2019

AUTOMOBILI
LAMBORGHINI
ENVIRONMENTAL
STATEMENT

EMAS
VERIFIED
ENVIRONMENTAL
MANAGEMENT
IT-001144

This Environmental Statement provides data and information on the Automobili Lamborghini plant Environmental Management System, as laid out by EMAS (Eco-Management and Audit Scheme) regulations. This is one of the tools specifically adopted by the Council of the European Union with the key aim of underscoring a company's role and responsibility regarding environmental protection.
This Environmental Statement also offers an overview of the environmental projects set up by the Company, including the use of renewable energy, reducing CO_2 emissions and protecting biodiversity.

Company name:	Automobili Lamborghini S.p.A.
Registered office:	Via Modena 12 Sant'Agata Bolognese Bologna 40019
Address of production sites:	Via Modena 12 Via Lamborghini 30 Sant'Agata Bolognese Bologna 40019
Tel.:	+39 051 6817611
Fax:	+39 051 6817644
Website:	www.lamborghini.com
NACE code:	29.10 - Motor vehicle manufacturing
Field of application of the relevant regulation for the Energy and Environmental Management System:	Design, development and production of luxury sports cars, with the manufacture of carbon-fiber parts and monocoques, assembly, finishing, painting and after-sales support all carried out in Sant'Agata Bolognese.
Total workforce at 31/12/2019:	1,787
Total waterproofed surface area:	150,000 m^2
Total surface area within the site devoted to nature:	14,000 m^2
Total surface area outside of the site devoted to nature:	70,000 m^2 (Lamborghini Park)
Chairman & CEO:	Stefano Domenicali
Environmental Manager:	Massimo Scarpenti
E-mail:	massimo.scarpenti@lamborghini.com
Tel.:	+39 051 9597774

Requests for information on environmental matters may be sent to the plant's Environmental Manager, Massimo Scarpenti, at the above addresses.

Environmental Management Audit IT-001144

This Environmental Statement was validated by Accredited Environmental Auditor Det Norske Veritas DNV - GL Business Assurance.

English translation of the document validated in Italian.

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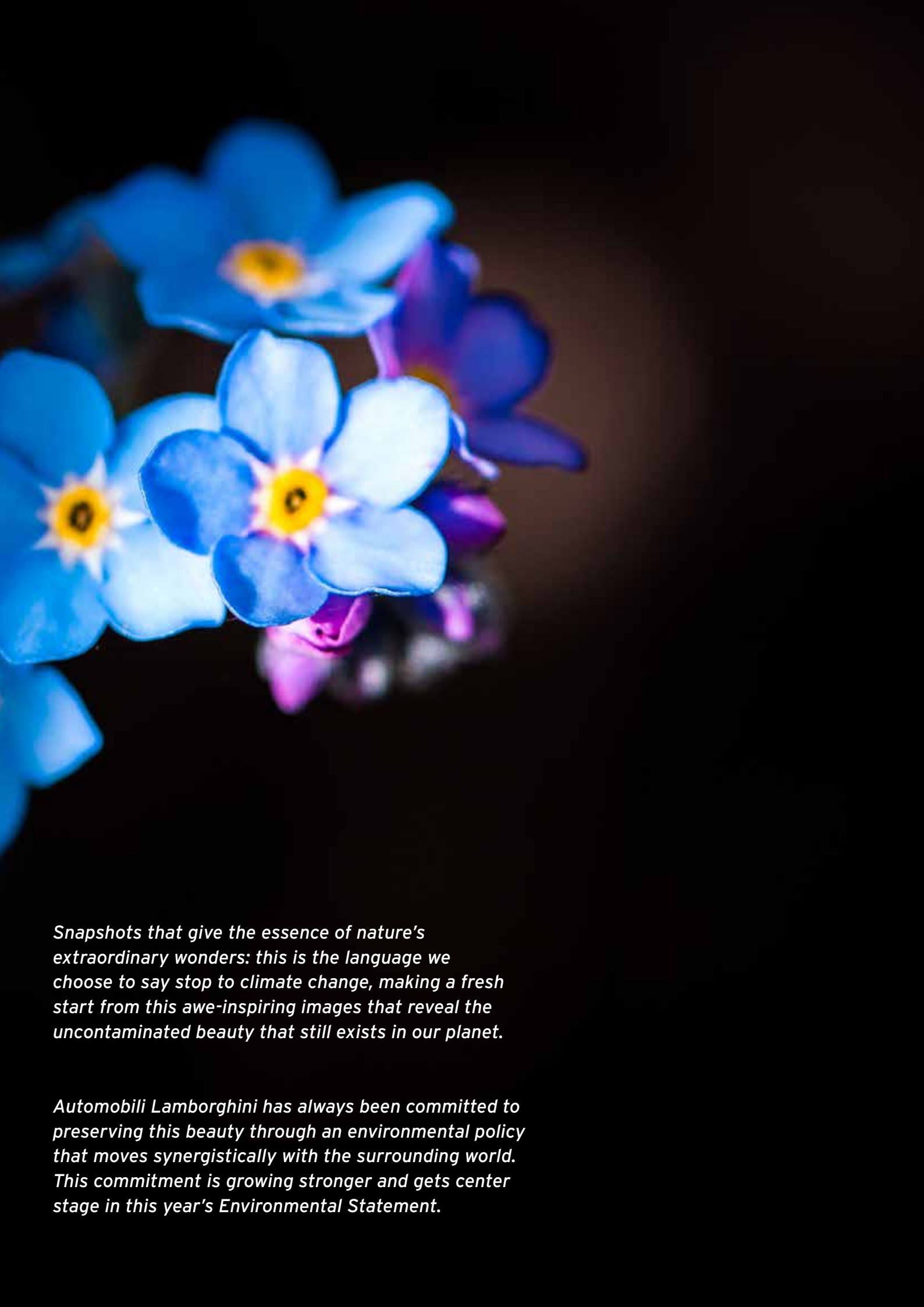
AUTOMOBILI LAMBORGHINI S.P.A.
2019 ENVIRONMENTAL STATEMENT

pursuant to Regulation (EC) 1221/2009 and adapted
to Commission Regulation (EU) 2018/2026
Sant'Agata Bolognese (BO), Italy
Information current at 31/12/2019



Snapshots that give the essence of nature's extraordinary wonders: this is the language we choose to say stop to climate change, making a fresh start from this awe-inspiring images that reveal the uncontaminated beauty that still exists in our planet.

Automobili Lamborghini has always been committed to preserving this beauty through an environmental policy that moves synergistically with the surrounding world. This commitment is growing stronger and gets center stage in this year's Environmental Statement.

BOILER PLATE

Automobili Lamborghini S.p.A.
Founded in 1963, Automobili Lamborghini is headquartered in Sant'Agata Bolognese, a town near Bologna, Italy, and manufactures some of the most sought-after super sports cars in the world.

The Urus – the first Super SUV – was launched in 2017, and it has created a new segment for luxury cars and a reference point in terms of power, performance, driving dynamics, design, luxury and everyday usability.

The Huracán range, heir to the iconic Gallardo, debuted in 2014 with the Coupé model, followed by the Spyder, the rear-wheel drive models, the Performante in 2017, and the Performante Spyder in 2018. The Performante set records on various international raceways. In 2019, the new Huracán EVO was introduced in its Coupé and Spyder versions, equipped with a next-generation V10 engine, sophisticated aerodynamic solutions and advanced driving dynamics control systems.

The Aventador S, in Coupé and Roadster versions, is the new benchmark in the V12 super sports car segment. The Aventador SVJ, unveiled in August 2018, has already established itself as the fastest production vehicle on the famous Nürburgring-Nordschleife track, covering the 20.6 km lap in just 6:44.97.

With 160 dealerships throughout the world, Automobili Lamborghini has created a series of dream cars over its more than 50 years of existence, including the 350 GT, Miura, Espada, Countach, Diablo and Murciélago, as well as limited editions such as the Reventón, Sesto Elemento, Veneno and Centenario.

In 2019, the Lamborghini Sián debuted at the IAA in Frankfurt. The hybrid super sports car brings in new technologies and unparalleled levels of performance, delivering the extraordinary emotions and outstanding dynamic performance of a naturally-aspirated Lamborghini super sports car while meeting the shift toward electrification.

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Foreword by Stefano Domenicali

WHILE THE COMPANY GROWS, OUR COMMITMENT TO THE ENVIRONMENT DOES NOT CHANGE

2019 was definitely the year that gave us our greatest number of achievements. Deliveries to customers all over the world increased by 43%, jumping from 5,750 to 8,205 vehicles, a new record-breaking result as we fuel our growth on a global scale.

Our commitment to the environment is still strong, too. As a Company, we feel our responsibility to make a major and tangible contribution to the crucial theme of sustainability through product and process innovation. We strive to be sustainability trailblazers by developing cutting-edge technologies and virtuous processes that enable us to manage our impact, avoid waste, keep consumption in check and prevent pollution.

In 2019, we were focused on the launch of the new Paintshop for the Urus Super SUV. The Paintshop includes Class A high energy efficiency systems at the cutting edge of technology and latest-generation LED lighting. 95% of the colors used are water-based and solvent emissions are very low thanks to a centralized scrubber system that recovers the heat used in the production process.

We also promoted greater awareness and culture around the theme of sustainability through various campaigns. From our now plastic-free restaurant to educational meetings in collaboration with "The Climate Reality Project", we spared no effort in supporting and encouraging the change, raising awareness among employees on the climate crisis and promoting solutions to counteract its effects through energy transition and sustainable mobility. These meetings have helped us to reflect on the meaning and effects of the climate crisis we are experiencing and to understand what we can do to make a difference.

We were honored to participate in the program and bear witness to the message that we are all responsible in the fight against climate change through our actions toward the environment and our community and that we can all do our part.

Through our Environmental Statement, we wish to underscore the importance for us of pursuing industrial development that considers the community and the wider environment: safeguarding them is the focus of all our actions, and through our work we seek to act as a model for the whole community.

Protecting the world we live in is a key element of our corporate conduct.

That is why all members of the Lamborghini family can think of the Company with great satisfaction and take pride in being part of it.

Stefano Domenicali
Chairman & Chief Executive Officer
of Automobili Lamborghini S.p.A.

The 2025 Strategy

Automobili Lamborghini has undergone a period of great change due to the preparation of its third model, the Urus Super Sport Utility Vehicle, launched at its headquarters in Sant'Agata Bolognese in December 2017. The major challenges that the Company has had and will have to face over the coming years do not end there: the entire car industry is undergoing increasingly rapid change and it is thus essential to have clear long-term goals and priorities.

For this reason, Automobili Lamborghini is continuing with the implementation of its 2025 Corporate Strategy drawn up in 2017 to respond to two main requirements: to define what it wants to be in the coming years, and to decide how to interpret the new trends that will increasingly characterize the car industry in the future, especially sustainability, digitization and urbanization.

The 2025 Strategy is based above all on a question: "Why does Lamborghini exist?" The answer - the vision - is very clear: "To be the icon of luxury super sports cars".

In line with this vision, the Company set itself some measurable targets, key among which regards sustainability.

Automobili Lamborghini intends to conduct its business sustainably, including in environmental terms, both regarding the reduction of its fleet emissions and the containment and offsetting of CO_2 emissions, so as to continue to receive CO_2 neutral certification – a huge challenge given the significant industrial growth the Company will undergo over the coming years.

Aside from sustainability, the Company intends to continue to be an employer of choice. In this way, it reconfirms its commitment to the world around it, and contributes ethically and responsibly to the future for current generations and for those to come.

LAMBORGHINI AS AN ETHICAL COMPANY

Identifying sustainability as a Company objective within the 2025 Strategy is a strong undertaking of responsibility to our stakeholders and to the community where the Company operates every day. Sustainability, for Automobili Lamborghini, really is a duty, a commitment to the world around it that brings with it a dual responsibility, not just as a Company but also as a highly visible Brand. Policies of responsibility, if they are directed well, can give impetus to virtuous processes in today's way of doing business.

Economic growth in and of itself is, indeed, not sufficient; development is genuine and has value only if it improves quality of life in a lasting manner, thus safeguarding the foundations of our society.

Sustainable Business

Automobili Lamborghini increasingly identifies itself as a Company operating according to ethical principles that, therefore, cannot disregard the need to adopt guidelines as a framework for its actions.

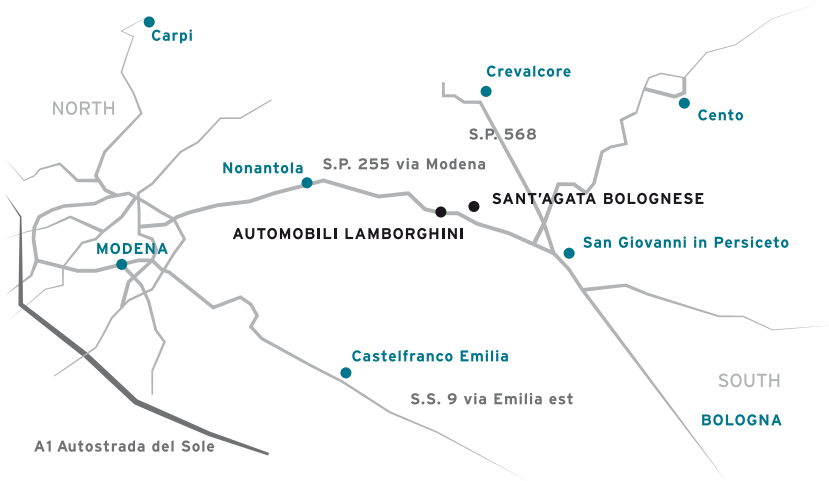
These guidelines should not be considered a list of rules, but rather the commitment which each of us in Lamborghini makes our own, with the ambition of making our area unique by leveraging the corporate culture and the style of doing business which sets the Company apart.

