sup>
Managers and Senior Managers	86%	88%	86%
Middle Managers	73%	72%	69%
White Collars	66%	44%	35%
Workers	0%	0%	0%

Thanks to our career development program, Ferrari encourages the professional growth of its employees and tries to fill key positions with talented internal candidates before tapping into the external market. The analysis carried out in 2018 of the key positions covered by our employees has been updated: results are used to develop specific succession plans, with a timeframe of 2-4 years, to ensure the competitiveness of Ferrari over time and to take advantage of our employees' talent.



Our effort to guarantee employee attraction and retention was recognized by the Top Employers Institute on February 3, 2020.

<sup>(1)</sup> The 2017 data by employee category has been restated to align the subsidiaries' categories to the headquarters' definition.

## FERRARI N.V.

# Occupational Health and Safety

We are particularly focused on the safety of our people and we are dedicated to the prevention of accidents at work<sup>(1)</sup>. Our hazard identification, risk assessment and incident investigation processes are developed in accordance with the highest international and national voluntary standards and normative requirements on health and safety. Periodic meetings are held with management to review safety issues in addition to formal meetings also being held with employee representatives.

Periodic internal health and safety audits are performed to ensure compliance with our health and safety management system, current laws and best practices. In 2019, Ferrari S.p.A. further improved its health and safety management system obtaining the ISO 45001:2018 certification<sup>(2)</sup> two years in advance of the mandatory migration from the OHSAS 18001 standard (March 2021). The Mugello Circuit S.p.A. is certified OHSAS 18001:2007 since 2013<sup>(3)</sup>.

### HOURS OF HEALTH AND SAFETY TRAINING PER YEAR AND NUMBER OF PARTICIPANTS<sup>(4)</sup>

	2019	2018	2017
Training hours	22,313	21,358	15,386
Number of participants	2,927	2,439	1,656

We continue to make significant investments in safety at work: improvements in the existing structures and specific training have allowed us to achieve significant results. Mandatory health and safety training is provided to all new hires during the second day of the induction program, while periodic sessions are developed for all employees. We provide employees who test our cars with specific on-track driving training to make sure they have all the skills required to perform emergency maneuvers, if necessary. As shown in the table above, in 2019 the hours of training are in line with 2018, mainly due to the mandatory periodic training update for employees started last year. In addition, a constantly updated dynamic health protocol is in place and a specific health and safety section is part of the training program of the Department Team Leaders.

Particularly effective has been the program to highlight the so-called “near misses”: events that could have caused accidents but did not because of the preventative actions of employees. Moreover, most of the buildings are provided with a defibrillator along with the standard health and safety equipment.

<sup>(1)</sup> In this section, we refer to Ferrari S.p.A., which operates primarily in the Maranello and Modena plants and to Mugello Circuit S.p.A., which operates the Mugello racing circuit.

<sup>(2)</sup> The ISO 45001:2018 certification of Ferrari S.p.A. includes the Maranello and Modena plants where we produce all of our vehicles and spare parts.

<sup>(3)</sup> Ferrari S.p.A and Mugello Circuit S.p.A include 94.1% of all Ferrari Group employees.

<sup>(4)</sup> The figures provided refer to all employees and external staff of Ferrari S.p.A and Mugello Circuit S.p.A.. 2018 and 2017 data do not include Mugello Circuit S.p.A..

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The table below shows the trend in accidents over the last three years<sup>(5)</sup>. In 2019, the injury rate was 1.5, with 10 occurrences (12 in 2018) and no high-consequence work-related injuries or fatalities occurred. Each work-related injury is analyzed to determine the cause and appropriate measures to avoid recurrence have been implemented. The main types of work-related injury include fractures and burns.

**NUMBER OF INJURIES AND INJURY RATE<sup>(6)</sup>**

	2019	2018	2017
<b>Total number of injuries</b>	<b>10</b>	<b>12</b>	<b>7</b>
<i>of which more than 3 days of absence (excl. high-consequence injury and fatalities)<sup>(7)</sup></i>	7	8	5
<i>of which high-consequence injury</i>	0	1	0
<i>of which fatalities</i>	0	0	0
<b>Total injury rate<sup>(8)</sup></b>	<b>1.5</b>	<b>2.2</b>	<b>1.3</b>
<i>of which more than 3 days of absence (excl. high-consequence injury and fatalities)<sup>(9)</sup></i>	1.1	1.4	0.9
<i>of which high-consequence injury</i>	0	0.2	0
<i>of which fatalities</i>	0	0	0
<b>Hours worked</b>	<b>6,471,529</b>	<b>5,524,896</b>	<b>5,417,338</b>

During the course of 2019, no injuries have been recorded for agency workers in the Maranello and Modena plants, and Mugello racing circuit.

During the last year, no cases of diseases arising from a work situation or activity, or from a work-related injury have been recorded. Due to the nature of the activity conducted in Ferrari plants, workers are not considered exposed to high risks relating to specific diseases. Regularly, every employee undergoes a work-related medical examination, as prescribed by law.

Health and safety contents are covered by the CCSL (Contratto Collettivo Specifico di Lavoro) signed on March 11, 2019, and also by the Accordo Premio di Competitività Ferrari signed on September 25, 2019, providing a specific health and safety Commission, involving, on a monthly basis, both the Company and the workers' representatives for health and safety. CCSL and Accordo Premio di Competitività Ferrari cover 100% of Italian Ferrari employees.

<sup>(5)</sup> For 2019, we reported our injury data using the new GRI Standard 403, published by the Global Reporting Initiative (GRI) in 2018, that replaces the previous version published in 2016. For comparison, the 2017 and 2018 data have been restated following the new standard. For previously published data, please refer to the 2018 Sustainability Report.

<sup>(6)</sup> The figures provided are referred to all the employees of Ferrari S.p.A. and Mugello Circuit S.p.A., with the exception of Managers and Senior Managers; this category of employees did not incur any injuries in 2019. 2018 and 2017 data do not include Mugello Circuit S.p.A.. All data does not include first aid medical treatments.

<sup>(7)</sup> Injuries that must be reported to INAIL (Italian National Institute for Insurance against Accidents at Work), according to Italian legislation.

<sup>(8)</sup> The injury rate is the ratio of the number of injuries reported to the number of hours worked (including overtime), multiplied by 1,000,000, excluding commuting accidents.

<sup>(9)</sup> Injuries that must be reported to INAIL (Italian National Institute for Insurance against Accidents at Work), according to Italian legislation.

## FERRARI N.V.

# *Our employees in numbers*

As of December 31, 2019, Group<sup>(1)</sup> employees were 4,285, an increase of 11% compared to December 31, 2018 (3,851). We expect to continue growing over the next few years in order to meet our strategic plan.

Number of employees	December 31, 2019	December 31, 2018	December 31, 2017
<b>Total</b>	<b>4,285</b>	<b>3,851</b>	<b>3,380</b>
<i>of which women</i>	14.0%	13.0%	12.3%

We also rely on external collaborators such as contractors, self-employed persons, workers hired through external agencies and interns.

### PERCENTAGE OF EMPLOYEES PER EMPLOYEE CATEGORY BY GENDER

Employee category	December 31, 2019			December 31, 2018		
	Male	Female	Total	Male	Female	Total
Managers and Senior Managers	86.2%	13.8%	123	90.0%	10.0%	110
Middle Managers	85.5%	14.5%	566	85.9%	14.1%	545
White Collars	76.6%	23.4%	1,417	78.3%	21.7%	1,146
Workers	92.2%	7.8%	2,179	92.0%	8.0%	2,050
<b>Total</b>	<b>86.0%</b>	<b>14.0%</b>	<b>4,285</b>	<b>87.0%</b>	<b>13.0%</b>	<b>3,851</b>

As indicated in the table above, in 2019, compared to the previous year, the percentage of female employees grew from 13% to 14%. This was mainly due to an increase in the “Managers and Senior Managers” and “White Collars” categories.

### PERCENTAGE OF EMPLOYEES PER EMPLOYEE CATEGORY BY AGE GROUP

Employee category	December 31, 2019				December 31, 2018			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Managers and Senior Managers	0%	60.2%	39.8%	123	0%	70.9%	29.1%	110
Middle Managers	1.1%	72.1%	26.9%	566	1.3%	74.5%	24.2%	545
White Collars	22.4%	64.5%	13.1%	1,417	19.2%	68.3%	12.5%	1,146
Workers	16.6%	66.0%	17.4%	2,179	14.6%	70.4%	15.0%	2,050
<b>Total</b>	<b>16.0%</b>	<b>66.1%</b>	<b>17.9%</b>	<b>4,285</b>	<b>13.7%</b>	<b>70.4%</b>	<b>15.9%</b>	<b>3,851</b>

<sup>(1)</sup> In this chapter, “The Group” refers to all the legal entities indicated as consolidated line by line by Ferrari N.V. in 2019 Annual Report.

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The majority of the workforce is between the age of 30 and 50 (66.1%). The percentage of workers under 30 has increased from 13.7% to 16.0%, highlighting our capability to attract young talents.

**TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT, BY GENDER AND REGION.**

Employment contract	GROUP			December 31, 2018		
	December 31, 2019			December 31, 2018		
	Male	Female	Total	Male	Female	Total
Permanent	3,665	587	4,252	3,326	489	3,815
Temporary	19	14	33	23	13	36
<b>Total</b>	<b>3,684</b>	<b>601</b>	<b>4,285</b>	<b>3,349</b>	<b>502</b>	<b>3,851</b>

Employment contract	ITALY			December 31, 2018		
	December 31, 2019			December 31, 2018		
	Male	Female	Total	Male	Female	Total
Permanent	3,515	504	4,019	3,201	418	3,619
Temporary	16	8	24	21	7	28
<b>Total</b>	<b>3,531</b>	<b>512</b>	<b>4,043</b>	<b>3,222</b>	<b>425</b>	<b>3,647</b>

Employment contract	REST OF THE WORLD			December 31, 2018		
	December 31, 2019			December 31, 2018		
	Male	Female	Total	Male	Female	Total
Permanent	150	83	233	125	71	196
Temporary	3	6	9	2	6	8
<b>Total</b>	<b>153</b>	<b>89</b>	<b>242</b>	<b>127</b>	<b>77</b>	<b>204</b>

As shown in the tables above, 94.4% of our employees work in Italy, which is considered the only significant location of operation as this is where our plants and most of our workforce is located.

