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FERRARI N.V.

# **SUSTAINABILITY REPORT**

2020



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FERRARI N.V.

**SUSTAINABILITY  
REPORT**  
2020





## 2020 HIGHLIGHTS

~**1.3€bn**

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EXPENSED R&D AND CAPEX

## BACK ON TRACK PROGRAM

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## EQUAL SALARY CERTIFICATION

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DOWN



AUTO



H

eD

ENGINE  
START  
STOP

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# LETTER FROM THE CHAIRMAN



Dear Shareholders,

The complex and dramatic nature of our current times is accelerating change and forcing the redefinition of how companies are judged, not least their ability to withstand the impact of crises and to anticipate long-term global transformation.

Moments such as these become a real testing ground for

business resilience. This year in extraordinary circumstances Ferrari has proved yet again its overall strength.

The financial results for 2020 have outperformed all the end-of-year guidance metrics thanks to prudent management whilst also continuing to give priority to investments.

Despite the difficulties caused by COVID-19, which included a seven-week production suspension, the Group still delivered 9,119 cars in 2020, in line with our second semester production plans, recorded revenues of 3.46 billion euro and delivered an EBITDA of 1.143 billion euro.



## LETTER FROM THE CHAIRMAN

These are important results. Even more important is how the Company has succeeded this year in protecting the health of all of its people as well as those most vulnerable within the community. The effectiveness of the Back on Track protocol has allowed us to work in the safest of conditions and became an example to follow in Italy and across the globe. At the same time, we provided support to the local and national healthcare system through our charity initiatives, which in turn were generously supported by our clients, our Board of Directors and our Senior Management Team.

Throughout the various phases of the pandemic, we behaved with consistent responsibility and transparency towards our business partners, clients and all stakeholders.

We provided timely updates to the market, offering guidance about our future without ignoring relative risks and opportunities as they gradually emerged. I would like to extend my heartfelt thanks not only to the men and women of Ferrari but also to Louis Camilleri for his exemplary leadership throughout this extremely sensitive time. During his tenure Ferrari reached milestones never before achieved.

I am thinking, for example, of our product range, which is now one of the best, most innovative and broadest in our history. In 2020, it was enriched still further by the addition of the Ferrari Portofino M, the SF90 Spider and, lastly, the 488 GT Modificata, a limited edition model for Club Competizioni GT events: three new reference points for the automotive sector in terms of design, performance and innovation. In introducing them, we enriched a portfolio that meets the different

needs of an increasingly diverse client base whilst retaining Ferrari's signature exclusivity through targeted individual models. Industry recognition has also not been lacking, in particular the Red Dot: Best of the Best Award for the SF90 Stradale and the Compasso d'Oro for the Ferrari Monza SP1.

Another no less ambitious goal now lies before us: to become a carbon neutral company

through a series of actions aimed at reducing car emissions as well as fully offsetting others.

This will be a further and decisive step forward in our transition to sustainability and starts with a study to measure our carbon footprint.

Sustainability for Ferrari also means committing to an inclusive working environment that respects differences.

Our efforts in that regard have been rewarded by the Equal Salary Foundation, which last July certified that Ferrari offers equal pay and treatment to men and women alike holding the same qualifications and positions. The Company became the first Italian company to be awarded this certification at the end of an analysis conducted using European Commission-recognised methodologies.

The safety measures imposed by the pandemic have inevitably hindered our brand diversification activities, resulting in the museums, theme parks and stores remaining closed for a good part of the year. That said, we still launched major initiatives such as the online Ferrari Hublot Esports Series, which clocked up over 2.5 million views.

2020 also brought our 1,000th Grand Prix:

a historic achievement we proudly celebrated as the most successful team ever both in Formula 1 and motorsport in general. Nonetheless, past victories are no guarantee for the future and last year was a demonstration of that, with results not on a par with our history. This painful reality both for ourselves and our fans is that from which we must restart with humility, focusing on our priorities to return to competitive form and to winning.

Ferrari was, however, one of the protagonists of the GT Racing season benefiting from the introduction of the 488 GT3 Evo 2020.

Our triumphs in the GT World Challenge Europe's Endurance Cup and the FIA Endurance Trophy in the WEC were two of the high points of the 26 national and international titles added to the Prancing Horse's tally of victories in 2020.

As we enter a new decade, we remain focused on our long term future. Today's successes will never ensure those of tomorrow. But innovation, creativity and our people are what will continue to determine our achievements. I am optimistic that we will know how to turn arduous challenges into exciting opportunities.

February 26, 2021

**John Elkann**  
*Chairman*



# OUR JOURNEY TO SUSTAINABILITY

In 2020, the entire Company rose to meet the challenge of the pandemic and unprecedented global scenario. Ferrari strived to respond cohesively and with conviction to its stakeholders' new needs, prioritizing

the well-being and welfare of its employees. As a result, sustainability became ever more integral to its decision making processes across all the Group's departments, as did all the five pillars of the sustainability

strategy, which we outline below. In such a complex year, they proved crucial to the business's resilience and will become even more so over the next years.

## EXCEEDING EXPECTATIONS

### DRIVE TECHNOLOGICAL INNOVATION WHILE PURSUING EXCELLENCE IN DESIGN AND CRAFTSMANSHIP TO FUEL THE PASSION OF OUR CUSTOMERS AND FANS.

Innovation drives our products, our distinctive design and cutting-edge technology, representing one of our key differentiating factors.

Innovation at Ferrari starts with our employees' ideas. For this reason, we have implemented programs to encourage employees to conceive and share solutions that will set new standards, improving processes and

working methods. For instance, Pole Position Evo rewards staff members' best ideas, selected from around 8,300 suggestions in 2020.

Our participation in the Formula 1 World Championship with Scuderia Ferrari is another critical driver of technological innovation. Competing with the other teams at such a rarefied level acts as a constant stimulus to produce new technological solutions, which are then transferred or adapted to our road cars.

We can see this, for example, with the SF90 Stradale and SF90 Spider's hybrid configuration.

Ferrari is well aware that partnerships and synergies with external entities in different sectors are also key to facing the future challenges of the automotive industry.

With this in mind, we have partnered with universities and research centers to translate theoretical research into technical solutions. Start-ups, too, offer exciting opportunities to spread and share 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.

The automotive sector must comply with extensive international, national and local laws and regulations and industry self-regulations. In particular, the European, US

and Chinese markets have new regulations that respond to legitimate concerns about vehicle safety, fuel consumption, noise levels and environmental impact.

Ferrari is committed to creating a culture of sustainability to address this complex scenario. This culture demands efficient corporate governance and risk management, a proactive decision-making process and openness to change. All of these extend not just to Company processes as a whole

but through our entire supply chain. Our focus on excellence in terms of luxury, quality, aesthetics and performance require responsible supply chain management. The selection of commercial partners, suppliers, and dealers is based not only on the quality of their products and services but also on their adherence to ethical and environmental principles. Specifically, all of our suppliers must comply with our Code of Conduct and are encouraged to adopt and share sustainable practices.

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## BEING THE EMPLOYER OF CHOICE

### PROVIDE AN INCLUSIVE, EDUCATIONAL AND INSPIRING WORK ENVIRONMENT TO UNLEASH EVERYONE'S PASSION, CREATIVITY AND TALENT.

The difficulties we all faced in 2020 strengthened the Company's sense of community. Confronted by the pandemic, Ferrari responded rapidly and responsibly to meet the health threats.

In April, we introduced the 'Back on Track' program to make the workplace safer and safeguard employee well-being, setting a new global standard for the efficiency of our preventive measures. For instance, Ferrari was one of Italy's first companies to offer its

staff and their families voluntary screening tests. Other specific measures provided any COVID-19-positive employee with special free insurance cover and accommodation for self-isolation, with medical and nursing support at home. The outcome of 'Back on Track' was shared with Emilia Romagna Region, making the most advanced practices to protect workers' health available in the community.

Despite the COVID-19-related difficulties, last year Ferrari again delivered over 63,300 hours of training to employees, in compliance with anti-contagion regulations, a rise of around 10% over 2019. Several of the corporate welfare system's activities for employees

and their families continued over the year. The Formula Benessere project provided more than 1,100 specialist medical check-ups for workers when many health facilities had limited or suspended their activities. The FB Junior Project also provided check-ups for over 650 children of employees.

Last year saw another significant stride in Ferrari's commitment to an inspiring and inclusive working environment.

In July, Ferrari S.p.A. was the first Italian Company to receive the Equal Salary Certificate for providing equal pay to men and women with the same qualifications and positions.

## REDUCING ENVIRONMENTAL FOOTPRINT

### INCREASE OUR ENVIRONMENTAL AWARENESS TO CONTINUOUSLY SET AND IMPLEMENT RELATED PROGRAMS AND ACTIONS.

Climate change is a key megatrend for Ferrari, which continues to invest heavily to minimize its environmental impact.

The company plans to carry out the scenario analysis and set scientifically-based targets in the coming years.

We have already started our journey towards carbon neutrality. To this effect, we rely on our strong

propensity to innovate, for example, developing and increasing the offering of hybrid powertrains. This will allow us to meet specific regulatory requirements and also satisfy customers' desires for significantly improved emissions while enhancing the driving emotions of making our cars.

In 2020, energy efficiency improvements had already yielded a 35% reduction in CO<sub>2</sub> emissions (compared to 2007) for our European fleet.

Over the years, the Group has striven to lower its energy consumption and minimize the environmental impact

of its manufacturing facilities. It has implemented circular economy principles to minimize waste and has used renewable energy sources.

In 2020 the trigeneration system in Maranello covered 81% of the Maranello plant's energy requirement needs, while the remaining 19% came from renewable sources.

In 2020, these environmental performance and transparency efforts received an A- rating from CDP, an independent non-profit organization specializing in environmental reporting. Ferrari ranked among the global leaders in the annual report, significantly above average for the sector.

## 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, which only deepened during the COVID-19 healthcare crisis. The Company found effective ways to alleviate the suffering of those less fortunate within the community through a series of charitable initiatives.

The Prancing Horse fundraised among some of its customers for its local healthcare system, matching their donations.

Other initiatives in the local community included purchasing equipment for hospitals, emergency medical service vehicles, IT equipment

for schools and essential goods for families struggling to cope with the emergency. The Chairman, the former CEO, the Board of Directors, and the Senior Management Team helped generate the funds donated for the latter initiatives.

These contributions came in addition to the respirator valves and fittings for protective masks produced by the Company at its Maranello plant and donated to hospitals in Italy and abroad.

Scuderia Ferrari Mission Winnow and the Italian Institute of Technology also joined forces to create the FI5, a revolutionary low-cost and lightweight pulmonary ventilator made available as an open-source project to hospitals worldwide.

Although the current period of uncertainty led us to concentrate

more on people's health and well-being, our prime local focus, as always, is education.

We partner with schools, such as the Alfredo Ferrari Technical High School in Maranello, offering our support and sharing work experience projects.

Ferrari is also involved with the MUNER (Motorvehicle University of Emilia-Romagna) Project, which pools the knowledge of Emilia Romagna's universities and puts the know-how of Motor Valley's leading companies at the service of future engineers.

As a global brand, Ferrari also provided help beyond Italy's borders. For example, in November, we raised \$750,000 for Save the Children's education programs in the United States, including the winning bid for the Ferrari Roma grand tourer auctioned online.



### THESE FIVE PILLARS HAVE BECOME PART OF OUR COMPANY CULTURE

Acting as driving forces in redesigning the working environment, fostering individual and professional development, enhancing teamwork and building a responsible community around Ferrari. As sources of innovation for product and processes, they will continue to push our Group and the whole automotive sector's boundaries.









## FERRARI GROUP

# +6.3%

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TOTAL EMPLOYEES VS. 2019

# OVER 60

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MARKETS

# 3 CARS

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UNVEILED IN 2020

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 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 are the only team which has taken part in more than 1,000 Formula 1 races.

**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 168 authorized dealers operating 188 points of sale as of the end of 2020.

**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 2020, for which shipments will commence in 2021) is comprised of six sports cars (SF90 Stradale, SF90 Spider, Ferrari F8 Tributo, Ferrari F8 Spider, 812 Superfast and 812 GTS), two GT cars (Ferrari Roma and Ferrari Portofino M) as well as two versions of our first Icona car, the Ferrari Monza SP1 and the Ferrari Monza SP2. In 2020 we completed shipments of the GTC4Lusso and the GTC4Lusso T, as well as our most recent special series models, the Ferrari 488 Pista and the Ferrari 488 Pista Spider, which completed their respective lifecycles in 2020. We also produce limited edition hypercars and one-off cars. Our most recent hypercar, the LaFerrari Aperta, was launched in 2016 to celebrate our 70th Anniversary and finished its limited series run in 2018. We followed up our record of 5 model launches in 2019 with the unveiling in 2020 of the Ferrari Portofino M and the SF90 Spider, with shipments of both models expected to commence in 2021.

**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 (i) EMEA, (ii) Americas, (iii) Mainland China, Hong Kong and Taiwan, and (iv) Rest of APAC, which represented respectively 52.8 percent, 25.5 percent, 5.0 percent and 16.7 percent of units shipped in 2020. The geographical distribution of shipments in 2020 reflects deliberate allocations driven by the phase-in pace of individual models. Shipments in 2020 decreased as a result of the seven-week production suspension in the first half of 2020 and the temporary closure of certain dealerships caused by the COVID-19 pandemic, with a partial recovery of production and shipments in the second half of the year.

**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 the pinnacle of motorsport and is one of the most watched annual sports series in the world, with approximately 433 million unique viewers in 2020 and an average total audience for a Grand



Prix weekend of 87.4 million (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.

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**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 18 Ferrari-owned stores and 18 franchised stores (including 14 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.





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.





# OUR VALUES

## INDIVIDUAL AND TEAM

Our talented individuals are our greatest resource. However they can only pursue the extraordinary by working together as a team. By fostering integrity, excellence and generosity, we give each of our people the possibility to express their own full potential - and be part of something greater.

## TRADITION AND INNOVATION

Tradition always stems from innovation. The ongoing quest for lasting firsts is what fuels the Ferrari legend. Our ability to combine revolutionary technological solutions with exceptional artisanal craftsmanship is what enables us to create icons that stay timeless in a fast changing world.

## PASSION AND ACHIEVEMENT

Ferrari's racing spirit lives on in emotions that transcend the road and the track, ultimately becoming an authentic attitude towards life. Nothing excites us more than setting ambitious targets and expectations and then exceeding them, to push every boundary. It is how the power of passion becomes the beauty of achievement.

# 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:**

- Controlled growth
- Regular new model introductions and enhancements
- Pursue excellence in racing
- Controlled growth in adjacent luxury and lifestyle categories











## OUR BUSINESS

# 24%

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V12 OF 2020 SHIPMENTS

# 76%

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V8 OF 2020 SHIPMENTS

# 9,119

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SHIPMENTS IN 2020

FERRARI N.V.

# FERRARI LINE-UP STRATEGIC PILLARS

“DIFFERENT FERRARI FOR DIFFERENT FERRARISTI,  
DIFFERENT FERRARI FOR DIFFERENT MOMENTS”

Our product offering as of the date of this report comprises four main strategic pillars: the sports range, the GT range, special series and Icona. Our current product range includes six sports cars, two GT cars as well as our Icona cars, introduced in September 2018 with the Ferrari Monza SP1 and SP2. In 2020 we completed shipments of the GTC4Lusso and the GTC4Lusso T, as well as our most recent special series models, the Ferrari 488 Pista and the Ferrari 488 Pista Spider.

**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.

## SPORTS



## GT



## SPECIAL SERIES



## ICONA



## OUR BUSINESS

# RANGE MODELS

## SPORTS



**V8 Hybrid -  
SF90 Stradale**



**V8 Hybrid -  
SF90 Spider**



**V8 -  
F8 Tributo**



**V8 -  
F8 Spider**



**V12 - 812  
Superfast**



**V12 -  
812 GTS**

## GRAN TURISMO



**V8 -  
Portofino M**



**V8 - Roma**



**V8 -  
GTC4Lusso T**



**V12 -  
GTC4Lusso**

## SPECIAL SERIES MODELS



**V8 - 488 Pista**



**V8 -  
488 Pista Spider**



**V12 -  
Monza SP1/ SP2**



**V12 - Ferrari  
Omologata**

## ICONA

## ONE-OFF

# TRACK CARS

## FERRARI CHALLENGE



**V8 -  
488 Challenge EVO**

## THE XX PROGRAMME



**V12 -  
FXX K EVO**

## RACING CARS



**V8 - 488 GTE/  
GT3 EVO**



**V8 - 488 GT  
Modificata**

The chart below sets forth the percentage of our unit shipments by pillar (excluding the XX Programme, racing cars, one-off and pre-owned cars) for the year ended December 31, 2020:

## SPORT & SPECIAL SERIES



## GT



## ICONA





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## SPORTS RANGE

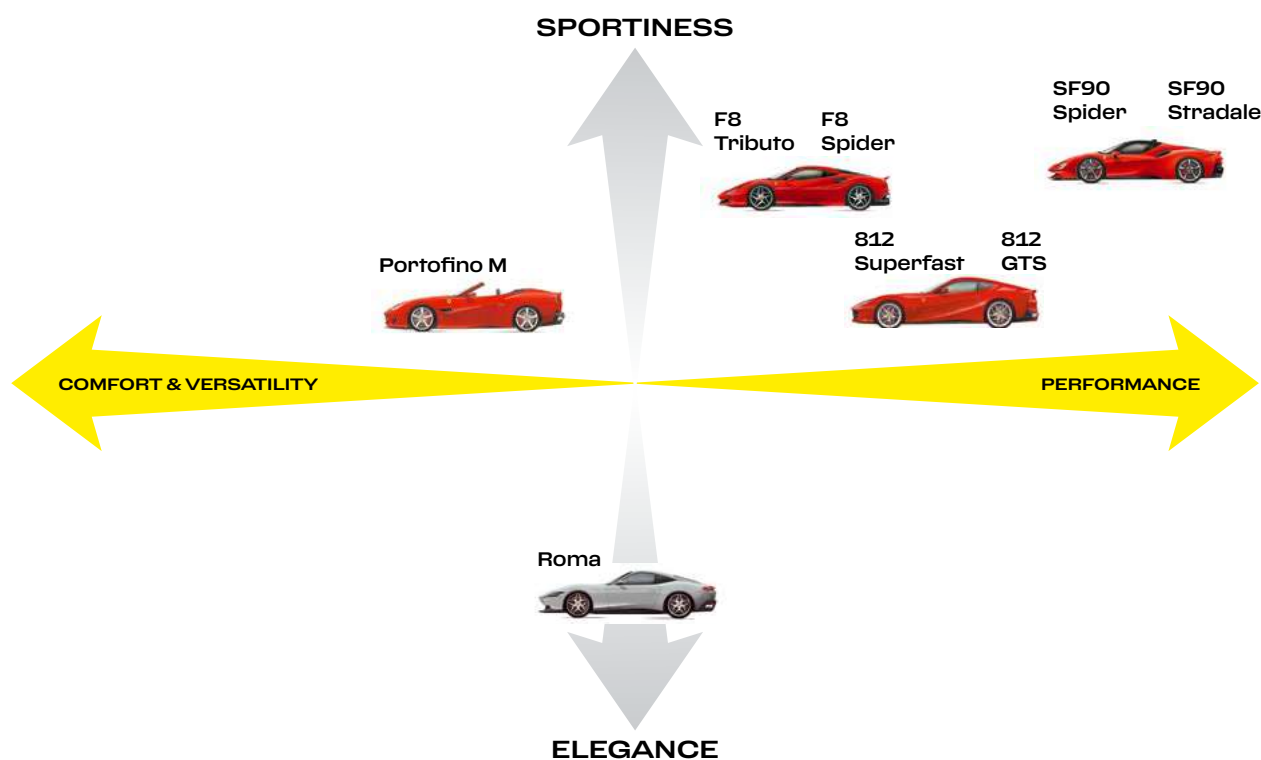
Our sports cars are characterized by compact bodies, a design guided by performance and aerodynamics, and often benefit from technologies initially developed for our Formula 1 single-seaters. They favor performance over comfort, seeking to provide a driver with an immediate response and superior handling, leveraging state-of-the-art vehicle dynamics components and controls. In our sports car class, we offer six models: the SF90 Stradale

and SF90 Spider, our first series production cars which feature PHEV technology that combines a V8 engine (780 hp) with three electric motors allowing the car to reach 1,000 hp; the Ferrari F8 Tributo and the Ferrari F8 Spider, equipped with a mid-rear V8 engine (720 hp), 4 time winner of the engine of the year award; the 812 Superfast and the 812 GTS, 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 two models equipped with our V8 engine, the Ferrari Roma (620 hp) and the Ferrari Portofino M (620 hp).

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



## 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. Special series cars whose shipments were completed at the end of 2020 were the Ferrari 488 Pista, powered by a 720 hp V8 engine, and its retractable hard top version, the Ferrari 488 Pista Spider (720 hp).

## OUR BUSINESS

## 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 750 Monza and 860 Monza.

## LIMITED EDITION HYPERCARS AND ONE-OFFS

In line with our tradition of hypercars starting with the GTO (288 GTO) 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.

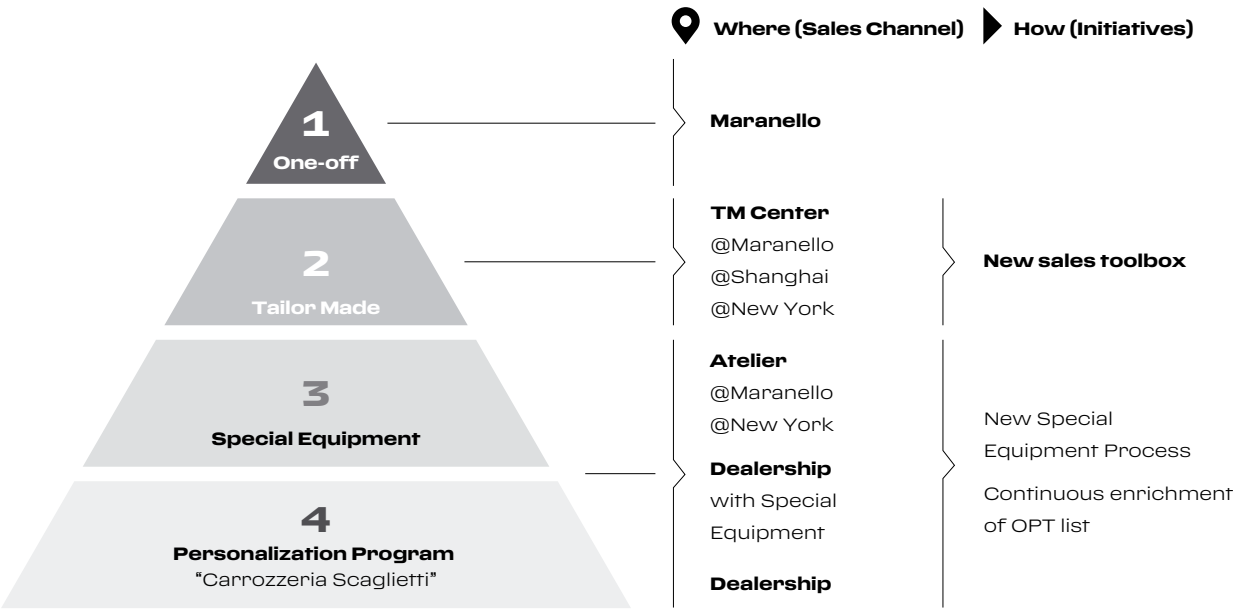
In order to meet the varying needs of our most loyal and discerning clients, we also produce a very limited number of one-off models. While based on the chassis and equipped with engines of one of the current range models for homologation and registration purposes, these cars reflect the

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 Ferrari 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), the Ferrari P80/C, a real track car taking inspiration from past Ferrari Sport Prototipo models, and the Ferrari Omologata, based on the 812 Superfast V12 platform.



