2023 SUSTAINABILITY REPORT

IVECO • GROUP

WE GO BEYOND

About this Report

With our Sustainability Report, we aim to give our stakeholders a comprehensive overview of Iveco Group's operations, integrating our financial results and economic commitments with our environmental and social ones.

This Report was prepared in accordance with the GRI Standards and includes correspondence tables for the main international standards, i.e., those of the Sustainability Accounting Standards Board (SASB), World Economic Forum (WEF), and Task Force on Climate-related Financial Disclosures (TCFD).

Approximately 200 key performance indicators (KPIs) are reported in this document along with the Sustainability Plan, which sets out our sustainability priorities, the targets we have set ourselves, and the results achieved over the year in our efforts to reach them.

The Report has 3 sections – the Governance and Economic Dimension, Environmental Dimension, and Social Dimension – followed by the Appendix with details on all KPIs.

The Report was designed for digital viewing and to be compatible with screen readers, so as to give visually impaired people ease of access. Furthermore, in addition to hyperlinks, it employs the following navigation buttons to make it easier to view.

FOR MORE INFORMATION ON FINANCIAL DATA, SEE OUR **ANNUAL REPORT** >

KEYS

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WE GO BEYOND

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Letter from the Chair and the Chief Executive Officer

GRI 2-22

WE DARE TO CARE.

Dear Stakeholders,
We are pleased to present our second Sustainability Report summarising the milestones and progress we have made in 2023, a truly transformational year for Iveco Group. This edition was structured around five pairs of key words that reflect our people's dedication to their work and capture the sentiment behind all of our actions, even the smallest, to ignite meaningful change.
During the year, we were proud to be accepted as a participant of the UN Global Compact, the world's largest corporate sustainability initiative, alongside other companies worldwide that are committed to taking responsible business action to create a sustainable future. The initiative calls on companies to align their operations and strategies with universally accepted principles regarding human and labour rights, environmental protection, and anti-corruption practices. This membership reaffirms our commitment to prioritising care and ethical conduct in everything we do.

TURNING OUR PASSION INTO PURPOSE.

We are a **home of unique people** and strive to make everyone feel welcomed, accepted, and able to express themselves to their fullest. As part of our efforts to foster a culture of inclusion, we announced our Diversity, Equity, and Inclusion (DEI) Manifesto, published our new DEI Playbook, and launched multiple initiatives that celebrate diversity and raise awareness of disabilities.
We held our first-ever **Sustainability and DEI Week** and hosted our first global **Volunteering Day** in support of our communities, investing €3.72 million in local initiatives and subsequently measuring their impact. We also continued our **Red Bench** initiative to highlight the importance of combatting gender-based violence, and to date we have installed 28 benches at our sites, all painted in symbolic red, and organised as many awareness seminars.

HOME OF **UNIQUE** PEOPLE AND BRANDS
THAT **POWER** YOUR BUSINESS AND MISSION
TO **ADVANCE** A MORE SUSTAINABLE SOCIETY

MAKING BETTER CHOICES FOR A HEALTHIER PLANET AND A THRIVING SOCIETY.

Mindful of the threat that climate change poses at global level, we undertook a thorough assessment of our direct operations, supply chain, and products to identify our climate-related risks and opportunities (over the short, medium, and long term) and to gauge our Company's level of climate resilience and adaptability. We expanded our life cycle approach to develop new solutions for end-of-life products, particularly focusing on spare parts and batteries. We continued to make progress towards our net-zero pledge, cutting our CO_2 emissions from manufacturing processes by 19.9% and our energy consumption by 16% compared to 2019. Meanwhile, we continued to put great effort into pursuing our other challenging targets, such as to recycle 75% of the industrial water used at our plants by 2026, and to achieve a 38% reduction in our Scope 3 CO_2 emissions from the use of sold products per vehicle/km by 2030. We were encouraged to see our efforts to safeguard the health of the planet recognised by the CDP. Taking part for the first time as an independent company, Iveco Group achieved the outstanding results of A- in the CDP Climate Change programme and B in the CDP Water Security programme, both higher than the regional and industry average. This is a great start for us, but it's also just the beginning because we have no intention of stopping there.

WE CAN'T DO IT ALONE: TO EVOLVE, WE MUST ENGAGE.

2023 marked the second phase of our Voice journey, the primary focus of which was on our people's growth and development and on tailoring clear pathways for their future at Iveco Group. We also intensified our efforts to foster a work environment where everyone feels heard, valued, properly challenged, and professionally supported; and where they are empowered to reach their potential and take ownership of their achievements.

But our work does not end with our people: our goal is to be more inclusive with all our stakeholders. With partnerships being one of our strategic pillars, our collaborations with companies such as Hyundai Motor Company and Amazon Web Services continued to flourish, while new partners joined us. We signed a Memorandum of Understanding with Shell to develop low-carbon solutions, and with AirLiquide we inaugurated in France the first high-pressure hydrogen station for long-haul trips in Europe. Our valued supplier partners were engaged in sustainability matters thanks to the Open-es platform, and participated in several targeted collaboration projects to increase the sustainability performance of our processes and products.

We also joined the Responsible Trucking project, a collaborative platform launched by CSR Europe (the European Business Network for Corporate Sustainability and Responsibility) that enables companies to work together on evaluating the impact of their operations on logistics and to seek ideas for improving drivers' working conditions.

OUR PACT WITH YOU: TO DELIVER RESULTS.

Since publishing our first Sustainability Report in 2022, we have opened up our approach and results to external scrutiny, with very positive results. We were included in the Dow Jones Sustainability Indices (DJSI) World and Europe, and in the S&P Global Sustainability Yearbook 2024 in the Top 5% S&P Global CSA Score category.

Such recognition is testament to the passion and caring that everyone at Iveco Group pours into their work each day. For us, the key words are consistency and robustness. This applies to our processes, the data we report on, and our targets. It means using such tools with scientific rigour to measure our progress and substantiate our results on our journey towards continuous improvement. For example, because of this mindset, we have already reached one of our strategic targets during the year (originally set for 2026): to ensure that 23% of management positions are held by women. As a result, we decided to set ourselves an even more challenging target – to maintain gender pay equity across the Company and have it certified by the same deadline as the original target.

The contents of our 2023 Sustainability Report are designed to give you a glimpse into our unwavering dedication to sustainability and innovation. Ours is a journey in constant evolution, and we will stay the course to go beyond conventional thinking. As we share with you the milestones we have achieved thus far, we are reminded of the endless possibilities that lie ahead. So please join us. Together, we can shape a better and brighter tomorrow for generations to come.

Best regards,

SUZANNE HEYWOOD
CHAIR

GERRIT MARX
CHIEF EXECUTIVE OFFICER

MISSION
PASSION

Turning our passion into purpose

With sustainability at the heart of our strategy, it's our mission to deliver on our purpose and empower others to pursue the highest quality and industry standards.

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1.1 Our 2023

KEY FIGURES

8
BRANDS

36,000+
employees

31
R&D SITES

€16.2
billion
IN NET REVENUES

€4.75
billion
IN AVAILABLE LIQUIDITY[1]

COMMERCIAL PRESENCE IN
160
countries

[1] Non-IFRS financial information.

1.2 We Go Beyond

1.2.1 Our Business Model

Iveco Group is a global automotive leader active in the Commercial and Specialty Vehicles, Powertrain, and related Financial Services arenas – with a strategy based on the three pillars of innovation, sustainability, and partnerships. Each of Iveco Group's 8 brands is a major force in its own specific line of business: IVECO, a pioneering commercial vehicles brand that designs, manufactures, and markets heavy, medium, and light-duty trucks; FPT Industrial, a global leader in advanced powertrain technologies offering a vast array of solutions in the agriculture, construction, marine, power generation, and commercial vehicles sectors; IVECO BUS and HEULIEZ, both premium mass-transit bus and coach brands; IDV, for highly-specialised defence and civil protection equipment; ASTRA, a leader in large-scale heavy-duty quarry and construction vehicles; MAGIRUS, industry-renowned firefighting vehicle and equipment manufacturer; and IVECO CAPITAL, the finance arm supporting them all.

When we launched our *Voice* engagement campaign and related survey in 2022, we involved every employee in defining our Company's **purpose** and 5 corporate **Values** that truly reflect the way Iveco Group wants to do business.

We apply our purpose and Values every day and in everything we do, supported by:

- a system of principles, rules, and procedures in which roles and responsibilities are clearly defined
- a process that anticipates and manages current and future economic, environmental, and social risks and opportunities
- a set of strategic **business** and **sustainability priorities** that help steer everyone's efforts.

At Iveco Group, we believe that innovation and the design of products and services tailored to our customers' needs are fundamental aspects of our competitive advantage, integral to all our activities and processes in the creation of value. It is what enables us to compete with other market players and to be seen by our customers as a true partner.

The main objective of Iveco Group's business is to create value for stakeholders, which are classified based on the pillars identified by the World Economic Forum (WEF):

- **Planet**: representing the commitment to not underestimate the threats the planet is facing. Building a safer and more sustainable world requires the right balance between humanity and nature, and pursuing the necessary targets can no longer be postponed
- **People**: representing the commitment to consider the different perspectives of those who are impacted by our business, while actively encouraging them to join us on our path towards positive change
- **Prosperity**: representing the commitment to ensure more prosperity for all, through the adoption of new technologies and the transition towards a more inclusive and digital society.

The key points of Iveco Group's value chain can be summarised as follows:

- **Our People & Operations**: representing the people who apply their skills to develop products and services with the utmost dedication in all Company areas, supported by production processes that are efficient, technologically innovative, and environmentally friendly
- **Our Products & Services**: representing the Company's product offering designed to ensure customers enjoy lower operating and maintenance costs, superior performance, maximum profitability, lower total cost of ownership (TCO), and technological innovation
- **Our Valued Partners**: representing those who make up Iveco Group's ecosystem (mainly the dealerships, service network, and suppliers), with whom the Company shares a common understanding and collaborates to map out a path through the current challenging transition; they make Iveco Group an efficient Company able to give its utmost to customers, our ultimate and most valued partners.

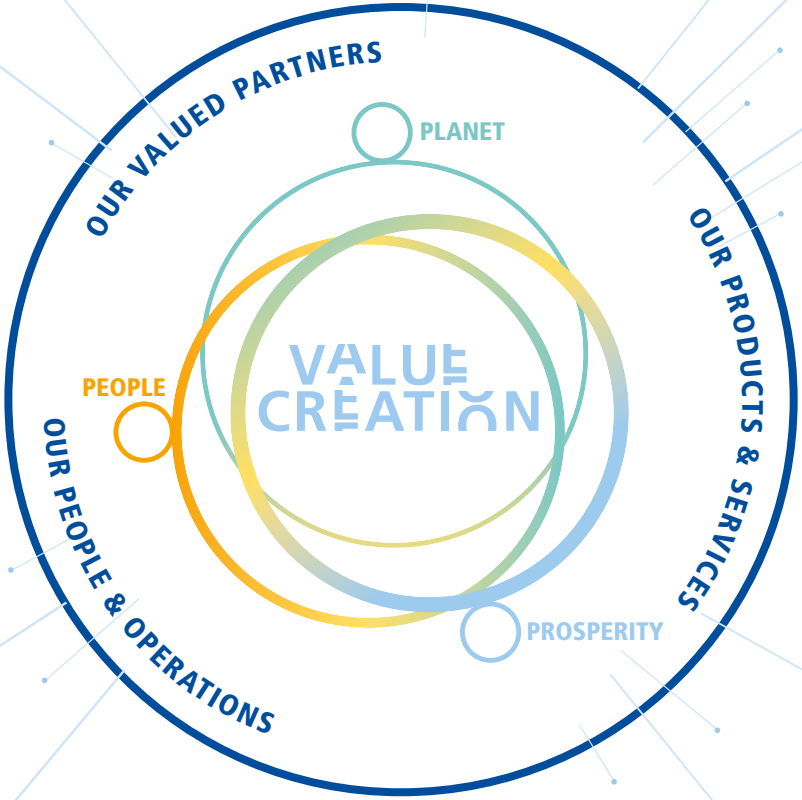
We believe that long-term success is achieved by pairing innovation with resource efficiency, and financial prosperity with ESG performance. For this reason, the organisational model implemented at Iveco Group was designed to strengthen:

- the entrepreneurial agility of business units
- the focus on new technologies and digital solutions
- customer centricity
- clear accountability
- synergies between business units to achieve global consistency
- the Company's efficiency and effectiveness
- Corporate Governance.

Our Business Model

OUR PURPOSE

Home of **unique** people and brands that **power** your business and mission to **advance** a more sustainable society



OUR STRATEGIC PRIORITIES

- Product Range & Positioning
- Operational Performance
- Alternative Powertrains
- Collaborations & Partnerships
- Life Cycle Services

OUR VALUES

- We go beyond the obvious
- We contribute diverse strengths
- We take ownership
- We do what is right
- We collaborate to win

OUR STRATEGIC SUSTAINABILITY PRIORITIES

- Carbon Footprint
- Workplace and Product Safety
- Life Cycle Thinking
- Inclusion and Engagement

1.2.2 Our Stakeholders

Stakeholders[2] present a wide range of differing interests, so establishing and maintaining stable and lasting relationships with them is crucial for creating shared value over the long term. At Iveco Group, we promote ongoing communication and active engagement with our stakeholders worldwide, interacting with them continually and proactively throughout the year via our dedicated functions. To this end, in 2023, our Board of Directors adopted the Stakeholder Dialogue Policy on Sustainable Strategy to govern the dialogue with our relevant stakeholders on the sustainability aspects of our strategy. We consider these exchanges as opportunities for mutual growth and improvement, which is why we work hard to build cooperation and trust with receptiveness and engagement.

Through an internal assessment performed by the corporate functions that manage our stakeholder relations on a daily basis, we have identified and selected several key stakeholders to better understand their specific requirements and priorities; this enables us to deal with issues before they become critical, and to fine-tune our responses according to their interests.

SUSTAINABILITY CAMPAIGN

After the publication of our first Iveco Group Sustainability Report in April 2023, we launched a dedicated campaign to increase awareness of our sustainability priorities and disseminate our key accomplishments of 2022, our first year as an independent Company. The campaign spanned 4 months, with each month focusing on one of the Company's sustainability priorities: *carbon footprint*, *workplace and product safety*, *life cycle thinking*, and *inclusion and engagement*. The campaign included weekly posts on our social media channels and reached employees via emails, Intranet posts, bulletins, and digital posters. It provided valuable insights through engaging videos and graphics showcasing the Company's daily efforts to advance a more sustainable society.

GRI 2-29

Stakeholder Categories	CORPORATE FUNCTIONS
Employees Employees' Families Other Workers Trade Unions & Employee Representatives	Human Resources Communications Business Units Manufacturing
Customers	Business Units Financial Services Communications
Dealer and Service Network	Business Units Financial Services
Suppliers & Business Partners	Supply Chain
Financial Community: Shareholders & Traditional and ESG Investors	Finance Public Affairs & Sustainability Communications
Public Institutions[a]	Public Affairs & Sustainability
Scientific and Technological Research Centres and Universities	Business Units Technology & Digital Human Resources
Local Communities[b]	Public Affairs & Sustainability Legal, Compliance & Corporate Governance Manufacturing
Environment	Manufacturing Public Affairs & Sustainability Business Units Technology & Digital
Next Generations	Iveco Group

[a] Governments, local authorities, public agencies, regulatory bodies, international institutions, trade associations, and non-governmental organisations.
[b] Religious, cultural, and socio-political associations; health systems; schools and universities; non-governmental and non-profit organisations.

Find out more
about the Iveco Group Stakeholder Dialogue Policy on Sustainable Strategy

[2] As per the ISO 26000 international standard providing guidance on social responsibility, a stakeholder is defined as an individual or group that has an interest that is affected or could be affected by the decisions or activities of an organisation.

In addition to the specific engagement process conducted during the materiality analysis, we regularly promote ongoing communication with our stakeholders worldwide through the following 4 levels of engagement.

Engagement Level	ENGAGEMENT METHODS
Inform (one-way communication: Iveco Group to stakeholders)	• publications, reports, corporate website, press, and social/digital media • official public events/activities and speeches • advocacy
Listen (one-way communication: stakeholders to Iveco Group)	• media • interviews and meetings • investor relationships • conference calls • special events • questionnaires and surveys • phone hotlines and email feedback forms
Involve	• materiality analysis • dedicated web portals • multi-stakeholder forums • shared projects • workshops • collective bargaining • Compliance Helpline
Collaborate	• partnerships • joint projects • shared decision-making processes

1.2.3 Our Sustainability

It is our mission to put sustainability at the heart of our strategy, making it an integral part of our day-to-day activities to ensure business is conducted in an economically sound, environmentally friendly, and socially beneficial way. By fully integrating environmental and social considerations with economic objectives, we are able to identify potential risks and seize additional development opportunities, creating a process of continuous – and above all sustainable – improvement that creates value over the long term.
In 2023, we became a participant of the **UN Global Compact**, the world's largest corporate sustainability initiative with more than 18,000 companies and 3,800 non-business signatories in over 160 countries. We thus joined thousands of other companies worldwide that are committed to taking responsible business action to create a sustainable future. The initiative calls on companies to align their operations and strategies with universally accepted principles in the areas of human rights, labour, the environment, and anti-corruption. It also encourages action in support of the goals and issues addressed in the UN's Sustainable Development Goals[3] (SDGs).

We have established a robust organisational structure to optimise the management of sustainability aspects within the Company. The highest responsibility for sustainability matters at Iveco Group lies with the **Board of Directors' ESG Committee**. From an executive point of view, this responsibility falls under the **Senior Leadership Team (SLT) Sustainability Committee**; from an operational one, under the Sustainability Department within the Sustainability Team.
The **Sustainability Team** is a network of experts responsible for incorporating sustainability criteria more effectively into Company strategy and for ensuring the necessary support for sustainability activities.
The Team comprises the following:

- the Head of the Public Affairs & Sustainability function (PA&S)
- the Sustainability Department
- Sustainability Representatives.

The **Chief Sustainability Officer**, a member of the Senior Leadership Team (SLT) and chair of the SLT Sustainability Committee, oversees our sustainability activities, provides visionary leadership, and coordinates with our management, shareholders, and employees to promote the continuous improvement of an effective corporate sustainability approach.

WE SUPPORT UN GLOBAL COMPACT

Find out more
about the UN Global Compact

[3] Sustainable Development Goals are set out in resolution A/RES/70/1, Transforming our World: the 2030 Agenda for Sustainable Development, adopted by the United Nations General Assembly on 25 September 2015.

The **Sustainability Department** oversees two main areas: our sustainability strategy and our sustainability initiatives. Among other things, it monitors external trends and incorporates them into our activities in line with stakeholder requirements, it proposes projects involving the Company and/or the community, and promotes the adoption of good practices to encourage their integration into Company processes. From an operational perspective, it is tasked with: conducting the materiality analysis and stakeholder engagement processes; managing all sustainability planning and reporting aspects; completing questionnaires required by sustainability rating agencies; and managing initiatives that support the development of local communities. The Sustainability Department manager also acts as secretary to the SLT Sustainability Committee.
Additionally, the Sustainability Department is responsible for:

- promoting a culture of sustainability throughout the Company, engaging all levels of the organisation
- promoting the integration of sustainability into day-to-day activities, implementing the strategies defined by the sustainability committees
- facilitating continuous improvement by supporting and motivating our corporate functions
- strengthening relationships with stakeholders while enhancing their perceptions
- interacting regularly with our executive teams and Board of Directors and providing updates on our sustainability performance.

Sustainability Representatives are appointed to represent our operating areas. They are responsible for:

- ensuring the support and alignment required across the Company
- bringing expertise to specific issues relating to the Company's reporting process
- formulating proposals for continuous improvement.

They provide a direct link between our Sustainability Department and our various operating areas, ensuring both technical and organisational support.

1.2.3.1 STRATEGIC SUSTAINABILITY PRIORITIES AND TARGETS

We have defined and fine-tuned our sustainability priorities so as to ensure better alignment with our core business. The 4 strategic sustainability priorities that underpin our sustainability strategy are:

- **carbon footprint**: to reduce CO_2 emissions from our manufacturing processes, from our product range, and along our entire value chain (supply and logistics), aiming for net zero carbon emissions by 2040
- **workplace and product safety**: to minimise the risk of workplace injuries through effective preventive and protective measures, and to ensure Company products have the highest safety standards
- **life cycle thinking**: to implement solutions that efficiently minimise the impact of our products and processes through a circular product life cycle approach
- **inclusion and engagement**: to build ever-stronger relationships with our stakeholders, continuing to work proactively and effectively to create an inclusive work environment.

To strengthen our efforts on our journey towards a sustainable future, we have mapped out the path to achieving these 4 strategic priorities by setting clear objectives, with specific reference to our people, direct operations, products and services, and valued partners.
These targets are a part of our Strategic Business Plan, and progress is regularly reported to both the ESG Committee and to the SLT Sustainability Committee. They are also incorporated into the Sustainability Plan, which includes both long and short-term targets and reflects our commitment to contributing to development, in harmony with people and the environment. Clear responsibilities are defined for each target to ensure they are consistently monitored and achieved.
It should be noted that, in keeping with the previous year, 2023's **executive compensation** was linked, among other things, to the achievement of 2 of our strategic sustainability targets: specifically, the long-term incentive plan was linked to the reduction in CO_2 emissions (Scope 1 and 2) compared to 2019, while the short-term incentives were linked to the increase in management positions held by women.

Mindful that our strategic sustainability targets can contribute to the achievement of the **UN's Sustainable Development Goals** (SDGs), we developed a process to identify the SDGs most relevant to our business and that we are best equipped to support.
This process consisted of 3 phases:

- all 17 SDGs, and their respective targets and indicators, were compared with our strategic targets to identify possible links
- associated risks and actual or potential impacts were identified for each SDG and strategic target in relation to our processes, products, and services
- the results were analysed, confirming 10 SDGs as most relevant to the Company.

Find out more
about the SDGs

Strategic Sustainability Targets

	CARBON FOOTPRINT 2040 net zero carbon	WORKPLACE AND PRODUCT SAFETY	LIFE CYCLE THINKING	INCLUSION AND ENGAGEMENT
OUR PEOPLE & OPERATIONS	2030 **-50%** vs 2019 in absolute CO_2 emissions (Scope 1 & 2) 2026 **100%** of total electricity consumption derived from renewable sources	2026 **-40%** vs 2019 in injury frequency rate	2026 **75%** of industrial water recycled at Company plants worldwide	2026 maintain gender pay equity[a] across the organisation and have it certified by a third party
OUR PRODUCTS & SERVICES	2030 **-38%** vs 2022 in Scope 3 CO_2 emissions from the use of sold products[b] per vehicle/km	2026 **100%** of new vehicles in Europe equipped with advanced driver assistance systems (ADAS) and additional advanced functions, such as adaptive cruise control (ACC), ACC Stop & Go, corrective steering function (CSF), and lane centring (LC)	2026 **100%** of new products developed using sustainability/recyclability design criteria	2026 collaborations with **100%** of key partners to improve the working conditions and work-life balance of drivers 2026 **+25%** vs 2021 2021 in Net Promoter Score (NPS) for IVECO Trucks
OUR VALUED PARTNERS	2026 **-7%** vs 2022 in kg of CO_2 emissions per ton of goods shipped 2030 **-30%** vs 2022 in absolute CO_2 emissions generated by major suppliers of purchased goods, services, and capital goods	2026 **100%** of dealership staff involved in safety training on our electric product portfolio	2030 **100%** recovery of the cores of spare parts sold 2026 **15%** of net sales from spare parts generated by remanufactured components	2026 **100%** of Tier 1 suppliers involved in sustainability self-assessment 2026 **+100%** vs 2021 in number of collaboration projects with suppliers to improve products' sustainability performance 2026 **+50%** vs 2019 in number of students involved in education activities, focusing on the jobs of the future

[a] Iveco Group assesses gaps in gender pay equity using multilinear regression. This analysis is performed in the countries of operation with a headcount of 100 or more.
[b] Target refers to vehicles manufactured in Europe.

1.2.3.2 MATERIALITY ANALYSIS

We carried out our materiality analysis applying the revised approach to materiality introduced by the GRI Universal Standards[4] published in 2021. This new approach focuses on the identification of topics that are likely to be material for an organisation based on the latter's most significant impacts (whether positive or negative, actual or potential) on the economy, the environment, and people (including on human rights). This inside-out perspective, which considers the impacts that are or could be generated by a company, was adopted when performing Iveco Group's impact materiality analysis, as per the GRI requirements.

Acting proactively and anticipating the requirements of the EU's Corporate Sustainability Reporting Directive (CSRD), we also performed a second materiality analysis, implementing, for the first time, a **double-materiality** approach, which integrates a **financial materiality** perspective with the **impact materiality** perspective. The financial materiality analysis entails an outside-in approach, identifying topics that are likely to be material for an organisation due to their respective sustainability risks and opportunities that have or could have a significant impact on future cash flows, with potential financial repercussions for company development, performance, and positioning in the short, medium, and long term.

When assessing risks and opportunities from a financial perspective, we also considered our dependencies on the availability of natural, human, and social resources. Such dependencies can themselves pose financial risks and opportunities, potentially affecting our ability to continue to use or obtain the resources needed in our business processes (including in terms of quality and pricing) and to rely on relationships needed to conduct our business on acceptable terms.

GRI
2-12; 2-14; 3-1

The following are the main steps involved in identifying Iveco Group's material topics.

Step 1: Analysis and understanding of the organisational and business context. Understanding Iveco Group's activities, business relationships, and stakeholders, as well as the sustainability context in which it operates, was the first step towards identifying the Company's impacts, risks, and opportunities. To this end, a benchmark analysis was performed against comparable industry enterprises and according to the requirements of the main international sustainability standards. An analysis of the external context was performed as well, to identify the main sustainability-related trends and aspects of the industry in which we operate.

Step 2: Identification of impacts, risks, and opportunities. To obtain an exhaustive list of Iveco Group's main impacts, risks, and opportunities according to both impact materiality and financial materiality perspectives, the analysis performed in Step 1 also took into consideration the risks identified through the Company's Enterprise Risk Management (ERM) risk assessment process, which is conducted on a regular basis.

(4) The Global Reporting Initiative (GRI) is a multi-stakeholder association for the development and disclosure of standards for reporting on an organisation's economic, environmental, and/or social impacts.

Step 3: **Assessment of the significance of impacts, risks, and opportunities.** The significance of the identified impacts was assessed based on their severity, extent, irreparable nature (only for negative impacts), and probability. The significance of the identified risks and opportunities, on the other hand, was assessed based on the severity and probability parameters employed by the ERM system, and on their extent in terms of potential to create or diminish corporate value – and therefore to impact the Company's development, performance, and positioning in the short, medium, and long term. The above impacts, risks, and opportunities were duly assessed (on a scale of 1-4) by the members of our Sustainability Leadership Team during a day-long workshop, after in-depth discussions on emerging ESG trends led by external experts attending the event. The assessment process also involved online interviews with sustainability experts and some of the Company's main stakeholders.

Step 4: **Definition and prioritisation of the material topics based on the significance of impacts, risks, and opportunities.** As per the requirements of the 2021 GRI Universal Standards, we used the outcomes of Iveco Group's impacts assessment to create a priority list of material topics (14 in total), classified according to the 4 priorities[5] of our sustainability strategy. This list was submitted to and approved by the ESG Committee of Iveco Group's Board of Directors.

GRI 3-2

2023 Impact Materiality Analysis

Position	MATERIAL TOPIC	Priority
1	Product quality and safety	Workplace and product safety
2	CO_2 emissions from vehicles	Carbon footprint
3	Human rights	Inclusion and engagement
4	Occupational health and safety	Workplace and product safety
5	Diversity, equity, and inclusion	Inclusion and engagement
6	Sustainable supply chain	Life cycle thinking
7	Dealer and customer management	Inclusion and engagement
8	Circular product life cycle	Life cycle thinking
9	CO_2 emissions from logistics	Carbon footprint
10	Employee development and training	Inclusion and engagement
11	CO_2 emissions from operations	Carbon footprint
12	Responsible management of natural resources	Life cycle thinking
13	Digitalisation and connectivity	Workplace and product safety
14	Local communities	Inclusion and engagement

(5) Iveco Group's 4 strategic sustainability priorities are: *carbon footprint*, *workplace and product safety*, *life cycle thinking*, and *inclusion and engagement*.

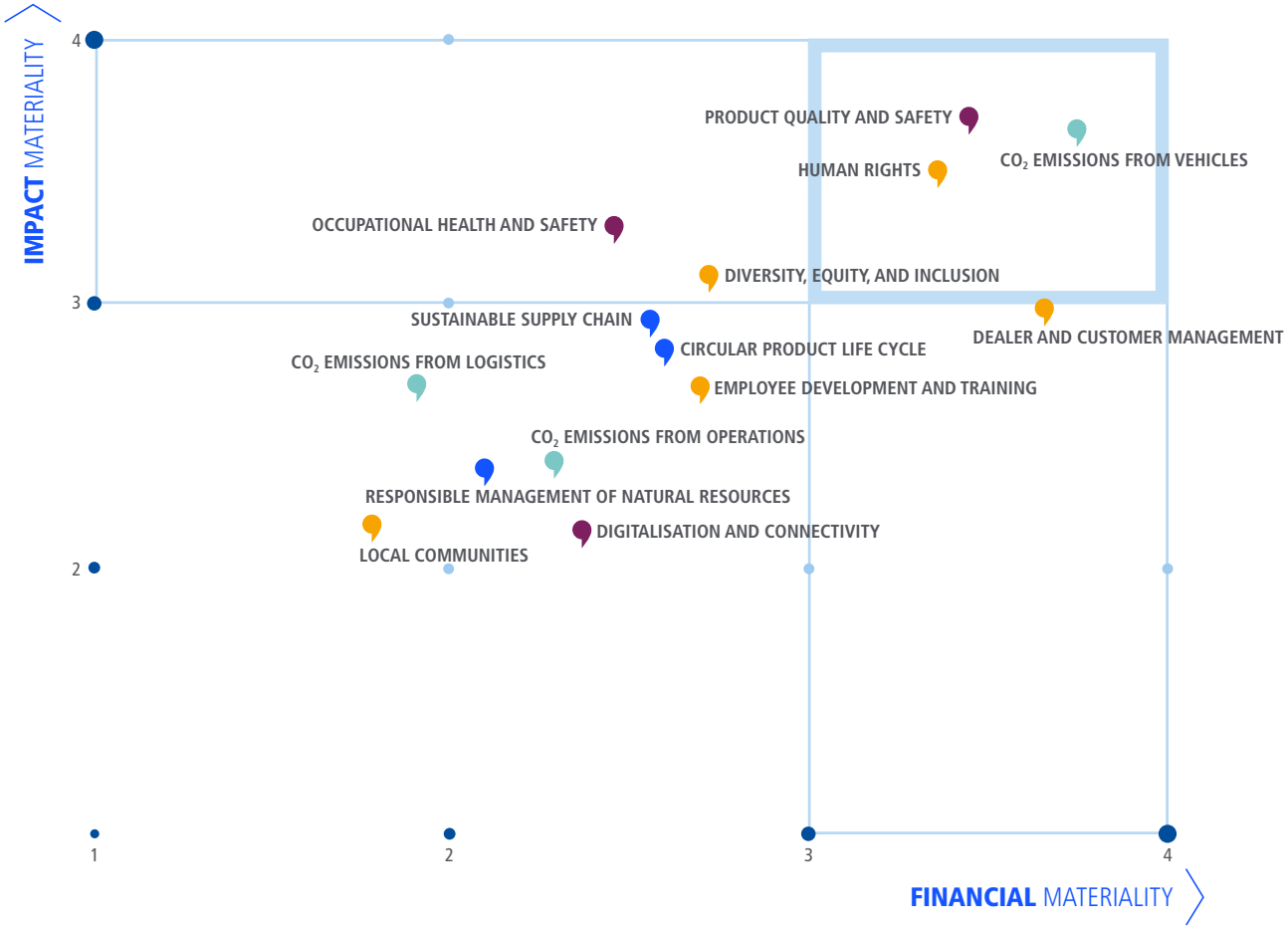
It should be noted that, within the scope of the analysis, aspects related to Corporate Governance, business ethics, and regulatory compliance were considered prerequisites, and therefore were not examined individually. Furthermore, the concept of innovation is integral to all material topics, particularly those related to products and to production processes.

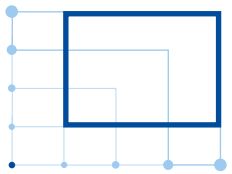
All topics submitted for assessment within the **impact materiality** analysis were found to be material to Iveco Group.
The two most material topics, product quality and safety and CO_2 emissions from vehicles, reflect the importance to Iveco Group's brands of offering customers products that have low environmental impact, are safe and reliable, and comply with high quality standards. The material topics human rights, occupational health and safety, and diversity, equity, and inclusion reflect the Company's commitment to ensure a safe and inclusive work environment, where all diversity is valued and human rights are protected – not only within the organisation but also across the entire value chain. The presence of sustainable supply chain and dealer and customer management on the list reflects the Company's continuous effort towards the increasingly efficient and responsible management of its activities and entire value chain.

By integrating the outcomes of the two assessments (risks and opportunities with impacts), we were able to define Iveco Group's material topics and position them within a Materiality Matrix, a visual representation of both impact materiality and financial materiality perspectives.

In 2023, we took an additional step in our materiality analysis by evaluating the relevance of our current material topics (and their associated impacts, risks, and opportunities) in South America, taking into account the local context and specific needs. The analysis was performed on site, directly involving the local management team in a dedicated workshop. It confirmed the same positioning on the Materiality Matrix of our top 3 material topics (product quality and safety, CO_2 emissions from vehicles, and human rights). It also showed the greater significance at local level of 3 material topics concerning financial materiality (CO_2 emissions from logistics, CO_2 emissions from operations, and sustainable supply chain) and of 1 material topic concerning impact materiality (local communities).

2023 Materiality Matrix





KEY

- Carbon Footprint
- Workplace and Product Safety
- Life Cycle Thinking
- Inclusion and Engagement

With the addition of **financial materiality** to the matrix, product quality and safety and CO_2 emissions from vehicles emerged as priorities on which Iveco Group believes it should focus its efforts, reflecting the importance of offering ever safer, low-emission products to consolidate its market position.

From an outside-in perspective, CO_2 emissions from vehicles is the topic with the most material financial impact, given the investment needed to reduce the environmental impact of vehicles, as well as the potential economic incentives and/or market opportunities relevant to the decarbonisation strategy that Iveco Group is pursuing. This topic is also significant from an inside-out perspective, as reflected by its high impact materiality.

Product quality and safety is a priority from both a financial materiality and impact materiality perspective, reflecting how the focus on high-quality, reliable products is indispensable for generating value and increasing market share. Dealer and customer management is especially important in financial materiality terms, demonstrating how the customer relationship is vital in creating new business opportunities. Human rights emerged as material from both perspectives, highlighting an increase in awareness of this topic and of the needs of minority groups. This increased awareness can help enhance our Company's reputation. Furthermore, when combined with continuous monitoring, it can also help minimise the risk of human rights violations.