Automobili Lamborghini is, indeed, strongly convinced, both as a Company and a group of people, that the key to success for a company lies in the integrity with which it acts, respecting the law and committed to pursuing its ethical principles.

ENVIRONMENTAL RESPONSIBILITY: A CONCRETE COMMITMENT

1.1 The production process of Automobili Lamborghini

The Automobili Lamborghini production facility is located in Sant'Agata Bolognese, in the Province of Bologna, on a flat area at an altitude of approximately 20 meters above sea level. The first Lamborghini factory was built in 1963 in an area that was once used for farming. The facility has undergone numerous modifications over the years before reaching its current size and configuration. Today the Lamborghini production site has a surface area of approximately 316,000 m². It consists of a number of buildings with a total built-on area of approximately 140,000 m².



Luxury sports cars are designed, developed and produced by Automobili Lamborghini at the Sant'Agata Bolognese site. Operations include: manufacture of the body shell and carbon fiber parts, assembly, painting, finishing and after-sales assistance.

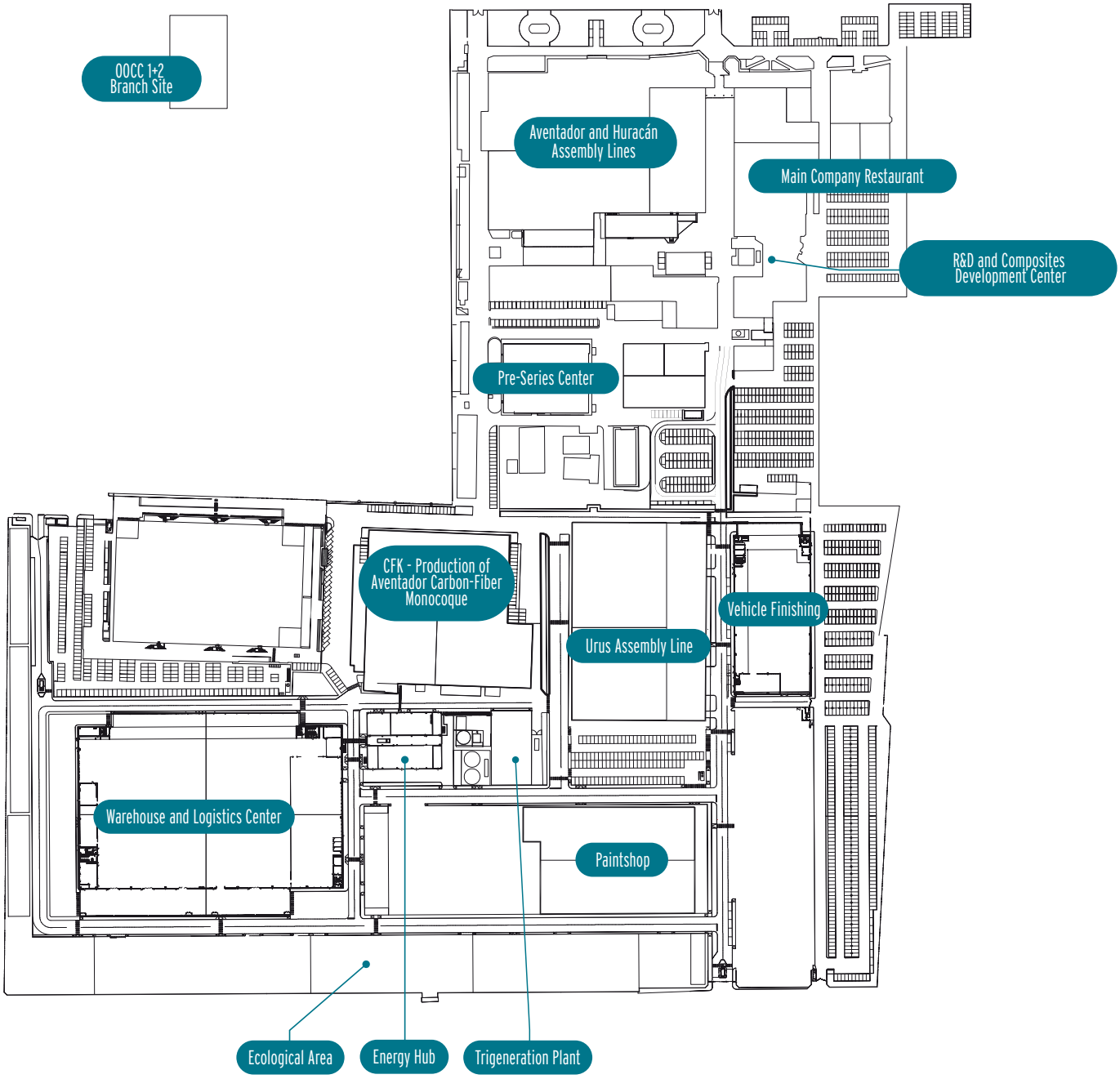
With the acquisition of Automobili Lamborghini Holding S.p.A. by AUDI AG in 1998, the sports car Manufacturer became a wholly-owned subsidiary of the German automobile manufacturer. Through the acquisition, AUDI AG aimed to transfer the quality standards of the Audi Group to the new Italian subsidiary.

In 2019, 8,658 units were produced:

	2017	2018	2019	Unit of measurement
Aventador	1,286	1,217	2,421	no.
Huracán	2,649	2,759	1,004	no.
Urus	121	2,565	5,233	no.
TOTAL	**4,056**	**6,577**	**8,658**	**no.**

In 2019, Lamborghini confirmed its solid growth levels on a worldwide scale. With a 43% growth in deliveries to customers all over the world, the Italian super sports car Brand set a new record, increasing sales of its models for the ninth year in a row.

Production facility - General floor plan



1.2 Environmental policy

Automobili Lamborghini is a Company that specializes in the design and production of luxury sports cars, synonymous with design, power, innovation and craftsmanship the world over. As part of its long-term strategy, the Management Team at Automobili Lamborghini is committed to setting its economic and business goals in accordance with the concept of environmental protection and the ongoing improvement of environmental conditions and energy efficiency.

Automobili Lamborghini is committed to becoming a CO_2-neutral plant and to maintaining that status even in the event of future expansions of the production site. With regards to this commitment, the Company has defined a program for CO_2 emissions, prioritizing where possible internal reduction measures and progressively decreasing the proportion of offsetting.

In carrying out its operations, Automobili Lamborghini endeavors to optimize the consumption of natural resources and of energy and to protect human health. This commitment takes concrete form in the development, application and monitoring of an Environmental Management System and an Energy Management System meeting **ISO 14001** and **ISO 50001** international standards; maintaining **EMAS** registration in order to transparently publicize our results in the environmental field; and our adoption of an **ISO 14064-compliant** monitoring system for the greenhouse gases emitted by the whole Organization.

Automobili Lamborghini is committed to:

- providing the specific skills, technologies and financial resources necessary for the Environmental Management System and Energy Management System to function;
- ensuring full compliance with applicable legislation on environmental protection and on its energy consumption;
- using advanced technologies with limited environmental impact, and is committed to the constant improvement of existing processes. The Company also examines the impact of its new investments and operations on the environment and on energy consumption in order to find the most appropriate solution;
- reducing and preventing polluting emissions by continually monitoring the environmental aspects associated with its operations;
- constantly improving the energy efficiency of its products and processes during the design phase.

The Board of Directors is responsible for the proper operation, updating and improvement of the Company's Environmental Management System and Energy Management System, ensures compliance with the environmental and energy policy guidelines and is responsible for their revision and oversight.

Collaboration and communication with the authorities and political institutions is carried out in a spirit of transparency and mutual trust to ensure an open dialog with all those involved.

When choosing new suppliers, the Company takes into consideration not only the relative environmental and energy aspects, but also the supplier's conduct and practices regarding their environmental impact and energy consumption.

All employees are specifically updated and trained on their area of competence in order to develop a sense of responsibility toward both the environment and energy consumption. All employees must be familiar with the Company's environmental and energy policy and are expected to help reach its improvement goals.

MAIN ACTIONS TAKEN BY AUTOMOBILI LAMBORGHINI S.P.A. IN THE ENVIRONMENTAL FIELD

- Reducing the quantity of waste, where possible, and increasing sorting of waste to promote recycling instead of disposal.
- Monitoring and, whenever possible, minimizing air emissions.
- Reducing and managing waste water/reducing pollutants in waste water.
- Reducing and managing water resources.
- Reducing energy consumption/ increasing energy efficiency.
- Reducing CO_2 emissions.
- Cataloging, monitoring and reducing sources of greenhouse gases (GHG) arising from the manufacture of the body shell and carbon fiber parts.
- Limiting the emission of noise outside the production facility.
- Providing training on environmental topics in order to engage workers and increase their sense of responsibility.
- Strengthening preventive measures required to avoid incidents with a potential environmental impact.
- Strengthening preventive measures required to avoid excessive and unchecked energy consumption.

1.3 The Organization's Environmental Management System

Together, the rules defined for the management of environmental aspects form the Environmental Management System, which aims at the continuous improvement of environmental performance as laid out by **EMAS** regulations and the **ISO 14001** international standard. Automobili Lamborghini was the first Italian automotive Company to obtain EMAS registration in 2009.

In terms of energy, this tool has been further reinforced by the Energy Management System, certified in October 2011 in conformity with the requirements of the **ISO 50001** international standard. Automobili Lamborghini was the first Italian automotive Company to obtain ISO 50001 certification in 2011.

In recent years, the Company has decided to further reinforce its environmental policy on climate by adhering to a voluntary commitment in line with government policies on the Kyoto Protocol and the European Union's "Climate and Energy Package". At the end of 2012 we signed an important agreement with the Italian Ministry for the Environment for defining a Carbon Footprint calculation methodology concerning our production of body shells and carbon-fiber components in the CFK Center and accounting for the corresponding CO_2 emissions produced. This collaboration led Automobili Lamborghini to obtain, for the Composites Site, **ISO 14064** certification in August 2013, as the first Company in the world certified by DNV GL. The certification was extended in 2015 to the entire Sant'Agata Bolognese production plant.

In July 2015, Automobili Lamborghini became the first Company in the world to join **DNV GL's "Carbon Neutrality" program.** The Company is committed to offsetting each year its GHG emissions associated with the use of electricity, natural gas and all fossil fuels used to heat on-site areas and to generate electricity at the Sant'Agata Bolognese production plant by adopting an offsetting program that involves the disclosure, reduction and offsetting of these GHG emissions.

Environmental and energy management involves the engagement of and a commitment from all personnel at every level and in relation to the position held within the Company. All individuals at Automobili Lamborghini involved in environmental and energy matters have been identified, and their roles and responsibilities have been defined.

The organizational structure for managing the Company's environmentally-related activities are illustrated in the following organizational diagram.

2009

FIRST ITALIAN AUTOMOTIVE COMPANY WITH EMAS CERTIFICATION

2013

FIRST ITALIAN AUTOMOTIVE COMPANY WITH ISO 14064 CERTIFICATION

2015

FIRST COMPANY IN THE WORLD UNDER CERTIFICATION BODY DNV GL'S CARBON NEUTRALITY PROTOCOL

L|G
STEFANO DOMENICALI
Chief Executive Officer

The Chairman & Chief Executive Officer is responsible for approving the Environmental Policy and the Environmental Statement, and for appointing a Management Representative for the Environmental and Energy Management System with the authority and responsibility to ensure the System is implemented and maintained. He is also responsible for ensuring compliance with all applicable legislation with regard to environmental, energy and workplace health and safety aspects.

L|G-1
Strategy

L|F
Finance

L|S
Human Capital & Organization

L|Q
Quality

L|M
Project Management

L|V
Commercial

L|K
Marketing & Communication

L|E
Research & Development

L|B
Procurement

L|P
Industrial Area
RANIERI NICCOLI
Management Representative for the Environmental Management System

The Management Representative has the responsibility and the authority for implementing and maintaining the Environmental and Energy Management System in compliance with the Company's Environmental and Energy Policy. He also reports to the Chairman on the status of the Management Systems so that these can be reviewed and continuously improved. He ensures the availability of the human and financial resources required by the System and for pursuing the Environmental and Energy Management Policy and has the responsibility for approving the environmental and energy improvement goals. At Automobili Lamborghini, the position of Management Representative for Environmental and Energy Matters is assigned to the Industrial Manager.

MASSIMO SCARPENTI
Head of Safety, Energy & Environment

The Environmental and Energy Manager oversees operational aspects for the Management Representative and is in charge of defining and managing activities concerning the Environmental and Energy Management System. He reports directly to the Management Representative for Environmental and Energy Matters and is the head of the Safety, Energy & Environment organizational unit, which is dedicated to coordinating all activities provided for by the Environmental and Energy Management System. Two TEAMS have been set up to assist the Environmental and Energy Manager to ensure effective implementation in all Company areas of the Management Systems.

L|P-1
Technology

L|P-2
Logistics

L|P-3
Production

L|P-4
Composites Center

L|P-5
Production Engineering

L|P-6
Paintshop

ECO-TEAM Environment Management Team

The Eco-Team's role is to structure the Environmental Management System and promote its principles throughout the Company. It consists of a representative from each Company department involved in environmental management. Its members are chosen by Management. The Eco-Team meets regularly to check the progress of its projects and goals, and to plan improvements as necessary.
Each member of the Eco-Team is responsible for reporting its activities and publicizing them in the department they belong to.