The vast majority of our employees have a permanent contract (99.2%).

**TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE, BY GENDER**

Full-time / Part-time	December 31, 2019			December 31, 2018		
	Male	Female	Total	Male	Female	Total
Full-time	3,680	572	4,252	3,346	480	3,826
Part-time	4	29	33	3	22	25
<b>Total</b>	<b>3,684</b>	<b>601</b>	<b>4,285</b>	<b>3,349</b>	<b>502</b>	<b>3,851</b>

## FERRARI N.V.

### / Our employees in numbers

#### NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

GROUP										
NEW EMPLOYEE HIRES										
Number of employees	2019					2018				
	<30	30-50	>50	Total	New hires %	<30	30-50	>50	Total	New hires %
<b>Male</b>	231	244	15	490	<b>13.3%</b>	274	238	9	521	<b>15.6%</b>
<b>Female</b>	71	54	12	137	<b>22.8%</b>	44	71	3	118	<b>23.5%</b>
<b>Total</b>	302	298	27	627	<b>14.6%</b>	318	309	12	639	<b>16.6%</b>
<b>New hires %</b>	<b>44.1%</b>	<b>10.5%</b>	<b>3.5%</b>	<b>14.6%</b>		<b>60.3%</b>	<b>11.4%</b>	<b>2.0%</b>	<b>16.6%</b>	
EMPLOYEE TURNOVER										
Number of employees	2019					2018				
	<30	30-50	>50	Total	Turnover %	<30	30-50	>50	Total	Turnover %
<b>Male</b>	27	82	46	155	<b>4.2%</b>	13	95	29	137	<b>4.1%</b>
<b>Female</b>	9	26	3	38	<b>6.3%</b>	9	18	4	31	<b>6.2%</b>
<b>Total</b>	36	108	49	193	<b>4.5%</b>	22	113	33	168	<b>4.4%</b>
<b>Turnover %</b>	<b>5.3%</b>	<b>3.8%</b>	<b>6.4%</b>	<b>4.5%</b>		<b>4.2%</b>	<b>4.2%</b>	<b>5.4%</b>	<b>4.4%</b>	

ITALY										
NEW EMPLOYEE HIRES										
Number of employees	2019					2018				
	<30	30-50	>50	Total	New hires %	<30	30-50	>50	Total	New hires %
<b>Male</b>	214	210	4	428	<b>12.1%</b>	268	223	8	499	<b>15.5%</b>
<b>Female</b>	60	41	4	105	<b>20.5%</b>	40	59	1	100	<b>23.5%</b>
<b>Total</b>	274	251	8	533	<b>13.2%</b>	308	282	9	599	<b>16.4%</b>
<b>New hires %</b>	<b>41.8%</b>	<b>9.4%</b>	<b>1.1%</b>	<b>13.2%</b>		<b>60.6%</b>	<b>11.1%</b>	<b>1.5%</b>	<b>16.4%</b>	
EMPLOYEE TURNOVER										
Number of employees	2019					2018				
	<30	30-50	>50	Total	Turnover %	<30	30-50	>50	Total	Turnover %
<b>Male</b>	20	68	39	127	<b>3.6%</b>	11	84	27	122	<b>3.8%</b>
<b>Female</b>	4	14	2	20	<b>3.9%</b>	5	12	3	20	<b>4.7%</b>
<b>Total</b>	24	82	41	147	<b>3.6%</b>	16	96	30	142	<b>3.9%</b>
<b>Turnover %</b>	<b>3.7%</b>	<b>3.1%</b>	<b>5.7%</b>	<b>3.6%</b>		<b>3.1%</b>	<b>3.8%</b>	<b>5.1%</b>	<b>3.9%</b>	

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REST OF THE WORLD										
NEW EMPLOYEE HIRES										
Number of employees	2019					2018				
	<30	30-50	>50	Total	New hires %	<30	30-50	>50	Total	New hires %
<b>Male</b>	17	34	11	62	<b>40.5%</b>	6	15	1	22	<b>17.3%</b>
<b>Female</b>	11	13	8	32	<b>36.0%</b>	4	12	2	18	<b>23.4%</b>
<b>Total</b>	28	47	19	94	<b>38.8%</b>	10	27	3	40	<b>19.6%</b>
<b>New hires %</b>	<b>96.6%</b>	<b>28.8%</b>	<b>38.0%</b>	<b>38.8%</b>		<b>52.6%</b>	<b>17.1%</b>	<b>11.1%</b>	<b>19.6%</b>	
EMPLOYEE TURNOVER										
Number of employees	2019					2018				
	<30	30-50	>50	Total	Turnover %	<30	30-50	>50	Total	Turnover %
<b>Male</b>	7	14	7	28	<b>18.3%</b>	2	11	2	15	<b>11.8%</b>
<b>Female</b>	5	12	1	18	<b>20.2%</b>	4	6	1	11	<b>14.3%</b>
<b>Total</b>	12	26	8	46	<b>19.0%</b>	6	17	3	26	<b>12.7%</b>
<b>Turnover %</b>	<b>41.4%</b>	<b>16.0%</b>	<b>16.0%</b>	<b>19.0%</b>		<b>31.6%</b>	<b>10.8%</b>	<b>11.1%</b>	<b>12.7%</b>	

All the employees of the Group in Italy (representing 94.4% of our total workforce) are subject to collective agreements (CCSL, Contratto Collettivo Specifico di Lavoro and Accordo Premio di Competitività Ferrari). Ferrari pays salaries that are in line with industry standards. In addition to the statutory minimum wages, salaries are often determined by collective bargaining agreements.

All the individual notice periods are provided by the CCSL signed on March 11, 2019, referring to employees category and business seniority. The minimum notice period is fixed to 10 days.

#### ABSENTEEISM RATE IN ITALY<sup>(2)</sup>

	2019	2018
Employees	1.37%	1.60%

The absenteeism rate for 2019 was 1.37%, a relevant decrease from the past few years.

<sup>(2)</sup> The absenteeism rate is calculated as a ratio of hours lost for sickness divided the number of hours to be worked. The perimeter considered relates only to Ferrari N.V., Ferrari S.p.A. and Mugello circuit S.p.A. employees.

**100%**

of the production  
facilities certified  
as ISO 14001



# *Reducing environmental footprint*

**-35%**

**CO<sub>2</sub> emissions<sup>(1)</sup>**

almost **95%**

of purchased electric  
energy certified as  
renewable



<sup>(1)</sup> Estimated reduction in 2019 vs. 2007 on the EU fleet.

**FERRARI N.V.**

# *Our environmental responsibility*

*Our most significant environmental efforts are deployed through efficiencies in the manufacturing processes and a program for the reduction of polluting emissions.*

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<sup>(1)</sup> (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 m<sup>2</sup>. We also own the Mugello racing circuit in Scarperia, near Florence (Italy), which covers an area of 1,700,000 m<sup>2</sup> (of which 1,200,000 m<sup>2</sup> of green or tree-covered areas).

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 and is excluded in this chapter's data.

The monitoring and management of the environmental performance of our productive plants is assigned to a team 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.

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.

Conscious of the risks and opportunities related to climate change, as one of the more relevant defining factors for long-term value creation, 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.

<sup>(1)</sup> Maranello production facility is composed by the main offices and production buildings, the "Nuova Gestione Sportiva" building and the adjacent Fiorano track (of approximately 3,000 meters).

## | Reducing environmental footprint |

In May 2019, the concentration of CO<sub>2</sub> in the atmosphere reached 415 parts per million (ppm), with a steep increase from the pre-industrial levels<sup>(2)</sup>. The link between higher concentration of greenhouse gasses in the atmosphere and rising temperatures is widely supported by scientific evidence, as highlighted by the report published by IPCC in 2018<sup>(3)</sup>. The new European Commission has recently laid out a plan to make Europe the world's first climate neutral continent by 2050. Energy production and use account for more than 75% of the EU's greenhouse gas emissions and renewable energy constitutes 30% of energy production<sup>(4)</sup>. Transition to carbon neutrality will also be achieved through the strengthening of the circular economy. Currently, the European industry uses only 12% of recycled materials<sup>(5)</sup>.



<sup>(2)</sup> Source: Earth System Research Laboratory, NOAA, 2019.

<sup>(3)</sup> Source: IPCC, Global warming of 1.5°C, 2019.

<sup>(4)</sup> Source: Eurostat, Energy, transport and environment statistics, 2019 Edition.

<sup>(5)</sup> Source: European Commission, 2019.

**FERRARI N.V.**

## *Plants and circuits*

### **Environmental management systems**

We have invested heavily to minimize our environmental impact since 2001, when the Company was given the ISO 14001 certification for our plants in Maranello and Modena. In 2016, we obtained the renewal of the certification of our environmental management system according to the new standard ISO 14001:2015. In addition, in 2007 we obtained and renewed the Integrated Environmental Authorization. As mentioned in our Environmental Policy, our effort is to minimize the negative impact of our activities on natural resources and the global environment.

The Mugello Circuit S.p.A. obtained and renewed the certification for the environmental management system with ISO 14001 and the EMAS (Eco-Management and Audit Scheme).