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PERSONALIZATION OFFER



All of our models feature highly customizable interior and exterior options, which are included in our personalization catalog. Some of these options include performance contents like carbon fibre parts, carbon fibre wheels, titanium exhaust systems, alternative brake caliper colors, parking cameras, MagnaRide dual mode suspension, various door panel configurations, steering wheel inserts and state-of-the-art custom high fidelity sound systems. Commencing with the SF90 Stradale and the SF90 Spider, we have also introduced the "Assetto Fiorano" configuration, which provides numerous exclusive features for those who seek radical performance and design.

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 and One-Offs" above for more details.



tailor made  
FERRARI



FERRARI N.V.

# FORMULA 1 ACTIVITIES

Participation in the Formula 1 World Championship with Scuderia Ferrari is a core element of our marketing effort and promotional activities, as well as an important source of technological innovation for the engineering, development and production of our sports, GT, special series and Icona cars. The Formula 1 World Championship is the pinnacle of motorsports with 433 million unique viewers and a total cumulative global television audience of 1.5 billion in 2020 (Source: Formula 1 Press Office).

Once again in 2020, Formula 1's social media platforms grew significantly, with the total number of followers up 36 percent to 35 million, video views increased by 47 percent to 4.9 billion.

In 2020, Formula 1's social media channels were the second fastest growing major sports league in the world across the four major social platforms and registered the fastest growth in engagement compared to other major sports (Source: Formula 1 Press Office).

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, Russia and Azerbaijan. This provides participants in the Formula 1 World Championship exceptional visibility on the world stage. As a result of the changes in the calendar caused by

the COVID-19 pandemic, a number of historical and new venues hosted events in 2020.

**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 2020 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.

2020 was one of the most difficult seasons in the recent history of Scuderia Ferrari, both for the sporting results and for the events that characterized the year.

The COVID-19 pandemic had a significant impact on the 2020 season and is expected to continue

to impact the 2021 season. After a series of postponements, cancellations and changes to the race schedule and race formats, the Formula 1 World Championship included 17 races in 2020, five fewer than the 22 originally planned. Additionally, due to the adverse financial effects experienced in 2020 as a result of the COVID-19 pandemic, the Fédération Internationale de l'Automobile ("FIA") and Formula One World Championship Ltd. ("Formula One") established, with the unanimous support of the teams participating in the Formula 1 World Championship, a series of regulatory changes aimed at significantly reducing the operating costs for the 2021 season. In particular, the introduction of the new sporting and technical regulations originally planned for 2021 has been postponed to 2022, although significant restrictions on the frequency of developments to both the chassis and the power unit have been introduced for the 2021 season. Moreover, the budget cap introduced under the financial regulations in effect starting in 2021, which limits the amount of certain types of costs that may be incurred by the F1 teams, has been further reduced from a cap of \$175 million per year originally envisioned to a cap of \$147 million for the 2021 season (assuming 23 grand prix races in 2021). Furthermore, the budget cap will be reduced to \$142 million and €137 million for the 2022 and 2023 seasons, respectively (assuming 23 grand prix races in both years).

In terms of results, the season ended with sixth place for the Scuderia Ferrari in the Constructors'



Championship, with 131 points and three podiums, and with eighth and thirteenth place finishes in the Drivers' Championship, respectively, for Charles Leclerc and Sebastian Vettel. Furthermore, it was decided that Sebastian Vettel will be replaced by Carlos Sainz from 2021.

**ON AUGUST 18, 2020, IT WAS ANNOUNCED THAT FERRARI SIGNED THE TWO AGREEMENTS THAT WILL GOVERN THE SCUDERIA FERRARI'S CONTINUING PARTICIPATION IN THE FIA FORMULA 1 WORLD CHAMPIONSHIP OVER THE FIVE YEAR PERIOD FROM 2021 TO 2025.**

The first agreement, which was signed between Ferrari, the FIA and Formula One World Championship Ltd. ("Formula One"), defines the regulatory and governance aspects of the Formula 1 World Championship. The second agreement, which was signed between Ferrari and Formula One, defines the commercial aspects (the so-called "New Concorde Agreement"). The New Concorde Agreement recognized again the historical role of Ferrari, the only team that has participated in all Formula 1 World Championship editions since its inception. In exchange for their participation in Formula 1 races, the participating teams receive a share of a prize fund based on the profits earned from Formula 1-related commercial activities managed by Formula 1, including in particular, promoters' fees, television broadcasting royalties, partnership agreements 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 offset a portion 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.

As mentioned above, the introduction of the new set of sporting and technical regulations approved by the Formula 1 World Council on October 31, 2019, has been postponed to 2022, while the new financial regulations have come into force as of January 1, 2021.

Improvements in technology and, from time to time, changes in regulations typically 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.

During 2020 it was agreed by the FIA and the teams to carry over the same chassis in 2021, with a very limited number of changes allowed, in order to reduce the overall cost to participating teams.

**2020**  
**1,000<sup>TH</sup>**  
GRAND PRIX IN THE HISTORY

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## FORMULA 1 RACING ALLOWS US TO PROMOTE AND MARKET OUR BRAND AND TECHNOLOGY TO A GLOBAL AUDIENCE WITHOUT RESORTING TO TRADITIONAL ADVERTISING ACTIVITIES

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**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 make 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 focus on combining minimal lap times with maximum efficiency, leading to advances in kinetic energy recovery systems, 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 GREAT VISIBILITY, BOTH ON TRADITIONAL MEDIA AND ON DIGITAL PLATFORMS, THAT SCUDERIA FERRARI OBTAINS THANKS TO ITS PARTICIPATION IN THE FIA FORMULA 1 WORLD CHAMPIONSHIP GUARANTEES THE CONTINUITY OF SIGNIFICANT SPONSORSHIPS.**

Philip Morris International has been a partner of Scuderia Ferrari for over 40 years and, since 1996, has also been its Title Partner. Shell, official sponsor and Technical Partner of Scuderia Ferrari from 1996, is the other leading sponsor of the Scuderia Ferrari team. Other official partners, sponsors or suppliers include Hublot, Kaspersky, OMR, Ray Ban and UPS, among others. The visibility and placement of partner logos on the car and team uniforms reflect their respective level of sponsorship.

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

The Mugello Circuit, which is located in Scarperia, near Florence, was acquired in 1988.

Ferrari has renovated its 5.2 km racetrack as well as its buildings and testing and racing facilities, making it one of the world's finest circuits of its type, with FIA Grade 1 and FIM Grade A certifications, the highest levels of homologation for a race track.

Ferrari promotes the Mugello Circuit to event organizers and host motorsport events, including the MotoGP World Championship since 1992. In 2020, despite the lockdown caused by the COVID-19 pandemic, the circuit hosted 160 days of track activities and 12 race weekends.

**THE MOST IMPORTANT WAS THE 2020 FORMULA 1 GRAND PRIX OF TUSCANY FERRARI 1000, THE FIRST FORMULA 1 WORLD CHAMPIONSHIP EVENT ORGANIZED BY FERRARI DURING THE 30 YEAR HISTORY OF THE MUGELLO CIRCUIT AND THE 1,000TH GRAND PRIX IN THE HISTORY OF SCUDERIA FERRARI.**

Moreover, in 2020 Mugello Circuit S.p.A. obtained the ISO 20121 certification, the international standard for the sustainable event management. To date Mugello Circuit is the first circuit in the world to obtain this certification.

This standard applies to the activities related to the events hosted and is evidence of the commitment of Mugello Circuit to implement a responsible and sustainable management system.

**THE MUGELLO CIRCUIT IS THE ONLY RACETRACK TO HAVE RECEIVED THE "BEST GRAND PRIX" AWARD ON FIVE OCCASIONS, THE HIGHEST HONOR GIVEN TO MOTOGP PROMOTERS.**

# 1988

ACQUIRED  
BY FERRARI

# 2020

ISO 20121  
CERTIFICATION,  
FOR THE  
SUSTAINABLE  
EVENT  
MANAGEMENT

# 2020

THE FIRST  
FORMULA 1 WORLD  
CHAMPIONSHIP  
EVENT ORGANIZED  
BY FERRARI







FERRARI N.V.

# BRAND DIVERSIFICATION STRATEGY

A UNIQUE BRAND WITH A DUAL IDENTITY: EXCLUSIVE, BUT ALSO INCLUSIVE, IN RELATION TO OUR F1 FAN COMMUNITIES

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).

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

A REFINED COLLECTION OF PRODUCTS THAT WILL EMBODY FERRARI'S DNA

## ENTERTAINMENT

TO REACH OUT TO A WIDER AND YOUNGER CUSTOMER BASE WHILE LEVERAGING FERRARI'S UNIQUE RACING ROOTS

## CAR ADJACENCIES

A COLLECTION OF EXCLUSIVE LUXURY PRODUCTS AND SERVICES TO COMPLEMENT THE FERRARI EXPERIENCE.

In 2020, due to government restrictions on travel and certain business activities imposed as a result of the COVID-19 pandemic, the number of visitors in our museums, our franchised and directly managed stores, and our licensed theme parks (further described below) was significantly lower than pre-pandemic levels.

## OUR BUSINESS

## 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.

At December 31, 2020, there were a total of 36 retail Ferrari stores, including those in Maranello, Milan,

Rome, Macau, Miami, Los Angeles and Abu Dhabi, of which 18 stores are directly owned and operated by us and 18 are franchised stores (including 14 Ferrari Store Junior).

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.

36

RETAIL FERRARI STORES

14

FERRARI STORE JUNIOR

## MUSEUMS, LICENSING, ENTERTAINMENT AND THEME PARKS

Ferrari owns and manages two museums, one in Maranello and one in Modena.

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 2020, we enhanced our participation in eSports (i.e., electronic sports) with the launch of the Ferrari eSports series with more than 20,000 participants.

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.

20,000

PARTICIPANTS OF FERRARI ESPORT SERIES



# 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 500 trademarks (word or figurative), registered in several countries and across a number of classes. In particular, we ensure that the maximum level of protection is given to the 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.





**~500**  
| TRADEMARKS

**~4,000**  
| APPLICATION/  
REGISTRATION  
OWNED









# MATERIALITY MATRIX AND STAKEHOLDER ENGAGEMENT

FERRARI N.V.

# MATERIALITY MATRIX OF FERRARI GROUP

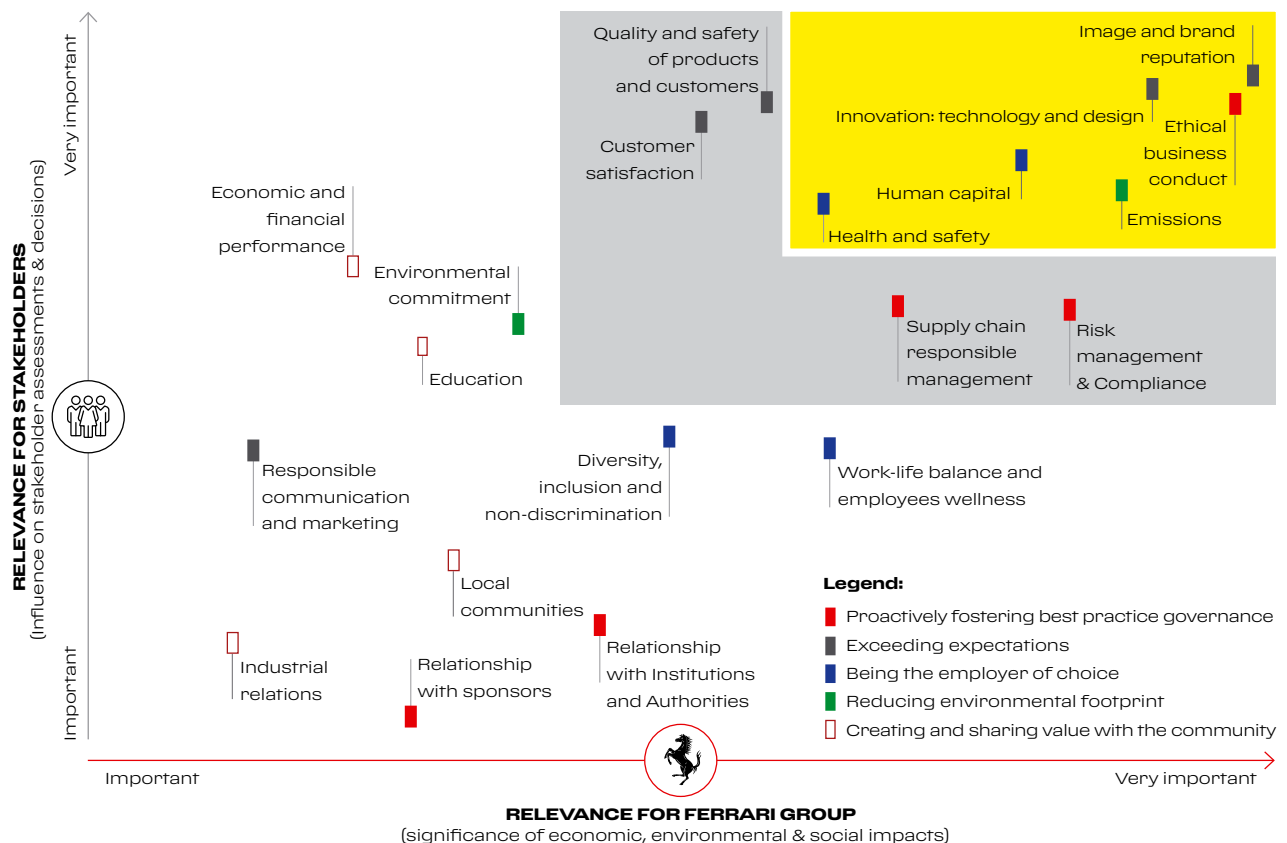
THE MATERIALITY MATRIX HIGHLIGHTS THE ASSESSED TOPICS THAT ARE MOST RELEVANT FOR THE GROUP AND OUR STAKEHOLDERS AND THEREFORE REPRESENT OUR STRATEGIC SUSTAINABILITY PRIORITIES.

In 2020, we updated the analysis of the most relevant sustainability topics (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 and our sustainability strategy, based on the following five 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 was prepared by taking into account various stakeholder engagement initiatives carried out during the year (as described in the "Stakeholder Engagement" paragraph) and by consulting Ferrari managers in

order to collect valuable information on their perspectives concerning sustainability trends and their potential impacts on Ferrari's future strategies and initiatives. This process has been complemented through a qualitative analysis performed by our Senior Management Team ("SMT"), which resulted in the materiality matrix below.

## MATERIALITY MATRIX OF FERRARI GROUP



## MATERIALITY MATRIX AND STAKEHOLDER ENGAGEMENT

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 and

Innovation: technology and design are considered a priority and are increasingly relevant to Ferrari; Quality and safety of products and customers, Customer satisfaction and Supply chain responsible management are also considered of the upmost importance. 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. Compared to last year's materiality matrix, the commitment to employees' Health and safety and to reducing Emissions has increased its relevance for both Ferrari and its stakeholders.

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

#### SUSTAINABLE DEVELOPMENT GOALS (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

#### SUSTAINABLE DEVELOPMENT GOALS (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

#### SUSTAINABLE DEVELOPMENT GOALS (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

#### SUSTAINABLE DEVELOPMENT GOALS (SDGs)



### REDUCING ENVIRONMENTAL FOOTPRINT:

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

#### MATERIAL TOPIC

Emissions  
Environmental commitment

#### SUSTAINABLE DEVELOPMENT GOALS (SDGs)





## FERRARI N.V.

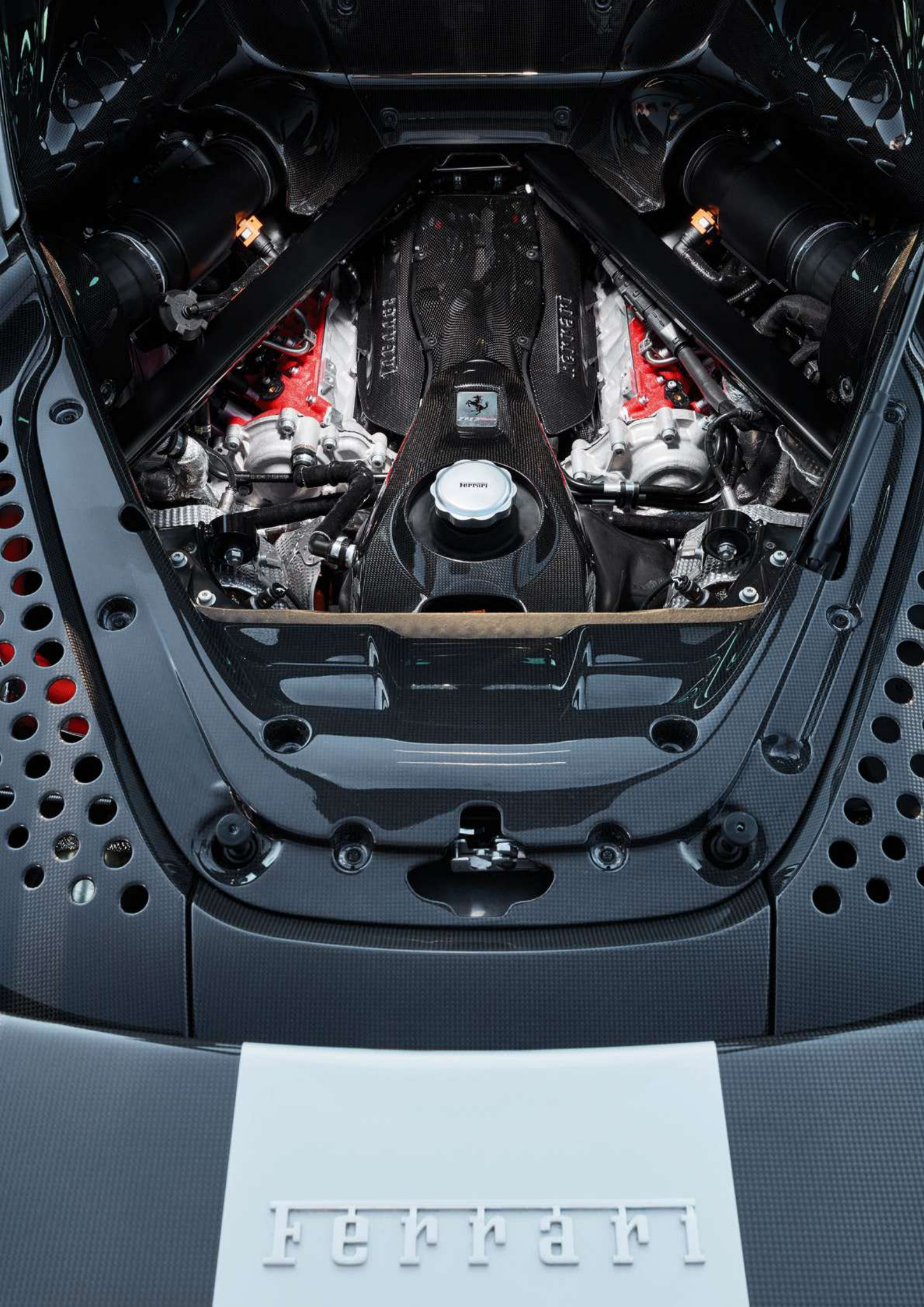
The abovementioned material topics have been linked to the Sustainable Development Goals (SDGs) that are impacted by our business.

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 THIS SUSTAINABILITY REPORT
<b>Image and brand reputation</b>	Enhancing and protecting the value and exclusivity of the Ferrari brand	Brand image	Ferrari Group
<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	Proactively fostering best practice governance
<b>Innovation: technology and design</b>	Being focused on developing new technologies and distinctive designs	Brand image; Competition; New technologies	Exceeding expectations
<b>Human capital</b>	Creating an inspiring working environment, enabling the development of everyone's talent	Attraction, development and retention of talents	Being the employer of choice
<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; New technologies	Reducing environmental footprint
<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;	Exceeding expectations
<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	Proactively fostering best practice governance
<b>Customer satisfaction</b>	Being devoted to the highest level of customer satisfaction	Brand image; Competition; New technologies	Exceeding expectations
<b>Health and safety</b>	Enforcing a safety-first culture	Non-compliance with laws, regulations, local standards (including tax) and codes	Being the employer of choice
<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; Cybersecurity including third parties vulnerabilities	Proactively fostering best practice governance







FERRARI N.V.

# STAKEHOLDER ENGAGEMENT



FERRARI'S APPROACH TO ENGAGING  
STAKEHOLDERS AIMS FOR HONEST,  
CLEAR AND EFFECTIVE COMMUNICATION  
AND CONSULTATION, BASED ON  
CONSTANT DIALOG.

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

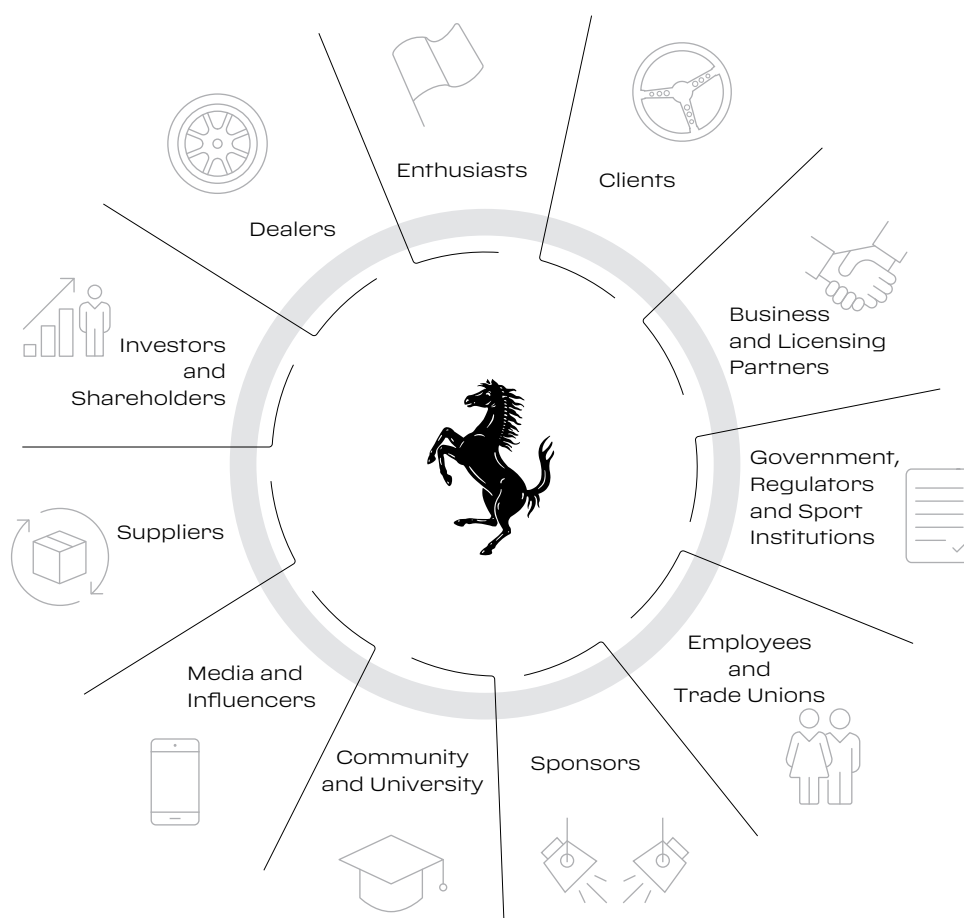
that allow us to understand their various needs, interests and expectations. Ferrari's approach to engaging stakeholders aims for honest, clear and effective communication and consultation, based on constant dialog.