- Production
- Research & Development
- Logistics
- Human Capital & Organization
- Procurement
- Safety & Environment
- Quality
- Composites Center Technology
- Marketing & Communication
- Manufacturing Engineering (PSC)
- Technical Services
- Paintshop

GREEN-TEAM Energy Management Team

The Green-Team was created to evaluate and develop specific projects for reducing CO_2 emissions and increasing energy efficiency. During 2017, the Green-Team was restructured and expanded to include the following departments: Manufacturing Engineering (Industrialization), Composites Center Technology (CFK Center Process Technologies) and Technical Services (Infrastructure and Systems).

- Energy Manager
- Manufacturing Engineering (PSC)
- Energy Team
- Composites Center Technology
- Technical Services

SIGNIFICANT ENVIRONMENTAL ASPECTS

Automobili Lamborghini S.p.A. analyzes its activities, products and services on a regular basis in order to determine the environmental aspects associated with them.

An environmental aspect is an element of Company's activities, products or services that has impacted or could impact the environment, in other words, one that causes or could cause a change to the environment.

Aspects that the Organization can directly control are taken into consideration, but also aspects over which it is expected to have an influence, such as, for example, activities relative to outsourced services. A life-cycle perspective is thus applied to the analysis of the interactions with the environment.

The aspects having or potentially having significant environmental impacts are determined after identifying all of the environmental aspects, using a methodology that takes the following into account:

- extent of the potential or effective damage on the environment;
- expectations or particular needs of the interested parties, including the parent company;
- technical and organizational adequacy of the methods used to manage the aspect;
- applicable environmental legislation governing the aspect being examined.

Cognizance of significant environmental aspects is taken at the environmental improvement goal defining stage and they are checked or monitored on a regular basis.

The environmental aspects that will be covered in the sections that follow are provided below.

Significant environmental aspects:

- energy consumption
- greenhouse gas emissions
- water consumption
- waste production
- use of substances containing Volatile Organic Compounds
- atmospheric emissions

Non-significant environmental aspects:

- training, information and communication
- biodiversity
- fire prevention and emergency management
- aspects linked to product life-cycle

2.1 Energy use

Energy is one of the most important environmental aspects, and for this reason it is managed via a specific management system, as per the **ISO 50001** standard. The energy sources used by Automobili Lamborghini are electricity and natural gas. Electricity is used to operate plant systems involved in the production process, and for lighting the facilities and air condition the spaces, while natural gas is used mostly for heating offices and industrial areas and to produce domestic hot water. Given the size of the plants and the offices, the proportion of energy used for lighting and air conditioning is greater than that used for the production processes.

From an infrastructural standpoint, Lamborghini has established more restrictive criteria for the construction of its new buildings: as of 2011, all new buildings must be energy class A. The following buildings in particular are energy class A: Pre-Series Center, DESI Training Center, ZP7 Urus, Finishing Line ZP8, Warehouse and Paintshop. The "Torre 1963" class A-rated office building is LEED certified (Leadership in Energy and Environmental Design).

TRIGENERATION

Trigeneration is a highly efficient system that allows electric, thermal and cooling energy to be generated from a single fuel, which in Lamborghini's case is natural gas. The transformation of heat energy into refrigeration power is made possible by the use of the refrigeration cycle via an absorption chiller, whose operation is based on phase changes of the refrigerant in combination with the substance used as an absorbent.

There are two systems, each with an installed power of 1.2 MWh. The installed thermal capacity is 1.190 kWt, and is used during the winter period, from November to March. In the summer (from April to October), the thermal energy produced by the two trigeneration plants is converted into cooling energy (approx. 890 kWh) by two absorption chillers designed for air conditioning applications. The electric energy generated is distributed throughout the Company via a transformer, while thermal and cooling energy is distributed via an underground and overhead internal network.

DISTRICT HEATING

District heating is a form of distance transport of the energy produced by a heating plant through a network of insulated underground pipes, which then returns the water to the same heating plant. Automobili Lamborghini is the first automotive Company in Italy to have a district heating system. This system supplies hot water from a cogeneration plant, which runs on biogas, located in

Nonantola (around 6 km away). The hot water (85 °C) produced by the plant is carried through underground pipes to the Lamborghini facility. Here, the thermal energy supplied is used to air condition the production departments and offices.

District heating
FROM A BIOMETHANE
powered cogenerator

ELECTRIC ENERGY: USE OF RENEWABLE ELECTRICITY

Between 2010 and 2011, Automobili Lamborghini installed a photovoltaic system, to provide electricity for internal use, on the covers of the parking areas, with a power output of 678 kWp and producing approximately 820,000 kWh/year. In 2019, the system allowed a reduction in CO_2 emissions equivalent to 336 tonnes. The remaining portion of electricity used comes from renewable sources and is purchased via "Green Certificates": these certify the renewable origins of the energy sources used from qualified plants. Each certificate has a value of 1 MWh and is issued according to the amount of electricity sent to the grid by qualified systems.

100%
RENEWABLE ELECTRICITY

ENERGY HUB

Construction of the "Energy Hub" was completed in 2017 for centralized supply of different forms of energy and services to the North and South areas. The following technological systems were also built within the Energy Hub:

- water plant;
- cooling plant;
- heating plant;
- compressed air plant.

ENERGY HUB FOR
centralized production
OF ENERGY

In the cooling plant, 4 groups of refrigerators have been installed to generate chilled water (2 water cooled and 2 air cooled). Due to the increased demand for cooling energy from the painting department, the plant's capacity was expanded in 2018 with the installation of 3 new high-efficiency refrigeration units. The new refrigeration units feature magnetic levitation centrifugal compressors that are designed to achieve top-level efficiency using the latest-generation refrigerants (R-1233zd) with a very low global warming potential (GWP).

The heating plant had been initially equipped with two 2.7MW-capacity boilers. In 2018, the plant's capacity was expanded with a new 6.3MW-capacity boiler in order to meet the increased demand from the new painting department.

The Energy Hub includes a heat exchanger, which is in turn connected to the lines from the trigeneration and district heating plants. The latter supply input thermal energy (during the winter season) and cooling energy (during the summer) to contribute to the air conditioning needs of the North and South areas.
A boiler/refrigeration unit/trigeneration and district heating sequence system always prioritizes the operation of the latter two.
This makes it possible to prioritize the consumption of hot water recovered from the district heating plant and the two CHP (Combined Heat and Power Systems), leaving the traditional high-efficiency boilers and high-EER (Energy Efficiency Ratio) refrigeration units as backups.

Through underground and overhead piping, the Energy Hub then distributes to North and South area consumer units.
The North area is also equipped with heating and cooling plants that operate synergistically with the Energy Hub distribution system.

Centralizing the energy flows in the Energy Hub is key above all for defining an integrated control logic of the usage priorities of the different production technologies.

Torre 1963

LEED PLATINUM

(LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN)

The project stands out for its energy efficiency and efficient use of water, internal comfort and visual connection with the exterior, as well as for the inclusion of green areas in a production site mainly featuring asphalt-covered surfaces.

92 points

THE HIGHEST SCORE IN ITALY

PAINTING

The building housing the new Paintshop at the service of the production department was opened in 2019.
The building was designed to support specific process equipment for highly automated operations.
The building has a surface area of approximately 20,000 m^2. The bearing structure consists of a prefabricated reinforced concrete frame with a regular mesh and cladded with prefabricated insulated panels. In terms of plant engineering, a compressed air plant serves the entire building.

The building has the following characteristics:

- energy class A3;
- high luminous-efficiency lighting system with LED lamps and LED ceiling lights;
- the highly efficient Energy Hub plants supply thermal energy, cooling energy and water through an exchange substation to partly meet the building's requirements.

PERFORMANCE

In order to have a clear understanding of the production plant's energy performance, the internal energy flows that are currently used to meet the plant's requirements must be analyzed. A diagram is given below showing the energy supply, internal transformation and requirements necessary for the buildings and processes to operate correctly.

SUPPLY BALANCE			DEMAND BALANCE	
Electricity from the grid			Cooling energy from electric refrigeration units	CONSUMER UNITS
			Thermal energy from heat pump	
			Cooling energy from heat pump	
			Elect. for other uses	
Elect. from PV	Elect. purchased from PV Solar 3		Elect. purchased from PV Solar 3	
Mains natural gas	Mains natural gas	INTERNAL TRANSFORMATION	Self-produced and self-consumed elect. from CHP1	
			Thermal energy from CHP1	
			Cooling energy from absorption chiller 1	
			Self-produced and self-consumed elect. from CHP2	
			Thermal energy from CHP2	
			Cooling energy from absorption chiller 2	
			Process natural gas (Paintshop)	
			Thermal energy from heating plants	
Heat energy from dist. heating	Thermal energy from district heating		Thermal energy from district heating	
			Cooling energy from district heating absorption chiller	
Gasoline	Gasoline		Gasoline	

The complexity of the systems at the Automobili Lamborghini production facility has made it necessary to develop two different types of energy balance: supply and requirement.

Both approaches are required to correctly deal with the Company's energy trends, and each allows us to obtain specific information.

The supply balance allows us to obtain important information on the tonnes of CO_2 produced to satisfy the energy requirements of the production site, as well as being necessary for the analysis of the economic flows related to the energy supply from the grid. It thus represents all incoming energy sources at the production site.

The demand balance, on the other hand, allows us to assess the real efficiency of the Company's energy system. As a matter of fact, the efficiency measures undertaken in the improvement plans have allowed growth of the energy demand to be contained, taking on the significant expansion in production and the heated and cooled areas in recent years in an expedient manner.

The data for the three-year period 2017-2019 are given below:

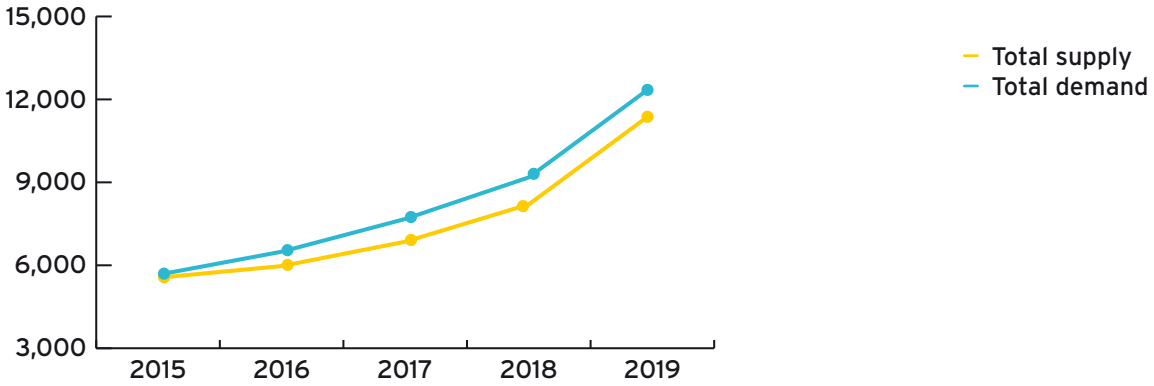
12,583
TOE/year
IS THE OVERALL REQUIREMENT OF ELECTRIC ENERGY, NATURAL GAS, THERMAL ENERGY, COOLING ENERGY AND GASOLINE RECORDED IN 2019

TOTAL ENERGY CONSUMPTION [TOE/YEAR]

DEMAND BALANCE	2017	2018	2019
Electric energy [TOE/year]	4,560	5,205	6,938
Natural gas [TOE/year]	0	0	459
Thermal energy [TOE/year]	1,981	1,690	2,994
Cooling energy [TOE/year]	763	1,293	1,535
Gasoline [TOE/year]	372	477	473
Total	**7,676**	**8,665**	**12,583**

SUPPLY BALANCE	2017	2018	2019
Electric energy [TOE/year]	4,069	4,565	6,554
Natural gas [TOE/year]	2,264	2,853	5,264
Thermal energy [TOE/year]	148	580	292
Cooling energy [TOE/year]	0	0	0
Gasoline [TOE/year]	372	477	473
Total	**6,853**	**8,474**	**12,399**

In 2019, the overall demand for electric, thermal and cooling energy and for gasoline (total energy requirement) reached 12,583 TOE, increasing by about 4,109 TOE over 2018 (+48%). The increase is due mainly to the increased production of the Urus model and the new Paintshop, which led to greater use of the various energy sources.



The difference between the total demand and the total supply represents the portion of energy that was produced in-house through the PV, trigeneration and district heating plants.
Despite the conspicuous increase of the energy requirement, the plants mentioned above were able to keep up with the increasing trend efficiently in order to limit energy supply from mains supply systems as much as possible.

Indicators

Continuous monitoring of consumption is not, however, sufficient to delineate the actual trend in the energy performance of processes and buildings. For this reason, specific significant energy indicators are defined.

The energy indicators are always composed of two fundamental values: Energy Consumption and Energy Drivers. The Energy Drivers represent independent variables which correlate closely with the energy consumption of the Company structure.

The two most significant indicators for the production site consumption type are:

- consumption of thermal energy per Winter Degree Days per unit of heated volume (TOE/Win.DD*Vheat.);
- consumption of cooling energy per Summer Degree Days per unit of cooled volume (TOE/Sum.DD*Vcool.).