GRI 3-3

List of Iveco Group's Material Topics and Respective Impacts, Risks, and Opportunities

SUSTAINABILITY PRIORITIES	MATERIAL TOPICS	DESCRIPTION OF MATERIAL TOPIC	DESCRIPTION OF INSIDE-OUT IMPACT (IMPACT MATERIALITY)	DESCRIPTION OF OUTSIDE-IN RISKS AND OPPORTUNITIES (FINANCIAL MATERIALITY)	SEE SECTION:
CARBON FOOTPRINT	CO_2 EMISSIONS FROM LOGISTICS	Initiatives that promote sustainable logistics processes, focusing on increasing low-emission transport, adopting intermodal solutions, and optimising transport capacity	Inbound and outbound logistics flows using high carbon-emissions transport contribute to climate change Sustainable logistics processes, such as intermodal solutions and transport capacity optimisation, contribute to reducing logistics-related emissions	Requests from both regulatory bodies and the market to reduce the entire value chain's carbon footprint, including logistics, may require ongoing financial investments An increase in logistics infrastructure to reduce the carbon footprint of the transport sector may contribute to reducing logistics costs	2.1.4.2
	CO_2 EMISSIONS FROM OPERATIONS	Implementation of measures to reduce CO_2 emissions, through the use of renewable sources and energy efficiency initiatives within Iveco Group's operational processes	CO_2 emissions from energy consumption related to Iveco Group's operations contribute to climate change CO_2 emissions from manufacturing processes can be reduced through energy-efficiency initiatives and the use of renewable fuels	More stringent carbon regulatory requirements (e.g., carbon taxes, renewable energy regulations, etc.) may entail unforeseen incremental costs to ensure compliance EU and/or national incentives to promote decarbonisation strategies may boost Iveco Group's commitment to fighting climate change	2.1.3
	CO_2 EMISSIONS FROM VEHICLES	Development of innovative solutions to reduce the carbon footprint of vehicles	Failure to develop low carbon-emitting products impacts the environment The launch of innovative solutions that optimise efficiency during vehicle use can help tackle climate change	An increase in the demand for low-carbon vehicles, which require significant investments, could impact Iveco Group's financials An increase in the demand for low-carbon vehicles may create new business opportunities and market share gains	2.1.4.1

KEY

- Negative Impact
- Risk
- Positive Impact
- Opportunity

SUSTAINABILITY PRIORITIES	MATERIAL TOPICS	DESCRIPTION OF MATERIAL TOPIC	DESCRIPTION OF INSIDE-OUT IMPACT (IMPACT MATERIALITY)	DESCRIPTION OF OUTSIDE-IN RISKS AND OPPORTUNITIES (FINANCIAL MATERIALITY)	SEE SECTION:
WORKPLACE AND PRODUCT SAFETY	PRODUCT QUALITY AND SAFETY	Delivery of safe, high-quality vehicles to customers by adopting the highest standards to maximise road user safety	Poor-quality products due to the increase in complexity of design and production processes can reduce customer safety and/or satisfaction Enhanced vehicle quality and safety achieved through new technologies can improve customer satisfaction and reduce potential vehicle damage	Unforeseen changes in technical and/or product safety regulations may increase costs to achieve compliance An increase in customer demand for high-quality vehicles may create new business opportunities and market share gains	3.5.3
	OCCUPATIONAL HEALTH AND SAFETY	Protection of workers' and third parties' health and safety through the adoption of management systems and initiatives that promote a safety culture	Non-compliance with safety standards can cause injuries and critical incidents A strong safety culture can be developed through training and by promoting accident prevention	Infectious diseases or pandemics may threaten workers' health, affecting business continuity Initiatives implemented with business partners to improve workplace health and safety may encourage the proliferation of a safety culture within the organisation, contributing to safeguarding business continuity	3.2.5
	DIGITALISATION AND CONNECTIVITY	Development of digital technologies and use of big data analysis aimed at establishing a direct connection between vehicles and their surrounding environment, so as to support users' real-time decision making while safeguarding data and cybersecurity	A lack of digital solutions can lead to a poor or outdated product offering, impacting customer loyalty Vehicle enhancement through innovative solutions (such as remote damage identification, predictive diagnosis algorithms, AI or autonomous vehicles) can help reduce accidents	An increase in demand for innovative technologies, which require a high level of investment, could impact Iveco Group's financials An increase in demand for innovative vehicles and digital solutions may create new business opportunities and a gain in market share	3.5.3 3.5.1.2.1
LIFE CYCLE THINKING	CIRCULAR PRODUCT LIFE CYCLE	Integration of circular economy principles in product development, promoting the responsible use of resources throughout the entire life cycle of the product	Traditional, linear product design can have a negative environmental impact, such as increased waste and inefficient resource use The reduced exploitation of natural resources by developing recyclable and reusable products helps preserve the environment	The exploitation of natural resources may cause shortages, increased costs, and supply disruptions A greater availability of reused and/or recycled materials may reduce supply costs	2.3
	RESPONSIBLE MANAGEMENT OF NATURAL RESOURCES	Responsible and efficient management of resources across all operations, with the aim to reduce Iveco Group's environmental footprint	Excessive waste generation, inefficient water consumption, and raw material use in Company operations depletes resources, causing environmental damage Promoting the use of fewer resources through circular economy practices helps reduce the Company's environmental footprint	More stringent environmental regulatory requirements (e.g., plastic taxes) may entail unforeseen incremental costs to ensure compliance EU and/or national incentives aimed at promoting circular economy initiatives may boost Iveco Group's commitment to preserving the environment	2.2.2
	SUSTAINABLE SUPPLY CHAIN	Promotion of responsible practices among suppliers, with the aim to improve their reliability and safety levels while supporting them in minimising their environmental footprint	Failure to adequately engage with suppliers can lead to non-compliance with safety and environmental regulations, causing critical incidents and injuries to contract workers Company engagement and training initiatives can strengthen the development of a responsible supply chain	Supplier non-compliance with safety and environmental regulations may result in reputational damage to Iveco Group Suppliers willing to implement social and environmental improvements may lead to synergies and new business opportunities	3.3

KEY

- Negative Impact
- Risk
- Positive Impact
- Opportunity

SUSTAINABILITY PRIORITIES	MATERIAL TOPICS	DESCRIPTION OF MATERIAL TOPIC	DESCRIPTION OF INSIDE-OUT IMPACT (IMPACT MATERIALITY)	DESCRIPTION OF OUTSIDE-IN RISKS AND OPPORTUNITIES (FINANCIAL MATERIALITY)	SEE SECTION:
INCLUSION AND ENGAGEMENT	EMPLOYEE DEVELOPMENT AND TRAINING	Ensuring employees' professional and personal growth and promoting adequate welfare plans, enabling them to fulfil their potential and enhance their wellbeing	Outdated training programmes and inadequate welfare plans can affect employee satisfaction and motivation The promotion of welfare and training programmes contributes to employee wellbeing and skills development	A lack of available trained people with specific sector knowledge may hinder the achievement of strategic and business objectives and impact stakeholder relations Collaborations with universities and the academic community may increase the pool of potential new hires	3.2.6 3.2.6.3 3.2.6.4
	DIVERSITY, EQUITY, AND INCLUSION	Promotion of an inclusive work environment, enhancing diversity and challenging all discriminatory behaviour	Discrimination in the hiring process or in personnel management can negatively affect the corporate climate Pursuing equal opportunities and development programmes for protected groups can improve employee inclusivity	Discriminatory behaviour by partners may lead to reputational damage to Iveco Group Increased social awareness and the inclusion of minority groups may expand labour market opportunities	3.2.3
	DEALER AND CUSTOMER MANAGEMENT	Active engagement with dealers and customers, behaving correctly, transparently, and promptly to meet their expectations and respond to their requests	Failure to acknowledge dealers' and customers' needs due to an ineffective engagement process can impact their loyalty Establishing strong relationships with dealers and customers can improve their satisfaction levels	Detrimental decisions by dealers could negatively affect Iveco Group's sales and reputation An increase in dealers' and customers' interest in Company products may create new business opportunities and a gain in market share	3.4 3.5
	HUMAN RIGHTS	Ensuring respect for fundamental human and labour rights across the entire value chain	An ineffective monitoring system can lead to human rights violations along the entire supply chain Continuous monitoring of Company and supply chain operations can help protect human rights	The violation of human rights across the value chain may cause reputational damage to Iveco Group An increase in stakeholders' awareness of human rights may enhance the Company's reputation	3.1.1 3.1.2
	LOCAL COMMUNITIES	Promotion of initiatives aimed at supporting and developing local communities in the regions in which Iveco Group operates	Failure to engage with the Company's local communities can lead to grievances or acceptance issues Initiatives aimed at creating shared value support the development of local communities	Hostility by local communities towards activities conducted by Iveco Group in the regions in which it operates may cause reputational damage or affect business continuity Synergies with local partners enhance the Company's business development	3.6 4.3.3.5 4.4.2

KEY

- Negative Impact
- Risk
- Positive Impact
- Opportunity

1.2.3.2.1 Focus on Iveco Group's Two Main Material Topics

Material Topic: Product quality and safety

MATERIAL ISSUE FOR COMPANY VALUE CREATION

WHY IT IS MATERIAL TO OUR BUSINESS	PRIMARY BUSINESS STRATEGY TO ADDRESS THE TOPIC	LONG-TERM METRIC/TARGET TO MEASURE PROGRESS
This topic is related to the delivery of safe, high-quality vehicles to customers by adopting the highest standards to maximise road user safety. It is material to Company value creation because of the following considerations: • the **risk** associated with this topic refers to changes in technical and/or product safety regulations, which may entail greater costs to achieve compliance • a rise in customer demand for high quality vehicles may lead to new business **opportunities** and to an increase in market share.	Designing products according to high safety standards to protect drivers, passengers, and all other road users presents a daily challenge for Iveco Group, and is a part of our responsibility towards the community. Accordingly, our research and development into safety systems focuses on 3 key areas: • active safety: collision avoidance and driving assistance, with a focus on devices that support the driver in both normal and emergency situations (when warning alerts are triggered) • passive safety: damage mitigation • tertiary safety: post-crash safety management.	**2026 Target:** 100% of new vehicles in Europe equipped with advanced driver assistance systems (ADAS) and additional advanced functions, such as adaptive cruise control (ACC), ACC Stop & Go, corrective steering function (CSF), and lane centring (LC). **2023 Progress**: Ongoing development of Level 2 ADAS for new vehicle models.

MATERIAL ISSUE FOR EXTERNAL STAKEHOLDERS

TOPIC RELEVANCE TO EXTERNAL STAKEHOLDERS	IMPACT VALUATION	OUTPUT METRIC AND IMPACT METRIC
The topic is related to the impact that our products and services may have on stakeholders. Our impact assessment covered more than 50% of the Company's business activities. This topic is material to external stakeholders because of the following considerations: • a decline in product quality due to complex design or production processes can have a **negative impact** on customer safety and/or satisfaction • enhanced vehicle quality and safety resulting from new technologies can have a **positive impact** on customer satisfaction and on reducing potential vehicle damage.	The decision to launch a recall campaign takes into consideration both technical factors and the impact on customers. Product safety aspects are evaluated using state-of-the-art tools and methodologies, such as safety risk assessments, and the Company determines whether to launch a particular safety recall campaign based on the index obtained. The impact on customers is measured as their lost revenue due to the given recall campaign.	**Output Metric:** Number of recall campaigns. **2023 Impact Metric: €2.4 million** (Quantified based on the number of vehicles affected in recall campaigns, the average days of downtime, and the average daily income of customers, divided by the number of recall campaigns).

Material topic: CO_2 emissions from vehicles

MATERIAL ISSUE FOR COMPANY VALUE CREATION

WHY IT IS MATERIAL TO OUR BUSINESS	PRIMARY BUSINESS STRATEGY TO ADDRESS THE TOPIC	LONG-TERM METRIC/TARGET TO MEASURE PROGRESS
This topic is related to the development of innovative solutions to reduce the carbon footprint of vehicles. It is material to Company value creation because of the following considerations: • an increase in demand for low carbon vehicles comes with the **risk** of requiring significant investments, which could impact Iveco Group's financials • greater demand for low carbon vehicles may lead to new business **opportunities** and to an increase in market share.	The diversified offering of Iveco Group's brands plays a pivotal role in our decarbonisation strategy, requiring the multi-energy approach that we have been pursuing for many years now, and that currently comprises propulsions ranging from traditional technologies to natural gas (NG), biofuels, electric mobility, and hydrogen.	**2030 Target**: -38% vs 2022 in Scope 3 CO_2 emissions from the use of sold products per vehicle/km. **2023 Progress:** -6.1% vs 2022 in Scope 3 CO_2 emissions from the use of sold products per vehicle/km.

MATERIAL ISSUE FOR EXTERNAL STAKEHOLDERS

TOPIC RELEVANCE TO EXTERNAL STAKEHOLDERS	IMPACT VALUATION	OUTPUT METRIC AND IMPACT METRIC
The topic is related to the impact that our products and services may have on stakeholders. Our impact assessment covered more than 50% of the Company's business activities. This topic is material to external stakeholders because of the following considerations: • failure to develop products with low carbon emissions has a **negative impact** on the environment • the introduction of innovative solutions that enhance vehicle efficiency during use has a **positive impact** on climate change mitigation.	Reducing GHG emissions from Iveco Group's products can contribute to improving air quality and to mitigating the impact of climate change on the environment. To measure this impact, we use the social cost of carbon, which is an estimate (in US dollars) of the economic damages that would result from emitting one additional ton of carbon dioxide into the atmosphere. According to the latest update of the Environmental Protection Agency (EPA), the social cost of carbon dioxide in 2023 was estimated at $204, an increase compared to the previous estimate due to more stringent climate provisions and regulations, which will increase costs for consumers.	**Output Metric:** CO_2 emissions from the use of sold products per vehicle/km. **2023 Impact Metric: $28 million** (Calculated as the difference compared to the previous year in annual CO_2 emissions from the use of sold products in Europe multiplied by the social cost of carbon).

1.2.3.3 SUSTAINABILITY MANAGEMENT SYSTEM

Iveco Group's sustainability management system consists of the following tools:

- our **Code of Conduct**, approved by the Board of Directors, and related policies that set out our approach to key issues
- our **Supplier Code of Conduct**
- a set of **Company policies** to manage specific issues
- stakeholder **engagement** on material topics
- our **materiality analysis**, which defines social and environmental priorities
- a set of approximately **200 sustainability-related key performance indicators**, designed to provide maximum coverage of all our key environmental, social, and governance aspects, in line with the GRI Sustainability Reporting Standards (GRI Standards), the Sustainability Accounting Standards (SASB Standards), the Guidelines of the World Economic Forum (WEF), and the standards of the major sustainability rating agencies
- our **Sustainability Plan**, which tracks the commitments undertaken and includes our strategic sustainability targets
- our annual **Sustainability Report**, which discloses the Company's sustainability performance
- a summary in the **Annual Report**, supplementing the financial data as per the requirement of the Dutch Decree on Non-Financial Information, which incorporated Directive 2014/95/EU into Dutch law. It also reports on our climate change mitigation actions as per both the framework and recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)[6] and the requirements of the EU Taxonomy Regulation. The latter establishes a list of environmentally sustainable economic activities in support of the EU Green Deal objectives.

1.2.3.4 THE SUSTAINABILITY PLAN AND REPORTING PROCESS

GRI
2-3; 2-5; 2-14

The Sustainability Report is the means by which we present our non-financial performance to stakeholders. It also includes the Sustainability Plan, which states the sustainability-related commitments made to them by Iveco Group. The Report is prepared according to the following procedure.

The commitments and targets that make up the Sustainability Plan are identified and set by our corporate functions with the assistance of the Sustainability Department, which also ensures the incorporation of our stakeholders' expectations evidenced by our materiality analysis. It is the responsibility of the Sustainability Department to ensure that our medium- to long-term targets are in line with both stakeholders' expectations and Company strategies. The Plan is updated annually and reviewed mid-year.

After our Sustainability Plan and Sustainability Report have been prepared and updated by the Sustainability Department, the various targets and chapters are sent to the relevant individual owners for approval. Once this approval process is completed, the full Sustainability Report, including the Sustainability Plan, is:

- submitted to SGS Nederland B.V., an independent certification body, for auditing as per Sustainability Reporting Assurance (SRA) procedures and in compliance with both the GRI Standards and the AA1000 Accountability Principles Standard (2018). SGS is officially authorised to provide assurance as per the AA1000 Assurance Standard v3. The audit also covers the alignment of our sustainability management system with the ISO 26000:2010 guidelines on social responsibility
- approved by the SLT Sustainability Committee
- approved by the Chief Executive Officer
- reviewed by the ESG Committee
- approved by the Board of Directors
- discussed at Iveco Group's Annual General Meeting of Shareholders, to provide a complete and up-to-date overview of our sustainability strategy to our shareholders and investors
- published and made publicly available in the sustainability section of our website.

Contact us for questions regarding the Report

[6] Task force of 32 international members (including providers of capital, insurers, large non-financial companies, accounting and consulting firms, and credit rating agencies) established by the Financial Stability Board (FSB) in 2015 to develop recommendations for more efficient and effective climate-related disclosures. In 2023, the responsibility for monitoring the progress of companies' climate-related disclosures was transferred from the TCFD to the IFRS Foundation (effective as of 2024), following the release of the new IFRS Sustainability Disclosure Standards. As a result, Iveco Group has already started to incorporate the contents of the IFRS S2 Climate-related Disclosures, with full alignment expected by 2024.

1.3 Governance Bodies

1.3.1 Governance Structure

GRI
2-9; 2-11;
2-12; 2-13

Iveco Group is a public limited liability company, incorporated and organised under the laws of the Netherlands and listed on the Euronext Milan, managed by the Italian Stock Exchange. As such, we comply with applicable Dutch law, the Italian Stock Exchange's relevant regulations, and the best practice provisions[7] of the Dutch Corporate Governance Code (DCGC). The DCGC's purpose is to facilitate a sound and transparent system of checks and balances within Dutch listed companies; to this end, it regulates the relationships within each board of directors and between boards and their respective shareholders.

Our Company's Governance model is built on a structure and a set of rules adopted to ensure the ethical, transparent, and sustainable management of operations. We believe that a robust Governance model is crucial in managing our businesses effectively and in the long-term interests of all our stakeholders. Moreover, by giving due weight to sustainability issues, our model fosters a long-term corporate outlook and contributes to risk-adjusted returns, as it ensures that our performance is due to careful consideration and long-term thinking and it enables continuous improvement based on analysis and results achieved each year. It also ensures that risk management controls are in place to safeguard the value of investments. Since a robust system of governance is essential for all Company activities, it is a prerequisite for the materiality analysis.

Within the Corporate Governance section of Iveco Group's Annual Report (available on our corporate website), the Board Report provides a comprehensive description of the most significant aspects of our Governance model, while the Remuneration Report includes a detailed insight into the Company's remuneration policy and practices. The following highlights focus on specific aspects of interest.

Iveco Group's Articles of Association[8] envisage a **one-tier** Board of Directors structure where the executive directors are primarily responsible for all day-to-day operations, while the non-executive directors (directly and through the Board Committees, entirely made up of non-executive directors) have oversight of the executive directors' policy and performance of duties and of the Company's general affairs and business; the non-executive directors also render advice and direction to the executive directors.

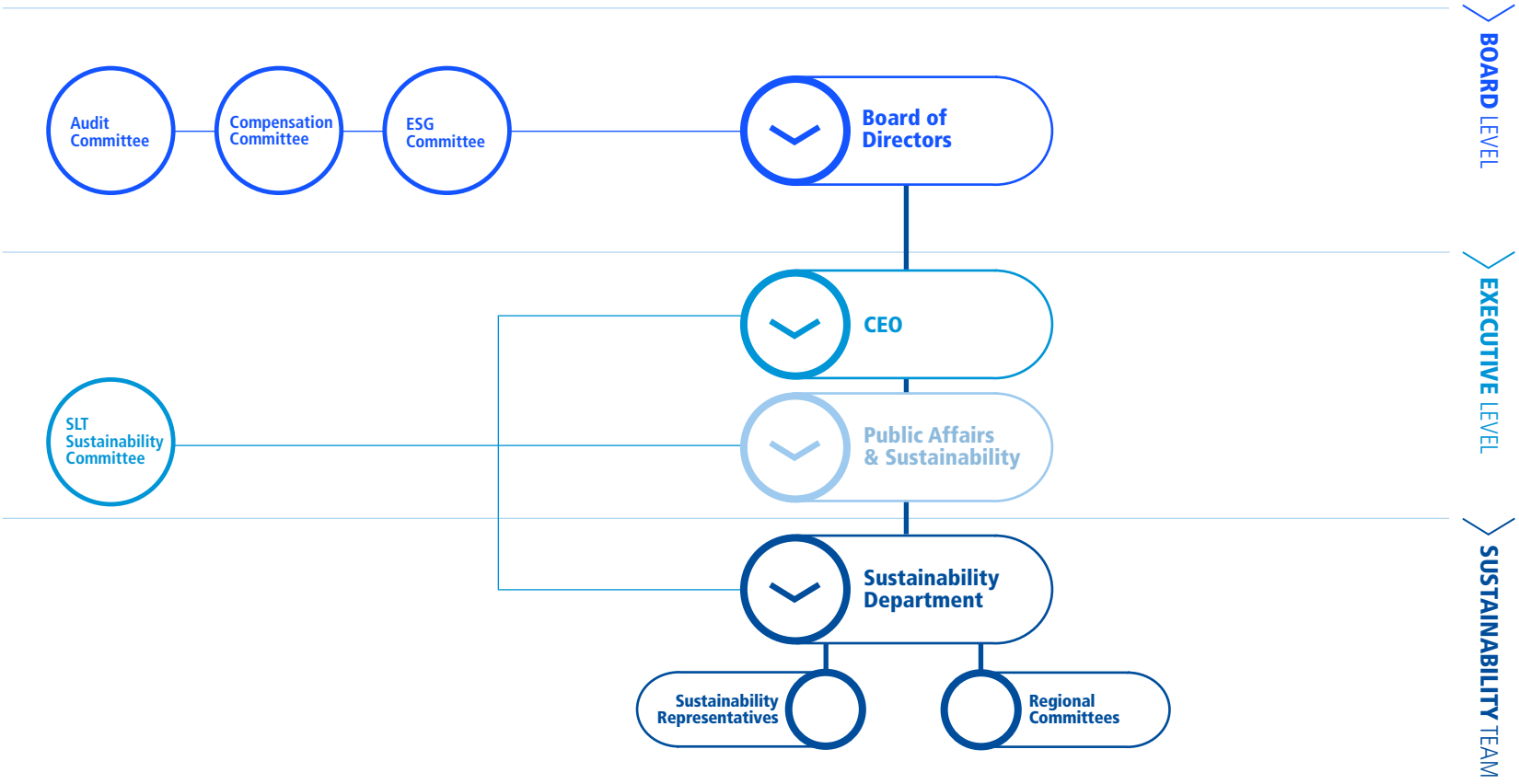
On certain key industrial matters (including sustainability), the Board is advised by the Senior Leadership Team (SLT), an operational decision-making body of Iveco Group responsible for reviewing the operating performance of our business areas and that is supervised by the non-executive directors. The SLT, in turn, provides the non-executive directors with all the information they need to fulfil their responsibilities.

Find out more
about our Governance

(7) Except as discussed in the section 'Compliance with the Dutch Corporate Governance Code' in the 2023 Annual Report.

(8) The Articles of Association are available on the Company's website.

Our Governance Structure



1.3.2 Board of Directors

The Board of Directors[9] has collective responsibility for the strategy, management, supervision, and continuity of the Company. Among other things, it oversees the development of Iveco Group's mission and vision, as well as its culture, strategies, policies, and goals regarding economic, environmental[10], and social topics. Both directly and through its Committees, it engages in discussions on strategic, industrial, and technological scenarios. It oversees the risk management process. It approves annual budgets and strategic plans and targets, and monitors their progress vis-à-vis actual results and forecasts. Lastly, it supervises major projects and transactions while continually reviewing the Company's innovation priorities over time.

As per the Company's Articles of Association, the Board consists of 3 or more directors, who are **individually elected** by the General Meeting of Shareholders on an annual basis.

As at 31 December 2023, it was **composed** of 9 directors, of whom 2 (22%) were executive directors (one with the title of Chairperson – Suzanne Heywood – and one with the title of Chief Executive Officer – Gerrit Marx), and 7 (78%) non-executive directors. At the same date, 33% of the directors identified as female and 67% identified as male, and the Board included representatives of 7 different nationalities; 4 Board members were in the 30-50 age group (44%), 5 members were in the over-50 age group (56%), and no member was under 30 years of age.

As per the Dutch Corporate Governance Code (DCGC), the overall composition of the non-executive directors is such that they can operate independently and critically with respect to one another, to the executive directors, and to any other particular interest involved.

As at 31 December 2023, 4 directors (44%) met the **independence criteria** set forth by the DCGC. Independent directors play an essential role in protecting the interests of all stakeholders. Their contribution is also necessary for the proper composition and functioning of the Board Committees, whose advisory functions include preliminary examination and formulation of proposals relating to areas of potential risk, such as the prevention of potential conflicts of interest. In 2023, Independent Director Lorenzo Simonelli was reappointed as Senior Non-Executive Director. According to the Company's Articles of Association, it is the senior non-executive director who performs the role of chair of the Board of Directors as stated in law. As per the Company's Regulations of the Board of Directors[11], the senior non-executive director presides over meetings and is responsible for the proper functioning of the Board and its Committees.

In 2023, there were 7 Board meetings and, despite the absence of a minimum attendance requirement, the directors' overall attendance was 100%, as indicated in the following table.

GRI
2-10; 2-11; 2-12; 2-13; 2-15

7
BOARD MEETINGS, WITH AN ATTENDANCE OF
100%

2023 Board Meeting Attendance (%)

Board Member	Suzanne Heywood	Gerrit Marx	Tufan Erginbilgic	Essimari Kairisto	Linda Knoll	Alessandro Nasi	Olof Persson	Benoît Ribadeau-Dumas	Lorenzo Simonelli
Attendance	100	100	100	100	100	100	100	100	100

Find out more
about our Board of Directors

(9) References to the Board of Directors are as at 31 December 2023.
(10) The environmental sphere includes climate-related and water-related issues.
(11) The Regulations of the Board of Directors are available on the Company's website.

GRI
2-15; 2-18; 405-1

Regarding **conflicts of interest**, the Regulations of the Board of Directors state that Board members shall not participate in discussions or decision-making with respect to a matter in relation to which they have a direct or indirect personal interest that is in conflict with the interests of the Company and/or business associated with the Company. In the event of a conflict of interest, Board members are required to report it immediately, so that the non-executive directors can assess the situation and, if appropriate, exclude the conflicted director from the discussion and decision-making process; all conflicted transactions require the approval of the non-executive directors. Furthermore, in compliance with the DCGC, in our continuous effort to prevent conflicts of interest in general, the Board as a whole may, on an ad hoc basis, resolve that the perception of a conflict of interest of an individual director is significant enough in relation to a specific matter that it is in the best interest of a proper decision-making process that said individual director be excused from participation. Finally, as a precautionary measure and based on the information available to the Company, should the perception of a conflict of interest of an individual Board member be significant enough in relation to a specific matter, the Chairperson will exclude said director from the relevant information flow, pending a decision by the full Board.

We believe that an appropriate and diversified mix of skills, professional backgrounds, and **diversity factors** are fundamental to the proper functioning of the Board as a collegial body – as set forth in the Regulations of the Board of Directors, in our Guidelines on Board composition, and in our Diversity, Equity & Inclusion Policy[12]. It is generally recognised that a diverse board is more effective in performing its monitoring and advisory activities due to the variety of professional experience, perspectives, insights, skills, and connections to the outside world that diversity can bring to the table. Indeed, pursuant to the DCGC's recommendations, a formal statement by the Board is available on the Profile page of our corporate website acknowledging that the Board of Directors should be composed of individuals who bring the appropriate skills and experience needed for a company of Iveco Group's size, geographic distribution, and business focus. To this end, when assessing candidates for appointment as directors, the Board also considers several diversity factors including, but not limited to, gender, ethnicity, education, and nationality, believing that bringing different perspectives into the Boardroom creates more effective discussions. Indeed, as per our Diversity, Equity & Inclusion Policy (adopted in October 2023) and in line with the Company's overall aspirations and commitments within the framework of its strategic planning, the Board annually sets a number of specific targets addressing diversity. These targets concern the entire workforce as well as the composition of the Board itself, and are meant to guide decision making and ensure focus.

Each Board member's main **skills** have been summarised in individual charts available on the corporate website under their respective profiles; these skills were self-assessed using a 3-level scale (basic, medium, or full skill)[13]. In light of the attributes of its individual directors, and based on the annual self-assessment performed under the oversight of the ESG Committee, the Board considers itself a diverse body, well suited to fulfilling its duties vis-à-vis the Company's existing and prospective challenges, and will continue to consider enhanced diversity as a priority.

(12) The Regulations of the Board of Directors, the Guidelines on the composition of the Board of Directors, and Iveco Group's Diversity, Equity & Inclusion Policy are available on the Company's website.

(13) For further information, see 4.2.3.2 Skills Matrix Definitions.

Iveco Group Board of Directors Skills Matrix

As at 31 December 2023

DIRECTORS	PERSONAL INFORMATION: BORN IN	GENDER IDENTITY[b]	GEOGRAPHIC DIVERSITY	IVECO GROUP DIRECTORSHIP: EXECUTIVE	INDEPENDENCE	INITIAL APPOINTMENT	SKILLS CATEGORIES[a]: INDUSTRY[c]	STRATEGY & CORPORATE DEVELOPMENT	INNOVATION	SUSTAINABILITY	RISK MANAGEMENT	ICT & CYBERSECURITY	GOVERNANCE	FINANCIAL	EXTERNAL EXPERIENCE: EXECUTIVE EXPERIENCE	MANDATES[d] IN OTHER LISTED COMPANIES (no.)	LISTED COMPANIES AS AT 31 DECEMBER 2023
SUZANNE HEYWOOD	1969	F	UK	yes	no	2022	Full	Full	Medium	Medium	Medium	Full	Full	Full	yes	2	CNH Industrial N.V. Juventus Football Club S.p.A.
GERRIT MARX	1975	M	DE	yes	no	2022	Full	Full	Full	Medium	Medium	Medium	Full	Medium	yes	1	Nikola Corporation
LORENZO SIMONELLI	1973	M	CH IT UK USA	no	yes	2022	Medium	Full	Full	Medium	Full	Full	Full	Full	yes	1	Baker Hughes Company
TUFAN ERGINBILGIC	1959	M	TR UK	no	yes	2022	Basic	Full	Medium	Full	Medium	Full	Full	Full	yes	2	Dcc Plc. Türkiye Petrol Rafinerileri AS
ESSIMARI KAIRISTO	1966	F	DE FIN	no	yes	2022	Basic	Full	Full	Medium	Full	Medium	Full	Full	yes	2	Applus+ S.A. Fortum Oy
LINDA KNOLL	1960	F	USA	no	no	2022	Full	Full	Full	Full	Medium	Basic	Full	Medium	yes	2	Astec Industries Inc. Schneider Electric SE
ALESSANDRO NASI	1974	M	IT	no	no	2022	Full	Full	Medium	Full	Medium	Medium	Full	Full	yes	3	Exor N.V. CNH Industrial N.V. GVS S.p.A.
OLOF PERSSON	1964	M	SE	no	yes	2022	Full	Full	Full	Full	Full	Full	Full	Full	yes	1	New Wave Group AB
BENOÎT RIBADEAU -DUMAS	1972	M	FR	no	no	2022	Medium	Full	Full	Basic	Medium	Medium	Medium	Full	yes	0	-

SKILLS
- Full
- Medium
- Basic

(a) For further information, see 4.2.3.2 Skills Matrix Definitions.
(b) Gender identity is defined as an individual's internal sense of being male (M), female (F), both (B), neither (N), or something else (SE).
(c) Iveco Group activities related to 2 sub-industry groups, as per MSCI and Standard & Poor's Global Industry Classification Standard (GICS): Construction Machinery & Heavy Trucks, classified under the sector Industrials; and Automobiles, classified under the sector Consumer Discretionary. See 4.2.3.2 Skills Matrix Definitions.
(d) Publicly listed companies only.

1.3.2.1 THE BOARD'S COMMITTEES

As per the Company's Articles of Association[14], the Board has appointed 3 Committees, entirely made up of non-executive directors: the Audit Committee, the ESG Committee, and the Human Capital & Compensation Committee, each governed by a charter defining their duties and powers. The respective charters are posted on the Company's website.

The function of the **Audit Committee** is to assist and advise the Board of Directors, and act under authority delegated by the Board, with respect to: the integrity of the Company's financial statements, including any published interim reports; the Company's policy on tax planning adopted by management; the Company's financing; the application by the Company of information and communication technology, cybersecurity measures, and personal data protection matters; the systems of internal controls that management and/or the Board of Directors have established; the Company's overall compliance with legal and regulatory requirements; the Company's compliance with recommendations and observations of internal and external auditors; the Company's policies and procedures for addressing certain actual or perceived conflicts of interest; the qualifications, independence, and remuneration of the Company's independent auditors and any non-audit services provided by them to the Company; the functioning of the Company's internal auditors and independent auditors; risk management guidelines and policies; and the implementation and effectiveness of the Company's ethics and compliance programme.
In 2023, the Audit Committee met 6 times. As at 31 December 2023, 3 of the 4 members of the Audit Committee qualified as independent.

2023 Audit Committee Meeting Attendance (%)

Audit Committee Member	Essimari Kairisto (chair)	Olof Persson (member)	Benoît Ribadeau-Dumas (member)	Lorenzo Simonelli (member)
Attendance	100	100	100	100

The **Human Capital & Compensation Committee** is responsible for, among other things, assisting the Board in: determining executive compensation consistent with the Company's Remuneration Policy; reviewing the compensation of executive directors; administering equity incentive plans and deferred compensation benefit plans; and discussing with management the Company's policies and practices regarding compensation.
In 2023, the Human Capital & Compensation Committee met 6 times. As at 31 December 2023, one member of the Human Capital & Compensation Committee qualified as independent.

GRI
2-12; 2-15; 2-17

2023 Human Capital & Compensation Committee Meeting Attendance (%)

Human Capital & Compensation Committee Member	Linda Knoll (chair)	Tufan Erginbilgic (member)	Alessandro Nasi (member)
Attendance	100	100	100

The **ESG Committee** is responsible, among other things, for assisting the Board in: overseeing the Company's significant environmental, social, and governance risks, strategies, policies, programmes, practices, and management standards to further its business purpose, strategy, culture, values, and reputation, in the best interests of all Iveco Group stakeholders; monitoring the relevant performance; and overseeing the Company's ongoing commitment to environmental stewardship and corporate social responsibility, with a specific focus on:

- health and safety
- climate change
- water management
- sustainable supply chain.

[14] The Articles of Association are available on the Company's website.

The ESG Committee helps the Board develop its collective knowledge on sustainability and provides guidance on key global environmental, social, and governance issues.
In 2023, the ESG Committee met 6 times. As at 31 December 2023, one member of the ESG Committee qualified as independent.

2023 ESG Committee Meeting Attendance (%)

ESG Committee Member	Alessandro Nasi (chair)	Linda Knoll (member)	Tufan Erginbilgic (member)
Attendance	100	100	100

1.3.3 Senior Leadership Team

GRI
2-13; 405-1

At executive level, the Senior Leadership Team (SLT) oversees the quality and execution of our Company's strategy. Serving as a decision-making body of Iveco Group, it is responsible for reviewing the operating performance of our business areas and making decisions on certain operational matters. The SLT reports to and advises the Board of Directors, which remains accountable for the decisions of the SLT itself and has ultimate responsibility for the Company's management and external reporting.
The SLT comprises Iveco Group's Chief Executive Officer (CEO) and key senior managers. It is supervised by the non-executive directors and, to this end, provides them, either directly or through the CEO, with all information they require to fulfil their responsibilities.
As at 31 December 2023, the SLT had 16 members and its composition was as follows:

- gender: 12 males (representing 75% of the total) and 4 females (representing 25% of the total)
- age group: 9 members were in the 30-50 age group (56%), 7 members were in the over-50 age group (44%), and no member was under 30 years of age.

1.3.3.1 SLT SUSTAINABILITY COMMITTEE

Once a month, the SLT members (including the CEO) meet in their role as the Sustainability Committee. This ensures regular updates on Iveco Group's sustainability performance and a continuous focus on shared priorities and targets. Specifically, the SLT Sustainability Committee is responsible for:

- providing visionary leadership
- identifying the sustainability strategy
- integrating the sustainability strategy with business needs, adopting a medium- to long-term vision
- facilitating continuous improvement by identifying and supporting global actions and initiatives
- approving local community projects with a budget over €50,000.

1.4 Ethical Behaviour

1.4.1 Our Regulations

GRI
2-23

At Iveco Group, we strongly believe that our long-term success depends on our ability to do business in a manner that is socially responsible, ethical, and compliant with the laws of each country of operation. To this end, our actions are guided by specific policies on various compliance and ethics issues, such as conflicts of interest, corruption, competition, human rights, and health and safety. These policies are summarised in our Code of Conduct, reflecting among other things our commitment to adopting fair employment practices, ensuring safety in the workplace, supporting and fostering environmental awareness, and respecting the communities in which we operate, as per applicable legislation.

The policies also reflect our commitment to creating long-term sustainable value for all our stakeholders, which we are firmly convinced is only attainable by ensuring full respect for fundamental human and labour rights. Fostering a culture of long-term value creation requires compliance with all applicable laws. This responsibility lies with our Board of Directors, which implements both the Iveco Group Code of Conduct and Supplier Code of Conduct to ensure such compliance and to communicate the Company's values and expectations as clearly and explicitly as possible.

1.4.1.1 CODE OF CONDUCT AND POLICIES

Iveco Group's **Code of Conduct** is one of the pillars of our Corporate Governance system, which regulates decision-making processes and the approach used by Company and employees alike in interacting with all stakeholders. The Code of Conduct summarises the values we recognise, adhere to, and promote, in the belief that integrity and fairness are important drivers of long-term value creation and social and economic development.