To fully understand the needs and perspectives of our stakeholders is a fundamental part of the value generation process we continuously strive to promote both inside and outside our organization.



## MATERIALITY MATRIX AND STAKEHOLDER ENGAGEMENT

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.

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.

Ferrari believes that building and honing effective communication

and collaboration with its internal and external stakeholders is a key element of sustainable and lasting growth, with a view to conciliating interests and expectations.

With this in mind, over the years we set an ongoing process of stakeholder engagement realizing initiatives with different levels of interaction and methods of involvement.

In 2020, Ferrari adopted a Stakeholder Engagement Practice inspired by the values and principles of the Code of Conduct that seeks to give all directors, managers and employees of the Ferrari Group, and anyone else working for it or on its behalf, guidelines on the right methods and forms of interaction with different stakeholders.

## FERRARI N.V.

In line with the Stakeholder Engagement Practice, in 2020 we carried out various activities in order to enhance the voice of our stakeholders. We engaged with our employees through two face-to-face workshops that had a dual purpose: to further communicate the importance of the sustainability theme and explain what it stands for within Ferrari, as well as to collect their priorities and suggestions. Moreover, we realized ad hoc virtual workshops to engage local high schools and universities on

sustainability issues. During the virtual workshops, Ferrari's journey to sustainability was presented and discussions were fostered to gather participants' perspectives. 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. In 2020, Ferrari ranked among the global leaders in environmental

performance and transparency in the annual report published by CDP, the independent non-profit organization specializing in environmental reporting and in the evaluation of corporate sustainability strategies. Ferrari was awarded an A- rating, ranking significantly above both the European regional average and the sector's average, for actions implemented to combat climate change. 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 identify potential updates in our sustainability material topics, risks and opportunities, as well as supporting management in achieving the Company's objectives. Below are some opinions and considerations collected during 2020 events:

**EMPLOYEES**

"It's important to consider employees' roles and development opportunities at the heart of the engagement approach and decision-making process. Ferrari invests a great deal in creating an optimal environment for its employees. This was especially evident during the COVID-19 pandemic, as the company implemented several initiatives to safeguard people's health and safety."

**EDUCATION  
STAKEHOLDER**

"Ferrari, thanks to its prestige, can become a model and promoter of good practices: representing a successful model in creating positive connections between institutions, universities, industry and society."

**INVESTORS**

"We know that climate risk is an investment risk. We also believe the climate transition presents a historic investment opportunity."

The main outcomes of the engagement activities implemented in 2020 showed an increased attention of our stakeholders toward environmental responsibility, with a focus on reducing emissions, and health and safety, also in consideration of the COVID-19 related contingencies.

Education was confirmed as a key element by stakeholders involved.

Ferrari firmly believes that keeping a profitable dialog and collaboration with its stakeholders is essential and intends to continue the path of engagement undertaken, with a view to continuous improvement.

## 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> <li>&gt; Sustainability workshops</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 STAKEHOLDERS</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 2020 Annual Report.

## OUR BOARD OF DIRECTORS

The Board of Directors, as a whole, is responsible for the strategy of the Company. The Board of Directors appointed the following internal

committees: (i) an Audit Committee, (ii) a Governance and Sustainability Committee, and (iii) a Compensation Committee.

On certain key operational matters, the CEO is supported by the Senior Management Team.

As of December 31, 2020, our Board of Directors is composed by ten Directors as shown in the table below:

### DIRECTORS AND COMMITTEES AS OF DECEMBER 31, 2020

Directors	Executive	Non Executive	Independent		Committees			Directors from <sup>2</sup>
			NYSE Rules	Dutch Code	Audit	Compensation	Governance and Sustainability	
<b>John Elkann</b> (Chairman, acting as Chief Executive Officer and Executive Director) <sup>3</sup>	•						•	April 15, 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>Francesca Bellettini</b>		•	•	•	•			April 16, 2020
<b>Roberto Cingolani</b> <sup>4</sup>		•	•	•			•	April 16, 2020
<b>Delphine Arnault</b> <sup>5</sup>		•	•	•				April 15, 2016
<b>Eddy Cue</b>		•	•	•		•	•	January 2, 2016
<b>John Galantic</b>		•	•	•		•		April 16, 2020
<b>Maria Patrizia Grieco</b>		•	•	•	•			April 15, 2016
<b>Adam Keswick</b>		•	•	•				April 15, 2016

<sup>2</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>3</sup> Mr. John Elkann is Executive Director from April 12, 2019.

<sup>4</sup> On February 16, 2021, the Company announced that Mr. Roberto Cingolani tendered his resignation from his role as Company's non-executive Director and member of the Governance and Sustainability Committee of the Board of Directors effective as of February 13, 2021.

<sup>5</sup> Mrs. Delphine Arnault was appointed as a member of the Governance and Sustainability Committee on February 26, 2021, filling the vacancy left by Mr. Roberto Cingolani, who resigned from his role as non-executive Director and member of the Governance and Sustainability Committee with effect from February 13, 2021.



## PROACTIVELY FOSTERING BEST PRACTICE GOVERNANCE

## DIRECTORS BY AGE GROUP AND GENDER

Directors	31.12.2020			
	30-50	>50	Total	Total %
Male	2	5	7	70%
Female	2	1	3	30%
<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 the 2020 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.

In 2020, the Governance and Sustainability Committee consisted of Mr. Elkann (Chairperson), Mrs. Delphine Arnault and Mr. Cue.

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. Mrs. Delphine Arnault was appointed as a member of the Governance and Sustainability Committee on February 26, 2021, filling the vacancy left by Mr. Roberto Cingolani, who resigned from his role as non-executive Director and member of the Governance and Sustainability Committee with effect from February 13, 2021.

In 2020 the Governance and Sustainability Committee met twice with 100 percent attendance of its members. 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.

## OUR SENIOR MANAGEMENT TEAM

The Senior Management Team ("SMT") is responsible for reviewing the operating performance of the businesses, collaborating on certain operational matters, supporting the Chief Executive Officer with his tasks and executing the decisions of the Board of Directors and the day-to-day management of

the Company, primarily to the extent it relates to operational management.

Sustainability is a main focus for the entire Company. The SMT, as the decision-making body, led by the Chief Executive Officer and composed of the heads of the operating segments and certain central functions, is responsible for implementing actions.

Our Chief Financial Officer, a member of the SMT, is responsible for the sustainability function, which oversees the coordination of the sustainability activities within the Group, promoting dialog between different teams and functions, and identifying risks and opportunities.

## INTEGRITY OF BUSINESS CONDUCT

At Ferrari, we seek to develop a cooperative environment in which the dignity of each individual is respected and that embodies the highest ethical standards in business conduct. We are committed to maintaining a fair, secure, productive and inclusive workplace for all members of our workforce, in which everyone is valued for their unique contribution.

**THE FOUNDATION OF FERRARI'S GOVERNANCE MODEL IS THE CODE OF CONDUCT THAT REPRESENTS A SET OF VALUES RECOGNIZED, ADHERED TO AND PROMOTED BY THE COMPANY. FERRARI UNDERSTANDS THAT CONDUCT BASED ON THE PRINCIPLES OF DILIGENCE, INTEGRITY AND FAIRNESS IS AN IMPORTANT DRIVER OF SOCIAL AND ECONOMIC DEVELOPMENT.**

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 corporate website at <http://corporate.ferrari.com/en/governance/code-conduct>.

Ferrari's integrity system sets the foundation for the corporate governance of Ferrari Group and includes a critical framework comprised of the following primary elements:

- Principles that capture Ferrari'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 Ferrari'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 is applicable to the whole Ferrari Group.

The Code of Conduct applies to all board members and officers, full-time and part-time employees of the Ferrari Group, as well as to all temporary contract and all other individuals and companies that act on behalf of the Ferrari Group, regardless of location.

The Internal Audit Department investigates possible violations of the Code of Conduct during standard periodic audits and through specific Business Ethics and Compliance ("BEC") audits. In 2020, BEC surveys were conducted in order to measure employees' awareness on topics such as: Code of Conduct, Whistleblowing Procedure, Gift and Entertainment Expenses' Management.

In light of the results, dedicated actions, such as training and awareness activities, have been implemented accordingly.

## PROACTIVELY FOSTERING BEST PRACTICE GOVERNANCE

### HUMAN RIGHTS

#### FERRARI'S COMMITMENT TO RESPECT, PROTECT AND PROMOTE HUMAN RIGHTS

is laid down in the Human Rights Practice, which is inspired by the guiding principles set forth in the Code of Conduct, and defines Ferrari's main commitments to a corporate culture dedicated to ethics and integrity.

In particular, the Human Rights Practice sets out key principles such as the prohibition of child labor, compulsory labor and forced labor, the attention to a healthy and safe working environment for our employees, the rejection of any form of abuse, harassment and discrimination, the zero tolerance in respect of corruption and the protection of the rights of local communities.

### ANTI-BRIBERY AND CORRUPTION

#### FERRARI GROUP IS COMMITTED TO THE HIGHEST STANDARDS OF INTEGRITY, HONESTY AND FAIRNESS IN ALL INTERNAL AND EXTERNAL AFFAIRS AND DOES NOT TOLERATE ANY KIND OF BRIBERY.

The laws of virtually all countries in which Ferrari operates prohibit bribery and any violation of anti-bribery and anti-corruption laws would entail serious consequences for both companies and individuals, which can result in significant fines, imprisonment of individuals and reputational damages.

Ferrari's policy is that no one - director, officer or other employee, consultant, agent, representative,

supplier or business partner – shall, directly or indirectly, give, offer, request, promise, authorize, solicit or accept bribes or any other perquisite (including gifts 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.

In this respect, Ferrari has adopted the Anticorruption Compliance Practice, which is considered the document of reference for anti-corruption matters by all worldwide Ferrari branches and subsidiaries and is applied in each country in accordance with local legislation. The Anticorruption Compliance Practice establishes the general rules of conduct that must be followed in order to prevent corruption-related crimes and ensure compliance with the anti-corruption laws to which Ferrari is subject. Such rules are further enhanced in internal Procedures regulating those specific areas deemed at risk from an anticorruption perspective.

### DEALINGS WITH THIRD PARTIES

Dealing with third parties entails inherent risks, in particular in terms of potential corporate liabilities, as well as financial and reputational damages that Ferrari may suffer as a consequence of unlawful conduct carried out by third parties with which it does business ("Third Parties"). Hence, Ferrari strongly believes that the capability to adequately evaluate its Third Parties,

as well as promptly address any threats and risk factors, represents an essential requirement for the protection of its assets, integrity and reputation in an overall and long-term vision.

#### FERRARI IS COMMITTED TO ONLY COLLABORATING WITH THIRD PARTIES THAT MEET CERTAIN REQUIREMENTS BOTH IN TERMS OF COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS AND IN RELATION TO ETHICS, INTEGRITY AND TRANSPARENCY.

In this respect, Ferrari has adopted the Third Parties Compliance Practice, that establishes the general rules of conduct that must be followed at Group level when dealing with any Third Parties, including active and passive counterparties as well as any further Third Parties with which Ferrari may establish contractual relationships. In particular, the Third Parties Compliance Practice underlines the importance of carrying out a "compliance evaluation" before establishing any business relationship with a Third Party in order to examine its ethical reliability and reputation, its involvement in a legitimate and lawful business, and its commitment to share Ferrari's values of integrity and fairness.

By adhering to the principles outlined in the Third Parties Compliance Practice, Third Parties are therefore expected not only to comply with applicable laws and Ferrari's ethical principles and standards, but also to become active parties towards their own employees and their respective third parties in order to disseminate a culture of compliance, integrity and transparency.



FERRARI N.V.

**/ INTEGRITY OF BUSINESS CONDUCT****ANTITRUST**

Ferrari Group recognizes the paramount importance of a competitive market and is committed to fully comply with antitrust and other pro-competition legislation in force in the countries where it operates ("Antitrust Laws"), believing that compliance with Antitrust Laws is crucial to Ferrari Group's reputation.

Ferrari defines and pursues its commercial activities and targets in autonomy and independence with respect to any competitors, operating on the basis of its own strategic and commercial decisions, and strictly rejects any form of anticompetitive conduct.

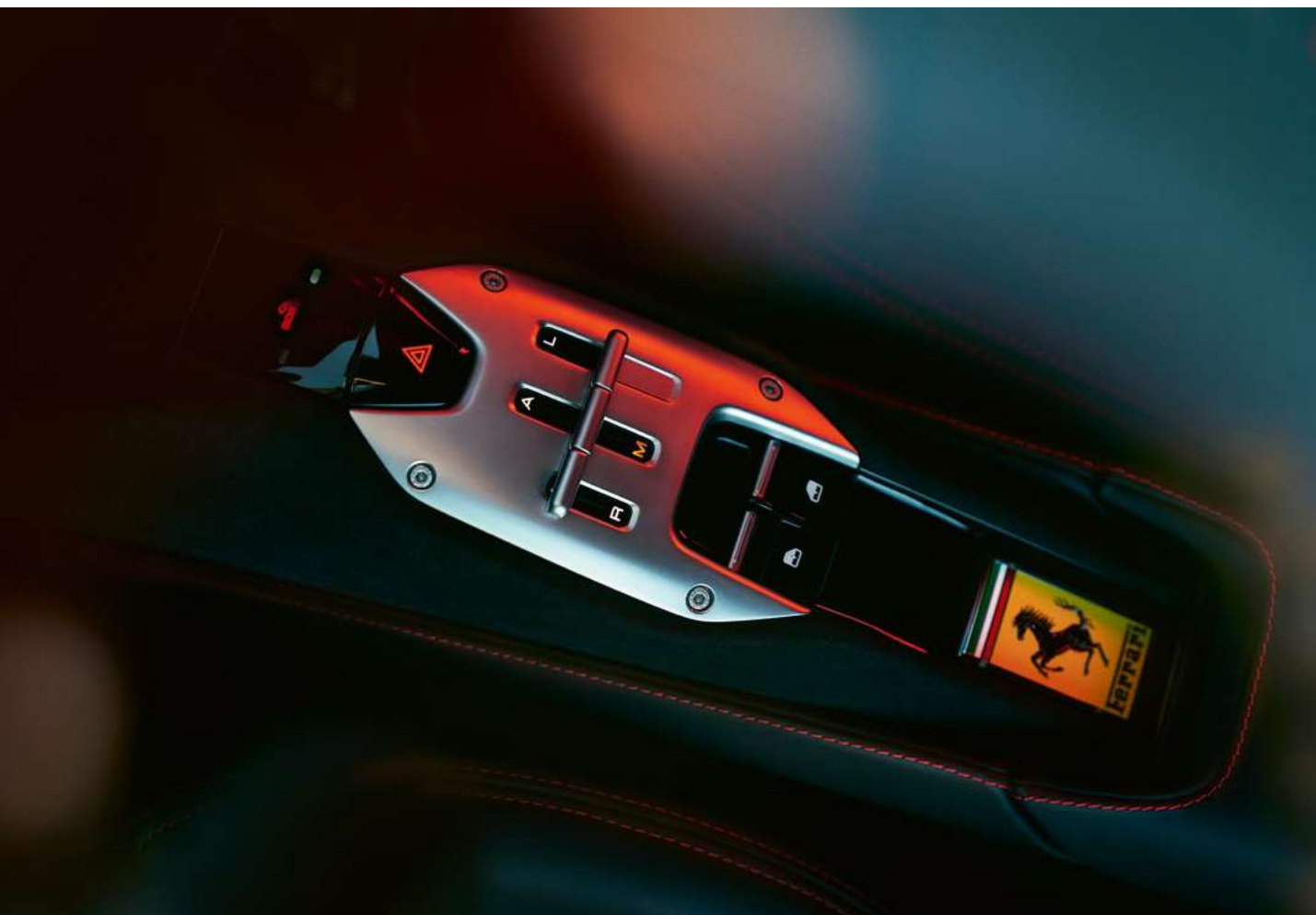
The Ferrari Group and its directors, officers, and other employees shall comply with these principles and refrain from any form of action, omission or business practices that might represent an antitrust violation. To strengthen its commitment to compliance and to a free and fair competition,

**FERRARI ADOPTED THE ANTITRUST COMPLIANCE PRACTICE, WHICH OUTLINES - AT GROUP LEVEL - THE RULES AND PRINCIPLES THAT ALL MEMBERS OF FERRARI'S WORKFORCE MUST FOLLOW,**

as well as the actions and controls that they shall perform in order to prevent antitrust offences and ensure compliance with Antitrust Laws.

**WHISTLEBLOWING**

Ferrari Group introduced the Ethics Helpline in September 2016, a preferential channel which allows all stakeholders (employees, customers, suppliers and partners) to request advice and/or report concerns about alleged situations, events, or actions which may be inconsistent with values and principles set out in the Code of Conduct, Organizational Models, laws and regulations, as well as business practices and corporate rules. Potential allegations are assessed by the relevant departments of Ferrari and managed in accordance with the procedures applied to all Ferrari Group companies, pursuant to local regulations.



## PROACTIVELY FOSTERING BEST PRACTICE GOVERNANCE

The *Whistleblowing Procedure* has been prepared on the basis of international best practices and updated in 2020 to promote continuous improvement. The new *Whistleblowing Procedure* reiterates that the utmost confidentiality is guaranteed on reported subjects and facts, so that the individuals who report an alleged violation in good faith are not subject to any form of retaliation. In particular, 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/or interpretation of the Code of Conduct by contacting the reference people included in the worldwide ethics and compliance contact list.

Internal Audit and Compliance Departments, with the support of the Legal, Human Resources

Departments and other business functions possibly involved, assess 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).

In addition, in order to provide maximum transparency to the entire process, a Whistleblowing Committee has been appointed, composed by the heads of Internal Audit, Compliance, Legal and Human Resources departments. The Committee meets periodically to monitor the progress of the investigations and ensure that the concerns raised are handled appropriately.

The whistleblowing procedures are in line with the provisions of the Italian law for whistleblowing definitively adopted by means of Law n. 179/2017, which contains, among other things, 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.

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.

In this context, the reports received are an important instrument for Internal Audit and Compliance Departments to identify violations of the Code of Conduct.

### WHISTLEBLOWING REPORTING AS OF DECEMBER 31, 2020

Category	Reports received in 2020	Reports closed in 2020	Reports in which a violation was confirmed
Conducting business	-	-	-
Interacting with external parties	2	1	-
Managing our assets and information	5	5	1
Protecting our workforce	6	12 *	4
<b>Total</b>	<b>13</b>	<b>18</b>	<b>5</b>

\* including 7 whistleblowing reports received in 2019

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

FERRARI N.V.

**/ INTEGRITY OF BUSINESS CONDUCT****CYBERSECURITY,  
DATA PROTECTION AND  
PRIVACY****CYBERSECURITY**

As our technology continues to evolve, we anticipate to collect and store even more data in the future, and that our IT systems will improve security countermeasures against the risks of willful and unintentional security breaches. Much of our value is derived from our confidential business information, including car design, proprietary technology and trade secrets. We also collect, retain and use certain personal information, including data we gather from clients for product development and marketing purposes, and data we obtain from employees. Any unauthorized access to our IT systems may compromise the confidentiality of Ferrari's intellectual property or the privacy of our customers' information and expose us to claims as well as reputational damage. For these reasons, Ferrari has always paid the

outmost attention to cybersecurity. We have created a system of procedures, policies, services, infrastructures and training as well as awareness to address all facets of cybersecurity currently known.

The area that has been nurtured the most is information protection with a focus on preventing data breaches, which has been achieved, by providing Ferrari tested and managed PCs to all users who connect to our network, extending it to our employees as well as to third parties. The user and device authentication has strongly increased the control over the access and management of information. As experienced during the COVID-19 pandemic, this allowed people to work from home with the same level of security as if they were in the office.

All employees are provided with specific training on information security and cybersecurity. Training

is also provided to external workers. This training is delivered both online and in classroom, and it is part of regularly launched training campaigns. A specific session on information security and cybersecurity is also part of the two-day induction program for new employees.

On a weekly basis, the Company internally performs a vulnerability analysis to detect areas of weakness in the information/cyber security system. Penetration tests are executed periodically by an external provider.

The Head of IT Security & Compliance is the function responsible for overseeing cybersecurity. It directly reports to the Group's CIO who, in turn, reports to the Group's CFO, who is a member of Senior Manager Team. Cybersecurity topics are discussed at Audit Committee level at least once a year.

**INFORMATION/CYBERSECURITY INCIDENTS & BREACHES**

	2020	2019
Total number of information security breaches or other cybersecurity incidents <sup>6</sup>	23	43
Total number of information security breaches involving customers' personally identifiable information	0	0
Total number of customers affected by company's data breach	0	0
Total amount of fines/penalties paid in relation to information security breaches or other cybersecurity incident	0	0

<sup>6</sup>Incident: an event that negatively affects the confidentiality, integrity, and/or availability (CIA) of information at an organization in a way that could significantly impact the business, as a consequences of, for example, viruses, hackers, insiders, human errors, software and hardware failures. All incidents have been solved with no impact on business activities in each year.



## PROACTIVELY FOSTERING BEST PRACTICE GOVERNANCE

**DATA PROTECTION AND PRIVACY**

We care about processing data in a safe and transparent manner and 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) and the California Consumer Privacy Act of 2018 "CCPA". The data protection legal framework has steadily developed in the recent years and has brought a new consciousness about privacy. More than ever before, data protection and privacy have become fundamental, as they have been heavily impacted by the COVID-19 pandemic. In these specific circumstances, processing of personal data is necessary in order to take appropriate measures to contain the spread of the virus and subsequently mitigate its effects.

Data protection and privacy 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", an effective response mechanism to data subjects' privacy-related requests 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 new processes (e.g. system collecting consents and privacy notices adoption of a new Governance tool in order to periodically update the records of processing activities as well as to perform privacy impact assessments), the creation of new internal procedures (e.g. appointment and management of system administrators, management of requests from data subjects etc.), the guarantee of an effective and prompt response to requests from data subjects (e.g. implementation of an online portal which will allow California consumers to make requests under the CCPA etc.), the update of privacy notices, drafting of operating

instructions for authorized persons within the Company, the designation of internal privacy referents within Company departments and the creation of an internal Privacy Committee.

Regular e-learning courses, aimed at raising the awareness on the data privacy regulations and requirements, are organized for and addressed to the newly hired employees who are involved in the processing of personal data.

Dedicated face-to-face trainings have been delivered to the Privacy Referents and to the Customer Care.

**COMPLIANCE WITH  
APPLICABLE LAWS AND  
REGULATIONS**

In 2020, there were no significant final judgements relating to the 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.

FERRARI N.V.

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 following key risks and risk trends are the ones related to our most material topics. Further information on sustainability risks and the related management approaches put in place by Ferrari, including in relation to Climate Change, are reported throughout this Sustainability Report.

