



FERRARI N.V.

STAKEHOLDER'S

ENGAGEMENT PRACTICE



## 1. OBJECTIVES AND SCOPE

Ferrari does regular, in-depth analyses of all the relevant topics that might influence its stakeholders, both internal and external, as a result of its own economic, environmental and social impact on them.

Specifically, Ferrari looks to gather and take into account all its stakeholders' needs and requests, in order to chase excellence every day in its thinking, planning, action and production, and never be satisfied with its results.

That is because Ferrari believes firmly in keeping a profitable dialogue going with its stakeholders, listening to their expectations and points of view, as a path to a great many benefits for the whole organization, among them:

- getting a better picture of the perception of the company;
- addressing and responding properly to external changes and expectations ;
- identifying any opportunities, promptly singling out newly emerging trends and directions;
- transparency in communicating decision-making processes and actions, improving the company's image and reputation at the same time;
- mitigating risks, stepping in quickly when they emerge and stopping new risk factors arising.

With this in mind, this Stakeholder Engagement Practice (hereinafter, the "**Practice**"), inspired by the values and principles in the Code of Conduct, seeks to give all directors, managers and employees of the Ferrari Group, and anyone else working for it or on its behalf in Italy or any other country – including consultants and agency workers (for example workers on fixed-term and permanent contracts), interns, students on scholarships, agents, suppliers and business partners – guide lines on the right methods and forms of interaction with different stakeholders.

This Practice was adopted on September 22, 2020, having been approved by the Senior Management Team. It applies to all companies in the Ferrari Group and should be seen as the document of reference on the topic for all Group subsidiaries and branches, in line with all applicable local legislation.

To properly draw Ferrari staff's attention to Stakeholder Engagement topics and give them the importance they deserve, Ferrari's top management have a key role in implementing and respecting this Practice. They do sensible monitoring to see that it is appropriate and



effective, and ensure that all employees are engaged and their behaviour is in line with its values and principles (so-called "*Tone at the top*").

## 2. DECLARATION OF COMMITMENT TO ENGAGE STAKEHOLDERS

According to the principle of effective communication laid out in the Code of Conduct (hereafter the "**Code**"), "*the Ferrari Group recognises the primary role of clear, effective communication in building internal and external relationships and reaching high company standards*". Creating a company climate of fast, open, two-way communication is a fundamental part of our continued success."

In keeping with the above principle and others set out in the Code, as well as the Group's strategic aims, Ferrari believes that building and honing effective communication and collaboration with its internal and external stakeholders is essential to generating and sharing value, with a view to conciliating interests and expectations.

Specifically, Ferrari seeks to show fairness and integrity in its dealings with others, encouraging positive relationships based on mutual trust with everyone who affects or is affected by its work. Ferrari's approach to engaging stakeholders therefore aims for honest, clear, effective communication and consultation, based on constant dialogue.

Ferrari believes strongly that a multi-stakeholder approach, backed by a strong commitment, is a key element of sustainable, lasting growth, based as far as possible on a fair balance of the interests and expectations of everyone who interacts with the company.

## 3. PROCESS OF ENGAGING STAKEHOLDERS

Ferrari's stakeholders are engaged in line with internationally recognised standards and principles, including the AA1000 Stakeholder Engagement Standard (hereafter the "**SES**") and the Global Reporting Initiative Sustainability Reporting Standards (hereafter the "**GRI Standards**").

Ferrari believes that proper, effective stakeholder engagement must be based on the following steps:

- definition of purpose and relevant topics;
- identification of relevant stakeholders;
- determination of stakeholder engagement levels and methods;
- analysis of results and communication to stakeholders



### 3.1. Definition of purpose and relevant topics

For an effective stakeholder engagement process, Ferrari believes above all in the need for a clear definition of the purpose and aims underlying the organisation's work to engage interested parties.

To be effective, stakeholder engagement must be consistent and in line with both Ferrari's overall strategy and the aims behind the work it plans to carry out. Once the purpose is defined, it will then be possible to define the scope of the consultation work and thereby pinpoint the relevant topics to discuss.

Many of the relevant topics will become clear already when defining the aims, but that does not rule out other topics arising that may not seem strategically relevant but must nonetheless be identified and addressed.

### 3.2. Identification of relevant Stakeholders

Designing effective stakeholder engagement processes requires, secondly, understanding who Ferrari's stakeholders are and how and why they interact with the organisation.

To that end, and based on the purpose and relevant topics previously identified, Ferrari carefully maps the stakeholders categories with which it interacts when carrying out its work. It identifies in particular which stakeholders may affect Ferrari's achievement of its strategic goals or be significantly influenced by Ferrari.

The SES defines stakeholders as *"individuals, groups of individuals or organisations who have an effect on and/or could be affected by an organisation's activities, products or services and associated performance."*

Therefore, on the basis of the above and in respect for privacy regulations, Ferrari identifies and profiles its stakeholders with the following factors in mind:

- existing relationship with the organization;
- employment relationship with the organization;
- level of influence exercised;
- availability and capacity to commit;
- expectations of commitment;
- type (shareholders, investors, civil society, regulatory bodies, customers, etc.);
- expertise on matters relevant to the scope and goal of the commitment;



- cultural context;
- geographic scale of operations;
- legitimacy and representation;
- relationships with other interested parties

Below are Ferrari's main stakeholder categories:

- Ferrari fans;
- Customers;
- Business partners and licensees;
- State, regulatory bodies and sporting associations;
- Employees and trade unions;
- Sponsors;
- Communities and universities;
- Media and influencers;
- Suppliers;
- Investors and shareholders;
- Dealers.

