



FERRARI N.V.

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

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

FERRARI N.V. 2018
SUSTAINABILITY REPORT

Highlights

+14%

total
employees
(vs. 2017)

+45%

training
hours
(vs. 2017)



-11%

CO₂ emissions

(estimated reduction in 2018
vs. 2014 on the EU fleet)

~1.2€bn

expensed R&D
and CAPEX



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Letter from the Chairman and the Chief Executive Officer

Dear Shareholders,

We would like to begin this letter by remembering with great affection and gratitude the late Sergio Marchionne whose passing had such an undeniable impact on 2018. We are extremely proud of the way Ferrari's men and women reacted to that tragic loss, not only ensuring a sense of continuity but also achieving all of the goals we had set ourselves for the financial year.

It was with a sense of great pride and responsibility that we accepted the roles of Chairman and Chief Executive Officer, respectively, and in doing so, committed ourselves to guiding Ferrari into the future whilst staying true to the principles laid down for us by our founder.

We spoke about that future on Capital Markets Day, which proved an invaluable opportunity to meet and dialogue with the financial community. We also presented our plans for the Company up to 2022 which centre around an exhilarating schedule of launches spanning innovative hybrid models that are the product of appropriate investment. Our range is already more complete than it has ever been. But in addition to its three classic pillars - Sports cars, Grand Tourers and Special Series -

we also further enhanced it with the Icona concept of which the Ferrari Monza SP1 and SP2 are the forerunners. This completely unprecedented limited edition concept offers a modern reinterpretation of a timeless style and marries it with leading-edge technologies and blistering performance. Last year, we also launched the 488 Pista and the 488 Pista Spider, which hailed a further leap forward in dynamic performance from the previous 8-cylinder special series.

Ferrari's solid financial results in 2018 either matched or exceeded our targets and were the best possible response to future challenges. In the course of 2018, we delivered 9,251 cars, a jump of over 10% on the previous year's figure with increases across all our regions. This too provides further confirmation of the global power of the brand.

One of the keys to our success is the enduring bond with our clients which we nurture through a series of initiatives inspired by passion and the sheer joy of driving our cars. Examples include the Ferrari Cavalcade and Cavalcade Classiche, the latter already eagerly-anticipated despite only being on its second outing.



On the motorsport front, the Scuderia Ferrari proved highly competitive in 2018, delivering our most successful F1 season of the last decade which, unfortunately, was still not quite enough for us to take the final, much coveted step.

Staying with racing, the GT categories almost all lived up to expectations, while in terms of our Corse Clienti activities, the Ferrari Challenge attracted an even larger field of drivers. F1 Clienti too had another very positive year and the XX Programmes received a boost in the form of the FXX-K EVO.

In terms of our brand diversification activities, we put the emphasis on loyalty to our unique heritage through meticulously selecting licencing and partnership opportunities, eliminating those that did not reflect the brand's values. We need to retain the Scuderia Ferrari-branded products demanded by our *tifosi* but also to simultaneously develop the range of the high quality creations so greatly appreciated by our clients.

In 2018, the Group's commitment to sustainability progressed hand-in-glove with our economic and financial growth. Aside from an intensive R&D focus on hybridising the range, we also worked on improving the energy efficiency of the Ferrari complex and invested in that most fundamental of resources, our human capital, by boosting training hours by over 45%.

As with all of our activities, our responsibility is to look beyond the short term and guide the Ferrari of tomorrow towards achieving even more ambitious goals. As far as we are concerned there is no better way of honouring both our history and you, our shareholders, for the faith you have shown in us on our shared journey.

February 26, 2019

John Elkann
Chairman

Louis Carey Camilleri
Chief Executive Officer





Our Journey to Sustainability

Ferrari has always put people and their passion at the center of all its processes and involvement in motorsport, starting with our employees and their families then extending outward to our clients and the community as a whole.

In the 1990s, we embarked on the Formula Uomo programme which has changed the whole look and fabric of the factory complex. Ferrari's production facilities are designed and built around the workers' well-being, thanks also to the advanced technologies for functional and ergonomic working, and to the highest eco standards of the buildings up to the new net zero energy protocols.

By deliberately fostering a culture of safety, leading-edge technologies and sustainability, Formula Uomo has created a workplace that allows the talents of all of our employees to be expressed in our cars of excellence.

In 2018, Ferrari provided over 51,500 hours of employee training. Such training ultimately becomes a source of huge innovation. In fact, we consider it the most strategic of our investments. Our commitment has been fully reciprocated by our employees who, in 2018 alone, submitted 9,200 suggestions as to how products and processes could be improved.

Employees' families too are included in a vast program of services and opportunities, not least the free medical check-ups delivered last year as part of Formula Benessere (Formula Well-Being). We also have various agreements and subsidies in place to assist with academic studies and leisure pursuits. Children in particular can have consultations with doctors in areas such as sport orientation and can attend the "Formula Estate Junior" Summer Camp.

Our clients benefit directly from the improved workplace environment, boosted process efficiency and technological innovations.

When clients purchase one of our cars, they are invited to experience the exhilaration of driving as part of a community by participating in a rich calendar of events that will also enhance their loyalty to the brand. The results have been impressive: in 2018, more than 65% of our new cars were sold to Ferrari owners, while 41% of clients own more than one Ferrari.

This is how Ferrari has become part of both society and its heritage, working to reduce its environmental impact in a sphere that stretches out from Maranello to over 60 different export markets. Our sustainability takes concrete form, for instance, in a trigeneration plant which met 87% of the energy requirements of the Maranello plant in 2018, while the remainder was generated from renewable sources like our photovoltaic system. We also follow a waste reduction policy in line with the circular economy concept. Most of all, we are working on the development of hybrid powertrains, which will be mounted on an increasingly larger portion of our car models, to cut our cars' emissions by 15% between 2014 and 2020.

Ferrari aims to use this Sustainability Report to continue on a path that in reality, it has been treading since its foundation, from a time when economic growth began keeping pace with social and local area development. Today, as then, enhancing the qualities and passions of individuals to the greatest possible extent consistent with our philosophy of teamwork is the Ferrari way of winning both on the world's markets and circuits.

FERRARI N.V.

Ferrari Group

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.

About Ferrari

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 235 Grand Prix races, 16 Constructor World titles and 15 Drivers' World titles. We believe our history of excellence, technological innovation and defining style transcends the automotive industry, and is the foundation of the Ferrari brand and image.

We design, engineer and produce our cars in Maranello, Italy, and sell them in over 60 markets worldwide through a network of 167 authorized dealers operating 190 points of sale as of the end of 2018.

We believe our cars are the epitome of performance, luxury and styling. Our current sports and GT range consists of six models, including three sports cars (488 GTB, 488 Spider and 812 Superfast) and three GT cars (GTC4Lusso, GTC4Lusso T and Ferrari Portofino) and two special series cars (488 Pista and 488 Pista Spider).

The Ferrari Portofino was unveiled in September 2017 and shipments began in the second quarter of 2018, while the 488 Pista was launched in March 2018 at the Geneva Motor Show, with shipments beginning in the third quarter of 2018.

The 488 Pista Spider was launched in August 2018 and shipments will begin in 2019.

Our most recent hypercar, the LaFerrari Aperta, was launched in 2016 to celebrate our 70th Anniversary and finished its limited series run in 2018.

The Monza SP1 and SP2 were unveiled in 2018 to kick off a new pillar in our product offering, the Icona, a line of modern cars inspired by our iconic cars of the past, with deliveries expected to begin in 2019.

We also produce very limited editions series (*fuori serie*) and one-off cars.



>60

 markets
worldwide

235

 Grand Prix
races won

3,851

 total
employees

FERRARI N.V.

> About Ferrari

Whilst broadening our product portfolio to target a larger customer base, we continue to pursue a low volume production strategy in order to maintain a reputation for exclusivity and scarcity among purchasers of our cars and we carefully manage our production volumes and delivery waiting lists to promote this reputation.

We divide our regional markets into EMEA, Americas, Mainland China, Hong Kong and Taiwan and Rest of APAC, representing respectively 45.7 percent, 32.4 percent, 7.5 percent and 14.4 percent of units shipped in 2018.

We focus our marketing and promotion efforts in the investments we make in our racing activities, in particular Scuderia Ferrari's participation in the Formula 1 World Championship, which is one of the most watched annual sports series in the world, with over 490 million television unique viewers in 2018 (based on a new viewer calculation methodology applied by Formula 1 in the 2018 season) (*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 recent racing results and restoring our historical position as the premier racing team in Formula 1. We believe that these activities support the strength and awareness of our brand among motor enthusiasts, clients and the general public.

We license the Ferrari brand to a selected number of producers and retailers of luxury and lifestyle goods. In addition, we design, source and sell Ferrari-branded products through a network of 18 Ferrari-owned stores and 17 franchised stores (including 5 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 premium luxury market growth. We intend to selectively pursue controlled and profitable growth in existing and emerging markets while expanding the Ferrari brand to carefully selected lifestyle categories.

Our DNA

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

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

VISION: | Ferrari, Italian Excellence that makes the world dream.

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

Our Values

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

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

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

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

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

Our Strategy

Our strategy focuses on maintaining our leading position in the luxury performance sports car market, 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 &
LIFESTYLE CATEGORIES



FERRARI N.V.

Our Business

Sports and GT Range, Special Series and Icona: Ferrari Line-Up Strategic Pillars

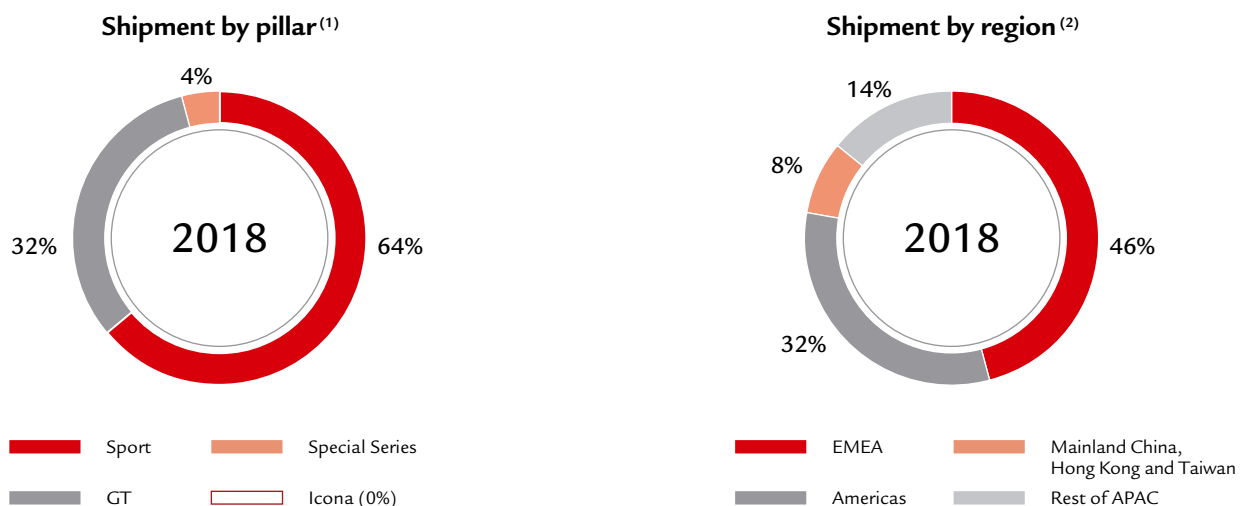
Our product offering comprises four main pillars: the sports range, the GT range, special series and Icona. Our current product range includes three sports cars, three GT cars and two special series cars, as well as two Icona cars (introduced in September 2018). We target end clients seeking high performance cars with distinctive design and state-of-the-art technology. Within these parameters, we offer different models to meet our clients' varying needs and to differentiate our line-up from that of other manufacturers, ranging from the exceptional performance of our sports cars to the luxury and drivability of our GT cars. Our diversified product offering includes different architectures (such as front-engine and mid-rear engine), engine sizes (V8 and V12), body styles (such as coupes and spiders), and seating (2 seaters, 2+2 seaters and 4 seaters).

We are also actively engaged in after sales activities driven, among other things, by the objective of preserving and extending the market value of the cars we sell. We believe our cars' performance in terms of value preservation after a period of ownership significantly exceeds that of any other brand in the luxury car segment.

High residual value is important to the primary market because clients, when purchasing our cars, take into account the expected resale value of the car in assessing the overall cost of ownership.

Furthermore, a higher residual value potentially lowers the cost for the owner to switch to a new model thereby supporting client loyalty and promoting repeat purchases.

The charts below set forth the percentage of our unit shipments for the years ended December 31, 2018, by strategic pillar and by region.



(1) Special Series figure includes also LaFerrari Aperta hypercar.

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



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 three models: two of which are equipped with mid-rear V8 engines, namely the 488 GTB (with 670 hp) and the 488 Spider (with 670 hp); and one equipped with a front V12 engine, the 812 Superfast (with 800 hp). Our current special series cars are the 488 Pista, powered by a 720 hp V8 engine, and its retractable hard top version, the 488 Pista Spider.



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 quality of life on-board. In our GT class, we offer two models equipped with our V8 engine, the Ferrari Portofino (with 600 hp) and the GTC4Lusso T (with 610 hp), the first Ferrari 4 seater equipped with a V8 turbo engine. We also offer one GT model equipped with our V12 engine, the GTC4Lusso (with 690 hp), our sport-luxury 4 seater and 4 wheel drive.



Special Series

We also from time to time design, engineer and produce special series cars which can be limited in time or volume and are based on our range models but introduce novel product concepts. These cars are characterized by significant hardware and software mechanical modifications designed to enhance performance and drivability. 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.



Icona

In September 2018, we introduced a new pillar of our product portfolio: the Icona, a unique concept which takes inspiration from the iconic cars of our history and reinterprets them in a modern fashion, pairing timeless design of the past 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 inspired by the classic collectible barchetta cars, 750Monza and 860Monza, and presented at our Capital Markets Day in September 2018.

FERRARI N.V.

> Sports and GT Range, Special Series and Icona: Ferrari Line-Up Strategic Pillars

The most complete Ferrari Product Range ever

ROAD CARS

RANGE MODELS

SPORTS



V8
488 GTB



V8
488 Spider



V12
812 Superfast

GRAN TURISMO



V8
Portofino



V8
GTC4Lusso T



V12
GTC4Lusso

SPECIAL SERIES MODELS



V8
488 Pista



V8
488 Pista Spider

FUORISERIE and ONE-OFF



V8
Ferrari J50



V8
SP38

TRACK CARS

FERRARI CHALLENGE



V8
488 Challenge

THE XX PROGRAMME



V12
FXX K EVO

RACING CARS



V8
488 GTE/GT3



Limited Edition Hypercars, Fuori Serie and One-Offs

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

Finally, in order to meet the varying needs of our most loyal and discerning clients, we also from time to time produce 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 to have emerged from our One-Off program include the SP12 EC (inspired by the 512 BB), the F12 TRS (a radical two-seat roadster created on the platform of the F12berlinetta in 2014), the SP38 (a superlative mid-rear V8 turbo taking inspiration from the legendary Ferrari F40), the 458MM Speciale (the last mid rear model with a V8 natural aspirated engine in 2016) and the SP3JC (the only one-off made using the F12tdf in 2018). The program is expanding due to increasing demand.

Track Cars

Based on our sports and GT cars, we also develop and manufacture special racing cars. These cars are not registered for use on the road and may only be used on track in competitive and non-competitive race events. This activity is managed by the Attività Sportive GT Department which includes: Competizioni GT (GT racing) and Corse Clienti (the Ferrari Challenge one-make series, the Corso Pilota driving courses, the XX Programmes and the F1 Clienti activity).

Ferrari Challenge Trofeo Pirelli - 488 Challenge

Ferrari Challenge is the biggest one-make series in the world. The series was established in 1993 and the events are FIA approved, thus ensuring very high safety standards and dependable organization. The championship was an immediate success: the formula for the event ensures that cars are very closely matched, thus putting the focus on the drivers. There are three main series: Europe (which is the oldest), North America and Asia-Pacific. A brand new national championship will be launched in the United Kingdom in 2019.

The 488 Challenge marks the 25th anniversary of the Ferrari Challenge and was launched in December 2016 at the Finali Mondiali in Daytona. The 488 Challenge is the first equipped with a turbo engine to get on track in the Ferrari one-make series. It is the most powerful car in the Challenge history thanks to 670 hp from the V8 3.9-liter engine derived from the 488 GTB. Ferrari's patented Slip Slip Angle Control software is installed for the first time on a Challenge car, improving the longitudinal acceleration through bends by 4.2 percent. Production started in 2017.

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> Track Cars

Competizioni GT (GT Racing)

The 488 GTE/GTLM and 488 GT3/GTD models are sold to clients and private teams as racing cars specifically developed for professional racing with the aim to compete in the FIA World Endurance Championship and in several GT International series, as well as historical races such as the Daytona 24 Hours and Le Mans 24 Hours. Since beginning competition in 2016, the 488 GTE/GTLM and 488 GT3/GTD have won several competitions, including, among others, the Pirelli World Challenge in the SprintX division as well as the Petit Le Mans in the GTD class (488 GT3). In 2019, Competizioni GT will launch a new non-competitive track activity, Club Competizioni GT, dedicated to clients who own older and present day GT cars.

XX Programme

Since 2005, we have been operating our XX Programme, a non-competitive “owner-test drivers” program organized at some of the best known race tracks in Europe, Asia and North America. Through the XX Programme, we test advanced solutions and technological innovations by providing a select group of clients the opportunity to drive cars enhanced with superior power and performance characteristics. As part of this program, we have developed the FXX K, based on LaFerrari, shipments of which started in the second quarter of 2015. Although conceived as a track-only model, the FXX K was specially styled by Ferrari Design Centre working closely with the aerodynamics engineers. The FXX K received the Red Dot “Best of the Best” Design Award in 2015, one of the most recognized design awards in the world. The FXX K EVO was launched in October 2017 at the Finali Mondiali in Mugello.

F1 Clienti

Introduced in 2003, the F1 Clienti program allows a limited number of exclusive Ferrari lovers to both purchase previously-used Scuderia Ferrari Formula 1 cars and experience them in full. Formula 1 cars that we sell as part of this program include recent cars of the 21st century, such as those driven by Kimi Raikkonen and Felipe Massa, and cars from decades ago, such as the 412 T2 of 1995, the last Formula 1 car to be powered by a 12-cylinder engine which is now back on the racetrack thanks to F1 Clienti.

Owners can focus exclusively on the driving experience, while the F1 Clienti program can arrange for the cars to be kept at Maranello for safekeeping, where F1 technicians and mechanics perform regular maintenance of the cars. The F1 Clienti program includes a series of events throughout the year that enable customers to experience the pleasure of driving on prestigious tracks in front of a live crowd.

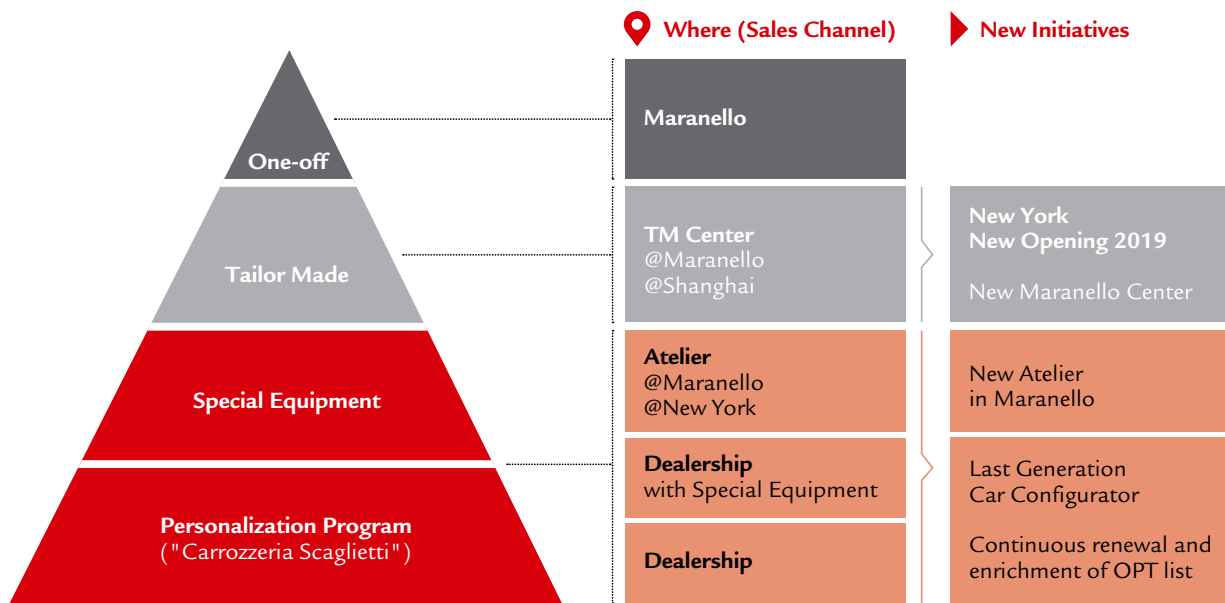
Corso Pilota Driving Courses

Initiated in 1993, Corso Pilota driving courses enable Ferrari customers to experience and appreciate the full formidable performance of the Ferrari models in a safe environment. It provides an opportunity to attend various, increasingly technical and complex courses that begin with the “Sport”, “Avanzato”, and “Evoluzione” levels, and culminate with the “Challenge” course. Led by professional instructors with years of Ferrari driving experience, the courses are designed to progressively develop participants’ driving style and skills so that they will obtain sufficient mastery to compete safely in real Challenge Championship races. The selection and preparation of the Ferrari cars used for the courses is of fundamental importance and the current fleet consists of 488 GTB, 812 Superfast and 488 Challenge models.