### **Efficient energy use**

Our culture embraces a rational use of energy, which is mainly used for the manufacturing of cars and engines. Over the years, the Group has strived to lower its energy consumption and to minimize its environmental impact, adopting innovative solutions and using renewable energy sources for its manufacturing facilities. In 2008, we installed our first solar panels and subsequently increased capacity in 2011 and 2015. Since 2014, Ferrari S.p.A. has been purchasing electricity with Guarantee of Origin certificates.

**121** GWh of energy produced  
by Ferrari's trigenerator

In addition, from 2009, we started using electricity along with hot and cold water generated by the trigeneration plant<sup>(1)</sup>. In 2019, the trigeneration plant produced 83% of the electricity needed for the Maranello plant, while the remaining 17% originated from renewable sources<sup>(2)</sup>.

<sup>(1)</sup> Even if the trigenerator plant was bought by Ferrari in September 2016, data referring to energy consumption and emissions consolidate trigenerator plant data for the whole 2016 for comparative reasons.

<sup>(2)</sup> Thanks to our photovoltaic system and the purchase of Guarantee of Origin certificates.

| Reducing environmental footprint |

## ENERGY CONSUMPTION WITHIN THE ORGANIZATION

Unit of measurement: GJ	2019	2018
<b>Non-renewable fuel consumption</b>	<b>1,623,478</b>	<b>1,567,315</b>
<i>Natural Gas (used for trigenerator)</i>	1,126,190	1,126,067
<i>Natural Gas (for other uses)</i>	433,987	392,995
<i>Gasoline (for production process)<sup>(3)</sup></i>	53,701	46,848
<i>Diesel (for motor room and other uses)<sup>(4)</sup></i>	9,600	1,405
<b>Total electricity bought for consumption</b>	<b>116,354</b>	<b>92,190</b>
<i>From renewable sources</i>	110,199	86,355
<i>From non-renewable sources</i>	6,155	5,835
<b>Electricity self-produced for consumption<sup>(5)</sup></b>	<b>3,344</b>	<b>3,142</b>
<b>Electricity sold</b>	<b>(9,250)</b>	<b>(7,752)</b>
<b>Total</b>	<b>1,733,926</b>	<b>1,654,895</b>

The total energy consumption within the Group for 2019 was 1,733,926 GJ, with an increase of 4.8% from 2018 (1,654,895 GJ). In light of the efficiencies we always strive to implement, this increase was lower than our production growth.

We are constantly implementing actions such as the replacement of traditional illumination systems to LED technology and the use of pumps with inverter technology in the industrial water distribution

system. As of today, all our new buildings in Maranello are Class A-ranked and the Formula 1 team headquarters comply with the new net zero energy building protocol (NetZeb), meaning that the total amount of energy used by the building is approximately equal to the amount of renewable energy it generates. In 2019 we completed the office area and workshop area of the New Technical Center, while the engine and hybrid test benches will be completed in 2020.

<sup>(3)</sup> 2019 data include Ferrari's leased car fleet.

<sup>(4)</sup> 2019 data include Ferrari's leased car fleet.

<sup>(5)</sup> From photovoltaic.

## FERRARI N.V.

### Air emissions

The emissions of CO<sub>2eq</sub> deriving from the Maranello and Modena plants and from the Mugello racing circuit (Scope 1 and Scope 2 market-based) are equal to 94,615 tCO<sub>2eq</sub> in 2019, in line with 91,773 tCO<sub>2eq</sub> in 2018, 92,609 tCO<sub>2eq</sub> in 2017 and 93,086 tCO<sub>2eq</sub> in 2016<sup>(6)</sup>.

#### DIRECT AND ENERGY INDIRECT GHG EMISSIONS

Unit of measurement: tCO <sub>2eq</sub>	2019	2018	2017	2016
<b>Scope 1<sup>(7)</sup></b>	93,789	91,001	91,789	92,319
<b>Scope 2 (market-based method)<sup>(8)</sup></b>	826	772	820	767
<b>Scope 2 (location-based method)<sup>(9)</sup></b>	11,603	9,219	9,822	9,105

GHG Protocol (WRI, WBCSD) definitions

In 2019, our Scope 2 market-based GHG emissions are 826 tons CO<sub>2eq</sub>. If Ferrari had not purchased Guarantee of Origin certificates these emissions would have been higher by 14,785 tons<sup>(10)</sup>.

As shown in the table below, Ferrari managed to decouple its economic growth from its environmental impact. In other words, we continue growing our business activities while at the same time maintaining our CO<sub>2</sub> emissions almost stable. The below carbon ratios are based on the sum of the emissions from scope 1 and scope 2 market-based method.

	2019	2018	2017	2016	2019 vs. 2016
Net Revenues (€M)	3,766	3,420	3,417	3,105	21%
Adj. EBITDA (€M)	1,269	1,114	1,036	880	44%
Carbon on net revenues ratio (CoR) (tCO <sub>2eq</sub> /€M)	25.1	26.8	27.1	30.0	-16%
Carbon on Adj. EBITDA ratio (tCO <sub>2eq</sub> /€M)	74.6	82.4	89.4	105.8	-30%

<sup>(6)</sup> Regarding scope 2 emissions, measured in tons of CO<sub>2</sub>, the percentage of methane and nitrous oxide has a negligible effect on the total greenhouse gas emissions (CO<sub>2</sub> equivalent) as indicated in the ISPRA Report "Atmospheric emission factors of CO<sub>2</sub> and other greenhouse gases in the electricity sector".

<sup>(7)</sup> Direct greenhouse gas emissions, measured in tons of CO<sub>2</sub> equivalent, were calculated using 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. Gases included in the calculation of the Scope 1 GHG emissions: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs and other refrigerant gases.

<sup>(8)</sup> Market-based indirect greenhouse gas emissions, measured in tons of CO<sub>2</sub>, were calculated using the Residual Mix emission factors indicated in "2018 European Residual Mixes, V.1.2", published by AIB. The Group purchases Guarantee of Origin (GO) certificates in order to reduce the impact of CO<sub>2</sub> emissions in the atmosphere. The 2016 and 2017 data have been re-calculated using the same emission factors used for 2018 data.

<sup>(9)</sup> Location-based indirect greenhouse gas emissions, measured in tons of CO<sub>2</sub>, were calculated using the emission factor indicated in "Confronti internazionali; 2017", published by Terna. The 2016 and 2017 data have been re-calculated using the same emission factors used for 2018 data.

<sup>(10)</sup> Calculated using the market-based method and considering an alternative scenario in which Ferrari does not purchase Guarantee of Origin certificates for electricity.

## | Reducing environmental footprint |

Other significant air emissions are related mainly to volatile organic compounds (VOCs) released during vehicle manufacturing. In addition, NO<sub>x</sub>, SO<sub>x</sub> and dust emissions are constantly monitored.

### **OTHER SIGNIFICANT AIR EMISSIONS<sup>(11)</sup>**

Unit of measurement: Kg	2019	2018
NO <sub>x</sub>	43,991	59,613
SO <sub>x</sub>	1,073	1,378
Volatile Organic Compounds (VOCs)	43,393	50,913
Dusts	2,155	4,260

Furthermore, a water-based painting process was introduced in 2004 with the aim of reducing VOC emissions.

## **Waste management**

We acknowledge that rational use of raw materials, together with careful waste management, helps reduce the environmental impact of the manufacturing process. In addition, innovative solutions and advanced technical processes minimize waste and negative environmental impact. The reuse of production scraps in our manufacturing process also has the objective of reducing waste.

To achieve this target, a series of initiatives in the different phases of the manufacturing process have been implemented. As an example, aluminum scraps are melted in the foundry to avoid waste: this is particularly important considering that aluminum is the first raw material (by weight) used in our manufacturing process. Other projects aimed at reducing waste are undergoing a feasibility analysis. In particular, according to the concept of the circular economy, in some cases our production scraps can be used by other business partners in their manufacturing process (e.g. leather scraps, processed sand used in the foundry, aluminum that cannot be smelted).

### **WASTE BY TYPE AND DISPOSAL METHOD<sup>(12)</sup>**

Unit of measurement: tons	NON HAZARDOUS WASTE		2018 <sup>(13)</sup>	
	Weight	Percentage	Weight	Percentage
Recovery	4,133.7	48.6%	4,664.2	55.4%
On-site storage pending disposal	272.5	3.2%	201.3	2.4%
Physico-chemical treatment	4,092.6	48.2%	3,468.4	41.2%
Biological treatment	-	-	81.0	1.0%
<b>Total</b>	<b>8,498.8</b>	<b>100%</b>	<b>8,414.9</b>	<b>100%</b>

<sup>(11)</sup> Only air emissions of the plants of Maranello and Modena have been considered. The 2018 data referring to Dusts has been restated to include Modena plant.

<sup>(12)</sup> Data includes only waste generated by Ferrari S.p.A. in the plants of Maranello and Modena and third-party warehouses: waste of Mugello racing circuit has an impact of less than 2% of the total waste produced by the Group.

<sup>(13)</sup> For a better reporting of the total waste generated by the Group, waste generated by Ferrari S.p.A. and managed through third-party warehouses, not included in the previous Report, have been added to 2018 data.

## FERRARI N.V.

### / Waste management

#### WASTE BY TYPE AND DISPOSAL METHOD

Unit of measurement: tons	HAZARDOUS WASTE			
	2019		2018 <sup>(14)</sup>	
	Weight	Percentage	Weight	Percentage
Recovery	815.8	30.5%	480.2	17.1%
On-site storage pending disposal	385.5	14.4%	306.3	10.9%
Physico-chemical treatment	1,471.0	55.0%	2,023.0	72.0%
Other	4.3	0.2%	-	-
<b>Total</b>	<b>2,676.6</b>	<b>100%</b>	<b>2,809.4</b>	<b>100%</b>

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%.