The Iveco Group Code of Conduct is an integral part of our internal control systems. It applies to all Iveco Group directors, officers, and employees, as well as to those acting for or on behalf of any Iveco Group legal entities worldwide (including all joint ventures in which the Company holds a controlling interest).

Among other things, the Code of Conduct addresses the ethical aspects of economic, social, and environmental issues. Explicit reference is made to the UN's Declaration of Human Rights, the relevant International Labour Organization (ILO) Conventions, and the OECD[15] Guidelines for Multinational Companies.

In July 2023, the Iveco Group Board of Directors approved a revised version of our Code of Conduct, containing an updated message from our Chairperson and CEO, as well as our new corporate purpose and our Values. It also emphasises our commitment to tax compliance through the design and implementation of a Tax Control Framework and the promotion of a cooperative and transparent approach to tax authorities, and it states our commitment to fostering diversity, equity, and inclusion (DEI) in the workplace, with great care taken to use inclusive language, consistent with our DEI Playbook.

In addition to the Code of Conduct, the Company has adopted several **corporate policies**, as well as specific processes and procedures to support and complement the Code of Conduct by providing more detailed guidance to employees; this means that the Code should be read and interpreted in conjunction with these policies, processes, and procedures. Iveco Group is committed to adhering to its Code of Conduct, Company policies, and all applicable laws in the countries in which it operates. All policies referred to in the Code of Conduct are available on the Company's website.

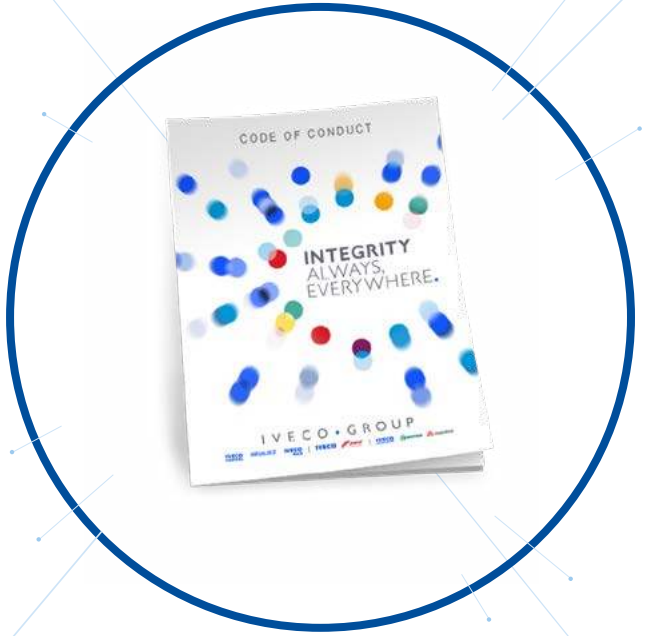
Find out more
about our Code of Conduct

(15) Organisation for Economic Co-operation and Development.

INSPIRATIONS

- **United Nations' Universal Declaration of Human Rights**
- **International Labour Organization Conventions**
- **Organisation for Economic Co-operation and Development Guidelines**
- **National and local laws**

CODE OF CONDUCT



Conduct **in the marketplace**

Conduct **towards people**

Conduct **towards the environment and health and safety**

Conduct **towards the community and society**

MAIN CORPORATE POLICIES

- Anti-Corruption Policy
- Anti-Harassment Policy
- Anti-Money Laundering Policy
- Anti-Retaliation Policy
- Bilateral Contacts with Shareholders Policy
- Communications Policy
- Community Investment Policy
- Competition Policy
- Compliance Helpline Policy
- Conflict Minerals Policy
- Conflict of Interest Policy
- Data Privacy Policy
- Diversity, Equity & Inclusion Policy
- Environmental Policy
- Gifts, Entertainment & Travel Policy
- Health and Safety Policy
- Human Rights Policy
- Inside Information Procedure
- Insider Trading Policy
- International Trade Policy
- Policy for US Lobbying Activities
- Related Party Transactions Policy
- Social Media Policy
- Stakeholder Dialogue Policy on Sustainable Strategy
- Supplier Code of Conduct
- Third-party Due Diligence Policy
- Use of Company Property Policy

The Code of Conduct and the compliance policies are available in multiple languages in the Governance section of the Company's website, as well as in the Compliance and Ethics section of our Intranet portal.

Iveco Group's **Supplier Code of Conduct** summarises what the Company expects from all its suppliers, in terms of corporate social responsibility and collaboration, to ensure we do business in a sustainable manner. Adopted in 2022, it is available in 6 languages and can be found on the Company's website (in the Governance section), Intranet, and Supplier Portal. Compliance with the Supplier Code of Conduct is a mandatory requirement for continuing business relations with the Company.

1.4.1.1.1 Application and Dissemination

Our Code of Conduct and corporate policies apply to all members and officers of Iveco Group's Board of Directors, to all employees of Iveco Group N.V., and to all of its subsidiaries and joint ventures in which the Company holds a controlling interest. The Code guides our behaviour and, in principle, applies to anyone acting for or on behalf of the Company. Available in 7 languages (Czech, English, French, German, Italian, Portuguese, and Spanish), the Code of Conduct can be viewed and downloaded via our corporate website and Intranet, and hard copies are available from the HR Department. The principles and values of good corporate governance established in the Code of Conduct are conveyed to all Company employees irrespective of their level or role, through periodic training and other communication channels. They are also shared outside the Company, with targeted training offered to a number of our business partners. The **2023 Code of Conduct training course** included 3 modules – *Anti-Bribery and Anti-Corruption*, *Antitrust and Competition Law*, and *Speaking Out and Preventing Retaliation* (regarding the Compliance Helpline) – made available to approximately 12,415 employees worldwide (salaried and above), for a total of 4,553 hours[16].

We also delivered several targeted compliance training sessions (for a total of 16,611 hours) on the main issues identified via a risk assessment, with a focus on:

- Anti-Bribery and Anti-Corruption[17]
- Antitrust and Competition Law[17]
- data privacy (The GDPR and Worldwide Data Privacy Laws)
- human rights (Professional Conduct: Supporting an Environment of Respect)
- the Compliance Helpline (Speaking Out and Preventing Retaliation)[17].

(16) Data as at 31 January 2024.
(17) Module included in the Code of Conduct training course.

Moreover, tailored anti-corruption and conflict of interest training was delivered – either in class or online – to the most exposed employees, identified on the basis of an internal risk assessment. In addition, specific training on Antitrust and Competition Law was provided to all members of the Senior Leadership Team (SLT).

Outside the Company, in 2022, we provided Code of Conduct compliance training to 25% of the joint ventures in which Iveco Group has a controlling interest, and Supplier Code of Conduct training materials were made available to our suppliers through the Supplier Portal.

2023 Code of Conduct Reach and Coverage[a]

Iveco Group worldwide (%)

	Coverage	Written/digital acknowledgement of the Code of Conduct[b]	Training made available
Employees	100	100	100
Subsidiaries[c]	100	100	100

(a) Results refer to the 2-year period 2022-2023; the same percentages were achieved each year.
(b) The results achieved relate to all employees in management positions in the following functional areas: CEO Staff, Company business units, Finance, Public Affairs & Sustainability, HR & ICT, Technology & Digital, Supply Chain, General Counsel, Enterprise Risk Management & Internal Audit, and Communications.
(c) Refers to salaried employees at Iveco Group N.V. subsidiaries.

As evidenced by the previous table, the Code of Conduct also applies to 100% of the subsidiaries in which Iveco Group holds at least a 51% interest. For information on the reach and written acknowledgment of the Code of Conduct among suppliers, please refer to the chapter on the Supplier Code of Conduct (see 3.3.1 Our Management Approach to the Supply Chain ›).

Every year, our Compliance function asks the members of the Board of Directors, Senior Leadership Team (SLT), and certain categories of employees to formally acknowledge, in writing, that they have read both the Iveco Group Code of Conduct and the Conflict of Interest Policy and understand their contents; and to confirm that they have no information or knowledge of any violation of either document that hasn't already been disclosed to the Company. The employee categories involved in 2023 were:

- managers (all functions)
- all Procurement employees
- all Sales employees (eligible for the Sales Incentive Plan, or SIP).

GRI
2-26

100%

OF EMPLOYEES[a] INVOLVED IN ONLINE TRAINING ON THE CODE OF CONDUCT

(a) Salaried employees and above.

We advocate our Code of Conduct and Supplier Code of Conduct as best practice standards in business ethics to our partners, suppliers, consultants, agents, dealers, and other third parties with whom we have long-term relationships. Our contracts with third parties include specific clauses relating to the recognition of, and adherence to, the fundamental principles of our Code of Conduct and related policies, as well as compliance with applicable laws, particularly those related to bribery and corruption, money laundering, antitrust/competition law, and other corporate criminal liabilities.

1.4.1.2 ANTI-CORRUPTION AND BRIBERY

Specific procedures are in place at Iveco Group to ensure full compliance with applicable anti-corruption laws. These procedures are outlined in our Anti-Corruption Policy, which is overseen by our Compliance function. Iveco Group's culture of integrity requires all employees to actively collaborate in monitoring the policy's enforcement, and to set an example of ethical conduct by reporting any potential violations – either to their managers, HR or Compliance representatives, or via the Compliance Helpline. The policy has been circulated to all Company employees and senior management worldwide and is available on the corporate website in 7 languages.
As stated in the Anti-Corruption Policy, Iveco Group adopts a zero tolerance approach to any kind of bribery (the paying or offering of anything of value in order to obtain an improper business advantage), in particular, bribery concerning public officials, representatives of international organisations, and any other party connected with a public official, private entities or individuals as provided for by applicable laws.

The **Corruption Perception Index**, published by Transparency International, is generally used as a guide by our Compliance function in assessing and categorising the specific risks and prevalence of corruption in each of our countries of operation, and the type of controls needed. In addition, we periodically assess factors such as the risks associated with our businesses, the likelihood of a violation, the potential consequences, and the effectiveness of applicable internal controls.

The Company also provides corruption prevention training, using both online and scenario-based classroom training.

In 2023, as part of our Code of Conduct training, an online anti-corruption course was delivered globally to all employees (salaried and above), broken down as per the next table.

GRI
205-1; 205-2

2023 Anti-Corruption Training by Geographic Area

Iveco Group worldwide (no.)

	Employees with access to training	Training hours[a]
Europe	10,643	3,934.5
South America	1,131	262.5
North America	90	83.0
Rest of World	551	273.0
Total	**12,415**	**4,553.0**

[a] Data as at 31 January 2024.

Our employees are required to report compliance issues (including those related to corruption) and they can do so through various means (e.g., by reporting them to managers or through the Compliance Helpline).

No violations related to corruption or bribery were reported to the Compliance Helpline in 2022 or 2023.
We engage in benchmarking with peer companies to assess our approach to corruption and verify the consistent adoption of best prevention and detection practices. We also implement an internal audit programme to verify the efficiency of our corruption prevention processes and controls. Results are submitted to both the Senior Leadership Team (SLT) and Audit Committee, and we take action whenever an opportunity to improve internal controls is identified. All corruption allegations are duly analysed and investigated in accordance with our policies, and they are also tracked; we also analyse the cases reported to assess the need for further controls and training. Additionally, the Company surveys all employees on a yearly basis, reminding them of their obligation to report compliance issues. Senior employees, as well as those in higher risk functions, are required each year to formally disclose any potential Code of Conduct or conflict of interest violation of which they have knowledge.

1.4.1.2.1 Third-Party Due Diligence Process

Iveco Group implements a Third-Party Due Diligence process, designed using a specific web-based third-party screening tool. This process gives us more insight into the specific risks posed by different third parties with whom we do business, based on attributes such as: location, type of interaction between the third party and the Company, and possible interaction between the third party and government officials in connection with its work for Iveco Group. The process provides a ranking of high-risk third parties representing the Company in the marketplace (including sales commission agents, trading companies, etc.). Third parties identified as posing a high risk are subject to variable levels of additional due diligence based on their specific risk profile. The due diligence process ranges from the basic screening of relevant watch lists to obtaining in-depth corporate intelligence reports from external diligence sources. Within the scope of this process, our Compliance & Ethics Committee has oversight of high-risk third-party relationships.

The Company has established a dedicated working group – composed of representatives from Compliance, Trade Compliance, Financial Services, and HR Security & Facilities – tasked with re-evaluating existing anti-bribery, anti-corruption, and anti-money laundering practices and processes, as well as those related to trade compliance, while identifying opportunities to improve, streamline, and rationalise them in the framework of a risk-based approach.

1.4.1.3 ANTITRUST AND COMPETITION

As stated in our Code of Conduct, Iveco Group recognises the critical importance of an open and competitive market, and is committed to complying with all applicable competition and antitrust legislation and to not engaging in business practices that may violate applicable antitrust or competition laws (such as the establishment of cartels, price fixing, market divisions, limitations with respect to production or sales, tying arrangements, the exchange of commercial information or business views, etc.).

With reference to safeguarding confidential information, the Code of Conduct expressly indicates that the know-how, trade secrets, intellectual property, and/or other proprietary information developed by Iveco Group are a fundamental and critically valuable resource that every employee is required to protect. The Company and its subsidiaries are also required to protect the confidentiality of information they may receive from third parties.

Every year, our Compliance and Ethics function collects a statement from a number of employees declaring they understand and adhere to the Code of Conduct (including the antitrust aspects contained therein), and that they have no knowledge of any violation of the Code of Conduct nor of any conflicts of interest that have not already been disclosed to the Company. We also have a programme in place to promote compliance with competition and antitrust laws, to raise awareness within the organisation of competition law implications for our businesses, and to identify and minimise the risk of any violations. This compliance programme includes a dedicated **Competition Policy**, overseen by the Legal Department and available on the Company's website. This policy was updated in 2023 to include a set of relevant practical guidelines by subject matter, and applies to all directors, officers, and employees, as well as to those acting for or on behalf of all Iveco Group companies worldwide. It sets detailed and stringent rules to be observed when dealing with competitors, trade associations, suppliers, and customers, as well as rules to be observed in response to competition authority investigations, emphasising the need for full cooperation in the event of antitrust/competition investigations or any requests for information regarding alleged anti-competitive conduct. The Competition Policy also emphasises the importance of promptly reporting any actual or suspected policy violations, either to a member of the Legal and Compliance departments or anonymously using the Company's Compliance Helpline.

In 2023, our **online training** on the Code of Conduct included a module on **Antitrust and Competition Law** that was made available to approximately 12,415 employees worldwide (salaried and above), for a total of 4,553 hours[18]. A dedicated in-person training module on antitrust and competition aspects was also provided to Senior Leadership Team (SLT) members, and specific **in-person training** initiatives were deployed in some jurisdictions, to maintain a high level of awareness about the importance of competition law compliance. The Company plans to continue to follow this approach in 2024 and beyond, selecting a number of jurisdictions every year for ad hoc training initiatives for the business, on top of our general Antitrust and Competition Law course available online.

[18] Data as at 31 January 2024.

1.4.1.4 TRADE COMPLIANCE

Iveco Group is a material participant in international trade, an area of increasing focus where laws are complex and dynamic. We address these challenges by implementing our **International Trade Policy**, whose subject matter is also an important part of the Supplier Code of Conduct. In accordance with this policy, the Company is committed to complying with all applicable international trade laws and regulations (including import and export control laws; anti-boycott, anti-dumping, and anti-corruption laws; and sanction programmes). Our dedicated Trade Compliance function is tasked with expanding and diversifying our current processes (by building on existing compliance tools), to encompass and address such a dynamic trade environment and any relevant new regulations, while also implementing awareness initiatives across the organisation to ensure that new regulations are properly understood and taken into account when doing business.

1.4.1.5 INFORMATION SECURITY

In today's computerised world, new cyber risks are emerging by the hour, and simply being connected to the internet makes organisations susceptible to potential hacker attacks, leaving them constantly exposed. Cybercrime is big business, prompting organisations and governments worldwide to increase the resources devoted to addressing cyber threats, given the significant monetary and reputational risks they could face in the absence of an appropriate cybersecurity plan. At Iveco Group, we consider information security and the proper handling of personal data as core tenets, which is why we have implemented a number of dedicated controls and protection measures that we monitor constantly. In addition, in line with ICFR[19] principles, the security controls for our IT infrastructure and information security management system are audited and certified annually by an external auditor.

1.4.1.5.1 Governance

Information security refers to all the practices and processes adopted to prevent access to or use, modification or deletion of data by unauthorised individuals or parties. It covers more than just personal data, protecting all information and data assets managed by or for Iveco Group. To regulate information security, we implement a set of operational procedures at global level, known as **Information Security Policies**.

The Chief Information Officer (CIO) is a member of the Global Compliance & Ethics Committee, which is responsible for approving said Information Security Policies with regards to both individual employees and ICT personnel. A dedicated **Cybersecurity Department** within the ICT organisation monitors and manages information security. The head of this department, the Chief Information Security Officer (CISO), is directly responsible for the ICT Cybersecurity Division, namely for coordinating security initiatives based on corporate programmes and business objectives while ensuring adequate protection for IT assets and technologies.

The CISO provides monthly updates on cybersecurity initiatives to the CIO and to the latter's top-level managers at cybersecurity meetings. Moreover, the CIO and CISO report on the status of the Cybersecurity Roadmap to the Audit Committee, which normally meets quarterly.

Our **security governance** is based on the 5 functions of the NIST[20] Cybersecurity Framework – Identify, Protect, Detect, Respond, and Recover – designed to build an effective security culture and environment involving all those in security management. Our **Cybersecurity Roadmap** incorporates several initiatives aimed at ensuring effective information security governance. Every year, the roadmap is reviewed and defined according to the outcomes of the annual NIST maturity assessment, performed by a third party, that ranks Iveco Group's position within the NIST framework. This assessment also identifies any gaps and areas for improvement needed to consolidate our Cybersecurity Roadmap and posture. The main 2023 initiatives are listed below, grouped according to the aforementioned NIST functions.

1.4.1.5.2 Identify

Under the Identify function, the following initiatives were set up to assist in developing our understanding of managing cybersecurity risks to systems, people, assets, data, and capabilities:

- adoption of the Privileged Access Management (PAM) solution, which enables secure access to servers for maintenance purposes without using privileged accounts. Its initial deployment focused on the servers running most of the applications that fall under the Company's ICFR[21] scope
- implementation of all type-A controls according to the requirements of the PSNC (Italy's national cybersecurity perimeter) for our IDV Brand
- implementation of an Attack Surface Management (ASM) solution (IBM Security Randori[22]) to monitor the Company's potential vulnerability to cyber attacks

(19) Internal Control over Financial Reporting.

(20) National Institute of Standards and Technology.
(21) Internal Control over Financial Reporting.
(22) One of the leading ASM solutions for tackling cyber risks.

- implementation of a Cloud Security Posture Management monitoring process to detect potential misconfigurations and suspicious activity across multiple clouds
- adoption of a tool for performing a Shared Folders Security Review, enabling the close monitoring of shared areas (i.e., SharePoint sites, file servers, etc.)
- assessment of the resilience to ICT risks of some Iveco Group brands as per the Digital Operational Resilience Act (DORA), an EU regulatory framework due to come into force in January 2025, to determine their cybersecurity posture and define an action plan to fill any gaps identified.

1.4.1.5.3 Protect

The Protect function outlines appropriate safeguards to ensure delivery of critical infrastructure services. Initiatives deployed in 2023 focused on improvements to the security of data related to cloud platforms and intellectual property (IP) through a **data loss prevention solution** combined with a strengthened password policy. Such initiatives included:

- implementation of an Identity Threat Protection (ITP) tool to enhance the current Endpoint Detection and Response (EDR) solution, incorporating new, additional functionalities aimed at detecting and responding to threats related to identity and credentials rather than malware alone
- implementation of an advanced Smart Internet Access system through the adoption of a Secure Access Service Edge (SASE) solution, which ensures safe internet browsing and VPN access from endpoints, anytime and anywhere, and secures internet access from sites using an integrated approach based on distributed cloud firewalls
- implementation of **Multi Factor Authentication (MFA)**, including on exposed critical systems
- improvement of our Connected Vehicles Cybersecurity through various initiatives at specific plants and through new product designs
- cloud security development to enhance the cybersecurity posture of cloud-based environments.

1.4.1.5.4 Detect

The Detect function's main aim is to identify the likelihood/occurrence of a cybersecurity event. Two ICT partners, NPO Sistemi and Kyndryl, provide support for 90% of our IT infrastructure. NPO Sistemi's services are compliant with ISO 27001:2013 and ISO 9001:2015 standards. Kyndryl's IT security, networking, cloud, system, and resiliency services are ISO 22301:2012-certified, while its IT security services are also ISO 27002:2013-compliant.

To further safeguard confidential information, we protect it against unauthorised access (both physical and logical) and limit the number of accounts with privileged access to it.

To prevent **information security breaches**, we have deployed a complex array of complementary measures – involving software, networks, servers, and devices assigned to users (such as laptops and smartphones) – to protect data when at rest, in transit or in use. Our data loss prevention measures include, but are not limited to: data loss prevention software, encryption, advanced anti-malware software, and secure data disposal

Information/Cybersecurity Incidents & Breaches

Iveco Group worldwide (no.)

		2023	2022
Total number of information security breaches or other cybersecurity incidents[a]	P0	**0**	0
	P1	**1**	3
	P2	**2**	31
	P3	**865**	2,521
Total number of information security breaches involving customers' personally identifiable information		**0**	0
Number of customers affected by the Company's data breaches		**0**	0
Total amount of fines/penalties paid in relation to information security breaches or other cybersecurity incidents (€)		**0**	0

[a] An incident's priority, from high (P0) to low (P3), is determined according to its assigned impact and urgency levels. In 2023, all incidents were resolved with zero impact on business activities.

Additionally, we have set up an Information Security Competence Centre dedicated to the security of our connected vehicle products (see 3.5.3 Product Safety and Cybersecurity).

Vulnerability analysis and management are essential to ensure the confidentiality, integrity, and availability of our sensitive information, and to maintain business continuity, protect our reputation, and prevent financial losses. Every effort is made to properly identify, report, prioritise, and remediate vulnerabilities that pose a significant risk to our Company, through a 24/7 process that continuously checks for potential vulnerabilities.

Risk assessments, vulnerability scanning, and penetration tests are conducted annually to ensure the security of our IT infrastructure and information security management systems. These tests include the **analysis of the external attack surface** – performed using our recently acquired cloud-based tool – and **simulated hacker attacks**.
Iveco Group's ICT Security conducts an annual **information security risk assessment** to evaluate our cybersecurity maturity and to identify ICT risks while assessing their likelihood and impact. This assessment is based on the NIST Cybersecurity Framework and performed with assistance from external third parties. It is then followed up with continuous risk management and improvement measures. In 2023, 20 risks were downgraded to a lower risk level due to the implementation of new mitigation measures.
Furthermore, a number of assessments were performed specifically on our IDV Brand and our Financial Services business unit, considering the unique nature of these businesses.
Before the disposal of any IT asset, the **IT asset management process** removes all confidential data via a data erasure procedure. The partner in charge of fleet management oversees the data-sanitisation of such assets, and the activity is tracked via the asset management tool.

Our **Information Security Incident Management Policy** stipulates how to respond appropriately to any actual or suspected security incident relating to our information and/or information systems. Our Security Incident Response Plan, which is tested at least annually, provides a framework of procedures, roles, responsibilities, and accountability for incident handling, while enabling breach detection, analysis, containment, eradication, recovery, and follow-up in response to incidents. Our Security Operations Centre (SOC) is active 24/7 in preventing, detecting, and remediating security threats across the corporate network before any impact on business activities occurs. Additionally, should there be a computer security breach or incident, we have a dedicated Cyber Security Incident Response Team (CSIRT) that coordinates and provides support accordingly.
In 2023, we adopted a new Security Ratings platform by Panorays (in place of our former Bitsight solution) to measurably reduce our cyber risk: it provides data-driven, dynamic measurements of our cybersecurity performance and oversees the performance of our cybersecurity programme through broad measurement, continuous monitoring, and detailed planning. We are also using this platform as a third-party risk management (TPRM) solution to evaluate the potential risks associated with our partners that deliver ICT services.

1.4.1.5.5 Respond and Recover

One of the main aims of these specific NIST functions is to develop our ability to take action on a detected cybersecurity incident and resume normal operations in a timely manner to minimise any impact.
Accordingly, in 2023, as part of our development of and investment in IT security, we engaged an external third party, PricewaterhouseCoopers (PWC), to implement a **Crisis Management Plan** to identify the appropriate structured processes, tools, and skills required to effectively manage any crisis caused by interruptions that could disrupt our core business.

1.4.1.5.6 Communication, Training, and Awareness

Every employee using our information systems receives **online training** on information security at least once every 3 years, while new hires receive it as part of the onboarding process. The Company offers a *Cybersecurity Awareness* programme consisting of 3 mandatory training modules:

- *Protecting our Information* – an entry-level information security course
- *Phishing - Don't Take the Bait!* – an anti-phishing course on avoiding scams and the theft of sensitive personal data
- *Smishing and Vishing – Unveil the Cheat* – a specific anti-phishing course on avoiding scams and the theft of sensitive personal data on mobile devices.

In 2023, all three modules were delivered to 13,654 employees worldwide, for a total of 12,425 hours of security training.
The training programme also included **simulations** (5 campaigns on phishing and 5 on smishing, two more than in 2022) to raise employee awareness of real-world phishing attacks and how to recognise them.
To mark Cybersecurity Awareness Month, a number of 60-second videos were released on our Intranet portal, addressing security topics like AI and chatbots, oversharing on social media, compromised credentials, and VPN usage.
In addition, a specific mandatory training course on the Open Web Application Security Project (OWASP) was launched in October, targeting more than 200 web application developers, both employees and consultants. Its goal is to improve basic security awareness and knowledge when implementing software for web applications.

Our Intranet features 2 dedicated sections – *Email and Instant Messaging Guidelines* and *Information Security* – outlining the most widespread types of **malicious/suspicious messages** (spam, phishing, spear-phishing, etc.), with tips and instructions on identifying them and on when and how to notify ICT Security.

1.4.1.6 DATA PROTECTION AND PRIVACY

Iveco Group implements specific **data privacy** rules and regulations that govern the way we collect and handle personal data (whether in digital or other form) from start to finish, i.e., from processing to use, transfer, sharing, possession, and disposal. As stated in our Code of Conduct, we are committed to collecting, storing, and processing personal data in compliance with all applicable laws, respecting individuals' rights and minimising data treatment to the fullest extent possible. To this end, the Company has built and is continually expanding its own Privacy Management framework: a set of policies, guidelines, tools, skills, and resources aimed at ensuring compliance with multiple data privacy regulations around the world.

The Privacy Management framework includes:

- organisational and technical measures to ensure correct and secure data processing, according to the Company's Data Privacy Policy and the Privacy by Design principle
- procedures to collect and respond to privacy-related enquiries from data subjects
- a comprehensive record of data processing activities, including personal data retention schedules/criteria
- third-party data management.

Compliance with data privacy regulations is monitored by a dedicated unit within our General Counsel function, and may be subject to audits by the Internal Audit function.

In 2023, 12,284 employees worldwide received **training** on the appropriate handling of personal information, for a total of 6,570 hours. In line with the Company's guidelines, online data privacy training will be provided to all employees at least once every 3 years.

During the year, Iveco Group received **no substantiated complaints** concerning breaches of privacy.

1.4.2 Our Control Systems

GRI
2-16; 2-25; 2-26; 418-1

Integrity and ethics are the principles on which Iveco Group is founded, and intrinsic to all its business practices. One of our 5 Values, *We do what is right*, is a perfect example of such principles, and we understand that acting with integrity requires vigilance and commitment. We also believe these principles boost our competitiveness, and are a steppingstone to our sustainable growth and to building a reputation that our customers, employees, and other stakeholders can trust and rely on. Furthermore, it is through our strong integrity and ethics culture that we prevent ethics violations.

While we strive to implement these principles in everything we do, we believe they are particularly important regarding our compliance with regulations or standards that promote sustainable development (such as those related to value distribution, progressive taxation, cash transfers, and investments in our people), or that support inclusive growth.

To further strengthen its integrity, the Company has adopted the following control tools, implemented by our departments as appropriate:

- whistleblowing procedures, overseen by the Compliance function
- periodic auditing, overseen by the Internal Audit function
- monitoring of legal violations, overseen by the Legal Department.

1.4.2.1 WHISTLEBLOWING PROCEDURES

At Iveco Group, employees are encouraged to actively engage in the detection and prevention of misconduct by reporting any activity that violates applicable laws, the Code of Conduct or Company policies. Reporting potential violations gives the Company the opportunity to investigate matters and take corrective action, reducing the risk or potential damage to the employee in question, co-workers, the Company itself, or the communities in which it operates.

In 2022, we established a **Compliance Helpline**, a global reporting tool available in 15 languages managed by an independent third party. It was set up following consultation with representatives from many different functions, including HR, Internal Audit, Legal, and Compliance. This communication channel provides our employees, customers, suppliers, and other third parties with a dedicated means to report potential violations of applicable laws, the Code of Conduct, the Supplier Code of Conduct, or Company policies.

Find out more
about our Compliance Helpline

As indicated in the Compliance Helpline Policy and on Iveco Group's website[23], reports can be submitted (including anonymously, where permitted by law) in the following ways:

- in person to a manager or other Company representative
- through the dedicated Compliance Helpline section[23] on our corporate website
- through the dedicated app, available for Android and iOS
- through dedicated phone lines (calls are directed to a voice mailbox managed by a third party; messages are then transcribed and sent to us anonymously).

Iveco Group employees have an obligation to report misconduct. The Compliance Helpline is an important tool meant to encourage reporting and foster a culture of individual and collective responsibility for compliance and ethics. This culture is also promoted via our *Speaking Up* global communication campaigns, rolled-out in 2022 and targeting employees worldwide. In 2023, a communication was circulated throughout the Company to commend the contributions of those who bravely stepped forward to expose waste, fraud, and abuse and to raise awareness of the importance of the helpline. The Legal and Compliance newsletter containing an article on the latest updates to the Compliance Helpline was also posted on our Intranet portal.

During the year, we implemented a brand-new Compliance Helpline system that is more aligned with the Company's needs following the spin-off. The new system has also allowed us to make additional local whistleblowing channels available in those countries where the law establishes that each legal entity with more than 249 employees must have its own reporting channel, which they can use in addition to Iveco Group's central Compliance Helpline.
Company policy protects anyone reporting a concern in good faith from retaliation of any kind. We also respond to every report submitted through the Compliance Helpline. A global case management system, implemented in conjunction with the Compliance Helpline, helps us ensure the accurate tracking and timely resolution of investigations, which are primarily conducted by the Internal Audit, HR, Legal, and/or Compliance functions.

The materiality of all reported matters is evaluated according to criteria approved by the Compliance & Ethics Committee. Whether a matter is defined as material depends on aspects such as the extent of the potential penalties or monetary losses involved, the seniority of the implicated person, or the nature of the alleged violation. Matters defined as material are escalated to the Investigation Oversight Sub-Committee (IOS), comprising representatives from HR, Internal Audit, and the General Counsel, which oversees the investigation process and agrees on the necessary corrective actions and disciplinary measures. In general, matters with the potential to incur penalties or monetary losses in excess of €100,000, or that involve allegations against a director or above, or that relate to bribery, fraud, trade compliance, accounting or internal controls, are all considered material. Summaries of all such material matters, which are collected by geographic area, are reported to the Compliance & Ethics Committee and the Audit Committee.

In 2023, **4 cases** were classified as material and reported to the IOS, the Compliance & Ethics Committee, and the Audit Committee.
During the year, the Chief Compliance Officer provided the Audit Committee with a quarterly update on the Company's compliance and ethics activities. Information regularly communicated to the Audit Committee relates to: training activities, risk assessment results, emerging compliance risks, updates on material compliance and ethics projects, Compliance Helpline reports and related statistics, the status of closed and ongoing investigations, and a summary of material matters. If a reported matter is substantiated, the Company implements appropriate disciplinary action, up to and including termination of employment. In this regard, the Compliance & Ethics Committee has approved specific disciplinary guidelines, so as to clearly communicate its expectations with respect to appropriate disciplinary actions and ensure a consistent disciplinary approach.

(23) See Compliace Helpline

1.4.2.1.1 Violations

In 2023, the Company responded to and/or investigated 161 new matters, reported through the Compliance Helpline (54% of which anonymously) or through other available corporate communication channels.

Compliance Helpline Reported Matters

Iveco Group worldwide (no.)

Matters by category	2023 Reported matters	2022 Violations
Questions related to specific business activities and/or Company policies	22	3
HR issues, including but not limited to general workplace conflicts[a]	49	15
Discrimination and harassment (including sexual harassment)[b]	42	14
Business conduct	28	9
Health, safety, and environment	5	1
Conflict of interest	14	1
Customer data privacy	0	0
Money laundering and/or insider trading	0	0
Other	1	0
Total	**161**	**43**

(a) 41 of these issues were resolved in the reporting period, while 8 were still in process at year end.
(b) Includes 23 harassment reports, 7 sexual harassment reports, and 12 reports of discrimination. 34 of these matters were resolved in the reporting period (14 were substantiated, 11 were unsubstantiated, 4 were closed due to insufficient information, and 5 were duplicates), while 8 were still in process at year end.

In 2023, we closed investigations for 123 of the 161 reported matters, of which 43 were substantiated as breaches of the Code of Conduct or of Company policies (a 35% substantiation rate).

Disciplinary Approach to Substantiated Breaches of the Code of Conduct or Company Policies

Iveco Group worldwide (no.)

Type of disciplinary action	2023
Termination of employment	9
Disciplinary action	18
Coaching, remedial training or review of the relevant policy/process	14
No action necessary[a]	2
Total	**43**

(a) The implicated employee voluntarily left the Company.

GRI
205-1; 205-3; 406-1

1.4.2.2 PERIODIC AUDITING

Iveco Group regularly monitors the application of its main compliance policies in each geographic area of operation. Monitoring is carried out by the Internal Audit Department based on the Annual Audit Plan. Audit results, identified violations, and agreed corrective measures are notified to the relevant corporate departments and senior management.

In 2023, the Company disclosed the results of 19 internal audits conducted at its main operational sites, regarding compliance with anti-corruption and bribery obligations, other regulatory requirements, and with the Human Rights Policy, as well as investigations linked to matters reported through the Compliance Helpline. The audits revealed substantial compliance with the main standards in force. Any violations relating to aspects included in the Code of Conduct were managed either through appropriate disciplinary action or through action plans to improve internal control procedures. The Internal Audit Department also implemented a programme to verify the adherence of Iveco Group's dealers and authorised workshops to vehicle Warranty Manuals, performing 50 third-party dealer audits.

Periodic Audits by Type

Iveco Group worldwide (no.)

	2023
Regulatory compliance	18
Whistleblowing	1
Dealers	50
Total	**69**

1.4.2.3 FINAL RULINGS AND ADDITIONAL INFORMATION

1.4.2.3.1 Significant Final Rulings

In this section, Iveco Group reports final court judgments or final arbitration awards that individually had an adverse material effect on the Company (referred to as 'significant final rulings').

In 2023, **no significant final rulings** were issued against the Company for violations of laws in the following areas: environment; rights of local communities and impacts on society; human rights; marketing and advertising; taxes; privacy and loss of customer data; anti-competitive behaviour and antitrust; intellectual property; contractual liability; product responsibility; product and service information and labelling; sales of banned or disputed products; anti-corruption and anti-bribery; and labour and social security.

1.4.2.3.2 European Commission Settlement

In 2011, Iveco S.p.A. (hereinafter IVECO) – which, following the demerger, became part of Iveco Group N.V. – and its competitors in the European Union were subject to an investigation by the European Commission (hereinafter the 'Commission') into certain business practices in the European Union (in the period 1997-2011) in relation to medium and heavy-duty trucks. On 19 July 2016, the Commission announced a settlement (hereinafter the 'Decision') with CNH Industrial, which included a settlement with IVECO. Specifically, IVECO received a reduced fine of €494.6 million in exchange for cooperating with the European Commission throughout the investigation. Similar decisions were taken by the Commission with reference to other competitors. Following the Decision, CNH Industrial N.V., IVECO, and IVECO Magirus AG (IMAG) were named as defendants in many proceedings across Europe and Israel. The extent and outcome of these claims cannot be predicted at this time. It is in any case beyond doubt that the matters in question are associated with a company that was very different – in terms of culture and management – from the current Iveco Group. Furthermore, the Company is committed to delivering regular training and to raising management awareness of the importance of always complying with competition laws wherever we operate and has, since the investigation, implemented a robust antitrust compliance programme aimed at preventing similar conduct from happening in the future (see 1.4.1.3 Antitrust and Competition).