Personalization Offer

All of our models feature highly customizable interior and exterior options, which are included in our personalization catalogue. Some of these options include carbon fiber wheels, alternative brake caliper colors, parking cameras, MagneRide dual mode suspension, sport exhaust systems, panoramic roof option, various door panel configurations, steering wheel inserts and state-of-the-art custom high fidelity sound systems.

Personalization by Level and Location



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

The “Tailor Made” program provides an additional level of personalization in accordance with the expectations of our clients. A dedicated Ferrari designer assists clients in selecting and applying virtually any specific design element chosen by the client. Our clients benefit from a large selection of finishes and accessories in an array of different materials (ranging from cashmere to denim), treatments and hues. To assist our clients’ choice we also offer three collections inspired by Ferrari’s own tradition: *Scuderia* (taking its lead from our sporting history), *Classica* (bringing a modern twist

to the styling cues of our signature GT models) and *Inedita* (showcasing more experimental and innovation-led personalization).

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

Ferrari is developing new initiatives at all levels of the personalization offer in order to improve the customer experience, to differentiate from competitors and to maximize the potential of the personalization business. Some of the main initiatives will include:

- a completely new generation of car configurator tools;
- new Atelier and Tailor Made facilities in Maranello; and
- the opening of a Tailor Made Center in New York.

FERRARI N.V.

Formula 1 Activities

Participation in the Formula 1 World Championship with Scuderia Ferrari is the core element of our marketing effort and an important source of technological innovation for the engineering, development and production of our sports, GT and special series cars. The Formula 1 World Championship is the pinnacle of motorsports with approximately 490 million television unique viewers all over the world (based on a new viewer calculation methodology applied by Formula 1 in the 2018 season) (*Source: Formula 1 Press Office*). Overall audience numbers should also consider data from various social media platforms, which have become an increasing focus under the leadership of Liberty Media Corporation starting in 2017. In 2018, Formula 1 was one of the fastest-growing sports in terms of social media outreach, with an increase in total number of followers on Facebook, Twitter, Instagram and YouTube of 53.7 percent compared to 2017 (*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, Formula 1's reach has expanded significantly and an increasing number of Grand Prix are held in non-European countries, such as China, Bahrain, United Arab Emirates, Singapore, Australia, Brazil, Canada, Japan, Mexico, Azerbaijan and the United States. This provides participants in the Formula 1 World Championship exceptional visibility on the world stage.

Scuderia Ferrari has been racing in the Formula 1 World Championship since the series was launched in 1950, and won its first Grand Prix in 1951.

We are the only team that has competed in each season since launch and the oldest and most successful in the history of Formula 1, with 235 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

single-seaters including Alberto Ascari, Juan-Manuel Fangio, Niki Lauda, Gilles Villeneuve, Alain Prost and Michael Schumacher. Our drivers' line-up in 2018 comprised four-time World Champion Sebastian Vettel, who joined Ferrari at the beginning of 2015, and Kimi Raikkonen, who won the World Drivers title in 2007 for Scuderia Ferrari and competed for the team for eight seasons. The 2018 season was Raikkonen's last at Ferrari as he will be replaced by Charles Leclerc for the 2019 season.

2018 was the most successful in the last ten years for Scuderia Ferrari, with the team winning six races (five with Vettel and one with Raikkonen) and achieving as many pole positions. Both Vettel and the team were runner-ups in their respective point standings. Scuderia Ferrari's tally of 571 points is the team's best performance since the current scoring system was introduced in 2010.

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

The Team Agreements cover the 2013-2020 racing seasons and govern the terms by which the racing teams take their share of commercial profits. The FIA regulations govern technical matters ranging from tires, weight to ignition, fueling and throttle requirements, as well as racing rules, such as scoring and racing procedures. In return for their participation in Formula 1 races the teams receive a share of a prize fund based on the profits earned from Formula 1 related commercial activities managed by FOWC, including in particular, television broadcasting royalties and other sources. Shares in the prize fund are paid to the teams, largely based on the relative ranking of each team in the championship. We use our share of these payments to defray part of the costs associated with Scuderia Ferrari, including the costs of designing and producing a set of single-seaters each year and

the costs associated with managing a racing team including earnings of drivers, who are typically among the most highly paid athletes in the world. In 2018, certain changes to FIA regulations were issued and will become effective in 2019. These changes to the regulations relate to aerodynamics, drivers' weight, fuel allowance and the requirement for drivers to wear biometric gloves for additional safety. Extensive talks were held in 2018 and are continuing among the owners of the Formula 1 business and all teams to help configure the future structure of the sport for 2021 and beyond, when the current agreement will have expired.

Improvements in technology and, from time to time, changes in regulation, such as those we will experience in 2019, 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 single-seaters each year in the Spring, in anticipation of the start of the racing season the following March. While the chassis we build each year are designed to

be used throughout the racing season, the majority of other components fitted on our cars are adjusted from race to race depending on the characteristics of the circuits.

To maximize the performance, efficiency and safety of our single-seaters, 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 engines and cars. We often transfer technologies initially developed for racing to our road cars. Examples include steering wheel paddles for gear-shifting, the use and development of composite materials, which makes cars lighter and faster, and technology related to hybrid propulsion.

Our road cars (especially our sports car models) have benefited from the know-how acquired in the wind tunnel by our racing car development teams, enjoying greater stability as they reach high speeds on and off the track. Our research and development team focused on



FERRARI N.V.

> Formula 1 Activities

combining minimal lap times with maximum efficiency, leading to advances in kinetic energy recovery system, or ERS, technology. Current advanced ERS feature two electric motor/generator units in every car, which allow the car to recover, store and deploy energy generated both by the vehicle during braking and by the exhaust gases through a turbocharger.

The high brand visibility we achieve through participation in the Formula 1 World Championship has historically enabled us to benefit from significant sponsorships. Philip Morris International has been Scuderia Ferrari's partner for over forty years and currently remains our Title Partner. Starting from the Japanese Grand Prix in October 2018, the "Mission Winnow" logo has appeared on the cars' livery and drivers' overalls, promoting a Philip Morris corporate campaign for a healthier future. Shell has also been a long term Sponsor and Technical Partner of Scuderia Ferrari (since 1996). Other official sponsors include Ray-Ban, Kaspersky lab, UPS, Lenovo, Weichai, Mahle, Hublot, AMD, OMR and Alfa Romeo. Visibility and placement of a sponsor's logo reflects the level of sponsorship fees. Historically, our sponsors have sought advertising opportunities on the chassis of our cars, on clothes worn by our team members and drivers, and in the right to mention Ferrari in their marketing materials.

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 the Scuderia Ferrari paddock to watch Grand Prix races, and our Formula 1 drivers participation in various promotional activities for our road cars. We often sell older single-seaters to clients for use in amateur racing or collection.

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



The Mugello Circuit

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

We promote the Mugello circuit to event organizers who regularly rent the circuit to host leading car and motorbike races, including the MotoGP World Championship since 1992. In 2018, almost 76,000 people attended the MotoGP World Championship at Mugello, one of the largest audience ever recorded in the 28 years of the Mugello circuit's history.

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



Brand Activities

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

www.store.ferrari.com

Ferrari owns and manages two museums, one in Maranello and one in Modena, which attracted more than 540,000 visitors in 2018.

Licensing and Theme Parks

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

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

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

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

Retail

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

At December 31, 2018, there were a total of 35 retail Ferrari stores, including those in Maranello, Milan, Rome, Macau, Miami, Los Angeles, Johannesburg, Dubai and Abu Dhabi, of which 17 franchised stores (including 5 Ferrari Store Junior) and 18 stores owned and operated by us.

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

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

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.

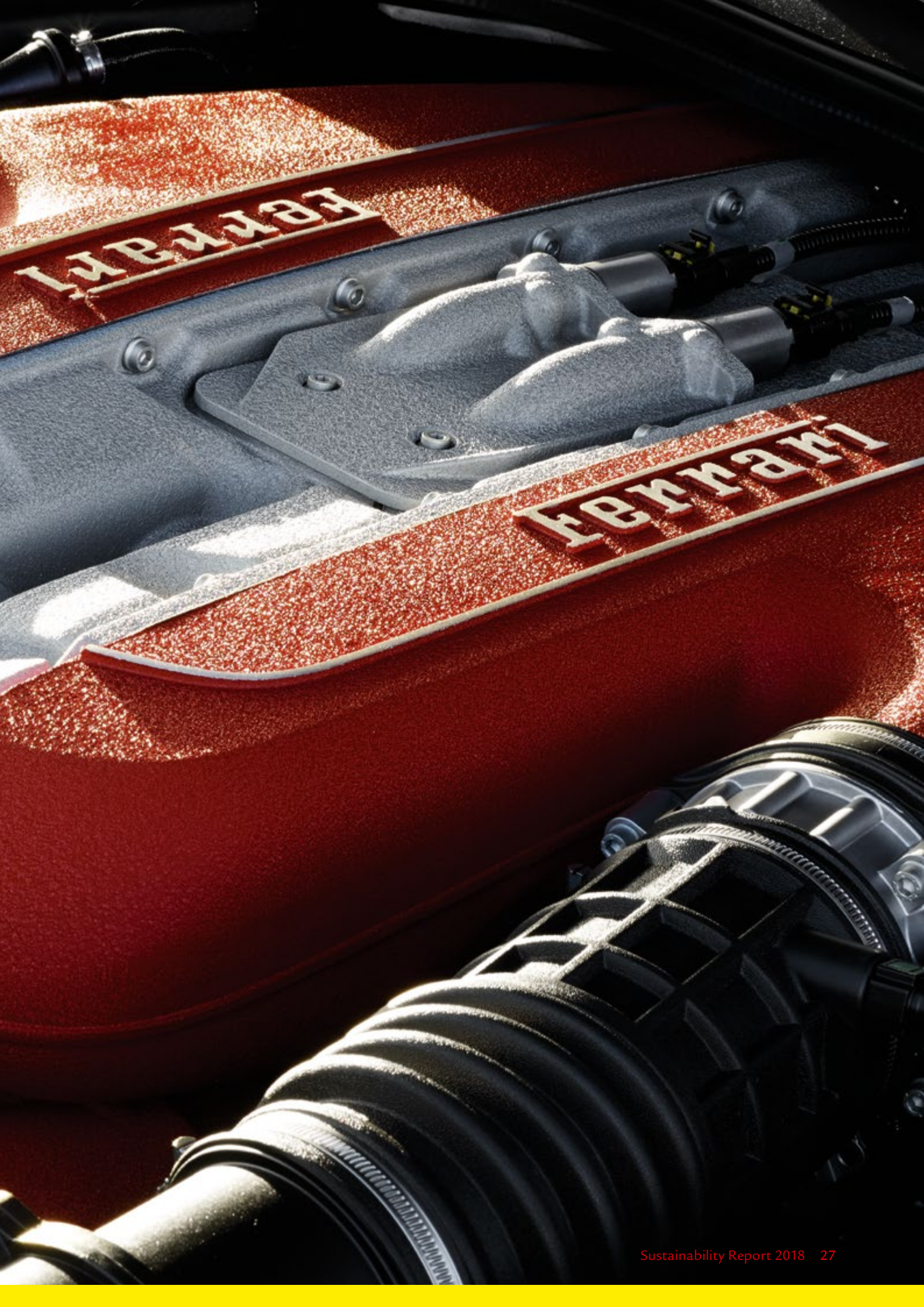
We also own a number of registered trademarks, designs and patents, including approximately 485 trademarks (word or figurative), registered in several countries and across a number classes.

In particular, we ensure that the maximum level of protection is given to our iconic trademarks, for which we own more than 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.





FERRARI N.V.

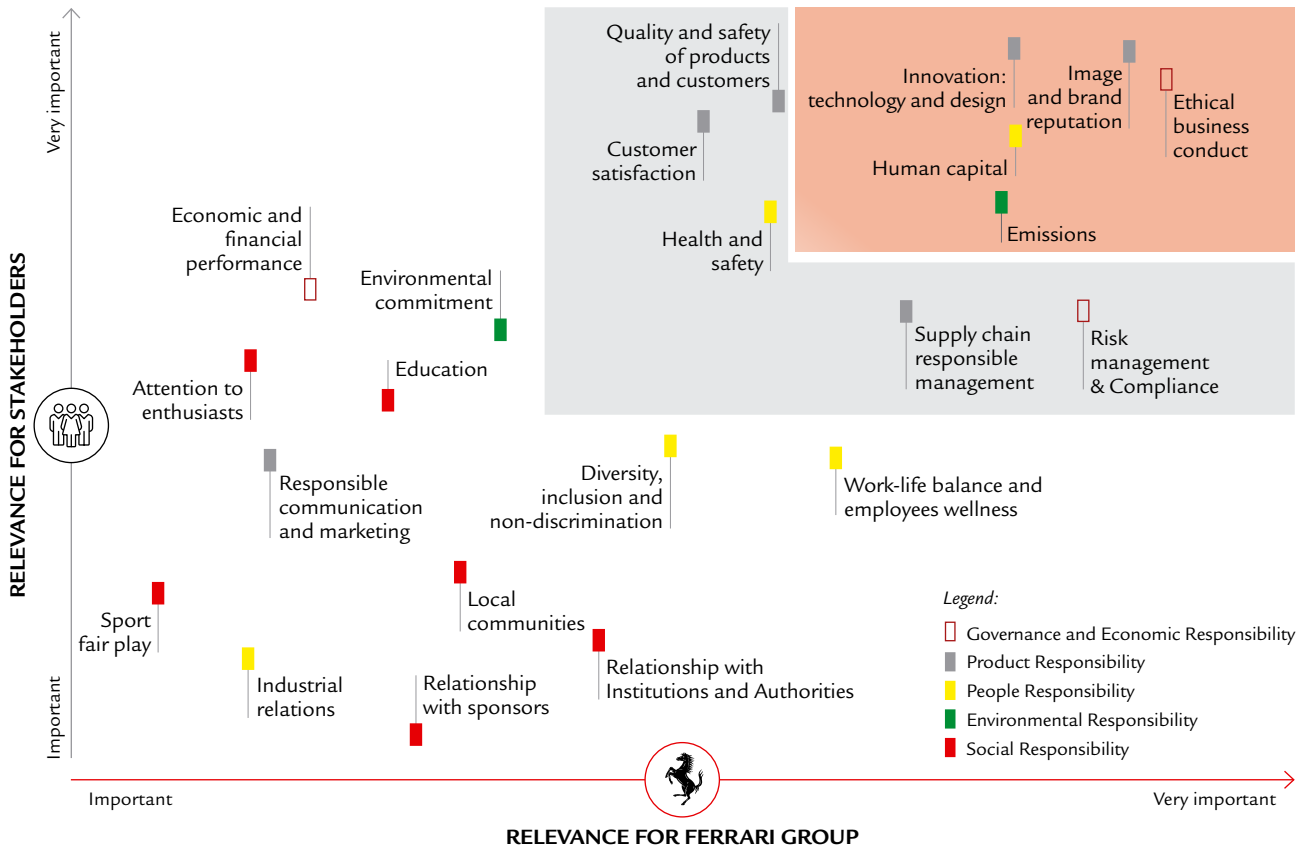
Materiality Matrix and Stakeholder Engagement

In 2018, we updated the analysis of the most relevant sustainability topics (materiality analysis), for our Group and our stakeholders, to better reflect sustainability context developments, changes in our drivers and goals and our 2019-2022 plan. This was done by also taking into account various stakeholder engagement initiatives carried out during the year. These initiatives have shown a significant convergence on the assessment of the most material topics for our stakeholders with respect to the Group's vision.

The potentially relevant topics were identified by taking into consideration sector benchmarking analyses, UN Sustainable Development Goals (SDGs), international studies and publications. The Senior Management Team (SMT) assessed through a questionnaire the relevance of the sustainability topics for our Group and our

stakeholders. Furthermore, a sample of stakeholders was engaged in order to have a perception of the relative importance of the identified topics (as described in the "Stakeholder Engagement" paragraph). This process has been complemented through a qualitative analysis by our SMT, which resulted in the materiality matrix below.

Materiality Matrix of Ferrari Group





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

Specifically, the most relevant topics are related to product responsibility: image and brand reputation, innovation, quality and safety of products and customers, customer satisfaction and supply chain responsible management. Special attention is also paid to ethical business conduct and risk management and compliance. The analysis also confirmed the importance of the development of human capital and the commitment to employees' health and safety. With a particular focus on reducing emissions, the environmental responsibility is also a key aspect. This materiality matrix translated into our sustainability approach characterized by:

MATERIAL TOPIC	RELEVANT UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)
1. A high attention and care for products and relationships with clients	
Image and brand reputation	  
Innovation: technology and design	
Quality and safety of products and customers	
Customer satisfaction	
Responsible communication and marketing	
2. Focus on the well-being and development of all Ferrari employees	
Human capital	  
Health and safety	
Work-life balance and employees' wellness	
Diversity, inclusion and non-discrimination	
Industrial relations	
3. A specific focus on compliance and a strong business ethic	
Ethical business conduct	   
Risk management & Compliance	
Emissions	
Environmental commitment	
Supply chain responsible management	
Relationship with Institutions and Authorities	
4. Keeping the essence of Ferrari alive	
Economic and financial performance	 
Attention to enthusiasts	
Education	
Local communities	
Sport fair play	
Relationship with sponsors	

The abovementioned material topics have been linked to those 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.

FERRARI N.V.

> Materiality Matrix of Ferrari Group

MOST SIGNIFICANT MATERIAL TOPICS	PURSUED POLICIES	KEY RISKS AND RISK TRENDS	RELEVANT CHAPTERS OF THE SUSTAINABILITY REPORT
IMAGE AND BRAND REPUTATION	Enhancing and protecting the value and exclusivity of the Ferrari brand.	<ul style="list-style-type: none"> • Brand image 	<i>Ferrari Group</i>
ETHICAL BUSINESS CONDUCT	Maintaining a culture dedicated to integrity, responsibility and ethical behavior.	<ul style="list-style-type: none"> • Non-compliance with laws, regulations, local standards (including tax) and codes 	<i>Our Governance</i>
INNOVATION: TECHNOLOGY AND DESIGN	Being focused on developing new technologies and distinctive designs.	<ul style="list-style-type: none"> • Brand image • Competition 	<i>Product Responsibility</i>
HUMAN CAPITAL	Redesigning the working environment, enabling individual development, enhancing teamwork.	<ul style="list-style-type: none"> • Attraction, development and retention of talents 	<i>Our People</i>
EMISSIONS	Developing hybrid powertrains and other innovations to meet specific regulatory requirements and preparing for a low-emission future.	<ul style="list-style-type: none"> • Non-compliance with laws, regulations, local standards (including tax) and codes 	<i>Our Environmental Responsibility</i>
QUALITY AND SAFETY OF PRODUCTS AND CUSTOMERS	Designing and manufacturing with the safety of our customers and other road users in mind.	<ul style="list-style-type: none"> • Non-compliance with laws, regulations, local standards (including tax) and codes 	<i>Product Responsibility</i>
RISK MANAGEMENT & COMPLIANCE	<p>Taking an integrated approach to risk management.</p> <p>Acting with the highest level of integrity, complying with applicable laws.</p>	<ul style="list-style-type: none"> • Non-compliance with laws, regulations, local standards (including tax) and codes 	<i>Our Governance</i> <i>Sustainability Risks</i>
CUSTOMER SATISFACTION	<p>Being devoted to the highest level of customer satisfaction.</p> <p>Assessing product and service satisfaction.</p>	<ul style="list-style-type: none"> • Brand image • Competition 	<i>Product Responsibility</i>
HEALTH AND SAFETY	Enforcing a safety-first culture.	<ul style="list-style-type: none"> • Attraction, development and retention of talents 	<i>Our People</i>
SUPPLY CHAIN RESPONSIBLE MANAGEMENT	<p>Implementing a responsible and efficient supply chain management.</p> <p>Encouraging adoption of sustainable practices and sharing among our business partners and suppliers.</p>	<ul style="list-style-type: none"> • Non-compliance with laws, regulations, local standards (including tax) and codes 	<i>Product Responsibility</i>

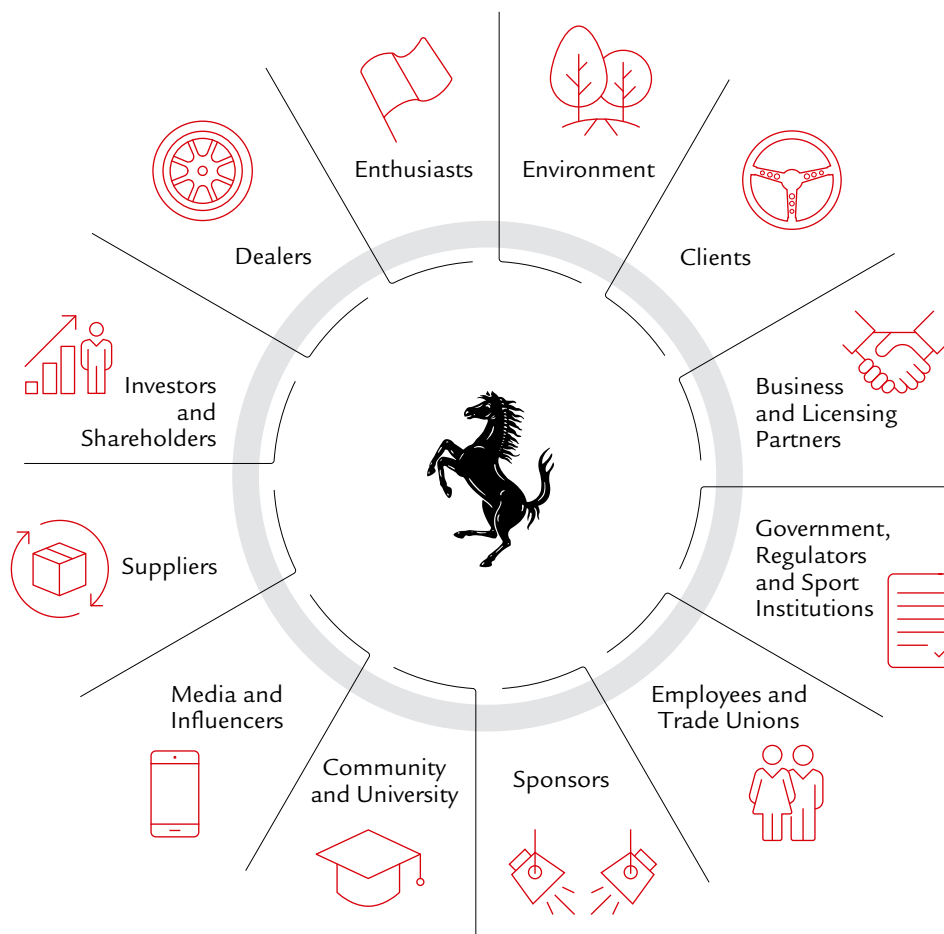


FERRARI N.V.