KEY RISK	MATERIAL TOPICS
Brand Image (Reputational risk) <sup>7</sup>	Image and brand reputation, Innovation: technology and design, 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.

KEY RISK	MATERIAL TOPICS
Competition (Strategic risk) <sup>8</sup>	Innovation: technology and design, Customer satisfaction.

We face competition in all product categories and markets in which we operate. 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.

<sup>7</sup>Reputational risks: risks which affect Ferrari’s Brand image, credibility and/or integrity.  
<sup>8</sup>Strategic risks: risks which affect or are created by Ferrari's business strategy and could affect Ferrari's long-term positioning and performance.

## PROACTIVELY FOSTERING BEST PRACTICE GOVERNANCE

KEY RISK	MATERIAL TOPICS
New technologies (Strategic risk)	Innovation: technology and design, Customer satisfaction, Emissions.

Performance cars are characterized by leading-edge technology that is constantly evolving. In particular, advances in racing technology often lead to improved technology in road cars. As technologies change, we plan to upgrade or adapt our cars and introduce new models in order to continue to provide cars with the latest technology. However, our cars may not compete effectively with our competitors' cars if we are not able to develop, source and integrate the latest technology into our cars.

KEY RISK	MATERIAL TOPICS
Attraction, development and retention of talents (Operational risk) <sup>9</sup>	Human Capital.

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 level of 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.

KEY RISK	MATERIAL TOPICS
Cybersecurity including third parties vulnerabilities (Operational risk)	Supply chain responsible management.

Our IT systems architecture and industrial machinery are exposed to external cyber-attacks. In addition, we have to consider also that our third parties could be subjected to external cyber-attacks. In case the third party is connected with our system, the cyber attacker could also penetrate our IT systems.

KEY RISK	MATERIAL TOPICS
Non-compliance with laws, regulations, local standards (including tax) and codes (Compliance risk) <sup>10</sup>	Ethical business conduct, Emissions, Risk management and Compliance, 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.

A detailed description of how we respond to these risks can be found in the section "*Risk Management Process and Internal Control Systems*" of the 2020 Annual Report.

<sup>9</sup> Operational risks: risks impacting the internal processes, people, systems and/or external resources of the organization and affect Ferrari's ability to execute its business plan.

<sup>10</sup> Compliance risks: risks of non-compliance with laws, regulations, local standards, code of conduct, internal policies and procedures.



FERRARI N.V.

## 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 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 financial-compliance 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. In 2020, we strengthened our suppliers' qualification and selection processes in order to verify not only their technical capability and financial solidity, but also - through a screening methodology - their reliability in terms of ethics, integrity and reputation (the so-called "Compliance Evaluation").

Before engaging a new supplier<sup>11</sup>, the competent departments of Ferrari Group conduct an adequate Compliance Evaluation on the potential supplier in order to examine its ethical reliability and reputation, its involvement in a legitimate and lawful business, and its commitment to share Ferrari's values of integrity, fairness and compliance. The Compliance Evaluation is capable of identifying potential risks for Ferrari under different perspectives, such as: anti-corruption, trade sanctions, money-laundering, conflict of interests, ethics and reputation.

The Supplier Risk Committee (SRC) meets on a quarterly basis and, using the data provided by the Supplier Risk Manager (who reports to the Head of Purchasing), 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 a High Risk supplier profile.

We have established long lasting relationships with suppliers that produce key components for our cars, especially those focusing on innovation. This synergetic relationship aims at putting together high-level know-how to develop exclusive best-in-class solutions for Ferrari. We currently rely on selected 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.

<sup>11</sup> In 2020, 100% of our new suppliers were evaluated with this screening methodology.

## PROACTIVELY FOSTERING BEST PRACTICE GOVERNANCE

### 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 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 2019, 94% of Ferrari's direct suppliers by purchased value submitted responses to our survey. We are strongly committed to increasing the coverage of our analysis and the response rate through targeted actions.







## EXCEEDING EXPECTATIONS

~**1.3€bn**

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EXPENSED R&D AND CAPEX

## RED DOT: BEST OF THE BEST AWARD

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6 YEARS IN A ROW

~**65%**

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OF OUR NEW CARS WERE SOLD  
TO FERRARI OWNERS

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 2020, we received around 8,300 suggestions from employees.

In recent years, several of our innovations have been renowned, for instance, by winning the International Engine of the Year award 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.

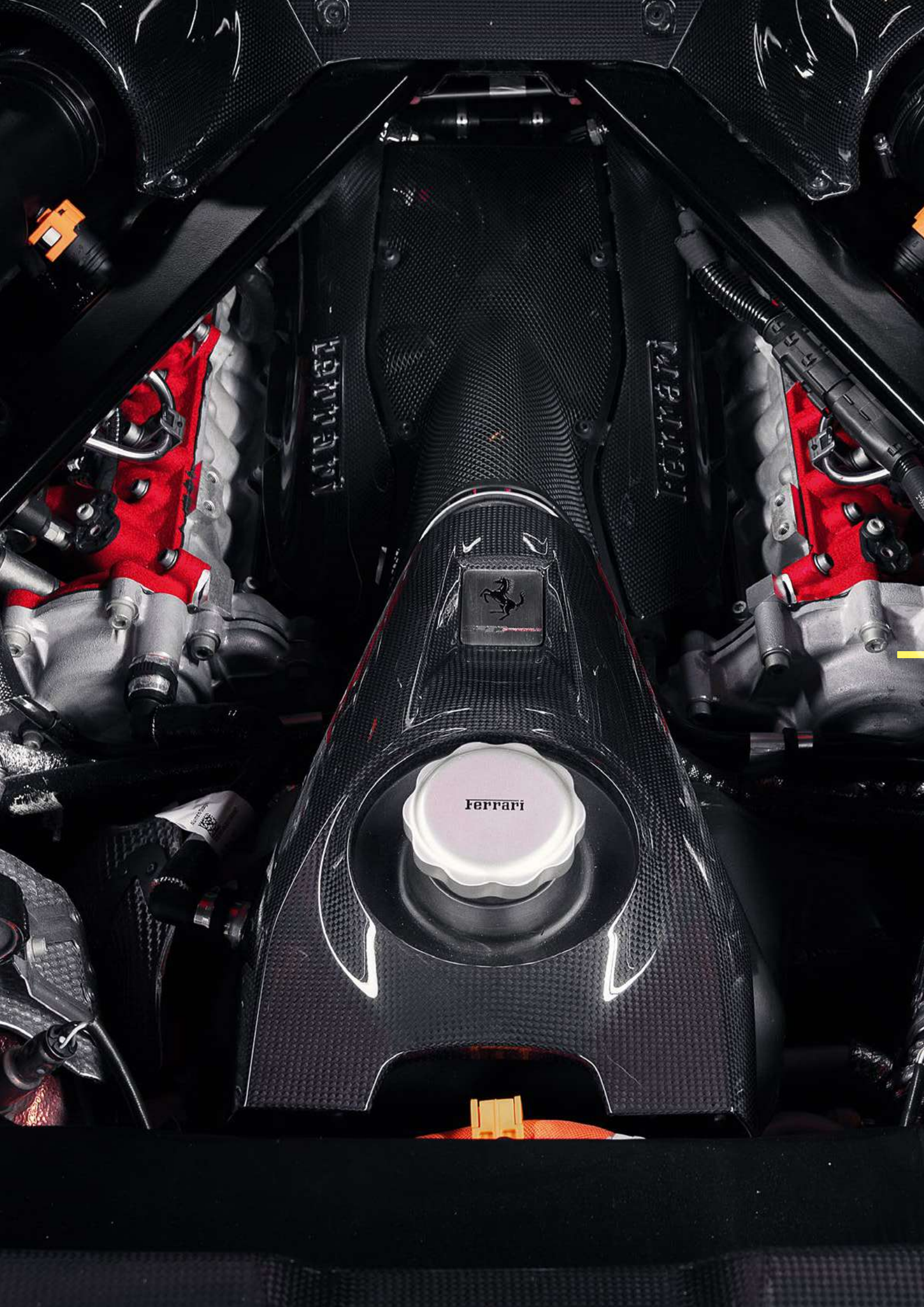
Technological breakthroughs are further enhanced through design. In 2010, the Ferrari Design Center was established as a best-in-class in-house design department to improve control over the design process and to ensure long-term continuity of the Ferrari style. A guiding principle of the Ferrari style 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 six years in a row (2015 - 2020).

We continue to regularly launch new cars with enhanced technological innovations and design improvements. Our ambition is to launch 15 new models between 2019-2022 with the purpose of maintaining the product portfolio's leading position, and to respond quickly to market demand and technological breakthroughs. A clear example of this are the SF90 Stradale and the SF90 Spider, our family of hybrid series-production cars. The R&D investments and expenses to fuel the growth of the Group, as described above, are represented in the charts below.

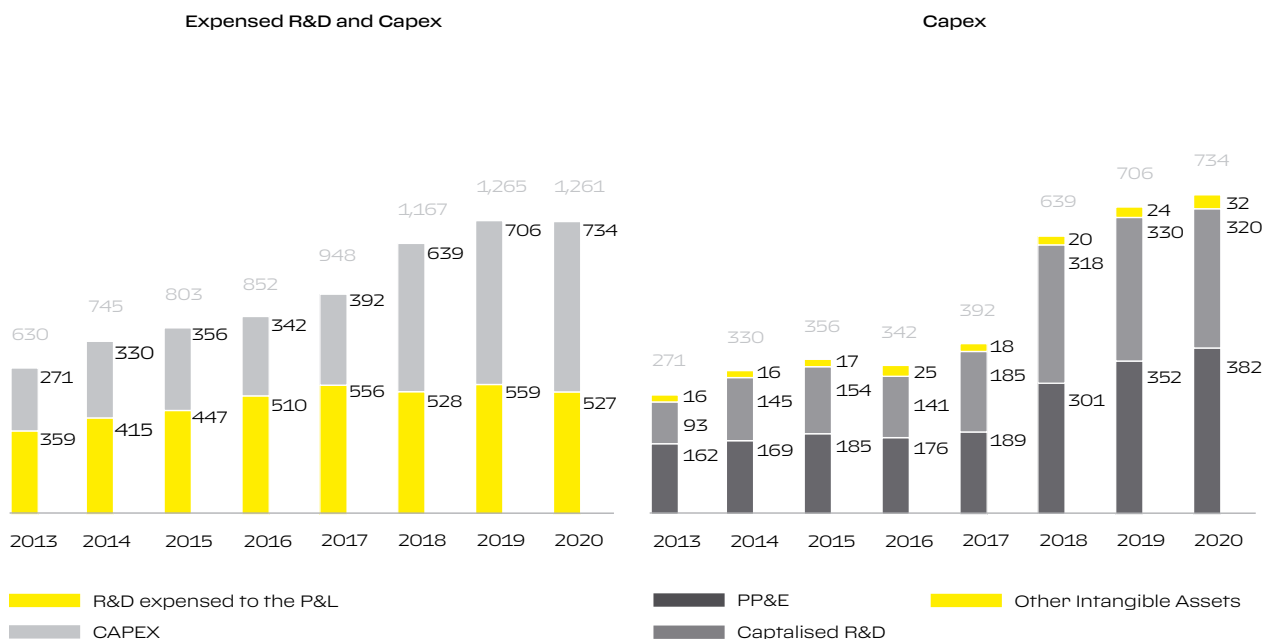






FERRARI N.V.

## R&D AND CAPEX<sup>12</sup> (€M)



<sup>12</sup> Capital expenditures (Capex) include right-of-use assets recognized in accordance with IFRS 16 – Leases within PP&E, for approx. Euro 25 million in 2020 and for approx. Euro 13 million in 2019.

In 2019, according to Eurostat data, the gross domestic spending on R&D was 1.45% of the GDP in Italy and 2.2% in European Union<sup>13</sup>. The automotive sector is the EU's number one investor in R&D and, with €60.9 billion annually, is responsible for 29% of total spending<sup>14</sup>. Increasing amounts of R&D are being directed at developing electric vehicles and autonomous driving, while other funds are deployed towards improving vehicle safety. On this last issue, EU transport ministers set a target of halving the number of serious injuries in the EU by 2030, from a 2020 baseline, with the final goal of reaching zero deaths and serious injuries by 2050<sup>15</sup>.



<sup>13</sup> Source: Eurostat, 2019.

<sup>14</sup> Source: ACEA (European Automobile Manufacturers' Association), The Automobile Industry Pocket Guide 2020- 2021, 2020.

<sup>15</sup> Source: European Commission "EU Road Safety Policy Framework 2021-2030 - Next steps towards "Vision Zero".

## EXCEEDING EXPECTATIONS

## 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 research 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 cross 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 research, 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 increasingly 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 worldwide to develop specific innovation projects that will result in the realization of prototypes. In 2020, we carried on and further enhanced this approach. Collaborations with start-ups are also intended to support their development journey and facilitate them to become Ferrari's future potential partners.

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 has been redesigned in a digital and live format, and it 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 second tool, Smart Technology Trends Journal, covers a large number of topics on innovation, 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.

FERRARI N.V.

## 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 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, Iconas, 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 Diversification Strategy"). 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 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 Ferrari F8 Tributo and Ferrari F8 Spider, the 812 GTS, the Ferrari Monza SP1 and SP2, the Ferrari Portofino M and the SF90 Spider.





## 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.

### PERFORMANCE



Versatility derives from spaciousness, accessibility and mode of traction, including rear-wheel-drive or all-wheel-drive and, in future, electric-powered driving. Comfort results from the ease of the riding experience and onboard interface. Regulation will affect development in this area; for example, a prescribed electric range may be required in future to access city centers.

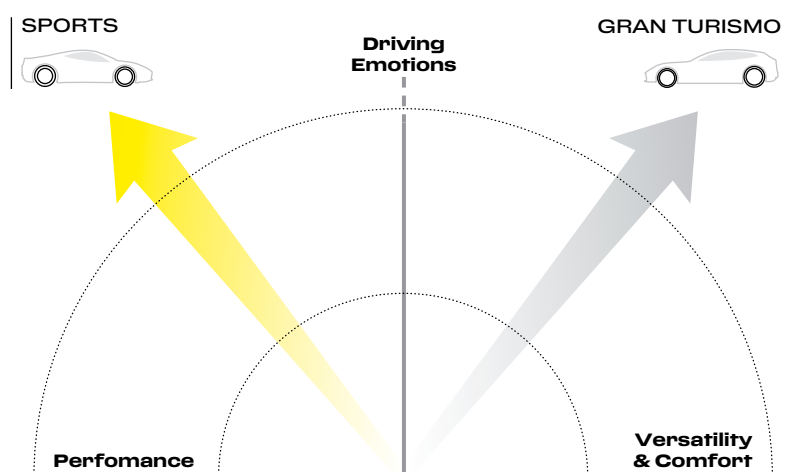
### VERSATILITY



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 (steering, gear shifting and braking) leads to a direct and controllable reaction of the car.

### DRIVING EMOTIONS

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.



FERRARI N.V.

/ PRODUCT DEVELOPMENT

INNOVATION PRINCIPLES

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

- focus on the three key defining dimensions described above;
- leveraging on Formula 1 know-how;
- first mover positioning in core areas such as powertrain and aerodynamics; customization of technologies available on the market (such as the turbo technology);
- and 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.

COMBUSTION ENGINES

We believe internal combustion engines will remain important in Ferrari's powertrain mix and therefore we continue to invest 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 Ferrari 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 have implemented further technological step ups for the V8 family; and we are developing 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, compared to Ferrari's previous line of V8 turbo engines, the specific power output of the Ferrari 488 Pista was increased to 184 horsepower per litre 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

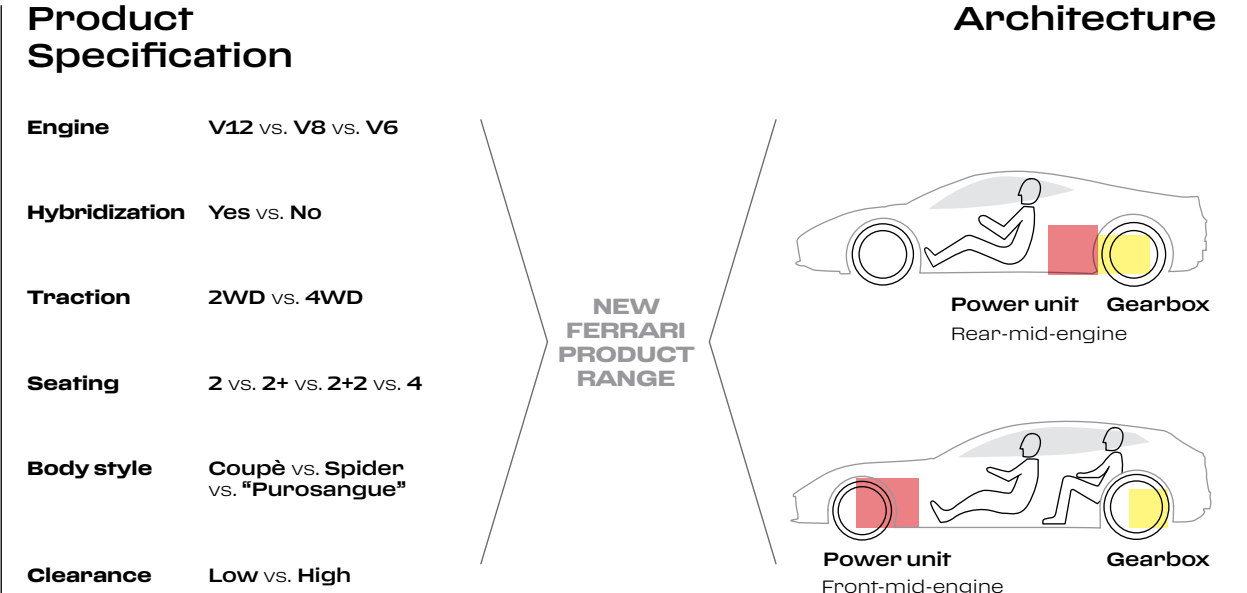
to improve performance and driving experience while also satisfying customer preferences and regulatory requirements regarding emissions. With the SF90 Stradale we developed the first series production car in our range with PHEV technology, which is also featured in the SF90 Spider.

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.



EXCEEDING EXPECTATIONS

REAR-MID-ENGINE ARCHITECTURE

The rear-mid-engine architecture is optimal for sports cars thanks to its compact dimensions, low gravity center and favorable mass repartitions. It is designed to integrate multiple power units with a higher specific power output than the Ferrari 488 Pista. In this architecture, combustion engines can be combined with an electric motor to realize hybridization, including a battery to enable electric range. This architecture also allows to install an E-Axle on the front to increase overall power and to have an all-wheel drive powertrain. The first application of this architecture is the SF90 Stradale. 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 optimal for our GT cars in terms of dimensions. 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 active suspension systems we are developing, with a high range between comfort and sportiness.

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. The

first cars using all or part of these technologies are the SF90 Stradale and the Ferrari Roma.

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, new chips and artificial intelligence, and we will select and customize those innovations compatible with the Ferrari experience. These technologies combined with the hybridization and the incoming cybersecurity requirements will also have an important impact on the electronic architecture of our cars and we are presently developing our future electrical and electronic architecture to take into account these requirements.





FERRARI N.V.

# PRODUCTION PROCESS

OUR PRODUCTION FACILITIES ARE LOCATED IN MARANELLO AND IN MODENA, ITALY. 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 800 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 the aluminum bodyworks of our cars. 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, cylinder heads and crankshafts. We believe this accelerates product development and results in components that meet our specifications more closely.



EXCEEDING EXPECTATIONS

# 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 our participation in certain public events. In light of the COVID-19 pandemic, in 2020 our brand-promotional activities were carried out mainly through digital platforms such as eSports, and our official social media channels.

## 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 2020, approximately 65 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.

The MyFerrari App is available exclusively for Ferrari clients to enhance their connection to the Ferrari world through the direct distribution of tailored content, including the digital editions of our 2020 model launches.

With large client gatherings restricted in 2020, clients were able to stay informed on Ferrari's latest product offerings via the app where the fully digital launches of the Ferrari Portofino M, the SF90 Spider and the 488 GT Modificata track car were displayed. This new channel enables clients to directly access features and services, strengthening their relationship with the brand and their preferred official Ferrari dealer.

FERRARI N.V.

## CLIENT EVENTS

### WITH CLIENT GATHERINGS HIGHLY RESTRICTED IN 2020, WE HELD THE PRESENTATION OF OUR LATEST PRODUCT OFFERINGS USING DIGITAL FORMATS.

In September 2020, the event to launch the Ferrari Portofino M, "A New Journey Begins", took clients on a virtual journey of rediscovery. The Ferrari Portofino M was the first Ferrari to be presented after the temporary closure caused by the COVID-19 pandemic and the event took place entirely online. The global digital launch aimed to rediscover the Ferrari Portofino with a new "M" version, in which "M" stands for "modified", and to rediscover

the world we live in with new perspective.

In November 2020, the SF90 Spider launch "Beyond Imagination" was an immersive look into the extreme performance, technology and innovations behind the SF90 Spider, which features an open top to further enhance driving emotions.

Also in November 2020, the 488 GT Modificata was launched through an exclusive digital presentation to clients of our Attività Sportive GT racing activities. The 488 GT Modificata is a limited edition car that incorporates the technology developed for the 488 GT3 and 488 GTE, transcending the limits

imposed by technical and sporting regulations to exploit its full potential.

Following the digital launches of our new product offerings, clients were engaged locally by their preferred Ferrari dealers for conducting car configurations, static previews of the model, and eventually dynamic test drives when the dealer demonstrations became available. Ferrari also added new services in 2020, allowing clients to participate in remote Atelier and Tailor Made sessions directly with our team of designers in Maranello. In addition, clients can send their creations in the configurator tool of the MyFerrari app directly to their official dealers.

## 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 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. As a result

of the COVID-19 pandemic, all driving events managed directly by Ferrari, such as the Ferrari Cavalcade and the Cavalcade Classiche were postponed to 2021, while those managed by third-party event organizers, such as the Ferrari Tribute to Mille Miglia and the Ferrari Tribute to Targa Florio proceeded in accordance with local government health and safety regulations.

Another exclusive driving experience 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.



## EXCEEDING EXPECTATIONS

## ATTIVITÀ SPORTIVE GT

**THE ATTIVITÀ SPORTIVE GT DEPARTMENT OVERSEES THE ACTIVITIES OF THE COMPETIZIONI GT AND CORSE CLIENTI DEPARTMENTS, WHOSE MAIN PURPOSE IS TO ORGANIZE OR SUPPORT CLIENT ACTIVITIES ON THE TRACK, WHETHER THEY ARE INDIVIDUALS OR TEAMS.**

The department's performance remained positive in 2020, despite the difficulties caused by travel restrictions and quarantines in place between countries, which have reduced the number of participants at events and made it more complicated to service or manage the cars involved in the main GT championships.

In 2020, the Competizioni GT department supported the teams and cars that took part in the major national and international championships.