1.4.2.3.3 FPT Industrial Emissions Investigation

On 22 July 2020, a number of CNH Industrial's offices in Europe were visited by investigators in the context of a request for assistance by the public prosecutors of Frankfurt am Main, Germany (later transferred to the public prosecutor's office in Stuttgart, Germany) and Turin, Italy, in relation to alleged non-compliance of two engine models produced by FPT Industrial S.p.A., which is now part of Iveco Group. The Italian criminal investigation was concluded in 2023. As a result of our full cooperation and ongoing discussions with the investigative authorities, the German criminal investigation was also concluded in December 2023. We are also defending individual civil claims alleging emissions non-compliance in Germany and Austria. We cannot predict at this time the extent and outcome of these individual claims and therefore we did not recognise any specific provision in relation thereto.

1.4.2.3.4 Provisions

As a global Company with a diverse business portfolio, Iveco Group is exposed to numerous legal risks in the ordinary course of its business, including, without limitation, dealer and supplier litigations, intellectual property right disputes, product warranty and defective product claims, product performance, asbestos, personal injuries, regulatory and contractual issues, competition law, anti-corruption laws, and other investigation and environmental claims. While the Company is committed to regularly revising and reassessing its risk exposure in legal proceedings, the outcomes of any current or future proceedings, claims or investigations cannot be predicted with certainty. Adverse decisions in one or more of these proceedings, claims or investigations could require Iveco Group to pay substantial damages or fines or undertake service actions, recall campaigns or other costly actions.

GRI
2-27; 205-3; 206-1; 416-2; 417-2; 417-3; 418-1

When it is probable that an outflow of resources incorporating economic benefits will be required to settle current or future obligations, and this amount can be reliably estimated, Iveco Group recognises specific provisions for this purpose (for details, see the 2023 Annual Report, Note 23).

1.4.2.3.5 Labour and Social Security Disputes

Labour and social security disputes culminating in final court judgments in 2023 involved a total payout of 0.01% of labour costs for the year.

In **Brazil**, such judgments, mainly relating to the interpretation of particularly controversial legislation, accounted for 56% of all such judgments against the Company, or approximately 29% of the Company's total payout. However, in the specific context of South America, these judgments were not exceptional in nature or in number.

In **France**, on the basis of a claim made by a trade union, a final court judgment was issued against the Company recognising the right of the claimant to modest compensation. The trade union claimed that the bonus allocation clause of the profit-sharing agreement entered into in 2014 with 3 trade unions (including the same trade union making the claim) was discriminatory, envisaging a double payment for the employees with no absences during the year and for those with up to 5 days of sick leave. Such a clause was found to be invalid (but only prospectively, with effect from the date of the judgement), as it differentiates between the employees striking for up to 5 days and the employees on sick leave for up to 5 days. The contested clause is no longer included in profit-sharing agreements.

1.4.3 Public Policy and Interest Representation

Iveco Group's participation in the debate on shaping public policy and defining regulations on issues that affect its business, as well as the communities in which it operates, is fundamental to help develop workable international standards and guidelines and thus preserve the value of its investments. Indeed, this type of engagement, combined with the promotion of public-private relationships, is crucial to identifying innovative, shared sustainability solutions built on high-level standards and guidelines.

In our dialogue with governments, international organisations, local authorities, sector associations, and other stakeholders, we contribute our technical expertise and knowledge on policies concerning the automotive industry and other sectors related to the transport of people and goods, with a focus on products, processes, sustainable mobility, and innovation. We firmly believe in contributing to society's technological advancement, and in cooperating with public institutions, universities, and other organisations on research and development into innovative solutions in the fields in which we operate. As a result of our proactive approach to external institutions, we are able to identify new product development and business opportunities early on, and create competitive business conditions that are sustainable over the long term.

The highest responsibility for Iveco Group's Public Affairs lies with the Senior Leadership Team (SLT). The Public Affairs function is responsible at global level for overseeing advocacy activities, supporting our engagement with institutions and stakeholders, and interacting daily with the departments and functions of both the Company and its brands. In detail, these responsibilities include:

- monitoring future policy trends and engaging with public authorities, trade associations, international organisations, the business sector, and NGOs on the institutional and regulatory decision-making processes that affect Iveco Group's product and operations strategies
- advocating with policy makers and other relevant stakeholders
- protecting and enhancing the Company's and brands' profiles and strategies, by proactively interacting with external stakeholders and participating in public dialogue
- supporting our business goals by addressing specific business issues and identifying opportunities in the context of institutional and/or diplomatic relations.

1.4.3.1 LOBBYING AND COMPLIANCE WITH STRATEGY AND POLICIES

Interest representation is conducted only where permitted by and in strict compliance with applicable laws, including anti-corruption and antitrust laws, and in full compliance with our Code of Conduct and related policies and procedures. Iveco Group is registered with the European Transparency Register, which is operated jointly by the European Parliament, the Council of the European Union, and the European Commission and provides information about interest representatives that seek to contribute to the European Union's decision-making processes; the register also provides a code of conduct to regulate their activities.

In **Italy**, the Company is also registered with the Italian Transparency Register, set up by the Italian Ministry of Economic Development and adopted by drawing upon the same model applied across other European institutions, and with the Register of Interest Representatives of the Italian Chamber of Deputies. In **France**, Iveco Group brands are also registered with the High Authority for Transparency in Public Life; in **Spain**, with the Transparency Register of the Community of Madrid; and in **Germany**, with the Lobby Register for interest representation in the German Bundestag and Federal Government.
Iveco Group abides by its *US Lobbying Activities and Other Contacts with US Government Officials*, a compliance policy[24] implemented in relation to our Code of Conduct that regulates relations with public institutions.

Our relationships with various types of public and private organisations (including universities and research centres) also fall under the purview of our Environmental Policy, since the organisations we deal with are stakeholders and our climate change commitments require their engagement, in accordance with the objectives of the Paris Agreement.

In order to report potential violations of corporate policies, the Code of Conduct, or applicable laws, we have established a dedicated grievance mechanism, the Compliance Helpline, which can also be used to report specific violations concerning relations with public institutions.

GRI
2-24; 2-28

The Company is a member of many industry and other associations, and of national and international advocacy organisations, in which it plays a significant role. The complete list of such bodies is available in 4.3.1.1 Membership of Associations.
In 2023, Iveco Group's membership fees for trade associations, lobbying activities (including climate-related), etc. totalled about €2.1 million globally.

Memberships, Contributions, and Other Expenditures

Iveco Group worldwide (€million)

	2023	2022
Trade associations or tax-exempt groups[a]	**2.1**	1.5
Lobbying, interest representation[b]	**0**	0
Political parties (campaigns/candidates)	**0**	0
Total	**2.1**	**1.5**

[(a)] A trade association's membership comprises, on a voluntary basis, companies working in the same industry or region to strengthen advocacy activities and promote or defend major interests with key institutions and actors. For this reason, various trade associations participate in public affairs activities such as lobbying, in compliance with local legislation and appropriate for the context.
[(b)] Excluding management overheads related to lobbying activities.

The three largest fees were paid to the European Automobile Manufacturers' Association (ACEA), for almost €0.6 million (of which €55,000 for technical studies), the American Engine Manufacturers Association (EMA), for almost €0.2 million, and the *Asociación Española de Fabricantes de Automóviles y Camiones* (ANFAC), for almost €0.1 million.

[(24)] Compliance policies are available in the Compliance and Ethics section of the Company's Intranet site.

1.4.3.2 PARTNERING WITH TRADE ASSOCIATIONS TO FIGHT CLIMATE CHANGE

As a member of various sector associations, Iveco Group is committed to contributing to the development of climate change policies and of regulations and standards for the capital goods industry, mainly by promoting the use of alternative powertrain solutions and innovative vehicles, while participating in the institutional and public debate around mitigating climate change and improving air quality.

In particular, our Public Affairs function focuses on increasing the awareness and active participation of institutional stakeholders, the public, and international organisations with regards to:

- the importance of key issues related to Iveco Group's product strategy and related advocacy, such as sustainable mobility, alternative fuels and propulsions (e.g., natural gas, biomethane, hydrogen, and electric and hybrid vehicles), the decarbonisation of transport, the reduction of emissions from vehicles and manufacturing, digitalisation, safety, and autonomous driving
- Iveco Group's corporate positioning on sustainability, climate change, renewable energy, the circular economy, transportation systems, safety, and product innovation.

In 2023, to foster public debate and policy making on the most relevant matters for sustainability, such as tackling climate change, we organised and actively participated in institutional webinars, conferences, working groups, roundtables, initiatives, and virtual and in-person meetings.

Our fight against climate change at national and global level also includes playing an active role as a member of various industry and multi-stakeholder associations, organisations, business networks, and think tanks, as part of our commitment to verifying that they operate in accordance with the objectives of the Paris Agreement and with our decarbonisation roadmap. We conduct an annual review of these associations' alignment with Iveco Group's strategy, to address among other things any misalignment between their climate change policies and the Company's own climate position.

The following are some examples of the main trade associations that we have engaged with during the year that share our position on climate change.

Partnerships to Fight Climate Change

Trade Association:
European Automobile Manufacturers Association (ACEA)

Position on climate change

We share ACEA's vision for a sustainable future for the transport sector, supporting alternative, carbon-neutral fuels and zero-emission technologies to meet the EU's goals while also focusing on safety requirements, circularity, materials and substances, as well as on future trends such as automated driving, connectivity, and smart mobility.

Iveco Group is represented both on ACEA's Board of Directors (BOD) and on its Commercial Vehicle Board of Directors (CV BOD), which are composed, respectively, of the CEOs of the member companies and the CEOs of the commercial vehicle member companies.

We also participate in ACEA's technical working groups and task forces, which are composed of experts from member companies who work directly on tackling climate change (e.g., emissions, circularity, alternative fuels), safety, materials and substances, trade, alternative fuels, etc.

Climate change is a global challenge that demands collective action and international cooperation; a challenge to which the automotive industry will make a key contribution to achieving net-zero emissions and carbon neutrality. The European automobile industry is a world leader in technology and clean vehicles – with regard to both production and use – and Europe's number one investor in R&D, responsible for 33% of total EU spending on innovation. Much of this goes towards developing fuel-efficient technologies and reducing the environmental impact of products and processes.

ACEA sees the revision and adaptation of vehicle regulations (e.g., those related to the CO_2 emissions of cars, vans, and heavy-duty vehicles, Euro 7 standards, circularity, and product sustainability) as a crucial step in decarbonising road transport and advancing towards enhanced sustainability, circularity, and innovation. It also advocates the importance of supportive measures and conditions, and of a consistent policy framework, as key enablers of the energy transition in road transport.

Partnerships to Fight Climate Change

Trade Association:
Hydrogen Europe

Position on climate change

As a member of Hydrogen Europe, Iveco Group actively participates in several of the association's working groups (e.g., Mobility, Heavy Duty, Sustainability, Funding and Finance, Advocacy) and in its Technical Committee. We also participate in the European Clean Hydrogen Alliance[25] and in its Mobility Roundtable, representing the road transport industry and contributing to the development of a sustainable and competitive industrial-hydrogen economy in the EU.

Moreover, the Company actively contributes to the association's H2ero Net Zero strategy, aimed at removing barriers to hydrogen investments, contributing to policy making, enabling the development of clean hydrogen technologies, and scaling their deployment to deliver net zero by 2050.

Hydrogen Europe brings together various industry players, large companies, and SMEs that support the delivery of hydrogen and fuel-cell technologies. Through its partnership with Iveco Group and involvement in both the EU Clean Hydrogen Alliance and Important Projects of Common European Interest (IPCEI), the association collaborates with public authorities to achieve this objective.

Hydrogen Europe is also actively involved in public private partnerships (PPP) supporting research, technological development, and practical demos regarding fuel-cell and hydrogen technologies in Europe. Its main policies focus on the role of hydrogen technology as the key to decarbonising the EU's economy, while ensuring essential investments are channelled towards hydrogen applications and projects in time to meet the 2030 climate targets.

Trade Association:
Brazilian Association of Automotive Vehicle Manufacturers (ANFAVEA)

Position on climate change

Iveco Group is a member of ANFAVEA, an association established in 1956 comprising 26 members from the passenger car, commercial vehicle, and agricultural machinery industries. The Company is an active member of ANFAVEA's Board of Directors and of several of its committees (including Heavy Duty, Environment, Safety, Legislative).

The association advocates for decarbonisation in the transport sector, supporting the introduction of a diverse range of carbon-neutral solutions including biomethane and other biofuels, hydrogen, and electrification. ANFAVEA has taken a leading role in discussions with the Brazilian government on the development of policies to reduce carbon emissions. A special focus has been on creating a framework to incentivise the local development of new technologies in collaboration with public institutions, universities, and research centres. As part of this effort, the Brazilian government launched the Route 2030 – Logistics and Mobility Program that, among other things, established a mechanism enabling automakers to allocate funds to specific strategic projects.

ANFAVEA has also taken a prominent stance in supporting fleet renewal initiatives, since it is estimated that Brazil has over 500,000 trucks and buses that are more than 20 years old. Beyond the considerable environmental repercussions, vehicles approaching their end of life contribute significantly to accidents and traffic congestion. For this reason, the association has advocated for national and state-level fleet renewal programmes to assist truck and bus owners in acquiring newer vehicles and to ensure the proper disposal of end-of-life vehicles.

[25] Initiative of the European Commission and Hydrogen Europe.

1.4.3.3 POLITICAL PARTIES

Iveco Group employs the highest standards of transparency and integrity in any and all relationships it has with political parties, as well as with their representatives or candidates (collectively referred to as Political Parties). Financial contributions to Political Parties are only allowed where permitted by law and must be authorised at the appropriate level within each legal entity.

In 2023, **no contributions** were made to Political Parties. An employee's political affiliation or financial contribution is considered a personal matter and is completely voluntary, including contributions made through a Political Action Committee (PAC).

1.5 Risks and Opportunities

1.5.1 Risk Management

GRI
2-12; 415-1

1.5.1.1 IVECO GROUP RISK MANAGEMENT

In the course of its business, Iveco Group is exposed, like all organisations of any type and size, to internal and external challenges that make both the market and the achievement of strategic and business objectives uncertain. In order to effectively manage our business risks and achieve our strategic goals in an increasingly unpredictable environment, we have adopted an Enterprise Risk Management (ERM) system in line with the main national and international best practices. This system enables the systematic identification, assessment, management, and monitoring of business risks (including environmental, social, and governance); it is combined with a coordinated and balanced application of resources, so as to minimise, monitor, and control the probability or impact of adverse events or to optimise the realisation of opportunities. Risk management is an important component of our overall corporate culture and is integral to the achievement of our long-term goals.

The ERM function is headed by the Chief Risk and Internal Audit Officer, who reports hierarchically to the CEO and functionally to the Audit Committee, so ensuring independence from the business units. The function helps the Company effectively manage and implement the risk management framework through facilitation, coordination, monitoring, and methodological support.

The ERM process is also integrated with the strategic sustainability targets of our Sustainability Plan, the aspirational goals set out in our Strategic Business Plan, and employee and customer safety goals. These targets and goals provide a framework to address the long-term challenges of creating value for stakeholders and proactively mitigating their associated risks.

Our ERM process is based on the framework published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), as well as on the principles of the Dutch Corporate Governance Code (DCGC), and adapted for specific business requirements by incorporating Company management expertise and best practices.

A risk assessment is a detailed evaluation of the risk events that could impact our strategic and management objectives; it takes into account changes in our business and organisational model and in our processes and procedures, developments in the external environment (from a political, economic, social, technological, and legal perspective), and our industry and competitors. The process follows an integrated top-down and bottom-up approach, evaluating our residual exposure to current risks as well as our exposure to emerging risks associated with the ongoing and evolving internal and external context.

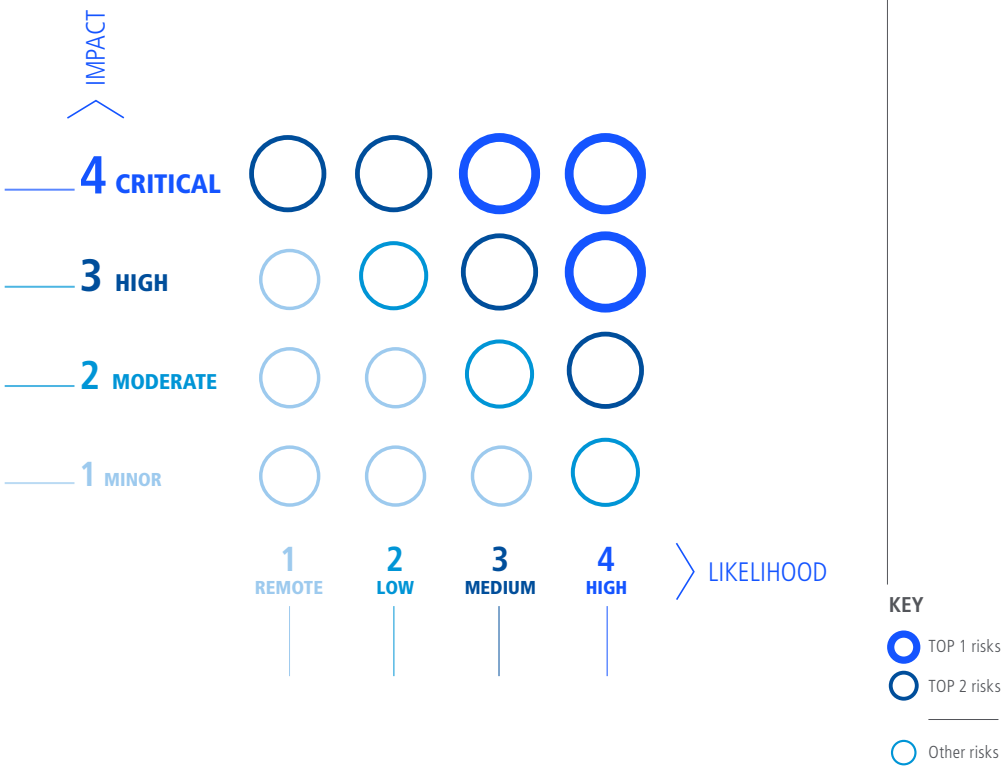
Although risk assessment is a process that is ongoing throughout the year, a dedicated report on our current risk exposure is submitted at least twice yearly (usually in July and December) to the Audit Committee, which in turn is required to provide a review of the report. Furthermore, all Company levels involved in ERM receive periodic updates and training during the year on ERM activities and processes. For example, in 2023, our management and control bodies received regular information on so-called 'black swan' events, cyber risks, the impacts of climate change, our ERM Policy, and the definition of our Risk Appetite Framework.

The 2023 ERM process identified 76 risks, several of which related to significant risk areas such as business strategies and operations, competitive factors, social responsibility, environmental issues, and regulatory compliance (better detailed in the Risk Factors section of the 2023 Annual Report).
According to their likelihood of occurrence and the evaluation of their potential impacts, risks are categorised as Top 1, Top 2, or Other Risks, as illustrated in the following matrix:

Risk Management

According to its category (Top 1, Top 2 or Other), each risk is then prioritised in terms of:

- risk quantification and/or in-depth analysis
- risk treatment.



Direct feedback received from each Company level, up to and including the Board of Directors, is then used to identify and develop risk mitigation activities as necessary within the business or functional area in question, which are subsequently executed by management. These activities are designed to mitigate adverse impacts on our strategic goals and on our financial and operational performance. We have put in place a robust risk management process and internal control system; however, it is not possible to predict, identify or eliminate all risks and uncertainties that could impact our business.
In 2023, within the scope of the ERM process, we have also identified and assessed our climate-related risks and opportunities (see 2.1 Mitigating Climate Change).

1.5.1.2 EMERGING RISKS

The ERM process also monitors emerging risks, defined as new risks or risks for which the impacts are unknown or evolving, and which may therefore be incorporated into risk assessment and mitigation activities when appropriate. In 2023, the key emerging risks with the potential for significant impact on Iveco Group over the long term (more than 3 years) were those associated with the mass availability of generative Artificial Intelligence (AI) and with possible geopolitical developments (as described in the Risk Factors section of the 2023 Annual Report).
Despite the significant opportunities offered by AI, it also presents several potential challenges, including: increasing and ever-more sophisticated cyberattacks, issues over data privacy and sensitive information, intellectual property issues, and difficulties in keeping pace with evolving regulations, which may affect a significant part of our operations and require us to adapt our strategy. The potential unique competitive advantage and industry disruption offered by new generative AI products and business models will require investments in transformational use cases, resulting in greater costs, complexity, and risk. This in turn will demand a higher risk tolerance, as well as new investment criteria that prioritise strategic value over task- or process-specific productivity benefits. In order to minimise risk exposure, we have started to implement specific mitigating measures, including the provision of adequate training, policy development, and solutions/tools, and the continuous monitoring of regulatory changes.

The evolving expectations of possible geopolitical developments increase geopolitical risk, particularly regarding political and financial instability and the exacerbation of military conflicts. The latter may potentially lead to trade tensions that may escalate into further decoupling, which in turn may directly or indirectly affect countries where we operate. The main consequences arising from instability or from the exacerbation of existing conflicts and geopolitical risk may include supply chain disruption, oil and gas price volatility, terrorist attacks, cyberattacks, and lower sales due to sanctions and trade restrictions, which could have an adverse effect on our business model, operating results, and financial situation. Our mitigation activities include maintaining relations with local authorities, ensuring regular negotiations, and avoiding operations in countries under sanctions.

1.5.1.3 RISK APPETITE

In 2023, we adopted a Risk Appetite Framework as a comprehensive and structured approach to proactively managing risks while pursuing our strategic objectives. This framework clearly and concisely outlines our approach to risk, supporting the Company in navigating uncertainties and opportunities with confidence, fostering sustainable growth, and ensuring the protection of stakeholders' interests.
Our risk appetite is set within risk taking and risk acceptance parameters driven by our Strategic Business Plan, Code of Conduct, core principles and Values, policies, and applicable laws. To protect the interest of our stakeholders, we have defined the following levels of risk appetite:

- tolerant: high tolerance to risk occurrence, meaning Iveco Group is willing to accept risk exposure in pursuing its business objectives
- moderately tolerant: moderate tolerance to risk occurrence, meaning Iveco Group is comfortable with risk within certain limits
- moderately averse: aversion to risk occurrence, meaning Iveco Group seeks to minimise the occurrence and consequences of unforeseen risks
- averse: no acceptance of risks, meaning Iveco Group's priority is to avoid risk occurrence.

The Risk Appetite Framework considers, among other things, risk dimensions, i.e., key areas where our risk appetite is explicitly defined. These are identified based on a comprehensive analysis of industry challenges, our business model, Values, strategic objectives, and ERM risk assessment outcomes. For the following risk dimensions, an averse risk appetite has been approved:

- ethics and integrity
- lawsuits and litigation
- environment, health, and safety (EHS)
- compliance with corporate law and regulations
- product safety
- human rights.

Other main risks dimensions are classified as having a risk appetite from moderately averse to moderately tolerant.

1.5.1.4 ENHANCEMENTS TO THE RISK MANAGEMENT PROCESS

The development and implementation of an effective and robust Enterprise Risk Management (ERM) process requires ongoing evaluation and improvement. For this reason, we continuously enhance our risk management process in compliance with Company principles and international best practices. The evolving ERM model comprises the following spheres:

- risk governance: which provides a general framework as regards roles, responsibilities, and information flows for managing the Company's main risks
- process: which covers all groups of activities implemented by the various actors involved to identify, measure, manage, and monitor the main risks that could affect our ability to achieve our objectives
- reporting: which represents the results of our risk assessment and risk monitoring activities, highlighting the most significant risks in terms of likelihood and potential impact, as well as our plans for dealing with them.

In 2023, in order to strengthen our ERM process, the ERM function issued our first ERM Policy and our Risk Appetite Framework, while our risk assessment was carried out in parallel with the development of our 2024-28 Strategic Business Plan. We also integrated a bottom-up risk assessment approach into the latter starting from our existing risk portfolio, which is based on an assessment of black swan events, emerging risks, and residual exposure to current risks.

It should be noted that our 2023 risk assessment includes the main outcomes of our climate change risk management process, with the most significant climate-related physical and transition risks incorporated into our ERM risk catalogue.

Approximately 20 new risks were identified through this approach. For details on the main differences compared to the previous year, see the Risk Factors section of the 2023 Annual Report.

As we further develop our ERM process, we aim for a more in-depth quantification of risks based on the forecasts of our Strategic Business Plan, and for a direct link with our sustainability objectives and our Values.

1.5.1.5 RISK TRANSFER

In order to mitigate the unpredictability and financial impact of any detrimental event that is insurable, Iveco Group has transferred the respective residual risk exposure to the insurance market. Over the years, our changing needs have been clearly reflected in our insurance coverage, which has been regularly optimised to decrease our exposure to intrinsic risks related to the type of activities we carry out. Global insurance programmes ensure that all our companies currently have key risk insurance coverage. The latter includes property (all risks), general liability and umbrella excess liability, directors' and officers' liability, public offering of securities, cyber risk and potential fraud, and environmental liability.

Additional coverage has been arranged locally based on the specific requirements of local legislation or of collective labour agreements and/or corporate agreements or regulations, such as coverage of product liability, employment practices or general third-party liability. Insurance analysis and the transfer of Iveco Group's risk exposure are conducted in collaboration with highly respected insurance brokers, which support this process internationally and are responsible for the compliance and management of our insurance programmes at global level.

1.5.2 Supply Chain Risk Management

Any company managing risk proactively must focus not just on its own risk, but also on any risk within its supply chain. This dual aspect makes supply chain risk management a priority.
In 2022, our first year as Iveco Group, we developed a new tool called EVA, which has since fully replaced the Company's former Strategy Reporting tool, providing the same key information as its predecessor in addition to several other procurement-specific KPIs. The new tool also features a one-page CPO dashboard providing the Chief Procurement Officer with a highly detailed summary of supplier performance and reliability information, including a list of the most critical suppliers from a business and/or financial perspective.

In 2023, EVA was enriched with a Purchasing Scorecard that shows different KPIs on a single page to provide an overview of the main indicators specific to procurement. This new feature allows the user to drill down into each KPI, view trends, and analyse business, quality, and financial indicators, in order to evaluate any potential risks and make more informed decisions.

This is among the reasons why we consider EVA an important business tool, helping the Company's decision-making process by using risk management to anticipate, highlight, and prevent potential risk exposures.

Our overall supplier financial risk management process, which is overseen through a tool called TIGRAN developed between late 2021 and early 2022, is linked with EVA and with all other tools that require supplier financial risk information. TIGRAN ensures the timely updating of financial evaluations, either through links with external providers that supply the most recently published official data, or through manual input by analysts from the Supplier Risk Management team. In critical situations, analysts can upload and update the TIGRAN platform with interim financial data, if deemed necessary to enhance control over financial risk. The platform's access to other finance or business areas is currently undergoing testing for release in 2024, with different user profiles already developed that grant permissions based on the user's specific role within the Company.

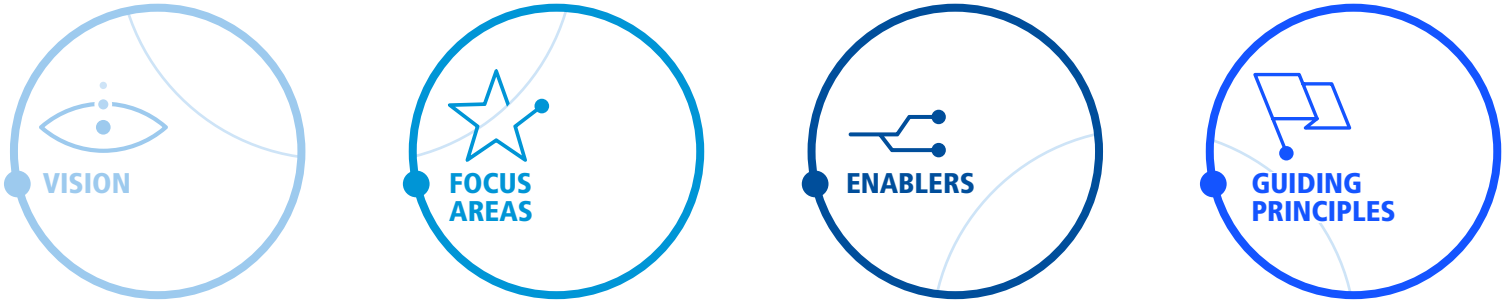
1.6 Creating Prosperity

1.6.1 Driving Operations Together

The *Driving Operations Together* (DOT) programme is Iveco Group's new results-oriented approach for continuous improvement, designed to optimise our operations worldwide and incorporate sustainability into our processes. The programme brings a new managerial focus to drive accountability and a more entrepreneurial mindset across all business areas.

The DOT holistic model aims to deliver this vision by sustaining a culture of operational excellence across all Company processes. It is targeted at reducing waste, increasing margins, and improving performance across all our value streams, and ultimately at adapting rapidly to change.

The DOT Model



A description of the programme's aspirations and future direction, in line with our organisation's overall purpose.

- Client-oriented
- Production Effectiveness
- Innovation
- Sustainability

The 4 key areas in which we aim to excel to achieve our vision.

- Business Excellence
- People Excellence
- Process & Product Excellence
- Green Excellence

A series of key levers we have identified to help us achieve our DOT objectives, such as: innovating with digitalisation, engaging all necessary stakeholders, implementing a robust management system, and ensuring a governance structure to sustain cultural change.

- Digitalisation
- Cultural Change
- Management System
- Governance
- Stakeholder Engagement

The essential principles that support our objectives and steer us in the achievement of our specific targets on the journey towards our vision.

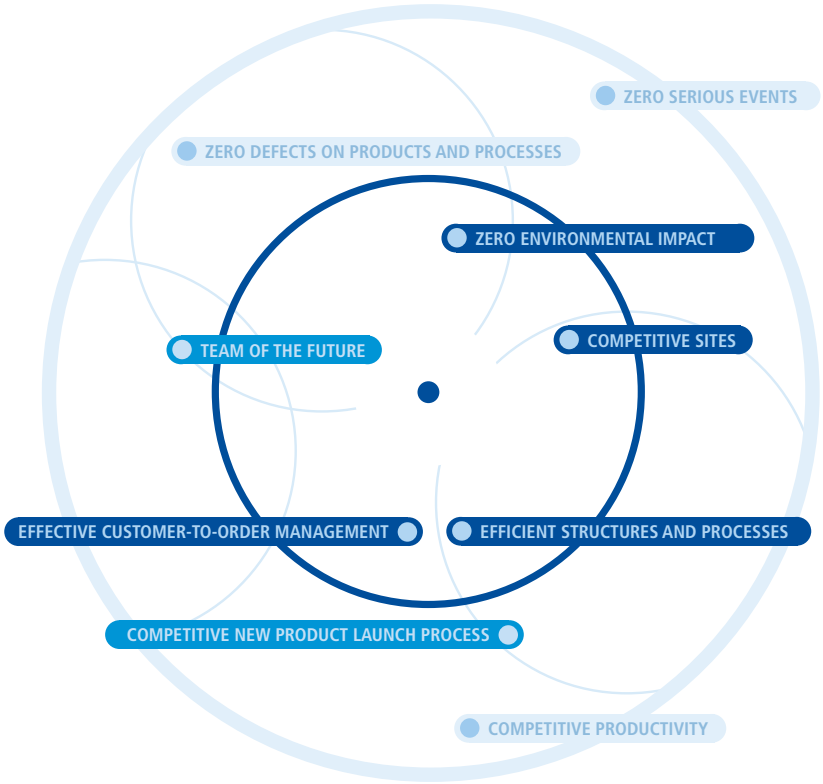
- Accountability
- Commitment to Customers
- Teamwork
- Innovation
- Transparency
- Easiness
- Agile Approach

This results-driven approach ensures all of our people are working towards the same goals, contributing to the achievement of operational excellence in all business practices. In the short-to-medium term, the DOT programme will engage all personnel involved in manufacturing and supply chain operations, using parallel processes. It will entail applying a set of standards in manufacturing to meet both key performance indicators (KPIs) and performance targets, while analysing processes within the supply chain so as to optimise them.

Our DOT model provides for 10 fields of application (i.e., intervention areas), each associated with 11 functional commitments that help corporate functions achieve their objectives and ensure that each field's targets are met through the application of a specific set of standards. Indeed, this structure enables us to apply technical KPIs and KAIs (key activity indicators), as well as corporate performance metrics, to any Company activity. An intrinsic aspect of the DOT system is benchmarking, which enables technical content to be dynamically updated to steer processes towards the best applications and best market practices.

The DOT programme is built on competitiveness, engagement, and recognition. Skills management and information sharing on our technical performance and on the programme's implementation will help us develop expertise and embrace new opportunities, thereby supporting growth. This innovative framework guides our new strategy in terms of performance, digitalisation, and competitiveness, ensuring common goals for everyone involved in our pursuit of operational excellence. Its effective governance and project management are fundamental for programme implementation and key to sustaining its momentum, steering actions, increasing accountability, and promoting teamwork.

DOT Objectives



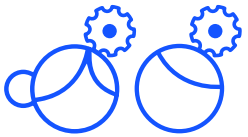
The programme's implementation can be adapted dynamically to meet the specific needs of our sites and offices, whose targets are linked to Company strategy and results measured year on year. To establish stronger ties between the functions and facilitate the spread of best practices, implementation is guided by two different approaches:

- intra-functional, enabling sustainable and incremental growth
- inter-functional, enabling breakthrough changes.

At manufacturing level, the DOT holistic model focuses on specific activity areas; it guides our plants towards achieving operational excellence based on their needs and strategies, and synergistically defines action flows for each department in order to obtain sustainable results.
When assessing programme implementation and performance, the DOT evaluation system introduces a new way of displaying information on benchmark values and on the status of individual plants. Comprehensive and integrated evaluations provide continual performance and implementation benchmarks against other businesses both within and outside Iveco Group.

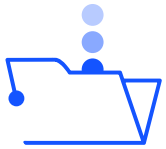
As at 31 December 2023, 21 plants were participating in the programme, accounting for 99.7% of plant personnel worldwide and 100% of revenues from sales of products manufactured at Company plants[26].
Furthermore, 2,062 DOT projects were implemented throughout the year, generating €34.6 million in savings.

The 4 Essential Factors Model



LESSONS LEARNED

- from past experience; sharing solutions so as to not repeat the same mistakes



KNOWLEDGE INVENTORY

- *lean* methods and tools, improving accessibility via the self-learning platform

BENCHMARKING

- webinars, trade shows, workshops, and visits to companies outside Iveco Group

CROSS FERTILISATION

- implementing best practices and interdisciplinary projects driven by the central functions and by the plants, with an integrated operational approach. Sharing and circulating best practices, standards, and procedures

[26] The percentage is calculated on 22 plants; for the complete list of these plants, see 4.2.1.2 Data Coverage.

1.6.2 Economic Contribution

Iveco Group has adopted a set of finance policies, available in the Finance Community section of the corporate Intranet, which cover the following main areas:

- general accounting
- internal controls
- management authority and approvals
- process accounting and management estimates
- intercompany transactions.

Potential violations of corporate policies, the Code of Conduct, or applicable laws can be reported via a dedicated grievance mechanism, the Compliance Helpline.

Information on potential financial risks for Iveco Group can be found in the 2023 Annual Report (see Note 30).

Our Finance function is responsible for: ensuring a global commitment to commercial excellence and delivering financial transparency; supporting financially sound business decisions; and driving our Company's inorganic growth through corporate strategy and M&A activities. The function is headed by the Chief Financial Officer (CFO), who is a member of the Senior Leadership Team (SLT).

Iveco Group N.V. is incorporated under the laws of the Netherlands, and has its corporate seat in Amsterdam (the Netherlands) and its principal office in Turin (Italy).

All Iveco Group's financial data included in this Sustainability Report is taken from the 2023 Annual Report in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU IFRS).

We report our operations according to our 7 business units: Truck, Bus, Powertrain, Defence Vehicles, ASTRA, Firefighting, and Financial Services. The activities carried out by the first 6 business units, along with those of the corporate functions, are collectively referred to as 'industrial activities'.

With manufacturing, commercial, and financial services companies located in 36 countries, in 2023 we produced 983,655 units (see 4.5.2 SASB Index).

Our activities fall under two GICS®[27] sub-industries: Construction Machinery & Heavy Transportation Equipment, and Automobile Manufacturers (for light trucks only). For details, see 4.2.3.2 Skills Matrix Definitions .

[27] Global Industry Classification Standard.