Stakeholder Engagement

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

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



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

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

We rely on a significant number of suppliers who play an important part in the success of our Group: for the sourcing of certain key components with highly 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 by the relationship with shareholders and investors, further supports the Company in pursuing its business targets.

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

In 2018, we carried out various stakeholder engagement activities in order to enhance the voice of our stakeholders. We held a workshop with our employees where we explained what sustainability stands for within Ferrari while discussing their priorities connected to the sustainability topics.

We also engaged with our top investors to better understand what they believe are the main ESG drivers for Ferrari. Finally, to reach a significant number of stakeholders we conducted an online questionnaire, with over 3,000 responses, assessing their sustainability priorities. Another specific sustainability questionnaire was addressed to the Presidents of all the Scuderia Ferrari Clubs. 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 to help us identify our sustainability risks and opportunities, as well as to support management in reaching our objectives.



FERRARI N.V.

> Stakeholder Engagement

Stakeholders Dialog

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



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 2018 Annual Report.

DIRECTORS AND COMMITTEES AS OF DECEMBER 31, 2018 ⁽³⁾

Directors	Executive	Independent ⁽⁴⁾	Committees			Directors from ⁽⁵⁾
			Audit	Compensation ⁽⁶⁾	Governance and Sustainability ⁽⁷⁾	
John Elkann (Chairman and Non-Executive Director) ⁽⁸⁾					•	15, April 2016
Louis C. Camilleri (CEO)	•					2, January 2016
Piero Ferrari (Vice Chairman)				•		2, January 2016
Sergio Duca (Senior Non-Executive)		•	•		•	2, January 2016
Delphine Arnault		•				15, April 2016
Giuseppina Capaldo		•	•		•	2, January 2016
Eddy Cue		•		•		2, January 2016
Lapo Elkann						15, April 2016
Amedeo Felisa						2, January 2016
Maria Patrizia Grieco		•	•			15, April 2016
Adam Keswick		•				15, April 2016
Elena Zambon		•		•		2, January 2016

⁽³⁾ At the extraordinary general meeting of shareholders held on September 7, 2018, the number of the Directors was set at twelve and the current slate of Directors was appointed on April 13, 2018, although Mr. Louis C. Camilleri, who was previously a non-executive Director, was then appointed executive Director by the extraordinary general meeting of shareholders on September 7, 2018, to replace Mr. Marchionne, who passed away in July, 2018.

⁽⁴⁾ Within the meaning of the Dutch Corporate Governance Code.

⁽⁵⁾ References in this table to directors refers to Ferrari N.V. formerly named FE New N.V.. The Board of Directors are appointed annually on each annual general meeting of shareholders.

⁽⁶⁾ As of September 7, 2018, Louis C. Camilleri and John Elkann ceased to be members of the Compensation Committee. On the same date, Piero Ferrari and Eddy Cue were appointed as members of the Compensation Committee.

⁽⁷⁾ As of September 7, 2018, Piero Ferrari and Eddy Cue ceased to be members of the Governance and Sustainability Committee. On the same date, Giuseppina Capaldo was appointed as a member of the Governance and Sustainability Committee.

⁽⁸⁾ On February 26, 2019, the Board of Directors resolved to submit to the Shareholders' vote at the next Annual General Meeting of Shareholders (which is currently expected to be held on April 12, 2019) the appointment of Mr. John Elkann, our current Chairman and Non-Executive Director, as Executive Director.



DIRECTORS BY AGE GROUP AND GENDER

Directors	31.12.2018			
	30-50	>50	Total	Total %
Male	3	5	8	67%
Female	2	2	4	33%
Total	5	7	12	100%

For more information regarding our Board of Directors and Committees, please refer to the “*Corporate Governance*” paragraph of 2018 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 with:

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

The Governance and Sustainability Committee currently consists of Mr. John Elkann (Chairperson), Ms. Capaldo and Mr. Duca. The Governance and Sustainability Committee is elected by the Board of Directors and is comprised of at least three Directors. More than half of the members shall be independent under the Dutch Corporate Governance Code, and at most one of the members may be an executive Director.

In 2018, the Governance and Sustainability Committee met once with 100 percent attendance of its members at such meeting. The Committee reviewed the Board of Directors’ and Committee’s assessments, the Sustainability achievement and objectives, and the recommendations for Directors’ election.

FERRARI N.V.

Integrity of Business Conduct

The foundation of Ferrari's governance model is the Code of Conduct that reflects our commitment to a culture dedicated to integrity, responsibility and ethical behavior. Ferrari endorses the United Nations ("UN") Declaration on Human Rights, the International Labor Organization ("ILO") Conventions and the Organization for Economic Co-Operation and Development ("OECD") Guidelines for Multinational Companies. Accordingly, the Code of Conduct is intended to be consistent with such guidelines and aims to ensure that all members of Ferrari Group's workforce act with the highest level of integrity, comply with applicable laws, and build a better future for our Company and the communities in which we do business.

The complete Code of Conduct can be found on our website at <http://corporate.ferrari.com/en/governance/code-conduct>

Ferrari's integrity system is comprised of these primary elements:

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

Our Code of Conduct is approved by the board of directors of Ferrari N.V. and applies to all board members and officers, as well as full-time and part-time employees of the Ferrari Group. The Code of Conduct also applies to all temporary, contract and all other individuals and companies that act on behalf of the Ferrari Group.

Internal Audit investigates possible violations of the Code of Conduct during standard periodic audits and through specific Business Ethics Compliance (BEC) Audits.

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

Anti-Bribery and Corruption

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

Whistleblowing

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

The Ethics Helpline is a dedicated channel that allows employees, suppliers, dealers, consumers and other stakeholders to request advice about the application of the Code of Conduct, and to report any concerns about alleged situations, events, or actions that they believe may be inconsistent



WHISTLEBLOWING REPORTING AS OF DECEMBER 31, 2018

Category	Reports received in 2018	Total 2018 reports closed*	Reports in which a violation was confirmed
Conducting business	13	13	6
Interacting with external parties	4	4	2
Managing our assets and information	3	2	-
Protecting our workforce	8	12	3
Total	28	31	11

* Including 5 WB received in 2017.

with the Code of Conduct. Stakeholders can also report alleged violations anonymously if permitted by local law. The Ethics Helpline can be accessed either by phone or by web intake (with multiple language available) and is an essential element of the management process, in accordance with the Code of Conduct, in relation to raised concerns. It is managed by an independent provider, available 24 hours a day, seven days a week.

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

Internal Audit with the support of the Legal Department, Human Resources and other business functions possibly involved assesses all the allegations received, the results and potential disciplinary actions are reported based on the necessary escalation process (the relevant internal functions are notified of the violations).

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

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

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

Compliance

In 2018, there were no significant final judgements relating to breach of (i) corruption law, (ii) anti-competitive, antitrust and monopoly laws, (iii) environmental laws and (iv) social and economic area laws.

In the reporting period there were no significant fines and/or non-monetary sanctions with respect to points (iii) and (iv) above and we have not identified incidents of discrimination.

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 COSO Framework (Committee of Sponsoring Organizations of the Treadway Commission) as the foundation of its enterprise risk management (ERM) and is currently in the process of reviewing its ERM model to be in line with the last COSO publication ("Enterprise Risk Management - Integrating Strategy and

Performance"). 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. At least annually, our risk management framework and risks are discussed with the Group's Audit Committee.

We have integrated the analysis and assessment of socio-environmental risks in our risk management framework and are currently integrating our risk management activities with the outcomes of the materiality analysis described in the paragraph "*Materiality Matrix of Ferrari Group*".

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

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

The preservation and enhancement of the value of the Ferrari brand is crucial in driving demand for our cars and revenues. 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, the appeal of our dealerships and stores, the success of our client activities, as well as 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.

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 for our customers.

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

We are subject to comprehensive and constantly evolving laws, regulations and policies throughout the world. In Europe, United States and China, for example, significant governmental regulation

is driven by environmental, fuel economy, vehicle safety and noise emission concerns and regulatory enforcement has become more active in recent years.

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

Our success depends on the ability of our senior executives and other members of management to effectively manage individual areas of our 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 potential clients' enthusiasm for the Ferrari brand and their perception of our cars, which could have an adverse effect on our business, results of operations and financial condition.

A detailed description of how we respond to these risks can be found in the section "*Risk, Risk Management and Control Systems*" of 2018 Annual Report.

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Product Responsibility

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

Research, Innovation and Technology

Innovation drives products and processes, which represent 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 into our road cars. 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.

>9,200 suggestions
received in 2018 from employees (+21% vs. 2017).

In recent years, several of our innovations have been renowned, for instance, by winning the International Engine of the Year award for three years in a row (2016-2018).

Additionally, Ferrari's engine was voted the best engine of the last 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 our 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 slick 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 four years in a row (2015-2018).

We continue to regularly launch new cars with enhanced technological innovations and design improvements.

Our plan is to launch 15 new models between 2019-2022 with the purpose of maintaining the product portfolio's leading position and to respond quickly to market demand and technological breakthroughs.

In the future, we intend to use hybrid and Formula 1 technology to increase specific power output without turbo lag. We are deploying considerable resources for the development of hybrid powertrains, which will

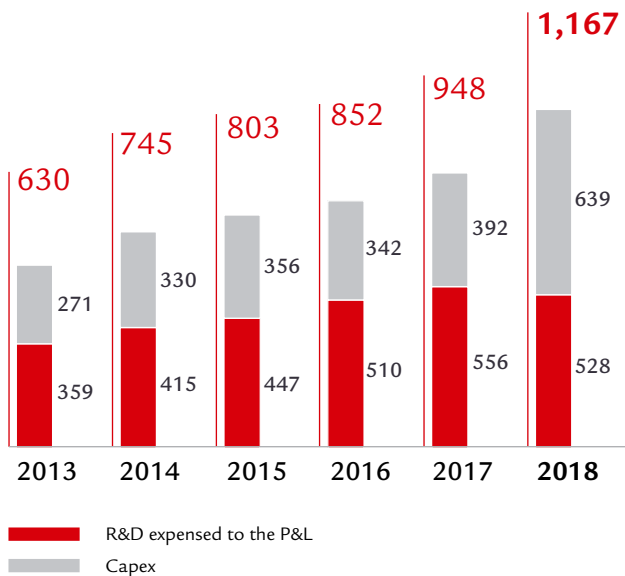
be mounted on an increasingly larger portion of our car models.

This is intended to improve performance and driving experience while also satisfying customer preferences and regulatory emissions requirements. LaFerrari and LaFerrari Aperta are early examples of our efforts in this direction, and we believe they show our ability to apply our core mechanical know-how to new and expanding fields such as hybrid technology.

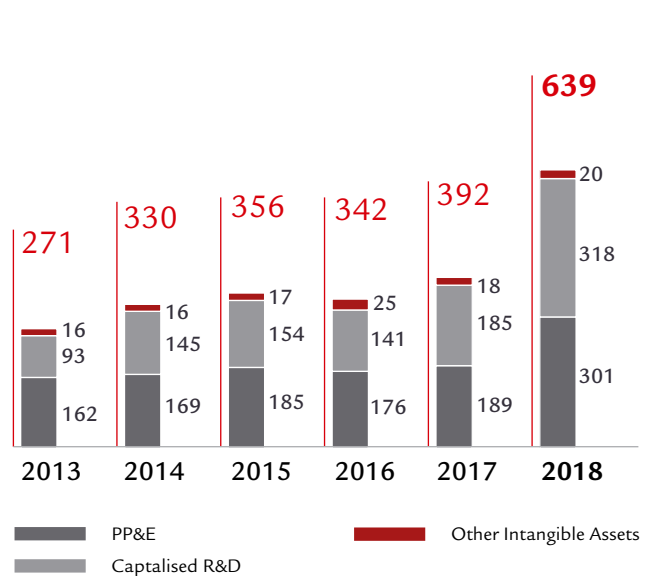
The R&D investments and expenses to fuel the growth of our Group are represented in the charts below.

R&D AND CAPEX (€M)

EXPENSED R&D AND CAPEX



GROSS CAPEX



FERRARI N.V.

> Research, Innovation and Technology

Open Innovation

Innovation runs within Ferrari and we are well aware that partnerships and synergies with external entities of different sectors have to be established to face the future challenges of the automotive industry. By getting access to the most advanced researches and studies, we aim to develop new practical opportunities 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, aiming at taking advantage of the most recent innovation pillars. For example, continuous collaboration with some centers of excellence has led Ferrari to develop new algorithms adopted to define specific vehicle dynamic behaviors.

The spreading of cross-fertilization and high-end know-how between different companies are becoming

more relevant in 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.

By working in close contact with key suppliers to foster innovative possibilities and by sharing different expertise, Ferrari is able to overcome several challenges in many different fields. For example, we collaborated with a start-up company in the development of know-how relating to a carbon wheel and in the testing phase thereof, which we later brought to the market.

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.





Design

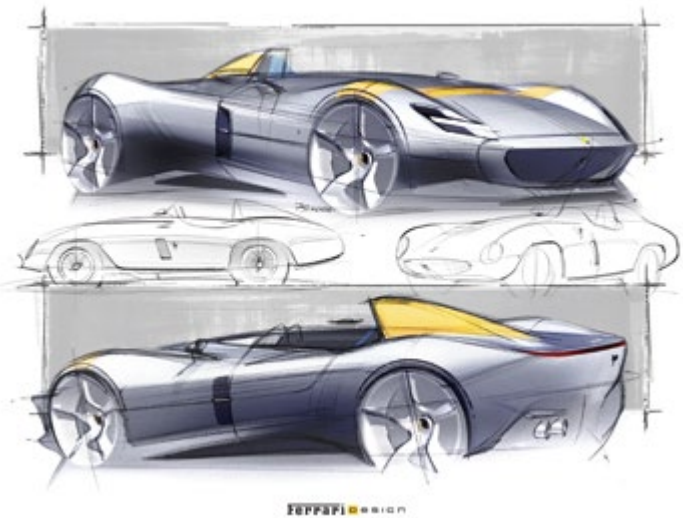
Design is a fundamental and distinctive aspect of our products and our brand. Our designers, modelers and engineers work together to create car bodies that incorporate the most innovative aerodynamic solutions in the sleek and powerful lines typical of our cars. The interiors of our cars seek to balance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

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

In 2010 we established the Ferrari Design Centre, our in-house design department, with the objective of improving control over the entire design process and ensuring long-term continuity of the Ferrari style. The mission of the Ferrari Design Centre is to define and evolve the stylistic direction of the marque, imprinting all new products with a modern stamp, according to a futuristic, uncompromised vision.

The name and logo “Ferrari Design” denotes all concepts and works from Ferrari Design Centre (see “*Intellectual Property*”).

Ferrari Design handles all aspects of automotive styling for the Ferrari road cars product range, encompassing the styling of all bodywork, external components and interior trim, applied to series production models for the GT and sports car range



special editions, limited editions, 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 regularly involved in the styling and conceptual definition of Ferrari branded products produced by our licensees (see “*Brand Activities*”).

The new building of the Ferrari Design Centre was opened in September 2018 and is our first facility fully dedicated to the Ferrari Design. Sitting at the heart of the Ferrari headquarters in Maranello, the building covers more than 5,600 square meters over four levels and houses the design offices, a fully-equipped model making studio and a vast indoor/outdoor presentation space on the top floor. Additionally, the new building hosts two Ateliers and the Tailor Made department to engage clients with Ferrari’s rich personalization services. The project aims to reflect the symbolic value of Ferrari’s advanced design process, drawing upon the interaction between digital technologies and the best Italian handmade craftsmanship tradition. The new building helps to improve the synergies between design studios, the physical modelling area and virtual modelling specialists, by bringing them together in a highly integrated and technological environment.

FERRARI N.V.

> Research, Innovation and Technology

Product Development

Product development and technological innovation

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

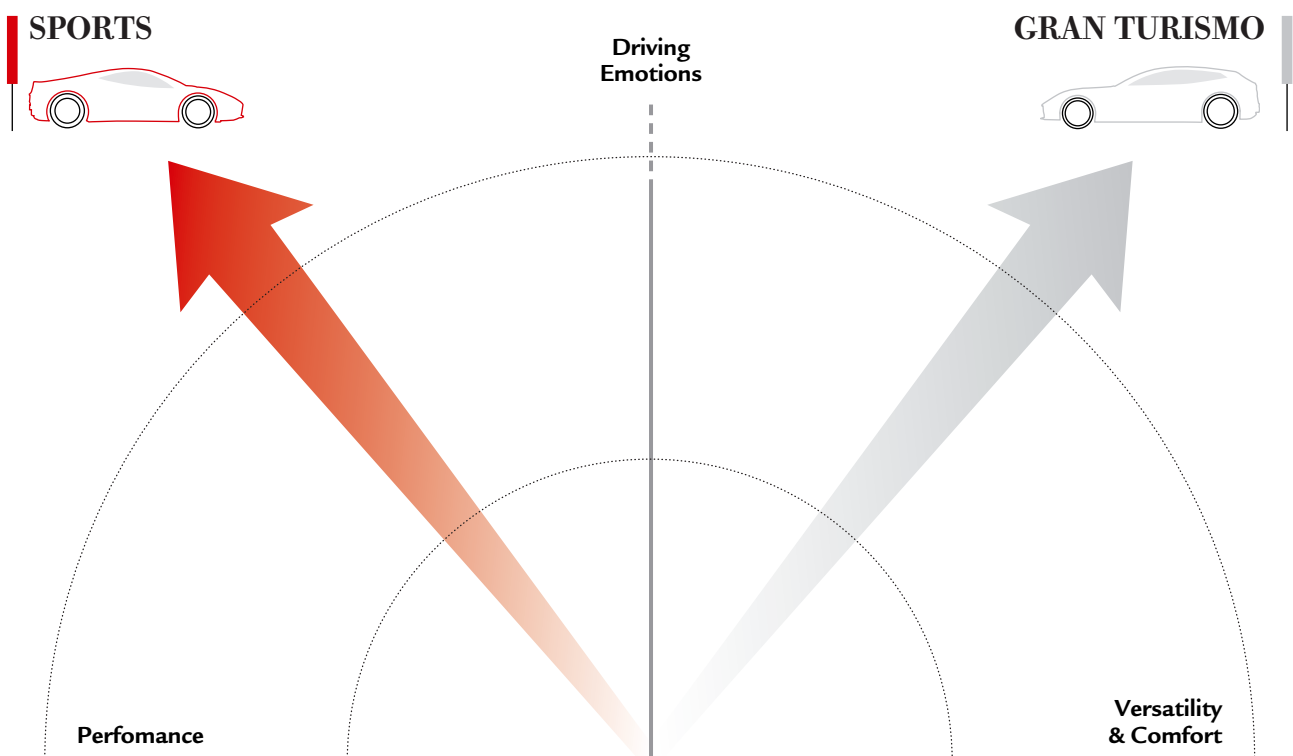
Performance reflects features such as weight, horsepower, torque, aerodynamic efficiency, acceleration, and maximum speed, which all contribute to determine the lap time on track. We strive to ensure that every Ferrari is the best performing car in its segment.