The 488 GTEs continued to demonstrate their competitiveness in the FIA World Endurance Championship, as reflected in their second place finish in the 24 Hours of Le Mans 24 and their victories in the FIA Endurance Trophy and in the European Le Mans Series. The 488 GT3 was either joined or replaced by the 488 GT3 Evo 2020, which immediately followed in the winning footsteps of its predecessor. The success in the GT World Challenge Europe Endurance Cup, the most

important championship for GT3 cars, the return to winning in the IMSA series, the triumph in the GTD class of the Petit Le Mans and the other victories obtained all over the world, have increased the number of wins for the Prancing Horse's GT3's to 354 (55.8% of the races in which the car took part), starting from the debut race on March 17, 2016 and the number of titles to 91, since 2016, thanks to the contribution of professional and gentlemen drivers. The Club Competizioni GT continued to grow in 2020, offering clients the chance to bring some of the most beautiful Ferraris from the last 30 years back on track. In response to the requests received from some participants and to make the initiatives for 2021 even more interesting, the 488 GT Modificata, a limited series car dedicated to sports clients, which can be used at the Club Competizioni GT events, was unveiled in November 2020.

**IN 2020, ALL ACTIVITIES ORGANIZED ON THE TRACK BY CORSE CLIENTI WERE CARRIED OUT IN FULL COMPLIANCE WITH THE COMPANY'S "BACK ON TRACK" PROTOCOL, WHICH WAS EXTENDED TO ALL AREAS AND ALL CIRCUITS, REINFORCING EXISTING MEASURES SET BY LOCAL AND NATIONAL AUTHORITIES.**

With the exception of the events held prior to March 2020, all events

were held behind closed doors and the number of staff involved was kept to a minimum. This year's Ferrari Challenge saw the 488 Challenge Evo make its debut on the track (with the exception of the UK championship, which will feature the car starting in 2021). The car was received with enthusiasm and interest by drivers. The three international series (Europe, North America and Asia Pacific) and the national series (UK) had schedules that included stops on some of the most spectacular circuits in the world. However, due to logistical difficulties caused by the COVID-19 pandemic, the Asia Pacific series was forced to halt its 2020 schedule after its inaugural round in Bahrain. Due to a resurgence of the virus, the decision was taken to postpone the Finali Mondiali, the event that concludes the Attività Sportive GT season, until March 2021. After the events held at the start of 2020, the resumption of activities in July 2020 transformed the calendar of XX Programmes and F1 Clienti into an interesting progression of Ferrari Racing Days, where cars and single-seaters took turns on the track with Ferrari Challenge cars. Once again in 2020, the most exclusive cars in Ferrari's programs and some of the most successful single-seaters in the Prancing Horse's history took to the track on legendary circuits, assisted by the Corse Clienti team, as well as exceptional tutors which included professional racing drivers Marc Gené and Olivier Beretta.

FERRARI N.V.

## 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, 2020, our network comprised 168 dealers operating 188 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.

In 2020 and through the date of this report, our dealers network has faced new and unforeseen challenges resulting from the COVID-19 pandemic. Deliveries to our distribution network were temporarily suspended in late March 2020 due to restrictions on dealer activities or the inability of customers to collect their cars, and deliveries gradually recommenced during the month of May 2020. However, we have been able to manage resiliently those unpredictable circumstances. In particular, we supported our dealers network and promoted our "Back on Track" program, which allowed them to welcome again our clients in their showrooms safely.

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. During 2020 our training strategy was promptly adapted by introducing and boosting virtual-training solutions to cope with travel restrictions while continuing to foster expertise in the network at the highest level.

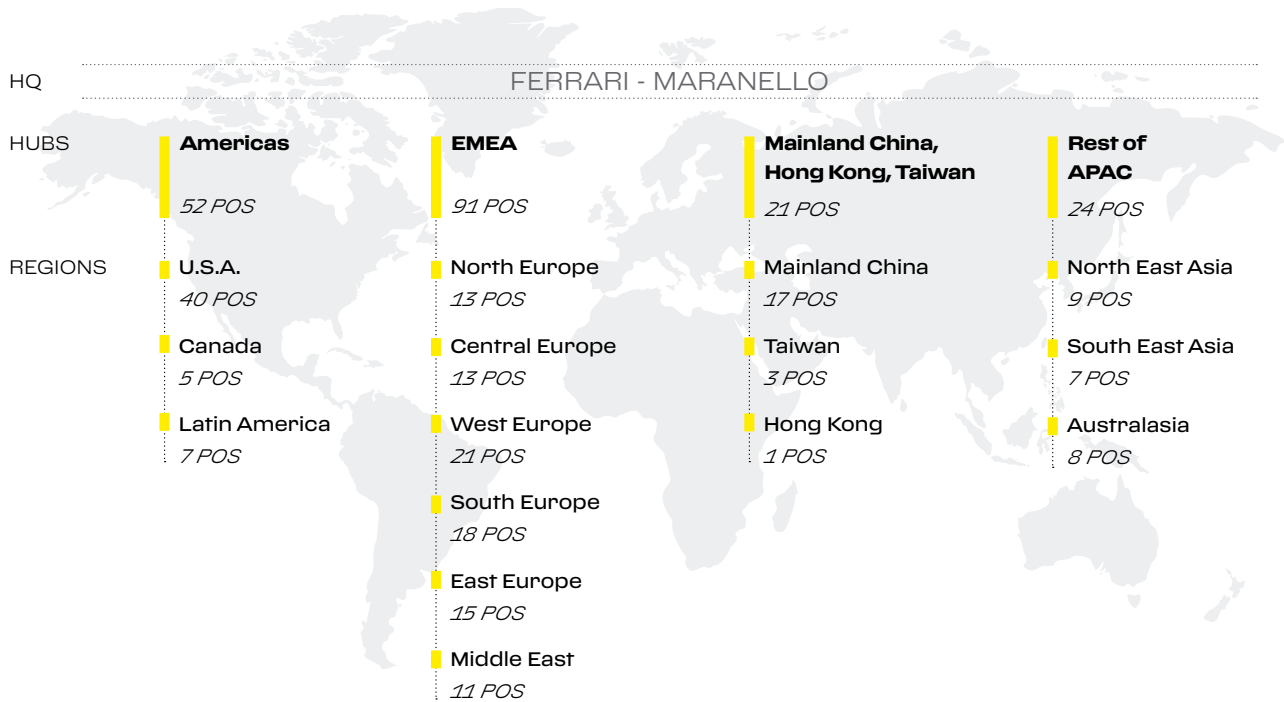
We collect and observe data relating to dealer profitability and financial health in order to prevent or mitigate any adverse experience for

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 offer direct or indirect finance and leasing services to retail clients and to dealers. (See "Financial Services").

## EXCEEDING EXPECTATIONS

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 188 points of sale at December 31, 2020:



Our sales are diversified across our dealer network, with the largest dealer representing approximately 2.5 percent of our shipments, and our 15 largest dealers representing approximately 24 percent of our shipments in 2020.

~ **2.5%**

OF OUR SHIPMENTS  
WITH THE LARGEST DEALER

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.

~ **24%**

OF OUR SHIPMENTS  
WITH ONLY 15 LARGEST DEALERS



FERRARI N.V.

**/ DEALER NETWORK****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 15TH 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.



## MATERIALITY MATRIX AND STAKEHOLDER ENGAGEMENTS

### 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");
- 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.

FFS Inc has also remaining dealer financing services in the United States.

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, 2020, the consolidated financial services portfolio was €940 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.

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 survey typologies in different time frames, which enables 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, managed by the Ferrari Customer Care, is conducted by phone with the initial customers and is terminated 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. In 2020, we performed customer satisfaction surveys, which were suspended between April and May due to the COVID-19 pandemic but were resumed in June. All the online surveys and phone interviews suspended have been retrieved from June.

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, Digital 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. In 2020, due to the COVID-19 pandemic all in person events were canceled.

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.



# 2020

## ~65%

OF OUR NEW CARS WERE SOLD  
TO FERRARI OWNERS

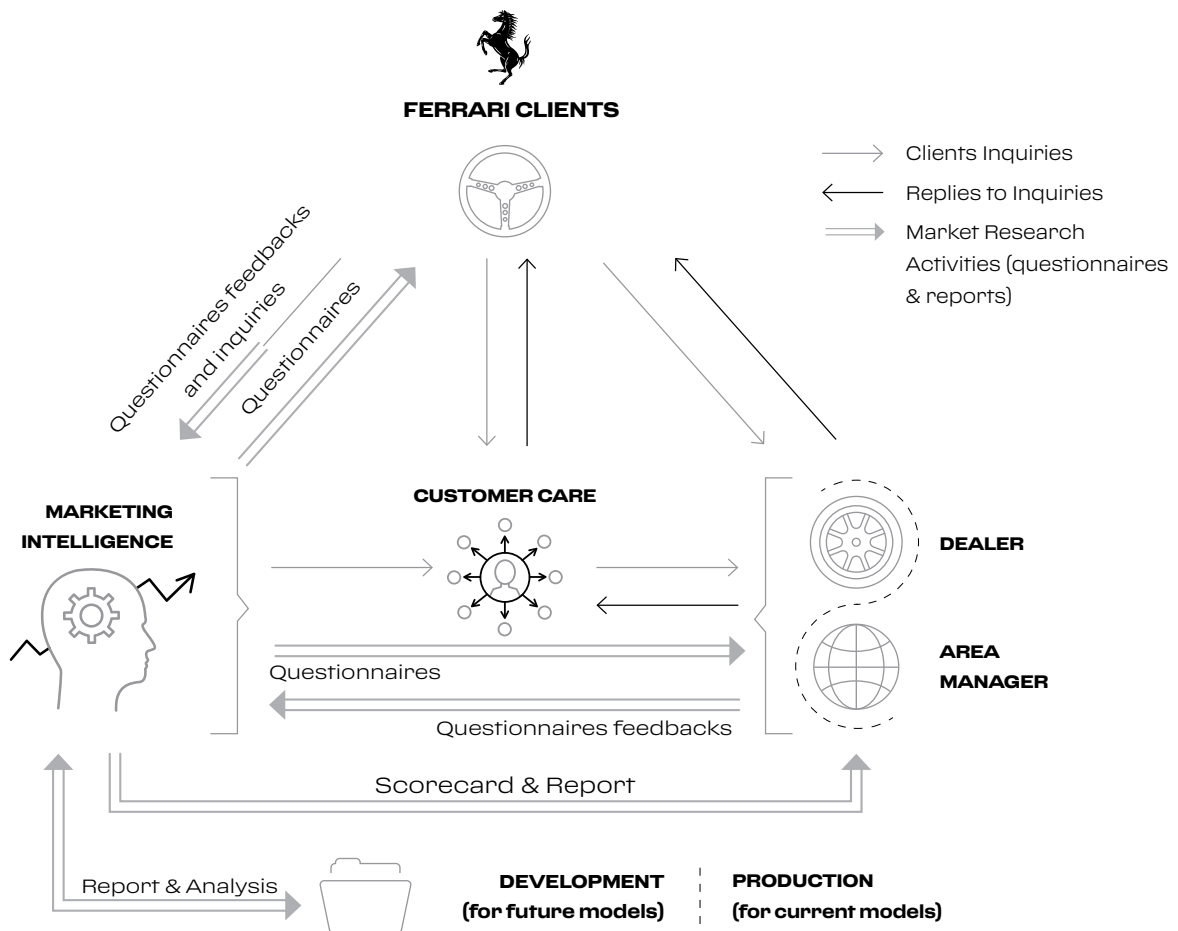
## 32%

OF OUR CUSTOMERS BEING OWNERS  
OF MORE THAN ONE FERRARI



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.



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.

# 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.

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 International 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. ADAS are included into our entire fleet and we are working to implement new solutions for our upcoming models, such as lane keeping assist and intelligent speed assist.

**THE SF90 STRADALE, THE FIRST HYBRID SERIES-PRODUCTION CAR IN FERRARI'S HISTORY, ENCAPSULATES THE MOST ADVANCED TECHNOLOGIES DEVELOPED IN MARANELLO, INCLUDING THE HMI WHICH, WITH ITS TRACK-DERIVED "EYES ON THE ROAD, 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 our road-going sports cars. The SF90 Stradale's steering wheel completes the transfer process from racing and also ushers in a new era by introducing a series of touch commands that allow the driver to control the most important performance-related 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. We extended this innovative HMI to the Ferrari Roma and SF90 Spider.

**FOR FERRARI, SAFETY IS ALSO ABOUT ON THE ROAD BEHAVIOR.**

To this effect, Charles Leclerc is also a testimonial for 3500 LIVES, a campaign launched by FIA with the aim of promoting road safety and making the roads safer for everyone by outlining the golden rules that can help save lives when driving.

Regarding further aspects of vehicle safety, please refer to 2020 Ferrari Annual Report (See "*Overview of Our Business - Regulatory Matters - Vehicle safety*").







Makita BT100AF 10.8V Li-Ion

PL6 WH Size 6  
ENGLISH  
4131X 10-145  
1.2.2019  
SUMIRUBBER MALAYSIA  
Shuangxi, Puteri, Kuching, Malaysia



## BEING THE EMPLOYER OF CHOICE

**OVER 63,300**

HOURS OF TRAINING, UP 9.9% VS. 2019

**OVER 3,390**

MEDICAL AND SPECIALISTIC  
CHECKUPS PERFORMED THROUGH  
"FORMULA BENESSERE"

**OVER 330**

CHILDREN ATTENDED THE SUMMER  
CAMP "FORMULA ESTATE JUNIOR"



FERRARI N.V.

# OUR PEOPLE

"I BELIEVE FACTORIES ARE MADE OF MACHINES, WALLS  
AND PEOPLE. FERRARI IS MADE MOST OF ALL BY PEOPLE"

E. FERRARI

**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. In 2020, we carried out all the initiatives for our people, always in accordance with the most stringent the COVID-19 pandemic related laws and protocols. 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 57 different nationalities.



In the third quarter of 2020, around 23 million people were employed in Italy<sup>16</sup>, with the employment rate decreasing by 1.8%<sup>17</sup> compared to the previous year, especially impacting women. The difference between Italy and EU employment rates is still significant (57.7% for Italy vs. 67.5% for EU<sup>18</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 2020, 554 thousands work related injuries occurred in Italy (-13.61% vs. 2019), of which 1,270 fatalities (+16.62% vs. 2019)<sup>19</sup>.

<sup>16</sup> Source: ISTAT, Q4 2020.

<sup>17</sup> Source: ISTAT, 2020, calculated Q4 2020 vs Q4 2019.

<sup>18</sup> Source: OECD, Q3 2020.

<sup>19</sup> Source: INAIL, 2020.



BEING THE EMPLOYER OF CHOICE

# 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 and, 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, while employees at the Modena plant have free membership in one of the city gyms, which unfortunately closed for most of 2020 due to the COVID-19 pandemic, therefore online training was offered. 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 2020, within the "Formula Benessere"

**4,556**  
EMPLOYEES,  
UP 6.3% VS. 2019

**2020**  
EQUAL SALARY  
CERTIFICATION  
BACK ON TRACK  
PROGRAM

**57**  
SCHOLARSHIPS  
AND ~700 REFUNDS  
FOR CHILDREN'S  
TEXTBOOKS

## FERRARI N.V.

initiative a special program related to migraine and headaches was activated, with medical visits carried out by a neurologist. The visits have also been performed remotely in order to give everyone the opportunity to receive them during the COVID-19 pandemic.

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 consists of a free day camp for employees' children aged 3 to 13, with various programs including sports, outdoor activities, excursions and workshops. The program, which has reached its 11th edition, allows children to enjoy an exciting experience with

## IN 2020, APPROXIMATELY 2,740 EMPLOYEES AND 650 CHILDREN BENEFITTED FROM MEDICAL AND SPECIALISTIC CHECKUPS PERFORMED THROUGH "FORMULA BENESSERE" IN 2020, OVER 330 CHILDREN ATTENDED THE SUMMER DAY CAMP PROGRAM

a didactic purpose: each edition of the "Formula Estate Junior" camp has an educational theme developed by 136 professional educators and is organized in collaboration with the local community. This edition, notwithstanding the COVID-19 pandemic, was organized to support our employees in these difficult times. Despite increasing available spaces and educators, this resulted in a reduced number of participants.

**EDUCATION IS ALSO THE FOCUS OF A SERIES OF DIFFERENT INITIATIVES THAT PROVIDE SCHOLARSHIPS TO TALENTED JUNIOR HIGH, HIGH SCHOOL AND UNIVERSITY STUDENTS.**

In 2020, our scholarship program, named after our founder "Enzo Ferrari", was awarded to 57 talented

students with the awards handed out by our Chairman during an outdoor event. Moreover, in 2020 we reimbursed 698 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 within the internal branch of a local bank, special rates for housing needs and discounts at the Ferrari Museums, Ferrari Stores and at the Ferrari Company Outlet. In 2020, a new service was launched that gives the opportunity to Ferrari employees to delegate their own bureaucratic practices.

To foster the sense of belonging, the Company usually organizes multiple events, which were paused in 2020 due to the COVID-19 pandemic. Over the last years, several culture and sport associations have been created: employees and former employees that share a common interest have the opportunity to cultivate their passions and organize sport and recreational activities together.

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 strengths, ambitions and our Company's requirements, underpinned by substantial investments in training. A total of over 63,300 hours (up 9.9% vs. 2019) of training have been provided to the Company's employees in 2020. This result was achieved mostly thanks to online training activities, such as the Harvard Manage Mentor e-learning platform. 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 because we believe in constantly maintaining excellence through "learning by doing".

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 parties.



MORE THAN 63,300 HOURS OF TRAINING  
DELIVERED ACROSS THE COMPANY'S  
EMPLOYEES IN 2020, UP 9.9% VS. 2019



## FERRARI N.V.

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 the 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 to 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. Being a Maestro is an aspirational position and key to the Company's success. To this effect, in 2020, we paid homage to all the "Maestri" of the Scuola dei

Mestieri who have supported this major training project for the longest period. In 2020, we further consolidated the activities of 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. To ensure effective training opportunities to employees during the COVID-19 pandemic all the courses have been implemented through e-learning platforms and webinars. A dedicated virtual library containing all the courses was created while a number of tablets

were distributed among participants to guarantee accessibility. Such an effort guaranteed all the 2020 scheduled course. Furthermore, within "Scuola dei mestieri" we have implemented an activity called "Scuola delle professioni", dedicated to young engineers and all employees of the purchasing department, in order to provide them with an overview of all the phases of product development and to pass on the Ferrari DNA. 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.

### TO SHAPE AND PREPARE THE FUTURE MANAGERIAL CLASS FOR THE BUSINESS, INNOVATION, MANAGEMENT AND HUMAN CAPITAL DEVELOPMENT CHALLENGES.

In 2020, despite the COVID-19 pandemic, the activities concerning the Ferrari Corporate Executive MBA continued online. The objective of the master's 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. In 2021, in addition to the third edition of this master's degree, a new one for junior employees will be launched.

In 2020, we completed a program of managerial growth called "Fly the Flag" that involved all managers of Direzione Tecnica with individual and group activities. The objective of this program is to strengthen the peculiar characteristics of a manager: assuming responsibility, increasing accountability and enhancing teamwork. Cross-functional groups worked on integration objectives, with many proposals emerging at the end of the course.

### 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. Launched in 2019, we continue to offer our employees the possibility to access the Harvard Manage Mentor e-learning platform. The

training 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

## BEING THE EMPLOYER OF CHOICE

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. An update on the current COVID-19 pandemic situation and its implications was included in the platform, as well as several training activities on diversity topics sustaining our Equal Salary Certification.

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 2020, a mandatory online campaign was launched on GT Purchasing, Product Liability and Italian Legislative Decree 231/2001, regarding the principle of corporate administrative responsibility for certain types of crimes committed by qualified representatives of the Company in the interest or to the advantage of the Company itself. In 2020, further training activities were dedicated to two specific Ferrari departments. The first was a training course

dedicated to all members of the purchasing department with the aim of enhancing the purchasing skills of the participants. This project was realized in partnership with the European Institute of Purchasing Management, which will provide a certification of completion to all participants. The second activity, developed in collaboration with the Luiss Business School, involved the information and communication technologies department and consisted in a training course with the aim of increasing internal expertise on key roles and processes in the organization.

In 2020, we consolidated the activities started the previous years: 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 ambitions of the future: 15 new cars between 2019-2022. All these training activities, combined with the quick transition to online platforms, resulted in an increase in the overall number of training hours provided compared to the previous year. However, due to the COVID-19 pandemic, the in person training, such as "Scuola dei Mestieri", sharply decreased.

NUMBER OF PARTICIPATIONS AND TOTAL TRAINING HOURS OF "SCUOLA DEI MESTIERI"<sup>20</sup>

	2020	2019	2018
Participations	1,275	2,241	2,219
Training hours	9,555	15,415	13,775

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

Gender	2020	2019	2018
Male	13.48	13.62	13.57
Female	16.32	12.40	12.22
Total	13.90	13.45	13.40

Employee category	2020	2019	2018
Managers and Senior Managers	23.71	42.75	42.18
Middle Managers	33.35	23.94	17.53
White collars	20.55	14.50	14.93
Workers	3.32	8.38	9.90
Total	13.90	13.45	13.40

<sup>20</sup> The figures provided refer to all employees and external staff of Ferrari S.p.A.

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 49,000 applications during 2020, 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 such the Motorvehicle University of Emilia-Romagna (MUNER), we also 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. Our program includes different graduate projects: "Ferrari GT Academy" is dedicated to the recruitment of engineering, production and commercial personnel, with the aim of attracting, evaluating and hiring future talents and establishing and consolidating partnerships with leading engineering universities and companies. "Ferrari F1 Engineering Academy", active since 2015, is dedicated to the recruitment of talented engineers to be introduced to our F1 team. We regularly perform dedicated communication activities 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 2020, each employee received around Euro 5,500 on top of the additional Euro 2,650, as provided for in the Agreement of 25 September 2019.



## BEING THE EMPLOYER OF CHOICE

The majority 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 career path.

In 2020, we further expanded the scope of the employee performance evaluation process: around 2,200 employees received a performance evaluation through our specific online tool, covering almost 100% of white collars and managers. 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 their professional aspirations and the final evaluation. On the side, Ferrari organizes assessment classes with external psychologists and HR experts with the aim of evaluating employee potential. These results are a fundamental asset for succession plans in key positions,

identifying career development opportunities and defining consistent retention actions.

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 results of the analysis carried out on our key positions covered by our employees 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' talents. In 2019, Ferrari S.p.A. started an in-depth analysis on equal remuneration which,

**IN JULY 2020, LED TO THE AWARD OF THE EQUAL SALARY CERTIFICATE FOR PROVIDING EQUAL PAY TO MEN AND WOMEN WITH THE SAME QUALIFICATIONS AND POSITIONS IN THE COMPANY.**

This accreditation attested the Company's commitment to creating an inclusive and diverse working environment while fostering career development for everybody. Ferrari was the first Italian Company to receive this specific certification. The certification process included a detailed statistical analysis of compensation levels, which revealed that the Prancing Horse is one of Europe's companies having successfully eliminated the gender pay gap. Ferrari sees this certification not as an end point but as a further stage of growth and an opportunity to implement tangible actions to ensure that everyone can pursue their professional growth. In 2020, Ferrari also joined Valore D, an association with over 200 member companies in Italy, whose commitment is to promote gender balance and an inclusive culture in organizations and across the country. For the second year in a row, our effort to guarantee employee attraction and retention was also recognized by the Top Employers Institute in January 2021.