#### Foundry sand as a by-product: implementing a **circular economy** principle

In September 2019, we removed single-use plastic in our restaurant, which resulted in a reduction of plastic waste by 8 tons.

In 2019, the seventh consecutive edition of KiSS Mugello took place. This is the environmental and social sustainability program of the Italian Grand Prix that aims to raise awareness on the importance of sustainability during major sporting events, as well as in everyday life.

The main environmental initiatives consisted in a plan to improve the quantity and quality of recycling during the Grand Prix: 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

shared cars to travel to the circuit. Approximately 39% of waste was recovered during the event.

In collaboration with Banco Alimentare, more than 2,700 meals were collected and donated. A special and exciting Pit Walk was organized, dedicated exclusively to local non-profit organizations. 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 Mugello Circuit was the first circuit in the world to obtain the prestigious "Achievement of Excellence", the highest level of environmental sustainability claim issued by FIA (International Automobile Federation).

Since 2011, the Mugello racing circuit is proactive in terms of environmental sustainability themes. A 252 kWp photovoltaic system has been installed on the main tribune, which in 2019 generated almost 150,000 kWh of annual production.

## Logistics

We produce all of our vehicles and spare parts in our Maranello and Modena plants, however, our network of third party dealers comprises 187 point of sales around the world. A meticulous work is constantly carried out to optimize logistical operations with the aim of reducing the impact on the environment and associated air emissions.

<sup>(14)</sup> For a better reporting of the total waste generated by the Group, waste generated by Ferrari S.p.A. and managed through third-party warehouses, not included in the previous Report, have been added to 2018 data.

## Water management

We are well aware of the importance of a responsible management of water and, even if our plants are not located in areas exposed to high or extremely high overall water risks<sup>(15)</sup>, nor our production process can be considered water intensive, we have developed a series of initiatives to reduce water consumption in our manufacturing processes, such as cooling systems with water recirculation (e.g. cooling towers).

All the water sourced comes from municipal water supplies and wells: as of today, no water bodies are directly affected by the withdrawal of water.

### WATER WITHDRAWAL BY SOURCE

Unit of measurement: m <sup>3</sup>	2019	2018
Surface water	0	0
Wells	460,230	501,665
Municipal water or other water utilities	166,011	166,900
<b>Total</b>	<b>626,241</b>	<b>668,565</b>

We treat our wastewater in accordance with all applicable laws and regulations. All the wastewater of our plants is always monitored and channeled in the public sewage system and not directly into water bodies. The water used in some of the industrial processes (such as washing solutions or paint washing), before its discharge in the public sewer system, is treated by an industrial water treatment plant where it undergoes the necessary chemical, physical, and biological treatments.

### WATER DISCHARGE BY DESTINATION

Unit of measurement: m <sup>3</sup>	2019	2018
Effluents / Water bodies	0	0
Public sewer system	369,426	383,861
<b>Total</b>	<b>369,426</b>	<b>383,861</b>

<sup>(15)</sup> Source: WRI Aqueduct 2014 (World Resources Institute, 2014).

## FERRARI N.V.

# Biodiversity and noise pollution

Our plants and racing circuits, as of December 2019, are not located in any protected or highly biodiverse areas and, to our best knowledge, they do not have a significant environmental impact on such areas. Moreover, our plants and racing circuits are not adjacent<sup>(16)</sup> to any protected or highly biodiverse areas. This analysis is conducted annually and is based on the World Database on Protected Areas<sup>(17)</sup>.

However, the Mugello racing circuit is located in an extremely important natural landscaping area. Therefore, the main tribune has been constructed using eco-active materials with zero impact on the surrounding zone to help reduce both pollutants and bacteria.

With regard to the noise produced in proximity of the Fiorano and Mugello circuits, the acoustic monitoring of the plant perimeter is regularly carried out and Mugello Circuit complies with the 2019 authorization received by the appropriate authorities.

<sup>(16)</sup> For this analysis, a distance of 3 km or less has been considered as “adjacent”.

<sup>(17)</sup> The database considered for the analysis is managed by the United Nations Environment World Conservation Monitoring Centre (UNEP-WCMC) with support from IUCN and its World Commission on Protected Areas.

# Vehicles environmental impact

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

## Vehicles emissions

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 (including those that regulate vehicle safety). 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 (for more details refer to the “Regulatory Matters” paragraph of 2019 Annual Report).

**Ferrari has set a target to reduce CO<sub>2</sub> emission by 15% on its entire fleet by 2020 (compared to 2014)**

We continue focusing on researching technologies that further reduced emissions, such as hybrid engines. 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.

Through innovations in areas such as turbochargers, engine downsizing, transmission,

electric steering and hybrid technologies, we continue to target further reductions in CO<sub>2</sub> emissions and have set a target to reduce by 2020 CO<sub>2</sub> emissions by 15%<sup>(1)</sup> (compared to 2014) on our entire fleet.

Consistent with our mission to develop cutting edge sports and GT cars, product development efforts continually focus on improving core components such as the powertrain, car dynamics and the use of materials such as special aluminum alloys and carbon fiber. The expertise acquired in these fields has recently enhanced our efforts to combine improved performance with reductions in CO<sub>2</sub> emissions.

These efforts, through the investment of huge resources, allow the reduction of CO<sub>2</sub> emissions and fuel consumption thanks to the development of CO<sub>2</sub> 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). As an example, in 2015 we

<sup>(1)</sup> The target considered the expectations until 2020 of Group's homologated shipments and the CO<sub>2</sub> emissions values according to requirements set by the European Union.

## FERRARI N.V.

### / Vehicles emissions

decided to introduce the start & stop technology as standard for the 488 family: the cars sold afterwards decreased their CO<sub>2</sub> emissions by 6%<sup>(2)</sup>.

**We have the ambition to be producing by 2022 nearly 60% of the models with a hybrid powertrain**

We have undertaken an important program to develop hybrid and electric technology. 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. In fact, we have the 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 increased

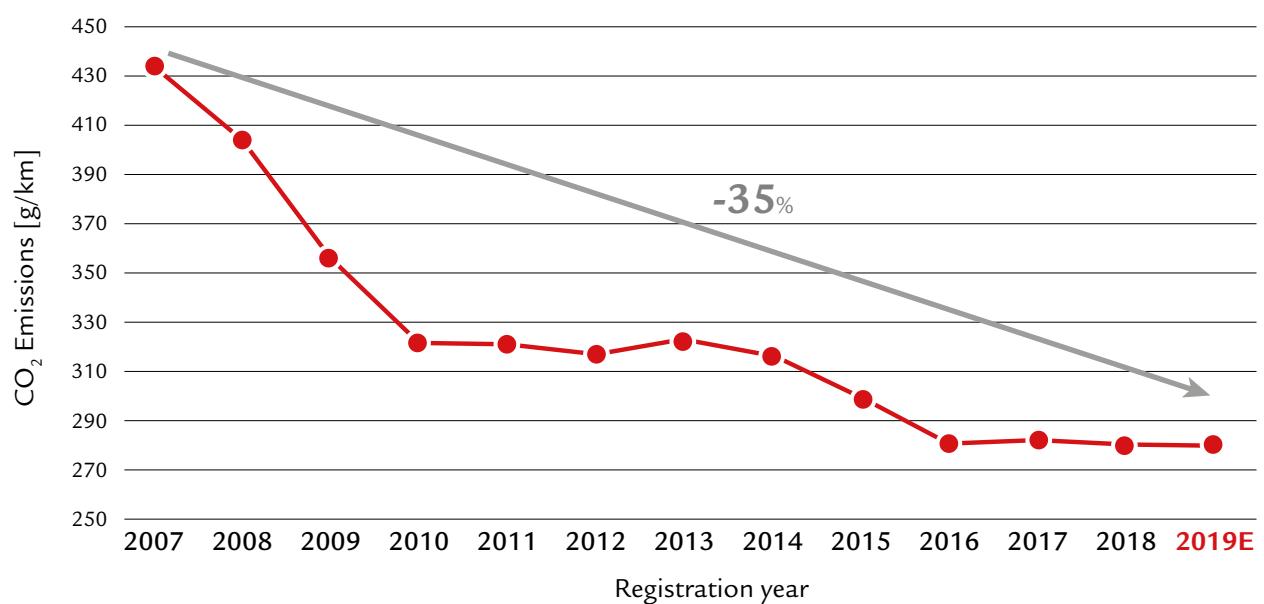
offering of hybrid powertrains will allow us to meet both specific regulatory requirements but also to satisfy customers' desires for significantly improved emissions, while enhancing the driving emotions that render Ferrari cars simply unique.

In 2019, we achieved a 35% reduction in CO<sub>2</sub> 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.

According to our environmental commitment, we also monitor other car-related air emissions, adopting new solutions to improve performances. In 2019, we introduced the GPF (gasoline particulate filter) to reduce particulate emissions. Moreover, the SF90 Stradale has been designed with a new combustion chamber with central injector that lowers exhaust gas emissions (NOx, CO, HC).

### Average Specific CO<sub>2</sub> Emissions - Ferrari EU Fleet<sup>(3)</sup>

(E) Estimate



<sup>(2)</sup> CO<sub>2</sub> emissions in g/km.

<sup>(3)</sup> For the purpose of this graph, 100% of the Ferrari fleet in EU has been taken into account to determine the average specific emissions of CO<sub>2</sub>, despite the phase-in criteria granted in the years 2010-2014. 2019: provisional fleet average emissions of CO<sub>2</sub>. 2018: preliminary data released by the European Commission.

## Raw Materials

Car makers consume large amounts of raw materials and a conscientious planning of the manufacturing process is essential to the management of scarce resources.

Among the most used materials in our cars are light alloys, such as aluminum: to reduce the sourcing of aluminum, specific initiatives to reuse scraps have been developed (see “*Our Environmental Responsibility - Waste management*”).