The choice of these indicators has made it possible to standardize the consumption of thermal energy for winter and summer climatic conditions (Degree Day) and the volumes heated and cooled (Vheat. and Vcool.).

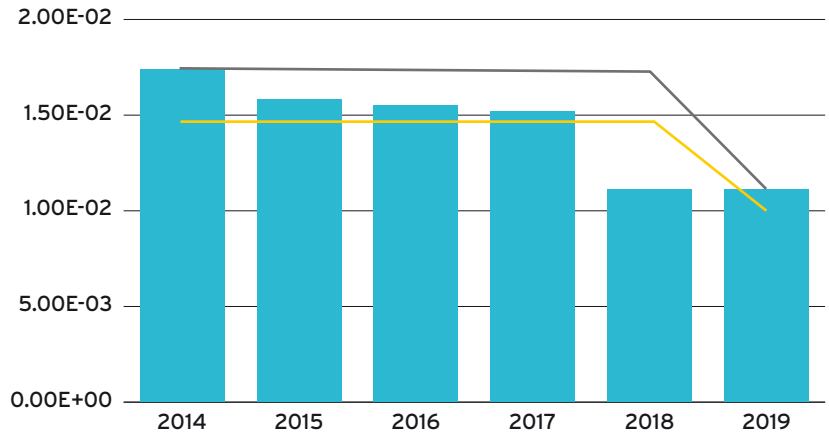
The following is the historical trend of the two energy performance indicators mentioned above.

-33%

CONSUMPTION OF THERMAL ENERGY PER WINTER DEGREE DAYS PER UNIT OF HEATED VOLUME COMPARED TO 2014

kWhh/(Win.DD*Vheat.)

Thermal energy trend

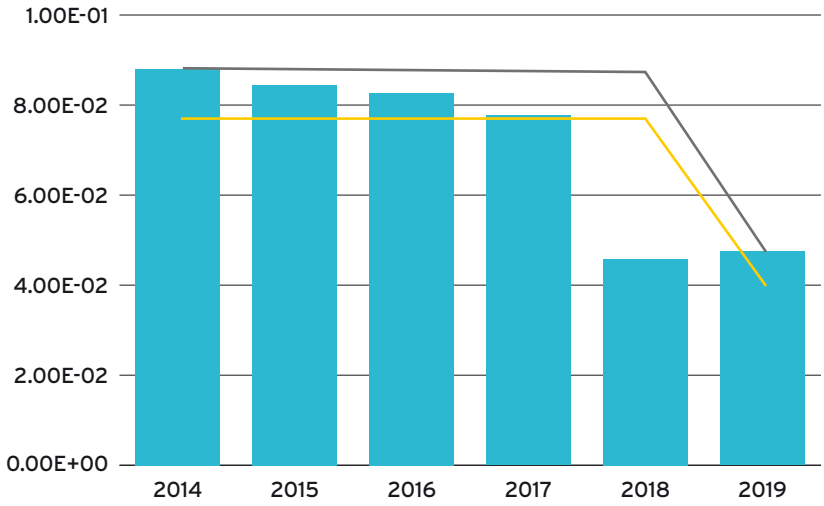


-43%

CONSUMPTION OF THERMAL ENERGY PER SUMMER DEGREE DAYS PER UNIT OF VOLUME COOLED COMPARED TO 2014

kWhc/(Sum.DD*Vcool.)

Cooling energy trend



	2017	2018	2019
Thermal energy TOE/Winter Degree Days*Vheated	1.52E-02	1.11E-02	1.16E-02
Cooling energy TOE/Summer Degree Days*Vcooled	7.77E-02	4.58E-02	4.98E-02

Specific analysis of these values highlights a significant decrease for both indicators in the years after 2014 and a stabilization of the index in the last 12 months. On a historical level, the continuous decrease of the index was driven by the extremely high thermal and cooling efficiency of the buildings resulting from their envelopes, which offer higher performance than an average industrial building. Moreover, the heating and cooling energy supplied comes from a centralized system in the Energy Hub, which combines different technologies with high efficiency ratios.

In the energy system currently under consideration, further indicators to track the efficiency of the improvement plans implemented by the Company are also taken into account:

	2017	2018	2019
Main production site electric energy/vehicle [kWh/vehicle]	11,370	7,890	10,332
ZP7-ZP8 electric energy/vehicle [kWh/vehicle]	/	588	412
CFK electric energy/body shell [kWh/vehicle]	5,193	4,210	4,015
Main production site thermal energy/vehicle [kWh/vehicle]	5,111	4,233	3,245
Main production site cooling energy/vehicle [kWh/vehicle]	2,888	2,845	2,504
Gasoline consumption/vehicle [liters/vehicle]	116	92	69

Objectives

Automobili Lamborghini has made a commitment to achieve a 35% reduction in electricity consumption (specific per vehicle) by 2025 over its 2010 baseline. The following table shows the trend of the indicator over the past three years:

	2010 Reference Value	2017	2018	2019
Total electric energy consumption per vehicle produced [kWh/vehicle]	15,447	11,370	7,890	10,332
Reduction % achieved	-	- 26.3%	- 48.9%	- 33.1%

-33.1%

TOTAL ENERGY CONSUMPTION PER VEHICLE PRODUCED [KWH/VEHICLE] VS. 2010

Several improvement actions were defined in relation to these goals, as shown in the following table, that will contribute to bring down the consumption of electric, thermal and cooling energy:

Title	Goal	Actions	Timeframes	Status	Notes
ENERGY CONSUMPTION	Remote monitoring and management of energy consumption.	Remote management of electric, thermal and cooling energy consumption over software platform.	Dec-18	COMPLETED	
ENERGY CONSUMPTION	Automated management of trigeneration/ district heating system.	Implementation of joint management system Trige1-Trige2-TLR for optimized running of the plants.	Dec-18	COMPLETED	
ENERGY AUDIT	ENERGY AUDIT of entire plant.	Updated audit of the sites to measure the energy level of the buildings and of the utility systems serving the production process that have the greatest energy impact.	Dec-19	COMPLETED	
RENOVATION of Heating Plant 5	Energy resource savings.	Replacement of manifolds and flow and return pipes, new insulation, new exchange heater with trigeneration circuit, replacement of old pumps with more efficient new ones.	Aug-19	COMPLETED	
INSULATION OF PIPES - SSC HEATING PLANT	Energy resource savings.	Insulation of the supply pipes in the unit heaters at the SSC department.	Jan-20	COMPLETED	
LED INSTALLATION - OOCC 1 EXTERIOR LIGHTS	Energy resource savings.	Replacement of the lights outside the OOCC 1 department with LED lights (night lighting).	Dec-19	COMPLETED	
ROOFTOP CONTROL - ZP7 / ZP8 DEPARTMENTS	Energy resource savings.	Installation of a rooftop control system for air conditioning of the ZP7 and ZP8 departments, remote management over SCADA platform.	Feb-20	COMPLETED	Extension of the rooftop control system currently in progress also for the department's air treatment unit.

Title	Goal	Actions	Timeframes	Status	Notes
ELECTRIC VEHICLE CHARGING STATIONS	Provision of free electric vehicle charging infrastructure for employees in order to encourage electric vehicle use. Reduction of traffic-related CO_2 emissions and noise.	Installation of new electric vehicle charging infrastructure in the employee parking lots.	Dec-20	IN PROGRESS	
RENOVATION of Heating Plant 3A/3B	Energy resource savings.	Rehabilitation of the electrical system, replacement of old pumps with more efficient new ones, rehabilitation of the distribution manifolds and new insulation.	Aug-20	DESIGN IN PROGRESS	
BUILDING AUTOMATION SYSTEM FOR NORTH AREA LIGHTING CONTROL	Energy resource savings.	Building automation system to control the lighting systems at North area departments; remote control management with dedicated software.	Jun-20	IN PROGRESS	
PILOT PROJECT FOR INPUT POWER MONITORING AND CONTROL AT SSC AND R&D DEPARTMENTS	Energy resource savings.	Pilot project for installation of input power monitoring and control systems at North segment departments (SSC, R&D).	Aug-20	IN PROGRESS	
NORTH ENERGY HUB	Creation of an Energy Hub at the North area for centralized production of cooling energy.	Decommissioning of part of the refrigeration units serving the North area and centralization of the cooling energy through high-efficiency plants.	Jan-23	IN PROGRESS	

2.2 Greenhouse gas emissions

Annual greenhouse gas emissions are expressed in tonnes of CO_2 equivalent and are calculated by Automobili Lamborghini through the preparation of an emission inventory showing the amount of CO_2 produced each year by the entire production process (Carbon Footprint), as set out in the **ISO 14064** standard. The following are included in the scope of the audit as per the standard of reference:

- all fixed and mobile combustion sources (natural gas, gasoline and diesel) and all leaks of refrigerant from cooling systems (Scope 1);
- production of consumed electricity (indirect energy sources), and heat imported by district heating (Scope 2);
- transmission and distribution losses of natural gas and electricity consumed on the operational site (other indirect sources, Scope 3).

Automobili Lamborghini has been offsetting the portion of GHG emissions from the use of electricity, natural gas and all fossil fuels used for heating its buildings and generating electricity at the Sant'Agata Bolognese production site ever since 2015, in compliance with the **DNV GL Carbon Neutrality protocol**. These emissions represent about 90% of the total emissions accounted for in the inventory.

RESULTS OF THE 2019 AUDIT

Automobili Lamborghini S.p.A.'s total greenhouse gas emissions in 2019 were 26,200.7 tCO_2e, broken down as follows:

	2017 tCO_2	2018 tCO_2	2019 tCO_2
Scope 1 emissions	7,617	8,924	14,125
Scope 2 emissions	7,067	7,629	10,299
Scope 3 emissions	1,017	1,152	1,776
Total GHG emissions	**15,702**	**17,705**	**26,200**
Emissions included in the neutrality protocol	**14,122**	**16,180**	**23,665**
Emissions per vehicle produced [tCO_2/vehicle]	**3.87**	**2.69**	**3.02**

In 2019, the emissions source with the greatest impact for the Company were Scope 1 direct emissions (54% of the total), followed by Scope 2 emissions associated with electricity use (about 39% of the total). Within Scope 1, emissions associated with natural gas consumption had the greatest impact

(80%), followed by those associated with gasoline consumption (10%), with the consumption of refrigerant gases added to refrigeration systems (7%), and with business trips (2%).

The increase of emissions in 2019 is due mainly to the increased production of the Urus model and the new Paintshop, which led to greater use of the various energy sources.

26%

OF CO_2 EMISSIONS REDUCED IN 2019 THANKS TO IN-HOUSE ENERGY EFFICIENCY PROJECTS AND USE OF RENEWABLE ENERGY

INTERNAL REDUCTION OF CO_2 EMISSIONS

The report of the reductions obtained during the three-year period 2017-2019 is given below:

Internal reduction of GHG emissions

	Date of implementation	Reduction achieved 2017 tCO_2	2018 tCO_2	2019 tCO_2
Trigeneration 1	May-15	255.69	428.49	244.68
Trigeneration 2	Oct-17	58.77	18.69	468.30
District heating	Jun-15	281.16	615.25	459.77
Photovoltaic system	Jan-15	329.68	336.79	336.07
Sunshade system	Jan-15	101.41	100.36	100.36
Replacement of lighting with LED lighting systems	Jul-15	4.92	4.92	4.92
Replacement of doors and windows in the production department	Jan-16	129.59	129.59	129.59
Efficient heat recovery system (steps 1 + 2)	Jan-16	401.06	401.06	401.06
CFK cabin supervision system	Sept-16	785.55	785.55	785.55
Replacement of pumps of Heating Plant 5	Sept-19	-	-	3.69
Installation of automatic ZP8 Rooftop switching (ON/OFF)	Dec-19	-	-	18.55
TOTAL REDUCTION IN EMISSIONS [tCO_2]		**2,347.82**	**2,820.69**	**2,952.52**

Indicator

2018 GHG Emissions Reduction Annual Ratio (R_a)	2017	2018	2019
AR = GHGE-AVR / GHGE-ACB	0.806	0.791	0.795

In 2019, the annual ratio between Annual Verified Residual GHG emissions and Annual GHG emissions from the Corrected Baseline was equal to 0.795.

In contrast to the previous years, the 2019 ratio shows an increasing trend compared to the 2018 ratio. In fact, unexpected technical issues came up during the year that prevented the trigeneration and district heating plants to run at full capacity.

OFFSETTING OF

CO_2 emissions

THROUGH PURCHASE OF

Carbon Credits

CO_2 EMISSIONS OFFSETTING

Lamborghini's commitment ever since 2015 has been that of maintaining the manufacturing facility CO_2 neutral in the years to come.

Offsetting the CO_2 emissions from the use of electricity is performed through the purchase of "Green Certificates": these certify the renewable origins of the energy sources used from qualified plants. Each certificate has a value of 1 MWh and is issued according to the amount of electricity sent to the grid by qualified systems.

The remaining CO_2 emissions are offset by purchasing "Carbon Credits": 1 "carbon credit" represents the unit of reduction or removal of greenhouse gases generated by a project, corresponding to 1 tonne of CO_2 equivalent, which is admissible for exchange and sale on a market. All credits are certified and recorded in the Eco2care VER (Verified Emissions Reduction) Register managed by CE.Si.S.P. – Inter-University Center for Development of Product Sustainability – in Genoa.