1.6.2.1 FINANCIAL PERFORMANCE

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We monitor our operations using several non-IFRS financial measures. We believe these provide useful and relevant information on our operating results and facilitate the assessment of our financial performance and position, a snapshot of which is provided in the following table summarising our main financial data and other indicators from the last 2 years.

Financial Performance

Iveco Group (€million)

	2023	2022
Consolidated revenues	**16,213**	14,357
Net sales of industrial activities	**15,877**	14,165
EBIT	**837**	466
Net income/(loss)	**234**	159
Diluted EPS	**0.80**	0.54
Adjusted EBIT[a]	**940**	527
Adjusted EBIT of industrial activities[a]	**818**	424
Adjusted diluted EPS[a]	**1.23**	0.78
Net cash of industrial activities[a]	**1,852**	1,727
Investments in tangible and intangible assets	**970**	777
R&D expenditures[b]	**888**	634
Total assets	**18,385**	16,013
Total equity	**2,390**	2,391
Equity attributable to owners of the parent	**2,354**	2,354

[a] Non- EU IFRS financial information. For details on reconciling a non-EU IFRS financial measure to the most comparable IFRS financial measure, refer to the 'Operating and Financial Review - Alternative Performance Measures (or non-EU IFRS Financial Measures)' section of the Iveco Group 2023 Annual Report.

[b] Includes capitalised development costs and R&D costs charged directly to the income statement.

1.6.2.2 DISTRIBUTION OF VALUE ADDED

At Iveco Group, we are committed to creating value and to distributing it to our stakeholders. The calculation[28] of value added gives us a better understanding of our economic impacts, enabling us to determine how much wealth we create, how it is created, and how it is distributed to stakeholders.

In 2023, the value added generated by our industrial activities and distributed to our various stakeholders totalled €3,379 million, equivalent to 20.8% of revenues.

During the year, we received €27.4 million in **grants** (including for research and development), of which 99.6% in Europe and 0.4% in the Rest of the World.

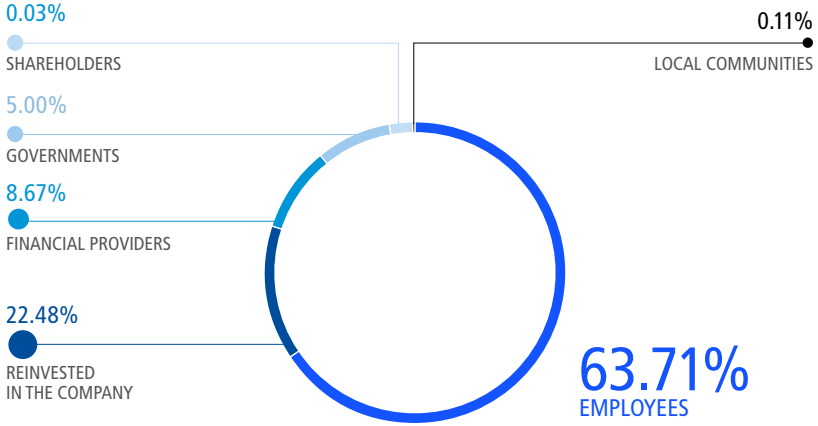
Direct Economic Value Generated

Iveco Group (€million)

	2023
Consolidated revenues	16,213
Income of financial services companies	(186)
Government grants (current and deferred/capitalised), release of provisions, other income	229
Other income	203
Direct economic value generated	**16,459**
Cost of materials	11,441
Depreciation and amortisation, including assets under operating lease and assets sold under buy-back commitments	858
Other expenses	781
Value added by Industrial Activities	**3,379**

2023 Distribution of Value Added

Iveco Group worldwide



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[28] The value added, representing the value generated by corporate business activities, was calculated via an internal method as the difference between production value and the associated intermediate costs, net of depreciation. The global net value added was then divided among beneficiaries as follows: employees (direct remuneration comprising salaries, wages, and severance pay; and indirect remuneration consisting of welfare benefits); governments (taxes distributed to governments); financial providers (interest paid on borrowed capital); shareholders (dividends paid); Company (share of reinvested profits); and local communities.

1.6.2.3 ESG ASSESSMENTS

Inclusion in sustainability indexes, and the ratings received from specialised sector-specific agencies, further reflect the robustness of Iveco Group's commitment to sustainability.

In 2023, the Company was included in the Dow Jones Sustainability Indices (DJSI) World and Europe, achieving a score of 78/100 in the Machinery and Electrical Equipment Industry category of the annual S&P Global Corporate Sustainability Assessment (CSA). We were also included in the S&P Global Sustainability Yearbook 2024 in the Top 5% S&P Global CSA Score category, based on our S&P Global ESG Scores calculated from the CSA.

Still in 2023, we received an A- score in the CDP Climate Change programme and a B score in the CDP Water Security programme.

Moreover, Iveco Group received an MSCI ESG Rating of A and a Corporate Rating of C from ISS, with a QualityScore[29] of 1 for both our environment and social disclosures. We also achieved an overall score of 72/100 and the Gold medal from EcoVadis, ranking among the top 5% of companies for this benchmark.

As at 31 December 2023, the Company was included in the ECPI Euro ESG Equity index and Integrated Governance Index (IGI).

CDP DISCLOSER 2023

		Disclosure		Awareness		Management		Leadership	
CLIMATE CHANGE	2023	D-	D	C-	C	B-	B	A-	A
		Disclosure		Awareness		Management		Leadership	
WATER SECURITY	2023	D-	D	C-	C	B-	B	A-	A

Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA

MSCI ESG RATINGS A

CCC | B | BB | BBB | A | AA | AAA

ESG IDENTITY Iveco Group IGI COMPANY 2023 leader

GOLD 2023 ecovadis Sustainability Rating

Iveco Group
Machinery and Electrical Equipment Industry
Top 5%
S&P Global Corporate Sustainability Assessment (CSA) Score 2023
S&P Global | Sustainable1

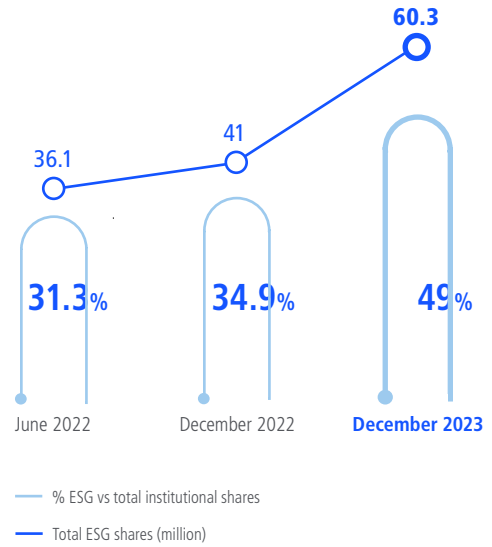
[a] The use by Iveco Group N.V. of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Iveco Group N.V. by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

[29] The ISS QualityScore uses a numeric, decile-based rating system to assess a company's environmental and social risk compared to its industry. A score of 1 places the company's risk in the lowest 10% of all companies.

1.6.2.4 ESG INVESTORS

The presence of Iveco Group shares in the portfolios of environmental, social, and governance (ESG) investors, i.e., those who integrate standard financials with ESG considerations, is a clear indication of appreciation of the Company's commitment to sustainability.
As at 31 December 2023, according to the Nasdaq analysis, Iveco Group's ESG ownership represented 60.3 million shares, or 49% of total institutional shares (an increase compared to the 34.9% at the end of December 2022). This level remains above the average when compared to 3 of the Nasdaq's benchmarks (for the Industrial sector, Italian market, and European market, respectively). The analysis covers the largest global mutual funds and asset owners. The latter include pension funds (national, occupational, company-specific, or local government), foundations, public funds, insurance funds, endowments, sovereign wealth funds, and large financial organisations investing their own assets.

ESG Investors' Ownership Trend



1.6.3 Tax Transparency

1.6.3.1 OUR APPROACH TO TAX MATTERS

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207-3; 207-4

Everything we do, both within and outside the Company, is according to the highest ethical standards as outlined in our Code of Conduct, which applies to every aspect of our business, all levels of our organisation, and every geographic area in which we operate.
The same applies to how we approach tax matters. For this reason, in 2022, the Board of Directors of Iveco Group N.V. (hereinafter Iveco Group) – which has collective responsibility for the strategy of the Company and its consolidated subsidiaries, including all joint ventures in which the Company holds a controlling interest – approved the Iveco Group **Tax Strategy**, which guarantees that our tax behaviour is consistent with our ethical principles.

The Tax Strategy, publicly available on our corporate website, reflects the set of values recognised as the underlying principles of Iveco Group's tax approach, and provides the relevant guidelines to ensure the Company's integrity and reputation over time, as well as consistency when conducting business affairs and when dealing with tax risks across our entities.

The Board of Directors is responsible for ensuring that the purposes, principles, and guidelines set out in our Tax Strategy are promoted internally, and that its underlying values are applied and disseminated consistently. Each update of the Tax Strategy must be approved by the Board of Directors. The Audit Committee assists and advises the Board, and acts under authority delegated by the Board, with respect to the Tax Strategy thus adopted.

Iveco Group's principles are founded on tax sustainability, tax legality, tax transparency, and the pursuit of value creation for our stakeholders.

1.6.3.1.1 Our Tax Guidelines

Iveco Group's Tax Strategy incorporates a number of guidelines to ensure the effective implementation of our tax principles, steering the management of our tax affairs by establishing the appropriate processes to guarantee the efficacy and application of these principles.

These guidelines provide for the following tax practices:

- **transfer pricing**: Iveco Group's cross-border intercompany transactions are regulated, for tax purposes, on the basis of the arm's length principle, as outlined by the OECD[30] (in the Model Tax Convention and in the Transfer Pricing Guidelines), with the aim of aligning, as fairly as possible, the transfer pricing outcomes to value creation. Iveco Group also complies with the provisions of OECD Guidelines on transfer pricing documentation
- **aggressive tax planning**: Iveco Group does not engage in conduct and/or operations, whether domestic or cross-border, that result in purely artificial arrangements devoid of economic reality, and from which improper tax advantages can reasonably be expected to the extent that they are contrary to the purpose or spirit of the relevant tax provisions or regulations
- **low tax jurisdictions and economic substance**: Iveco Group is committed to having a tax presence only where it carries out substantial economic activity, and therefore does not make artificial use of tax havens for the sole purpose of reducing the Company's tax burden
- **tax whistleblowing**: in compliance with the provisions of our Code of Conduct, Iveco Group is committed to fully implementing and maintaining a procedure that allows its employees and third parties to report alleged irregularities or suspicious conduct in tax matters
- **agree to disagree**: in the interests of the Company and its stakeholders, Iveco Group supports – even through dispute resolution processes – interpretative positions that are considered sound and reasonable, even if not shared by tax authorities, including within the framework of cooperative compliance regimes.

1.6.3.2 TAX GOVERNANCE, CONTROL, AND RISK MANAGEMENT

1.6.3.2.1 Governance

Based on Iveco Group's organisational model, our central Tax Department is responsible for:

- modifying our Tax Strategy and adapting it to changes in our business model and to regulatory requirements (e.g., by proposing updates to our tax risk management system)
- identifying optimisation initiatives
- monitoring key tax issues
- providing support to other Iveco Group departments.

The Tax functions across our jurisdictions and business units act in compliance with the provisions of our Tax Strategy and under the coordination of the central Tax Department, to ensure the correct execution of tax obligations at local level. We see to it that the Tax Department is adequately resourced (from a personnel, material, and financial perspective) and appropriately organised to perform its functions. It is responsible, among other things, for promoting the culture and values of tax compliance, and organises training initiatives for our people, including those not part of the Tax Department itself.

1.6.3.2.2 Tax Risks and Control Management

We have committed to designing and implementing an internal control system to assist in the identification, evaluation, and prioritisation of tax risks, followed by a coordinated and balanced application of resources to minimise, monitor, and control the probability or impact of any adverse events. This system, the **Tax Control Framework (TCF)**, has already been adopted by our main companies, and will be progressively extended throughout Iveco Group. Through our TCF, which is aligned with OECD Guidelines, we are able to ensure the proper execution of tax risk assessments, identify tax risks while verifying the controls in place at operational level, and see to it that the roles and responsibilities within our tax management process are clearly defined and assigned, with due consideration given to the principles of segregation and escalation of decisions.

The TCF is part of a broader system of internal controls and corporate risk management, in which the various components (including the TCF) work in synergy to ensure maximum effectiveness and efficiency in protecting Iveco Group from business risks. This synergy is achieved through the efficient integration of the various control tools, and by establishing specific information

[30] Organisation for Economic Co-operation and Development.

flows between the different internal control departments, so that each can benefit from the results of checks carried out by the others according to their respective spheres of competence. In accordance with applicable international best practices, Iveco Group's TCF provides for three **levels of control against risk**. Specifically, a Tax Risk Officer is in charge of second-level controls and for the implementation of adequate monitoring to ensure that our internal tax risk control system is up-to-date and fit for the mitigation purpose for which it is designed. The Tax Risk Officer is a member of a unit within the Tax Department, but does not perform operational tax compliance activities or interpret tax regulations, as per the principle of segregation of duties. Meanwhile, the third-level controls are overseen by the Internal Audit Department, which verifies the effectiveness of the TCF and its compliance with the guidelines provided for by Iveco Group's Tax Strategy.

On an annual basis, the Tax Risk Officer and the Tax Department draw up a report for the Audit Committee and the Board of Directors on the TCF's operational effectiveness in ensuring that the Iveco Group entities that have adopted it are in control of their tax processes. The report also addresses how the processes in place are actually implemented, maintained, and monitored.

1.6.3.3 STAKEHOLDER ENGAGEMENT AND CONCERNS OVER TAX MATTERS

1.6.3.3.1 Tax Authority Engagement

In accordance with the principles of our Tax Strategy, and in order to enhance our relationships of trust with tax authorities, Iveco Group promotes adherence to cooperative compliance regimes among those of its entities that are compliant with such respective local regulations. In this regard, in December 2023 we were admitted to the Italian cooperative compliance regime, with retroactive effect as of fiscal year 2022. Our aim is to gain more tax certainty by encouraging our entities that meet the requirements of similar regimes in their respective countries to gradually follow suit.

In addition to adhering to cooperative compliance regimes, Iveco Group operates with transparency and good faith in all its relations with tax authorities, including in the event of tax audits. Moreover, to avoid double taxation, the Company promotes mutual agreement procedures for the settlement of international disputes, directly involving the tax authorities from the contracting countries.

1.6.3.3.2 Creating Value for Stakeholders

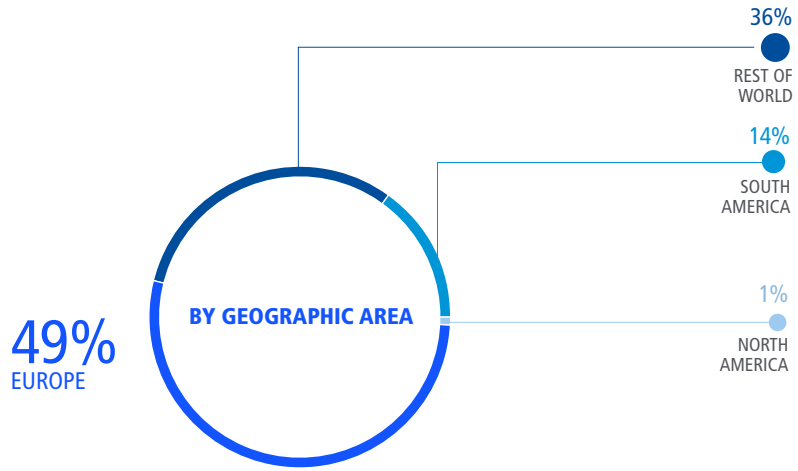
Iveco Group manages its taxes in part through available incentives and provisions that allow for the optimisation of its tax burden. Moreover, taxes are managed in compliance with the principle of legality, and with the aim of safeguarding the Company's assets while pursuing its main goal to create sustainable value for all stakeholders in the medium and long term.

1.6.3.4 REPORTING

From an ESG perspective, we firmly believe that taxes are a key contributor to the economies of the jurisdictions in which we operate. Our business activities generate tax revenues for the governments of our countries of operation. We therefore intend to provide a timely disclosure of the allocation of income taxes paid for fiscal year 2023, reporting the total income taxes paid by Iveco Group's companies by geographic area, including: income tax advance payments; income taxes related to the previous fiscal year (i.e., income tax balances related to 2022); taxes paid in reference to the tax assessments of previous fiscal years; and withholding taxes applied on cross-border payments.

2023 Income Tax Paid

Iveco Group worldwide



1.6.4 Financial Services

The Financial Services business unit supports the growth of our industrial activities by developing and structuring financial products to increase product sales, profitability, and customer loyalty. Its strategy is to grow as a core business unit to support Iveco Group's business proposition, at the same time securing the credit quality of the portfolio, adequate service levels, operational effectiveness, customer satisfaction, and business gain.

In 2023, the Financial Services' managed portfolio, including the pro-rata portfolio held by non-consolidated joint ventures, reached approximately €8.3 billion globally.

The portfolio's primary products are:

- wholesale financing for dealers
- retail financing for the purchase or lease of new or used products by end-users
- non-dealer trade receivables discounted
- financing programmes for industrial suppliers.

Financial Services provides support to Iveco Group on all aspects of the management of receivables and related risks, in line with its goal to drive best-in-class performance, leveraging core competencies and ensuring skills enhancement within the Company. It also oversees progressive process standardisation and system integration, as well as the implementation of shared policies, all of which drive efficiencies in terms of operations and governance. The selection and monitoring of business counterparts is a key element in securing the performance of the managed receivables. Business relationships are assessed according to sound know-your-customer practices, anti-money laundering laws, and Company policies and procedures, so as to ensure that third parties' business counterparts are reputable, qualified, and involved in legitimate businesses. The reference framework is regularly updated according to the evolution of regulations and to reflect experience gained in operations and business practices.

GATE

In 2022, Iveco Group established a new business entity – called Green & Advanced Transport Ecosystem (GATE) – offering the long-term, all-inclusive rental of zero emission vehicles (ZEVs), which are destined to play a major role in supporting the industry's energy transition. GATE has an independent business structure, and its employees are dedicated to meeting the needs of electric commercial vehicle customers. It started in Italy as a pilot company at the beginning of July 2023, initially serving Brand IVECO customers only, giving them access to the propulsion of tomorrow through a comprehensive service based on a pay-per-use formula. Throughout 2023 and 2024, GATE will focus exclusively on light commercial vehicles (LCV), while concurrently developing an entire ecosystem for a variety of zero-emission vehicles, with applications ranging from last-mile delivery to long haulage. With green technology and equipment at its core, this ecosystem will deliver sustainable solutions to customers, leaving them free to determine the level of support and flexibility they require to sustain their business. Services will include maintenance and repairs, connectivity and telematics, insurance, energy, tyre management, and ancillary services.

1.6.5 Investments for the Planet and People

1.6.5.1 THE PLANET

In 2023, Iveco Group's energy expenditure was approximately €86.7 million. The Company invested a total of over €4.4 million in improving energy performance, generating more than €3.6 million in savings, and leading to a reduction in energy consumption of approximately 66 TJ and in CO_2 emissions of about 2,822 tons[31]. Approximately €2.9 million (about 67% of the total investment) was spent on the widespread replacement of existing lighting systems with LED technology. The remaining initiatives centred on the installation of photovoltaic systems, heat pumps, inverters, high-efficiency motors, intelligent stand-by systems on machinery, and set-point regulation adjustments according to operational requirements. For details on our approach and projects, see 2.1.3.1 Energy Management and Performance >.

Energy Performance Improvements Expenditure and Investments

Iveco Group worldwide (€million)

	2023	2022	2021
Plants (no.)	22	23	25
Expenditure	**86.7**	89.1	94.5
Investments	**4.4**	2.1	2.8
Cost savings	**3.6**	1.3	1.2

In 2023, Iveco Group's overall expenditure on environmental protection was approximately €36.1 million, broken down as follows: about €19.6 million on waste disposal and emissions treatment, and €16.5 million on prevention and environmental management. A total of €5.1 million was invested in initiatives to reduce the Company's environmental impact, while improvement projects and measures generated €1.5 million in cost savings. For details on our approach and projects, see 2.2.2 Mitigating Plant Impacts >.

[31] The types of energy included were fuel, electricity, and heating. The energy consumption reduction value was estimated as per the International Performance Measurement and Verification Protocol (IPMVP), volume 1 (January 2012). The estimated CO_2 value includes Scope 1 and Scope 2 emissions.

Environmental Protection Expenditure and Investments

Iveco Group worldwide (€million)

	2023	2022	2021
Plants (no.)	22	23	24
Expenditure	**36.1**	29.7	20.3
of which on waste disposal and emissions treatment	19.6	17.7	16.0
of which on prevention and environmental management	16.5	12.0	4.3
Investments	**5.1**	1.2	1.6
Cost savings	**1.5**	0.8	1.4

1.6.5.2 PEOPLE

1.6.5.2.1 Investing in Our People

In 2023, Iveco Group invested approximately €17 million[32] in learning and development initiatives at global level, demonstrating a strong commitment to the growth of our people at all levels.

The Company also spent approximately €61.2 million on improving health and safety protection (representing 2.8% of personnel costs[33]), of which almost €55.8 million on improvements to occupational safety and working conditions (worker protection, structural improvements, and inspections of plants and working environments), and approximately €5.4 million on employee health care costs. The year's investments in health and safety led to almost €1.5 million in savings on the insurance premiums paid to the Italian National Institute for Insurance against Accidents at Work (INAIL). For details on our approach and projects, see 3.2.5 Occupational Health and Safety >.

[32] Data not comparable to 2022, for which we reported only the cost of training provided exclusively under our learning management system (LMS) platform. This figure, on the other hand, encompasses all other costs of people development initiatives, including those managed outside the platform (e.g., training materials, MBA and masters programmes, coaching, costs related to the design of customised learning journeys, etc.).

[33] Personnel costs totalled €2,153 million in 2023.

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1.6.5.2.2 Local Community Investments

In 2023, the resources allocated by Iveco Group to local communities totalled €3.72 million, including over €55,600 for total management costs. The investment data for local communities is categorised as per the principles set out in the Business for Societal Impact (B4SI) Guidance Manual. Figures are based on accounting data and calculations, and include estimates. For details on the methodology, see 4.2.2.1.3 Social Data Calculation >.

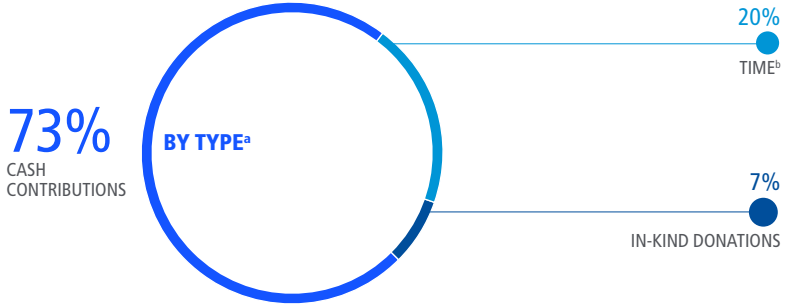
Philanthropic Contributions

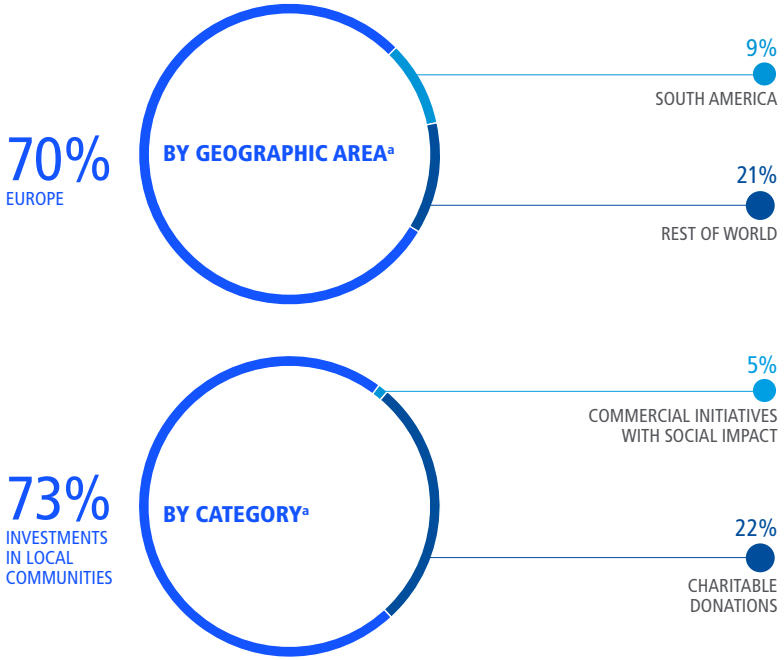
Iveco Group worldwide (€)

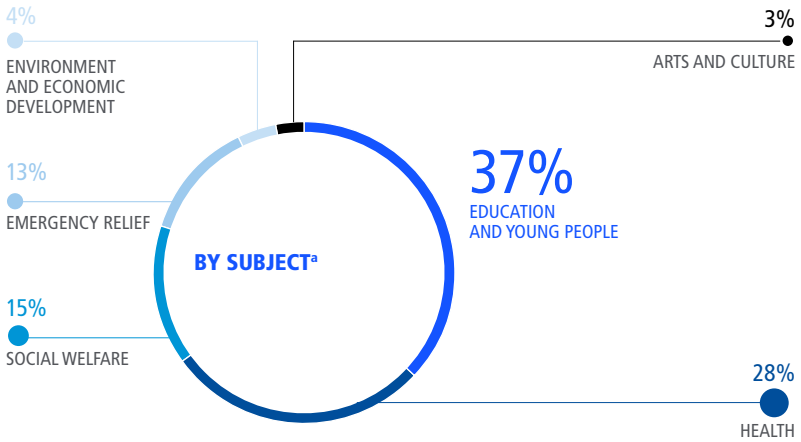
	2023
Cash contributions	2,687,824
Time contributions (employee volunteering during paid working hours)	777,498
In-kind contributions (products/services, projects/partnerships, or similar)	201,510
Management costs	55,603
Total	**3,722,435**

2023 Contribution to Local Communities

Iveco Group worldwide







€3.72

MILLION INVESTED IN LOCAL COMMUNITIES

[a] Including total management costs.
[b] Represents the monetary value of hours of volunteer work carried out by employees during working hours (also includes initiatives where legal entities are fully or partially reimbursed through public funds).

1.6.6 Value Creation Through Innovative Solutions

1.6.6.1 QUALITY PRODUCTS THROUGH INNOVATION

Iveco Group's core business is the design, manufacture, and sale of trucks, commercial vehicles, buses, special vehicles, and powertrain applications. The ongoing research into cutting-edge solutions and the continuous collaboration with innovative partners enable our brands to manufacture products with reduced environmental impact, which not only meet customers' demand for high-performance quality vehicles, but are also reliable, safe, comfortable, and competitive in terms of operating costs, thereby enhancing overall profitability. Our approach is to meet market demand by delivering products closely aligned to customer requirements, with a particular focus on minimising the total cost of ownership (TCO).

Iveco Group's Technology & Digital function is the single point of reference for new technologies and innovation across the Company. It manages product engineering, digital product capabilities, and zero-emissions vehicle programmes for each of our Truck, Bus, and Powertrain business units, leveraging technological innovation to accelerate the pace of product development and evolution. The Chief Technology & Digital Officer is also a member of our Senior Leadership Team (SLT).

For each business unit (BU), the Technology & Digital function: increases profitability, playing a leading role in evolving the Company's business in line with the Strategic Business Plan; approaches the value proposition with a mindset focused on end-to-end quality and customer service, so as to quickly adapt and respond to customer needs; explores potential partnership opportunities to boost the scaling of innovation; and negotiates deals on inorganic growth opportunities to acquire expertise while reducing time-to-market.

Within each BU there are several product platforms, organised according to a cross-functional model supporting the development of new products and services with the highest quality standards in mind. These platforms are the epicentre of decision making for our product lines' life cycles, ensuring speed, business agility, and competitiveness. Every platform is supported by all industrial functions, each representing different business needs, and each involved in the decision-making process. The product platforms act as a bridge between the industrial functions and the BUs. This structure ensures all-round coordination and a focus on business results. It also creates further benefits, such as a direct link between BU objectives and product plan implementation, greater customer centricity, and the broader involvement (and hence responsiveness) of all Company functions. By integrating the product platforms directly within our BUs and maintaining this cross-functional alignment, we are able to stay closer to our end customers' needs and deliver our best to them.

To better meet local customer requirements, some of our product lines are modified or entirely redesigned on site. To this end, we have R&D sites in Emerging Markets such as Argentina, Brazil, and China, actively engaged in enhancing and expanding Iveco Group's expertise and technologies. The resulting wealth of information is mainly disseminated within the Company through web platforms and IT systems, under the responsibility of our global head of R&D. Furthermore, our best practices are shared and made accessible to all Iveco Group R&D staff worldwide via our corporate Intranet.

As a side note regarding the above R&D sites, our Company supports the hiring of local talents, providing them with training as needed. To further develop our R&D capacity in these local markets and accelerate the transfer of knowledge, we also rely on more experienced R&D staff relocated from developed markets, as well as on the acquisition (be it direct or through joint ventures) of local product designs and knowledge.

As part of our efforts to adopt innovative solutions, a strategic sustainability target was incorporated into our Strategic Business Plan: **to ensure that 100% of new products are developed using sustainability/recyclability design criteria by year-end 2026.** This sustainability target was also included in our Sustainability Plan and as an individual goal in the Performance Development Process (PDP).

In 2023, Iveco Group's R&D expenditure was €888 million, or 5.6% of net revenues of Industrial Activities of €15,877 million. R&D involved approximately 3,600 employees at 31 sites worldwide, with approximately 260 of them located at 6 sites in Emerging Markets. At year end, we had a total of 6,054 active patents. As regards the specific investments in low-carbon opportunities, Iveco Group complies with the requirements of the EU taxonomy classification system, which provides a list of environmentally sustainable economic activities that support the EU Green Deal objectives (see 4.3.1.3 EU Taxonomy for Sustainable Activities).

ABOUT

€339

MILLION IN CAPITAL EXPENDITURE ON ENVIRONMENTALLY SUSTAINABLE ACTIVITIES

1.6.6.1.1 Collaborating with External Partners

Our Company's brands have a long tradition of delegating basic research to dedicated partners, such as the CRF and IMAMOTER research centres in Italy, and they rely on a number of successful collaborations established through the years with a broad network of universities across the globe. In Europe, academic partnerships include those with the following universities: *Politecnico di Torino*, *Politecnico di Milano*, *Università degli Studi di Torino*, and *Università Tor Vergata di Roma* (Italy); *Univerza V Ljubljani* (Slovenia); *Technische Universiteit Eindhoven* (the Netherlands); and *Vrije Universiteit Brussel* (Belgium). In Brazil, they include those with the universities *Universidade Federal de Minas Gerais* (UFMG) and *Pontifícia Universidade Católica de Minas Gerais* (PUC-MG). In Australia, the Company collaborates with the Swinburne University of Technology.

We have also always been involved in national and international workgroups, actively engaging in joint research projects not only with academic institutions, but also with other global entities, focusing on the development of new innovations while enhancing our own knowledge and skills.

This approach has led to a number of formal partnerships, some of which centred on our collaboration with business partners and other third parties, others on the implementation of distributed creativity through crowd-sourcing, technology licensing, and/or our involvement in open-source initiatives:

- Iveco Group's collaboration with **HTWO** (a Hyundai Motor Group brand developing a hydrogen fuel cell system) to equip our future range of European hydrogen-powered buses with world-leading fuel cell systems
- FPT Industrial's agreement on the acquisition of a minority stake in **Blue Energy Commercial Vehicles Private Ltd.**, a zero-emission technology company headquartered in Pune (India) engaged in the manufacture of clean-energy commercial vehicles under the brand Blue Energy Motors
- the partnership between Brand IVECO and **Plus** (formerly Plus.ai), global leader in autonomous driving solutions for heavy-duty vehicles, to validate Plus's technology and integrate it into our latest-generation IVECO S-WAY heavy-duty truck.

1.6.6.1.2 Open Innovation

In recent years, to further strengthen our research and development efforts, we have embraced a much broader approach to innovation by taking on the challenge of playing an active role in the open innovation arena. This has involved expanding our network beyond universities to include new, innovative entities, and the active and successful engagement of our brands in open innovation, creating value for the Company and its stakeholders through collaborations with new, high-tech startups. These partnerships serve a dual purpose: to accelerate the technological evolution of our products while enhancing their sustainability, and to support the development of startup ecosystems in the local communities in which we operate, creating value and prosperity for all.

In an industry where technology is advancing rapidly and competition is fierce, we are able to stay one step ahead thanks to a structured scouting process (managed directly by us and/or with the assistance of local advisors and business accelerators), which enables us to reach out to a few hundred startups each year.

To seize the best growth and collaboration opportunities available, we have devised a comprehensive system of tools that enable us to: participate as a venture client in the co-development of pilot projects (as a preliminary stage to establishing actual partnerships); make minority investments (hence supporting the growth of startups); or execute actual mergers and acquisitions.

2023 was a year full of momentous partnerships with, and investments in, innovative companies in different sectors and ecosystems, all sharing the same objective – to boost sustainability by minimising the environmental impact of products and processes. Some of these collaborations are described below.

- **Reefilla** is an innovative Turin-based startup offering the first predictive mobile charging service in Italy. It has joined forces with our Brand FPT Industrial, creating a fully circular process that allows electric vehicle (EV) batteries to be reused once their service life has expired.
- **Blue Energy Commercial Vehicles** is a zero-emission technology company headquartered in Pune (India) focused on the decarbonisation of road transport. In 2022, FPT Industrial made a minority investment in the company, starting a long-term

partnership that will enable the startup to expand and to benefit from our Brand's twenty years of expertise in methane applications. FPT Industrial will also supply its N67 Natural Gas engine for the production of a new truck under the brand Blue Energy Motors, to be launched on the Indian market. The initial results of this partnership were seen in 2023, with over 400 vehicles manufactured using FPT Industrial's natural gas engines.

- **Plus** is a startup in the USA that develops autonomous driving technology for heavy-duty vehicles leveraging AI algorithms applied to various types of sensors (video cameras, radars, and lidars). Our collaboration with the startup led to the launch of a pilot project to integrate this technology into a heavy-duty IVECO S-WAY and test it in real-life road traffic conditions.
- **ReLearn** is an Italian startup that has designed a system using optical sensors and AI to monitor a company's waste production. More specifically, the system is able to monitor and report on the quality of separate waste collection, providing feedback on the most common errors so as to spread sustainable best practices among employees. A pilot project to improve separate waste collection was launched in 2022 at our offices in Turin (Italy), involving the installation of 5 smart bins on the premises. Following its success, we implemented a second project in 2023 to handle most of the industrial waste generated by our Turin plants, so as to improve the quality of waste collection at each site.

1.6.6.2 ECO-DESIGN

One of the most challenging aspects of the design phase is determining and adopting adequate sustainability (i.e., eco-design) criteria to evaluate a product's impact at each stage of its life cycle, from conception and component sourcing to production, use, and end of life. Because of this, we have established a dedicated Eco-Design working group tasked with defining the strategy for increasing the proportion of ecolabelled products in our portfolio, and with identifying new design criteria to help us achieve the strategic sustainability target included in our Strategic Business Plan: **to ensure that 100% of new products are developed using sustainability and/or recyclability design criteria by year-end 2026.** This cross-functional group comprises members from different areas of expertise, such as technology, compliance, procurement, after-sale services, and sustainability. Throughout the year, the group explored several life cycle assessment (LCA) approaches to define a consistent and standardised eco-design methodology across all product platforms. The goal is to ensure that our portfolio features a substantial proportion of products with either an eco-label or an Environmental Product Declaration (EPD). Currently, only some of our products – namely, a number of FPT Industrial engines – are ISO 14067:2018 certified.

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As we finalise the fine-tuning and incorporation of our eco-design criteria, Iveco Group continues to work on other fronts to reduce the environmental impact (and total cost of ownership) of its products. This effort includes promoting the development of more eco-friendly products right from the design phase, aiming at:

- optimising fuel consumption and energy efficiency
- reducing CO_2 and other polluting emissions
- selecting components that:
  - have a lower environmental footprint
  - are easy to dismantle
  - can be repaired or remanufactured
  - can be recycled at product end-of-life
  - do not contain regulated substances
- enhancing efficiency during use
- ensuring longer intervals between maintenance cycles
- reducing noise emissions.

Although we do not always purchase **raw materials** directly (with the exception of steel used for direct processing), we constantly monitor their overall consumption. When designing components for new products (which is done in close collaboration with suppliers), priority is given to the use of easily recyclable materials, especially recoverable metals such as aluminium and cast iron, thermoplastics, and paints with low solvent content.