### PERCENTAGE OF MATERIALS USED IN THE FERRARI PORTOFINO

	Percentage of materials used in the Ferrari Portofino
Light alloys and steel	72.39%
Other metals	3.56%
Polymers	11.79%
Elastomers	3.98%
Glass/Ceramics	3.08%
Fluids	2.45%
Other	2.75%
<b>Total</b>	<b>100%</b>

We measure and monitor the presence of hazardous substances in our homologated vehicles, as required by local regulations. Every Ferrari homologated vehicle, therefore every component installed, follows the REACH prescriptions. Every Ferrari vehicle is compliant to 2000/53/EC (End-of-life Directive), as applicable.

Our suppliers are requested to comply with 2011/65/UE (RoHS Directive) and 2000/53/EC (End-of-life Directive), and to provide, through the International Material Data System, all the information related to the composition of substances used in the manufacturing process. Our internal systems automatically reject non-compliant components.

## FERRARI N.V.

### Vehicle's end of life

We are not directly involved in product take back programs due to the nature of our business: the number of Ferrari cars demolished each year is very scarce as Ferrari cars are perceived as collectibles, which the Group also supports through its “Ferrari Classiche” services, and the active preowned market.

The Ferrari Classiche department aims to provide Ferrari customers with a point of reference for managing their historic Ferrari vehicles with the objective of keeping as many of these classic cars on the road as possible. Services include the certification of the authenticity of classic Ferrari cars and vehicles of particular historical relevance, the management of Ferrari restoration and repair activities, as well as the management of Ferrari spare parts, including when these are no longer available on the market. The department also provides advice on repair operations carried out on Ferrari Classiche cars within its network.

Ferrari Classiche aims to create a platform of information and technical expertise to preserve and enhance over time the awareness and value of Ferrari’s heritage and brand. We view the surviving Ferrari vehicles of historical value as the tangible legacy and incarnation of our brand. The Ferrari Classiche department also supports and encourages the direct participation of clients in strategic historical events.

The Ferrari Classiche department in Maranello consists of an office of specialists and a workshop in which historic cars are restored and repaired. In addition, in order to provide an enhanced service to owners away from the proximity of the main workshop in Maranello, starting in 2017 Ferrari Classiche authorized a new service network with 73 “Officina Ferrari Classiche” workshops to date, primarily for vehicle repairs and the certifications’ inspections or revalidation, and the network is expected to expand in future periods.

The originality of the car with respect to the initial specifications is checked via a technical inspection, performed either at the Ferrari Classiche facility in Maranello or at an authorized Officina Ferrari Classiche, and benefits from a comprehensive archive containing drawings of each of the individual chassis and details of historical components. Based on the evidence gathered during this inspection, the car is then presented to an expert committee, chaired by the founder’s son, Piero Ferrari, for the certification.

At the Maranello workshop, Ferrari Classiche carries out full restorations using either original components and spare parts or replicas manufactured in accordance with the original specifications. Our service offers our clients the opportunity to restore any classic Ferrari to its original pristine conditions.

The Ferrari Classiche department also provides basic technical and instructional support to the Ferrari Classiche Academy, a new driving school project that launched in 2019 for vintage Ferrari cars, including the Ferrari 308 and 550 Maranello.



**26,959**

memberships in  
Scuderia Ferrari

**>600,000**

visitors to the  
museums



*Creating  
and sharing value  
with the community*

Ferrari Driver  
Accademy

9 Drivers

Graduation

of the first  
25 MUNER students



**FERRARI N.V.**

# *Ferrari contributes towards the community*

*Our goal is to create and share long-term value with our stakeholders.*

On the one side, the economic value generated and distributed provides an indication on how we created wealth, on the other there are plenty of intangible resources and initiatives that contribute to the value creation processes. In this context, community engagement and involvement with the local territory are of fundamental importance

for us, with particular reference to Maranello and Modena, where all our cars are manufactured. To keep alive the spirit of Ferrari and the story of its founder Enzo Ferrari, two different museums have been established, attracting every year thousands of visitors from all over the world to the heart of the Italian “Motor Valley”.



# Economic Value Generated and Distributed

The direct economic value generated during 2019 was distributed to various stakeholders: employees, suppliers and service providers are remunerated through wages and payments, while dividend distribution, net profit attributable to non-controlling interests and financial expenses represent the value distributed to shareholders and providers of capital. Income taxes represent the value distributed to governments. The remaining economic value is retained by the Group.

## ECONOMIC VALUE GENERATED AND DISTRIBUTED

(€ thousand)	2019	%	2018	%
<b>Direct economic value generated</b>	<b>3,426,183</b>	<b>100.0%</b>	<b>3,139,791</b>	<b>100.0%</b>
<b>Economic value distributed</b>	<b>2,939,977</b>	<b>85.8%</b>	<b>2,549,113</b>	<b>81.2%</b>
Employees, suppliers and service providers	2,495,754	72.8%	2,304,536	73.4%
Shareholders <sup>(1)</sup> and providers of capital	260,390	7.6%	221,634	7.0%
Governments <sup>(2)</sup>	183,833	5.4%	22,943	0.7%
<b>Economic value retained by the Group</b>	<b>486,206</b>	<b>14.2%</b>	<b>590,678</b>	<b>18.8%</b>

The direct economic value generated in 2019 increased, highlighting a strong economic performance.

The 2018 tax rate was significantly reduced as a result of the advance agreement on Patent Box signed on September 11, 2018 with the Italian Revenue Agency, including a Euro 141 million benefit for the three-year period 2015-2017 recognized in the third quarter, as well as that for 2018.

Ferrari also collaborates and supports local communities and civil society organizations through in-kind and economic contributions.

<sup>(1)</sup> Subject to approval by the Shareholders at the 2019 Annual General Meeting.

<sup>(2)</sup> Including deferred taxes.

**FERRARI N.V.**

# *Ferrari & Education*

We are aware of our responsibility towards the community and our efforts are directed to support the development of the local community, mainly through collaborations with local universities and thanks to the industry network in the Emilia-Romagna region. We believe that promoting the education of young talents is an essential step to reinforce the connection with local communities. Shaping brilliant engineers with a specific academic background that focuses on new technologies within the automotive industry, and in particular innovative solutions for state-of-the-art performance in luxury cars, is also a prerequisite for the Group to seize future opportunities.

Ferrari aims to promote education in the local community also at secondary school level. Ferrari has established long-term relationships with technical schools in Maranello and other towns nearby. The main collaborations consist in: participating in orientation committees; establishing “school-work” projects for students; bringing the testimony of Ferrari technicians in classrooms; implementing training of trainers (TOT) activities; donating Ferrari equipment; and participating in public tenders to finance technical classrooms and labs in collaboration with local schools. The aim of these initiatives is to support schools in providing the new generations with the skills and tools needed to meet the rapid technological changes taking place in society.

**Amatrice's new  
Istituto Omnicomprensivo  
Multi-school Campus  
named in honor of the late  
Sergio Marchionne**



## | Creating and sharing value with the community |

In a ceremony attended by Ferrari Chairman John Elkann on November 6, 2019, Amatrice's new Istituto Omnicomprensivo Multi-school Campus, was officially named in honor of the late Sergio Marchionne. Ferrari will continue its relationship with the Istituto Sergio Marchionne, which was originally built in the aftermath of the earthquake that devastated Central Italy in 2016 and will be offering top students an educational experience in Maranello.

Ferrari has established collaborations with leading universities worldwide that include the possibility for students to develop Bachelor and Doctoral theses as well as other research projects.

Ferrari is partner of the Motorvehicle University of Emilia-Romagna (MUNER), an association which was strongly advocated by the Emilia-Romagna region. It was created thanks to a synergistic connection among the universities of Modena and Reggio Emilia, Bologna, Ferrara and Parma along with car companies in the region that represent the excellence of Italian brands, which of course includes Ferrari.

The Motorvehicle University of Emilia-Romagna hub aims at attracting the best university students from all over the world, with the goal of training and introducing into the corporate world the engineers of tomorrow. The training offer is composed of two different master's degrees, Advanced Automotive Engineering (AAE) and Advanced Automotive Electronic Engineering (AAEE), during which all the partners of the initiative participate in educational activities through seminars, laboratories and lessons, and by inviting students to visit production plants. We invest a lot in this activity, to the point that some of our Maestri hold a few classes sharing their exclusive Ferrari knowledge. In 2019, the number of enrollments in the two master's degrees increased, with about a fifth of the students coming from foreign countries. The goal of this project is to foster the creation of a critical mass of professionals with the skills needed for the automotive of the future. October 24, 2019, saw the graduation of the first 25 students of MUNER.

**FERRARI N.V.**

# *Ferrari Museum Maranello & Museo Enzo Ferrari (MEF)*

The Ferrari Museum Maranello invites visitors to experience the Prancing Horse dream first-hand, offering visitors a journey through the Group's history, values and automotive world.

In 2019, the two museums had more than  
**600,000** visitors

The Museo Enzo Ferrari is built around the house in which Enzo Ferrari was born in 1898. The MEF tells the story of Enzo Ferrari as a young boy discovering the irresistible allure of the world of motor racing, his career as a driver in 1920s, as the driving force behind the Scuderia Ferrari in the 1930s, and then as Ferrari, the Constructor, from 1947 onwards.

During the year 2019, the Ferrari Museum Maranello and the MEF counted more than

600,000 visitors (+11% vs. the prior year). The main exhibitions were:

- The “Michael 50” exhibition: staged in partnership with the Keep Fighting Foundation. The Ferrari Museum dedicated a special exhibition to Michael Schumacher, officially opening it on his 50<sup>th</sup> birthday, January 3, 2019. A celebration and a mark of gratitude to the most successful Prancing Horse driver ever;
- Hypercars - The evolution of uniqueness: dedicated to all the Ferraris that hailed landmark advances in the marque’s technological evolution
- 90 Years - Scuderia Ferrari, the complete history: the most successful team in the history of Formula 1 turned 90 in 2019.
- Timeless Masterpieces: with some of the most elegant cars in the history of the marque on display.