CO_2 EMISSIONS OFFSETTING PROJECTS

Project	Origin	Description
BICYCLE MOBILITY	Italy - City of Bologna The **Bologna Carbon Market** (BoCaM) is a market for voluntary carbon credits developed at the local level by the City of Bologna.	Creation of city cycle lanes and urban reforestation operations linked to bicycle mobility. *Notes:* *The project came to an end in 2017.*
CARBON CAPTURE & STORAGE	Italy Sustainable agriculture project: **"Valle Capitania"** in the Province of Rovigo. **"Valle Lagunare"** - Val Dogà, Caposile - Venice.	Natural CCS - Carbon Capture and Storage - mechanism. Using the natural mechanism of brackish water which captures atmospheric CO_2 and transfers it to the underwater photosynthetic systems (algae and aquatic plants), the lagoon collects CO_2 and stores it, naturally and without any artificial mechanism, in the muddy subsoil. This is a natural process which is enhanced by the traditional and historic activity of these fishing lagoons (dating back to the 5th century), and implies sustainable, optimal environmental management for carbon dioxide capture.
REFORESTATION	Italy Planting of bamboo trees for increased greenhouse gas emission removal. **Società Agricola Bambù S.r.l.** – Municipality of Montemilone (PZ).	Reforestation of intensive grass farmland with a bamboo forest for maximized trapping of greenhouse gases and protection of the soil from hydrogeological risks and erosion. Bamboo roots soak water like a sponge. Thanks to their dense network in the subsoil, they represent an excellent solution against hydrogeological instability and a natural and effective sewage water and air purifier, removing a large amount of CO_2 (carbon dioxide). Through photosynthesis, the bamboo plantation naturally takes in CO_2 from the atmosphere in greater amounts compared to other trees. It can hold up to 4 times more CO_2 than a young forest, producing 35% more oxygen.

100%
OFFSET RESIDUAL EMISSIONS

FINAL STATEMENT OF CO_2 EMISSIONS

The greenhouse gas emissions sources which have been offset in the past three years:

	2017	2018	2019
TOTAL OFFSET EMISSIONS [tCO_2/year]	**14,122.10**	**16,180.10**	**23,665.10**
Purchase of Green Certificates for electricity	- 7,520.48	- 8,096.31	- 10,915.19
Purchase of Carbon Credits	- 6,601.63	- 8,083.79	- 12,749.91
Residual emissions	0	0	0

All information relating to the method used to identify the operational boundaries, to determining the GHG emissions associated with them, to identifying the actions which aim to minimize these emissions and to the summary of the results obtained are detailed in the Neutrality Report, an internal document prepared by the Environmental Manager and audited by the certification body.

2.3 Water consumption

Working towards water sustainability is a topic of key interest to companies today because of the environmental impacts of water consumption, including the reduction of the water resource, which is necessary for life, and the loss of quality after its use. Committing to a reduction in our water consumption means investing in new technologies, studying the processes in depth and preparing ourselves for the possible future scenarios.

USE OF WATER RESOURCES

Water for Automobili Lamborghini premises is taken from the mains supply and from wells belonging to the Company. The water taken from the mains supply mostly serves non-industrial purposes (bathrooms, cafeteria services and cleaning). In recent years, the Company has shown a strong commitment to decreasing the use of drinking water by progressively increasing its use of well water. The underground water sourcing network consists of 4 wells that currently supply the system serving the production process, the water tests and vehicle and body shell washing, topping up of the autoclave coolant water, the air cooling and treatment systems, and the irrigation of green areas.

As laid down by Decision (EU) 2019/62, the Company is in the process of implementing several environmental management best practices related to the sustainability of its own processes. The aim is to improve its water-use efficiency.

The following water saving solutions are already in place:

- high-efficiency body shell wash robot that uses heated water from the autoclaves' work cycle;
- partial recycling of the water used in the water tests and for washing the vehicles;
- rainwater collection tank for irrigation of the green areas around the Office Block.

Our planned future actions include:

- installation of section valves on the internal system in order to divide it all into sections and promptly detect whether a section has any leaks or not. Over the course of the coming year, in order to measure the leaks, two continuous flow meters will be installed on the connection points to the water mains, and volumetric meters at strategic points in order to monitor consumption and leaks;
- investigate the option of recycling part of the industrial waste water downstream the treatment plant.

Performance

In 2019, the total water consumed was 253,651 m^3, an overall increase of about 50,000 m^3 over 2018 (+24%). This is due mainly to the increased production of the Urus model and the new Paintshop, where the air treatment systems require a higher amount of water. Well water usage in 2019 represented 67% of the total water used.

	2017	2018	2019
Annual potable water consumption [m^3/year]	86,875	98,341	84,736
Annual well water consumption [m^3/year]	58,143	106,619	168,915
Total annual water consumption [m^3/year]	**145,018**	**204,960**	**253,651**

67%
WELL WATER

Indicators

Indicators were defined to represent Automobili Lamborghini's use of water, relating potable water to the number of employees (non-industrial use) and well water to the production of vehicles or body shells (industrial use). The data for the three-year period 2017-2019 are given below:

	2017	2018	2019
Potable water consumption per employee [m^3/employee]	54	56	47
Well water consumption per vehicle produced [m^3/vehicle]	14	16	20

The prompt repair of two major leaks in the old section of the facility resulted in a reduction of the specific consumption of potable water over 2018.

The water used for industrial purposes increased significantly in 2019, in contrast with the consumption trend in the two previous years which was consistent with the number of vehicles produced. This shows that the Paintshop has created a high water requirement resulting from the need to humidify the air in the work environments and to refill the evaporating towers with water in order to cool the department.

-35%
BY 2025

Objectives

Automobili Lamborghini has made a commitment to achieve a 35% reduction in water consumption (specific per vehicle) by 2025 over its 2010 baseline. The following table shows the trend of the indicator over the past three years:

	2010 Reference Value	2017	2018	2019
Total water consumption per vehicle produced [m^3/vehicle]	46.2	35.8	31.2	29.3
Reduction % achieved	-	- 22.6%	- 32.5%	- 36.6%

Several improvement actions were defined in relation to this goal, as shown in the following table, that will contribute to bring down the consumption of water:

Title	Goal	Actions	Timeframes	Status	Notes/Updates
ANALYSIS OF THE WATER CYCLE	Analysis of the water cycle with the goal of identifying water uses.	- Identifying water-intensive uses. - Installation of new distributed water meters. - Monitoring of partial and overall consumption. - Defining an improvement program for the processes in which water consumption is particularly significant. - Implementing the reduction plan for the selected processes (measures entered in the prospect registry).	Dec-16 Dec-17	COMPLETED	Action for Autoclave 1 (ACRC) water recovery system – project entered in the prospect registry.
RECOVERY OF THE WATER DISCHARGED BY THE PURIFICATION PLANT	Reduced consumption of industrial water [up to ~10 m^3/hour over the summer months].	Creation of a system for recovering the industrial waste water discharged by the purification plant connected to the Energy Hub.	Dec-20	GOAL SUSPENDED	A technical feasibility analysis is under way for recycling, in the Energy Hub, part of the Paintshop process condensate (as much as 10 m^3/hour in the summer period alone) currently being sent to the industrial waste water discharge.

Title	Goal	Actions	Timeframes	Status	Notes/Updates
AUTOCLAVE 1 WATER RECOVERY SYSTEM	Installation of a water recovery system at Autoclave 1 [-5,400 m^3/ year].	- Equipping Autoclave 1 in the composite materials department with a closed-circuit water recovery system like for Autoclave 2. - Inspection and feasibility study. - Design. - Implementation of the measure.	Dec-17	GOAL SUSPENDED (entered in the prospect registry)	Goal discontinued: due to a re-layout of the area, the autoclaves were moved to an area without enough space to accommodate a water cooling and recovery tank (action entered in the prospect registry). October 2019: possible opportunities for implementation are currently being assessed in view of the plan to modify the facility's existing layout.
REMOTE MANAGEMENT OF WATER METERS	Remote monitoring of water consumption and leaks.	- Mapping of the meters throughout the facility and their remote management. - Installation of meters for division of the old section.	Dec-20	POSTPONED IN PROGRESS	Mapping of meters completed. Waiting for the closure of the call for tenders for the installation of measuring instruments.
LIMITING WATER CONSUMPTION IN THE OOCC DEPARTMENT	Limiting the consumption of the potable water used in the OOCC 1 and 2 departments for the plants' cooling process. [avoided consumption of about 23,000 m^3/year].	Installation of a cooling plant for chilled water production and its ring distribution system to the consumer units needing cooling.	Jun-21	NEW GOAL	Feasibility study completed with successful outcome. Awaiting approval of the project.
REDUCTION OF WELL WATER CONSUMPTION	Reduced consumption of industrial water [~5,000 m^3/ year].	Installation of a refrigerator serving the RTM (CFK) line to cool the thermoregulator heat exchanger water; the thermoregulators currently use disposable softened water for cooling.	Dec-20	NEW GOAL	NEW GOAL

2.4 Waste production

The main type of waste produced in the facilities of Automobili Lamborghini is listed below.

Hazardous/non hazardous special waste:

- paper and cardboard packaging, wood, mixed materials, iron;
- contaminated rags (for surface cleaning);
- booth filters (painting, lamination, grinding, sandblasting, etc.);
- paint, solvent and sealant (from painting process) residues;
- wash water and solvent-contaminated waste water solutions (from painting process);
- waste abrasive materials (from sandblasting and machine-tool working);
- emulsions (machine tools);
- sludge;
- contaminated steel and plastic packaging;
- iron, steel and aluminum waste from demolitions;
- car parts, tires and end-of-life vehicles (quality rejects, prototypes, motorsport or crash-test vehicles);
- carbon fiber scraps (from the Composites Site).

Waste similar to urban refuse: paper, plastic, glass and organic waste from canteen facilities, refreshment areas and offices.

The temporary waste storage area covers a surface area of about 4,500 m^2, and includes a dedicated porter's lodge, a bridge scale, a covered area for loading forklifts and a warehouse for the storage of hazardous waste. Paved areas in high-strength concrete were created in the outside yard for positioning all containers, the stationary presses, and the boxes and tanks required for separated collection of the materials from the production departments. Specialized workers collect, sort and transfer all the special waste produced in the entire factory to the Ecological Area.

With reference to Decision (EU) 2019/62, the Company has already implemented several best environmental management practices related to the sustainability of its own processes. The aim is to reduce its production of waste. These practices include:

- defining waste collection and sorting procedures and methods;
- measuring and monitoring waste production on a regular basis;
- including a clause in our contracts with waste disposal contractors to avoid sending as much waste out to the landfill as possible and promote its recycling. Lamborghini has made a request to give priority to recycling over landfill disposal in the technical specifications of the waste disposal contract.

Indicators

Indicators were defined to represent, in detail, Automobili Lamborghini's production of waste in relation to the number of vehicles produced:

- total annual production of waste per vehicle produced [total kg/year*vehicle];
- total annual production of waste sent out for disposal per vehicle produced [kg sent out for disposal/year*vehicle].

80%
OF WASTE SENT OUT FOR RECYCLING IN 2019

The waste production data for the three-year period 2017-2019 are given below.

	2017	2018	2019	Unit of measurement
Non-hazardous waste sent for recycling (excluding metal waste)	678	945	970	t/year
Non-hazardous waste sent for disposal	194	169	116	t/year
Hazardous waste sent for recycling	212	235	357	t/year
Hazardous waste sent for disposal	305	231	286	t/year
Metal waste	187	245	281	t/year
Waste not linked to production	299	0	50	t/year
Total annual production of hazardous waste	**718**	**466**	**646**	**t/year**
Total annual production of waste	**1,874**	**1,825**	**2,063**	**t/year**
Total annual production of waste per vehicle produced	**462**	**277**	**238**	**total kg/ year*vehicle**
Total waste sent for disposal per vehicle produced	**122.99**	**60.82**	**47**	**kg of waste sent out for disposal/ year*vehicle**

The total amount of waste produced in 2019 was **2,024** tonnes, an 11% increase over the previous year.

Growth of production volumes led to increased scrapping of vehicle components and end-of-life vehicles.

The opening of the new Paintshop in July 2019 led to an increase of:

- booth filters;
- waste water solutions from equipment washing activities;
- organic solvents and paints.

In addition, the sludge produced by the chemical-physical treatment plant has increased significantly due to the higher volume of water discharged.

Instead, the portion of waste not linked to production came from the exceptional disposal of insulation material from buildings damaged by extreme weather events, and from the one-off scrapping of a measuring machine, mostly made of granite, from the Quality Department.

The indicators show a positive trend throughout the whole three-year period.

-35%
BY 2025

Positive trend
FOR THE WHOLE THREE-YEAR PERIOD

Objectives

Automobili Lamborghini has made a commitment to achieve a **35%** reduction in the production of waste sent out for disposal (specific per vehicle) by 2025 over its 2010 baseline. The following table shows the trend over the past three years:

	2010 Reference Value	2017	2018	2019
Production of waste sent out for disposal per vehicle produced [m^3/vehicle]	184.52	122.99	60.82	46.71
Reduction % achieved	-	- 33.3%	- 67.0%	- 74.7%

Several improvement actions were defined in relation to this goal, as shown in the following table.