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

Gender	2020	2019	2018
Male	45%	31 %	23%
Female	65%	55 %	45%
Total	48%	34 %	26%

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

Employee Category	2020	2019	2018
Managers and Senior Managers	97%	86 %	88%
Middle Managers	99%	73 %	72%
White Collars	92%	66 %	44%
Workers	0%	0 %	0%

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>21</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. In addition to formal meetings being held with employee representatives,

periodic meetings are also held with management to review safety issues. Periodic internal health and safety audits are performed to ensure compliance with our health and safety management system, current laws and best practices. Ferrari S.p.A. health and safety management system is certified ISO 45001:2018,

a voluntary international standard, which specifies the requirements of an occupational health and safety management system with reference to the activities performed within the premises of the organization by its employees or external workers. Also the Mugello Circuit S.p.A. is certified ISO 45001:2018<sup>22</sup>.

## HOURS OF HEALTH AND SAFETY TRAINING PER YEAR AND NUMBER OF PARTICIPANTS <sup>23</sup>

	2020	2019	2018
Training hours	18,169	22,313	21,358
Number of participants	3,089	2,927	2,439



<sup>21</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>22</sup> Ferrari S.p.A and Mugello Circuit S.p.A include 94% of all Ferrari Group employees.

<sup>23</sup> The figures provided refer to all employees and external staff of Ferrari S.p.A and Mugello Circuit S.p.A.. 2018 data do not include Mugello Circuit S.p.A..

## BEING THE EMPLOYER OF CHOICE

**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 2020, the number of training hours is lower than in the previous two years, mainly due to the COVID-19 pandemic. Pursuant to the Italian legislation, during the consequent lockdown period all the training activities were stopped, with some of them carried out later remotely. 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.

The table below shows the trend in accidents over the last three years. In 2020, the injury rate was 1.0, with 6 occurrences (10 in 2019) and no high-consequence work-related injuries or fatalities occurring. Each work-related injury is analyzed to determine the cause and appropriate measures to avoid recurrence are then implemented. The types of work-related injuries include lacerations, bruises and one case of fracture.

**NUMBER OF INJURIES AND INJURY RATE<sup>24</sup>**

	2020	2019	2018
Total number of injuries	6	10	12
of which more than 3 days of absence (excl. high-consequence injury and fatalities) <sup>25</sup>	4	7	8
of which high-consequence injury	0	0	1
of which fatalities	0	0	0
Total injury rate <sup>26</sup>	1.0	1.5	2.2
of which more than 3 days of absence (excl. high-consequence injury and fatalities) <sup>27</sup>	0.6	1.1	1.4
of which high-consequence injury	0	0	0.2
of which fatalities	0	0	0
Hours worked	6,280,881 <sup>28</sup>	6,471,529	5,524,896

During the course of 2020, one injury has been recorded for an agency worker, resulting in 4 days of absence. 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. Every employee undergoes a regular 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 Ferrari employees in Italy.

<sup>24</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 2020. 2018 data do not include Mugello Circuit S.p.A.. All data does not include first aid medical treatments.

<sup>25</sup> Injuries that must be reported to INAIL (Italian National Institute for Insurance against Accidents at Work), according to Italian legislation.

<sup>26</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>27</sup> Injuries that must be reported to INAIL (Italian National Institute for Insurance against Accidents at Work), according to Italian legislation.

<sup>28</sup> In 2020, total hours worked decreased mainly due to the seven-week production suspension caused by the COVID-19 pandemic.



FERRARI N.V.

## BACK ON TRACK

Back on Track is the project we are carrying out during the COVID-19 pandemic to limit the spread of the virus and to facilitate the safest and most worry-free possible working life.

Ferrari's commitment is to take care of its most precious resource, its people. The project has been developed in partnership with a pool of virologists and experts, with the patronage of the Emilia Romagna Region.

In the context of the COVID-19 pandemic, Ferrari halted production activities from March 14 to May 4 while all non-manufacturing related activities continued on a regular basis, leveraging the opportunities provided by remote working. Before restarting production, Ferrari decided to organize training sessions

for workers, in particular, on the best precautionary measures to take against any health risk.

- At the reopening of the Maranello and Modena offices, the first step of the project was related to the full implementation of the "Protocol for the regulation of measures to combat and contain the spread of the COVID-19 virus in the workplace", signed on March 14, 2020, and further strengthened and customized with the support of specialists with expert knowledge of Ferrari's work environment.
- The second step involved the voluntary screening of Ferrari employees with blood tests to check their state of health in relation to the virus. This service has also been made available to the whole

"Ferrari Community", that is, to any cohabiting relative of employees and to the staff of suppliers accessing our premises.

- The serological tests were provided by doctors in a tensile structure of approximately 1,000m<sup>2</sup>, specially created at the Fiorano Circuit. This structure was then made available to the local healthcare authorities to carry out tests on local residents. Each employee was offered the opportunity to use an App to receive medical support to monitor the symptoms of the COVID-19 virus. Ferrari also provided a health and psychological assistance service to its people either by telephone or directly at home.

The third phase of this project, during autumn 2020, tested all Ferrari people with rapid tests. All results of the tests were treated with total confidentiality and privacy. Furthermore, a flu vaccination campaign has been added on a voluntary basis and extended not only to our employees but also to their family members and employees of suppliers who attend our manufacturing facilities. Any employee tested positive for the COVID-19 pandemic can receive a special free insurance coverage, accommodation for self-isolation, medical and nursing services, and medical equipment support. All expenses of the project are covered by Ferrari with no costs for employees. Moreover, Ferrari did not resort to any government aid programs nor employees had to use their vacation time during the manufacturing interruption or time spent to perform the tests. Ferrari shared the outcome of the "Back on Track" project with the Emilia Romagna Region, allowing for the most advanced practices for the protection of workers' health to be available to the community.



BACK ON TRACK IS THE PROJECT WE ARE CARRYING OUT DURING THE COVID-19 PANDEMIC TO LIMIT THE SPREAD OF THE VIRUS AND TO FACILITATE THE SAFEST AND MOST WORRY-FREE POSSIBLE WORKING LIFE.

## BEING THE EMPLOYER OF CHOICE

# OUR EMPLOYEES IN NUMBERS

As of December 31, 2020, Group<sup>29</sup> employees were 4,556, an increase of 6.3% compared to December 31, 2019 (4,285). We expect to continue growing over the next few years in order to meet our strategic plan.

Number of employees	December 31, 2020	December 31, 2019	December 31, 2018
Total	4,556	4,285	3,851
of which women	14.8%	14.0%	13.0%

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, 2020			December 31, 2019		
	Male	Female	Total	Male	Female	Total
Managers and Senior Managers	85.4%	14.6%	137	86.2%	13.8%	123
Middle Managers	84.1%	15.9%	603	85.5%	14.5%	566
White Collars	75.8%	24.2%	1,583	76.6%	23.4%	1,417
Workers	92.2%	7.8%	2,233	92.2%	7.8%	2,179
Total	85.2%	14.8%	4,556	86.0%	14.0%	4,285

As indicated in the table above, compared to the previous year in 2020, the percentage of female employees slightly grew from 14% to 14.8%. This was mainly due to an increase in the "Middle Managers" category.

## PERCENTAGE OF EMPLOYEES PER EMPLOYEE CATEGORY BY AGE GROUP

Employee category	December 31, 2020				December 31, 2019			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Managers and Senior Managers	0%	54.7%	45.3%	137	0%	60.2%	39.8%	123
Middle Managers	0.5%	71.6%	27.9%	603	1.1%	72.1%	26.9%	566
White Collars	20.3%	67.6%	12.1%	1,583	22.4%	64.5%	13.1%	1,417
Workers	16.4%	65.6%	17.9%	2,233	16.6%	66.0%	17.4%	2,179
Total	15.2%	66.8%	18.0%	4,556	16.0%	66.1%	17.9%	4,285

The majority of the workforce is between the age of 30 and 50 (66.8%).

<sup>29</sup> In this chapter, "The Group" refers to all the legal entities indicated as consolidated line by line by Ferrari N.V. in 2020 Annual Report.

FERRARI N.V.

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

Group						
December 31, 2020				December 31, 2019		
Employment contract	Male	Female	Total	Male	Female	Total
Permanent	3,867	659	4,526	3,665	587	4,252
Temporary	15	15	30	19	14	33
Total	3,882	674	4,556	3,684	601	4,285

Italy						
December 31, 2020				December 31, 2019		
Employment contract	Male	Female	Total	Male	Female	Total
Permanent	3,709	569	4,278	3,515	504	4,019
Temporary	13	5	18	16	8	24
Total	3,722	574	4,296	3,531	512	4,043

Rest of the world						
December 31, 2020				December 31, 2019		
Employment contract	Male	Female	Total	Male	Female	Total
Permanent	158	90	248	150	83	233
Temporary	2	10	12	3	6	9
Total	160	100	260	153	89	242

As shown in the tables above, 94.3% 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 (99.3%).

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

December 31, 2020				December 31, 2019		
Full-time / Part-time	Male	Female	Total	Male	Female	Total
Full-time	3,877	647	4,524	3,680	572	4,252
Part-time	5	27	32	4	29	33
Total	3,882	674	4,556	3,684	601	4,285



## BEING THE EMPLOYER OF CHOICE

### NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

#### Employee turnover by geographic area

	2020			2019		
	Italy	Rest of the world	Total Group	Italy	Rest of the world	Total Group
Employees at January 1	4,043	242	4,285	3,647	204	3,851
New Hires	368	37	405	533	94	627
Departures	115	19	134	147	46	193
Transfer	0	0	0	10	(10)	0
Employees at December 31	4,296	260	4,556	4,043	242	4,285
New Hires (%)	8.6%	14.2%	8.9%	13.2%	38.8%	14.6%
Departures (%)	2.7%	7.3%	2.9%	3.6%	19.0%	4.5%

#### Employee turnover by age

	2020				2019			
	<30	30-50	>50	Total Group	<30	30-50	>50	Total Group
Employees at January 1	685	2,834	766	4,285	527	2,710	614	3,851
New Hires	169	222	14	405	302	298	27	627
Departures	20	59	55	134	36	108	49	193
Age range	(142)	46	96	0	(108)	(66)	174	0
Employees at December 31	692	3,043	821	4,556	685	2,834	766	4,285
New Hires (%)	24.4%	7.3%	1.7%	8.9%	44.1%	10.5%	3.5%	14.6%
Departures (%)	2.9%	1.9%	6.7%	2.9%	5.3%	3.8%	6.4%	4.5%

#### Employee turnover by gender

	2020			2019		
	Male	Female	Total Group	Male	Female	Total Group
Employees at January 1	3,684	601	4,285	3,349	502	3,851
New Hires	312	93	405	490	137	627
Departures	114	20	134	155	38	193
Employees at December 31	3,882	674	4,556	3,684	601	4,285
New Hires (%)	8.0%	13.8%	8.9%	13.3%	22.8%	14.6%
Departures (%)	2.9%	3.0%	2.9%	4.2%	6.3%	4.5%

### ABSENTEEISM RATE IN ITALY <sup>30</sup>

All the employees of the Group in Italy (representing 94.3% of the 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.

	2020	2019
Employees	1.53%	1.37%

<sup>30</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.





## REDUCING ENVIRONMENTAL FOOTPRINT

# 100%

OF THE PRODUCTION FACILITIES  
CERTIFIED AS ISO 14001

# 99%

OF PURCHASED ELECTRIC ENERGY  
CERTIFIED AS RENEWABLE

# -35%

CO<sub>2</sub> EMISSIONS<sup>1</sup>

<sup>1</sup> ESTIMATED REDUCTION IN 2020E (COMPARED  
TO 2007) ON THE EUROPEAN 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>31</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 780,000 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 18 retail stores and maintain offices for our foreign subsidiaries and other smaller facilities in Italy, such as the Museo Enzo Ferrari (MEF) in Modena and the Ferrari museum in Maranello. The environmental impact of these additional facilities is deemed negligible 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 Manufacturing Officer. Their effort is aimed at minimizing the impact of our activities on the environment, particularly in relation to the energy consumption of the 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.

In 2020, greenhouse gas emissions fell by 6% because of the drastic reduction in human activity due to the COVID-19 pandemic<sup>32</sup>. However, this rate of decrease falls short of the Paris agreement target of 7.6%-reduction each year starting in 2020. Emissions are expected to rise as restrictions are lifted. The European commission recently approved the "Green deal", a plan to make Europe the world's first climate neutral continent by 2050. In December 2020, the European Council endorsed a new binding EU target for a net domestic reduction in greenhouse gas emissions of at least 55% by 2030, compared to 1990 levels. This is 15 percentage points up from the 2030 target which had been agreed in 2014<sup>33</sup>. The production of renewable energy rose to 38% of Europe's electricity in 2020 (compared to 34.6% in 2019), overtaking for the first time fossil-fired generation, which fell to 37%<sup>34</sup>.



<sup>31</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).

<sup>32</sup> Source: U.N., The Sustainable Development Goals Report 2020.

<sup>33</sup> Source: European Council.

<sup>34</sup> Source: Agora Energiewende and Ember (2021), The European Power Sector in 2020: Up-to-Date Analysis on the Electricity Transition

## REDUCING ENVIRONMENTAL FOOTPRINT

# 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 EMAS (Eco-Management and Audit Scheme). Moreover, in 2020, Mugello Circuit S.p.A. obtained the ISO 20121 certification, the international standard for sustainable event management. To date, Mugello Circuit is the first circuit in the world to obtain this certification. This standard applies to the activities related to the events hosted and is evidence of the commitment of Mugello Circuit to implement a responsible and sustainable management system.

## EFFICIENT ENERGY USE

Our culture embraces a rational use of energy, which is mainly utilized 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.

In addition, from 2009, we started using electricity along with hot and cold water generated by the trigeneration plant<sup>35</sup>. In 2020, the trigeneration plant produced 81% of the electricity needed for the Maranello plant, while the remaining 19% originated from renewable sources<sup>36</sup>.

### ENERGY CONSUMPTION WITHIN THE ORGANIZATION

Unit of measurement: GJ	2020	2019
Non-renewable fuel consumption	1,514,543	1,623,478
Natural Gas (used for trigenerator)	1,079,005	1,126,190
Natural Gas (for other uses)	375,476	433,987
Gasoline	47,408	53,701
Diesel <sup>37</sup>	12,654	9,600
Total electricity bought for consumption	108,160	116,354
From renewable sources	107,097	110,199
From non-renewable sources	1,063	6,155
Electricity self-produced for consumption <sup>38</sup>	3,687	3,344
Electricity sold	(7,545)	(9,250)
Total	1,618,845	1,733,926

The total energy consumption within the Group for 2020 was 1,618,845 GJ, with a decrease of 6.6% from 2019 (1,733,926 GJ). This decrease was mainly due to seven-week production suspension caused by the COVID-19 pandemic.

<sup>35</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>36</sup> Thanks to our photovoltaic system and the purchase of Guarantee of Origin certificates.

<sup>37</sup> 2020 data also include Ferrari's trucks and power generator related to F1 activities.

<sup>38</sup> From photovoltaic.

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## / EFFICIENT ENERGY USE

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 2020, we continued on the construction of the new building related to new GT sport activities, that will be completed in 2021.

117 GWH  
OF ENERGY  
PRODUCED  
BY FERRARI'S  
TRIGENERATOR

## 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 88,380 tCO<sub>2eq</sub> in 2020, compared to 94,615 tCO<sub>2eq</sub> in 2019, 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>39</sup>.

In 2020, our Scope 1 decreased compared to 2019, mostly due to the seven-week production suspension caused by the COVID-19 pandemic. Our Scope 2 market-based GHG emissions were 138 tons CO<sub>2eq</sub>. This reduction was achieved thanks to the purchase of renewable energy by the Mugello

### ENERGY CONSUMPTION WITHIN THE ORGANIZATION

Unit of measurement: tCO <sub>2eq</sub>	2020	2019	2018	2017	2016
Scope 1 <sup>40</sup>	88,242	93,789	91,001	91,789	92,319
Scope 2 (market-based method) <sup>41</sup>	138	826	772	820	767
Scope 2 (location-based method) <sup>42</sup>	10,095	11,603	9,219	9,822	9,105

GHG Protocol (WRI, WBCSD) definitions

racing circuit starting June 2020. If Ferrari had not purchased Guarantee of Origin certificates these emissions would have been higher by 13,863 tons<sup>43</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, with the exception of 2020 which was impacted by COVID-19 pandemic. The carbon ratios below are based on the sum of the emissions from Scope 1 and Scope 2 market-based method.

	2020	2019	2018	2017	2016	2020 vs. 2016
Net Revenues (mln €)	3,460	3,766	3,420	3,417	3,105	11%
Adj. EBITDA (mln €)	1,143	1,269	1,114	1,036	880	30%
Carbon on net revenues ratio (CoR) (tCO <sub>2eq</sub> /mln €)	25.5	25.1	26.8	27.1	30.0	-15
Carbon on Adj. EBITDA ratio (tCO <sub>2eq</sub> /mln €)	77.3	74.6	82.4	89.4	105.8	-27

<sup>39</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>40</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>41</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 "2019 European Residual Mixes, V.1.1", 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.

<sup>42</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; 2018", published by Terna.

<sup>43</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 mainly related to volatile organic compounds (VOCs) released during vehicle manufacturing. In addition, NOX, SOX and dust emissions are constantly monitored.

### OTHER SIGNIFICANT AIR EMISSIONS

Unit of measurement: Kg	2020	2019
NOX	59,293	43,991
SOX	1,086	1,073
Volatile Organic Compounds (VOCs)	46,439	43,393
Dusts	3,090	2,155

## 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 for our manufacturing processes (e.g. processed sand used in the foundry, aluminum that cannot be smelted).

### WASTE BY TYPE AND DISPOSAL METHOD<sup>44</sup>

NON HAZARDOUS WASTE				
Unit of measurement: tons	2020		2019	
	Weight	Percentage	Weight	Percentage
Recovery	3,902.8	50.9%	4,133.7	48.6%
On-site storage pending disposal	304.9	4.0%	272.5	3.2%
Physico-chemical treatment	3,456.4	45.1%	4,092.6	48.2%
Biological treatment	-	-	-	-
Total	7,664.1	100%	8,498.8	100%

HAZARDOUS WASTE				
Unit of measurement: tons	2020		2019	
	Weight	Percentage	Weight	Percentage
Recovery	587.6	27.7%	815.8	30.5%
On-site storage pending disposal	113.4	5.4%	385.5	14.4%
Physico-chemical treatment	1,416.2	66.8%	1,471.0	55.0%
Other	3.8	0.2%	4.3	0.2%
Total	2,121.0	100%	2,676.6	100%

<sup>44</sup> 2020 data includes waste generated by Ferrari S.p.A. in the plants of Maranello and Modena and warehouses and Mugello Circuit S.p.A.: 2019 data do not include waste of Mugello racing circuit that had an impact of less than 2% of the total waste produced by the Group.

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**/ WASTE MANAGEMENT**

Total waste for 2020 was equal to 9,785.1 tons, with a decrease of 12% compared to 2019, mainly due to the production suspension. The quantity of discarded sand from the foundry decreased due to the reduction in supply of engines to Maserati compared to previous years. This sand is no longer sold to a third party but is reused in the production cycle.

## FOUNDRY DISCARDED SAND REUSED IN PRODUCTION CYCLE: IMPLEMENTING A CIRCULAR ECONOMY PRINCIPLE

**LOGISTICS**

We produce all of our vehicles and spare parts in our Maranello and Modena plants, however, our network of third party dealers comprises 188 point of sales around the world. A meticulous work is constantly carried out to optimize logistical operations with the aim of reducing the environmental impact and associated air emissions.

**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>45</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.

This commitment was reinforced by introducing the adiabatic cooling system in our New Technical Center, a new technology which allows us to save more water compared to

traditional methods. Moreover, we collect and reuse rainwater and condensation for domestic use. 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<sup>46</sup>**

Unit of measurement: ML	2020		2019	
	All areas	of which areas with water stress <sup>47</sup>	All areas	of which areas with water stress <sup>48</sup>
Groundwater	496.0	18.4	460.2	33.3
Third-party water	205.4	0.0	166.0	0.0
Total water withdrawal <sup>49</sup>	701.4	18.4	626.2	33.3

<sup>45</sup> Source: WRI Aqueduct 2014 (World Resources Institute, 2014).

<sup>46</sup> The data does not include rainwater collected. This amount has an impact of less than 2% of the total water withdrawal.

<sup>47</sup> 2020 data refers to Mugello racing circuit.

<sup>48</sup> 2019 data refers to Mugello racing circuit.

<sup>49</sup> Total water withdrawal refers to freshwater (≤1,000 mg/L Total Dissolved Solids).

## REDUCING ENVIRONMENTAL FOOTPRINT

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>	2020	2019
Effluents/Water bodies	0	0
Public sewer system	371,039	369,426
Total	371,039	369,426

## BIODIVERSITY AND NOISE POLLUTION

Our plants and racing circuits, as of December 2020, 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>50</sup> to any protected or highly biodiverse areas.

This analysis is conducted annually and is based on the World Database on Protected Areas<sup>51</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 the Mugello Circuit complies with the authorization received by the appropriate authorities.



<sup>50</sup> For this analysis, a distance of 3 km or less has been considered as "adjacent".

<sup>51</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.



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# VEHICLE 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.

## VEHICLE 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 2020 Annual Report).

**WE CONTINUE FOCUSING ON RESEARCHING TECHNOLOGIES THAT FURTHER REDUCE 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 technology, 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 technology we reduced our 2020 CO<sub>2</sub> emissions by 12%<sup>52</sup> (compared to 2014) on our entire fleet.

However, as a consequence of the impact of the COVID-19 pandemic on Ferrari's supply chain and the resulting delay in the industrialization phase of the SF90 Stradale, our

first hybrid series-production car, this achievement is below our 15% reduction target. 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

<sup>52</sup> The percentage considers the Group's type-approved shipments and the CO<sub>2</sub> emissions values according to requirements set by the European Union.

## REDUCING ENVIRONMENTAL FOOTPRINT

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 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>53</sup>.

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. TO THIS EFFECT, WE HAVE ALREADY STARTED OUR JOURNEY TOWARDS CARBON NEUTRALITY.**

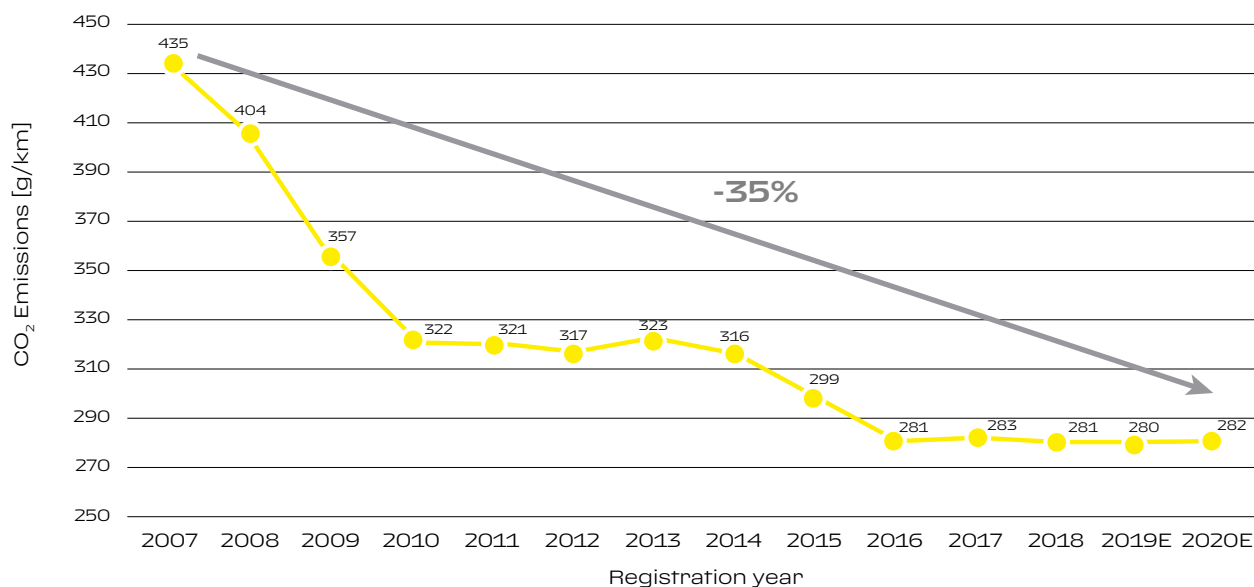
In September 2018, at our Capital Market Day we announced the

ambition to producing nearly 60% of the models with a hybrid powertrain by 2022. The SF90 Stradale, our first hybrid series-production car in Ferrari history, launched in 2019, and the SF90 Spider, launched in 2020, perfectly reflect 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 2020, WE ACHIEVED A 35% REDUCTION IN CO<sub>2</sub> EMISSIONS (COMPARED TO 2007) FOR OUR EUROPEAN FLEET THROUGH IMPROVEMENTS IN THE CAR'S ENERGY EFFICIENCY.**

### AVERAGE SPECIFIC CO<sub>2</sub> EMISSIONS (FERRARI EU FLEET<sup>54</sup>)

(E) Estimate



<sup>53</sup> CO<sub>2</sub> emissions in g/km.