When designing any new product, the estimated **water usage** throughout its life cycle and the potential reduction in customer water use are not relevant, because the product's total water usage over its lifespan and the impact of product use on water quality are minimal in relation to overall consumption.

Iveco Group is committed to reducing or eliminating **regulated substances** that pose a potential risk to human health and the environment from its products and its manufacturing operations. To this end, we collect detailed information from our supply chain on the individual substances contained in both parts and whole goods. It is a challenging task, given that collecting the necessary data requires the cooperation of the entire supply chain, which may be as many as ten layers deep. We are also in the process of designing out restricted substances and of registering products that fall within the scope of recycling laws. Additionally, the Company has adopted the International Material Data System (IMDS) for its entire production – an online platform that enables suppliers to upload detailed information on the materials and substances used in supply components. Under constant development and improvement, the IMDS underwent its latest update in May 2023, introducing a new requirement for suppliers to disclose the quantity of recycled plastic and biopolymers in each component, the origin of both materials (whether from production waste or end-of-life products), and the type of recycling employed (mechanical or chemical). The IMDS allows the monitoring of compliance with: the EU REACH[34] Regulation No. 1907/2006 and POP[35] Regulation No. 2019/1021 with regards to vehicles and components; EU RoHS[36] Directive No. 2011/65 with regards to marine engines and generators; and Directive 2005/64/EC with regards to vehicle reuse, recycling, and recovery.

1.6.6.2.1 LIFE CYCLE ASSESSMENTS

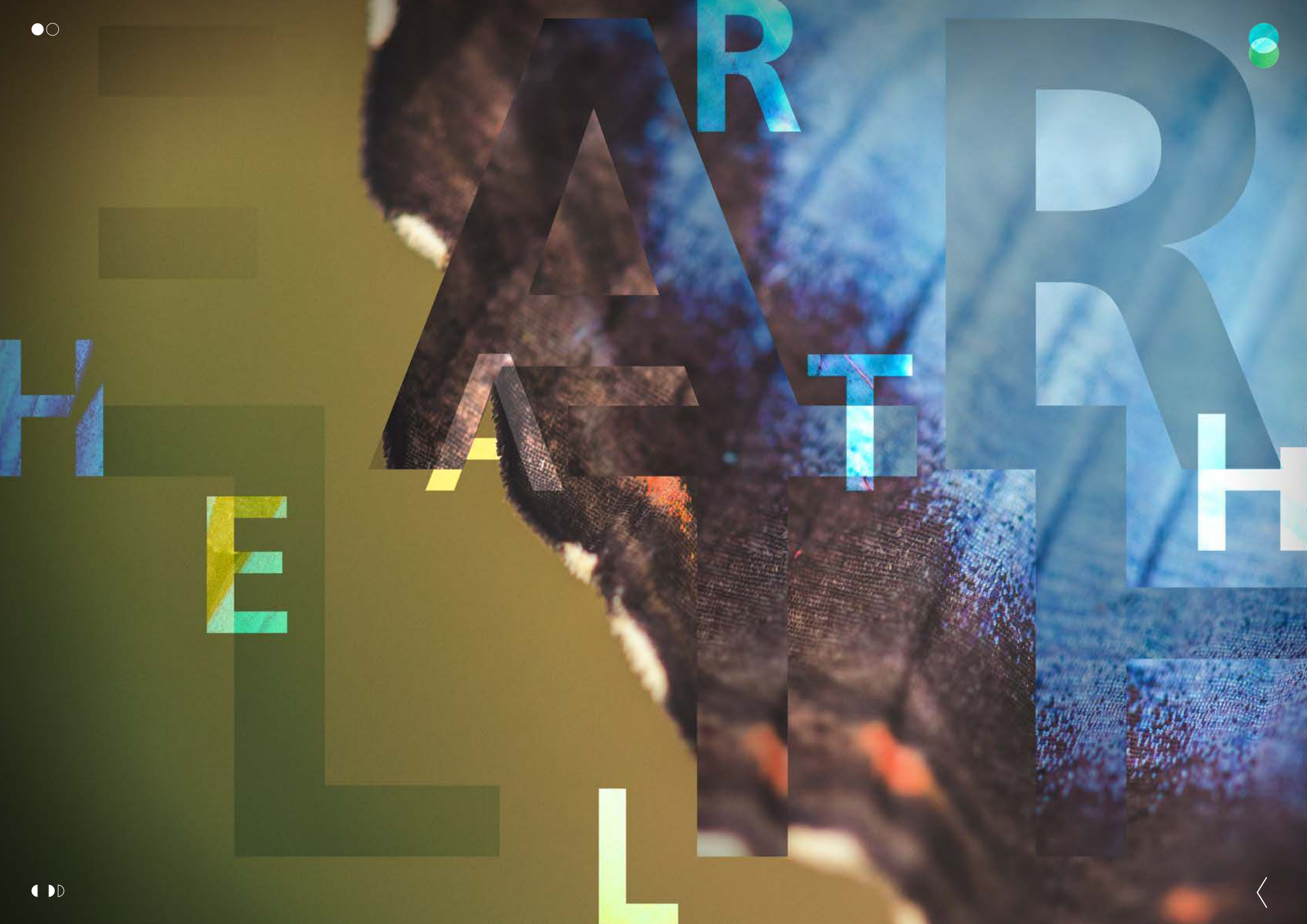
We use life cycle assessments (LCAs) in response to the growing need to measure and reduce the environmental impacts of products. To date, we have performed LCA studies on several of our products (both vehicles and engines). Given the lack of an official regulatory framework of reference, we established a dedicated cross-functional working group to develop a formal, standardised LCA methodology based on data granularity and comparability criteria, and to obtain better-quality assessment results and a more systematic and structured approach to product ecolabelling.

LCA Assessment

LCA APPROACH	DESCRIPTION OF PRODUCTS	% OF PRODUCTS COVERED BY THE ASSESSMENT[a]	CERTIFICATION
Full LCA	F1C diesel engine (light range) F1C natural gas engine (light range)	38.6	ISO 14067:2018
Full LCA	Cursor 13 diesel engine (heavy range)	18.0	No certification
Full LCA	IVECO Daily diesel van (Model Year 2021)	59.0	No certification
Simplified LCA	NEF engine (medium range)	30.9	No certification
Simplified LCA	IVECO eDaily battery pack	Not applicable	No certification

[a] The percentage refers to the total products (FPT Industrial engines and IVECO vehicles) sold by the brands in 2023.

[34] Registration, Evaluation, Authorisation, and Restriction of Chemicals.
[35] Persistent Organic Pollutants.
[36] Restriction of Hazardous Substances.


EARTH

Making better choices for a healthier planet and a thriving society

Looking after the planet today means a happy, healthy tomorrow for all. We must never forget that we belong to the Earth, not the other way around.

02 ENVIRONMENTAL DIMENSION

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2.1 Mitigating Climate Change

2.1.1 Transitioning to net zero carbon

Conscious of the urgency of climate change challenges and of the major role that decarbonisation will play in the short term, Iveco Group has set itself the ambitious goal of achieving net zero carbon by 2040 – ten years ahead of the deadline set by the Paris Agreement – in accordance with The Climate Pledge signed by the Company. To further address the potential impacts of climate change, we have also implemented major projects to improve the environmental performance of our manufacturing processes, logistics, and product portfolio.
As regards the **governance** of our decarbonisation path, the highest responsibility for defining and implementing our decarbonisation strategy lies with our Board of Directors. The Board's ESG Committee is responsible, among other things, for assisting the Board itself in reviewing and guiding this strategy, as well as the risk management policies on climate change, and for monitoring the implementation of measures to meet climate change targets, such as those for CO_2 emissions and energy efficiency.

At management level, the **highest responsibility** for initiatives focusing on energy efficiency and on the management of CO_2 emissions at Iveco Group lies with the Senior Leadership Team (SLT). The SLT members are also members of the Sustainability Committee, which meets monthly and is responsible for defining sustainability strategy and for integrating sustainability aspects into operating processes. To ensure focus and accountability, each business unit has full responsibility for the global growth and performance of its respective business. The Board's ESG Committee and the Sustainability Committee ensure responsible management of climate risks and identify trends and opportunities, including the potential impacts of new products under development and of new market trends and conditions.

To encourage deliberate action and commitment, and to further advance our decarbonisation efforts, executive **compensation** at Iveco Group (i.e., our long-term incentive plan) is linked, among other things, to the achievement of a strategic sustainability target related to Scope 1 and 2 emissions (entailing a 50% reduction in CO_2 emissions by 2030 compared to 2019).
Given the all-pervasiveness of climate change issues, all competent functions (Manufacturing, Logistics, Purchasing, Technology & Digital, and all the business units) contribute to the achievement of our CO_2 emissions reduction targets according to their respective areas of responsibility, through specific projects and initiatives. Moreover, as further evidence of our ongoing commitment to managing these issues, a number of specific targets were included in 2023's Performance Development Process (PDP) for several of our energy and plant managers.
As stated in our Environmental Policy[1], we are committed to reducing: our impacts on natural heritage and biodiversity through the efficient use of energy and natural resources and by using the best available technologies and/or technical innovations; energy consumption through more efficient production processes and products; and GHG and other polluting emissions from production processes, not only by cutting energy consumption but also by promoting renewable energy sources. Our aim is to reduce the energy impact of manufacturing processes and the risks associated with new legislation and rising energy costs through: the implementation of our energy management system; ongoing employee involvement in energy resource conservation while raising awareness of its importance; and the realisation of technical and management improvement projects. The Company is also committed to minimising the environmental impact of its vehicles by developing products that deliver industry-leading performance in terms of fuel efficiency, noise and polluting emissions, and recoverability rates.

As part of our **strategy** to achieve net zero carbon, we have aligned our financial planning with our transition plan, providing details on the relevant capital expenditure (CapEx), operating expenditure (OpEx), and turnover related to our economic activities that contribute to mitigating climate change as per the EU Taxonomy classification system (see 4.3.1.3 EU Taxonomy for Sustainable Activities).

To ensure the timely delivery of our decarbonisation strategy, we have defined specific strategic sustainability targets for Scope 1, 2, and 3 emissions.
For Scope 1 and 2 emissions, we are committed to reducing energy consumption, air pollution and, above all, CO_2 emissions in our manufacturing processes and to minimising the use of fossil fuels. We have set a strategic sustainability target for year-end 2030 for Scope 1 and 2 emissions: **to reduce absolute CO_2 emissions by 50% (compared to 2019).** To further drive our decarbonisation journey, executive compensation (i.e., our long-term incentive plan) is linked, among other things, to the achievement of this target. For details on our approach, investments, major projects realised, and interim results, see 2.1.3 GHG Emissions (Scope 1 and 2) .

(1) The Iveco Group Environmental Policy is available on the Company's website.

For Scope 3 emissions, we have set a strategic sustainability target for year-end 2030 and incorporated it into our Strategic Business Plan: **to reduce Scope 3 CO_2 emissions by 38% from the use of sold products[2] per vehicle/km** (compared to 2022). To reach this target, our aim is to see electric vehicles account for at least 35% of our sales by 2030 by gradually shifting our vehicle sales towards battery electric vehicles (BEV) and fuel cell electric vehicles (FCEV). For details on the implementation of our climate transition plan with regards to our products, see 2.1.4.1 Product Decarbonisation Strategy.

We actively advocate for supporting measures and a consistent policy framework as key enablers of the energy transition in road transport. As regards policy engagement, we actively promote the rapid implementation of the conditions to enable the widespread adoption of zero emission vehicles, such as the creation of refuelling and recharging stations. We monitor and analyse the relevant emerging policies and regulatory developments at local and global level, and have established specific functions and structures within our respective business units and our Technology & Digital function, and developed our strategy accordingly, to ensure full compliance with applicable new regulations and laws. The shift in customer demand towards sustainable transport solutions, driven by both an increase in climate-related awareness and by more stringent regulations, may pose potential risks for manufacturers as this will require them to adapt to the evolving market. To counter this, when developing our product portfolio, we steer our R&D focus towards sustainable technologies (e.g., biofuels and electric and hydrogen propulsion technologies), so ensuring the resilience of our business model.

We are committed to reducing emissions from our **value chain**, specifically from purchased goods and services and from logistics. To this end, the Company takes advantage of collaborations with strategic business partners, start-ups, and external experts in emerging technologies. We have therefore set a strategic sustainability target and incorporated it into our Strategic Business Plan: **a 20% reduction in absolute CO_2 emissions generated by key suppliers of purchased goods, services, and capital goods by year-end 2026 (compared to 2022).** It should be noted that this target was revised in 2023 by increasing its level of ambition from 20% to 30%, by expanding its scope to include major suppliers, and by postponing its deadline from 2026 to 2030. To achieve this target, we ensure ongoing dialogue and collaboration with suppliers to share experiences and to find increasingly innovative solutions to reduce the environmental footprint of all parties involved.

Climate risk management at Iveco Group is integrated into a Company-wide multidisciplinary risk management process designed to identify and assess climate-related **risks and opportunities**, as well as the current and anticipated effects of climate change that are relevant to our business model and value chain. The process in place allows us to identify and assess our medium to long-term transition risks and opportunities, as well as physical risk events that could impact our sites and potentially lead to property damage and/or business interruptions in the short and medium-long term (2030 and 2040). For more information on climate-related risks and opportunities, including the scenarios used to assess their potential business implications and to understand how they may evolve, see 2.1.2 Climate Risks and Opportunities Management.

(2) The target refers to vehicles manufactured in Europe.

Our path to achieving our net-zero goal by 2040 is supported by our strategic sustainability targets, based on the climate-related risks and opportunities identified. Two of these strategic targets – to reduce our Scope 1 and 2 emissions, as well as our Scope 3 emissions from the use of sold products (the most important category for Iveco Group) by year-end 2030 – were submitted to the SBTi[3] for validation. However, the SBTi has temporarily suspended target validations and updates for original equipment manufacturers (OEM) of new on-road vehicles while a new 1.5°C-aligned pathway for the transport sector is being developed. We are therefore awaiting the new industry guidance to see whether we need to update our current target before proceeding with target validation.

CO_2 Emissions Targets[a]

Iveco Group worldwide	2030 Target	2023	2022
Scope 1 & 2 direct and indirect CO_2 emissions (tons)	-50% vs 2019[b]	**98,512**	101,736
Scope 3 indirect CO_2 emissions from the use of sold products[c] (grams per vehicle/km)	-38% vs 2022	**651**	681

(a) For the calculation methodology used, see 4.2.2.1.2 Environmental Data Calculation.
(b) The base year (2019) Scope 1 and 2 CO_2 emissions are equal to 110,713 tons.
(c) Target refers to vehicles manufactured in Europe.

Iveco Group has developed various indicators and tools to assess its contribution, exposure, and resilience to climate change. Annually, the Company reports its climate change impacts and performance in its Sustainability Report, according to the requirements of the GRI Standards. CO_2 emissions are calculated according to the Greenhouse Gas Protocol, incorporated into Company Guidelines. For the **GHG Inventory** for Scope 1, 2, and 3 emissions, see 2.1.3.1.6 CO_2 Emissions and 2.1.4 GHG Emissions (Scope 3).

Every year, to ensure the credibility and transparency of our progress in implementing our climate transition plan, an independent third-party auditor verifies both our direct and indirect CO_2 emissions, in accordance with the ISO 14064-3:2019 methodology for the verification and validation of GHG statements.

(3) The Science Based Targets initiative.

2.1.2 Climate Risks and Opportunities Management

At Iveco Group, climate risk management is integrated into a Company-wide multidisciplinary risk management process designed to identify and assess climate-related risks and opportunities, as well as the current and anticipated effects of climate change that are relevant to our business model and value chain. This process encompasses our direct operations, supply chain (upstream), and products (downstream).

Climate-related risks and opportunities span **three time horizons**, meaning they can be:

- short-term (0-4 years), as per our Enterprise Risk Management (ERM) and our climate change assessments in relation to physical and transition risks
- medium-term (4-8 years), as per our Strategic Business Plan and our 2030 climate scenario
- long-term (8-18 years), as per our 2040 net zero carbon strategies and targets set to align with the Paris Agreement.

In order to gauge the implications of climate-related risks as well as the Company's level of **climate resilience** and adaptability, taking the Task Force on Climate-related Financial Disclosures (TCFD)[4] as a starting point, we consider each of the following risk categories when identifying and assessing our risks, their likelihood and magnitude of impact, and the opportunities they present:

- current and emerging regulations
- technology risk
- policy and legal risks
- market risk
- reputation risk
- acute physical risk
- chronic physical risk.

For a detailed description of the Company's Governance, strategy, and metrics and targets related to climate risk, see the section on Climate-related Disclosures in the 2023 Annual Report.

(4) In 2023, the responsibility for monitoring the progress of companies' climate-related disclosures was transferred from the TCFD to the IFRS Foundation (effective as of 2024), following the release of the new IFRS Sustainability Disclosure Standards. As a result, Iveco Group has already started to incorporate the contents of the IFRS S2 Climate-related Disclosures, with full alignment expected by 2024.

2.1.2.1 TRANSITION RISKS

Our transition risk assessment **process** starts with the identification of key trends and drivers relevant to Iveco Group and its industry. In 2023, we did this by following the TCFD guidelines and considering the main climate-related risk categories specified therein: Market Risk, Policy and Legal Risks, Technology Risk, and Reputation Risk.

The main drivers identified to evaluate our medium to long-term transition risks and opportunities were: market electrification and transport behaviour; current and emerging climate-related regulations; developments in technology and renewable fuels; and climate-related disclosures.

We then created a risk register to map the climate-related transition risks and opportunities most relevant to the Company (linking them to the aforementioned drivers), and assessed their relevance with a qualitative analysis – along with an in-depth quantitative analysis of a number of them.

Risk assessment results were then validated within our Climate Change Risk Management (CCRM) framework through a preliminary review by the Enterprise Risk Management (ERM) function, followed by a final validation by senior management. The main outcomes were then incorporated into our ERM assessment.

The medium to long-term (2030-2050) analysis of our transition risks and opportunities was performed using the RCP[5] 1.9 **scenario** of the Intergovernmental Panel on Climate Change (IPCC). This scenario is based on various assumptions regarding future emissions, policies, and economic trends. We also adopted the NZE2050[6] scenario of the International Energy Agency (IEA) to perform a comprehensive analysis of the energy and automotive markets. Transition risks are considered significant business disruptors (potentially having a **substantive financial or strategic impact on business**) if they result in any of the following:

- a negative effect on one or more key strategies for the Company's stability and growth
- a prolonged suspension of essential business activities
- a seizure of key assets or of profits
- negative repercussions on the Company's reputation or image, resulting in: a substantial decrease in share price; strained relations with stakeholders; and/or a significant adverse impact on rankings, potentially leading to exclusion from financial and sustainability rating indices.

Based on the analysis performed, Iveco Groups' top (most severe) transition risks are associated with uncertainties regarding energy costs, the life cycle of new products, and climate-related regulations and disclosures.

2.1.2.2 PHYSICAL RISKS

The first step in our physical risk identification and assessment **process** consists in evaluating the relevance of all such risks for each Iveco Group site within our risk perimeter, through the analysis of climate zones and site-specific morphological features (such as altitude and proximity to rivers).

We assess our physical risk exposure by taking into account specific drivers for each physical event (which is also relevant when selecting suitable data sources). For each physical risk driver, the analysis, evaluation, and selection of data tools is based on:

- data quality – in terms of resolution of the terrain, estimation accuracy (depending on the geographical scale, colour mapping, numerical precision), and the transparency of the calculation process
- time flexibility – the availability of data across different time horizons and (ideally) their applicability to all project phases (thus enabling both short and long-term analysis)
- accessibility – the availability of freely accessible tools with the possibility of replicating analyses over time
- multiple applications – the potential of a tool to be used to assess several physical risks concurrently.

(5) Representative Concentration Pathways are a climate scenario analysis tool (with each scenario describing a potential future pathway). RCP 1.9 is a very ambitious scenario, being the IPCC's lowest emission pathway towards limiting global warming to below 1.5°C by the end of the century, which is the aspirational goal of the Paris Agreement.

(6) Net zero emissions by 2050.

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During the subsequent risk evaluation phase, these drivers are transposed onto a matrix and classified according to a 4-level scale (high, medium-high, medium-low, low) based on a set of impact thresholds specific to each physical risk event. This allows us to identify the economic impact of each risk event in terms of property damage (cash flow), business interruptions (EBIT), and other impacts or indirect costs (in addition to EBIT or cash flow).

The net impacts of each physical risk are then quantified and recorded on the ERM impact scale, considering each plant's specific characteristics and any physical mitigators (such as the presence of mobile dams for river flooding). The results obtained are then submitted to and validated by the relevant owners within Iveco Group that are associated with the selected sites.

In 2023, we performed an analysis over the medium to long term (2026-2040) of each physical risk event for each site within our risk perimeter, in order to evaluate any increase or decrease in risk exposure. We used the weather patterns of the RCP[7] 8.5 **scenario** of the Intergovernmental Panel on Climate Change (IPCC), which is based on various assumptions regarding emissions, policies, and rising temperature levels.

The main drivers considered when evaluating our medium to long-term physical risks were: data tool predictions of specific physical risks; changes in maximum precipitation levels; changes in surface wind speed; and changes in maximum temperatures.

As regards **physical climate risk adaptation**, the industrial risks associated with high-frequency/high-severity natural hazards are increasingly becoming an issue for large manufacturing companies.

Our Risk Management Centre of Competence analyses such hazards with the support of our loss prevention engineering provider and of the technical departments of the insurance and reinsurance companies represented on Iveco Group's insurance panel. This analysis takes place during field audits and for all new project developments, using analytical techniques as well as practical, cost-effective methodologies delivering optimised risk-mitigation options where feasible. The 2023 assessment of our material physical climate risks **covered 85% of the Company's insured value**[8], with completion schedules for implementing mitigation plans typically set at **less than 5 years**. Furthermore, **100% of new projects** and initiatives are analysed from the earliest stages of development to ensure the highest level of prevention and protection from material physical climate risks.

(7) Representative Concentration Pathways are a climate scenario analysis tool (with each scenario describing a potential future pathway). The RCP 8.5 scenario assumes a high GHG emission future without effective climate change mitigation policies.

(8) 2023's total insured value under the control of the Loss Prevention Centre of Competence as at the third quarter of the year.

Any physical risk event that affects our direct operations is considered a significant business disruptor (potentially having a **substantive financial or strategic impact on business**) if it results in any of the following:

- significant value erosion that could lead to critical financial impacts, jeopardising the Company's market leading position (high impact risk)
- significant value erosion that could cause significant financial issues or failure to achieve strategic targets (medium-high impact risk).

The aforementioned risks may cause material adverse effects in terms of business interruptions, property damage, or other indirect costs, thus impacting the Company's EBIT and/or cash flow.

It is predicted that climate change will lead to an increase in water stress and in extreme weather events, such as floods, hurricanes, cyclones, tornados, hailstorms, heat waves, and bush fires – inevitably disrupting production and component supplies. Based on the 2023 assessment of Iveco Group sites within the risk perimeter and an initial pilot evaluation of our suppliers' sites, most of our plants are located in areas that are not particularly associated with high-risk exposure, with the exception of a few situated in areas susceptible to hailstorms and/or water stress. However, extreme natural events still pose a risk to the Company given the significant damages they can generate.

Overall, considering the mitigation measures in place and the nature of the risks, our plants' main economic vulnerability is linked to their exposure to river floods, hurricanes, cyclones, and tornados, whereas our suppliers' economic exposure is mainly linked to water stress, hailstorms, and cold wave events. Over the year[9], we invested a total of €0.29 million in **loss prevention and mitigation measures**, specifically in recommended improvements to align our sites to our loss prevention standards. These targeted **investments** cut our loss expectancies by approximately €88 million, resulting in a Global Efficiency Index (GEI) of 0.33[10], in line with the highest international standards. The goal of our loss-prevention investment strategy is to reduce damage to assets and minimise any resulting production stoppages (business interruptions), at both site and Company level, through the full or partial adoption of existing physical protection recommendations. In 2023, Iveco Group's loss-prevention investments cut the expected loss due to property damage by 13% and due to business interruptions by 87%.

(9) Figures relate to the period from 1 July 2022 to 30 June 2023 (Insurance Year), and therefore in part under our former corporate structure.

(10) The Global Efficiency Index for loss mitigation measures (GEI = cost of protection/reduction of expected damage) is recognised as a measure of best practice for industrial risk management.

2.1.3 GHG Emissions (Scope 1 and 2)

Iveco Group works towards climate change mitigation by reducing its energy consumption and by minimising the use of fossil fuels, air pollution sources and, above all, CO_2 emissions in its manufacturing processes. Managing greenhouse gas emissions (GHG) and optimising energy consumption are prerequisites for the continuous improvement of the Company's performance and the protection of the environment in which it operates.

As stated in our Energy Policy, we are committed to reducing: the use of fossil fuels in favour of renewable energy sources; energy consumption through more efficient products and processes; and GHG emissions by cutting energy consumption while adopting both conventional and innovative technical solutions.

The strategic sustainability targets that we have set for year-end 2030 are:

- **to reduce absolute CO_2 emissions by 50% (compared to 2019)**
- **to obtain 100% of electricity consumption from renewable sources.**

It should be noted, however, that the second of these two targets was revised in 2023 and made more challenging by bringing forward its deadline from 2030 to 2026.

We apply the **Internal Price of Carbon** (IPoC) methodology, a strategic business tool for guiding investments to reduce CO_2 emissions. The IPoC allows us to classify and prioritise energy saving projects based on their ability to generate the greatest CO_2 emissions reductions in relation to the investment cost sustained by the Company. The methodology also enables the cross-fertilisation at global level of the most effective projects in terms of CO_2 reductions based on the specific IPoC of each geographic area and plant.

Our activities also include the analysis of externalities, used to quantify, in monetary terms, the impact of a company's processes on human health, the ecosystem, and the overall landscape, and hence on the environment. We assess our externalities using the ExternE[11] methodology developed by the International Environment Agency. This enables the tracing of each pollutant and/or climate-altering emission from point of emission to the affected receptors (populations, crops, forests, buildings, etc.) and the quantification of its impact in terms of costs. These costs are called externalities because, despite being generally acknowledged as real costs, they are normally overlooked. They are however factored in when quantifying the overall short- and long-term economic impact of our energy saving projects.

[11] See ExternE

2.1.3.1 ENERGY MANAGEMENT AND PERFORMANCE

2.1.3.1.1 Responsibility and Organisation

At Iveco Group, we rely on a specific internal organisational structure to oversee issues related to the conservation of energy resources. Energy management activities are organised both centrally and at plant level, coordinated by the Energy function's team and Sustainability Representative to ensure the necessary alignment and support from across the Company. The team is made up of the energy managers and specialists from each business unit and geographic area, interacting directly with plants and with the Sustainability Department. In line with the strategies defined by our Senior Leadership Team (SLT), the Energy team sets out our guidelines and objectives, as well as the best strategies to achieve them; it also manages investment budgets for specific projects and monitors the progress of our Energy Action Plan. The team also performs internal compliance audits and raises awareness of energy issues among management and employees through meetings and campaigns. An IT platform allows energy managers to share data reports and energy performance results. Our overall energy management structure consists of more than 50 professionals, located at both corporate offices and plants.

2.1.3.1.2 Manufacturing and Non-Manufacturing Energy Management Systems

In our effort to reduce the energy impact of our manufacturing and non-manufacturing processes and the risks associated with new legislation and rising energy costs, we employ two robust energy management systems, which cover:

- energy audits to assess energy use and consumption and to identify areas for energy performance improvement
- specific, measurable, and quantifiable energy performance improvement targets to achieve energy savings
- qualitative objectives associated with actions (in terms of energy behaviour) to reduce the amount of energy used
- the evaluation of our progress in reducing energy consumption
- the use of clean or green energy
- investments in innovation and/or R&D to decrease energy consumption
- employee training on energy efficiency to raise awareness of reducing energy consumption.

With regard to our manufacturing perimeter, at the end of 2023 all of our 22 plants were ISO 50001:2018 certified, representing 100% of our energy consumption within the manufacturing perimeter – evidence of our quest to reduce our energy impact[12]. The main advantage of ISO 50001 certification is its systematic approach to continuous improvement in energy performance; this approach leads to a more efficient and rational use of energy, which translates into economic benefits and fewer greenhouse gas (GHG) emissions.

These efforts also applied to our non-manufacturing perimeter, governed by its own energy management system, resulting in our logistics hub in San Mauro Torinese (Italy) becoming our first ISO 50001:2018 certified non-manufacturing site. We also obtained ISO 50005:2021 attestation (which provides for a phased approach to ISO 50001:2018 certification) for our dealers of property (DOPs) in Trento (Italy), Barcelona and Madrid (Spain), Vitrolles (France), and Hamburg, Berlin, Cologne, Mannheim, and Nuremberg (Germany).

2.1.3.1.3 Sharing and Awareness

Promoting employee involvement and awareness of the importance of energy resource conservation is key to achieving our improvement targets.
In 2023, approximately 3,092 hours of **training** were provided (mainly by internal professionals) to 1,694 people across different plants. Training focused on the correct monitoring and management of energy performance, the Company's decarbonisation strategy, and the best and latest technologies available.

We introduced several employee initiatives to enhance pro-environmental behaviour and raise awareness of a more sustainable lifestyle. For example, energy workshops were organised during the year, covering a range of topics of interest to our many energy specialists attending from plants worldwide. Two initiatives in particular caught their attention: a remote event on high-efficiency electric motors, and *Energy Days,* held in October at the FPT Industrial plant in Foggia (Italy). The latter brought together energy specialists, experts, and enthusiasts from different companies and institutions to discuss ideas and best practices on the theme of 'Exploring New Frontiers of Sustainable Energy'.

Energy efficiency was a key topic of the event, recognised as both a priority and an opportunity for companies to reduce operating costs and mitigate climate change.
These are but a few examples of how sustainability matters have become embedded in our daily activities and how they help drive our way of doing business.

2.1.3.1.4 Energy Performance

An efficient energy management system requires effective monitoring of energy performance. We have achieved this by adopting specific energy performance indicators (EnPI) to measure the benefits and effectiveness of our initiatives, plan improvement measures, and establish new and ever-more challenging targets.

In 2023, we monitored energy performance at each of our plants, as well as their secondary vectors and their compliance with our Energy Action Plan, using our Energy Monitoring & Targeting (EMT) management and control platform. Additionally, we enhanced the exchange and dialogue between plants by means of an Intranet portal focusing on procedures, best practices, regulations, corporate Guidelines, and solutions to energy-related issues and challenges. The initiative led not only to an increased level of people engagement and awareness, but also to numerous technical and management improvement projects involving the redesign of processes, equipment conversions and retrofitting for decarbonisation, and operational changes to new installations.

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22
ISO 50001
CERTIFIED PLANTS

[12] For the complete list of plants, see 4.2.1.2 Data Coverage.

COMPRESSED AIR

- efficiency and modulation improvements
- sealing of air leaks
- installation of additional inverters
- lower overall pressure
- increase in machinery shutdowns when idle
- replacements with more efficient systems
- elimination of inappropriate compressed air use

EMF[a] (PUMPS/FANS/MOTORS)

- installation of inverters
- modulation of fan extractors
- ventilation optimisation
- optimisation of transformers and cabins
- installation of intelligent stand-by for idle systems

METERING

- system expansion

BUILDINGS

- roof repairs
- insulation of walls
- installation of rapid doors
- office automations

LIGHTING

- installation of high-efficiency and intelligent lighting systems (LED) inside and outside plants
- use of presence detectors and dimmers

HEATING/PROCESS HEAT AND COOLING

- heating electrification through the installation of heat pumps powered by PV[b] systems
- replacement of old heating systems
- decrease in heating temperatures
- replacement of burners
- establishment of startup and shutdown procedures
- application of optimal setpoints
- cooling reduction
- installation of air vents

[a] Electromotive force.
[b] Photovoltaic.

2023 Improvement Projects in Detail

Iveco Group worldwide

	Total energy reduction (GJ/year)	Estimated project cost (€)
Installation of new equipment	13,763	2,133,831
Conversion and retrofitting of equipment	51,562	2,250,180
Operational changes	711	49,000
Total	**66,036**	**4,433,011**

In 2023, we invested over €4.4 million in efficiency projects, generating more than €3.6 million in savings. The simple payback period is estimated at 1.2 years. The projects led to a reduction in energy consumption of approximately 66 TJ and a reduction in CO_2 emissions of about 2,822 tons (as per the market-based method).

Approximately €2.9 million (about 67% of the total investment) was spent on the widespread replacement of existing lighting systems with LED technology. The remaining initiatives centred on the installation of photovoltaic systems, heat pumps, inverters, high-efficiency motors, intelligent stand-by systems on machinery, and set-point regulation adjustments according to operational requirements.

A further significant initiative involved heat generation and distribution systems, with approximately €1.1 million (about 24% of the total investment) spent on: replacing low-efficiency burners with new high-efficiency, low-emissions technology; installing solar collectors for the production of sanitary hot water; and sectioning distribution networks.

PUBLIC POOL HEATING THROUGH WASTE HEAT RECOVERY

FPT Industrial's R&D centre in Arbon (Switzerland) has been recovering waste heat from its internal combustion engine testbenches since 1988 and using it to heat a local public swimming pool and its own offices, and to air condition its testbenches. The initiative allows the recovery of 1.7 GWh per year and a reduction in CO_2 emissions of 338 tons.

Triggered by 2022's energy crisis, the R&D centre also launched an energy-saving campaign to promote virtuous behaviour at the site and implement efficiency projects (such as optimising equipment operation and installing LED lighting), saving 340 MWh of electricity per year.

2.1.3.1.5 Energy Consumption

In 2023, we reported a total energy consumption[13] of about 3,033 TJ, a decrease of approximately 0.6% over the previous year. As regards energy performance, measured as the Company's total internal energy consumption divided by hours of production, our 2023 year-end results improved, with the key performance indicator (KPI)[14] falling by approximately 5.7% compared to the previous year. This outcome was the result of the successful synergy between the ISO 50001 energy management system and the energy efficiency projects realised.

Total Energy Consumption[a]

Iveco Group worldwide (GJ)

	2023	2022	2021
Plants (no.)	22	23	25
Non-renewable sources			
Direct energy consumption	1,022,312	1,043,148	1,137,398
Indirect energy consumption	648,302	667,348	730,583
Total energy consumption from non-renewable sources	**1,670,614**	**1,710,496**	**1,867,981**
Renewable sources			
Direct energy consumption	18,951	1,256	83
Indirect energy consumption	1,343,164	1,340,289	1,381,882
Total energy consumption from renewable sources	**1,362,115**	**1,341,545**	**1,381,965**
Total energy consumption	**3,032,729**	**3,052,041**	**3,249,946**

[a] The base year (2019) energy consumption is equal to 3,104,689 GJ. For information on the rationale for choosing 2019 as the base year, see 4.2.2.1 Approach to Data Calculation.

Electricity Consumption from Renewable Sources

Iveco Group worldwide(%)

	2030 Target	2023	2022	2021
Plants (no.)		22	23	25
Electricity consumption from renewable sources	100%	**98**	98	98

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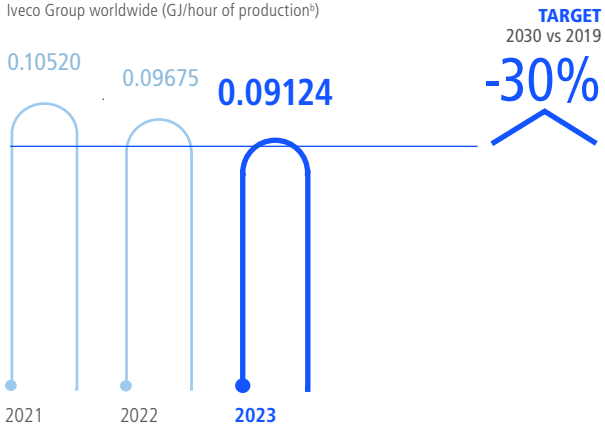
-16%
IN **ENERGY CONSUMPTION** PER HOUR OF PRODUCTION

[13] Types of energy included: electricity, heat, steam, cooling, natural gas, metallurgical coal, diesel, and other fuels.
[14] Fuel used to test products is not included.

Energy consumption per production unit[a]

Iveco Group worldwide (GJ/hour of production[b])



(a) The base year (2019) energy consumption per production unit is equal to 0.1086 GJ/hour of production. For information on the rationale for choosing 2019 as the base year, see 4.2.2.1 Approach to Data Calculation.
Types of energy included: electricity, heat, steam, cooling, and natural gas.
KPIs do not include the fuel used to test products.
(b) Total manufacturing hours are used to calculate the indicator per hour of production. For the definition of total manufacturing hours, see 4.2.2.1.2 Environmental Data Calculation.