Title	Goal	Actions	Timeframes	Status	Notes/Updates
RECOVERY OF CARBON FIBER SCRAPS	35% reduction of waste sent for disposal (per vehicle produced) by 2025 over the 2010 baseline.	Study on carbon fiber recycling and approval of recycled fiber products to be used subsequently in our vehicles.	Dec-19	UPDATED GOAL UNDER WAY	During the year, there was additional testing on fiber regeneration processes, obtaining products with dry and pre-preg carbon fiber; application of materials made with recycled fiber inside the vehicles was also assessed. Following the positive outcome of the tests, a Pilot Project was launched in 2019 between Lamborghini and the specialist carbon fiber supply and recycling company. According to the project, some types of carbon fiber scraps deriving from the Lamborghini production process (cutting residue) are to be sent out for recycling (R4); supply of the recycled components will follow and these could be used in the vehicles. Collection of the fibers to send out to the company for recycling by pyrolysis has been taking place since November 2019. Expected date for the first shipment of the materials for recycling: March 2020.
REUSE OF CARBON FIBER BY-PRODUCTS	Reduction in amount of waste per vehicle produced [<50 kg/year].	Project involving the analysis and validation of a process for reuse of the scraps generated by the production process at CFK, so that they can be provided in the form of "by-products" to an engineering training institute doing carbon lamination work.	Dec-20	NEW GOAL	Technical feasibility of the engineering institute reusing the fibers assessed with positive outcome. Documents accompanying the application for registration in the national registry of producers and users of by-products prepared.
RECOVERY OF LEATHER SCRAPS	Reduction in amount of waste per vehicle produced [-5 t/year].	Study into possible projects for reuse of the leather scraps from the in-house Upholstery Department.	Dec-22	NEW GOAL	Possible projects for the use of the leather scraps from the Upholstery Department are now under study in collaboration with social cooperatives.
REDUCTION IN RAG AND ABSORBENT MATERIAL DISPOSAL	Reduction in amount of waste per vehicle produced.	Study regarding the replacement of disposable rags and absorbent material with washable ones.	Dec-21	NEW GOAL	Study regarding the replacement of disposable rags and absorbent material with washable ones. Use in identified areas now being tested.

2.5 Use of substances containing Volatile Organic Compounds (VOC)

The use of solvent-containing products is a problematic aspect in Automobili Lamborghini's environmental management. For example, solvents are used for cleaning vehicle body components and molds and in vehicle finishing, coating and painting activities.

Heavy use of solvents leads to high Volatile Organic Compound (VOC) emissions levels. Based on Article 268(11) of Italian Legislative Decree 152/2006, a VOC is defined as any organic compound having a vapor pressure of 0.01 kPa or greater at 293.15 K (20 °C). VOCs can cause an array of negative effects to the health of living beings. For this reason, Automobili Lamborghini keeps track of them to ensure compliance with the limits established under Article 275 of Italian Legislative Decree 152/2006. Activities monitored include:

- cleaning of surfaces with a solvent consumption greater than 2 t/year (all departments);
- adhesive covering with a solvent consumption greater than 5 t/year (CFK Center and Upholstery);
- covering of metal and plastic surfaces with a solvent consumption greater than 5 t/year (CFK Center);
- vehicle finishing with a solvent consumption greater than 0.5 t/year (Finishing);
- vehicle covering with a solvent consumption greater than 0.5 t/year (Paintshop).

The new **in-house Paintshop was completed in July 2019** with the goal of preserving, according to the maximum quality standards, a key process of the overall production phase that is particularly complex.

The new facility features technologically advanced systems with low environmental impact and workers with highly specialized skills. **95% of the colors used are water-based**. Moreover, solvent emissions are extremely low, thanks to an afterburner that can recover heat and reuse it to heat the ovens of the painting line. Thanks to the cutting-edge technologies of the air-misting systems, superior efficiency is achieved in terms of paint consumption. 80% of the paint is actually applied on the vehicles' bodywork, compared to about half that figure in standard systems.

SOLVENT MANAGEMENT PLAN

As it comes under the applicable range of Article 275, the Company presented a mass balance in March 2019 regarding its surface cleaning activities throughout 2018. The value determined for "fugitive emissions" (1.17 t/year of VOCs), compared with the relative figure for "solvent inputs" (6.27 t/year), demonstrates

compliance with the relevant maximum limit, which cannot exceed 20% of the input.

As far as vehicle finishing and adhesive and surface covering activities are concerned, the value of tonnes of VOCs obtained means the Company is not required to present a mass balance for solvents. With regard to the submission of the solvent management plan for vehicle covering activities (Activity 6.2: vehicle coating >15 t/year), an accurate consumption assessment will be possible only after a sufficiently substantial period of activity with production volumes at capacity rate.

For 2019, too, the Company will submit a mass balance for its surface cleaning activities, having reached 7.7 tonnes of consumed solvent-based material.

During the year, we focused on identifying alternative water-based products. A product with a low solvent content (<3%) was approved for use in the internal cleaning activities of the body shell tank at the CFK Site; this will lead to a substantial reduction in VOC consumption that will be noticeable in 2020.

Objectives

Automobili Lamborghini has made a commitment to achieve a 35% reduction in the portion of Volatile Organic Compounds emitted in the atmosphere (specific per vehicle) by 2025 over its 2010 baseline. The following table shows the trend of the indicator over the past three years:

	2010 Reference Value	2017	2018	2019*
Volatile Organic Compounds emitted in the atmosphere per vehicle produced [t/year]*	3.53	4.3	3.1	3.00
Volatile Organic Compounds emitted in the atmosphere [kg/vehicle]	2.9	1.06	0.47	0.35
Reduction % achieved	-	- 63.32%	- 83.62%	- 87.96%

*excluding Paintshop.

95%
OF THE COLORS USED IN THE PAINTSHOP ARE WATER-BASED

NEW ALTERNATIVE
water-based products
INTRODUCED IN THE CARBON-FIBER BODY SHELL PRODUCTION PROCESS

-35%
BY 2025

Several improvement actions were defined in relation to this goal, as shown in the following table.

Title	Goal	Actions	Timeframes	Status	Notes/Updates
SOLVENT REDUCTION	Group objective 2025: **35%** reduction in specific VOC emissions compared to the 2010 value [VOCkg/ vehicle].	Sharing/Awareness-raising among institutions/ Technology/ Research & Development regarding VOC reduction goals as an aspect to take into consideration during the design stage of future vehicle models.	Dec-19	NEW GOAL ACHIEVED	"Innovation Workshop" held in June 2019.
SOLVENT REDUCTION	Group objective 2025: **35%** reduction in specific VOC emissions compared to the 2010 value [VOCkg/ vehicle].	Reduction in the use of solvent-based products in the production departments (CFK, Paintshop, Finishing).	Annual goal up to 31/12/2025	NEW GOAL	2019 CFK: in September 2019 the use of a new water-based degreaser was validated for cleaning the inside of the tank. This product contributes to decreasing consumption of high VOC content solvents. Further increase of water-based materials is currently under analysis.
SOLVENT REDUCTION	Group objective 2025: **35%** reduction in specific VOC emissions compared to the 2010 value [VOCkg/ vehicle].	Creation of a list of low-solvent products deemed safe and environmentally suitable in order to promote their use in the different Company areas.	Dec-21	NEW GOAL	NEW GOAL

2.6 Atmospheric emissions

The atmospheric emissions that are released from the plant into the atmosphere can be classified as follows:

- emissions deriving from production operations (e.g. gluing, sandblasting, grinding and trimming of parts made of carbon fiber and resin-based fillers; oil fogs used in CNC processing; and Volatile Organic Compounds released from substances containing these compounds, etc.);
- combustion fumes from heating systems;
- exhaust gases produced during engine and vehicle tests;
- ovens for curing carbon-fiber parts.

The data for the total annual emissions into the atmosphere for 2019 are provided below:

	NO_x	OC	TOC (VOC)	TPM
t/year	3.575604	81.120554	2.998344	0.615501

	Alkaline substances	Oil fogs	Sulfur oxides
t/year	0.003554	0.051423	0.000264

NON-SIGNIFICANT ENVIRONMENTAL ASPECTS

3.1 Training, information and communication

Automobili Lamborghini also strives to set a benchmark in the environmental field for its employees and their families. This commitment is implemented through many activities and initiatives at Lamborghini Park, the communication within and outside the Company of all information on the Environmental Management System and the environmental communication campaigns, to ensure all personnel make a contribution toward continuous improvement. Let's take a look at the main corporate projects.

PARTICIPATION IN "THE CLIMATE REALITY PROJECT"

Lamborghini has been committed for many years to creating innovative environmental projects, paying ever-greater attention to the topic of sustainability. Thanks to the role taken on in the environmental front, Lamborghini was invited to participate in the 38th edition of the **Climate Reality Leadership Corps** put on by "The Climate Reality Project" in Berlin last summer.

An organization founded by former US Vice President and Nobel Peace Prize winner Al Gore, "The Climate Reality Project" works to spread information on the effects of climate change on a global level, and to draw attention to a global solution to this crisis in order to guarantee a sustainable future driven by clean, renewable energy. This has been a compelling journey that now sees the Company fully committed to raising awareness, among employees and community, on the current climate crisis, while promoting solutions to mitigate its effects through energy transition and sustainable mobility.

24 Hours of Reality

To continue on this journey, in the course of the year we invited Paola Fiore, Italian coordinator of the "The Climate Reality Project", to our Company; she helped us to reflect on the meaning and effects of the climatic crisis we are living day by day and to understand what we can do to make a difference.

The event also gave us the chance to meet Fabiano Ventura, who presented the project in which he is involved and provided evidence and analysis on the consequences of the significant climate changes we are witnessing. Called "On the Trail of the Glaciers – Exploring the Past for a Sustainable Future," the project uses comparative photography and scientific research.

With this event, our Company took an active part in the global conversation on the climate crisis "24 Hours Of Reality: Truth in Action", twenty-four hours of talks and presentations for a broader reflection on these crucial issues.

PARTICIPATION IN

The Climate Reality Project

INTERNAL COMMUNICATION

In 2013, Automobili Lamborghini launched Lamborghini 4US, a structured People Care program aimed at improving employees' quality of life. The program has four sections, focused on people, wellbeing, training and the environment, and covers all existing and future Company initiatives with a view to continuous improvement. The "Environment" section is aimed at raising awareness among Company personnel through dedicated communication campaigns and environmental activities, such as saving energy, separate waste collection and respect for the environment.

LAMBORGHINI

4US

PEOPLE CARE PROGRAM FOR EMPLOYEES

In addition to periodic communication campaigns, "Focus" has been published since 2014, including a section on sustainability, to explain to employees our commitment to actively contribute to protecting the environment in order to safeguard current and future generations. The house organ is divided into three large sections on the three areas on which our Corporate Responsibility Policies are focused: "Economy", "People", and "Environment". In the "Environment" section, we shed light on our projects and our improvement targets, describing each day how our Company sets an example with its environmental commitment.

Events

DEDICATED TO ENVIRONMENTAL SUSTAINABILITY, FOR EMPLOYEES, THEIR FAMILIES AND THE ENTIRE LOCAL COMMUNITY

With the aim of always increasing employee engagement, including outside work, we have continued to use Lamborghini Park in recent years to encourage the development of an environmental culture and of education on the environment for new generations. In particular, these have included events organized for employees and their families, and also open to residents of Sant'Agata Bolognese, involving thematic events structured around environmental topics.

3.4 t/year
OF PLASTIC WASTE SAVED

These include workshops about bees and their important role, about recycling, and finally a workshop, in conjunction with the GEV (Voluntary Eco Guard), to encourage people to learn about the oaks and wildlife in Lamborghini Park.

"PLASTIC FREE" PROJECT

In 2019, Automobili Lamborghini made another step toward sustainability by fulfilling its commitment through the "Plastic Free" project. With a strong ethical, social and environmental impact, the project began to take form in the Company restaurants during its first stage through a number of actions to decrease plastic use. Cutlery is no longer packaged in plastic but in paper; glasses are now made of fully biodegradable organic material; and bread is now served unpackaged. These actions are saving the environment from nearly 3.4 tonnes of plastic waste per year.

As a continuation of the project, Automobili Lamborghini in collaboration with 24Bottles has decided to offer free personalized water bottles to its employees, engraved with their names. An environmental trailblazer, the company has set itself apart in its community and internationally for its commitment to reduce its impact on the environment. The company, in fact, offsets CO_2 emissions to produce its reusable bottles through the planting of trees.

SUSTAINABLE MOBILITY: COMPANY CARPOOLING SERVICE

In 2017, we launched a new corporate Carpooling Service via the Jojob platform. The new service marks a choice for sustainable mobility that our Company has decided to make available to its employees.

Jojob's innovative platform enables users to get in touch with colleagues who make the same commute at the same time between home and work.

What are the advantages?

- More respect for the environment: car-sharing means reducing CO_2 emissions and promoting sustainable mobility.
- More time: for those who normally use public transport, cars enable a more flexible timetable and eliminate waiting time.
- Less stress: more car park spaces available and less traffic.
- Fewer costs: with car-sharing, costs are also shared.

Some numbers

As of this writing, the platform for Lamborghini employees has 571 users and has helped save 49.5 tonnes of CO_2, through 673,135 km certified in 22,379 journeys.

49.5 tCO_2

SAVED WITH THE COMPANY CARPOOLING SERVICE

THE MUSEUM AND THE PARK: SUSTAINABILITY-THEMED EDUCATIONAL PROGRAMS

In 2018, Lamborghini Park opened its gates for the first time to all Italian and foreign schools coming to Sant'Agata Bolognese to visit our Museum, also giving them the chance to experience an open-air guided tour. The goal is to promote scientific research and our environmental sustainability project.