<sup>54</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 and 2020. 2020: provisional fleet average emissions of CO<sub>2</sub>. 2019: provisional fleet average emissions of CO<sub>2</sub>.

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**/ VEHICLE EMISSION**

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 (NO<sub>x</sub>, CO, HC).

**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").

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.

**PERCENTAGE OF MATERIALS USED IN THE FERRARI SF90 STRADALE**

Percentage of materials used in the Ferrari SF90 Stradale	
Light alloys and steel	64.98%
Other metals	4.87%
Polymers	14.92%
Elastomers	4.71%
Glass/Ceramics	3.33%
Fluids	1.98%
Other	5.21%
Total	100%



REDUCING ENVIRONMENTAL FOOTPRINT

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.

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# FURTHER CLIMATE-RELATED DISCLOSURES ("TCFD")

FERRARI IS CONSCIOUS OF THE RISKS AND OPPORTUNITIES RELATED TO CLIMATE CHANGE, AS ONE OF THE MORE RELEVANT DEFINING FACTORS FOR LONG-TERM VALUE CREATION.

The following section aims at providing a transparent disclosure on climate change-related matters, in line with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). The following paragraphs summarize how Ferrari is tackling climate-change risks and opportunities in the areas of Governance, Strategy, Risk, Management as well as Metrics and Targets. For further details, please see the TCFD correspondence table at the end of this section.

We are committed to progressively develop our environmental governance, strategy, metrics and goals, in line with best practices and TCFD guidelines.

## GOVERNANCE:

**THE BOARD OF DIRECTORS, AS A WHOLE, IS RESPONSIBLE FOR THE OVERALL STRATEGY OF THE COMPANY, INCLUDING IN RELATION TO SUSTAINABILITY AND CLIMATE CHANGE TOPICS.**

On these matters, within the Board of Directors, 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: monitoring and evaluating reports on the Group's sustainable development policies and practices, management standards, strategy, performance and governance globally; and reviewing, assessing and making recommendations as to strategic guidelines for sustainability, including climate change-related issues.

At management level, in Ferrari, sustainability and climate-related issues concern all Company functions. As the decision-making body led by the CEO and composed of the heads of the operating segments and certain central functions, the Senior Management Team ("SMT") is therefore the corporate body responsible for these topics.

Our Chief Financial Officer, a member of the SMT, is responsible for the Sustainability function that is involved in coordinating the activities within the Group with

regard to sustainability, promoting the discussion between different teams and functions, and aiming at identifying risks and opportunities regarding sustainability and climate change.

## STRATEGY:

**FERRARI IS AWARE OF THE CHALLENGES AND OPPORTUNITIES POSED BY CLIMATE CHANGE.**

Recently, Ferrari made significant and substantial strides on its journey to sustainability. This progress was driven by a sustainability strategy designed around five pillars.

One of these pillars is "Reducing environmental footprint: increase our environmental awareness to continuously set and implement related programs and actions". Our business strategy is also influenced by climate change-related commitments and developments at the international, regional and national level, such as the Paris Agreement and Sustainable Development Goals

## REDUCING ENVIRONMENTAL FOOTPRINT

(SDGs). In particular, we take into consideration GHG-related normative requirements and, as in many parts of the world, significant governmental regulation is driven by environmental, fuel economy and emissions concerns.

In this context, our most significant environmental efforts are deployed through a program for the reduction of polluting and GHG emissions, both at manufacturing and product level. In particular, we are currently working on developing hybrid powertrains and other innovations to meet specific regulatory requirements and preparing for a low-emission future thanks to our DNA based on innovation. Climate change is a key megatrend for Ferrari. In the coming years, we are planning to carry out the scenario analysis as well as setting scientific-based targets.

## RISK MANAGEMENT:

**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. Ferrari has adopted the last publication of the COSO Framework as the foundation of its enterprise risk management (ERM), which also integrates the analysis and assessment of socio-environmental risks, including climate related risks. The Board of Directors is responsible for considering the ability to control and manage risks crucial to achieving its identified business targets, and for the continuity of the Group.

The SMT is responsible for identifying, prioritizing and mitigating risks and for the establishment and maintenance of a risk management system across our business functions. The SMT reviews the risk management framework and the Company's key global risks on a regular basis. At least annually, our risk management framework and risks are discussed with the Group's Audit Committee.

Our CFO, who directly reports to the CEO, is responsible for the risk management function that is involved, among the other risks, in the assessment, monitoring and management of climate related risks. Operating areas represent the first line of defense, they identify and assess climate-related risks and in collaboration with the central function of risk management those risks are assessed, monitored and managed at corporate level.

## METRICS AND TARGETS:

**FERRARI IS COMMITTED TO BECOMING CARBON NEUTRAL OVER THE LONGER TERM.**

We are in the process of determining our total carbon footprint. In addition to Scope 1 and Scope 2, in 2020 we implemented specific carbon footprint analysis on four of our key car models and in relation to our 2019 Formula 1 activities. These studies allow us to focus on elements to reduce our carbon footprint. For example, through innovations in our vehicles, we continue to target reductions in CO<sub>2</sub> emissions of our fleet. At production site level, our purpose is to minimize our environmental impact by implementing energy efficiency activities and by continuing to purchase Guarantee

of Origin certificates in order to increase the percentage of energy consumed by Ferrari derived from renewable sources, thus reducing the corresponding CO<sub>2</sub> emissions.

In this Sustainability Report we disclose our impacts and performance according to the requirements of the GRI Standards. Moreover, we report two indicators to monitor our economic growth and its climate impact: the Carbon on net revenues ratio and the Carbon on Adj. EBITDA ratio. These two indicators show that Ferrari managed to decouple its economic growth from its environmental impact. In other words, we keep on growing our business activities while at the same time maintaining almost stable our CO<sub>2</sub> emissions.



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## TCFD REFERENCE TABLE

For further details, please refer to the documents mentioned in the table below.

TCFD AREA	RECOMMENDED TCFD DISCLOSURE	FURTHER REFERENCES
<b>Governance:</b> Disclose the organization's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.	<ul style="list-style-type: none"> <li>• Annual Report: Board Report/ Corporate Governance</li> <li>• Sustainability Report: Proactively fostering best practice governance/ Our Governance.</li> <li>• CDP Climate Change Questionnaire: C1 -Governance.</li> </ul>
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	<ul style="list-style-type: none"> <li>• Annual Report: Board Report/ Corporate Governance.</li> <li>• Sustainability Report: Proactively fostering best practice governance/ Our Governance.</li> <li>• CDP Climate Change Questionnaire: C1 - Governance.</li> </ul>
<b>Strategy:</b> Disclose the actual and potential impacts of climate related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	<ul style="list-style-type: none"> <li>• Annual Report: Board Report/Risk Factors; Risk Management and Internal Control Systems.</li> <li>• Sustainability Report: Materiality matrix and stakeholder engagement/ Materiality matrix of Ferrari Group; Proactively fostering best practice governance/ Our Governance.</li> <li>• CDP Climate Change Questionnaire: C2 - Risks and Opportunities; C3 -Business strategy.</li> </ul>
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	<ul style="list-style-type: none"> <li>• Annual Report: Board Report/Risk Factors; Risk Management and Internal Control Systems.</li> <li>• Sustainability Report: Materiality matrix and stakeholder engagement/ Materiality matrix of Ferrari Group; Proactively fostering best practice governance/ Our Governance; Reducing environmental footprint/ Vehicle environmental impact.</li> <li>• CDP Climate Change Questionnaire: C2 - Risks and Opportunities; C3 -Business strategy.</li> </ul>
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<ul style="list-style-type: none"> <li>• CDP Climate Change Questionnaire: C3 -Business strategy.</li> </ul>

## REDUCING ENVIRONMENTAL FOOTPRINT

TCFD AREA	RECOMMENDED TCFD DISCLOSURE	FURTHER REFERENCES
<b>Risk Management:</b>  Disclose how the organization identifies, assesses, and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risks.	<ul style="list-style-type: none"> <li>• Annual Report: Board Report/Risk Management and Internal Control Systems.</li> <li>• Sustainability Report: Proactively fostering best practice governance/ Our Governance.</li> <li>• CDP Climate Change Questionnaire: C2 - Risks and Opportunities.</li> </ul>
	b) Describe the organization's processes for managing climate-related risks.	<ul style="list-style-type: none"> <li>• Annual Report: Board Report/Risk Factors; Risk, Risk Management and Control Systems.</li> <li>• Sustainability Report: Proactively fostering best practice governance/ Our Governance/ Sustainability Risks; Reducing environmental footprint/ Our environmental responsibility, Plants and circuits, Vehicle environmental impacts.</li> <li>• CDP Climate Change Questionnaire: C2 - Risks and Opportunities.</li> </ul>
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	<ul style="list-style-type: none"> <li>• Annual Report: Board Report/Risk Management and Internal Control Systems.</li> <li>• Sustainability Report: Proactively fostering best practice governance/ Our Governance.</li> <li>• CDP Climate Change Questionnaire: C2 - Risks and Opportunities.</li> </ul>
<b>Metrics &amp; Targets:</b>  Disclose the metrics and targets used to assess and manage relevant climate related risks and opportunities where such information is material.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	<ul style="list-style-type: none"> <li>• Annual Report: Board Report/ Non financial statement.</li> <li>• Sustainability Report: Reducing environmental footprint/ Plants and circuits, Vehicle environmental impacts.</li> <li>• CDP Climate Change Questionnaire: C4 - Targets and performance; C6 -Emissions data; C7 - Emissions breakdowns; C8 - Energy.</li> </ul>
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<ul style="list-style-type: none"> <li>• Annual Report: Board Report/ Non financial statement.</li> <li>• Sustainability Report: Reducing environmental footprint/ Plants and circuits.</li> <li>• CDP Climate Change Questionnaire: C6 -Emissions data; C7 - Emissions breakdowns.</li> </ul>
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<ul style="list-style-type: none"> <li>• Annual Report: Board Report/ Non financial statement.</li> <li>• Sustainability Report: Reducing environmental footprint/ Plants and circuits, Vehicle environmental impacts.</li> <li>• CDP Climate Change Questionnaire: C4 - Targets and performance.</li> </ul>

# GRAND TOUR

FERRARI *Roma*







**CREATING  
AND SHARING  
VALUE WITH THE  
COMMUNITY**

## **FIA GIRLS ON TRACK**

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FIRST PARTNER

## **RESPIRATOR VALVES**

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PRODUCTION

## **BACK TO SCHOOL**

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FOR THE BENEFIT OF CHILDREN IN FRAGILE  
SITUATIONS IN THE MUNICIPALITY OF  
MARANELLO AND SURROUNDING AREAS

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 to us, with particular reference to Maranello and Modena, where all our cars are manufactured. To maintain 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".

## SUPPORTING OUR COMMUNITY DURING COVID-19 PANDEMIC

In response to the healthcare crisis caused by the COVID-19 pandemic and to support the communities in which Ferrari operates,

**FERRARI PRODUCED  
RESPIRATOR VALVES AND  
FITTINGS FOR PROTECTIVE  
MASKS, AND ALSO AGREED TO  
FUND VARIOUS INITIATIVES IN  
THE REGION TO HELP THOSE  
IN NEED DURING THE COVID-19  
EMERGENCY,**

with the first activities concentrating on Ferrari's local communities in the province of Modena. Aid to the different towns was coordinated directly with the local authorities and included the following, among others:

- the purchase and distribution of ventilators, respiratory equipment, medically certified masks and other medical supplies, including from various overseas suppliers;
- the purchase of COVID-19 test kits and equipment for the Policlinico di Modena and the hospitals of Baggiovara and Sassuolo;
- the donation of emergency medical service vehicles for the local health service;
- the purchase of computer equipment for schools, including notebooks, tablets and portable modems. All of the IT equipment will remain with the schools;
- the purchase and distribution of food in Maranello.

These initiatives were partially funded thanks to the Chairman, the former CEO and Board of Directors pledging their full cash compensation from April to the end of the year, with the remaining members of the Senior Management Team donating 25 percent of their salaries for the same period, raising approximately €2 million. Ferrari also launched a collaborative fundraising initiative together with

its Cavalcade clients to support the medical staff and health system of Ferrari's surrounding communities, with Ferrari matching every donation made.

Moreover, we implemented a program dedicated to the recovery of school education called "Back to School", created by the Agnelli Foundation together with Ferrari and the non-profit organization Save The Children, for the benefit of children in fragile situations in the municipality of Maranello and surrounding areas.

We have raised \$750,000 for Save the Children's education programs in the United States, including the winning bid for the Ferrari Roma grand tourer recently auctioned online.

Ferrari chose Save the Children for their work across America offering free learning resources and support for parents and caregivers. With significant uncertainty around childcare and school openings, wide-scale learning loss could be among the biggest impacts of the COVID-19 pandemic on children, also across the United States. Since March 2020, Save the Children has reached more than 700,000 children and their families in 200 rural communities.

## CREATING AND SHARING VALUE WITH THE COMMUNITY

# ECONOMIC VALUE GENERATED AND DISTRIBUTED

The direct economic value generated during 2020 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)

	2020		2019	
Direct economic value generated	3,027,337	100.0%	3,426,183	100.0%
Economic value distributed	2,579,774	85.2%	2,939,977	85.8%
Employees, suppliers and service providers	2,303,198	76.1%	2,495,754	72.8%
Shareholders <sup>55</sup> and providers of capital	211,536	7.0%	260,390	7.6%
Governments <sup>56</sup>	65,040	2.1%	183,833	5.4%
Economic value retained by the Group	447,563	14.8%	486,206	14.2%

The direct economic value generated in 2020 was impacted by the COVID-19 pandemic.

Among the economic value distributed is also included the full cost of employees' paid days of absence during the COVID-19 pandemic production suspension. Ferrari did not ask for any governmental aid to support its human capital.

In 2020 the Group taxes were reduced mostly due to the Patent Box, deductions for eligible research and development costs, hyper and super-depreciation of machinery and equipment, in addition to a tax benefit, from the one-off partial step-up of the trademark's book value in accordance with the Italian tax regulations.



<sup>55</sup> Subject to approval by the Shareholders at the 2020 Annual General Meeting.

<sup>56</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 its development, 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 BY ESTABLISHING LONG-TERM RELATIONSHIPS WITH TECHNICAL SCHOOLS IN MARANELLO, SUCH AS THE ISTITUTI TECNICI SUPERIORI, 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.

**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 between the universities of Modena and Reggio Emilia, Bologna, Ferrara and Parma along with car companies (Lamborghini, Dallara, Ducati, HaasF1Team, HPE COXA, Marelli, Maserati, Pagani, Scuderia AlphaTauri) 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. In 2020, alongside the two well-established master's degrees - Advanced Automotive Engineering (AAE) and Advanced Automotive Electronic Engineering (AAEE) - a new course called Electronic Vehicle Engineering (EVE) has been added: its formative catalog, which is entirely devoted to electrical vehicles, aims at forging new professionals with a comprehensive view of all the phases and processes

**WE BELIEVE THAT PROMOTING THE EDUCATION OF YOUNG TALENTS IS AN ESSENTIAL STEP TO REINFORCE THE CONNECTION WITH LOCAL COMMUNITIES.**

of the development of an electric vehicle. In all these courses, 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 2020, the number of enrollments in the three master's degrees increased, with about a fifth of the students coming from foreign countries. In order to enrich the training offer and encourage a higher rate of enrollment of foreign and Italian students, the board of MUNER is planning to expand the number of companies participating in this project by welcoming new partners related or closed to the automotive industry. The goal of MUNER is to foster the creation of a critical mass of professionals with the skills needed for the automotive of the future.

# FERRARI MUSEUM MARANELLO & MUSEO ENZO FERRARI (MEF)

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

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 2020, the Ferrari Museum Maranello and the MEF counted more than 130,000 visitors.

The reduction versus 2019 was the consequence of the measures imposed in respect of the COVID-19

pandemic that determined the closure of the museums for several months during the year. The main exhibitions of 2020 were:

- "Grand Tour": the theme is a trip around the world in new and classic examples of Ferrari Grand Touring Models.
- "Ferrari at 24 Heures du Mans": to celebrate seventy years of victories in the world's most famous endurance race.



FERRARI N.V.

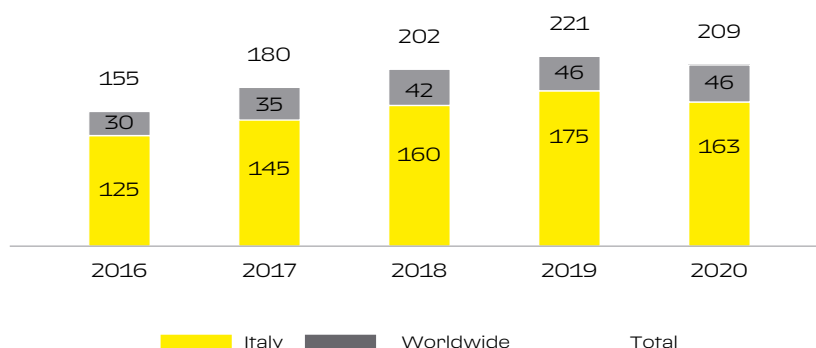
# SCUDERIA FERRARI CLUB

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

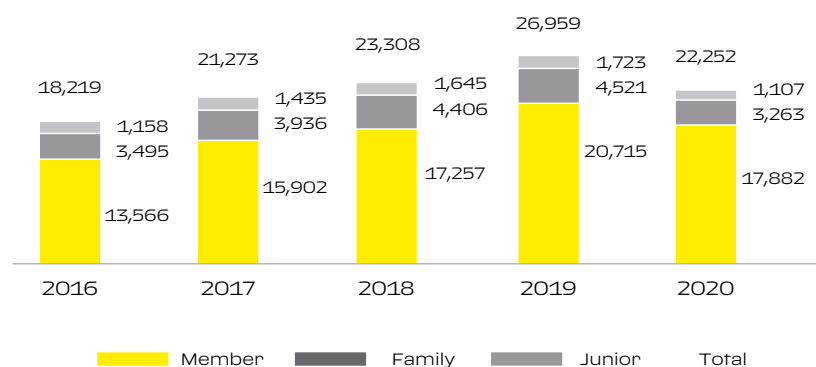
Scuderia Ferrari Club is a non-profit consortium company founded in 2006 by Ferrari S.p.A. to coordinate the activities of the Scuderia's many fans who have founded clubs around the world. Today the Company has over 209 officially-recognised Clubs in 24 countries. An incredible mix of different nationalities, cultures and lifestyles is united by one enduring passion for Ferrari. Scuderia Ferrari Club also works with the Clubs to support the organization of their events. Before joining Scuderia Ferrari Club, an organisation must demonstrate a significant track record and engage in a conduct in line with Ferrari's values.

Scuderia Ferrari Club's 2020 activities were also negatively affected by the global pandemic but, despite this, the organisation continued with the adoption of a new brand identity and various online activities. 2020 was also an important year for Scuderia Ferrari Club in terms of reworking its long-term strategy to strengthen the bond with its fans worldwide.

## SCUDERIA FERRARI ACTIVE CLUBS



## SCUDERIA FERRARI CLUB MEMBERSHIP





# 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 identify young talented drivers which one day will be able to win for Scuderia Ferrari in the Formula 1 World Championship by coaching them to develop their potential and always perform at their peak. In addition, the project also encompasses a scouting program to detect young talented karting drivers to potentially join FDA with partnerships in Italy, Latin America, Asia Pacific and Oceania.

The first driver to enter the program was Jules Bianchi in December 2009. The Academy's line-up for 2021 will count eight drivers: Mick Schumacher, Callum Ilott, Marcus Armstrong, Robert Shwartzman, Arthur Leclerc, Dino Beganovic, James Wharton and Maya Weug. Charles Leclerc joined at the beginning of 2016 and within two years won the GP3 and F2 championships. Three years ago, he raced in Formula One with Alfa Romeo Sauber and from 2019 he is racing for Scuderia Ferrari as an official driver; Mick Schumacher will make his debut in F1 this year racing with HAAS F1 Team.



Starting from 2020, the Ferrari Driver Academy became the first partner of the FIA initiative "FIA Girls on track-Rising Stars". The aim of this initiative is to help the best young female talents worldwide to compete at the highest level in automobile racing. The winner of this initiative will be the first female driver in our history entering into the FDA program.

**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 2020, we had a successful year in Formula 2 and Formula Regional Championships, with Mick Schumacher and Gianluca Petecof respectively clinching the titles.

FERRARI N.V.

# ESPORTS

**SINCE 2019, FERRARI IS PART OF THE ESPORTS WORLD, ONE OF THE MOST INTERESTING AND RAPIDLY EVOLVING ENTERTAINMENT PLATFORMS.**

In particular, the category that simulates motor racing has attracted a growing base of "sim racers" and fans, particularly among the younger generations, who enjoy racing with both open and closed wheel cars. The Maranello marque embarked on

this new adventure by setting up a special section, known as the FDA Hublot eSports Team, within the FDA (Ferrari Driver Academy). The first season was immediately successful, with one of the sim drivers, David Tonizza, winning the championship and the team finishing second in the standings. The 2020 season saw all the teams and drivers competing remotely because of the pandemic and this affected the results of the FDA Hublot eSports Team. Tonizza, however, was still able to show

his skills by winning two of the 12 races of the calendar (Vietnam and Italy). He was seventh in the Drivers' championship, with FDA Hublot eSports Team finishing fifth among the Teams.

**MOREOVER, IN 2020 WE LAUNCHED THE FERRARI ESPORTS SERIES WITH MORE THAN 20,000 PARTICIPANTS AS PART OF BRAND DIVERSIFICATION STRATEGY.**









FERRARI N.V.

# METHODOLOGY AND SCOPE

Through this Sustainability Report, we aim to provide our stakeholders with non-financial information, illustrate our sustainability strategy and our corporate social responsibility initiatives in 2020 (from January 1st, 2020 to December 31st, 2020) to ensure transparent and structured communication with our stakeholders.