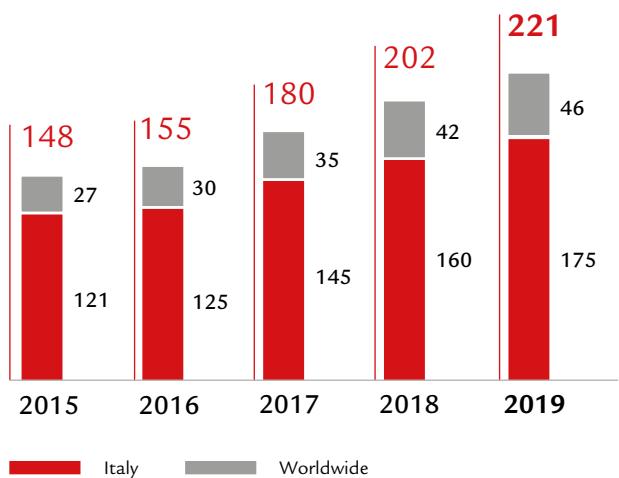


## Scuderia Ferrari Club

We strive to maintain and enhance the power of our brand and the passion we inspire in clients and the broader community of automotive enthusiasts by continuing our rigorous production and distribution model, which promotes hard-to-satisfy demand and scarcity value in our cars. We also support our brand value by promoting a strong connection between Ferrari and our community of enthusiasts.

Scuderia Ferrari Club is a not-for-profit consortium company founded in 2006 by Ferrari S.p.A. to coordinate the activities of the Scuderia's many Tifosi which have formed clubs around the world.

### Scuderia Ferrari Club active since 2015 to 2019

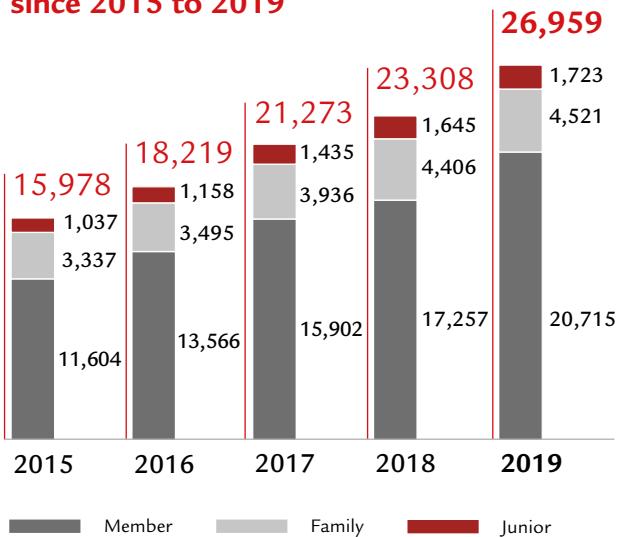


Today the company has over 221 officially-recognized Clubs in 24 nations. An incredible mix of different nationalities, cultures and lifestyles all united by one enduring passion: Ferrari.

Scuderia Ferrari Club also collaborates with the Clubs to support the organization of their events, providing, in some cases, showcase Ferrari cars.

Before joining the Scuderia Ferrari Club, an organization must demonstrate a significant track record and engage in a conduct that is in line with the values of Ferrari.

### Scuderia Ferrari Club memberships since 2015 to 2019



Legend: Member (Dark Grey), Family (Light Grey), Junior (Red)

**FERRARI N.V.**

# *Ferrari Driver Academy*

The Ferrari Driver Academy was founded with the aim of providing young drivers with a training program that will ultimately reward them with a career in a F1 Prancing Horse car.

The Ferrari Driver Academy focuses on fostering the growth and training of talented young drivers who are hand-picked from the international motor racing arena. The aim is to provide these drivers with a 360-degree preparation for a future in the world of Formula 1 or GT racing. In addition, the project also encompasses initiatives designed to promote motorsport in Italy and abroad with partnerships to support youth championships in Europe, America and Asia.

The first driver to enter the program was Jules Bianchi in December 2009. The Academy's line-up for 2020 will count nine drivers: Giuliano Alesi, Callum Ilott, Mick Schumacher, Marcus Armstrong, Robert Shwartzman, Enzo Fittipaldi, Arthur Leclerc, Gianluca Petecof and Dino Beganic. Charles

Leclerc joined at the beginning of 2016 and within two years won the GP3 and F2 championships. Two years ago, he raced in Formula One with Alfa Romeo Sauber and from 2019 he is racing for Scuderia Ferrari as an official Driver.

The Ferrari Driver Academy's mission is to train drivers, not merely from a racing point of view, but also to develop them personally and professionally through a program that spans several years. The focus is on developing both the person and the professional at a time in their life when they are growing rapidly, by providing them with all the required tools to make the right choices at the right time. Hence the idea of creating a "Campus" where the young drivers can live and breathe motorsport and, even more importantly, Ferrari, 24 hours a day.

In 2019, we had a successful year in Formula 3 Championship, with Robert Schwartzman clinching the title and Marcus Armstrong obtaining second place.



## FERRARI N.V.

# Methodology and scope

Through our Sustainability Report, we aim to provide our stakeholders with non-financial information, illustrate our sustainability strategy and our corporate social responsibility initiatives in 2019 (from January 1<sup>st</sup>, 2019 to December 31<sup>st</sup>, 2019) to ensure transparent and structured communication with our stakeholders.

This Sustainability Report was prepared under the supervision of Ferrari Group's Chief Financial Officer, in compliance with the "GRI Sustainability Reporting Standards" established in 2016 by GRI – Global Reporting Initiative, and in accordance with the GRI Standards: Core option. Several operating departments of the Group have been actively involved in the process of data gathering and report drafting, in order to shape this Sustainability Report. This has been shared with the Executive Officers of the Group and with the Governance and Sustainability Committee of the Board of Directors.

With regard to the financial data, the scope of reporting corresponds to that of Ferrari N.V.'s Consolidated Financial Statements.

Regarding the qualitative and quantitative data on social and environmental aspects, the scope of reporting corresponds to Ferrari N.V. and our subsidiaries consolidated on a line-by-line basis (as indicated in the note 3 "Scope of consolidation" of 2019 Annual Report). Environmental data and information is reported for our principal manufacturing facility in Maranello, for our second

plant in Modena and for our Mugello racing circuit. Any exceptions, with regard to the scope of this data, are clearly indicated throughout the Sustainability Report.

Directly measurable quantities have been included, while limiting, as far as possible, the use of estimates. Any estimated data is indicated accordingly, additionally certain totals in the tables included in this document may not add due to rounding.

During the reporting period, we did not face any significant change concerning the organization's size, structure, ownership or supply chain.

The reporting frequency will be annual.

The Report is subject to a limited assurance engagement in accordance with the criteria established by the principle ISAE 3000 (Revised) by EY S.p.A, which, at the end of the work performed, released the Independent Auditors' Report.

This Sustainability Report is also available online at [www.ferrari.com](http://www.ferrari.com). Please refer to the Investor Relations and Sustainability department for your inquiries about Ferrari's sustainability strategy (email: [ir@ferrari.com](mailto:ir@ferrari.com)).

For each of the 20 topics that emerged as being material, in order to identify where the issue generates an impact and thus determining its relevance, a specific boundary was identified.

| Methodology and scope |

Pillar	Topics	Boundary	
		Where the impacts occur	Ferrari Group involvement
<b>Exceeding Expectations</b>	Image and brand reputation	Ferrari Group, Scuderia Ferrari Club, Suppliers, Dealers, Business and Licensing Partners	<i>Caused and directly linked through business relationship</i>
	Innovation: technology and design	R&D and Design of Ferrari	<i>Caused</i>
	Quality and safety of products and customers	Ferrari Group, Suppliers	<i>Caused and directly linked through business relationship</i>
	Customer satisfaction	Ferrari Group, Dealers	<i>Caused</i>
	Responsible communication and marketing	Ferrari Group	<i>Caused</i>
<b>Reducing Environmental Footprint</b>	Emissions	Plants, Circuits and Road Cars of Ferrari	<i>Caused and contributes to</i>
	Environmental commitment	Plants and Circuits of Ferrari	<i>Caused</i>
<b>Being The Employer Of Choice</b>	Human capital	Employees of Ferrari Group	<i>Caused</i>
	Health and safety	Employees of Ferrari Group	<i>Caused</i>
	Work-life balance and employees wellness	Employees of Ferrari Group	<i>Caused</i>
	Diversity inclusion and non-discrimination	Employees of Ferrari Group	<i>Caused</i>
<b>Creating And Sharing Value With The Community</b>	Economic and financial performance	Ferrari Group	<i>Caused</i>
	Education	Ferrari Group	<i>Caused</i>
	Local communities	Ferrari Group	<i>Caused</i>
	Industrial relations	Plants	<i>Caused</i>
<b>Proactively Fostering Best Practice Governance</b>	Ethical Business conduct	Ferrari Group, Formula 1 activities of Ferrari, Suppliers, Dealers, Business and Licensing Partners	<i>Caused and directly linked through business relationship</i>
	Risk management and compliance	Ferrari Group	<i>Caused</i>
	Supply chain responsible management	Purchasing of Ferrari, Suppliers, Business and Licensing Partners	<i>Caused and directly linked through business relationship</i>
	Relationship with Institutions and Authorities	Ferrari Group	<i>Caused</i>
	Relationship with sponsors	Formula 1 activities of Ferrari	<i>Caused</i>