### **3.3. Determination of Stakeholders' Engagement levels and methods**

Once the engagement aims, relevant topics and relevant stakeholders are defined, the stakeholder engagement levels and methods must be carefully chosen, so as to satisfy as far as possible not only the purpose of the engagement but also stakeholders' demands and expectations.

Stakeholder engagement levels and methods may change according to the level of interaction required, the depth of communication planned, the aims of the engagement and the nature of the relationship.

Equally, the channels and methods Ferrari uses to get to its stakeholders may change on the basis of the level of engagement required or desired, but also the type of relationship, the area of interest being discussed and the planned strategic aims.

To this end, purely by way of non-exhaustive example, the main engagement levels and channels used by Ferrari with its stakeholders are given below:



| <i>Engagement Levels:</i>   | <i>Engagement Methods:</i>  |
|---|---|
| <ul style="list-style-type: none"> <li>- Monitor</li> <li>- Support</li> <li>- Inform</li> </ul>        | <ul style="list-style-type: none"> <li>- Analysis of publications, internet, press and digital media</li> <li>- Information on the Ferrari website and social media</li> <li>- Company reports and press releases</li> <li>- Official public activities and speeches</li> <li>- Advocacy</li> </ul> |
| <ul style="list-style-type: none"> <li>- Negotiate;</li> <li>- Consult;</li> </ul>                      | <ul style="list-style-type: none"> <li>- Interviews and meetings</li> <li>- Workshops and focus groups</li> <li>- Investor relations</li> <li>- Conference calls</li> <li>- Special events</li> <li>- Questionnaires and surveys</li> <li>- Collective bargaining</li> </ul>                        |
| <ul style="list-style-type: none"> <li>- Engage;</li> <li>- Collaborate;</li> <li>- Empower;</li> </ul> | <ul style="list-style-type: none"> <li>- Multi-stakeholder forum</li> <li>- Partnerships</li> <li>- Shared projects</li> <li>- Online collaborative platforms</li> <li>- Shared decision-making processes</li> <li>- Including stakeholders in governance, strategy and operations</li> </ul>       |

More than one engagement method can be chosen for each engagement. Different methods can be used at the same time or in sequence, combining approaches on different levels. Stakeholder engagement methods can be updated and modified over time, with a view to constant improvement.



### **3.4. Analysis of results and communication to Stakeholders**

After the engagement process, the results that are an integral and essential part of the stakeholder engagement process are analysed.

To this end, Ferrari assesses the effectiveness of its engagement work and ensures that the results are documented and communicated appropriately inside and outside of the company, in part to respond to the points of focus raised in interactions with stakeholders.

Based on the results, Ferrari also believes in coming up with suitable plans of action to constantly improve company performance, on the basis of expectations of primary interest to its stakeholders.

An example of internal and external communication of the results of engagement work is the materiality matrix given in Ferrari's Sustainability Report and drawn up in line with the GRI Standards, which lays out the most important and influential topics for the Ferrari Group and its stakeholders.

## **4. RESPONSIBILITY FOR STAKEHOLDER ENGAGEMENT WORK**

All company departments and functions help plan and carry out stakeholder engagement work in its various forms, each within the scope of its own prerogatives, role and responsibilities.

To ensure proper, uniform practices are coordinated and adopted within the Ferrari Group, all company departments and functions should inform the Investor Relations and Sustainability Department in advance (in person or by e-mailing [ir@ferrari.com](mailto:ir@ferrari.com)) whenever they intend to embark on new stakeholder engagement work.

## **5. UPDATING AND MONITORING**

The contents of the Stakeholder Engagement Practice are monitored and updated by the Investor Relations and Sustainability Department, in part on the basis of any changes or integrations due to best practices and changes in regulations, as well as internal needs.

This Practice may also be re-examined by the Governance and Sustainability Committee whenever it considers it to be appropriate or necessary. The same Committee may also request information from company departments and functions that have put stakeholder engagement processes in place, to assess initiatives and their results and encourage constant improvement.



The Governance and Sustainability Committee may also present the Board of Directors with any recommendations for engaging stakeholders that it deems appropriate, for the latter's evaluation and approval.

## 6. WHISTLEBLOWING

Ferrari encourages its employees, suppliers, customers, partners and all its stakeholders in general to flag up, in good faith, any illicit behaviour, whether through action or inaction, that could violate or incite violation of laws, regulations, the Organisational Models, values and principles in the Code, or company practices and procedures.

Reports can be made to the dedicated Ethics Helpline (available 24/7 by [clicking here](#)), to the Worldwide Ethics and Compliance Contact List e-mail ([Ferrari\\_E&C\\_Contacts@ferrari.com](mailto:Ferrari_E&C_Contacts@ferrari.com)) or the other channels in the section of Ferrari's company website for whistleblowing (to get to the page and see all the details, [click here](#)). All reports are looked at by Ferrari in line with the "*Whistleblowing Procedure*" that applies to all Group companies in all the countries they work in, with respect for all applicable local legislation.

Whistleblowing may be done anonymously, and the Ferrari Group will deal with all reports totally confidentially, so as to protect the identity of whistleblowers and anyone else mentioned or involved in reports. The Ferrari Group also expressly forbids any form of retaliation and protects those who make reports in good faith in line with this Practice from retaliation.