The project is aimed primarily at elementary and middle schools, but also youngsters from the local area taking part in summer camps, offering groups the chance to enjoy a complete Lamborghini experience, in direct contact with our cars as the perfect combination of technology, power, style and design, without forgetting respect for the environment. These educational projects are designed to provide an on-the-ground response to the need for scholastic programs, as well as allowing pupils to gain direct experience of the natural world and its laws, and to develop an awareness of the importance of protecting ecosystems, biodiversity, and the local landscape and culture.

Educational programs FOR SCHOOLS ON **sustainability**

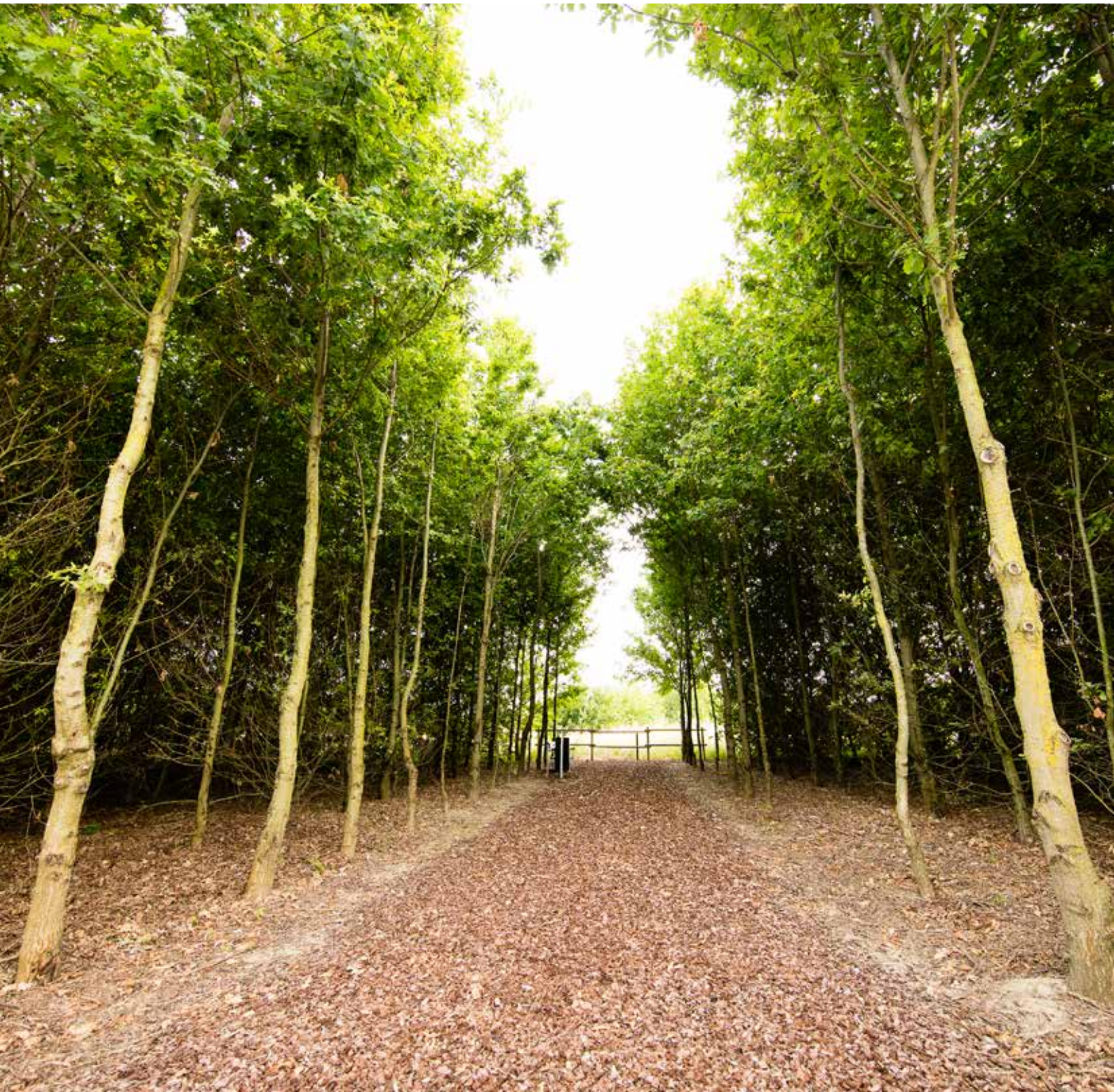
For further information, or to book a tour, write to: visit@lamborghini.com

A summary of our main ongoing projects related to this environmental aspect is provided below:

Title	Goal	Actions	Timeframes	Status
INTERNAL COMMUNICATION	Raising employee awareness on environmental matters.	Launch of an internal communication campaign on environmental matters (carbon neutrality, separate waste collection, energy savings, water consumption, etc.).	PERIODIC INFORMATION CAMPAIGN (same goal each year)	IN PROGRESS

Title	Goal	Actions	Timeframes	Status
WELCOME KIT	Improvement in communications on environmental and energy matters.	Creation of a specific "welcome kit" for new hires, composed of a manual dedicated to Company environmental and energy initiatives.	PERIODIC RENEWAL	IN PROGRESS Delivered periodically to new hires.
EVENTS AT LAMBORGHINI PARK	Raising employees, their families and the community at large awareness on environmental matters.	Organization of sustainability-themed events at Lamborghini Park.	ANNUAL SCHEDULING	PERIODIC RENEWAL
ENVIRONMENT/ SAFETY/ENERGY EDUCATION	Awareness of correct management of environmental aspects in the Company and improvement goals.	Development of e-learning platform with training on environmental topics. Delivery of training.	POSTPONED Dec-22	POSTPONED
COMPANY CARPOOLING SERVICE	Company Carpooling Service App.	Implementation of a Company Carpooling Service which allows employees to share their commutes in a convenient and flexible manner. The service will also allow CO_2 savings to be measured. Encourage use with fuel coupons.	PERIODIC RENEWAL	IN PROGRESS
"ENVIRONMENT" SECTION ON LIFE INTRANET PORTAL	Creation of a section entirely dedicated to the environment in the Life intranet portal.	Preparation of content and documents. Creation of the web page.	UPDATED Dec-21	IN PROGRESS
ENVIRONMENT EDUCATION FOR TOP MANAGEMENT	Participation in "The Climate Reality Project".	Participation in the "The Climate Reality Project" education program. Internal communication on the project. Education on the theme of climate change for Lamborghini's Top Management and employees.	Dec-22	IN PROGRESS
ELECTRIC VEHICLE CHARGING STATIONS	Provision of free electric vehicle charging infrastructure for employees in order to encourage electric vehicle use. Reduction of traffic-related CO_2 emissions and noise.	Installation of new electric vehicle charging infrastructure in the employee parking lots.	UPDATED Dec-21	IN PROGRESS

Title	Goal	Actions	Timeframes	Status
"PLASTIC FREE" PROJECT	Awareness-raising among employees on the topic of plastic packaging production. Reduction of plastic packaging of up to 3.5 tonnes.	Use of paper and fully biodegradable organic materials instead of plastic for glasses and cutlery bags, and unpackaged bread. Free water bottle for employees to replace disposable plastic bottles.	Jan-20	NEW GOAL COMPLETED



3.2 Biodiversity

LAMBORGHINI PARK

Over the last 50 years, the use of fossil fuels for energy, deforestation and intensive agriculture have led to a rapid increase in the concentration of CO_2, with an increase in the planet's average temperature and significant repercussions on the global climate. There are various strategies which could be put into play: reducing energy consumption by modifying our behavior, developing more energy-efficient technologies, increasing the production and use of renewable energy sources, capturing and storing carbon in the oceans and terrestrial ecosystems by adopting more conservative farming practices, and reforesting farmland or marginal areas.

"Oak Forest", the Automobili Lamborghini biodiversity project, fits perfectly into this context. In 2011, the Company launched the "Lamborghini Park", an initiative developed in collaboration with the Sant'Agata Bolognese community and the universities of Bologna, Bolzano and Munich. The project called for the planting of young oak trees (*Quercus robur*) in an area covering about 17 acres according to a planting pattern replicated in various European countries (Germany, Poland, Belgium, Hungary). Its goal is to better understand the relations between tree density, forest productivity and the ability to absorb CO_2 emissions and maintain biodiversity based on the climate.

The soil sampling and analysis that will be performed in the park over the coming years will enable an assessment of the increase in soil carbon content on the basis of planting density. The research on the Sant'Agata Bolognese park will therefore contribute to providing precious information on the carbon dynamics in natural woods and indications on how to maximize accumulation in reforested areas and human-planted woods.

Along with the large area dedicated to the "Oak Forest" research project, the "Biodiversity Area" was created in 2011, a green space with an educational-informational mission organized in various areas. In the first area, a sort of botanical garden was created, composed of an arboretum, with the main tree species of the plain planted in small groups, and a shrub zone comprising woody bush-like species. The intent was to establish a collection of the tree and shrub species for educational use that would be clear and functional.

The other area offers a representation of the ways in which the single species growing in the arboretum and in the shrub zone are organized and constitute well-defined environments, such as the hygrophilous wood (which is found on very wet soils), the mesophilic wood (present on drier ground), the hedge, and the tree row. In this part, other habitats can be observed, such as the polyphite meadow (formed by many herbaceous species), the marshy wetland, the stagnant wetland, as well as the different phases of vegetation left to evolve

freely. In addition, specific ecological niches have been reconstructed, such as the woodshed, the stone field, and the dry-stone wall, important for the role they play as a refuge for small wildlife. Additionally, a portion of the area was used for planting a variety of fruit trees typical of the Po Valley, which are cultivated naturally without the use of pesticides.

The Company cares about the health of its people and for this reason, the Lamborghini Park was revamped last summer with new wellbeing and free-time equipment. A 950-meter long trail was built in the park and includes 8 exercise stations and a fitness area. All products are made from FSC-certified timber. The Forest Stewardship Council (FSC) is an international non-governmental, non-profit organization with the goal of promoting responsible management of forests and plantations around the world. Furthermore, the CO_2 emissions created by the production of the equipment were offset by the purchase of Green Certificates which will be used for reforestation of tropical areas.

For this project, Lamborghini entered into a 15-year land lease agreement in December 2010, renewable up to 75 years.

9,000
PLANTED OAKS

Biodiversity Area
FOR EDUCATIONAL ACTIVITIES

Fitness trail

ENVIRONMENTAL BIO-MONITORING

In April 2016, Automobili Lamborghini decided to enrich its park with an apiary in order to begin environmental bio-monitoring involving bees. Bees play a key role in maintaining ecosystems since 80% of plants depend on pollination by insects and about a third of fruit and vegetables depend on pollination from bees. Bees represent a model for sustainability because they use flowers to extract their energy and food, but plants receive an energy investment in return in the form of pollination. Flowers are widespread distributors of energy, bees are flying means of transportation and the hive is a processing and storage center in the form of honey. The ecosystems remain in balance because the bees ensure reproduction for the plants.

12 beehives
FOR ENVIRONMENTAL BIO-MONITORING

The Automobili Lamborghini environmental bio-monitoring station comprises 3 of the 12 beehives that are used for the production of certified Lamborghini-Brand honey that is distributed every year to the Company's employees. The 3-kilometer average foraging radius around the apiary also covers the plant and the entire town of Sant'Agata Bolognese.

ANALYSIS OF THE ENVIRONMENTAL POLLUTION WITHIN A RADIUS OF
3 km

Beehive components (honey, wax, forager bees and dead bees collected in special cages placed under the beehives) were analyzed to detect a wide range of environmental pollutants: heavy metals, polycyclic aromatic hydrocarbons, dioxins, and furans as well as insecticides, acaricides, fungicides and herbicides (overall, more than 190 active ingredients) used in farming and urban or private green spaces. In 2019, analyses to detect glyphosate and antibiotics were introduced and a pilot project that uses mason bees (solitary bees belonging to the *Osmia cornuta* and *Osmia rufa* species) was set up alongside the tried and tested environmental monitoring system with bees. The components used were pollen, collected for food, and mud, used to build the nests.

Overall, the tests conducted over the last three-year period have shown the presence of different categories of pollutants in the environment: dioxins, naphthalene, hexavalent chromium, insecticides, fungicides and herbicides. In 2019, glyphosate was found in three samples of spring-summer honey, while no antibiotic residues were detected. The pollen and mud from the mason bee nests were tested for pesticides, heavy metals and anions and the results showed a high heavy metal content, iron and manganese in particular, whereas hexavalent chromium was not found.

However, we highlight that only traces of these pollutants were found, only in a limited number of samples and not every year.

The contaminated honey was not used for consumption, therefore, our Lamborghini-Brand honey can be considered safe and of high quality.

Bio-monitoring results not only showed that the pollutants not derived from Lamborghini were below any threshold of harm for health and honey consumption, but also the great value of wide-ranging and continuous monitoring of pollutants through bees, though it is still difficult to pinpoint the origin of any pollutant detected.

Looking on the bright side, even though the surrounding environment features a limited number of natural areas (with the exception of the oak wood), the predominant presence of extensive crops subjected to limited amounts of chemicals limits damage to the bees and the accumulation of residues in the honey.

In 2020, the existing beehive will be joined by a newly developed high-tech beehive as part of the We4Bee bee protection program promoted by the Audi Foundation. The new beehive will correlate bee activity to environmental parameters, giving an important contribution for assessing the impact of climate change on bee survival and activity.