**FERRARI N.V.**

# *Forward Looking Statements*

This document contains forward-looking statements. These statements may include terms 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” or similar terms. Forward-looking statements are not guarantees of future performance. Rather, they are based on the Group’s current expectations and projections about future events and, by their nature, are subject to inherent risks and uncertainties. They relate to events and depend on circumstances that may or may not occur or exist in the future and, as such, undue reliance should not be placed on them. Actual results may differ materially from those expressed in such statements as a result of a variety of factors, including:

- the Group’s ability to preserve and enhance the value of the Ferrari brand;
- the success of Ferrari’s Formula 1 racing team and the expenses the Group incurs for Formula 1 activities, as well as the popularity of Formula 1 more broadly;
- the Group’s ability to keep up with advances in high performance car technology and to make appealing designs for its new models;
- the challenges and costs of integrating hybrid and electric technology more broadly into Group’s car portfolio over time;
- Group’s ability to preserve its relationship with the automobile collector and enthusiast community;
- the Group’s low volume strategy;
- the ability of Maserati, the Group’s engine customer, to sell its planned volume of cars;
- changes in client preferences and automotive trends;
- changes in the general economic environment and changes in local economic and political conditions, including changes in some of the markets in which we operate, changes in global financial markets and changes in demand for luxury goods, including high performance luxury cars, which is highly volatile;
- the impact of increasingly stringent fuel economy, emission and safety standards, including the cost of compliance, and any required changes to its products;
- the Group’s ability to successfully carry out its growth strategy and, particularly, the Group’s ability to grow its presence in growth and emerging market countries;
- the Group’s ability to service and refinance its debt;
- competition in the luxury performance automobile industry;
- reliance upon a number of key members of executive management, employees, and the ability of its current management team to operate and manage effectively;
- the performance of the Group’s dealer network on which the Group depend for sales and services;
- increases in costs, disruptions of supply or shortages of components and raw materials;
- disruptions at the Group’s manufacturing facilities in Maranello and Modena;
- the Group’s ability to provide or arrange for adequate access to financing for its dealers and clients, and associated risks;
- the performance of the Group’s licensees for Ferrari-branded products;

| Forward Looking Statements |

- the Group's ability to protect its intellectual property rights and to avoid infringing on the intellectual property rights of others;
- product recalls, liability claims and product warranties;
- continued compliance with customs regulations of various jurisdictions;
- labor relations and collective bargaining agreements;
- exchange rate fluctuations, interest rate changes, credit risk and other market risks;
- changes in tax laws and regulations, tariff or fiscal policies and regulatory, political and labor conditions in the jurisdictions in which the Group operates, including possible future bans of combustion engine cars in cities and the potential advent of self-driving technology;
- ability to ensure that its employees, agents and representatives comply with applicable law and regulations;
- the adequacy of its insurance coverage to protect the Group against potential losses;
- potential conflicts of interest due to director and officer overlaps with the Group's largest shareholders;
- ability to maintain the functional and efficient operation of its information technology systems, including our ability to defend from the risk of cyberattacks, including on our in-vehicle technology, and
- other factors discussed elsewhere in this document.

The Group expressly disclaims and does not assume any liability in connection with any inaccuracies in any of the forward-looking statements in this document or in connection with any use by any third party of such forward-looking statements.

Any forward-looking statements contained in this document speak only as of the date of this document and the Company does not undertake any obligation to update or revise publicly forward-looking statements. Further information concerning the Group and its businesses, including factors that could materially affect the Company's financial results, is included in the Company's reports and filings with the U.S. Securities and Exchange Commission, the AFM and CONSOB.

**FERRARI N.V.**

# *GRI content index*

The following is a summary of the main contents of the Sustainability Report 2019, according to the scheme of “*GRI Sustainability Reporting Standards*”.

## Universal Standards

GRI Standard	Disclosure	Page number / Link	Reasons for omissions
<b>GRI 102: GENERAL DISCLOSURES (2016)</b>			
<b>Organizational profile</b>			
102-1	Name of the organization	Ferrari N.V.	
102-2	Activities, brands, products, and services	19-33	
102-3	Location of headquarters	Via Abetone Inferiore n. 4, I-41053 Maranello (MO), Italy	
102-4	Location of operations	14	
102-5	Ownership and legal form	44; 2019 Annual Report (Overview - History of the Company)	
102-6	Markets served	14-15; 30	
102-7	Scale of the organization	14; 20; 30; 86; 2019 Annual Report (Selected Financial and Other Data, Overview of Our Business)	
102-8	Information on employees and other workers	87	
102-9	Supply chain	49-50	
102-10	Significant changes to the organization and its supply chain	116	
102-11	Precautionary Principle or approach	48-49; 94	
102-12	External initiatives	36-37; 46; 84; 94	
102-13	Membership of associations	Ferrari is a member of the following associations, among other: Alttagamma, Formula One Management. Starting from January 1, 2020 Ferrari has also become a member of ACEA (European Automobile Manufacturers Association)	
<b>Strategy</b>			
102-14	Statement from senior decision-maker	6-7	
102-15	Key impacts, risks, and opportunities	36-41; 48-51; 54-55; 101-102; 116; 2019 Annual Report (Risk Factors; Risks, Risk Management and Control Systems)	

| GRI content index |

GRI Standard	Disclosure	Page number / Link	Reasons for omissions
<b>Ethics and integrity</b>			
102-16	Values, principles, standards, and norms of behavior	17; 46; Ferrari Code of Conduct	
102-17	Mechanisms for advice and concerns about ethics	46-47; Ferrari Code of Conduct	
<b>Governance</b>			
102-18	Governance structure	44-45	
102-38	Annual total compensation ratio		The ratio between the CEO's target annual compensation and the median compensation for an employee was 138 to 1 for the 2019 financial year
<b>Stakeholder engagement</b>			
102-40	List of stakeholder groups	39	
102-41	Collective bargaining agreements	89	
102-42	Identifying and selecting stakeholders	39-41	
102-43	Approach to stakeholder engagement	39-41; 70-71	
102-44	Key topics and concerns raised	41	
<b>Reporting Practice</b>			
102-45	Entities included in the Consolidated Financial Statements	116; 2019 Annual Report (Scope of Consolidation)	
102-46	Defining report content and topic Boundaries	116-117	
102-47	List of material topics	36-37; 117	
102-48	Restatements of information	81; 83; 85; 97;	
102-49	Changes in reporting	36-37; 116	
102-50	Reporting period	116	
102-51	Date of most recent report	April 2019	
102-52	Reporting cycle	116	
102-53	Contact point for questions regarding the Report	116	
102-54	Claims of reporting in accordance with the GRI Standards	116	
102-55	GRI content index	120-127	
102-56	External assurance	128-130	

## FERRARI N.V.

# Topic-specific Standards

GRI Standard	Disclosure	Page number / Link	Reasons for omissions
<b>GRI 200: ECONOMIC SERIES (2016)</b>			
<b>Topic: Economic Performance</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	36; 117	
103-2	The management approach and its components	48-49; 108-109	
103-3	Evaluation of the management approach	48-49; 109	
<b>GRI-201: Economic Performance (2016)</b>			
201-1	Direct economic value generated and distributed	109	
<b>Topic: Market Presence</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	36; 117	
103-2	The management approach and its components	77-78; 89	
103-3	Evaluation of the management approach	77-78; 89	
<b>GRI-202: Market Presence (2016)</b>			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	89;	All the employees of our Group in Italy are subject to Collective Agreements (CCSL, Contratto Collettivo Specifico di Lavoro and Accordo Premio di Competitività Ferrari). Comparison Between Entry-Level Salary and Minimum Wage in Italy is 100 (considering a minimum wage of 100). Minimum wage levels are identical between men and women.
<b>Topic: Anti-Corruption</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	36; 117	
103-2	The management approach and its components	46-49; Ferrari Code of Conduct	
103-3	Evaluation of the management approach	46-49; Ferrari Code of Conduct	
<b>GRI-205: Anti-Corruption (2016)</b>			
205-1	Operations assessed for risks related to corruption	46; 48-49;	
205-3	Confirmed incidents of corruption and actions taken	48	
<b>Topic: Anti-Competitive Practices</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	36; 117	
103-2	The management approach and its components	46; Ferrari Code of Conduct	
103-3	Evaluation of the management approach	46; Ferrari Code of Conduct	

GRI Standard	Disclosure	Page number / Link	Reasons for omissions
<b>GRI-206: Anti-Competitive Practices (2016)</b>			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	48	
<b>GRI 300: ENVIRONMENTAL SERIES (2016)</b>			
<b>Topic: Energy</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	36; 117	
103-2	The management approach and its components	92-95	
103-3	Evaluation of the management approach	92-95	
<b>GRI-302: Energy (2016)</b>			
302-1	Energy consumption within the organization	95	
<b>Topic: Emissions</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	36; 117	
103-2	The management approach and its components	92; 96; 101-102	
103-3	Evaluation of the management approach	92; 96; 101-102	
<b>GRI-305: Emissions (2016)</b>			
305-1	Direct (Scope 1) GHG emissions	96	
305-2	Energy indirect (Scope 2) GHG emissions	96	
305-6	Emissions of ozone-depleting substances (ODS)	In 2019, leakages of refrigerant gas were recorded (HFC-23, HFC-134a R-404A, R-407C R-410A, R-422D), amounting to 0 tons of CFC-11 equivalent.	
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	97	
<b>Topic: Effluents and Waste</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	36; 117	
103-2	The management approach and its components	92; 97-99	
103-3	Evaluation of the management approach	92; 97-99	
<b>GRI-306: Effluents and Waste (2016)</b>			
306-1	Water discharge by quality and destination	99	
306-2	Waste by type and disposal method	97-98	
306-3	Significant spills	No significant spills occurred in the reporting period	
306-5	Water bodies affected by water discharges and/or runoff	99	