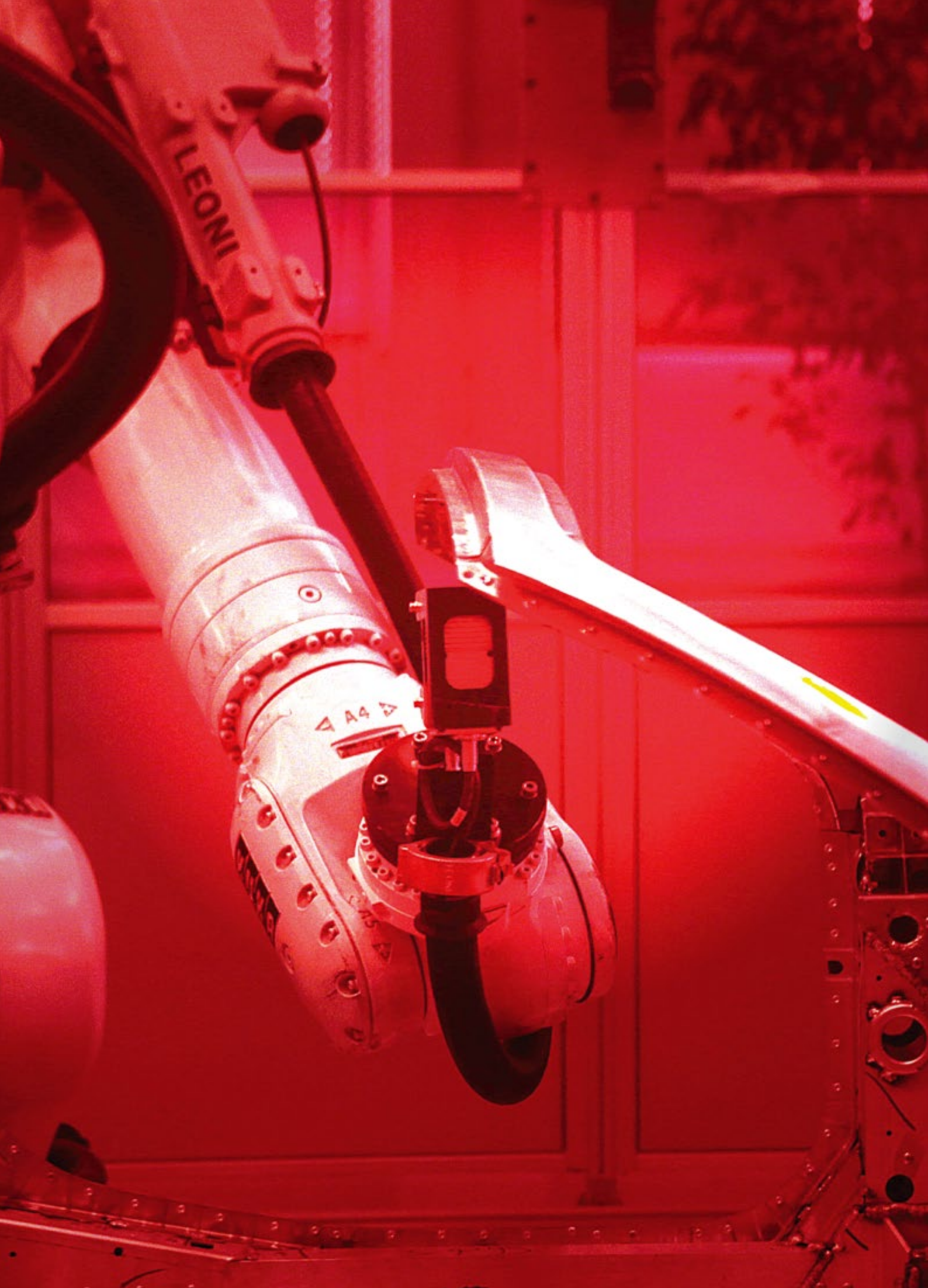
Versatility derives from spaciousness, accessibility and mode of traction, including rear wheel drive or all wheel drive and, in future, electric-powered driving. Comfort results from the ease of the riding experience and on board interface. Regulation will affect development in this area - for example,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

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

These three dimensions variably interact in our sports and GT cars.

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





FERRARI N.V.

> Research, Innovation and Technology

Innovation principles

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

1. **FOCUS ON THE THREE KEY DEFINING DIMENSIONS PREVIOUSLY DESCRIBED**
2. **LEVERAGING ON FORMULA 1 KNOW HOW**
3. **FIRST MOVER POSITIONING IN CORE AREAS SUCH POWERTRAIN AND AERODYNAMICS**
4. **CUSTOMIZATION OF TECHNOLOGIES AVAILABLE ON THE MARKET (such as the turbo technology)**
5. **PURSUIT OF SYNERGIES (arising from common architectures within our range)**

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



Best Engine of the Year

Additionally, this engine was voted the best engine of the last 20 years.

Combustion engines

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

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

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

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

We are deploying considerable resources for the development of hybrid 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. LaFerrari and LaFerrari Aperta are early examples of our efforts in this field, and we believe they show our ability to apply our core mechanical know-how to new and expanding fields such as hybrid technology.

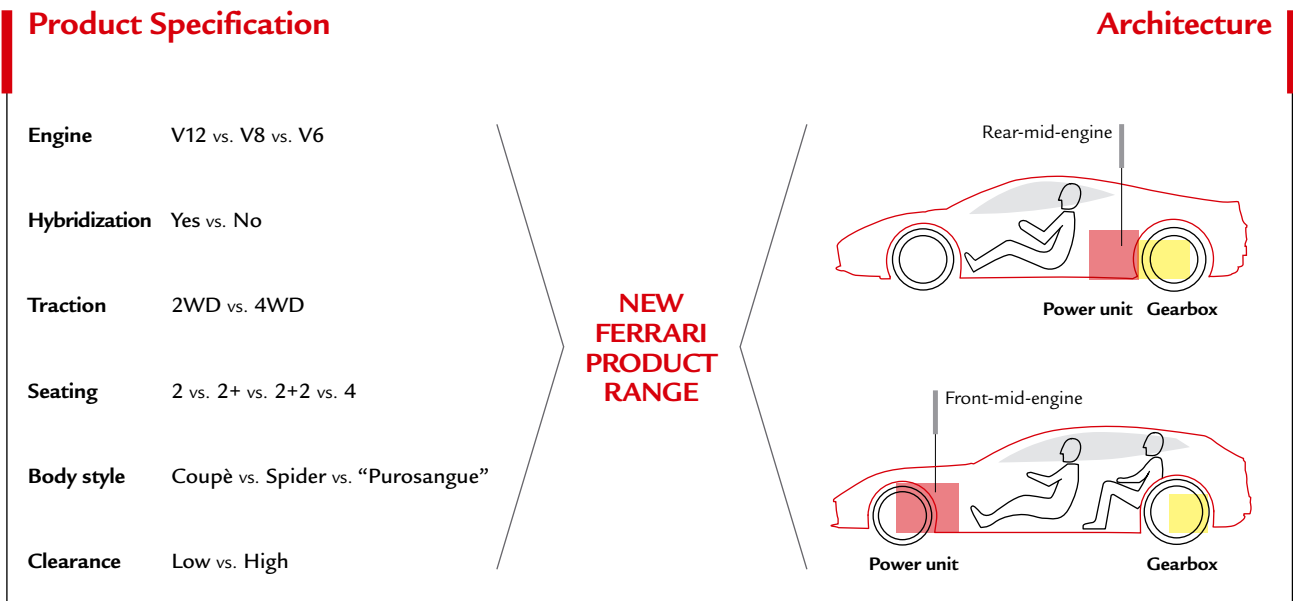


Architecture

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; modes of traction; the number of seats

up to a real four-seater; and the body style, which will vary much more significantly than in the past in light of the introduction of the Purosangue.

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



Rear-mid-engine architecture

The rear-mid-engine architecture is designed to integrate multiple power units with a higher specific power output than the 488 Pista. In this architecture, combustion engines can be combined with an electric motor to realize hybridization, including a battery to enable electric range. In combination, we are developing a new and highly innovative 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.

Front-mid-engine architecture

The front-mid-engine architecture, also a transaxle powertrain concept, is even more flexible than the rear-mid-engine architecture.

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

FERRARI N.V.

> **Research, Innovation and Technology**



New-generation human-machine interface

Particularly driven by growth in the GT segment, Ferrari is developing the next generation of human machine interface 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. We intend to add several new technologies, including a new head up display, a new innovative cluster, a new steering wheel that features new commands and a new infotainment system, as well as tools aimed at positively enhancing the passengers’ experience.

Autonomous driving

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

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



Client Relations

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

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

Secondly, we target existing and prospective clients, seeking to promote clients’ knowledge of our products, and their enjoyment of our cars both on road and on track, and to foster long term relationships with our clients, which is key to our success.

In 2018, more than 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.

Client events

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

Our factory in Maranello is the core of our client engagement strategy and a symbolic hub attracting clients and prospects worldwide. Upon invitation, clients and prospects can visit the factory, witness some of its workings and experience several Ferrari core values such as heritage, exclusivity and customization. At the factory, clients also have the opportunity to configure their cars through our

personalization and bespoke program (see “*Sports and GT Range, Special Series and Icona: Ferrari Line-Up Strategic Pillars - Personalization Offer*”).

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

On September 18, 2018, on the occasion of the *Capital Markets Day*, Ferrari invited clients to Maranello for the World Premiere of the *Ferrari Monza SP1* and *SP2*, the forerunners in our new Icona range.

Just a few weeks earlier, on August 25, 2018 a world premiere of the *488 Pista Spider*, the new special series model derived from the coupé version unveiled at the Geneva Motorshow, was held during the renowned *Concours d’Elegance* at Pebble Beach in California.

Driving events

Driving events serve the dual objective of allowing clients to experience at their best the emotion of driving a Ferrari car, and to foster client loyalty and repeat purchases by creating superior car-usage occasions. Track activities are mainly targeted to clients with a preference for sports models.

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*),

FERRARI N.V.

> Client Relations

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

These track activities reached their climax at the Finali Mondiali, the last races of three Challenge series, which last year took place from November 1 to 4 at the Monza Circuit, with more than one hundred drivers, sporting customers from all over the world, and approximately 50,000 spectators in the stands.

In addition to on-track racing, we organize various on-the-road driving events, including both proprietary formats (*Ferrari Cavalcade*, including the *Cavalcade Classiche* and the *International Edition*) or with a branded presence within an established driving event. For example, in the *Ferrari Tribute to Mille Miglia* and the *Ferrari Tribute to Targa Florio* modern Ferrari cars participate in their own regularity rally taking place shortly before the start of these traditional events.

Another exclusive driving experience took place from April to June 2018, when Prancing Horse enthusiasts and collectors were invited to take turns behind the wheel of the *Ferrari Portofino* on some of Europe's most scenic roads.

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, 2018, our network comprised 167 dealers operating 190 points of sale.

We do not presently own dealerships and, while our strategy does not contemplate owning dealerships, we retain flexibility to consider all market requirements from time to 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 solidity and proven track records. We are also mindful to select dealers who are able to provide a purchase and after-sales experience aimed at exceeding our clients' high expectations. Furthermore, our dealers are committed to promote and market our cars in a manner intended to preserve the Ferrari brand integrity and to ensure the highest level of client satisfaction.

While dealers may hold multiple franchises, we enjoy a high degree of prominence and level of representation at each point of sale, where most of the client interface and retail experience is exclusive to Ferrari. Our network and business development team works with all dealers to ensure our operating standards are met. Our rigorous design, layout and corporate identity guidelines guarantee uniformity of the Ferrari image and client interface. Through our in-house Ferrari Academy we provide training to dealers for sales, after-sales and technical activities.

This ensures that our dealer network delivers a consistent level of market leading standards across diverse cultural environments. We train and monitor dealers intensively. We collect and observe data relating to their profitability and financial health in order to prevent or mitigate any adverse experience for clients arising from a dealer ceasing to do business or experiencing financial difficulties. Our regional representatives visit dealerships regularly to monitor and measure performance and compliance with our operating standards. We have the right to terminate dealer relationships in a variety of circumstances including failure to meet performance or financial standards, or failure to comply with our guidelines.

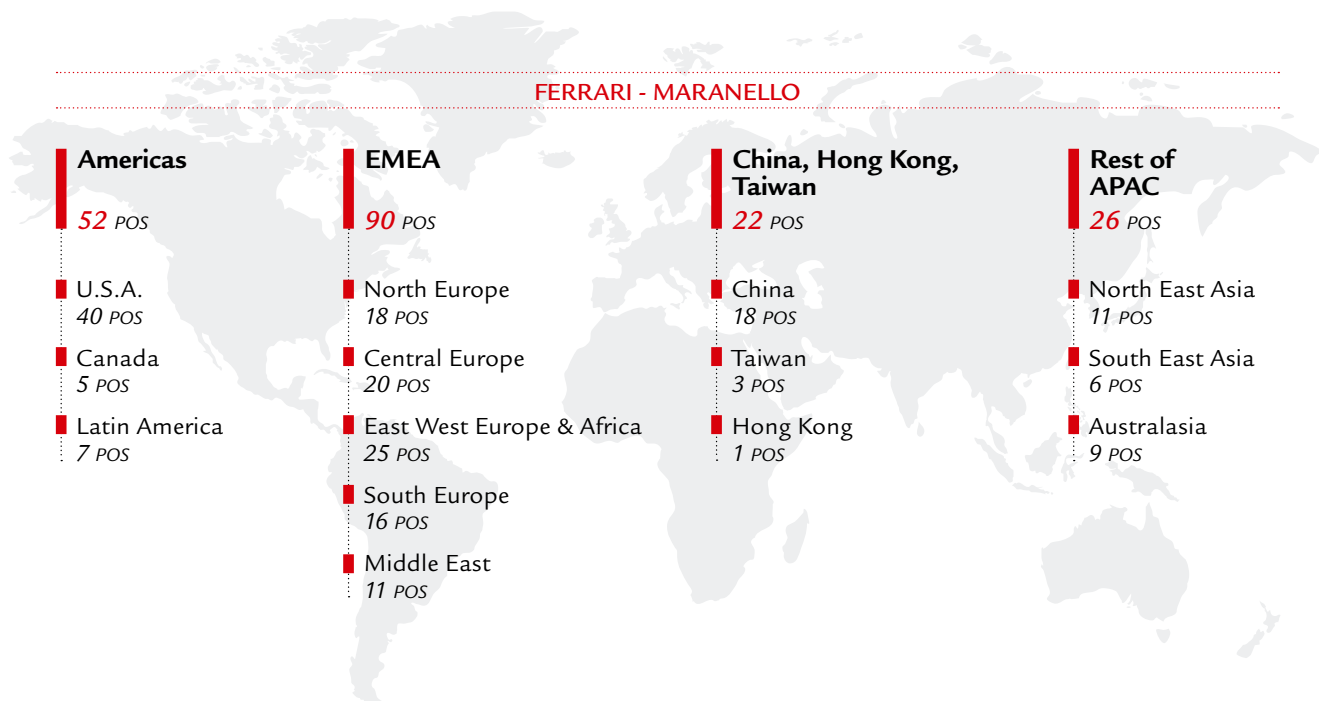
We provide a suggested retail price or a maximum retail price for all of our cars, but each dealer is free to negotiate different prices with clients and to provide financing. Although many of our clients in certain markets purchase our cars from dealers without financing, we provide direct or indirect finance and leasing services to retail clients and to dealers (see “Financial Services”).

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

Our sales are diversified across our dealer network, with the largest dealer representing approximately 2.3 percent of sales, and our 15 largest dealers representing 22 percent of sales.

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

The chart below sets forth the geographic distribution of our 190 points of sale at December 31, 2018.



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> Client Relations

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 coverage program up to the 7th year of life of the car.

After the 7th year of life, the car (if in perfect maintenance condition) can be included in the MAIN POWER coverage program (Maintenance and POWER) up to the car's 15th year of life. Between the 10th 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 20th 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.

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 and Australia.

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

Through FFS, we offer a range of flexible, bespoke financial and ancillary services to clients (both current



and new) interested in purchasing a wide range of cars, from our current product range of sports, GT and special series cars, to older pre-owned and classic models. FFS also provides special financing arrangements to a selected group of our most valuable and loyal customers.

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

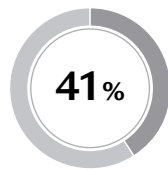
At December 31, 2018, the consolidated financial services portfolio was €878 million and originated in the United States.

Customer Satisfaction

New cars sold to Ferrari owners



Customers owning more than one Ferrari



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 two different questionnaires, which enable Ferrari to collate customer comments and feedback. Ferrari conducts the “Report200” to collect the first customer impressions of new models just launched. The “Report200” is a brief questionnaire which is sent to the initial customers a month after the car has been delivered but with only the first 200 replies being collated. A few months following the launch, a second survey named New Car Buyer Satisfaction (“NCBS”) is submitted to customers. The NCBS is a more complete, in depth and detailed assessment on the car and is composed of more than 100 questions aimed at gathering a thorough feedback of the vehicle. In addition, customer satisfaction is also surveyed at an earlier stage following Demo Test Drives at dealer showrooms.

Service satisfaction is evaluated through two different indices: Customer Satisfaction Index (“CSI”) and Ferrari Relationship Index (“FRI”). The purpose of both indices, built on the results of two different tailor-made questionnaires, 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 with a statistical model at our headquarters.

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

FERRARI N.V.

> Client Relations

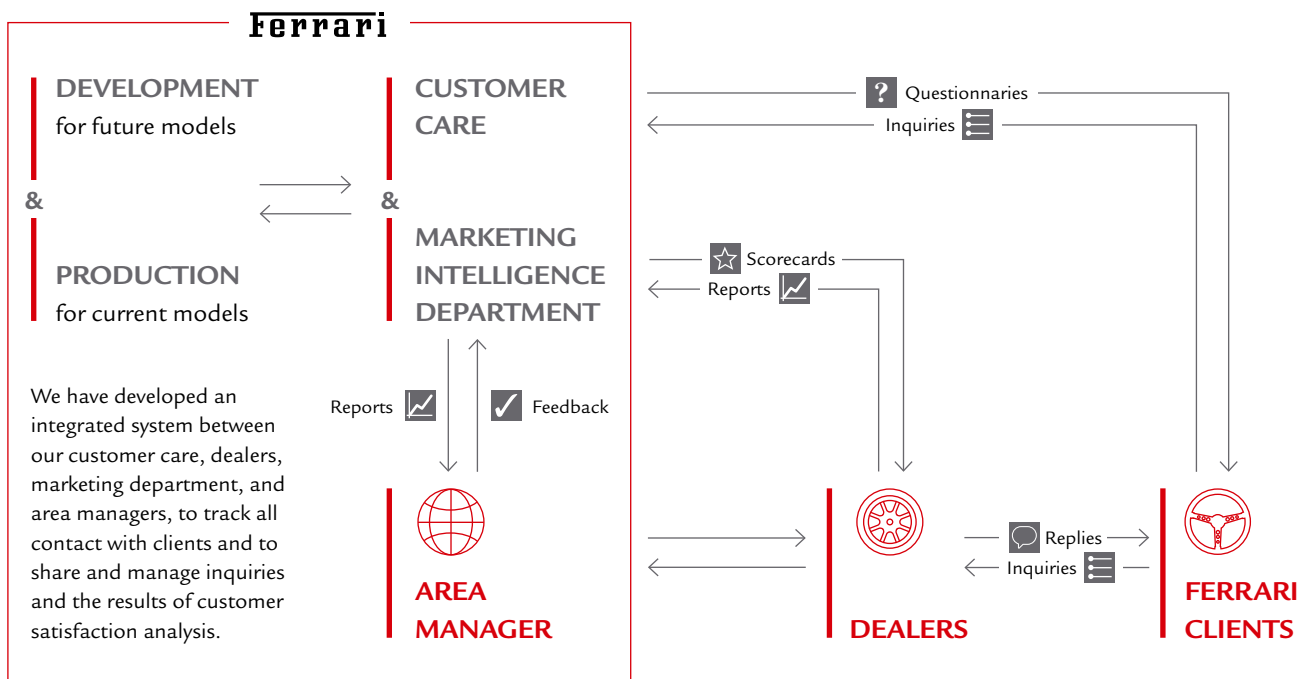
Starting from 2017, to improve the main events (such as Cavalcade, World Premiere, etc) organized by the headquarters, the level of Customer Satisfaction has also been evaluated.

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 Corse Clienti department.

Customer 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.

The below chart shows the flow between us and our clients.





Privacy and data protection

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

We care about processing personal data in a safe and transparent manner as it is a fundamental part of our accountability to our customers.

We strive for safeguarding our network against security risks and incidents, preventing cyberattacks in order to guarantee the security and confidentiality of our Customers' information.

We act in accordance with the current legislative framework that governs, the processing of our personal data at global scale, including but not limited to the General Data Protection Regulation "GDPR" (EU Regulation 2016/679), which came into force on 25 May 2018.

Data protection law requires, among others, the application of increased transparency obligations, the introduction of common records of processing activities, the appointment of a Data Protection Officer "DPO" and - where advisable - privacy impact assessments before processing personal data.

Within this context, we have adopted a progressive approach to ensure compliance with data protection law requirements, such as the implementation of ICT and security systems (e.g. system collecting consents and privacy notices, back-end systems managing direct personal data) as well as the guarantee of an effective and prompt response to requests from data subjects.

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

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Vehicle Safety

Vehicle safety is among our top priorities and Ferrari cars are always designed and manufactured with the safety of our customers and other road users in mind. Given the nature of our cars, the electronic equipment is developed with an integrated approach, ensuring the best balance between safety, control and best-in-class performance, to always maintain 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. For this reason, we have also developed a specific methodology in a simulator that allows us to measure in-depth the level of distraction caused by the use of on-board instrumentation and guarantee a safe

utilization of HMIs solutions. Moreover, in 2018 we have introduced our first advanced assistance systems (ADAS) on the GTC4Lusso.