2.1.3.1.6 CO_2 Emissions

We calculated our CO_2 emissions according to the GHG Protocol standards incorporated into Company Guidelines. Our only sources of greenhouse gas (GHG) emissions, besides those deriving from energy consumption, are associated with the use of hydrofluorocarbon (HFC) compounds with global warming potential (GWP). These are present in equipment for air-conditioning, cooling, fire suppression, and manufacturing. The potential emissions from these substances (CO_2e) are negligible compared with emissions from energy production: in fact, with an incidence of 1.3%, they fall outside the reporting scope[15].

(15) Details on the reporting scope are available in 4.2.1.2 Data Coverage.

In 2023, our CO_2 emissions (Scope 1 and 2)[16] were 88,683 tons[17], a 4.4% decrease compared to the previous year. This was due to a fall in natural gas consumption. As regards CO_2 emissions performance, measured as our total CO_2 emissions divided by hours of production, our 2023 year-end results improved, with the key performance indicator (KPI) falling by approximately 8.9% compared to the previous year.

Direct and Indirect CO_2 Emissions[a]

Iveco Group worldwide (tons)

	2023	2022	2021
Plants (no.)	22	23	25
Direct emissions (Scope 1)	**59,673**	60,712	66,229
Direct emissions (Scope 1) – excluding fuel used to test products	**49,844**	51,764	56,323
Indirect emissions (Scope 2) – market-based	**38,839**	41,024	46,851
Indirect emissions (Scope 2) – location-based	**128,485**	132,064	145,537
Total CO_2 emissions[b]	**98,512**	**101,736**	**113,080**
Total CO_2 emissions[c]	**88,683**	**92,788**	**103,174**

(a) CO_2 is the only significant greenhouse gas within our processes (see 4.2.2.1.2 Environmental Data Calculation).
The base year (2019) CO_2 emissions are equal to 122,588 tons (110,713 tons excluding fuel used to test products).
For information on the rationale for choosing 2019 as the base year, see 4.2.2.1 Approach to Data Calculation.
There were no significant changes in emissions requiring the recalculation of base year emissions.
GHG emissions were consolidated and reported using an operational control approach.
For the methodologies and emission factors used, see 4.2.2.1.2 Environmental Data Calculation.
(b) Total CO_2 emissions calculated as per the market-based methodology of the GHG Protocol, including emissions from fuel used to test products.
(c) Total CO_2 emissions calculated as per the market-based methodology of the GHG Protocol, excluding emissions from fuel used to test products.

(16) Total CO_2 emissions calculated as per the market-based methodology of the GHG Protocol, excluding emissions from fuel used to test products.
(17) Value stated as per the market-based methodology of the GHG Protocol.

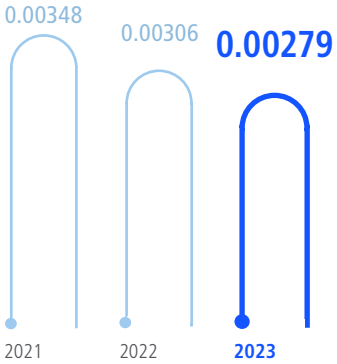
GRI
302-3; 305-1;
305-2; 305-5

-8.9%
IN CO_2 EMISSIONS PER HOUR OF PRODUCTION

GRI
305-4

Direct and Indirect CO_2 Emissions per Production Unit[a]

Iveco Group worldwide (tons of CO_2/hour of production[b])



[a] CO_2 is the only significant greenhouse gas within Iveco Group's processes (see 4.2.2.1.2 Environmental Data Calculation).
The base year (2019) CO_2 emissions per production unit are equal to 0.00408 tons/hour of production.
For information on the rationale for choosing 2019 as the base year, see 4.2.2.1 Approach to Data Calculation .
The indicator includes Scope 1 and Scope 2 emissions, as per the market-based methodology of the GHG Protocol.
[b] Total manufacturing hours are used to calculate the indicator per hour of production. For the definition of total manufacturing hours, see 4.2.2.1.2 Environmental Data Calculation . KPIs do not include the fuel used to test products.

NEW NET ZERO BUS PLANT

IVECO BUS, our urban, intercity, and tourism bus brand, opened a new plant in Foggia (Italy) entirely devoted to the production of zero- and low-emission buses. The plant generates net zero CO_2 emissions as 100% of its energy comes from renewable sources, which include over 1,000 photovoltaic panels producing 640 MWh per year. Additionally, it has a strong focus on recycling and on reducing energy consumption by making use of high-performance construction materials, intelligent LED lighting, and harvested rainwater. The investment in the new plant has been partially offset by funds from Italy's National Recovery and Resilience Plan (PNRR), and two of the latter's pillars have already been adopted: 'Green Revolution and Ecological Transition' and 'Infrastructure for Sustainable Mobility'.

2.1.4 GHG Emissions (Scope 3)

The only way to truly accomplish our transition to net zero carbon is by giving due consideration to Scope 3 emissions. To this end, we monitor each of the 15 categories of Scope 3 emissions defined by the GHG Protocol[18], but our main focus is on our products, logistics, and suppliers.

As also evidenced by the many life cycle assessments (LCAs) performed on our products, Scope 3 category 11 – emissions from the use of sold products – has the greatest impact at Iveco Group. We have therefore set a CO_2 emissions reduction target for this category, based on our Strategic Business Plan forecasts for product types and volumes, along with analogous targets for our logistics processes and supply chain.

We have submitted the aforementioned Scope 3 target, as well as a reduction target regarding our absolute CO_2 emissions (Scope 1 and 2), to the SBTi[19] for validation. However, the SBTi has temporarily suspended target validations and updates for original equipment manufacturers (OEM) of new on-road vehicles while a new 1.5°C-aligned pathway for the transport sector is being developed. We are therefore awaiting the new industry guidance to see whether we need to update our current target before proceeding with target validation.

(18) GHG Protocol, Technical Guidance for Calculating Scope 3 Emissions.
(19) The Science Based Targets initiative.

Scope 3 Emissions Inventory[a]

Iveco Group worldwide (tons CO_2e)

GRI 305-3

TYPE OF ACTIVITY	SCOPE 3 EMISSIONS CATEGORY	2023	%
Upstream	1 - Purchased goods and services	4,650,478	7.9
	2 - Capital goods	- [b]	-
	3 - Fuel-and-energy-related activities (not included in Scope 1 or 2)	74,459[c]	0.1
	4 - Upstream transportation and distribution	178,239	0.3
	5 - Waste generated in operations	- [d]	-
	6 - Business travel	3,458	-
	7 - Employee commuting	29,010	-
	8 - Upstream leased assets	- [e]	-
	Total upstream	**4,935,644**	8.3
Downstream	9 - Downstream transportation and distribution	- [f]	-
	10 - Processing of sold products	100,386	0.2
	11 - Use of sold products	54,345,569	91.5
	12 - End-of-life treatment of sold products	- [g]	-
	13 - Downstream leased assets	- [h]	-
	14 - Franchises	not applicable[i]	-
	15 - Investments	not applicable[j]	-
	Total downstream	**54,445,955**	**91.7**
	Total Scope 3 emissions	**59,381,599**	**100**

(a) For the calculation methodology used, see 4.2.2.1.2 Environmental Data Calculation.
(b) The CO_2 emissions from the Company's capital goods were negligible compared to the total Scope 3 emissions.
(c) The CO_2 emissions in this category were calculated as per the location-based methodology of the GHG Protocol (using the market-based methodology, this figure was equal to 53,045 tons).
(d) The CO_2 emissions from waste generated in operations were negligible, with an incidence of less than 0.05% of total Scope 3 emissions.
(e) Leased assets that use electricity fall under our Scope 2 emissions, while those that use mains natural gas fall under our Scope 1 emissions.
(f) The CO_2 emissions associated with distribution to end-customers were negligible compared to the total Scope 3 emissions.
(g) According to studies and calculations, the carbon footprint of the end-of-life treatment of sold products is estimated to account for less than 2% of the products' environmental impact throughout their entire life cycle.
(h) The CO_2 emissions from downstream leased assets were included in category 11 (use of sold products).
(i) The Company does not have franchises.
(j) Any emissions from investments are included in category 13.

2.1.4.1 PRODUCT DECARBONISATION STRATEGY

Iveco Group has a highly diversified product portfolio, from IVECO commercial goods vehicles to IVECO BUS and HEULIEZ passenger buses, ASTRA off-road trucks, and MAGIRUS firefighting vehicles. They each offer a very different range of features to perform the very different tasks they were designed for. Adding to this broad product mix is FPT Industrial, which manufactures industrial powertrains for trucks, buses, agricultural and construction equipment, boats, and power generators. Of course, this diversified offering played a major role in shaping our decarbonisation strategy, requiring the technology-neutral approach that we have been pursuing for many years now. This approach currently includes propulsion systems ranging from traditional technologies to natural gas (NG), biofuels, battery-electric, and hydrogen.

In line with our goal of achieving net zero carbon by 2040, we have set a vehicle CO_2 emissions reduction target to be achieved by year-end 2030: **a 38% reduction in Scope 3 CO_2 emissions from the use of sold products[20] per vehicle/km** (compared to 2022). To reach this target, we are gradually shifting our vehicle sales towards battery electric vehicles (BEV) and fuel cell electric vehicles (FCEV), with the ambition to see electric vehicles account for at least 35% of our sales by 2030.

Meanwhile, even though we believe that the majority of vehicles sold in the future will be electric, we still foresee a potential market for internal combustion engine (ICE) vehicles running on sustainable biofuels or other fossil-free fuels, including hydrogen. We also know that, on our journey towards decarbonised transport, there will be legislative milestones for CO_2 emissions globally. For all these reasons, we are continuing to invest in ICEs and after-treatment systems to increase fuel efficiency, meet legislative requirements, and remain competitive.

2.1.4.1.1 Internal Combustion Engines

The brand new XC13 engine, to be installed in the new IVECO S-WAY Model Year 2024 launched in Barcelona (Spain) in November 2023, is FPT Industrial's first multifuel, single base engine – an example of its Cursor X's power source concept, which is multi-power, modular, multi-application, and mindful (i.e., intelligent). For maximum component standardisation and simple vehicle integration, the base engine comes in multiple versions: diesel, natural gas (NG, including biomethane) and, currently under development, hydrogen. Besides delivering world-class performance, the new XC13 engine has the potential to be a primary driver in achieving short- and medium-term CO_2 emissions targets. Indeed, a truck fitted with an XC13 engine generates 9% fewer CO_2 emissions (a reduction of 9 tons per year) compared to the same truck fitted with a C13 engine (Model Year 2022). The new XC13 engine, unveiled for off-road applications at AGRITECHNICA 2023 in Hanover (Germany), will help to deliver future CO_2 reductions in agricultural and construction applications as well, making it a major player in our decarbonisation strategy.

FPT Industrial's research is currently focusing on second-generation **renewable biofuels**, in accordance with EN 15940 fuel specifications, and specifically on hydrotreated vegetable oil (HVO), also known as green diesel (or XTL). Since 2020, all of the Brand's engine families have been type-approved in this regard, and a number of our buses and coaches have already been adapted to run on HVO to reduce their CO_2 emissions. HVO and XTL fuels in general are an effective way to tackle the CO_2 emissions of existing fleets, as they are fully compatible with current engine technologies and distribution infrastructure. Furthermore, we are seeing an increasing number of fuelling stations across Europe distributing HVO as a neat fuel (i.e., not mixed or diluted with other fuels). In this regard, Iveco Group signed a letter of intent with energy company Eni, which now sells HVOlution (its first diesel fuel produced from 100% renewable raw materials) at over 600 fuelling stations in Western Europe. The goal of this collaboration is to support the smooth transition from fossil to renewable fuels.

In 2023, FPT Industrial's Tector 6.7 engine, which powers the Crossway intercity coach produced by our Brand IVECO BUS, was homologated for biodiesel B100, thus meeting the requirements of EN14214, the European standard for biodiesel. This new version of the Crossway is especially well-suited to address the decarbonisation needs of school and urban transport, given the biodiesel's ability to cut CO_2 emissions by almost 60% across the well-to-wheel cycle compared to traditional diesel.

For internal combustion engines (ICEs), **biomethane** remains one of the best alternatives to diesel in the medium term. All our currently available NG engines are 100% biomethane-compatible, the many benefits of which include:

- full compatibility with existing NG technology
- renewably sourced fuel
- near zero well-to-wheel CO_2 emissions – or even negative emissions (up to 130% fewer compared to diesel) if sourced from manure
- alignment to a circular economy approach.

[20] Target refers to vehicles manufactured in Europe.

With over 95,000 units sold to date, FPT Industrial has the largest NG engine portfolio on the market and is a leader in NG engine sales in Europe. Furthermore, its N67 NG is the only medium-duty NG engine on the European market. In 2023, this engine was launched on the new IVECO Eurocargo truck, delivering up to 10% fewer CO_2 emissions compared to the diesel version. It was also installed on the GWAY, the new gas midibus (effectively replacing the previous diesel version), as part of Iveco Group's portfolio transition to low-carbon transport solutions. This mid-size NG city bus is destined to become a best-seller in the European Union as it provides a sustainable mobility solution for narrow streets, mountainous regions, and/or areas of low population density. The N67 NG will soon also power New Holland's LNG tractor concept.

Among the existing technologies suitable for NG engine development, the Brand is currently focusing on multipoint stoichiometric combustion, the only cost-effective solution to bring emissions in line with Euro VI standards. Indeed, thanks to the closed-loop control of the lambda sensor and the use of a 3-way catalyst and CNG particulate filter, NG engines can reduce harmful emissions (e.g., hydrocarbons and NO_X) to very low levels. They are used in commercial vehicles, buses, special vehicles, and agricultural equipment, and are available in the Cursor, NEF, and F1 engine series, offering customers significant cost benefits throughout the entire service life of vehicles.
The use of **hydrogen** as a fuel for ICEs to achieve zero-carbon emissions does not require major modifications to current vehicle architectures (whether on- or off-road), and avoids the need for an electric motor to provide power assist. FPT Industrial is currently developing its H2-ICE technology, designing a new series of engines offering modular, multifuel solutions that are simple to install. In this regard, the new XC13 multifuel engine was presented at AGRITECHNICA 2023 in its direct hydrogen injection version, and is undergoing trials on PRINOTH's snow groomer prototype.

BIOETHANOL IN BRAZIL

Bioethanol, widely used for some time in Brazil, is a renewable biofuel derived from the fermentation of biomass (mainly waste from sugarcane processing) that has the potential to reduce CO_2 emissions by 88% throughout the entire well-to-wheel cycle compared to diesel equivalents. Biofuels are widespread in Brazil´s transport sector, with most passenger cars being flex-fuel vehicles (constituting 91% of sales in 2022) able to run on both petrol and ethanol. Moreover, there is a mandatory requirement in the country that petrol must contain 27% ethanol.

Given the broad availability of sugarcane bioethanol, our brand FPT Industrial has been testing dual-fuel engines that run on blends of up to 40% bioethanol, as well as engines that run on 100% ethanol. Tests were run nationwide on machine and vehicle prototypes, both in agricultural and on-road applications, yielding positive results in terms of performance and fuel consumption. Between 2021 and 2022, in partnership with the *Federal University of Itajubá* (UNIFEI, in the state of Minas Gerais), FPT Industrial began tests on its N67 dual-fuel engine using farnesane (diesel from sugarcane) and either ethanol, green hydrogen, or biomethane as a possible fuel for tractors.

Then, in 2023, it partnered once again with UNIFEI and with German automotive parts manufacturer MAHLE to start simulations and testing on its F1C 3.0L Bi-Fuel engine running on 100% ethanol or biomethane, as a possible solution for light commercial vehicles or serial hybrid buses.

2.1.4.1.2 e-Mobility

Our Brand FPT Industrial has an ePowertrain Team within its Powertrain Product Engineering Department that works exclusively on the development of electric vehicle technologies. The Brand's goal is to meet customer needs with a wide range of tailor-made alternative propulsion solutions for every type of mission, thus strengthening its positioning in the market as a multipower solutions provider. To date, FPT Industrial's portfolio includes:

- battery and fuel-cell electric solutions
- eDrivelines (eAxles, central drives, and electric drive units)
- energy storage systems (battery packs)
- hybrid vehicle solutions (electric assist systems).

In October 2022, FPT Industrial opened its new ePowertrain plant, in Turin (Italy), entirely devoted to the production of the Brand's electric range – i.e., the manufacture of electric drivelines as well as the assembly of battery packs.

As regards ePropulsion, the Brand offers 3 solutions: eAxles, central drives, and electric drive units (EDU).

The **eAxle** is a compact and flexible solution that transfers power and torque to the wheels through the gearbox. It can support 3 vehicle layouts – front, rear, and all-wheel – and can be used for different vehicle categories, including light and heavy commercial vehicles. Furthermore, thanks to its compact design, the eAxle can be installed in vehicles where space is very limited, making it the most efficient of the ePropulsion systems.

The **central drive**, on the other hand, entails the addition of an electric power unit to the traditional propulsion system (a thermal engine), but can nevertheless be installed on existing vehicles with minimal impact while maintaining the existing architecture. It is scalable to suit different modes, enabling the vehicle to run on all types of propulsion – electric, hybrid, and internal combustion. The central drive is the ideal solution for various applications, such as electric last-mile intercity missions and full-hybrid long-haul applications. eAxles are suitable for heavy-duty vehicles such as the IVECO S-eWAY truck, while electric central drives are best for light commercial vehicles and minibuses like the IVECO eDaily.

The **electric drive unit** (EDU) is an independent suspension solution with integrated eMotor and inverters that is suitable for passenger cars. FPT Industrial EDUs have been fitted onto the Maserati Gran Turismo Folgore: the first is a 300 kW solution on the front axle and the second a 600 kW twin motor on the rear axle, both equipped with torque vectoring and a park lock system to enhance stability and safety.

As regards **energy storage systems**, FPT Industrial offers 3 different battery pack solutions: a 37 kWh solution for the IVECO eDaily and for minibuses; a 69 kWh solution for the IVECO BUS range; and a 42 kWh solution for off-road vehicles. The complete battery lineup is modular (more than one pack can be mounted in parallel). Moreover, NMC pouch cell technology allows the battery packs' energy density to be maximised, ensuring high levels of safety. The Brand's eBS 37 EVO battery is already compliant with the ECE Regulation 100 Rev.3 on electric vehicle safety. This battery pack can be reused (and thus its lifespan extended) thanks to the Brand's proprietary battery management system (BMS), while its end-of-life is managed using a 4R approach – repair, reconditioning, reuse, and recycle. As per several agreements in place with recycling companies in Europe, battery pack recycling is carried out in compliance with applicable laws. Meanwhile, the Company is exploring a number of options for battery pack reuse once they have been removed from vehicles at the end of their service life, including a pilot project launched with Reefilla aimed at reusing FPT Industrial's eBS 37 electric batteries.

The new IVECO eDaily – the first-generation, full-electric version of our best-selling IVECO Daily commercial van – offers customers a full ecosystem of eMobility services, including a comprehensive selection of charging solutions delivered in collaboration with strategic energy partners. Other services include the innovative eDaily Routing and IVECO ON Easy Daily apps. The former communicates with the vehicle to predict vehicle range, required battery charge to reach a given destination, and precise time of arrival. The latter, which can be integrated with the IVECO Driver Pal voice assistant, offers vehicle-specific information on performance (health checks, battery levels, etc.), remote scheduling of battery recharge and preconditioning, navigation to recharging stations, and more.

IVECO BUS launched its new array of electric models, extending its range of zero-emission vehicles and minibuses to meet the demands of urban, peri-urban, and suburban missions:

- the CROSSWAY LE ELEC: a new full-electric bus to support sustainable suburban and peri-urban mobility projects
- the STREETWAY ELEC: a 12-metre, battery-electric city bus designed to meet the specific needs of European and extra-European markets

- the latest generation of the E-WAY range: featuring improved performance to match the most demanding European city missions. Nearly 1,000 units have already covered more than 56 million kilometres across 12 European countries
- the eDAILY: the latest addition to the DAILY minibus family; this new 100% electric minibus is also available in chassis version.

E-BENCH. A NEW AND UNIQUE TESTING FACILITY IN EUROPE

In 2023, IVECO BUS officially inaugurated its new testing and validation facility called E-BENCH, located at our R&D site in Vénissieux (France), the global headquarters of Iveco Group's bus and coach operations. Unique in Europe, this innovative and extremely versatile facility allows the testing of both individual components and complete vehicles in simulated driving conditions, including all types of missions and climates. E-BENCH boasts extensive testing capabilities, featuring a roller dynamometer, a climate bench, a bench for individual components, and a complete HIL (hardware-in-the-loop) bench for simultaneously testing all components. Furthermore, it has the flexibility to accommodate electric and hydrogen propulsion vehicles. E-BENCH comprises interconnected cells for vehicle testing and, most importantly, functional models known as SKATE. The main test cell can simulate vehicle dynamics via two loading machines while replicating extreme climate conditions and integrating climate functions across all seasons, with a temperature range of -15°C to +55°C. This setup allows us to thoroughly test vehicle functionality without the actual vehicle, resulting in significant advancements in time to market, reliability, and the evolution of the Brand's eMobility solutions.

2.1.4.1.3 Fuel Cell Electric Vehicles

One of the solutions in moving closer to decarbonisation is the use of fuel cell electric vehicles (FCEVs), which are particularly suitable for long-haul transport and, in general, for applications requiring a trade-off between longer range, higher payload, and lower refuelling time. This applies to heavy-duty vehicles, light-duty commercial vehicles, and urban transport vehicles alike.

Brand IVECO's *BE THE CHANGE* launch event in Barcelona (Spain) saw the unveiling of the IVECO S-eWAY, a **heavy-duty** electric truck for the European market with a range of up to 800 kilometres, fitted with Bosch fuel cells and an FPT Industrial eAxle. This first-generation vehicle is competing favourably in the toughest heavy-duty missions against very well-established fossil diesel engines, despite the latter having powered many generations of vehicles over the course of more than a century.

Within the **light-duty range**, IVECO and Hyundai unveiled a working prototype of the eDaily FCEV, featuring Hyundai's 90 kW hydrogen fuel cell system and 140 kW e-motor, and a battery pack designed by FPT Industrial. The prototype has a 7.2-ton gross vehicle weight (GVW). It has been tested in Europe, confirming a range of 350 kilometres, a 3-ton maximum payload, and a refuelling time of 15 minutes or less. While the eDaily BEV version is designed for short journeys, the eDaily FCEV will be ideal for longer, high-payload missions.

In 2023, IVECO BUS launched the IVECO BUS E-WAY, fitted with Hyundai 90 kW fuel cells and FPT Industrial batteries. In 2023, it brought its zero-emission range to the city with the launch of the new E-WAY H2, a fuel cell **urban bus**. The E-WAY H2 is a 12-metre, low-floor bus that can accommodate up to 110 passengers, giving IVECO BUS customers the option to choose between two or three access doors. It is fitted with Hyundai's advanced fuel cell system, installed in the rear compartment and powered by 4 hydrogen tanks on the roof. This is in addition to a 290 kW SIEMENS ELFA 3 electric engine and an FPT Industrial NMC 69 kWh battery pack, thanks to which the vehicle consumes less hydrogen and achieves a range of up to 450 kilometres (under normal driving conditions). To optimise hydrogen distribution and maximise efficiency, on board the E-WAY H2 is our new electric Vehicle Control Platform (eVeCoP) software, developed in-house.

2.1.4.1.4 Low-Carbon Products

On the path to decarbonisation, our Company's brands are committed to adopting clean energy solutions and minimising emissions by developing a full range of more efficient, low-emission products.

We classify products as low carbon based on the EU Taxonomy for environmentally sustainable economic activities (see 4.3.1.3 EU Taxonomy for Sustainable Activities >). Total avoided emissions are estimated using an internal methodology that considers the number of vehicles sold in 2023, the average CO_2 emissions across the entire range, and the average annual mileage for each category.

Low-Carbon Products

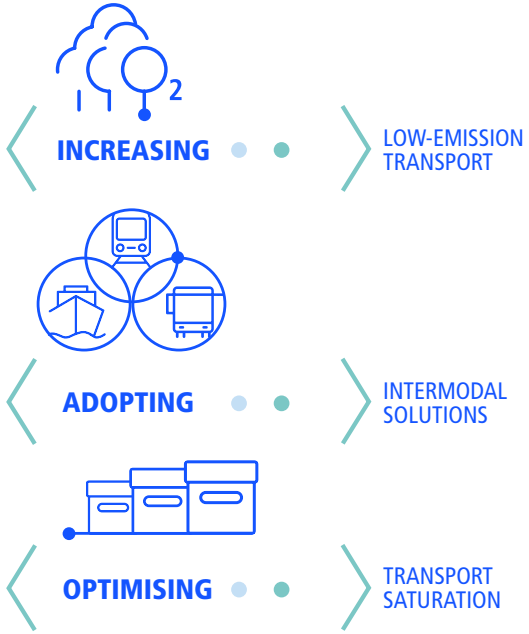
TYPE	PRODUCT	2023 TOTAL NET REVENUES FROM LOW-CARBON PRODUCTS (%)	2023 ESTIMATED TOTAL AVOIDED CO_2 EMISSIONS (TONS)	COMMENT
Low-carbon products	IVECO Urbanway (Bus)	6	45,548	Full hybrid vehicle delivering -35% in CO_2 emissions vs its diesel version
	IVECO E-WAY (Bus)			Zero-emission electric vehicle
Products that enable third parties to avoid emissions	IVECO S-WAY (Heavy vehicle)	56	316,920	Diesel version (Model Year 2021), delivering -3% in CO_2 emissions vs its previous version
	IVECO Daily (Light vehicle)			Diesel version (Model Year 2022), cutting CO_2 emissions by more than 6% vs its previous version

2.1.4.2 LOGISTICS PROCESSES

In managing our logistics processes, we continuously seek sustainable solutions to help fight climate change, preserve natural resources, and safeguard health. For this purpose, our logistics processes are managed both internally within the value chain, specifically within the Manufacturing, Sales, and Procurement functions, and externally, by working with our partners to optimise the efficiency of logistics flows to reduce their environmental impact. Sustainable logistics bring time and cost efficiencies, emissions reductions, and improved resource utilisation and packaging management; they also mitigate indirect impacts on traffic congestion and human health.

As stated in our Environmental Policy, Iveco Group's approach to low-carbon logistics focuses on 3 areas:

Logistics Areas



Our Senior Leadership Team (SLT) has the highest responsibility for initiatives aimed at reducing the environmental impact of our logistics processes. We have designed our logistics system to deliver safety, ergonomics, reduced emissions, and uninterrupted transport logistics flows. This approach ensures the effective management and evaluation of logistics projects in line with defined standards. Moreover, since the active engagement of our suppliers is integral to the efficiency and sustainability of our logistics system, we directly involve them in most of our projects and initiatives, working with them to develop and implement the best solutions to meet our environmental impact reduction targets. As evidence of our commitment to reducing our logistics impacts, we have incorporated a strategic sustainability target into our Strategic Business Plan: a **7% reduction in kilos of CO_2 emissions per ton of goods shipped (inbound, outbound, and spare parts) by year-end 2026 (compared to 2022).**

In addition, individual targets were included in the Performance Development Process (PDP) for several managers responsible for the main projects involved in reaching the aforementioned target.

Throughout the year, our Transport Logistics Team had to deal with various issues, such as a significant increase in urgent shipments by air (mainly from Brazil and China to South America and Europe) due to a component shortage among our strategic suppliers. However, an increase in vehicle shipments in the second half of the year depleted levels of stock and of vehicles awaiting completion, which had been responsible for an increase in CO_2 emissions in early 2023.

Despite the challenges, we continue to put initiatives in place to advance sustainable logistics processes without compromising service quality or profitability, with a focus on generating positive social impacts. Our aim is to reduce the environmental impact of our logistics operations by focusing on technologies, procedures, and activities to optimise our use of transport modes, intermodal flows, and long-haul transport.

In 2023, as part of our digitalisation agenda, we launched the Sustainability Tool, a major initiative focused on reducing our CO_2 emissions. It not only streamlines the calculation of CO_2 emissions from logistics, but also represents a vital opportunity for change management. The tool is designed to:

- automate and standardise the data collection process
- increase the frequency of data monitoring
- perform strategic network-level simulations to cut CO_2 emissions.

We promote the use of road vehicles compliant with the most stringent environmental standards: in Europe, for example, specific contractual clauses oblige external transport providers to use vehicles compliant with Euro IV standards or higher. Optimising transport capacity is also key to limiting costs and environmental impact, which is why we make technical and organisational changes to both routes and volumes to optimise and streamline the entire process.

IVECO CONTAINERS MANAGEMENT

In 2023, we launched *Iveco Containers Management (ICM)*, a project aimed at monitoring the handling of shipping containers and at boosting their reuse. To achieve these objectives, we took over our transport service provider's operations, purchasing its returnable plastic and metal containers. These are used within our inbound logistics to supply materials to our plants, and are then returned to the suppliers to be reused for subsequent deliveries, contributing to a virtuous cycle.

By using returnable containers, we are able to:

- reduce our consumption of disposable packaging (mainly cardboard and wood), thereby cutting costs and waste
- optimise transport loads
- increase the capacity and efficiency of packaging and transport
- enhance load safety during transport
- improve the handling of goods and safe warehouse storage
- use fewer resources and generate fewer CO_2 emissions, benefitting the environment.

During its first year, the project handled more than 290,000 returnable containers of different types and involved 5 plants in Italy (Brescia, Suzzara, Torino Motori, Torino Driveline, and Foggia), 2 in Spain (Madrid and Valladolid), and 130 suppliers. Having shown itself to be an effective and sustainable choice, our plan is to expand the ICM perimeter in the coming years by investing in more returnable containers and in additional logistics flows.

2.1.4.2.1 Monitoring Environmental Performance

In order to substantiate the strategic sustainability target we have set for logistics and the relevant improvement projects, we duly monitor some of the environmental aspects considered most significant[21] for logistics processes. CO_2 emissions are affected by:

- the number of inbound/outbound transport flows
- our effectiveness at promoting mitigation initiatives among suppliers (e.g., through specific contractual clauses)
- emissions reduction initiatives (e.g., the adoption of intermodal solutions and containment of air shipments).

By year-end 2023, the containment initiatives in place had already allowed us to cut CO_2 emissions by 1.4% compared to the previous year (in terms of kilos of CO_2 emissions per ton of goods shipped).

Co_2 Emissions in Logistics Processes[a]

Iveco Group worldwide (tons of CO_2)

	2023	2022	2021
Inbound	**105,593**	93,955	85,133
Outbound	**52,378**	49,806	48,806
Spare parts	**20,268**	14,288	15,898
Total	**178,239**	**158,049**	**149,837**

[a] CO_2 emissions for road transport were quantified as per the GHG Protocol, revised edition, and for sea, air, and rail transport as per the EcoTransIT 2019, which reflects the IFEU Heidelberg methodology for environmental calculations.

2.1.4.3 SUPPLY CHAIN ENVIRONMENTAL FOOTPRINT

Iveco Group suppliers are actively involved in our mission to reduce the environmental impact of our activities and fight climate change, in line with our commitments. In fact, to further limit the impact of manufacturing processes and products on the environment, our Supplier Code of Conduct expressly requires them to optimise their use of resources and minimise polluting and greenhouse gas (GHG) emissions. It also encourages them to effectively manage waste treatment and disposal, and to adopt logistics management processes that limit environmental impact.

[21] The criteria used to measure the significance of the environmental aspects of logistics processes are the size of their impact as well as the Company's ability to manage and mitigate both the impact and its potential effects on the surrounding environment.

For these reasons, our suppliers are strongly advised to adopt an environmental management system certified according to international standards.

During 2023, we continued to monitor and interact with our supplier network through Open-es, the community-based digital platform that we joined in 2022, so as to increase our suppliers' engagement with and awareness of sustainability topics while tracking their sustainability performance (see 3.3.3.3 Supplier ESG Assessment). We use the Open-es platform to monitor environmental aspects in line with the guidelines of the World Economic Forum related to the policies, activities, and results concerning:

- climate change
- energy efficiency
- biodiversity
- water resources
- circular economy
- plastic recycling.

The suppliers that registered on the platform in 2023 represent approximately 82% of our direct material purchases. The platform is a valuable tool that we use both to communicate our priorities and to support suppliers on their path towards sustainability. This interactive ecosystem, combined with our ongoing dialogue and collaboration with suppliers, is a means to share experiences and find increasingly innovative solutions to reduce the environmental footprint of both parties. As part of our assessment of Scope 3 emissions categories, we monitor category 1 emissions (from purchased goods and services) and category 2 emissions (from capital goods). A strategic sustainability target for the environment was incorporated into our Strategic Business Plan: **a 20% reduction in absolute CO_2 emissions generated by key suppliers of purchased goods, services, and capital goods by year-end 2026 (compared to 2022)**. It should be noted that this target was revised in 2023 by increasing its level of ambition from 20% to 30%, by expanding its scope to include major suppliers, and by postponing its deadline from 2026 to 2030.

2.1.4.4 COMMUTING

In our effort to reduce the environmental footprint of employee commuting, we promote sustainable mobility by encouraging our people to make use of the full range of available transport options, and by subsidising eco-friendly mobility solutions. This approach yields many additional benefits that go beyond the reduction of our environmental impact: it enhances our people's wellbeing by reducing commute times, costs, stress, and the risk of accidents, and provides opportunities for employees to socialise.
Iveco Group has implemented several initiatives for sustainable mobility at a number of its plants and offices worldwide, collaborating and exploiting all available synergies with its neighbouring plants. These projects are designed in collaboration with both local authorities and public transport companies.

In Italy, we revised a number of **mobility plans** for selected sites, at the same time conducting an analysis and assessment of employee commuting to/from such locations. The study focused on available transport services, methods, and infrastructure, as well as on the CO_2 emissions generated by employee commutes, with the aim of identifying further improvement measures and initiatives. In 2023, employee commuting in Italy generated 11,271 tons of CO_2 emissions. At our sites in Brescia, Bolzano, Foggia, Piacenza, San Mauro, Suzzara, Turin, and Vittorio Veneto (Italy) we relaunched our carpooling drive via the UP2GO app (following its suspension due to the COVID pandemic).

We also offered various prizes as an incentive to encourage employees to commute to work using **car sharing** or alternative transport, such as electric/non-electric bikes and electric scooters.
At the plant in Vysoke Myto (Czech Republic), employees were able to use the JOBka mobile app to carpool when commuting to/from the site. Furthermore, various public train and bus services were launched or upgraded, in line with our commitment to encourage our employees to use public transport and so reduce CO_2 emissions.

In Brazil, France, and Spain, the Company provides **shuttle services** for employees commuting between their workplaces and nearby strategic points. Both the Turin site and the San Mauro Torinese logistics hub (Italy) are served by *MyShuttle!*, an innovative on-demand shuttle service that uses IVECO natural gas-powered minibuses. The service can be booked in advance or last

minute, depending on employees' work needs, using a specially designed proprietary app that we developed with VIA Technologies.
In Germany, the Company partially subsidised costs for 150 employees who used public transport on their commutes.

During the year, we also organised many **bike events**. At the plant in Vysoke Myto (Czech Republic), in May, the initiative *Do práce ak ole* (To Work by Bike) saw the participation of 96 employees, so avoiding 35 tonnes of CO_2 emissions. Prizes were awarded to the greenest commuters. In June, the sites in Annonay and Venissieux (France) joined the Mobility Challenge initiative, during which they promoted environmentally friendly transport and car sharing as well as the use of protective equipment to ensure safety when travelling by bike or scooter.

A further opportunity to reduce the environmental impact of employee commuting is provided by the **flexible working schemes** (see 3.2.7.1.2 Flexible Working ❯) that Iveco Group has adopted in several of its countries of operation.

2.1.4.5 BUSINESS TRAVEL

At Iveco Group, we continuously monitor the CO_2 emissions associated with our employees' business travel by air, mindful of its environmental impact. In 2023, employee air travel managed directly by Company headquarters[22] (75% of which was medium haul[23]) generated 3,458 tons of CO_2 emissions for 11,029 business trips. This figure was calculated according to the GHG Protocol by Atmosfair, a climate protection organisation focused on the environmental impact of travel.
Because CO_2 is an inevitable by-product of fuel combustion in aircraft[24], emissions are undoubtedly the most significant environmental impact of air travel. In many instances, however, this mode of travel is unavoidable due to the broad geographical distribution of our sites.
We are able to optimise our business travel and contain our environmental impact by using online communication tools to enable employees across the globe to interact effectively. Additionally, we leverage advanced online audio/video conferencing and other virtual tools that allow our people to work remotely from their offices rather than travel long distances, which contributes to reducing emissions and costs.