## FERRARI N.V.

GRI Standard	Disclosure	Page number / Link	Reasons for omissions
<b>Topic: Environmental Compliance</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	36; 117	
103-2	The management approach and its components	92; 94	
103-3	Evaluation of the management approach	92; 94	
<b>GRI-307: Environmental Compliance (2016)</b>			
307-1	Non-compliance with environmental laws and regulations	48	
<b>GRI 400: SOCIAL SERIES (2016)</b>			
<b>Topic: Employment</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	36; 117	
103-2	The management approach and its components	76-78; 82-83	
103-3	Evaluation of the management approach	76-78; 82-83	
<b>GRI-401: Employment (2016)</b>			
401-1	New employee hires and employee turnover	88-89	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	76-78; 82	
<b>Topic: Labor Management Relations</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	36; 117	
103-2	The management approach and its components	76-78; 89	
103-3	Evaluation of the management approach	76-78; 89	
<b>GRI-402: Labor-Management Relations (2016)</b>			
402-1	Minimum notice periods regarding operational changes	89	
<b>Topic: Occupational Health and Safety</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	36; 117	
103-2	The management approach and its components	76-78; 84-85	
103-3	Evaluation of the management approach	76-78; 84-85	
<b>GRI-403: Management Approach (2018)</b>			
403-1	Occupational health and safety management system	84	
403-2	Hazard identification, risk assessment, and incident investigation	84-85	
403-3	Occupational health services	84-85	
403-4	Worker participation, consultation, and communication on occupational health and safety	84-85	

GRI Standard	Disclosure	Page number / Link	Reasons for omissions
403-5	Worker training on occupational health and safety	84	
403-6	Promotion of worker health	77; 84-85	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	46; 47; 50; 73; 84	
<b>GRI-403: Occupational Health and Safety (2018)</b>			
403-9	Work-related injuries	85	
<b>Topic: Training and Education</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	36; 117	
103-2	The management approach and its components	76-80; 82-83	
103-3	Evaluation of the management approach	76-80; 82-83	
<b>GRI-404: Training and Education (2016)</b>			
404-1	Average hours of training per year per employee	81	
404-2	Programs for upgrading employee skills and transition assistance programs	79-80	
404-3	Percentage of employees receiving regular performance and career development reviews	83	
<b>Topic: Diversity and Equal Opportunity</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	36; 117	
103-2	The management approach and its components	76-78	
103-3	Evaluation of the management approach	76-78; 86	
<b>GRI-405: Diversity and Equal Opportunity (2016)</b>			
405-1	Diversity of governance bodies and employees	45; 86	
<b>Topic: Non-Discrimination</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	36; 117	
103-2	The management approach and its components	46-48; 76-83; Ferrari Code of Conduct	
103-3	Evaluation of the management approach	46-48; 76-83; Ferrari Code of Conduct	
<b>GRI-406: Non Discrimination (2016)</b>			
406-1	Incidents of discrimination and corrective actions taken	48	
<b>Topic: Local Communities</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	36; 117	
103-2	The management approach and its components	110-111	
103-3	Evaluation of the management approach	110-111	

## FERRARI N.V.

GRI Standard	Disclosure	Page number / Link	Reasons for omissions		
<b>GRI-103: GRI-413: Local Communities (2016) Approach (2016)</b>					
413-1	Operations with local community engagement, impact assessments, and development programs	110-111			
<b>Topic: Supplier Social Assessment</b>					
<b>GRI-103: Management Approach (2016)</b>					
103-1	Explanation of the material topic and its Boundary	36; 117			
103-2	The management approach and its components	46; 49-50; Ferrari Code of conduct			
103-3	Evaluation of the management approach	46; 49-50; Ferrari Code of conduct			
<b>GRI-414: Supplier Social Assessment (2016)</b>					
414-1	New suppliers that were screened using social criteria	Currently, the signing of the Ferrari code of conduct abides the suppliers to respect social criteria as outlined in our Code of Conduct. To date we do not have a dedicated screening according to social criteria to select suppliers.			
<b>Topic: Customer Health and Safety</b>					
<b>GRI-103: Management Approach (2016)</b>					
103-1	Explanation of the material topic and its Boundary	36; 117			
103-2	The management approach and its components	73			
103-3	Evaluation of the management approach	73			
<b>GRI-416: Customer Health and Safety (2016)</b>					
416-1	Assessment of the health and safety impacts of product and service categories	73			
<b>Topic: Marketing and Labeling</b>					
<b>GRI-103: Management Approach (2016)</b>					
103-1	Explanation of the material topic and its Boundary	36; 117			
103-2	The management approach and its components	54			
103-3	Evaluation of the management approach	54			
<b>GRI-417: Marketing and Labeling (2016)</b>					
417-1	Requirements for product and service information and labeling	Depending on the market of destination and whenever applicable, Ferrari vehicles are equipped with labels indicating environmental data (e.g. mercury-free label, fuel consumption and CO2 emissions label, etc.) and additional labels related to the safe use of the vehicle and its components (e.g. battery, Start&Stop system, lubricants, anti-freeze fluid). These labels are sometimes given by an internal self-assessment, otherwise directly received from the authorities.			
<b>Topic: Customer Privacy</b>					
<b>GRI-103: Management Approach (2016)</b>					
103-1	Explanation of the material topic and its Boundary	36; 117			
103-2	The management approach and its components	72			
103-3	Evaluation of the management approach	72			

GRI Standard	Disclosure	Page number / Link	Reasons for omissions
<b>GRI-418: Customer Privacy (2016)</b>			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No substantiated complaints concerning breaches of customer privacy and losses of customer data have been received	
<b>Topic: Socioeconomic Compliance</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	36; 117	
103-2	The management approach and its components	46-47	
103-3	Evaluation of the management approach	46-48	
<b>GRI-419: Socioeconomic Compliance (2016)</b>			
419-1	Non-compliance with laws and regulations in the social and economic area	48	
<b>Topic: Image and brand reputation</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	36; 117	
103-2	The management approach and its components	16-17; 20-23; 112-114	
103-3	Evaluation of the management approach	16-17; 20-23; 112-114	
<b>Topic: Innovation: technology and design</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	36; 117	
103-2	The management approach and its components	16-17; 54-63	
103-3	Evaluation of the management approach	54-63	
<b>Topic: Relationship with Institutions and Authorities</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	36; 117	
103-2	The management approach and its components	33; 39-41	
103-3	Evaluation of the management approach	39-41; 73	
<b>Topic: Education</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	36; 117	
103-2	The management approach and its components	79-80; 110-111	
103-3	Evaluation of the management approach	79-80; 110-111	
<b>Topic: Relationship with sponsors</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	36; 117	
103-2	The management approach and its components	26-29; 39-41	
103-3	Evaluation of the management approach	26-29; 39-41	

**FERRARI N.V.**

# Independent Auditor's Report



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## Independent auditors' report on the Sustainability Report

To the board of Directors of  
Ferrari N.V.

We have been appointed to perform a limited assurance engagement on the Sustainability Report (hereinafter "Report") of Ferrari N.V. and its subsidiaries (hereinafter "the Group") for the year ended on December 31<sup>st</sup>, 2019.

### Responsibilities of Directors for the Sustainability Report

The Directors of Ferrari N.V. are responsible for the preparation of the Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative ("GRI Standards"), as described in the paragraph "Methodology and Scope" of the Report.

The Directors are also responsible for that part of internal control that they consider necessary in order to allow the preparation of a Report that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for defining the Group's commitments regarding the sustainability performance as well as for the identification of the stakeholders and of the significant matters to report.

### Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior.

Our audit firm applies the International Standard on Quality Control 1 (ISQC Italia 1) and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

### Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the Report with the requirements of the GRI Standards. Our work has been performed in accordance with the criteria reported in the principle "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This principle requires the planning and execution of procedures in order to obtain a limited assurance that the Report is free from material misstatements.

EY S.p.A.  
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Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the ISAE 3000 Revised ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the Report were based on our professional judgment and included inquiries, primarily with company's personnel responsible for the preparation of the information included in the Report, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

- Analysis of the process relating to the definition of material aspects included in the Report, with reference to the criteria applied to identify priorities for the different stakeholders categories and to the internal validation of the process outcomes;
- Comparison of economic and financial data and information included in the Report with those included in the Group's consolidated Annual Report as of December 31<sup>st</sup>, 2019, on which we issued our audit report on February 18<sup>th</sup>, 2020.
- Understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the Report.

In particular, we have conducted interviews and discussions with the management and the personnel of Ferrari S.p.A. and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of data and information to the department responsible for the preparation of the Report.

Furthermore, for significant information, considering the Group's activities and characteristics:

- at Group level
  - a) with reference to the qualitative information included in the Report we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
  - b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
- For Ferrari S.p.A. production facility located in Maranello (Modena), which we have selected based on its activity, relevance to the consolidated performance indicators and location, we have carried out a site visit during which we have had discussions with management and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.

### Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that Sustainability Report of Ferrari Group for the year ended on December 31<sup>st</sup>, 2019 has not been prepared, in all material aspects, in accordance with the requirements of the GRI Standards, as described in the paragraph "Methodology and Scope" of the Sustainability Report.

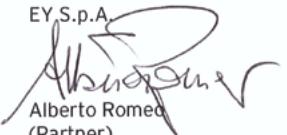
## FERRARI N.V.



### Other information

The Sustainability Report for the year ended on December 31<sup>st</sup>, 2017, whose data are presented for comparative purposes, has been subject to limited assurance procedures by another auditor, who expressed an unqualified conclusion on this report on March 30<sup>th</sup>, 2018.

Milan, March 27<sup>th</sup>, 2020

EY S.p.A.  
  
Alberto Romeo  
(Partner)