Vehicles sold in Europe are subject to vehicle safety regulations established by the EU or by individual Member States. In 2009, the EU established a simplified framework for vehicle safety, repealing more than 50 directives and replacing them with a single regulation (the "General Safety Regulation") aimed at incorporating relevant United Nations standards. This incorporation process began in 2012. With respect to regulations on advanced safety systems, the EU now requires new model cars from 2011 onwards to have electronic stability control systems and tire pressure monitoring systems. Regulations on low-rolling resistance tires have also been introduced. The framework is reviewed periodically, and a revised version of the General Safety Regulation is currently under discussion. In May 2018, the European Commission adopted a proposal for a regulation which mandates new model cars to be compliant, among other things, with Advanced Emergency Braking, Emergency Lane Keeping systems, and car crash test requirements. In 2017 the EU published technical requirements for the Emergency Call (eCall) system, mandatory for new model cars starting from 2018. Starting from July 1, 2019, new types of pure electric vehicle and new types of hybrid electric vehicle capable of operating without propulsion from a combustion engine operating are required to be equipped with an Acoustic Vehicle Alerting System (AVAS), and from July 1, 2021 for all new vehicles of such types, in order to alert pedestrians that a vehicle is moving at low speeds.

Under U.S. federal law, all vehicles sold in the United States must comply with Federal Motor Vehicle Safety Standards ("FMVSS") promulgated by the NHTSA. Manufacturers need to provide certification that all vehicles are in compliance with those standards. In addition, if a vehicle contains a defect that is related to motor vehicle safety or does not comply with an applicable FMVSS, the manufacturer must notify vehicle owners and provide a remedy at no cost to the owner.



Moreover, the Transportation Recall Enhancement, Accountability, and Documentation Act (“TREAD”) requires manufacturers to report certain information related to claims and lawsuits involving fatalities and injuries in the United States if alleged to be caused by their vehicles, and other information related to client complaints, warranty claims, and field reports in the United States, as well as information about fatalities and recalls outside the United States. Several new or amended FMVSSs will take effect during the next few years in certain instances under phase-in schedules that require only a portion of a manufacturer’s fleet to comply in the early years of the phase-in. These include an amendment to the side impact protection requirements that added several new tests and performance requirements (FMVSS No. 214), an amendment to roof crush resistance requirements (FMVSS No. 216), and a new rule for ejection mitigation requirements (FMVSS No. 226). U.S. federal law also sets forth minimum sound requirements for hybrid and electric vehicles (FMVSS No. 141). Because of our status as SVM, Ferrari is required to be compliant at the end of the phase-in period.

On May 4, 2016, the NHTSA published a Consent Order Amendment (the “Amended Consent Order”) to the November 3, 2015 Takata Consent Order regarding a defect which may arise in the non-desiccated Takata passenger airbag inflators mounted on certain Ferrari cars. As a result of such Amended Consent Order, Ferrari filed a Part 573 Defect Information Report on May 23, 2016 with the NHTSA and has initiated a global recall relating to certain cars produced between 2008 and 2011. In December 2016, the NHTSA issued a Third Amendment to the Coordinated Remedy Order (“ACRO”) which included the list of Ferrari vehicles sold in the United States up to model year 2017 to be recalled. As a consequence of the ACRO, Ferrari decided to extend the Takata global recall campaign to all vehicles worldwide mounting non-desiccated Takata passenger airbag inflators. In January 2017 Ferrari, in accordance with the Amended Consent Order and the ACRO, filed with the NHTSA a Part 573 Defect Information Report to include model year 2012 Zone A vehicles.

In January 2018, Ferrari, in accordance with the Amended Consent Order and the ACRO, also filed with the NHTSA a Part 573 Defect Information Report to include model year 2013 Zone A vehicles. In January 2019, Ferrari, in accordance with the Amended Consent Order and the ACRO, filed with the NHTSA a Part 573 Defect Information Report to include model year 2014-2018 vehicles worldwide. As a result of the ACRO and the decision to extend the worldwide Takata airbag inflator recall, Ferrari increased its provisions for the estimated charges for Takata airbag inflators recalls to €37 million in 2016 to cover the cost of the worldwide global Takata recall due to uncertainty of recoverability of the costs from Takata. At December 31, 2018 the provision amounted to €25 million.

In 2016, the NHTSA published Phase II draft guidelines for driver distraction, for portable and aftermarket devices, and the associated compliance costs may be substantial. These guidelines, together with previously published Phase I provisions focus, among other things, on the need to modify the design of car devices and other driver interfaces to minimize driver distraction. Compliance with these new requirements, as well as other possible future NHTSA requirements, may be difficult and/or costly. We are in the process of evaluating these guidelines and their potential impact on our results of operations and financial position and determining what steps and/or countermeasures, if any, we will need to make. However, NHTSA rulemaking on driver distraction guidelines has not progressed since early 2017, and the announced Phase III draft on voice-activated controls has not yet been published.

In 2017 Chinese authorities published an updated version of the current local general safety standard which allows China to become the driver market for the Event Data Recorder mandatory installation starting from 2021. Technical requirements are expected to be defined in mid-2019, once the current draft standard is adopted in its final form.

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. Our 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 relationship business partners such as suppliers, dealers, advisors and agents. The selection of suppliers is based not only on the quality and competitiveness of their products and services, but also their adherence to social, ethical and environmental principles.

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

The Supplier Risk Committee (SRC) meets on a monthly basis and, using the data provided by the Supplier Risk Manager, is responsible for: ascertaining and approving the completion of the evaluation phase for new suppliers, requesting bank guarantees in case of advances to the supplier for fixed costs (for R&D and tooling), approve any exceptions, if needed. The approval of the SRC is binding with regard to supplier evaluation.

We have established long lasting relationships with those suppliers that produce key components for our cars, focusing especially on innovation. This synergy aims to put together high-level know-how and develop best-in-class and exclusive solutions for Ferrari.

We currently rely on 14 key strategic innovation partners, including for the supply of transmissions and brakes.

We have also developed strong relationships with other industrial partners for bodyworks and chassis manufacturing and for powertrain and transmissions, among other things. Pursuant to our make-or-buy strategy, we generally retain production in-house whenever we have an interest in preserving or developing technological know-how or when we believe that outsourcing would impair the efficiency and flexibility of our production process. Therefore, we continue to invest in the skills and processes required for low-volume production of components that we believe improve product quality.

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



Conflict Minerals

Ferrari supports the goal of preventing the exploitation of minerals violating human rights. As part of Ferrari's commitment to respect and promote human rights and the sustainability of its operations, Ferrari selects suppliers based not only on the quality and competitiveness of their products and services, but also on their adherence to social, ethical and environmental principles, as outlined in Ferrari's Code of Conduct.

Many geopolitical experts believe that conflicts may increasingly arise over access to raw materials. For this reason, Ferrari places a high priority on responsible sourcing and the integrity of its suppliers.

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

Ferrari has developed strategies addressing Section 1502 of the Dodd-Frank Act, as well as subsequent rules promulgated by the U.S. Securities and 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*, (1) to minimize the trade in Conflict Minerals that directly or indirectly finance or benefit armed groups anywhere in the world; and (2) to enable 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 communicated our position on responsible sourcing to our suppliers. 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 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 2017 more than 90% of direct suppliers by purchased value submitted responses to Ferrari's survey.

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 750 total suppliers - entailing complex supply chain management to ensure continuity of production.

Our stock of supplies is warehoused in Ubersetto, near Maranello.

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

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

Engine Production



V8, V12 and V6 (for Maserati) are assembled on separate lines.

Body Assembly



Assembly lines, for both V8 and V12 models.

Painting



Following a careful cleaning process, the whole car is painted.

Assembly and Final Check



The final assembly of our cars takes place in our new body-shop built in 2018.

Personalization and Road Test



Personalization is managed during the assembly after which every car completes a 40-km road test-drive.

Finishing and Cleaning



All cars are thoroughly cleaned, checked and the bodies are polished and finished to give them the final appearance.



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

Enzo Ferrari

3,851



employees

+14% vs. 2017

48



nationalities



| Our People

The high attention and care for our products is the foundation upon which Ferrari's success is built and this is feasible thanks to the efforts of the people working in Ferrari. One of the many strengths is the ability to attract, retain and develop talents. Since 1997, we have developed the "Formula Uomo" initiative, with the intention of developing a high quality working life for our employees.

Over the years, the project has become a pillar of our culture, based on redesigning the working environment, enforcing a safety-first culture, enabling individual development, enhancing teamwork and building a community now comprising 48 different nationalities.

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.

That is why the working environment and wellbeing of the Company's employees are among our most important priorities.

Our complex in Maranello, a state-of-the-art work environment, was designed to reinforce the synergistic relationship between work and results. Our manufacturing facilities are specifically designed with the needs of employees firmly in mind and combines carefully designed lighting systems, green areas (there are numerous trees along the roads and plants within the factory), a new restaurant and special measures aimed at reducing the environmental impact and noise through the use of advanced technologies.

Over the past few years, a significant investment has been made to increase the green areas. These can be found both inside and outside of the various factory buildings.

To promote an active lifestyle among our employees, we have launched the "Formula Benessere" program, aimed at providing preventative

healthcare to employees and their children. A gym is available for all the employees at Maranello and employees at the Modena plant have free membership in one of the city gyms. Initially provided to the F1 racing team as part of their training program for the Grand Prix activities, the initiative was subsequently rolled out to all employees.

As part of the "Formula Benessere" benefits, preventative healthcare is provided to all employees and their children. Medical specialists are available for consultation in areas such as ophthalmic, cardiology, osteopathy and dermatology, among others. A free annual check-up focusing on general health and fitness is provided to senior managers and to the children of all employees. Our attention to the promotion of health and safety among our employees goes beyond what is required by law and special workshops are organized for employees to raise awareness on the importance of these topics.

Having a healthy working environment is the aim of a series of initiatives within the "Formula Uomo" program. As an example, the Machining Department building is designed to maximize the amount of natural light and, similar to many other facilities, benefits from several internal and external green areas. Its design is aimed at providing the workshops with maximum acoustic comfort thanks to noise reduction solutions (source and reverberation).

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> **Working Environment**

We have also invested in our own on-site foundry, where we manufacture aluminum alloys as well as parts of engines and bodyworks. Since 2013, the foundry has included a cooling system that makes it air-conditioned and climate controlled.

To foster a sense of belonging among employees and their families and to provide them with support during the summer vacation, we have launched the program “Formula Estate Junior”, a free day camp for children of employees aged 3 to 13, with various programs including sports, outdoor activities, excursions and workshops. The program has a duration of 11 weeks (with a shorter 3-day version taking place during Easter holidays) and allows children to enjoy an exciting experience with a didactic purpose: each edition of the “Formula Estate Junior” camp has an educational theme developed by around 100 professional educators and is organized in collaboration with the local community.

Education is also the focus of a series of different initiatives that provide scholarships to talented junior high, high school and university students. In 2018, we reimbursed 603 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). In 2018, we provided 42 scholarships and, going forward, we aim to offer specific scholarships to help children of employees to study abroad.

We offer additional benefits to our employees, including personalized loans at competitive rates in the internal bank branch, special rates for the employees’ housing needs, vehicle purchase and insurance policies as well as discounts at the Ferrari Stores and at the Ferrari company outlet. To foster the sense of belonging, the Company organizes multiple events. In 2018 more than 2,000 among employees and their guests attended the Ferrari Challenge championship event Finali Mondiali at the Monza Circuit. Approximately 3,600 people among employees and their family members attended the 2018 edition of Natale Bimbi.

All these benefits are provided to all of our employees.



Formula Uomo

Working Environment



Lighting System,
carefully designed



Cooling system
for in-house foundry



Green areas,
internal and external

Formula Benessere



Gyms for employees



4,000 free
medical checkups



~1,700 employees
~700 children
benefitted from “Formula Benessere” service

Education



42 scholarships



603 refunds
for children’s textbooks

Formula Estate Junior



800 participants



~100 professional educators

Training

>51,500
training hours
(+45% vs. 2017)



1st edition
of the Ferrari Corporate
Executive MBA



13,775
training hours at
Scuola dei Mestieri



FERRARI N.V.

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 provide career progression opportunities tailored to each individual's strength and ambition, and our Company's requirements, underpinned by substantial investments in training. A total of over 51,500 hours of training have been delivered right across the Company's employees in 2018.

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

In 2018, a Training Plan with three specific objectives was implemented.

1. TO PROTECT AND PASS ON THE STRATEGIC AND SPECIFIC KNOW-HOW OF FERRARI

Among all training initiatives, in Ferrari we are very proud of our "Scuola dei mestieri", started in 2009. It is a unique in-house technical training project which increases the professionalism of junior talents and motivates senior employees, recognizing their competencies by asking them to become Maestri and pass on Ferrari's unique heritage to the next generation. The initiative combines different didactic methodologies, including on the job sessions and in-classroom training, both focused on the consolidation of competencies and skills with a particular focus on innovation. While the Maestri transfer their know-how to other employees, we have also internally developed the "Department Team Leaders", who are expert workers in our R&D and Manufacturing processes. In the last few years, we have decided to invest strongly in the team leaders' professional and soft

skills. We are creating a cross-functional group with the objective to become the point of reference for the rest of the team. Department Team Leaders (now around 116 employees) are also responsible for the Pit Stop and Pole Position programs among their shift colleagues.

In 2018, we have increased again the number of participations and training hours provided within this initiative. The three main areas of focus have been: 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. This has been implemented in order to be ready to meet the 15 new car launches between 2019-2022, as outlined in our recently presented strategic plan.

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

In 2018, in partnership with Bologna Business School, we launched the first edition of the Ferrari Corporate Executive MBA, which saw the participation of 28 Ferrari managers from different business functions. The objective of the master 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 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.

3. TO FOSTER AND SUPPORT THE INCLUSION, GROWTH AND DEVELOPMENT OF OUR PEOPLE.

In line with business and Company requirements and coherently with the needs expressed in the Performance & Leadership Management system, training activities were provided in the managerial, technical and linguistic fields, using various training tools such as: online courses, classroom courses, coaching programs and teambuilding activities. More specifically, an online training campaign is launched every 4 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 2018, a similar mandatory online campaign was launched on Cyber Security Training Basic Rules and Data Classification and Protection.

The combination of all these activities contributed to a strong increase of 45% in total training hours compared to last year. This was done to build our skills in order to meet the challenges of the future: 15 new car launches between 2019-2022.

NUMBER OF PARTICIPATIONS AND TOTAL TRAINING HOURS OF "SCUOLA DEI MESTIERI"⁽⁹⁾

	2018	2017	2016
Participations	2,219	1,580	643
Training hours	13,775	11,912	3,310

⁽⁹⁾ The figures provided refer to all employees and external staff of Ferrari S.p.A.

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> Training and Talent Development

AVERAGE HOURS OF TRAINING BY GENDER AND BY EMPLOYEE CATEGORY

Gender	2018	2017
Male	13.57	10.98
Female	12.22	7.18
Total	13.40	10.51

Employee category	2018	2017 ⁽¹⁰⁾
Senior Managers	42.18	24.68
Managers and Professionals	17.53	13.36
White collars	14.93	11.11
Workers	9.90	8.50
Total	13.40	10.51

Talent Recruitment and Employee Retention

The excellence, that our products embody, is what attracts the best talents worldwide.

At Ferrari, recruitment and selection is about sourcing the right qualities and skills that will represent the backbone of 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 onboard the individuals which are aligned with our technical requirements and values. We organize regular meetings with several universities to present our company and values to students who might be interested in becoming part of Ferrari. We also undertook an exchange program with top universities around the world. In 2018, our graduate

project “Ferrari F1 Engineering Academy” received more than 250 applications and at the end of the program, six people became part of the Scuderia Ferrari F1 racing team.

To ease employees into the new job, Ferrari provides a two-day induction program. The first day is dedicated to introducing the company culture and mission, as well as guiding new joiners 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 occupational health and safety, absenteeism and quality. The teams are then ranked based on these data, with the best performers being rewarded. Furthermore, we organize the “Pole Position Evo” program to evaluate individual performances.

⁽¹⁰⁾ The 2017 data by employee category has been restated to align the subsidiaries' categories to the headquarters' definition.

EMPLOYEES WHO RECEIVED A REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEW

By gender	2018	2017
Male	23%	22%
Female	45%	42%
Total	26%	24%

By employee category	2018	2017 ⁽¹¹⁾
Senior Managers	88%	86%
Managers and Professionals	72%	69%
White Collars	44%	35%
Workers	0%	0%

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 on individual absenteeism rate. In 2018, we paid around Euro 5,200 each.

A portion 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. This evaluation also constitutes part of the variable remuneration calculation. Workers instead are subjected to a different kind of review, which is based on regular assessments aimed at developing their internal career path.

In 2018, we increased the number of employees who received a performance evaluation through our specific online tool: around 1,000 employees were evaluated on our system. This online tool allows us to track and share, with the employees and management, their results of the assessment, strengths and improvement areas as well as their professional aspirations and their final evaluation.

Thanks to our career development program, Ferrari encourages the professional growth of its employees and tries to fill key positions with talented internal candidates before tapping into the external market. The analysis of the key positions covered by our employees carried out in 2017 has been updated: results are used to develop specific succession plans, with a timeframe of 2-4 years, to ensure the competitiveness of Ferrari over time and to take advantage of our employees’ talent.

⁽¹¹⁾ The 2017 data by employee category has been restated to align the subsidiaries’ categories to the headquarters’ definition.

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Occupational Health and Safety

We are particularly focused on the safety of our people.

Ferrari S.p.A., which operates the Maranello and Modena plants, is dedicated to the prevention of accidents at work, with safety in the workplace always a priority. Periodic meetings are held with management to review safety issues, in addition to formal meetings also being held with employee representatives. Periodic internal health and safety audits are performed to ensure compliance with the Ferrari health and safety management system, current laws and best practices. Ferrari S.p.A. has obtained the OHSAS 18001 certification. We are currently working to certify our occupational health & safety management system in accordance with the new ISO 45001:2018 requirements: we expect to obtain the certification in the first half of 2019, two years in advance of the mandatory migration from the OHSAS 18001 standard (March 2021).

There has been a huge investment in safety at work: improvements in the existing structures and specific training have allowed the Company to achieve significant results.

As shown in the following tables, in 2018 the hours of training significantly increased compared to previous years, mainly due to the mandatory periodic training update for employees started this year.

In 2018 we introduced a dynamic health protocol that is constantly updated and a specific health and safety section was added to the training program of the Department Team Leaders.

Particularly effective has been the program to highlight 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.



HOURS OF HEALTH AND SAFETY TRAINING PER YEAR AND NUMBER OF PARTICIPANTS ⁽¹²⁾

	2018	2017	2016
Training hours	21,358	15,386	14,319
Number of participants	2,439	1,656	703

The table below shows the trend in accidents over last three years. In 2018, the injury rate was 1.6, with 9 occurrences (5 in 2017), and the lost day rate, which measures the days of absence for every thousand hours worked, was 0.11. Each work-related injury is analyzed to determine the cause and appropriate measures to avoid recurrence have been implemented.

INJURY AND LOST DAY RATE ⁽¹³⁾

	2018	2017	2016
Injury rate ⁽¹⁴⁾	1.6	0.9	1.2
Lost day rate ⁽¹⁵⁾	0.11	0.05	0.05

During the course of 2018, no accidents with fatal consequences have been recorded for employees and external workers in the Maranello and Modena plants.

In 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.

Health and safety contents are covered by the CCSL (Contratto Collettivo Specifico di Lavoro) signed on July 7th 2015, and also by the Accordo Premio di Competitività Ferrari signed on June 22nd 2016, 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, even in the health and safety provisions, cover 100% of Italian Ferrari employees.

⁽¹²⁾ The figures provided refer to all employees and external staff of Ferrari S.p.A.

⁽¹³⁾ The figures provided are referred to all the employees of Ferrari S.p.A., with the exception of Senior Managers; this category of employees didn't incur any injuries in 2018.

⁽¹⁴⁾ The injury rate is the ratio of the number of injuries reported (resulting in more than three days of absence) to the number of hours worked (including overtime), multiplied by 1,000,000, excluding commuting accidents.

⁽¹⁵⁾ The lost day rate is the ratio of the number of days of absence due to accidents to the number of hours worked (including overtime), multiplied by 1,000 excluding commuting accidents. The days of absence are related to calendar days and are considered from the date of release of medical certificate.

FERRARI N.V.

Our Employees in Numbers

As of 31st December 2018, the number of our Group⁽¹⁶⁾ employees was 3,851, an increase of 14% compared to 31st December 2017 (3,380). We expect to continue to grow over the next few years in order to meet the target to deliver 15 new car launches between 2019-2022, as outlined in our recently presented strategic plan.

Number of employees	31 st December 2018	31 st December 2017	31 st December 2016
Total	3,851	3,380	3,248
<i>of which women</i>	13.0%	12.3%	11.5%

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	31 st December 2018			31 st December 2017 ⁽¹⁷⁾		
	Male	Female	Total	Male	Female	Total
Senior Managers	90.0%	10.0%	110	91.3%	8.7%	104
Middle Managers and Professionals	85.9%	14.1%	545	87.5%	12.5%	513
White Collars	78.3%	21.7%	1,146	79.1%	20.9%	1,006
Workers	92.0%	8.0%	2,050	92.5%	7.5%	1,757
Total	87.0%	13.0%	3,851	87.7%	12.3%	3,380

As indicated in the table above, in the last year the percentage of females in the “Senior Managers” category has increased from 8.7% to 10%, females in “Middle Managers and Professionals” positions also increased by around one and a half percentage point.

The proportion of women in the other categories has remained relatively constant.