CONTRIBUTION TO RESEARCH ON CLIMATE CHANGE AND THE SURVIVAL OF

bees

3.3 Other environmental aspects linked to the vehicle life-cycle

PROCUREMENT OF MATERIALS

Reusable packaging for procurement of vehicle components

As part of a drive for increased environmental sustainability, the Logistics Engineering project aims to extend the use of standard VW Group or "special" Lamborghini containers for procurement of vehicle components and materials to virtually all suppliers. These special containers, also known as "two-way" containers, are completely reusable, unlike the cardboard ("one-way") containers.

In the event that "special containers" are developed, all aspects relating to the quality/integrity of components, stacking, transportability, respecting stocking factors during transport and warehousing, and safety during use are analyzed. These containers are designed and guaranteed for the entire vehicle life-cycle and, where the characteristics of the components permit it (light, not excessively large parts), the use of "green" materials is favored, for instance PPE, which is 100% recyclable.

Currently, 95% of vehicle components for all 3 models now being produced are supplied in completely reusable standard or special containers across the entire product life-cycle. The remaining 5% of components (around 100 parts from a total of 2,100) come from more difficult-to-reach and distant suppliers (typically outside the EU), and for this reason they are shipped in cardboard boxes. We confirm this target in the years to come.

The use of sustainable plant fiber packaging will be assessed over the next few years, with the support of the Audi-VW Group.

Transport: Green Logistics

"Green Logistics" refers to the study of how transport, storage and handling of material across the entire supply chain impacts the environment with the aim of identifying possible opportunities for improvement.

In 2019, the project that calls for using rail intermodal transport over road transport for Urus body shells was approved, resulting in reduced traffic and CO_2 emissions (-1,903 t/year).

Over the next few years, Lamborghini will assess other possible projects to undertake in synergy with the Audi-VW Group, such as, for example: taking more advantage of the rail network for procurement of vehicle components and electrification or use of biomethane for road transport vehicles. Moreover, possible criteria for appointing suppliers based on CO_2 emissions from transport will be evaluated.

SUPPLIER SUSTAINABILITY

In November 2019, Lamborghini introduced a global sustainability rating, or "S-rating", for its suppliers, with the aim of assessing the sustainability conduct of its business partners in the supply chain in terms of the risks related to human rights, environmental protection and corruption. The rating baseline includes two flows: first, the **environmental** and social flow and second, **legal compliance**.

Under the Sustainability Rating scheme, suppliers are required to submit a self-assessment of their sustainability conduct based on the questionnaire and documents provided. The data and documents are audited by qualified third-party bodies; if doubts arise, an on-site audit must be carried out. Suppliers with a negative rating are excluded from contract awards.

In terms of environmental sustainability, suppliers are requested to provide information about any existing certified environmental management system, actions to prevent environmental damage, reduced resource consumption and greenhouse gas emissions, and waste reduction.

This rating has become a binding criteria in the Group for awarding contracts to suppliers. Sustainability will thus have the same weight as other important criteria in the contract award process.

Sustainability rating
FOR THE CHOICE OF SUPPLIERS

REGULATORY COMPLIANCE

Rational use of energy

(OBLIGATION TO APPOINT AN ENERGY MANAGER - 10,000 TOE)

To make sure its activities meet the current regulatory framework, Automobili Lamborghini inquires into potentially applicable Italian environmental legislation and assesses any obligations thereof and ways to comply. Compliance with legislative obligations is assessed in-house at well-defined intervals using the methods laid down in the Environmental Management System.

ENERGY

Heating systems

Automobili Lamborghini periodically assesses its heating systems for compliance with laws and regulations. More specifically, the aspects subject to review are the following:

- system handbooks;
- scheduled and special maintenance;
- declaration of conformity;
- atmospheric emissions of the systems;
- energy efficiency checks;
- project report in the event of changes to the existing heating systems or construction of new ones.

Changes to existing buildings or construction of new buildings

In case of changes to buildings inside the facility or construction of new structures, Automobili Lamborghini sees to the preparation of the following documentation through accredited bodies or experts to certify the energy characteristics of the buildings:

- APE (Energy Performance Certificate);
- AQE (Energy Qualification Certificate).

Rational use of energy

The energy consumed by Automobili Lamborghini in 2019 was in excess of 10,000 tonnes of oil equivalent. As a result, the Company will notify the name of its Energy Manager, in charge for conservation and rational use of energy, to the Ministry of Industry, Commerce and Crafts by 30/04/2020, as laid down by Article 19 of Italian Law 10/91, as amended.

In compliance with Italian Legislative Decree 102/2014, Automobili Lamborghini performed the energy audit of its entire plant with the aim of determining its energy consumption in 2018 and identifying appropriate measures to keep it

in check. The Energy Audit Report was correctly sent to the Energy Efficiency portal on 20/12/2019.

Trigeneration plants

Automobili Lamborghini has 2 trigeneration plants (1.2 MW each). These plants achieved the balance-based High Efficiency Cogeneration (HEC) qualification after passing the necessary audit by the GSE, Italy's energy services operator.

As such, the plants are entitled to the State incentives under the "White Certificates" scheme.

White Certificates can be traded after their issuance each year based on the actual productivity of the plants. This can be done either via the White Certificates market (via registration of Automobili Lamborghini S.p.A. to the online platform of GME – Italy's power market operator) or through bilateral contracts with third-party buyers (brokers or subjects required to buy), or by selling them to the GSE at the rate fixed for the entire incentive period.

Trigeneration plants and purchases from the grid: fiscal compliance

Automobili Lamborghini notifies the Customs Agency of its consumption in relation to the electric energy production plants with the purpose of complying with the provisions of the Italian Excise Duties Act 504/95, as amended, for payment of the required duties and license fees as a producer of electric energy. To ensure the reliability of the consumption data notified, Automobili Lamborghini has its production meters calibrated by certified bodies on a regular basis.

ATMOSPHERIC EMISSIONS

At the moment the authorization for atmospheric emissions issued with DET-AMB-2019-3186 of 03/07/2019 is in force. Following the implementation of additional production and painting plant equipment, a request was submitted to modify the authorization for atmospheric emissions on 21/11/2018.

Tests are carried out on a half-yearly or yearly basis to ensure that the officially authorized limits on flow rate and concentration of pollutants are being met. The sampling results are recorded each year on the Electronic Register of atmospheric emissions.

With regards to Paintshop activities, installation of a system for continuous monitoring of Volatile Organic Compounds was contemplated at the after-burner outlet but it is not in operation yet. Commissioning was rescheduled during the

course of 2019 due to delays in the delivery of the monitoring system. The system should be completed by the end of April 2020. However, the Company has put in place analytical monitoring of the pollutants emitted in the atmosphere in order to ensure compliance with permissible limits also in this period of transition.

USE OF PUBLIC UNDERGROUND WATER

USE OF
underground water
FOR INDUSTRIAL PROCESS

Automobili Lamborghini has a public underground water-use concession from ARPAE (Regional Agency for Prevention, Environment and Energy) regarding industrial, hygienic and similar uses, for the fire system and irrigation of the Company's green areas: DET-AMB-2019-3875 dated 20/08/2019 (unified procedure code MO01A0253).

Devices measuring the volume of water used have been installed on the 4 existing wells and the annual fee is paid periodically as provided for in the provisions of Emilia-Romagna Regional Law no. 2 of 30/04/2015.

After exceeding the yearly extraction amounts allowed, Automobili Lamborghini opened talks with the competent agencies in order to identify possible actions to reduce consumption and, at the same time, define the methods for applying for an increase in concession limits, also in view of future industrial process requirements.

As agreed with the competent agencies, Automobili Lamborghini will prepare an in-depth water-use analysis for every plant modification, expansion or installation project to lay emphasis on its maximized water efficiency efforts in terms of conservation or reuse.

WASTE MANAGEMENT

Separate waste collection

Waste is collected and sorted in an area set aside as a temporary storage site inside the facility.

Urban and comparable waste is collected by the public service operator in accordance with the provisions of the waste management services regulation of the Municipality of Sant'Agata Bolognese.

Special waste is given to carriers enrolled in the National Register of Environmental Companies and accompanied by relevant identification form during transport to the authorized destination plant, as laid down by current legislation. The loading and unloading register is updated periodically as established by law and the Unified Environmental Declaration Form (MUD) is submitted yearly.

GREENHOUSE EFFECT FLUORINATED GASES

There are numerous air conditioning and cooling systems in the facility that contain greenhouse effect fluorinated gases and are, therefore, potentially harmful to the environment if released into the atmosphere. The systems are subject to a specific monitoring regime as provided for by European Regulation 517/2014 on fluorinated gases. Performing these periodic checks (outsourced to accredited suppliers) allows any leaks to be found and any losses to be limited, but breakages can nevertheless occur, with consequent escape of gas. The outcomes of the checks are documented in the specific log. All the activities required by applicable legislation have been carried out.

Periodic checks

WASTE WATER

The production site has a separate internal sewer system for water discharged by the production process, for rainwater runoff, and for the various drainage systems used by personnel.

The types of waste water produced at the factory are:

- domestic-type waste water from bathrooms: flows into the public sewer;
- industrial waste water generated by the production process and its service systems (evaporation towers, vehicle washing, water softeners, wet electrostatic precipitators, Composites Department): flows into the public sewer after treatment in a Company purifier at a single discharge point named SN_7_IND;
- rainwater runoff from parking lots and outside areas coming from the stormwater tank: converted to surface water.

All above-mentioned discharges were allowed with authorization to discharge industrial and domestic waste water into the public sewer system through protocol DET-AMB-2019-3186 of 03/07/2019.

Compliance with legal limits is monitored through scheduled analyses which are performed by a specialized external laboratory. The only waste for which regular analyses are not provided for are those of the OOCC branch site.

Noise measurements

(LIMITS ESTABLISHED BY THE ITALIAN PRIME MINISTER'S DECREE DATED 01/03/1991)

NOISE

The municipal noise classification system is still pending approval by the Sant'Agata Bolognese Town Council. In the absence of such classification, the limits established by the Italian Prime Minister's Decree dated 01/03/1991 are applied.

Noise measurements are made by a qualified acoustical engineer. The frequency of the measurements is not established by law. The measurements are repeated whenever modifications are made to the plants that may vary the external noise level.

The Paintshop will be assessed for noise level compliance in the course of 2020. However, a provisional noise impact assessment has already been made.

Fire prevention

FIRE SAFETY MANAGEMENT

Automobili Lamborghini S.p.A. is holder of the following Fire Prevention documents:

- CPI (Fire Prevention Certificate) document no. 4151, for which a renewal application was made on 15/11/2018 (ref. no. 28583), valid upon renewal until 05/11/2023 (Via Modena 12) for the "Vehicle construction plant" identified at no. 52.2.C of Appendix I to Italian Presidential Decree 151/2011 and other 66 activities included in the same appendix;
- CPI (Fire Prevention Certificate) document no. 74521 valid upon renewal until 28/04/2022 (OOCC) for the plant producing experimental composites, known as "OOCC" identified in no. 1.1.C of Appendix I to Italian Presidential Decree 151/2011;
- CPI (Fire Prevention Certificate) document no. 72715 valid upon renewal until 26/02/2023 (CFK) for the plant producing body shells in composite material, known as "CFK", identified in no. 44.3.C and 74.3.C of Appendix I to Italian Presidential Decree 151/2011. This CPI is jointly held with the company SCHNELLECKE ITALIA S.r.l., which is headquartered at the same plant.

The Emergency and Evacuation Plan is updated annually and the evacuation plans are posted in all buildings indicating exit routes and fire-fighting facilities. The Emergency Plan includes:

- the emergency management structure;
- procedures for the activation of the alarm and the emission of the evacuation signal in case of fire or earthquake;

- the names of fire-prevention staff;
- the plan of the assembly points.

The Company site is divided into 19 emergency zones; this zoning facilitates emergency management in case of fire in successive stages or for single zones. The Company periodically provides training to all personnel to make them aware of emergency procedures. Evacuation drills are carried out periodically, by emergency area (building or section).

The following fire detection systems are installed: fire extinguishers, hydrants, automatic fire suppression systems. In addition, since 2016, two technicians are always present who are experts in the maintenance of fire-fighting systems and for emergency response in case of danger. The technicians are responsible for managing the maintenance and periodic checks of all the equipment as per the relevant legislation.

In 2019, this was extended to the night-time period between 10:00 PM and 6:00 AM in order to achieve 24-hour service. With the introduction of the painting phase into the production cycle, there was, in fact, a further increase in the fire load due to the storage and use of flammable substances.

New station
FOR THE PLANT'S
FIRE CREW

The new station for the plant's firefighters has been active since 2019, including the emergency control room equipped with monitors for supervising the fire and security alarms, and a meeting room for the crisis team which will be used to coordinate the emergency plan.

VALIDATION OF THE ENVIRONMENTAL STATEMENT

VALIDATION OF THE ENVIRONMENTAL STATEMENT

The following Accredited Environmental Examiner has checked the validity of this Environmental Statement and its compliance with the requirements contained in Regulation (EC) 1221/2009, amended by Commission Regulation (EU) 2018/2026:

DNV GL Business Assurance Italia S.r.l.

Via Energy Park 14 - 20871 Vimercate (Monza Brianza), ITALY

Accreditation no.: IT-V-0003

Date of accreditation: 19/04/1999

EMAS registration number for Automobili Lamborghini S.p.A.: IT-001144

Date of validation of this document: 20/03/2020

The Environmental Statement for the Headquarters of Automobili Lamborghini is available in electronic format on the Company website at the following address: https://www.lamborghini.com/it-en.

This document is drafted every three years; data regarding the main environmental aspects and results achieved are updated every year. The next edition is expected to come out in March 2021.

automobili Lamborghini