This Sustainability Report was prepared under the supervision of Ferrari Group's Chief Financial Officer and in accordance with the GRI Standards: Core option. This report also includes further disclosures in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Automobiles Sustainability Accounting Standards, prepared by the Sustainability Accounting Standards Board (SASB). 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 2020 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 this 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, with the exception of the information included in the table "Sustainability Accounting Standards Board Response (SASB) INDEX 2020", 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.

## CREATING AND SHARING VALUE WITH THE COMMUNITY

### BOUNDARY

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

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 our Formula 1 racing team and the expenses we incur for our Formula 1 activities, the impact of the application of the new Formula 1 regulations progressively coming into effect in 2021 and 2022, the uncertainty of the sponsorship and commercial revenues we generate from our participation in the Formula 1 World Championship, including as a result of the impact of the COVID-19 pandemic, as well as the popularity of Formula 1 more broadly;
- the effects of the evolution of and response to the COVID-19 pandemic;

- the Group's ability to keep up with advances in high performance car technology and to make appealing designs for its new models;
- Group's ability to preserve its relationship with the automobile collector and enthusiast community;
- changes in client preferences and automotive trends;
- changes in the general economic environment, including changes in some of the markets in which we operate, and changes in demand for luxury goods, including high performance luxury cars, which is highly volatile;
- competition in the luxury performance automobile industry;
- 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 low volume strategy;
- global economic conditions, pandemics and macro events;
- 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 effects of Brexit on the UK market;
- the performance of the Group's licensees for Ferrari-branded products;

- the Group's ability to protect its intellectual property rights and to avoid infringing on the intellectual property rights of others;
- the ability of Maserati, the Group's engine customer, to sell its planned volume of cars;
- continued compliance with customs regulations of various jurisdictions;
- the impact of increasingly stringent fuel economy, emission and safety standards, including the cost of compliance, and any required changes to its products;
- the challenges and costs of integrating hybrid and electric technology more broadly into Group's car portfolio over time;
- product recalls, liability claims and product warranties;
- the adequacy of its insurance coverage to protect the Group against potential losses;
- ability to ensure that its employees, agents and representatives comply with applicable law and regulations;
- 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;
- the Group's ability to service and refinance its debt;
- the Group's ability to provide or arrange for adequate access to financing for its dealers and clients, and associated risks;
- labor relations and collective bargaining agreements;
- exchange rate fluctuations, interest rate changes, credit risk and other market risks;
- changes in tax laws and regulations, tariff or fiscal policies



## CREATING AND SHARING VALUE WITH THE COMMUNITY

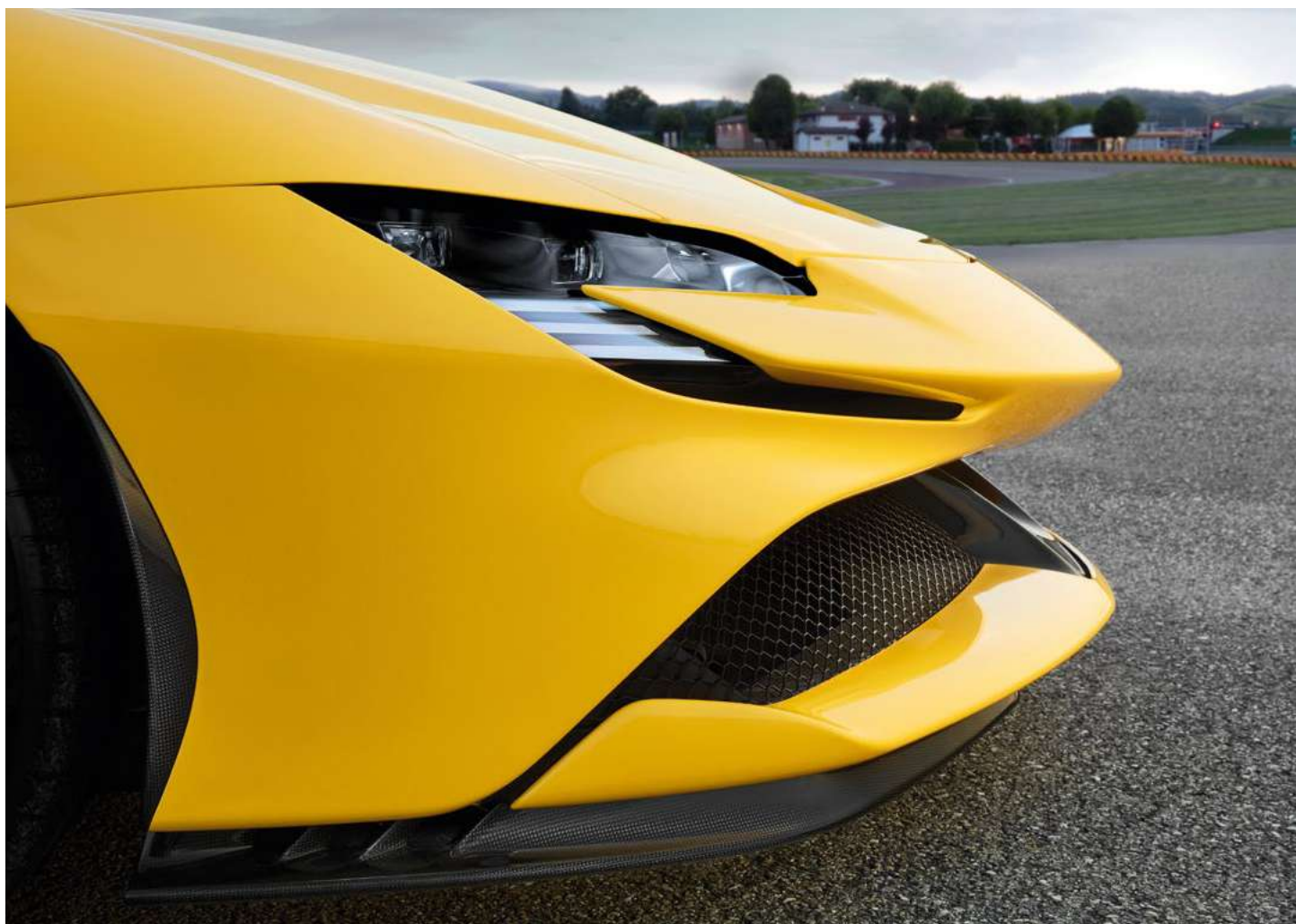
and regulatory, political and labor conditions in the jurisdictions in which the Group operates, including possible future bans of combustion engine cars in cities and the potential advent of self-driving technology;

- potential conflicts of interest due to director and officer overlaps with the Group's largest shareholders; 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.

# SASB INDEX

## FERRARI - AUTOMOBILES SUSTAINABILITY ACCOUNTING STANDARD SUSTAINABILITY ACCOUNTING STANDARDS BOARD RESPONSE (SASB) INDEX 2020

TOPIC	METRIC	CODE	UNIT OF M.	RESPONSE/COMMENT
Activity Metrics	Number of vehicles manufactured	TR-AU-000.A	N°	9,688
	Number of vehicles sold	TR-AU-000.B	N°	9,119
Product safety	Percentage of vehicle models rated by NCAP programs with an overall 5-star safety rating, by region	TR-AU-250a.1.	%	N/A <sup>1</sup>
	Number of safety-related defect complaints, percentage investigated	TR-AU-250a.2.	N°	1 100%
	Number of vehicles recalled	TR-AU-250a.3.	N°	Mandatory recalls: 4,853 Voluntary recalls: 5,378
Labor practices	Percentage of active workforce covered under collective bargaining agreements	TR-AU-310a.1	%	94.3%
	(1) Number of work stoppages and (2) total days idle	TR-AU-310a.2.	N°	0
Fuel Economy and Use-phase Emissions	Sales-weighted average passenger fleet fuel economy, by region	TR-AU-410a.1.	Avg	EU: 279 gCO <sub>2</sub> /km (provisional data) USA: 423 g/mi (provisional data) China: 11.79 l/100 km
	Number of (1) zero emission vehicles (ZEV), (2) hybrid vehicles, and (3) plug-in hybrid vehicles sold	TR-AU-410a.2.	N°	187 (plug-in hybrid)
	Discussion of strategy for managing fleet fuel economy and emissions risks and opportunities	TR-AU-410a.3		<ul style="list-style-type: none"> <li>• Annual Report 2020: Overview of Our Business/ Regulatory Matters;</li> <li>• Sustainability Report 2020: Vehicles environmental impact, pages 106-108;</li> <li>• Sustainability Report 2020: Further Climate-related Disclosures ("TCFD"), pages 110-113;</li> </ul>
	Description of the management of risks associated with the use of critical materials	TR-AU-440a.1		<ul style="list-style-type: none"> <li>• Sustainability Report 2020: Raw materials, page 108;</li> <li>• Sustainability Report 2020: Responsible Supply Chain, page 58;</li> <li>• Sustainability Report 2020: Conflict minerals, page 59;</li> <li>• Annual Report 2020: Risk Management Process and Internal Control System</li> </ul>
Materials Sourcing	Total amount of waste from manufacturing, percentage recycled	TR-AU-440b.1	Tons	9,785.1 tons 45.9% recycled Sustainability Report 2020: Waste management, pages 103-104;
	Weight of end-of-life material recovered, percentage recycled	TR-AU-440b.2	Tons; %	Sustainability Report 2020: Vehicle's end of life, page 109; 85% (recycled) - 95% (recovered)_ These values refer to the minimum percentage by mass guaranteed on our European fleet and determined in accordance with EU Directive 2005/64/EC
	Average recyclability of vehicles sold	TR-AU-440b.3	%	85% This value refers to the minimum percentage by mass guaranteed on our European fleet and determined in accordance with EU Directive 2005/64/EC

<sup>1</sup> N/A non applicable. We do not take part to NCAP (New Car Assessment Program) programs

# GRI CONTENT INDEX

The following is a summary of the main contents of the Sustainability Report 2020, 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	19-35	
102-3	Location of headquarters	Via Aberone Inferiore n. 4, I-41053 Maranello (MO), Italy	
102-4	Location of operations	14;30	
102-5	Ownership and legal form	48 2020 Annual Report (Overview - History of the Company)	
102-6	Markets served	14-15;32-33	
102-7	Scale of the organization	14;20-21;26-33;95;117 2020 Annual Report (Selected Financial and Other Data, Overview of Our Business)	
102-8	Information on employees and other workers	96	
102-9	Supply chain	58-59	
102-10	Significant changes to the organization and its supply chain	124	
102-11	Precautionary Principle or approach	56-57;101-102	
102-12	External initiatives	38-39;50;91-92;101;110-113	
102-13	Membership of associations	Ferrari is a member of the following associations, among other: ACEA (European Automobile Manufacturers Association), Altagamma, Formula One Management.	
<b>Strategy</b>			
102-14	Statement from senior decision-maker	6-7	
102-15	Key impacts, risks, and opportunities	38-45;56-59;62-65;80;106-107;110-113; 124 2020 Annual Report (Risk Factors; Risk Management Process and Internal Control Systems)	
<b>Ethics and integrity</b>			
102-16	Values, principles, standards, and norms of behavior	16-17;50-55 Ferrari Code of Conduct	
102-17	Mechanisms for advice and concerns about ethics	50-55 Ferrari Code of Conduct	
<b>Governance</b>			
102-18	Governance structure	48-50	
102-38	Annual total compensation ratio	The ratio between the CEO's target annual compensation and the median compensation for an employee was 129.2 to 1 for the 2020 financial year.	



FERRARI N.V.

**/ UNIVERSAL STANDARDS**

GRI Standard	Disclosure	Page number / Link	Reasons for omissions
<b>Stakeholder engagement</b>			
102-40	List of stakeholder groups	43	
102-41	Collective bargaining agreements	97	
102-42	Identifying and selecting stakeholders	42-45	
102-43	Approach to stakeholder engagement	42-45;78-79	
102-44	Key topics and concerns raised	44-45	
<b>Reporting Practice</b>			
102-45	Entities included in the Consolidated Financial Statements	124 2020 Annual Report (Scope of Consolidation);	
102-46	Defining report content and topic Boundaries	124-125	
102-47	List of material topics	38-40;124-125	
102-48	Restatements of information	124	
102-49	Changes in reporting	124	
102-50	Reporting period	124	
102-51	Date of most recent report	April 2020	
102-52	Reporting cycle	124	
102-53	Contact point for questions regarding the Report	124	
102-54	Claims of reporting in accordance with the GRI Standards	124	
102-55	GRI content index	129-136	
102-56	External assurance	137-139	

## 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	38;125	
103-2	The management approach and its components	56-57;116-117	
103-3	Evaluation of the management approach	56-57; 117;124	
<b>GRI-201: Economic Performance (2016)</b>			
201-1	Direct economic value generated and distributed	117	
<b>Topic: Market Presence</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	38;125	
103-2	The management approach and its components	85-86;97	
103-3	Evaluation of the management approach	85-86;97;124	
<b>GRI-202: Market Presence (2016)</b>			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	97. 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	38;125	
103-2	The management approach and its components	50-53 Ferrari Code of Conduct	
103-3	Evaluation of the management approach	51-53;55;124 Ferrari Code of Conduct	
<b>GRI-205: Anti-Corruption (2016)</b>			
205-1	Operations assessed for risks related to corruption	51;56-57	
205-3	Confirmed incidents of corruption and actions taken	55	
<b>Topic: Anti-Competitive Practices</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	38; 125	
103-2	The management approach and its components	50-53	
103-3	Evaluation of the management approach	50-53;55;124	
<b>GRI-206: Anti-Competitive Practices (2016)</b>			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	55	

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**/ TOPIC-SPECIFIC STANDARDS**

GRI Standard	Disclosure	Page number / Link	Reasons for omissions
<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	38; 125	
103-2	The management approach and its components	100-102;110-113	
103-3	Evaluation of the management approach	100-102;124	
<b>GRI-302: Energy (2016)</b>			
302-1	Energy consumption within the organization	101	
<b>Topic: Emissions</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	38; 125	
103-2	The management approach and its components	100-103;106-108; 110-113	
103-3	Evaluation of the management approach	100 -103;106-108;124	
<b>GRI-305: Emissions (2016)</b>			
305-1	Direct (Scope 1) GHG emissions	102	
305-2	Energy indirect (Scope 2) GHG emissions	102	
305-6	Emissions of ozone-depleting substances (ODS)	In 2020, leakages of refrigerant gas were recorded (HFC-23, HFC-134a, R-404A, R-407C, R-410A, R-427A, R-32), amounting to 0 tons of CFC-11 equivalent.	
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	103	
<b>Topic: Effluents and Waste</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	38;125	
103-2	The management approach and its components	100-101;103-105	
103-3	Evaluation of the management approach	100-102;103-105;124	
<b>GRI-306: Efflents and Waste (2016)</b>			
306-2	Waste by type and disposal method	103	
306-3	Significant spills	No significant spills occurred in the reporting period	
306-5	Water bodies affected by water discharges and/or runoff	104-105	
<b>Topic: Environmental Compliance</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	38; 125	
103-2	The management approach and its components	100-102	
103-3	Evaluation of the management approach	55;100-101;124	
<b>GRI-307: Environmental Compliance (2016)</b>			
307-1	Non-compliance with environmental laws and regulations	55	



## GRI CONTENT INDEX

GRI Standard Disclosure		Page number / Link	Reasons for omissions
<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	38;125	
103-2	The management approach and its components	84-86;90-92	
103-3	Evaluation of the management approach	84-86;90-91;124	
<b>GRI-401: Employment (2016)</b>			
401-1	New employee hires and employee turnover	97	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	84-86;90	
<b>Topic: Labor Management Relations</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	38;125	
103-2	The management approach and its components	84-86;97	
103-3	Evaluation of the management approach	84-86;97;124	
<b>GRI-402: Labor-Management Relations (2016)</b>			
402-1	Minimum notice periods regarding operational changes	97	
<b>Topic: Occupational Health and Safety</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	38;125	
103-2	The management approach and its components	84-86;92-94	
103-3	Evaluation of the management approach	84-86;92-94;124	
<b>GRI-403: Management Approach (2018)</b>			
403-1	Occupational health and safety management system	92-94	
403-2	Hazard identification, risk assessment, and incident investigation	56-57; 92-94	
403-3	Occupational health services	92-94	
403-4	Worker participation, consultation, and communication on occupational health and safety	92-94	
403-5	Worker training on occupational health and safety	90; 92-94	
403-6	Promotion of worker health	85; 92-94	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	50-51;58-59;80;92-94	
<b>GRI-403: Occupational Health and Safety (2018)</b>			
403-9	Work-related injuries	93	
<b>Topic: Training and Education</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	38;125	
103-2	The management approach and its components	84-93	
103-3	Evaluation of the management approach	84-93; 124	

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## / TOPIC-SPECIFIC STANDARDS

GRI Standard	Disclosure	Page number / Link	Reasons for omissions
<b>GRI-404: Training and Education (2016)</b>			
404-1	Average hours of training per year per employee	89	
404-2	Programs for upgrading employee skills and transition assistance programs	87-89	
404-3	Percentage of employees receiving regular performance and career development reviews	91	
<b>Topic: Diversity and Equal Opportunity</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	38;125	
103-2	The management approach and its components	84-91	
103-3	Evaluation of the management approach	84-91;95;124	
<b>GRI-405: Diversity and Equal Opportunity (2016)</b>			
405-1	Diversity of governance bodies and employees	49;95	
<b>Topic: Non-Discrimination</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	38;125	
103-2	The management approach and its components	50-53;84-91 Ferrari Code of Conduct	
103-3	Evaluation of the management approach	50-53;84-91;124 Ferrari Code of Conduct	
<b>GRI-406: Non Discrimination (2016)</b>			
406-1	Incidents of discrimination and corrective actions taken	55	
<b>Topic: Local Communities</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	38;125	
103-2	The management approach and its components	116-119	
103-3	Evaluation of the management approach	116-119;124	
<b>GRI-413: Local Communities (2016)</b>			
413-1	Operations with local community engagement, impact assessments, and development programs	116-119	
<b>Topic: Supplier Social Assessment</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	38;125	
103-2	The management approach and its components	50-53;58-59 Ferrari Code of conduct	
103-3	Evaluation of the management approach	50-53;58-59;124 Ferrari Code of conduct	
<b>GRI-414: Supplier Social Assessment (2016)</b>			
414-1	New suppliers that were screened using social criteria	58 Beyond what is described on page 59, we do not have any further screening procedures based on social criteria	

## GRI CONTENT INDEX

GRI Standard Disclosure		Page number / Link	Reasons for omissions
Topic: Customer Health and Safety			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	38; 125	
103-2	The management approach and its components	80	
103-3	Evaluation of the management approach	80;124	
GRI-416: Customer Health and Safety (2016)			
416-1	Assessment of the health and safety impacts of product and service categories	80	
Topic: Marketing and Labeling			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	36;125	
103-2	The management approach and its components	62-64	
103-3	Evaluation of the management approach	62-64;124	
GRI-417: Marketing and Labeling (2016)			
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 CO <sub>2</sub> 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.	
Topic: Customer Privacy			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	38; 125	
103-2	The management approach and its components	54-55	
103-3	Evaluation of the management approach	54-55;124	
GRI-418: Customer Privacy (2016)			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	54	
Topic: Socioeconomic Compliance			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	38;125	
103-2	The management approach and its components	50-55	
103-3	Evaluation of the management approach	50-55;124	
GRI-419: Socioeconomic Compliance (2016)			
419-1	Non-compliance with laws and regulations in the social and economic area	55	



FERRARI N.V.

## / TOPIC-SPECIFIC STANDARDS

GRI Standard	Disclosure	Page number / Link	Reasons for omissions
<b>Topic: Image and brand reputation</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	38;125	
103-2	The management approach and its components	16-17;20-35;119-122	
103-3	Evaluation of the management approach	16-17;20-35;119-122;124	
<b>Topic: Innovation: technology and design</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	38;125	
103-2	The management approach and its components	16-17; 62-70	
103-3	Evaluation of the management approach	62-70;124	
<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	38;125	
103-2	The management approach and its components	34;42-45;106-108	
103-3	Evaluation of the management approach	42-45; 84; 106-108;124	
<b>Topic: Education</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	38;125	
103-2	The management approach and its components	84-89; 118	
103-3	Evaluation of the management approach	84-89; 118;124	
<b>Topic: Relationship with sponsors</b>			
<b>GRI-103: Management Approach (2016)</b>			
103-1	Explanation of the material topic and its Boundary	38;125	
103-2	The management approach and its components	26-29	
103-3	Evaluation of the management approach	26-29;124	

## INDEPENDENT AUDITOR'S REPORT

# INDEPENDENT AUDITOR'S REPORT



EY S.p.A.  
Via Meravigli, 12  
20123 Milano

Tel: +39 02 722121  
Fax: +39 02 722122037  
ey.com

## Independent Accountant's Assurance Report

To the Board of Directors of  
Ferrari N.V.

### Scope

We have been engaged by Ferrari N.V. to perform a "limited assurance engagement", as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on Ferrari N.V.'s Sustainability Report for the year ended on 31 December 2020 (the "Sustainability Report").

### Criteria applied by Ferrari N.V.

In preparing the Sustainability Report, Ferrari N.V. applied the "Global Reporting Initiative Sustainability Reporting Standards" ("GRI Standards"), as described in the paragraph "Methodology and Scope" of the Sustainability Report (the "Criteria").

### Ferrari N.V.'s responsibilities

Ferrari N.V.'s management is responsible for selecting the Criteria, and for presenting the Sustainability Report in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Sustainability Report, such that it is free from material misstatement, whether due to fraud or error.

### EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Sustainability Report based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ("ISAE 3000"). Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Sustainability Report is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

EY S.p.A.  
Sede Legale: Via Lombardie, 35 - 00197 Roma  
Capitale Sociale Euro 2.525.000,00 i.v.  
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FERRARI N.V.



## EY's Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Sustainability Report and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Analysis of the process relating to the definition of material aspects included in the Sustainability Report, with reference to the criteria applied to identify priorities for the different stakeholders' categories and to the internal validation of the process outcomes;
- Analysis of the consistency of financial data and information included in the Sustainability Report with the Ferrari Group's consolidated financial statements at 31 December 2020, which we have audited and, in our report dated 26 February 2021, expressed an unqualified opinion thereon;
- Understanding the processes supporting the generation, detection and management of significant qualitative and quantitative information included in the Sustainability Report.

In particular, we have inquired of Ferrari management and other involved personnel and we have analysed sampling evidences of the processes and procedures supporting the collection, aggregation, and transmission of data and information to the department in charge of the sustainability reporting. Furthermore, for significant information, considering the Ferrari Group's activities and characteristics:



## INDEPENDENT AUDITOR'S REPORT



- at Group level
  - with reference to qualitative information included in the Sustainability Report, we have inquired of management and analysed, on a sample basis, the consistency of the reported information with supporting documentation and evidences;
  - with reference to quantitative information, we have performed analytical review procedures and analysed, on a sample basis, the collection, aggregation and reporting of data and indicators.
- For the Ferrari S.p.A.'s facility located in Maranello (Modena), the only production plant within the Group, we have carried out virtual meetings during which we have discussed with management and obtained evidences about the appropriate application of the procedures and the calculation methods used to determine the indicators.

### Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Sustainability Report for the year ended on 31 December 2020, in order for it to be in accordance with the Criteria.

Milan, 1 April 2021

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