PERCENTAGE OF EMPLOYEES PER EMPLOYEE CATEGORY BY AGE GROUP

Employee category	31 st December 2018				31 st December 2017 ⁽¹⁸⁾			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Senior Managers	0%	70.9%	29.1%	110	0%	68.3%	31.7%	104
Middle Managers and Professionals	1.3%	74.5%	24.2%	545	1.0%	77.0%	22.0%	513
White Collars	19.2%	68.3%	12.5%	1,146	17.3%	70.2%	12.5%	1,006
Workers	14.6%	70.4%	15.0%	2,050	8.7%	75.1%	16.2%	1,757
Total	13.7%	70.4%	15.9%	3,851	9.8%	73.7%	16.5%	3,380

The majority of the workforce is between the age of 30 and 50 (70.4%). The percentage of workers under 30 has increased of approximately 4 percentage points, from 9.8% to 13.7%.

⁽¹⁶⁾ In this chapter, “Our Group” refers to all the legal entities indicated as consolidated line by line by Ferrari N.V. in 2018 Annual Report.

⁽¹⁷⁾ The 2017 data by employee category have been restated to align the subsidiaries’ categories to the headquarters’ definition.

⁽¹⁸⁾ The 2017 data by employee category has been restated to align the subsidiaries’ categories to the headquarters’ definition.



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

GROUP						
Employment contract	31 st December 2018			31 st December 2017		
	Male	Female	Total	Male	Female	Total
Permanent	3,326	489	3,815	2,918	395	3,313
Temporary	23	13	36	47	20	67
Total	3,349	502	3,851	2,965	415	3,380

ITALY						
Employment contract	31 st December 2018			31 st December 2017		
	Male	Female	Total	Male	Female	Total
Permanent	3,201	418	3,619	2,814	344	3,158
Temporary	21	7	28	31	7	38
Total	3,222	425	3,647	2,845	351	3,196

REST OF THE WORLD						
Employment contract	31 st December 2018			31 st December 2017		
	Male	Female	Total	Male	Female	Total
Permanent	125	71	196	104	51	155
Temporary	2	6	8	16	13	29
Total	127	77	204	120	64	184

As shown in the tables above, 94.7% 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 are located.

The vast majority of our employees have a permanent contract (99.1%).

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE, BY GENDER

Full-time / Part-time	31 st December 2018			31 st December 2017		
	Male	Female	Total	Male	Female	Total
Full-time	3,346	480	3,826	2,962	397	3,359
Part-time	3	22	25	3	18	21
Total	3,349	502	3,851	2,965	415	3,380

FERRARI N.V.

> Our Employees in Numbers

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

GROUP										
EMPLOYEE HIRED										
Number of employees	2018					2017				
	<30	30-50	>50	Total	Turnover %	<30	30-50	>50	Total	Turnover %
Male	274	238	9	521	15.6%	84	142	6	232	7.8%
Female	44	71	3	118	23.5%	24	39	1	64	15.4%
Total	318	309	12	639	16.6%	108	181	7	296	8.8%
Turnover %	60.3%	11.4%	2.0%	16.6%		32.6%	7.3%	1.3%	8.8%	

EMPLOYEE TURNOVER										
Number of employees	2018					2017				
	<30	30-50	>50	Total	Turnover %	<30	30-50	>50	Total	Turnover %
Male	13	95	29	137	4.1%	17	77	29	123	4.1%
Female	9	18	4	31	6.2%	8	16	3	27	6.5%
Total	22	113	33	168	4.4%	25	93	32	150	4.4%
Turnover %	4.2%	4.2%	5.4%	4.4%		7.6%	3.7%	5.7%	4.4%	

ITALY										
EMPLOYEE HIRED										
Number of employees	2018					2017				
	<30	30-50	>50	Total	Turnover %	<30	30-50	>50	Total	Turnover %
Male	268	223	8	499	15.5%	80	129	6	215	7.6%
Female	40	59	1	100	23.5%	21	20	1	42	12.0%
Total	308	282	9	599	16.4%	101	149	7	257	8.0%
Turnover %	60.6%	11.1%	1.5%	16.4%		32.4%	6.3%	1.3%	8.0%	

EMPLOYEE TURNOVER										
Number of employees	2018					2017				
	<30	30-50	>50	Total	Turnover %	<30	30-50	>50	Total	Turnover %
Male	11	84	27	122	3.8%	11	61	29	101	3.6%
Female	5	12	3	20	4.7%	1	11	1	13	3.7%
Total	16	96	30	142	3.9%	12	72	30	114	3.6%
Turnover %	3.1%	3.8%	5.1%	3.9%		3.8%	3.1%	5.6%	3.6%	



REST OF THE WORLD										
EMPLOYEE HIRED										
Number of employees	2018					2017				
	<30	30-50	>50	Total	Turnover %	<30	30-50	>50	Total	Turnover %
Male	6	15	1	22	17.3%	4	13	-	17	14.2%
Female	4	12	2	18	23.4%	3	19	-	22	34.4%
Total	10	27	3	40	19.6%	7	32	-	39	21.2%
Turnover %	52.6%	17.1%	11.1%	19.6%		36.8%	22.2%	0.0%	21.2%	

EMPLOYEE TURNOVER										
Number of employees	2018					2017				
	<30	30-50	>50	Total	Turnover %	<30	30-50	>50	Total	Turnover %
Male	2	11	2	15	11.8%	6	16	-	22	18.3%
Female	4	6	1	11	14.3%	7	5	2	14	21.9%
Total	6	17	3	26	12.7%	13	21	2	36	19.6%
Turnover %	31.6%	10.8%	11.1%	12.7%		68.4%	14.6%	9.5%	19.6%	

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). 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 July 7th 2015, referring to employees category and business seniority. The minimum notice period is fixed in 10 days.

ABSENTEE RATE IN ITALY⁽¹⁹⁾

	2018	2017
Employees	1.60%	1.60%

The absenteeism rate for 2018 was 1.60% and has been stable over the past few years.

⁽¹⁹⁾ 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 S.p.A. employees.

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.

The monitoring and management of the environmental performance of our productive plants is assigned to a team that reports to our Chief Technology Officer. Their effort is aimed at minimizing the impact of our activities on the environment, particularly in relation to the energy consumption of production facilities. A different team is in charge of overseeing regulatory developments while monitoring the emissions of Ferrari cars.

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⁽²⁰⁾ (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 698,000 m².

We also own the Mugello racing circuit in Scarperia, near Florence (Italy), which covers an area of 1,700,000 m² (of which 1,200,000 m² 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.

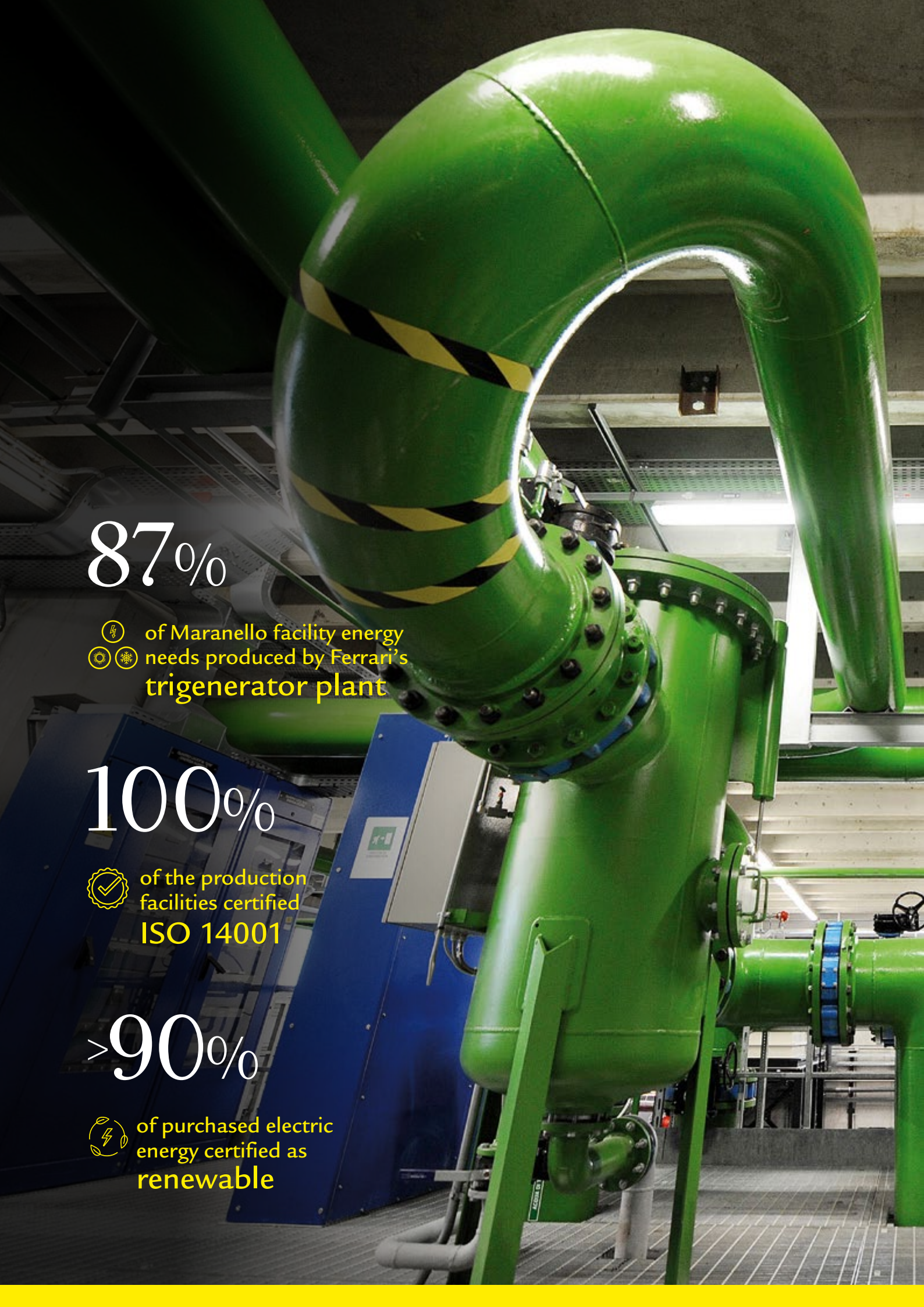
The environmental impact of these additional facilities is deemed negligible and is excluded in this chapter's data.

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.

-11%

estimated reduction in CO₂ emissions in 2018
(compared to 2014) on the European fleet.

⁽²⁰⁾ 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).

A large industrial facility, likely a power plant, featuring prominent green pipes and machinery. The pipes are curved and have yellow and black hazard stripes. The background shows a complex network of pipes and structural elements under bright lighting.


87%

 of Maranello facility energy needs produced by Ferrari's trigenerator plant

100%

 of the production facilities certified ISO 14001

>90%

 of purchased electric energy certified as renewable

FERRARI N.V.

Plants and Circuits

Environmental management systems

We have invested heavily to minimize our environmental impact since 2001, when the Company was given the ISO 14001 certification for our plants in Maranello and Modena.

In 2016, we obtained the renewal of the certification of our environmental management system according to the new standard ISO 14001:2015. In addition, in 2007, we obtained and renewed the Integrated Environmental Authorization.

As mentioned in our Environmental Policy, our effort is to minimize the negative impacts of our activities on natural resources and the global environment.

In April 2015, Mugello was the first racing circuit in the world to get the “Achievement of Excellence” certificate, which is the top accreditation level within the environmental sustainability program proposed by FIA.

The Mugello circuit obtained the certification for the environmental management system with ISO 14001 and the EMAS (Eco-Management and Audit Scheme).

Energy efficiency and promotion of alternative energy sources

Renewable energy is a priority for us. In 2008, we installed our first solar panels (subsequently increased capacity in 2011 and 2015) and from 2009 we started using electricity along with hot and cold water generated by the trigeneration plant⁽²¹⁾. In 2018, the trigeneration plant produced 87% of the electricity needed for the Maranello plant, while the remaining 13% was generated from renewable sources⁽²²⁾.

122 GWh
of energy produced by Ferrari's trigenerator.

Our culture embraces energy consumption reduction, constantly implementing actions such as the replacement of traditional illumination systems to LED technology and the use of pumps with inverter technology in the industrial water distribution system. 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 2018, we completed the construction of two new buildings: “Nuova Gestione Sportiva” and “New Design Department”.

Since 2011, the Mugello racing circuit is proactive in terms of environmental sustainability themes. A 252 kWp photovoltaic system has been installed on the main tribune, which is able to generate up to 300,000 kWh of annual production.

Our energy consumption mainly relates to the manufacturing of cars and engines. Over the years, our Group has strived to lower its energy consumption and to minimize its environmental impact, adopting innovative solutions and resorting to a trigeneration plant and to the use of renewable energy sources for its manufacturing facilities.

⁽²¹⁾ 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.

⁽²²⁾ Thanks to a photovoltaic system and purchases of Guarantee of Origin certificates.



ENERGY CONSUMPTION WITHIN THE ORGANIZATION

Unit of measurement: GJ	2018	2017 ⁽²³⁾
Non-renewable fuel consumption	1,567,315	1,551,629
<i>Natural Gas (used for trigenerator)</i>	1,126,067	1,116,343
<i>Natural Gas (for other uses)</i>	392,995	384,323
<i>Gasoline (for production process)</i>	46,848	49,666
<i>Diesel (for motor room and other uses)</i>	1,405	1,297
Total electricity bought for consumption	92,190	98,219
<i>From renewable sources</i>	86,355	92,027
<i>From non-renewable sources</i>	5,835	6,192
Electricity self-produced for consumption⁽²⁴⁾	3,142	3,117
Electricity sold	(7,752)	(11,910)
Total	1,654,895	1,641,055

The total energy consumption within the Group for 2018 is 1,654,895 GJ, in line with 2017 (1,641,055 GJ) and 2016 (1,643,012 GJ)⁽²⁵⁾, notwithstanding a production increase.

⁽²³⁾ The 2017 data have been re-calculated using the same conversion factors used for 2018 data.

⁽²⁴⁾ From photovoltaic.

⁽²⁵⁾ The 2016 and 2017 data have been restated using the same conversion factors used for 2018.

FERRARI N.V.

> Plants and Circuits

Air emissions

The emissions of CO_{2eq} deriving from the Maranello and Modena plants and from the Mugello racing circuit (Scope 1 and Scope 2 market-based) are equal to 91,773 tCO_{2eq} in 2018, in line with 92,609 tCO_{2eq} in 2017 and 93,086 tCO_{2eq} in 2016⁽²⁶⁾.

DIRECT AND ENERGY INDIRECT GHG EMISSIONS

Unit of measurement: tCO _{2eq}	2018	2017	2016
Scope 1 ⁽²⁷⁾	91,001	91,789	92,319
Scope 2 (market-based method) ⁽²⁸⁾	772	820	767
Scope 2 (location-based method) ⁽²⁹⁾	9,219	9,822	9,105

GHG Protocol (WRI, WBCSD) definitions

As shown in the below table, Ferrari managed to decouple its economic growth from its environmental impact, in other words we keep on growing our business activities while at the same time maintaining almost stable our CO₂ emissions. The below carbon ratios are based on the sum emission from Scope 1 as Scope 2 market-based method.

	2018	2017	2016	2018 vs. 2016
Net Revenues (mln €)	3,420	3,417	3,105	10%
Adj EBITDA (mln €)	1,114	1,036	880	27%
Carbon on net revenues ratio (CoR) (tCO _{2eq} /mln €)	26.8	27.1	30.0	-10%
Carbon on Adj EBITDA ratio (tCO _{2eq} /mln €)	82.4	89.4	105.8	-22%

Since 2014, our Group has been purchasing Guarantee of Origin certificates in order to increase the percentage of energy consumed by the Group derived from renewable sources, thus reducing the corresponding CO₂ emissions, as determined by the market-based method of calculation. This resulted in 2018 in a reduction of 8,447 tons of CO_{2eq}.

Other significant air emissions are related mainly to volatile organic compounds (VOCs) released during vehicle manufacturing. In addition, NO_x, SO_x and dusts emissions are constantly monitored.

OTHER SIGNIFICANT AIR EMISSIONS⁽³⁰⁾

Unit of measurement: Kg	2018	2017
NO _x	59,613	69,610
SO _x	1,378	995
Volatile Organic Compounds (VOCs)	50,913	55,980
Dusts	4,100	2,432
Total other significant air emissions	116,004	129,017

⁽²⁶⁾ Regarding Scope 2 emissions, measured in tons of CO₂, the percentage of methane and nitrous oxide has a negligible effect on the total greenhouse gas emissions (CO₂ equivalent) as indicated into the ISPRA Report "Atmospheric emission factors of CO₂ and other greenhouse gases in the electricity sector".

⁽²⁷⁾ Direct greenhouse gas emissions, measured in tons of CO₂ 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: CO₂, CH₄, N₂O, HFCs and other refrigerant gases.

⁽²⁸⁾ Market-based indirect greenhouse gas emissions, measured in tons of CO₂, were calculated using the Residual Mix emission factors indicated in "2017 European Residual Mixes, V.1.3", published by AIB. The Group purchases Guarantee of Origin (GO) certificates in order to reduce the impact of CO₂ emissions in the atmosphere. The 2016 and 2017 data have been re-calculated using the same emission factors used for 2018 data.

⁽²⁹⁾ Location-based indirect greenhouse gas emissions, measured in tons of CO₂, were calculated using the emission factor indicated in "Confronti internazionali; 2016", published by Terna. The 2016 and 2017 data have been re-calculated using the same emission factors used for 2018 data.

⁽³⁰⁾ Only air emissions of the plants of Maranello and Modena have been considered.



Furthermore, a water-based painting process was introduced in 2004 with the aim of reducing VOC emissions. To further underscore our ongoing commitment to pursuit energy efficiencies, in 2018 we introduced a low-bake paint technology.

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⁽³¹⁾ also has the objective of reducing waste.

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

WASTE BY TYPE AND DISPOSAL METHOD

NON HAZARDOUS WASTE				
Unit of measurement: tons	2018		2017	
	Weight	Percentage	Weight	Percentage
Recovery	4,461.2	54.4%	4,862.4	55.0%
Incineration	-	-	-	-
On-site storage pending disposal	194.1	2.4%	114.7	1.3%
Physico-chemical treatment	3,468.4	42.3%	3,861.9	43.7%
Biological treatment	81.0	1.0%	-	-
Total	8,204.7	100%	8,839.0	100%

WASTE BY TYPE AND DISPOSAL METHOD

HAZARDOUS WASTE				
Unit of measurement: tons	2018		2017	
	Weight	Percentage	Weight	Percentage
Recovery	470.4	16.8%	444.3	13.0%
Incineration	-	-	0.1	0%
On-site storage pending disposal	306.3	10.9%	447.4	13.0%
Physico-chemical treatment	2,023.0	72.3%	2,538.4	74.0%
Biological treatment	-	-	-	-
Total	2,799.7	100%	3,430.2	100%

⁽³¹⁾ Only waste generated in the plants of Maranello and Modena have been considered: waste of Mugello racing circuit have an impact of less than 2% of the total waste produced by our Group.

FERRARI N.V.

> Plants and Circuits

Total waste for 2018 was equal to 11,004.2 tons, down 10.5% from 2017. Total waste recovery increased by 1.5% from 43.3% in 2017 to 44.8% in 2018. This reduction was achieved, among others, by two initiatives started in 2018: the first is that we started to recover sand from the foundry by selling it as a by-product to a third party player that transforms it in a new product following a circular economy principle. The second activity is the use of a more long-lasting cooling lubricant. Combined, these two activities amounted to a 4.6% reduction of the total waste. None of our waste is disposed in landfills.

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

In 2018, the sixth consecutive edition of KiSS Mugello took place. This is the environmental and social sustainability program of the Italian Grand Prix that wants to raise awareness on the importance of sustainability during major sporting events, as well as in everyday life.

The main environmental initiatives consisted in a plan to improve the quantity and quality of recycling during the Grand Prix, the collection and recovery of used edible oils and raising awareness on the importance of recycling among operators, teams and hospitals in the paddock area.

In collaboration with Banco Alimentare, more than 2 thousand meals were collected and donated. A special and exciting Pit Walk was organized, dedicated exclusively to local non-profit organizations. KiSS Mugello has been recognized as one of the best practices at international level for sustainability in sport events by WWF, GREEN SPORT ALLIANCE and UEFA, who included it in the report "Playing for Our Planet. How Sports Win from Being Sustainable".

Logistics

We produce all of our vehicles and spare parts in our Maranello and Modena plants, in central Italy, however, our network of third party dealers is comprised of 190 point of sales around the world. A meticulous work is constantly carried out to optimize logistical operations with the aim of reducing the impact on the environment and associated air emissions.

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⁽³²⁾, nor our production process can be considered water intensive, we have developed a series of initiatives to reduce water consumption in our manufacturing processes, such as cooling systems with water recirculation (e.g. cooling towers).

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

We treat our wastewater in accordance with all applicable laws and regulations. All the wastewater of our plants is always monitored and channeled not directly into water bodies but in the public sewage system. 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 treatment.

Recycling during Mugello Moto GP

20,000
recycling kits distributed.



180 kg
of waste edible oil collected.



50%
of waste recovered during the Moto GP.



⁽³²⁾ Source: WRI Aqueduct 2014 (World Resources Institute, 2014).



WATER WITHDRAWAL BY SOURCE

Unit of measurement: m ³	2018	2017
Surface water	-	-
Wells	501,665	524,428
Municipal water or other water utilities	166,900	227,138
Total	668,565	751,566

WATER DISCHARGE BY DESTINATION

Unit of measurement: m ³	2018	2017
Effluents / Water bodies	-	-
Public sewer system	383,861	378,895
Total	383,861	378,895

Biodiversity and noise pollution

Ferrari plants and Mugello racing circuit, as of December 2018, are not located in any protected or highly biodiverse areas and, to our best knowledge, they do not have significant environmental impacts on such areas.

Moreover, our plants and circuit are not adjacent⁽³³⁾ to any protected or highly biodiverse areas.

This analysis is conducted annually and is based on the World Database on Protected Areas⁽³⁴⁾.

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

With regard to the noise produced in proximity of the Fiorano and Mugello circuits, the acoustic monitoring of the plant perimeter is regularly carried out and Mugello Circuit complies with the 2018 authorization received by the appropriate authorities.

⁽³³⁾ For this analysis, a distance of 3 km or less has been considered as "adjacent".

⁽³⁴⁾ 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.

FERRARI N.V.

Vehicles Environmental Impact

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

Vehicles emissions

We are subject to a variety of laws and regulations that, among others, are related to car emissions and fuel consumption. Ferrari vehicles must comply with extensive regional, national and local laws and regulations, as well as industry self-regulations (including those that regulate vehicle safety). However, we currently benefit from certain regulatory exemptions because we qualify as a Small Volume Manufacturer or similar designation in most of the jurisdictions where we sell our cars.

In 2012, we achieved a 27% reduction in CO₂ emissions (compared to 2007) for our European fleet through improvements in energy efficiency by increasing

the energy produced for the same level of input and therefore reducing the cars' energy requirements.

Following the achievement of this result, we continued focusing on researching technologies that further reduced emissions and, in early 2013, introduced LaFerrari, the first of our cars to use hybrid technology.

Through innovations in areas such as turbochargers, engine downsizing, transmission, electric steering and hybrid technologies, we continue to target further reductions in CO₂ emissions and have set a target to reduce by 2020 CO₂ emission by 15%⁽³⁵⁾ (compared to 2014) on our entire fleet.

Consistent with our mission to develop cutting edge sports and GT cars, product development efforts continually focus on improving core components, such as the powertrain, car dynamics, and the use of materials such as special aluminum alloys and carbon fiber.

The expertise acquired in these fields has recently guided our efforts to combine improved performance with reductions in CO₂ emissions.



-15% CO₂

Ferrari has set a target to reduce CO₂ emission by 15% on its entire fleet by 2020 (compared to 2014).

-6% CO₂

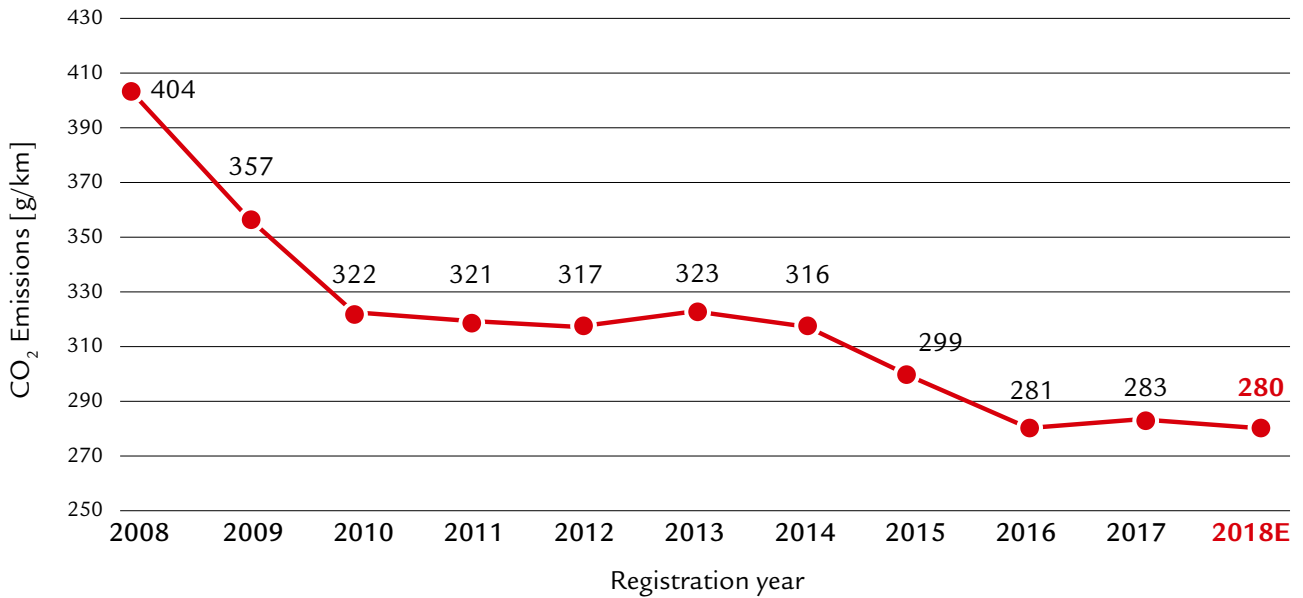
Thanks to the start & stop technology introduced in 2015 as standard for the 488 family, the cars sold afterwards decreased their CO₂ emission by 6%.

⁽³⁵⁾ The target considered the expectations until 2020 of Group's homologated shipments and the CO₂ emissions values according to requirements set by the European Union.



Average Specific CO₂ Emissions - Ferrari EU Fleet ⁽³⁶⁾

(E) Estimate



These efforts, through the investment of huge resources, allow the reduction of CO₂ emissions and fuel consumption thanks to the development of CO₂ emission reducing technologies. The main technologies deployed in the Ferrari fleet until 2018 are: lightweight chassis, gasoline direct injection (200 bar), start & stop with improved direct start, Dual Clutch Transmission, increased compression ratio, multi-spark ignition, smart alternator, improved Dual Clutch Transmission oil control system, low friction synchromesh device, downsizing, finger follower valve actuation with rollers, variable displacement oil pump with variable feed pressure, smart aerodynamics systems, 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 CO₂ emissions by 6% ⁽³⁷⁾.

We are undertaking an important program to develop hybrid technology and we are researching how to improve the performance and driving experience of our cars without losing fuel efficiency advantages. We are now working hard on the integration of hybrid technology more broadly into our car portfolio (see “*Research, Innovation and Technology - Product Development*”). One of the more relevant topics of this generation, the concept of the car in an era of climate change, will likely be an opportunity for us. Innovation runs within Ferrari, so the challenge of building a Ferrari for a low-emissions future is one that we are already embracing. The increased offering of hybrid powertrains will allow us to meet both specific regulatory requirements but also to satisfy customers’ desires for significantly improved emissions while enhancing the driving emotions that render Ferrari simply unique.

⁽³⁶⁾ 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 CO₂, despite the phase-in criteria granted in the years 2010-2014. 2018: provisional fleet average emissions of CO₂.

⁽³⁷⁾ CO₂ emissions in g/km.

FERRARI N.V.

> Vehicles Environmental Impact

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

PERCENTAGE OF MATERIALS USED IN 488 GTB

	Percentage of materials used in 488 GTB
Light alloys and steel	70.1%
Other metals	4.1%
Polymers	12.0%
Elastomers	4.9%
Glass/Ceramics	4.3%
Fluids	1.3%
Other	3.3%
Total	100%





Vehicles' 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 69 new “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 restoration service offers our clients the opportunity to reinstate any classic Ferrari to its original pristine conditions.

FERRARI N.V.

> Vehicles Environmental Impact

Regulatory Matters

We manufacture and sell our cars around the world and our operations are therefore subject to a variety of laws and regulations relating to environmental, health and safety and other matters. These laws regulate our cars, including their emissions, fuel consumption and safety, as well as our manufacturing facilities and operations, setting strict requirements on emissions, treatment and disposal of waste, water and hazardous materials and prohibitions on environmental contamination. Our vehicles, together with the engines that power them, must comply with extensive regional, national and local laws and regulations, and industry self-regulations (including those that regulate vehicle safety). However, we currently benefit from certain regulatory exemptions, because we qualify as an SVM or similar designation in certain jurisdictions where we sell cars. As outlined below, these exemptions provide a range of benefits, from less stringent emissions caps and compliance date extensions, to exemptions from zero emission vehicle production requirements.

We are in substantial compliance with the relevant regulatory requirements affecting our facilities and products around the world. We constantly monitor such requirements and adjust our operations as necessary to remain in compliance.

Approval and market surveillance

In May 2018 the European Parliament and European Council issued Regulation 2018/858, establishing the new framework for the approval and market surveillance of motor vehicles (repealing Directive 2007/46/EC). While the previous regulatory framework of Directive 2007/46/EC was focused on technical standards, the new regulation has a broader scope by including market surveillance requirements in order to ensure the enforcement of applicable standards. The key objectives of Regulation 2018/858 are: enhancing the independence of technical services (i.e. the approved testing laboratories) as well as improving the quality of the testing of vehicles and

setting stricter requirements for technical services; introducing market surveillance in order to verify the conformity of vehicles on the market to the applicable standards, and requiring corrective measures in case of non-compliance or where a vehicle poses a safety risk or a risk to the environment; strengthening the type approval system with more stringent oversight by the EU. The Commission has the power to suspend, restrict or withdraw the designation of technical services, to order recalls, and to impose financial penalties.

Greenhouse gas/CO₂/fuel economy legislation

Current European legislation limits fleet average greenhouse gas emissions for new passenger cars to 130 grams of CO₂ per kilometer. Due to our SVM status we benefit from a derogation from the 130 grams per kilometer emissions requirement available to small volume and niche manufacturers. Pursuant to that derogation, we were instead required to meet yearly CO₂ emissions targets, beginning in 2012, reaching a target level of 290 grams per kilometer in 2016 for our fleet of EU-registered vehicles that year.

In 2014, the European Union set new 2020 emissions targets, calling for 95 percent of a manufacturer's full fleet of new passenger cars registered in the EU in 2020 to average 95 grams of CO₂ per kilometer, rising to 100 percent of the fleet in 2021. The 2014 regulation extends the small volume and niche manufacturers derogation. Pursuant to the derogation approved by the European Commission following our petition, we are required to meet certain CO₂ emissions target levels in the 2017-2021 period, reaching a target of 277 grams per kilometer in 2021 for our fleet of EU-registered cars that year.

In the United States, both Corporate Average Fuel Economy ("CAFE") standards and greenhouse gas emissions ("GHG") standards are imposed on manufacturers of passenger cars. Because the control of fuel economy is closely correlated with the control of GHG emissions, the United States Environmental Protection Agency ("EPA") and the National Highway Traffic Safety Administration ("NHTSA") have sought



to harmonize fuel economy regulations with the regulation of GHG vehicle emissions (primarily CO₂). These agencies have set the federal standards for passenger cars and light trucks to meet an estimated combined average fuel economy (CAFE) level that is equivalent to 35.5 miles per U.S. gallon for 2016 model year vehicles (250 grams CO₂ per mile). In August 2012, these agencies extended this program to cars and light trucks for model years 2017 through 2025, targeting an estimated combined average emissions level of 163 grams per mile in 2025, which is equivalent to 54.5 miles per gallon.

In November 2016, the EPA determined that the model years 2022-2025 standards, adopted by EPA in the 2012 final rule establishing the model year 2017-2025 standards, remain appropriate. In March 2017, EPA announced its intention to reconsider this decision, extending the review period for GHG standards definition.

In July 2017, the NHTSA published a notice of intent to prepare an Environmental Impact Statement (“EIS”) for model years 2022-2025 CAFE standards, inviting stakeholders to provide comments. The EIS purpose is to define the potential environmental impacts of the model years 2022-2025 CAFE standards and represents the first step of the rulemaking process relating to those model years.

In August 2018 the NHTSA and the EPA issued a common proposal, the “Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule for model years 2021-2026 Passenger Cars and Light Trucks” (SAFE Vehicles Rule). The SAFE Vehicles Rule, if finalized, would amend certain existing CAFE and tailpipe carbon dioxide emissions standards for passenger cars and light trucks and establish new standards, all covering model years 2021 through 2026. More specifically, NHTSA is proposing new CAFE standards for model years 2022 through 2026 and amending its 2021 model year CAFE standards because they are no longer deemed to be maximum feasible standards, and EPA is proposing to amend its carbon dioxide emissions standards for model years 2021 through 2025 because they are no longer deemed appropriate and reasonable in addition to establishing new

standards for model year 2026. The authorities’ stated preferred alternative is to retain the model year 2020 standards (specifically, the footprint target curves for passenger cars and light trucks) for both programs through model year 2026, but comment has been sought on a range of alternatives. No final decision has been taken to date.

Under current regulation, for model years 2017-2025, the EPA allows a SVM, defined as manufacturer with less than 5,000 yearly unit sales in the United States, to petition for a less stringent standard. The EPA has granted us SVM status. We have therefore petitioned the EPA for alternative standards for the model years 2017-2021 and 2022-2025, which are aligned to our technical and economic capabilities.

In September 2016, we petitioned NHTSA for recognition as an independent manufacturer of less than 10,000 vehicles produced globally, and we proposed alternative CAFE standards, for model years 2017, 2018 and 2019. In December, 2017, we amended the petition by proposing alternative CAFE standards for model years 2016, 2017 and 2018, covering also the 2016 model years. NHTSA have not yet responded to our petition. If our petitions are rejected or if we produce annually more than 10,000 vehicles globally, we will not be able to benefit from the more favorable CAFE standards levels which we have petitioned for and this may require us to purchase additional CAFE credits in order to comply with applicable CAFE standards.

The state of California has been granted special authority under the Clean Air Act to set its own vehicle emission standards. In February 2010, the California Air Resources Board (“CARB”) enacted regulations under which manufacturers of vehicles for model years 2012-2016 which are in compliance with the EPA greenhouse gas emissions regulations are also deemed to be in compliance with California’s greenhouse gas emission regulations (the so-called “deemed to comply” provision). In November 2012, the CARB extended these rules to include model years 2017-2025. In 2017 CARB performed a technical assessment regarding greenhouse gas standards for model years 2022 through 2025, in

FERRARI N.V.

> Vehicles Environmental Impact

parallel with EPA and NHTSA, and confirmed in March 2017 that the standards defined in 2012 may be still considered appropriate. The SAFE Vehicles Rule mentioned above proposes to withdraw the waiver granted to California under the Clean Air Act to establish more stringent standards for vehicle emissions that are applicable to model years 2021 through 2025. In response to the proposed California waiver withdrawal, on December 12, 2018 the CARB amended its existing regulations to clarify that the “deemed to comply” provision shall not be available for model years 2021–2025 if the EPA standards for those years are altered via an amendment of federal regulations. Ferrari currently avails itself of the “deemed-to-comply” provision to comply with CARB greenhouse gas emissions regulations. Therefore, it may be necessary to also petition the CARV for SVM alternative standards and to increase the number of tests to be performed in order to follow the CARB specific procedures.

While Europe and the United States lead the implementation of these fuel consumption/CO₂ emissions programs, other jurisdictions typically follow on with adoption of similar regulations within a few years thereafter. In China, for example, Stage III fuel consumption regulations targeted a national average fuel consumption of 6.9L/100km by 2015 and Stage IV targets a national average fuel consumption of 5.0L/100km by 2020. In September 2017 the Chinese government issued the Administrative Measures on CAFC (Corporate Average Fuel Consumption) and NEV (New Energy Vehicle) Credits. This regulation establishes mandatory CAFC requirements, while providing additional flexibility for SVMs (defined as a manufacturer with less than 2,000 units imported in China per year) that achieve a certain minimum CAFC yearly improvement rate. Manufactures that exceed the CAFC regulatory ceiling are required to purchase NEV credits.

Exhaust and evaporative emissions requirements

In 2007, the European Union adopted a series of updated standards for emissions of other air pollutants from passenger and light commercial vehicles, such as nitrogen oxides, carbon monoxide, hydrocarbons and particulates. These standards were phased in from September 2009 (Euro 5) and September 2014 (Euro 6) for passenger cars. In 2016, the European Union established that Euro 6 limits shall be evaluated through Real Driving Emissions (RDE) measurement procedure and a new test-cycle more representative of normal conditions of use (Worldwide Light Vehicles Test Procedure). SVMs (vehicle manufacturers with a worldwide annual production lower than 10,000 units) are required to be compliant with RDE standards starting from 2020 while non-SVMs have been required to comply with RDE standards starting from 2017. In 2018, the European Commission issued Regulation 2018/1832 for the purpose of improving the emission type approval tests and procedures for light passenger and commercial vehicles, including those for in-service conformity and RDE and introducing devices for monitoring the consumption of fuel and electric energy. Under the new EU Regulation, which became applicable in January 2019, among other things, the extended documentation package provided by manufacturers to type approval authorities to describe Auxiliary Emission Strategies (AES) is no longer required to be kept confidential, and the decision whether to allow access to such documentation package is left to national authorities. In addition, the Regulation introduced a new methodology for checking In-Service Conformity (ISC) which includes RDE tests. Compliance is tested based on ISC checks performed by the manufacturer, the granting type approval authority (GTAA), and accredited laboratories or technical services. Test results will be publicly available; in addition, the GTAA will publish annual reports on the ISC checks performed, in order to improve transparency.



In the United States, the “Tier 3” Motor Vehicle Emission and Fuel Standards issued by the EPA were finalized in April 2014. With Tier 3, the EPA has established more stringent vehicle emission standards, requiring significant reductions in both tailpipe and evaporative emissions, including nitrogen oxides, volatile organic compounds, carbon monoxide and particulate matter. The new standards are intended to harmonize with California’s standards for 2015-2025 model years (so called “LEV3”) and will be implemented over the same timeframe as the U.S. federal CAFE and GHG standards for cars and light trucks described above. Because of our status as an operationally independent SVM, Ferrari obtained a longer, more flexible schedule for compliance with these standards under both the EPA and California Program.

In addition, California is moving forward with other stringent emission regulations for vehicles, including the Zero Emission Vehicle regulation (ZEV). The ZEV regulation requires manufacturers to increase their sales of zero emissions vehicles year on year, up to an industry average of approximately 15 percent of vehicles sold in the state by 2025. Because we currently sell fewer than 4,500 units in California, we are exempt from these requirements.

Additional stringency of evaporative emissions also requires more advanced materials and technical solutions to eliminate fuel evaporative losses, all for much longer warranty periods (up to 150,000 miles in the United States).

In response to severe air quality issues in Beijing and other major Chinese cities, in 2016 the Chinese government published a more stringent emissions program (National 6), providing two different level of stringency (6a and 6b) effective starting from 2020. In July 2018 China’s central government launched a three-year plan to reduce air pollution, extending targets for reducing lung-damaging airborne particulate pollution to the country’s 338 largest cities.

This plan includes reductions in steel and other industrial capacity, reducing reliance on coal, promoting electric vehicles and cleaner transport, enhancing air-pollution warning systems, and increasing inspections of businesses for air pollution infractions. Several autonomous regions and municipalities are implementing the requirements of the National 6 program even ahead of the mandated deadlines. For instance, Shenzhen and Beijing announced the introduction of the 6b level requirements starting from July 2019 and January 2020, respectively.

To comply with current and future environmental rules related to both fuel economy and pollutant emissions, we may have to incur substantial capital expenditure and research and development expenditure to upgrade products and manufacturing facilities, which would have an impact on our cost of production and results of operation.

FERRARI N.V.

Economic Value Generated and Distributed

The economic value generated and distributed provides an indication on how our Group has created wealth for stakeholders.

The direct economic value generated during 2018 was distributed to various stakeholders: employees, suppliers and service providers are remunerated through wages and the 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 our Group.

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

In 2018 we donated a Ferrari F12tdf and other memorabilia that were auctioned off during an event at Centro Dino Ferrari and the proceeds were donated for the research on diagnosis and treatment of neuromuscular and neurodegenerative diseases.

ECONOMIC VALUE GENERATED AND DISTRIBUTED

(€ thousand)	%	2018
Direct economic value generated	100.0%	3,139,791
Economic value distributed	81.2%	2,549,113
Employees, suppliers and service providers	73,4%	2,304,536
Shareholders ⁽³⁸⁾ and providers of capital	7,0%	221,634
Governments ⁽³⁹⁾	0.7%	22,943
Economic value retained by the Group	18.8%	590,678

⁽³⁸⁾ Subject to approval by the Shareholders at the 2019 Annual General Meeting.

⁽³⁹⁾ Including deferred taxes.

viale

ENZO

1898-1988

Ferrari

FERRARI N.V.

Ferrari Contributes towards the Community

Community engagement and involvement with the local territory are of fundamental importance for the Group.

All Ferrari cars are manufactured in our production facilities in Maranello and Modena, in the heart of the Italian “Motor Valley”: we are aware of our responsibility towards the community and our efforts are directed to support the development of the local community mainly through collaborations with local universities and thanks to the industry network in the Emilia-Romagna region.

To keep alive the spirit of Ferrari and the story of its founder Enzo Ferrari, two different museums have been established.

Ferrari & Education

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 is partner of the Motorvehicle University of Emilia-Romagna (MUNER), an association which was strongly advocated by the Emilia-Romagna region. It was created thanks to a synergistic connection among the universities of Modena and Reggio Emilia, Bologna, Ferrara and Parma along with car companies in the region that represent the excellence of Italian brands, which of course includes Ferrari. The Motorvehicle University of Emilia-Romagna hub aims at attracting to the region the best university students from all over the world, with the goal of training and introducing into the corporate world the engineers of tomorrow.

The training offer is composed of two different master's degrees, Advanced automotive engineering (AAE) and Advanced automotive electronic engineering (AAEE), during which all the car company partners of the initiative participate in educational activities through seminars, laboratories and lessons, and inviting students to visit production plants. We invest a lot in this activity, in fact, some of our Maestri hold a few classes sharing their exclusive Ferrari knowledge. In 2018, the number of enrollments in the two master's degrees increased, with about one quarter of the students coming from foreign countries.

Furthermore Ferrari has partnered with local and regional schools as well as technical colleges, in order to prepare students for the study-work transition.



Ferrari Museum Maranello & Museo Enzo Ferrari (MEF)

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

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 2018, the Ferrari Museum Maranello and the MEF counted more than 540,000 visitors (+2% vs. the prior year).

The main exhibitions were:

- “Driven by Enzo” a collection of the four-seater cars most loved by Enzo Ferrari;
- “Passion and Legend”, a tribute to the extraordinary history of the Company and its founder;
- “Il Rosso & Il Rosa” which tells the story of the close link between Ferrari and women, with the exhibition of some of the most beloved cars by great female characters.

FERRARI N.V.

Scuderia Ferrari Club

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

We also support our brand value by promoting a strong connection to our Company and our brand among the community of Ferrari enthusiasts.

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

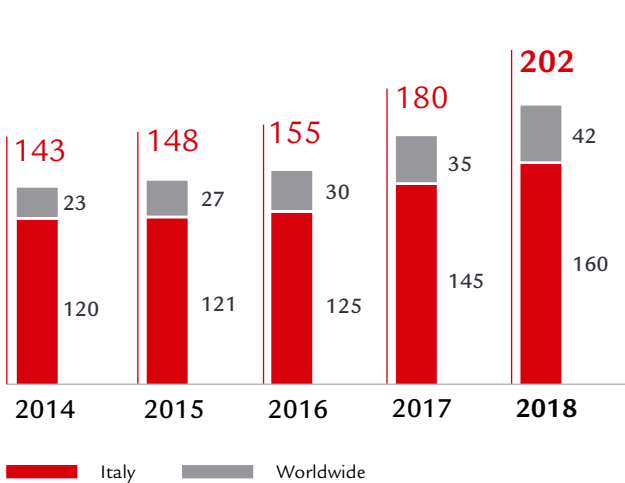
world. Today, the company has over 202 officially-recognized Clubs in 22 nations.

An incredible mix of different nationalities, cultures and lifestyles all united by one enduring passion: Ferrari.

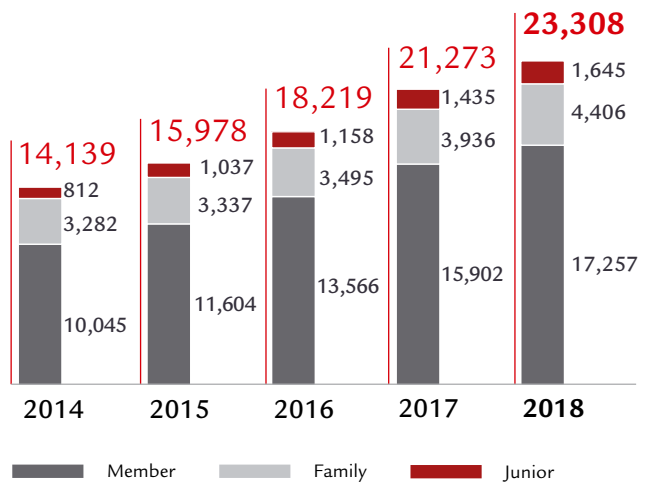
Scuderia Ferrari Club also collaborates with the Clubs to support the organization of their events, providing, in some cases, showcase Ferrari cars.

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

Scuderia Ferrari Club active since 2014 to 2018



Scuderia Ferrari Club memberships since 2014 to 2018





Ferrari Driver Academy

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

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

The first driver to enter the program was Jules Bianchi in December 2009. The Academy's line-up for 2019 will count 7 drivers; more in particular:

Giuliano Alesi, Callum Ilott, Mick Schumacher, Marcus Armstrong, Robert Shwartzman, Enzo Fittipaldi and Gianluca Petecof. Charles Leclerc joined at the beginning of 2016 and within two years won the GP3 and F2 championships. Last year he raced in Formula One with Alfa Romeo Sauber and in 2019 he will be racing for Scuderia Ferrari as official Driver.

The Ferrari Driver Academy's mission is to train drivers not merely from a racing point of view but also to develop them personally and professionally through a program that spans several years. The focus is on developing both the person and the professional at a time in their life when they are growing rapidly, by providing them with all the tools they require 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.



FERRARI N.V.

Methodology and Scope

Through our Sustainability Report we aim to provide our stakeholders with non-financial information, illustrate our sustainability strategy and our corporate social responsibility initiatives in 2018 (from January 1st, 2018 to December 31st, 2018) to ensure transparent and structured communication with our stakeholders.

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

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

Regarding the qualitative and quantitative data on social and environmental aspects, the scope of reporting corresponds to Ferrari N.V. and our subsidiaries consolidated on a line-by-line basis (as indicated in the note 3 "*Scope of consolidation*" of 2018 Annual Report). Environmental data and information is reported for our principal manufacturing facility in Maranello, for our second plant in Modena and for our Mugello racing circuit. Any exceptions, with regard to the scope of this data, are clearly indicated throughout the Sustainability Report.

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

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

The reporting frequency will be annual.

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

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



For each of the 22 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.

Category	Topics	Boundary	
		Where the impacts occur	Ferrari Group involvement
Governance and Economic Responsibility	Ethical business conduct	Ferrari Group, Suppliers, Dealers, Business and Licensing Partners	<i>Caused and directly linked through business relationship</i>
	Risk management & Compliance	Ferrari Group	<i>Caused</i>
	Economic and financial performance	Ferrari Group	<i>Caused</i>
People Responsibility	Human capital	Employees of Ferrari Group	<i>Caused</i>
	Diversity, inclusion and non-discrimination	Employees of Ferrari Group	<i>Caused</i>
	Health and safety	Employees of Ferrari Group	<i>Caused</i>
	Work-life balance and employee wellness	Employees of Ferrari Group	<i>Caused</i>
	Industrial relations	Plants	<i>Caused</i>
Product Responsibility	Image and brand reputation	Ferrari Group, Suppliers, Dealers, Business and Licensing Partners	<i>Caused and directly linked through business relationship</i>
	Customer satisfaction	Ferrari Group, Dealers	<i>Caused</i>
	Innovation: technology and design	R&D and Design of Ferrari	<i>Caused</i>
	Quality and safety of products and customers	Ferrari Group, Suppliers	<i>Caused and directly linked through business relationship</i>
	Supply chain responsible management	Purchasing of Ferrari, Suppliers, Business and Licensing Partners	<i>Caused and directly linked through business relationship</i>
	Responsible communication and marketing	Ferrari Group	<i>Caused</i>
Environmental Responsibility	Environmental commitment	Plants and Circuits of Ferrari	<i>Caused</i>
	Emissions	Plants, Circuits and Road Cars of Ferrari	<i>Caused and contributes to</i>
Social Responsibility	Local Communities	Ferrari Group	<i>Caused</i>
	Attention to enthusiasts	Ferrari Group, Scuderia Ferrari Club	<i>Caused</i>
	Relationship with Institutions and Authorities	Ferrari Group	<i>Caused</i>
	Relationship with sponsors	Formula 1 activities of Ferrari	<i>Caused</i>
	Education	Ferrari Group	<i>Caused</i>
	Sport fair play	Formula 1 activities of Ferrari	<i>Caused</i>

FERRARI N.V.

Forward-Looking Statements

This document contains forward-looking statements. These statements may include terms such as “may”, “will”, “expect”, “could”, “should”, “intend”, “estimate”, “anticipate”, “believe”, “remain”, “continue”, “on track”, “successful”, “grow”, “design”, “target”, “objective”, “goal”, “forecast”, “projection”, “outlook”, “prospects”, “plan”, “guidance” or similar terms.

Forward-looking statements are not guarantees of future performance.

Rather, they are based on the Group’s current expectations and projections about future events and, by their nature, are subject to inherent risks and uncertainties. They relate to events and depend on circumstances that may or may not occur or exist in the future and, as such, undue reliance should not be placed on them.

Actual results may differ materially from those expressed in such statements as a result of a variety of factors, including:

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



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

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

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

FERRARI N.V.

GRI Content Index

The following is a summary of the main contents of the Sustainability Report 2018, according to the scheme of “GRI Sustainability Reporting Standards”. In addition to the GRI disclosure of the material topics listed in the table below, the Report also includes the following GRI disclosures: GRI 303-1, GRI 303-2 and GRI 304-1.

Universal Standards

GRI Standard	Disclosure	Page number / Link	Reasons for omissions
GRI 102: GENERAL DISCLOSURES (2016)			
Organizational profile			
102-1	Name of the organization	Ferrari N.V.	
102-2	Activities, brands, products, and services	16-26	
102-3	Location of headquarters	Via Abetone Inferiore n. 4, I-41053 Maranello (MO), Italy	
102-4	Location of operations	10	
102-5	Ownership and legal form	36 2018 Annual Report (Overview - History of the Company)	
102-6	Markets served	10-12; 25	
102-7	Scale of the organization	10; 16; 25; 74 2018 Annual Report (Selected Financial and Other Data, Overview of Our Business)	
102-8	Information on employees and other workers	74-77	
102-9	Supply chain	60	
102-10	Significant changes to the organization and its supply chain	100	
102-11	Precautionary Principle or approach	26; 40-41; 80	
102-12	External initiatives	28; 38; 72; 80	
102-13	Membership of associations	Ferrari is a member of the following associations, among other: Altagamma, Formula One Management.	
Strategy			
102-14	Statement from senior decision-maker	6-7	
102-15	Key impacts, risks, and opportunities	28-30; 32-34; 40-43; 60-61; 86-87 2018 Annual Report (Risk factors; Risks, risk management and control systems)	

GRI Standard	Disclosure	Page number / Link	Reasons for omissions
Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	13; 38 Ferrari Code of Conduct	
102-17	Mechanisms for advice and concerns about ethics	38-39 Ferrari Code of Conduct	
Governance			
102-18	Governance structure	36-37	
102-38	Annual total compensation ratio	The ratio between the CEO's annual fixed remuneration and the average fixed remuneration for an employee was 16 to 1 for the 2018 financial year.	
Stakeholder engagement			
102-40	List of stakeholder groups	32	
102-41	Collective bargaining agreements	77	
102-42	Identifying and selecting stakeholders	32-34	
102-43	Approach to stakeholder engagement	32-34; 55-56	
102-44	Key topics and concerns raised	34	
Reporting Practice			
102-45	Entities included in the Consolidated Financial Statements	100 2018 Annual Report (Scope of Consolidation)	
102-46	Defining report content and topic Boundaries	100	
102-47	List of material topics	28-29; 101	
102-48	Restatements of information	70-71; 74; 81-82	
102-49	Changes in reporting	Following the results of the internal evaluation and stakeholders engagement activities in updating the materiality analysis, the list of material topics does not include "Selection and research of raw materials" compared to 2017.	
102-50	Reporting period	100	
102-51	Date of most recent report	April 2018	
102-52	Reporting cycle	100	
102-53	Contact point for questions regarding the Report	100	
102-54	Claims of reporting in accordance with the GRI Standards	100	
102-55	GRI content index	104-114	
102-56	External assurance	114-116	

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Topic-Specific Standards

GRI Standard	Disclosure	Page number / Link	Reasons for omissions
GRI 200: ECONOMIC SERIES (2016)			
Topic: Economic Performance			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	28; 101	
103-2	The management approach and its components	40-41; 94	
103-3	Evaluation of the management approach	40-41; 94	
GRI-201: Economic Performance (2016)			
201-1	Direct economic value generated and distributed	94	
Topic: Market Presence			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	28; 101	
103-2	The management approach and its components	65-66; 77	
103-3	Evaluation of the management approach	65-66; 77	
GRI-202: Market Presence (2016)			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	77	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.
Topic: Anti-Corruption			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	28; 101	
103-2	The management approach and its components	38; 40-41	Ferrari Code of Conduct
103-3	Evaluation of the management approach	38; 40-41	
GRI-205: Anti-Corruption (2016)			
205-1	Operations assessed for risks related to corruption	38; 40-41	
205-3	Confirmed incidents of corruption and actions taken	39	

GRI Standard	Disclosure	Page number / Link	Reasons for omissions
Topic: Anti-Competitive Practices			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	28; 101	
103-2	The management approach and its components	38 Ferrari Code of Conduct	
103-3	Evaluation of the management approach	38-39 Ferrari Code of Conduct	
GRI-206: Anti-Competitive Practices (2016)			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	39	
GRI 300: ENVIRONMENTAL SERIES (2016)			
Topic: Energy			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	28; 101	
103-2	The management approach and its components	78-81	
103-3	Evaluation of the management approach	78-81	
GRI-302: Energy (2016)			
302-1	Energy consumption within the organization	81	
Topic: Emissions			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	28; 101	
103-2	The management approach and its components	78; 82; 86-87	
103-3	Evaluation of the management approach	78; 82; 86-87	
GRI-305: Emissions (2016)			
305-1	Direct (Scope 1) GHG emissions	82	
305-2	Energy indirect (Scope 2) GHG emissions	82	
305-6	Emissions of ozone-depleting substances (ODS)	In 2018, leakages of refrigerant gas were recorded (HCFC-23, HCFC-134, HCFC-134a, R-404A, R-407C, R-410A), amounting to 0 tons of CFC-11 equivalent.	
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	82	

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> Topic-Specific Standards

GRI Standard	Disclosure	Page number / Link	Reasons for omissions
Topic: Effluents and Waste			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	28; 101	
103-2	The management approach and its components	78; 83-85	
103-3	Evaluation of the management approach	78; 83-85	
GRI-306: Effluents and Waste (2016)			
306-1	Water discharge by quality and destination	85	
306-2	Waste by type and disposal method	83	
306-3	Significant spills	No significant spills occurred in the reporting period.	
306-5	Water bodies affected by water discharges and/or runoff	84	
Topic: Environmental Compliance			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	28; 101	
103-2	The management approach and its components	78-80	
103-3	Evaluation of the management approach	78-80	
GRI-307: Environmental Compliance (2016)			
307-1	Non-compliance with environmental laws and regulations	39	
GRI 400: SOCIAL SERIES (2016)			
Topic: Employment			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	28; 101	
103-2	The management approach and its components	65-66; 70-71	
103-3	Evaluation of the management approach	65-66; 70-71	
GRI-401: Employment (2016)			
401-1	New employee hires and employee turnover	76-77	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	65-67; 70-71	
Topic: Labor Management Relations			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	28; 101	
103-2	The management approach and its components	65-66; 77	
103-3	Evaluation of the management approach	65-66; 77	
GRI-402: Labor-Management Relations (2016)			
402-1	Minimum notice periods regarding operational changes	77	



GRI Standard	Disclosure	Page number / Link	Reasons for omissions
Topic: Occupational Health and Safety			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	28; 101	
103-2	The management approach and its components	65-66; 72-73	
103-3	Evaluation of the management approach	65-66; 72-73	
GRI-403: Occupational Health and Safety (2016)			
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Injury rate 2018: male 1.8, female 0.0. Lost day rate: male 0.12, female 0.0. 73; 77	
403-4	Health and safety topics covered in formal agreements with trade unions	73	
Topic: Training and Education			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	28; 101	
103-2	The management approach and its components	65-69	
103-3	Evaluation of the management approach	65-70	
GRI-404: Training and Education (2016)			
404-1	Average hours of training per year per employee	70	
404-2	Programs for upgrading employee skills and transition assistance programs	65-71	
404-3	Percentage of employees receiving regular performance and career development reviews	71	
Topic: Diversity and Equal Opportunity			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	28; 101	
103-2	The management approach and its components	65-66	
103-3	Evaluation of the management approach	65-66; 74	
GRI-405: Diversity and Equal Opportunity (2016)			
405-1	Diversity of governance bodies and employees	37; 74	
Topic: Non-Discrimination			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	28; 101	
103-2	The management approach and its components	38; 65-66 Ferrari Code of Conduct	
103-3	Evaluation of the management approach	38; 65-66 Ferrari Code of Conduct	
GRI-406: Non Discrimination (2016)			
406-1	Incidents of discrimination and corrective actions taken	39	

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> Topic-Specific Standards

GRI Standard	Disclosure	Page number / Link	Reasons for omissions
Topic: Local Communities			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	28; 101	
103-2	The management approach and its components	96-97	
103-3	Evaluation of the management approach	96-97	
GRI-413: Local Communities (2016)			
413-1	Operations with local community engagement, impact assessments, and development programs	96	
Topic: Supplier Social Assessment			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	28; 101	
103-2	The management approach and its components	38; 60 Ferrari Code of Conduct	
103-3	Evaluation of the management approach	38; 60 Ferrari Code of Conduct	
GRI-414: Supplier Social Assessment (2016)			
414-1	New suppliers that were screened using social criteria		Currently, the signing of the Ferrari Code of Conduct abides the suppliers to respect social criteria as outlined in our Code of Conduct. To date we don't have a dedicated screening according to social criteria to select suppliers.
Topic: Customer Health and Safety			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	28; 101	
103-2	The management approach and its components	58-59	
103-3	Evaluation of the management approach	58-59	
GRI-416: Customer Health and Safety (2016)			
416-1	Assessment of the health and safety impacts of product and service categories	58-59	



GRI Standard	Disclosure	Page number / Link	Reasons for omissions
Topic: Marketing and Labeling			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	28; 101	
103-2	The management approach and its components	42	
103-3	Evaluation of the management approach	42	
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 ₂ 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	28; 101	
103-2	The management approach and its components	57	
103-3	Evaluation of the management approach	39; 57	
GRI-418: Marketing and Labeling (2016)			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No substantiated complaints concerning breaches of customer privacy and losses of customer data have been received.	
Topic: Socioeconomic Compliance			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	28; 101	
103-2	The management approach and its components	38	
103-3	Evaluation of the management approach	38-39	
GRI-419: Socioeconomic Compliance (2016)			
419-1	Non-compliance with laws and regulations in the social and economic area	39	
Topic: Image and brand reputation			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	28; 101	
103-2	The management approach and its components	13-14; 16-19	
103-3	Evaluation of the management approach	13-14; 16-19	

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> **Topic-Specific Standards**

GRI Standard	Disclosure	Page number / Link	Reasons for omissions
Topic: Innovation: technology and design			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	28; 101	
103-2	The management approach and its components	13-14; 42-51	
103-3	Evaluation of the management approach	13-14; 42-51	
Topic: Relationship with Institutions and Authorities			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	28; 101	
103-2	The management approach and its components	26	
103-3	Evaluation of the management approach	58-59	
Topic: Attention to enthusiasts			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	28; 101	
103-2	The management approach and its components	13; 22-25; 98-99	
103-3	Evaluation of the management approach	13; 22-25; 98-99	
Topic: Education			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	28; 101	
103-2	The management approach and its components	68-70; 96	
103-3	Evaluation of the management approach	68-70; 96	
Topic: Sport fair play			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	28; 101	
103-2	The management approach and its components	38 Ferrari Code of Conduct	
103-3	Evaluation of the management approach	38 Ferrari Code of Conduct	
Topic: Relationship with sponsors			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	28; 101	
103-2	The management approach and its components	22-25	
103-3	Evaluation of the management approach	22-25	



FERRARI N.V.

Independent Auditor's Report



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

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

Independent auditors' report on the Sustainability Report

To the Board of Directors of
Ferrari N.V.

We have been appointed to perform a limited assurance engagement on the Sustainability Report (hereinafter "Report") of Ferrari N.V. and its subsidiaries (hereinafter "the Group") for the year ended on December 31st, 2018.

Responsibilities of Directors for the Sustainability Report

The Directors of Ferrari N.V. are responsible for the preparation of the Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued in 2016 by GRI - Global Reporting Initiative ("GRI Standards"), as described in the paragraph "Methodology and Scope" of the Report.

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

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

Auditors' independence and quality control

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

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

Auditors' responsibility

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

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

EY S.p.A.
Sede Legale: Via Po, 32 - 00198 Roma
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The procedures performed on the Report were based on our professional judgment and included inquiries, primarily with company's personnel responsible for the preparation of the information included in the Report, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

- Analysis, through interviews, of the governance system and management process of the issues related to the sustainable development regarding the Group's strategy and operations;
- Analysis of the process relating to the definition of material aspects included in the Report, with reference to the criteria applied to identify priorities for the different stakeholders categories and to the internal validation of the process outcomes;
- Understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the Report.
In particular, we have conducted interviews and discussions with the management and the personnel of Ferrari S.p.A. and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of data and information to the department responsible for the preparation of the Report.
Furthermore, for significant information, considering the Group's activities and characteristics:
 - at Group level
 - a) with reference to the qualitative information included in the Report we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
 - b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
 - For Ferrari S.p.A. production facility located in Maranello (Modena), which we have selected based on its activity, relevance to the consolidated performance indicators and location, we have carried out a site visit during which we have had discussions with management and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.
- Analysis of the compliance and internal consistency of the qualitative information included in the Report to the guidelines identified in paragraph "Responsibilities of Directors on the Sustainability Report" of the present report;
- comparison of economic and financial data and information included in the Report with those included in the Group's consolidated Annual Report as of December 31st, 2018 on which we issued our audit report on February 26th, 2018.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that Sustainability Report of Ferrari Group for the year ended on December 31st, 2018 has not been prepared, in all material aspects, in accordance with the requirements of the GRI Standards, as described in the paragraph "Methodology and Scope" of the Sustainability Report.

FERRARI N.V.

> Independent Auditor's Report



Other information

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

Milano, March 28th, 2019

EY S.p.A.

Alberto Romeo
(Partner)







Ferrari