(22) Data refers to Belgium, China, France, Germany, Italy, Poland, Spain, Switzerland, the Netherlands, and the UK.
(23) Medium-haul transfers are those from 500 to 1,600 kilometres.
(24) According to the UN's Intergovernmental Panel on Climate Change (IPCC), aircraft emit gases and particles directly into the upper troposphere and lower stratosphere, where they: alter atmospheric composition, particularly of greenhouse gases (GHG), including carbon dioxide (CO_2), ozone (O_3), and methane (CH_4); trigger the formation of condensation trails; and increase cirrus cloudiness. All of these elements modify the absorption and refraction of infrared radiation, hence contributing to the greenhouse effect. Source: Intergovernmental Panel on Climate Change, 1999 – Aviation and the Global Atmosphere (Summary for Policymakers) – A Special Report of the IPCC – Working Groups I and III in collaboration with the Scientific Assessment Panel to the Montreal Protocol on Substances that Deplete the Ozone Layer.

2.2 Protecting the Environment

2.2.1 Our Approach to Protecting our Planet

GRI 2-23

Iveco Group is mindful that, at every stage of the production chain – from the selection and use of raw materials and natural resources right up to product end-of-life and disposal – it leaves an environmental footprint, and so requires a multifaceted approach to minimise its impact.

Our Environmental Policy, available on our website, outlines our short-, medium-, and long-term commitments to responsibly managing our environmental aspects (particularly energy, natural resources, raw materials, hazardous substances, polluting emissions, waste, natural habitats, and biodiversity). It also explicitly reflects our belief that efficient resource use and environmental impact reduction are crucial strategies in creating added value for both the Company and the communities in which it operates. We thus anticipate risks that could potentially impact the environment and human health by applying a precautionary approach when designing our products, managing our manufacturing processes, defining logistics flows, and managing end-of-life: namely, the **precautionary principle** introduced by the Rio Declaration on Environment and Development[25].

An operational grievance mechanism, the Compliance Helpline, is available to our stakeholders to report potential violations of corporate policies, the Code of Conduct, or applicable laws.
We are committed to developing products with industry leading performance in terms of fuel efficiency, noise and pollutant emissions, and recoverability rate. In this regard, our sense of responsibility also extends to our value chain. This means that, wherever we have influence, we ask our suppliers, dealers, contractors, and business partners to comply with all environmental rules and regulations, and to adopt measures and standards that comply with our Environmental Policy, thus contributing to an overall improvement in environmental performance throughout the value chain. Furthermore, when evaluating business relationships with potential business partners, we take environmental issues into account and conduct due diligence as necessary.

REDUCING DIESEL COMBUSTION POLLUTION

Diesel engine combustion produces a series of pollutants including nitrogen oxides (NO_x) and particulate matter (PM); their levels in exhaust gases mainly depend on the temperature of the combustion chamber, determined in the engine design phase. NO_x gases are produced at about 1,600°C, while almost all PM particles burn up at high temperatures. A choice must therefore be made between optimised combustion, producing less PM but more NO_x, or less efficient combustion, resulting in the emission of less NO_x but more PM. Lower PM levels are achievable with a Diesel Particulate Filter (DPF), which requires periodic regeneration due to particulate build-up over time. NO_x emissions, on the other hand, can be reduced using a Selective Catalytic Reduction (SCR) system. FPT Industrial's diesel engines comply with the highest and most stringent regulations on air quality (Euro 6/VI). The Brand's SCR technology dates back to 2005, and has since further advanced significantly. The SCR systems by FPT Industrial are currently used in on-road, off-road, and power generation applications, and were present in more than 70% of the diesel engines produced as at year-end 2023.

As regards manufacturing processes, in order to make them more effective, efficient, economical, and environmentally friendly, we make every effort to streamline systems and technologies, improve existing materials and processes, and develop new materials, systems, processes, and/or techniques. We strive to ensure that all manufacturing processes, systems, and techniques are technologically appropriate, technically feasible, economically viable, and eco-friendly. The building of our new plants abides by environmental protection criteria, taking account of specific local needs and the impact of construction. Newly acquired plants, on the other hand, are assessed according to existing processes and operations to determine the measures necessary to comply with our environmental management standards. It should also be noted that our plants contribute to mitigating the environmental impact of manufacturing processes through many voluntary initiatives carried out on site.

(25) Principle 15 of the Rio Declaration on Environment and Development, approved by the United Nations in 1992.

Our commitment to improving our environmental footprint is also reflected in the strategic sustainability targets incorporated into our Strategic Business Plan:

- **75% of industrial water to be recycled at plants worldwide by year-end 2026**
- **100% of recoverable cores from spare parts sold to be returned to the Company by year-end 2030**
- **15% of net sales from spare parts to be generated by remanufactured components by year-end 2026.**

Environmental Impacts Covered by Iveco Group's LCA[a] and Environmental Management Systems

RESOURCE USE

- Water depletion
- Land use
- Abiotic depletion (fossil fuels, minerals)

ECOLOGICAL CONSEQUENCES

- Acidification
- Ecotoxicity
- Dust & particulate matter
- Eutrophication
- Global warming
- Ozone depletion
- Photochemical ozone formation
- Species richness

HUMAN HEALTH

- Human toxicity
- Lonising radiation

[a] Life cycle assessment.

2.2.2 Mitigating Plant Impacts

One of our top priorities at Iveco Group is to continuously improve the environmental performance of our production processes. This means adopting both conventional and enhanced technologies to improve operational efficiencies, and acting responsibly to mitigate their environmental impact. It entails implementing a robust environmental management system to monitor, measure, and quantify significant environmental aspects, and to set improvement targets at both corporate and plant levels. Just as importantly, it implies safeguarding the environment based on principles of prevention, protection, information sharing, and people engagement, so as to create effective long-term value.

We use well-established monitoring and reporting systems (such as SPARC[26]) and effective key performance indicators (KPIs) to track our environmental performance, measure the effectiveness of actions taken to achieve our targets, and plan new improvement initiatives. The KPIs in place at Iveco Group can be analysed at different levels (plant, business unit, geographic area, or Company), which enables the simultaneous and parallel engagement of multiple corporate functions at various levels to meet our targets.
We also perform periodic internal and external benchmarking activities, which help drive the continuous improvement of our plants' environmental performance.

2.2.2.1 RESPONSIBILITY AND ORGANISATION

The highest responsibility for Iveco Group's environmental protection initiatives lies with our Senior Leadership Team (SLT), while the specific projects to reduce the environmental impact of our manufacturing processes are the responsibility of plant managers.
Our central Energy, Environment, Health and Safety (EEHS) function (which serves as a reference point for sustainability) coordinates and manages environmental issues as per the Company's Environmental Policy; it implements improvement actions at local level, periodically verifies performance against targets, proposes new initiatives, and defines environmental policies. An important role is also played by plant employees from other functions/bodies (production lines, logistics, manufacturing engineering, etc.) involved with environmental issues in various capacities.
In 2023, we incorporated several individual environmental impact reduction targets into the Performance Development Process (PDP) for several managers responsible for the projects

[26] Sustainability, Performance, Analysis, Reporting & Compliance.

indicated in our Sustainability Plan and for various plant managers. These targets aim, among other things, at developing new best practices and at identifying and mitigating situations or activities at plant level that pose a potential threat to the environment.

We monitor our environmental performance through centralised systems, which include a performance indicator management tool known as SPARC[27], and an EEHS IT platform that provides users with training and information tools related to guidelines, procedures, best practices, internal reporting procedures, reporting guidelines, ISO 14001 certification, etc.

2.2.2.2 PROCESS CERTIFICATION

To enhance environmental management and performance at Iveco Group, we have committed to certifying our plants' environmental management systems as per the ISO 14001 international standard and to maintaining such certifications. To date, 100% of our manufacturing plants currently in operation and falling within the scope of application of the Sustainability Report are ISO 14001 certified. An ISO 14001 certified environmental management system enables the systematic management of environmental aspects under normal and abnormal operating conditions as well as in emergencies. In the latter case, it requires the adoption and regular verification of emergency plans and procedures, and related staff training. These emergency procedures define roles, responsibilities, and responses for tackling anomalous and/or emergency situations, to protect both people and the environment.

Maintaining environmental certification entails annual monitoring with a series of external third-party audits carried out by accredited bodies, and certification renewal every 3 years. Individual plants are also required to verify the performance of their environmental management systems through annual internal audits.

NANOTECHNOLOGY IN MANUFACTURING

Iveco Group uses nanotechnologies in the painting process for some of its products, specifically during the washing (pretreatment) of surfaces preceding the actual painting phase. Indeed, a number of our plants employ thin layer technology, through which nanotechnology products/nanoparticles are dosed in process tanks to react with the surfaces of metal substrates previously treated with a degreasing solution; the chemical-physical reaction triggered forms a layer of zirconium oxide that coats the metal surface. This treatment confers excellent resistance to corrosion and outstanding paint adhesion, while also reducing environmental impact and enhancing process quality and operational performance. The process usually takes place at room temperature, which means there is no vapor generation because no heat is applied. Chemical concentrations are very low, and product applications (spraying or dipping) are automated and performed in enclosed areas. Thin layer technology produces less sludge for disposal than traditional technology, and does not require hazardous acid cleaning of paint system equipment. It also cuts energy and water consumption, reduces wastewater, and requires less maintenance. This technology is currently in use in 2 paint shops at 2 plants.

(27) Sustainability, Performance, Analysis, Reporting & Compliance.

2.2.2.3 ENGAGEMENT AND AWARENESS ACTIVITIES

In our effort to promote and disseminate the principles of continuous improvement and environmental management both within and outside the Company, we have implemented specific communication and training tools to address employees and business partners, and have organised targeted events to engage employees' family members and local communities. We also delivered awareness training to our people, focusing on water efficiency management programmes, wastewater and chemical product management, waste sorting, and waste reduction. In all, in 2023 we provided 17,556 hours of environmental **training** to our employees, including 16,569 hours of on-the-job training for 14,587 individuals (93% of whom were hourly) representing 40.5% of the total workforce.
Employee engagement and awareness were also at the centre of a series of initiatives implemented at plant level both at and outside manufacturing sites, some involving local communities and schools.

In Europe, during Global Recycling Day celebrations, our plant in **Suzzara** (Italy) distributed a *Cooking Without Waste* brochure to all its employees, containing tips on avoiding food waste. It also organised a series of sessions with plant staff on water conservation, the circular economy, and recycling awareness. Meanwhile, our plant in **Valladolid** (Spain) collaborated with the regional administration to organise an eco-design workshop for 20 students to raise awareness of the importance of sustainable design.

In South America, the initiatives at our plants in **Cordoba** (Argentina) revolved around the circular economy. On Children's Day, the plants donated toy trucks made of cardboard collected at their recycling centre to the children of their employees, and shape-sorter toys made from their plastic waste to children across the community. Additionally, they used their wood waste to build furniture for two local schools (in Los Pozos and Pampa de Achala) and a lookout tower (known as a *mirador*) for the San Martín Urban Nature Reserve.
As might be expected, our commitment to raising awareness of environmental issues also extends to our suppliers and dealers.

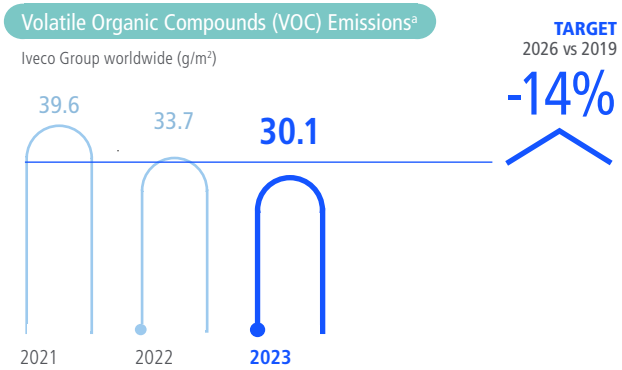
2.2.3 Safeguarding Air Quality

GRI
305-6; 305-7

One of Iveco Group's major goals is to reduce its air emissions. The application of advanced technologies in our manufacturing processes is critical to meet the improvement targets that we have set in this regard. Our main air emissions are carefully monitored, and results systematically recorded, through specific programmes and systems that help us verify compliance with existing regulations.
To date, there are no ozone-depleting substances[28] (which are only found in certain equipment used for cooling, air conditioning, and climate control) at any of our plants falling within the scope of application.

2.2.3.1 VOLATILE ORGANIC COMPOUNDS

In terms of volatile organic compounds (VOC)[29] emissions, painting has the greatest environmental impact of all manufacturing processes at Iveco Group. In 2023, our average VOC emissions per square metre painted decreased by 11% compared to 2022 thanks to our continuous management and control improvements to manufacturing processes, paired with a number of changes and upgrades at plant level.



[a] The base year (2019) VOC emissions are equal to 38.5 g/m². For information on the rationale for choosing 2019 as the base year, see 4.2.2.1 Approach to Data Calculation.

ABOUT
17,600
HOURS OF
ENVIRONMENTAL TRAINING

[28] Ozone-depleting substances (ODS) are potentially harmful substances that contribute to the depletion of the ozone layer. The most significant and harmful are chlorofluorocarbons (CFCs), generally used as refrigerants, solvents, and propellants, and hydrochlorofluorocarbons (HCFCs), used to replace CFCs.
[29] Volatile organic compounds (VOC) include compounds such as hydrocarbons, containing only carbon and hydrogen, as well as compounds also containing oxygen, chlorine or other elements.

In Europe, our **Valladolid** plant (Spain) invested €155,000 to optimise the use and recovery of cleaning solvents within its paint system (preventing their release into the atmosphere), leading to a reduction in VOC emissions of approximately 8,400 kilos.

In South America, our Truck plant in **Sete Lagoas** (Brazil) replaced its painting robots with newer, more advanced models, enhancing paint application efficiency. This €2.5 million investment led to an annual reduction in paint consumption, which has cut annual VOC emissions by 6,000 kilos.

2.2.3.2 NO_x, SO_x, AND DUST EMISSIONS

Iveco Group monitors the emissions of nitrogen oxides, sulphur oxides, and inorganic particulate matter deriving from fossil fuel combustion, since these pollutants can impact the climate, ecosystems, and human health.

NO_x, SO_x, and Dust Emissions

Iveco Group worldwide (tons)	2023	2022	2021
Plants (no.)	22	23	25
Nitrogen oxides (NO_x)	120.3	123.6	134.8
Sulphur oxides (SO_x)	17.9	17.3	19.1
Dust	1.6	1.5	1.7

2.2.4 Water Management

GRI
303-1; 303-2; 303-4

From a global perspective, it is clear to us at Iveco Group that committing to sustainable water management is essential given the growth in population (and therefore in water demand) worldwide, accompanied as it is by a marked and increasingly widespread scarcity of water resources. From a business angle, we recognise the economic importance of proper water management to counter the potential risks that water scarcity and other related issues pose to the continuity of both the supply chain and industrial processes. Lastly, from a manufacturing standpoint, we believe that the proper management of water resources can drive improvement and innovation within production processes.

Iveco Group draws water mainly for industrial use, specifically for painting, cooling, washing, and machining, and strives to increase water efficiency within all its industrial processes (regional and environmental circumstances permitting). Efforts are made not only at Company level, but also at individual plant level, through water use assessments to identify opportunities for water efficiency improvements, and operations implemented locally to reduce water requirements and wastewater volumes without compromising quality standards.

Our approach to water management is to increase the use of recycled water to reduce our withdrawals from external sources, thus improving water independence and the availability of water for local communities. From a broader perspective, given that water is a resource shared with other stakeholders, it is important to ensure collaboration on water management, as well as joint efforts to improve community health and wellbeing, especially in water-stressed areas (see 2.2.4.1 Plants in Water-Stressed Areas).

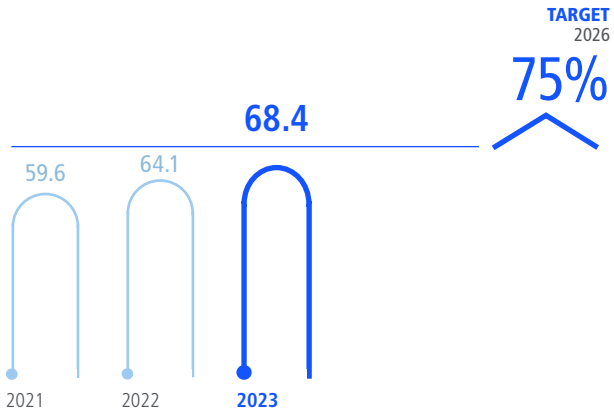
Impact on water resources is an integral part of each plant's environmental assessment, as required by the ISO 14001 standard; for this reason, all of our 22 ISO 14001 certified plants (see 4.2.1.2 Data Coverage) have a water management plan in place.

Iveco Group's Water Management Guidelines apply to all plants and require them to:

- analyse their water consumption and withdrawal/distribution management systems, and identify and eliminate leaks and/or waste
- identify specific performance indicators and benchmarking for the different manufacturing processes
- identify the manufacturing processes with the greatest impact on water resources, and prioritise the necessary interventions
- adopt changes and technological innovations to boost water use efficiency, reduce consumption, and improve the quality of wastewater
- promote water recirculation within individual manufacturing processes and its reuse in multiple processes
- raise staff awareness of responsible water use, both at work and at home.

Industrial Water Recycling[a] Index

Iveco Group worldwide (%)

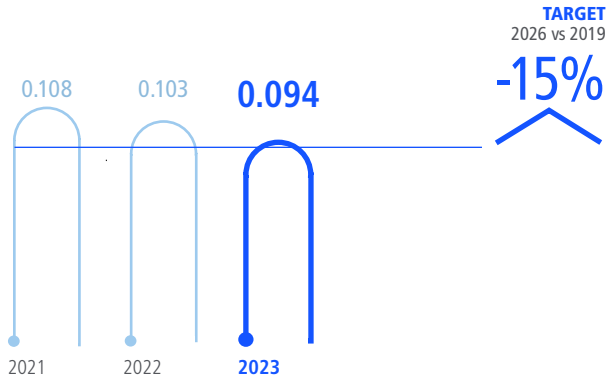


[a] Water recycling includes water reused. The industrial water recycling index is calculated as a percentage of the total industrial water requirement.

In terms of water withdrawal per production unit[30], the key performance indicator (KPI) for 2023 dropped by almost 9% compared to 2022.

Water Withdrawal per Production Unit[a]

Iveco Group worldwide (m³/hour of production[b])



[a] The base year (2019) water withdrawal is equal to 0.108 m³/hour of production. For information on the rationale for choosing 2019 as the base year, see 4.2.2.1 Approach to Data Calculation.

[b] Total manufacturing hours are used to calculate the indicator per hour of production. For the definition of total manufacturing hours, see 4.2.2.1.2 Environmental Data Calculation.

[30] The production unit corresponds to the hour of production. Total manufacturing hours are used to calculate the normalised production unit indicator. For the definition of total manufacturing hours, see 4.2.2.1.2 Environmental Data Calculation.

Water Withdrawal, Discharge, and Consumption

Iveco Group worldwide (thousands of m³)

	2023	2022	2021
Plants (no.)	22	23	24
Withdrawal			
Groundwater	2,139	2,303	2,230
Third-party water	935	963	1,005
of which municipal water supply	935	963	1,005
Surface water	10	10	10
of which rainwater	-	-	-
Seawater	-	-	-
Produced water	-	-	-
Total water withdrawal	**3,084**	**3,276**	**3,245**
Discharge			
Surface water	438	396	369
Third-party water	1,638	1,645	1,936
Seawater	-	-	-
Groundwater	2	1	13
Total water discharge	**2,078**	**2,042**	**2,318**
Total water consumption[a]	**1,006**	**1,234**	**927**

[(a)] Calculated as total water withdrawal minus total water discharge.

In 2023, several initiatives were carried out to provide a detailed picture of water consumption at plant level and reduce our plants' water footprint.

In Europe, our plant in **Madrid** (Spain) was able to increase the quantity of recycled water used in its rain test chamber by improving the latter's recirculation system and by devising a solution that enables the reuse of water from the central heating system. With a total investment of €54,500, these measures allow for an annual increase in the amount of water recycled by the plant of approximately 17,000 cubic metres (and thus a decrease in water withdrawal from the municipal supply), generating around €38,000 in estimated cost savings.

In Italy, our plant in **Suzzara** invested €70,000 in a nanofiltration unit to increase water recycling during pretreatment prior to painting. This has cut the plant's annual demineralised water consumption by 13,000 cubic metres, generating about €110,000 in cost savings. In addition, the project also led to a reduction of 50,000 kilos in sludge from subsequent wastewater treatments.

Meanwhile, our **Torino Motori** plant equipped its metrology lab with a recirculating cooling system, which replaces its former once-through system. This €250,000 investment has led to a significant reduction in well water withdrawal (about 100,000 cubic metres per year) and to approximately €50,000 in annual cost savings.

In addition to promoting responsible water withdrawal and introducing appropriate measures through ad hoc initiatives, it is extremely important to the Company to safeguard the water bodies that receive the effluents from its industrial processes – as reflected in our efforts to exceed local wastewater requirements.
To this end, our plants rely on established operating procedures to ensure that the wastewater discharged during their manufacturing processes meets required quality standards. Indeed, the 3 wastewater quality indicators applied by Iveco Group – biochemical oxygen demand (BOD)[31], chemical oxygen demand (COD)[32], and total suspended solids (TSS)[33] – showed that our performance in 2023 was fully compliant with applicable local limits.
This result was achieved partly thanks to the adoption of specific wastewater treatment systems (operated either in-house or by specialised industry partners) that treat the water discharged from the plants; this mainly involves physical and chemical processes and, depending on wastewater quality, biological treatment.

GRI
303-3; 303-4; 303-5

[(31)] Biochemical oxygen demand (BOD) is the total mass of oxygen used by microorganisms, over a specific time period at 20°C, to decompose (oxidise) the organic material present in a litre of water (normally expressed in mg/l). The standard test period for BOD is 5 days (BOD5).
[(32)] Chemical oxygen demand (COD), expressed in milligrams per litre (mg/l), is the quantity of oxygen required for the complete chemical oxidation of organic and inorganic compounds present in a sample of water.
[(33)] Total suspended solids (TSS) is the parameter used in water quality management and in water purification to indicate the quantity of solids present in suspension, which can be separated by vigorous mechanical means such as vacuum filtration or centrifugation of the water sample.

As regards substances of concern (SoC), these are defined by local law and restricted accordingly, and are therefore considered a priority; consequently, each plant is required to monitor and treat SoC discharges as per local provisions.
It should be noted that our plants do not use wastewater generated by other organisations, nor do they channel their effluents for reuse by other organisations.

2.2.4.1 PLANTS IN WATER-STRESSED AREAS

A few of our plants were classified in 2022 as being in areas considered sensitive in terms of availability and use of water resources (so-called water-stressed areas[34]): our two plants in **Brescia** and the one in **Foggia** (all in Italy) and our plants in **Madrid** and **Valladolid** (Spain). These areas were identified using the WRI[35] Aqueduct Water Risk Atlas, a mapping tool recognised by the major organisations in the field, through which the list of countries that contain water-stressed areas is monitored annually to identify Iveco Group plants where specific water conservation and protection measures are needed.
Accordingly, the aforementioned plants focused on reducing their water consumption throughout the year by implementing targeted measures and initiatives and by setting specific improvement targets (see 4.1.3 Life Cycle Thinking).

2.2.5 Protecting the Soil and Subsoil

We strive to minimise the risk of environmental impact on the soil and subsoil around our sites. In Europe, for example, following the circulation of specific guidelines for monitoring existing underground structures, plants periodically carry out the monitoring and inspection of tanks, vats, and underground pipes.
As a result, our Truck plant in **Brescia** (Italy) decommissioned some of its underground storage tanks to prevent any accidental spills contaminating the soil. The activity involved 7 diesel tanks and 1 antifreeze tank, for a total volume of 350 cubic metres.
Similarly, the plant in **Suzzara** (Italy) removed 5 underground storage tanks (including 3 previously used for diesel, 1 for antifreeze, and 1 for windshield washer fluid), for a total volume of 105 cubic metres.
In 2023, no significant releases of potentially contaminating substances were recorded.

(34) Areas with a baseline water stress that is high (40-80%) or extremely high (>80%), according to the WRI Aqueduct Risk Atlas tool, as at 24 May 2022.
(35) World Resources Institute.

2.2.6 Waste Management

GRI
303-1; 306-1; 306-2

Iveco Group works to optimise manufacturing processes and operations across its plants not only to enhance its end products, but also to improve waste management. This means reducing the generation of both hazardous and non-hazardous waste while increasing recovery, two key aspects of our Environmental Policy.
The manufacturing processes at our plants normally involve numerous raw materials – such as metals, plastics, chemical products, and components – each with their own packaging and each generating actual and potential waste-related impacts. The same applies to most manufacturing activities, such as assembly, machining, painting, welding, testing, logistics, etc.
When waste generated by our activities is managed by third parties, the latter's waste collection and storage operations are inspected and checked to ensure the waste is handled in line with contractual or legislative obligations.
Our commitment to optimising waste management is shared across our plants, which seek solutions that facilitate waste recovery and minimise material sent to landfill. To this end, plants analyse their production chains to identify areas where waste performance can be improved – particularly seeking solutions that increase waste recovery and reuse. They also set up action plans and allocate dedicated R&D resources to reduce waste production and limit the associated risks. The waste management improvement methods adopted, in order of preference, are waste recovery, waste-to-energy conversion, and waste treatment.
In terms of waste disposal, the Company selects appropriate methods either directly or in consultation with waste disposal contractors.

Waste Generation and Management

Iveco Group worldwide (tons)

	2023	2022	2022
Plants (no.)	22	23	24
Waste generated			
Hazardous waste	6,330	6,445	7,026
Non-hazardous waste	73,949	72,533	69,053
Total waste generated	**80,279**	**78,978**	**76,079**
of which packaging	33,098	34,460	31,045
Waste diverted from disposal			
Hazardous waste	4,015	4,090	4,428
Non-hazardous waste	69,613	69,462	66,315
Total waste diverted from disposal	**73,628**	**73,552**	**70,743**
Waste directed to disposal			
Hazardous waste	2,314	2,355	2,599
Non-hazardous waste	4,337	3,071	2,737
Total waste directed to disposal	**6,651**	**5,426**	**5,336**

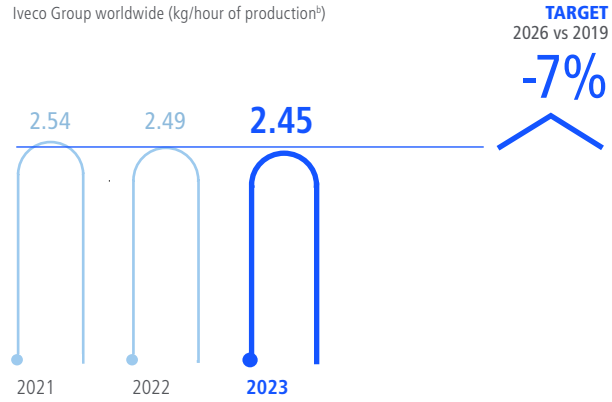
The results we achieved in 2023 demonstrate the extent of our commitment to managing this important environmental aspect. Indeed, the waste recovered at Company level during the year increased compared to 2022, reaching 97.5% of the total waste generated. In terms of waste generated per production unit[36] compared to 2022, the total waste indicator fell by approximately 2% while the hazardous waste indicator fell by 5%.

These excellent results were made possible by performance improvements in each geographic area, and are in line with our commitment to sustainable waste management set out in the Iveco Group Sustainability Plan.

[36] The production unit corresponds to the hour of production. Total manufacturing hours are used to calculate the normalised production unit indicator. For the definition of total manufacturing hours, see 4.2.2.1.2 Environmental Data Calculation.

Waste Generated per Production Unit[a]

Iveco Group worldwide (kg/hour of production[b])

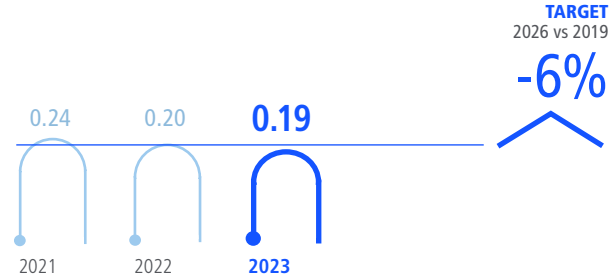


[a] The base year (2019) waste generated is equal to 2.66 kg/hour of production. For information on the rationale for choosing 2019 as the base year, see 4.2.2.1 Approach to Data Calculation.

[b] Total manufacturing hours are used to calculate the indicator per hour of production. For the definition of total manufacturing hours, see 4.2.2.1.2 Environmental Data Calculation.

Hazardous Waste Generated per Production Unit[a]

Iveco Group worldwide (kg/hour of production[b])



[a] The base year (2019) hazardous waste generated is equal to 0.23 kg/hour of production. For information on the rationale for choosing 2019 as the base year, see 4.2.2.1 Approach to Data Calculation.

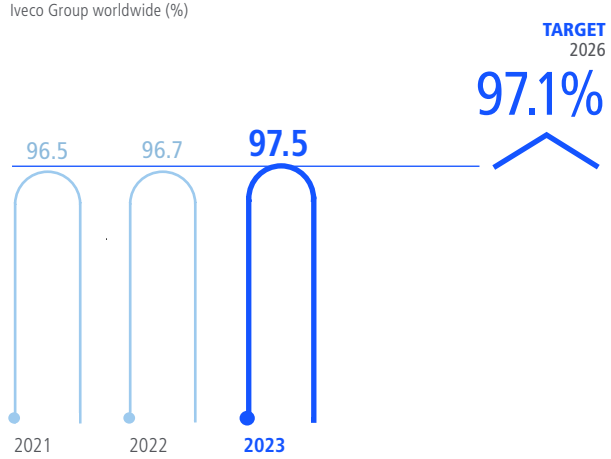
[b] Total manufacturing hours are used to calculate the indicator per hour of production. For the definition of total manufacturing hours, see 4.2.2.1.2 Environmental Data Calculation.

GRI
306-3; 306-4; 306-5

-5%
IN HAZARDOUS WASTE GENERATED PER HOUR OF PRODUCTION

Waste Recovered[a]

Iveco Group worldwide (%)



(a) Waste recovered is calculated as the sum of waste diverted from disposal and waste incinerated with energy recovery, calculated as a percentage of total waste generated.

In 2023, our plants completed several waste-reduction initiatives, including circularity measures and recycling programmes to reduce total waste disposal, to manage its significant impacts, and to work towards zero waste across our operations.

Our **Madrid** plant (Spain) reduced its total hazardous waste generation by about 17 tons per year by sourcing its windshield washer fluid in bulk using tanker trucks instead of the usual 1,000-litre tanks, which previously were disposed of as waste after use. For an investment of about €190,000, the initiative led to approximately €290,000 in annual cost savings.

The **Vysoke Myto** plant (Czech Republic) reduced its total waste generation by about 7.5 tons per year and saved about €99,000 by returning the clean, empty drums used to carry sealant to the supplier for reuse, so that now only the drums' plastic lining is discarded as waste.

Our plant in **Annonay** (France) and our Truck plant in **Cordoba** (Argentina) launched circular economy initiatives to reduce the use of disposable plastic cups and bottles, raising awareness among employees of the importance of reusing materials to cut waste.

2.2.7 Protecting Biodiversity

GRI
304-2; 304-3

At Iveco Group, we understand the importance of protecting and enhancing biodiversity in the areas surrounding our plants, in line with our Company policies.

To assess some of our manufacturing sites near protected areas of particular environmental interest, we employ the biodiversity value index (BVI) methodology. It provides for an in-depth analysis of ecosystems within a 5-kilometre radius of these sites, determining biodiversity levels and identifying improvement measures accordingly.

Our approach to biodiversity also encompasses a second methodology, known as biodiversity risk evaluation (BRE), which focuses on the activities and impact of our plants and on the significant risks they may pose to biodiversity and natural resources, regardless of their contribution to the overall activities and impacts reported in the surrounding areas.

The BRE assesses the following 3 main aspects:

- assets – the resources available in the region (protected areas, areas with high biodiversity value, protected species)
- footprint – the impact of plant activities on biodiversity, in terms of use of resources and polluting emissions
- awareness – the level of environmental awareness among plant employees and stakeholders in the region.

The BRE assessment generates a risk map for each plant indicating its potential damage to biodiversity. These maps are used to determine improvement measures (which are implemented based on the scores assigned to each risk) and to identify standardised indicators (which enable a consistent comparison between different plants' risk maps).

The BRE and BVI methodologies are used to establish a mitigation hierarchy for plant operations within areas of high biodiversity value. After an initial screening assessment to identify high-priority plants located near such sensitive areas, the two methods are applied using a multi-criteria scoring system to measure the risks to and impacts on biodiversity of such operations. Finally, mitigation and restoration measures are implemented based on the main risks identified and the potential involvement of local stakeholders.

Both BRE and BVI measure the potential environmental impact of plant operations on biodiversity based on their biodiversity footprint, which is quantified using the ReCiPe 2016 life cycle impact assessment method. This translates material and energy inputs and outputs into potential

environmental impact scores, which are further aggregated so that the potential damage to biodiversity is expressed in time-integrated species loss (TISL, i.e., potential species loss per year). The application of both methods often involves external partners and stakeholders; their engagement is important both in the risk assessment phase, to measure their level of awareness of biodiversity conservation, and in the follow-up phase, when specific mitigation measures are implemented. In both cases, partnerships are encouraged with authorities, NGOs, and public or private third parties managing protected areas. The methods themselves were developed with the support of external partners.

The BVI and BRE methodologies revealed that biodiversity and ecosystem services at all the plants assessed to date were generally subject to insignificant levels of risk and impact overall. Although no specific improvement measures were required following the adoption of these methodologies, a number of initiatives are being implemented to protect biodiversity within and around the plants that adopted them. Regarding our sites near, bordering, or within protected or high-biodiversity areas, the two methodologies have been implemented at about 92% of such plants falling within the scope of application; their extension to potentially suitable plants will be assessed over the coming years.

ADVANCING ENVIRONMENTAL PROTECTION

In Europe, the **Vysoke Myto** plant (Czech Republic) continued to engage in initiatives to protect local flora and fauna by sponsoring the *Pasicka* Wildlife Rescue Station near the village of Bor u Skutce, which rescues injured wild animals in the Pardubice region before nursing them back to health and returning them to their natural habitat.

In South America, our plants in **Cordoba** (Argentina) used their waste materials to build a greenhouse for growing native tree species for reforestation. They also planted 300 seedlings in La Calera Natural Defense Reserve and 250 trees in the *Parque General San Martín* Nature Reserve, with the assistance of Company volunteers and their families.

2.2.8 Other Environmental Indicators

GRI
2-27; 303-4

We are also concerned with reducing other environmental indicators, most notably hazardous substances and noise emissions to the external environment generated by our equipment and manufacturing processes. As regards hazardous substances, no PCBs[37] or PCTs[38] are present in the operations carried out at Iveco Group.

In 2023, no fines or sanctions for non-compliance related to ecological or environmental issues (including water) were imposed on Iveco Group's plants.

2.2.8.1 SUBSTANCES OF PARTICULAR CONCERN FOR HEALTH AND THE ENVIRONMENT

Iveco Group is strongly committed to adopting alternatives to certain substances identified as of particular concern for human health and the environment, and especially to studying and implementing alternatives to heavy metal-containing products used in painting processes. More broadly, we are committed to the sustainable and reduced use of chemicals, with a view to environmental protection, waste reduction, and cost savings.

At each site that handles hazardous substances, the latter are labelled, stored, handled, and transported as per all applicable local regulations.

2.2.8.2 EXTERNAL NOISE GENERATED BY PLANTS

Iveco Group seeks to minimise the noise impact of its plants, and so encourages the adoption of procedures provided for by plant environmental management systems and by the guidelines in place (such as those for the design and purchase of new, low-noise machinery).

(37) Polychlorinated biphenyls (PCBs) are a group of extremely stable chemical compounds with excellent dielectric and heat transfer properties, widely used in the past in both the industrial and commercial sectors (e.g., in capacitors and transformers). Because of their toxicity to humans and to the environment, PCBs are among the most dangerous pollutants

(38) Polychlorinated terphenyls (PCTs) have physical and chemical properties similar to PCBs, and may contain up to 10% PCBs within the product matrix. They have been used as plasticisers, fire retardants, and in various types of coating.

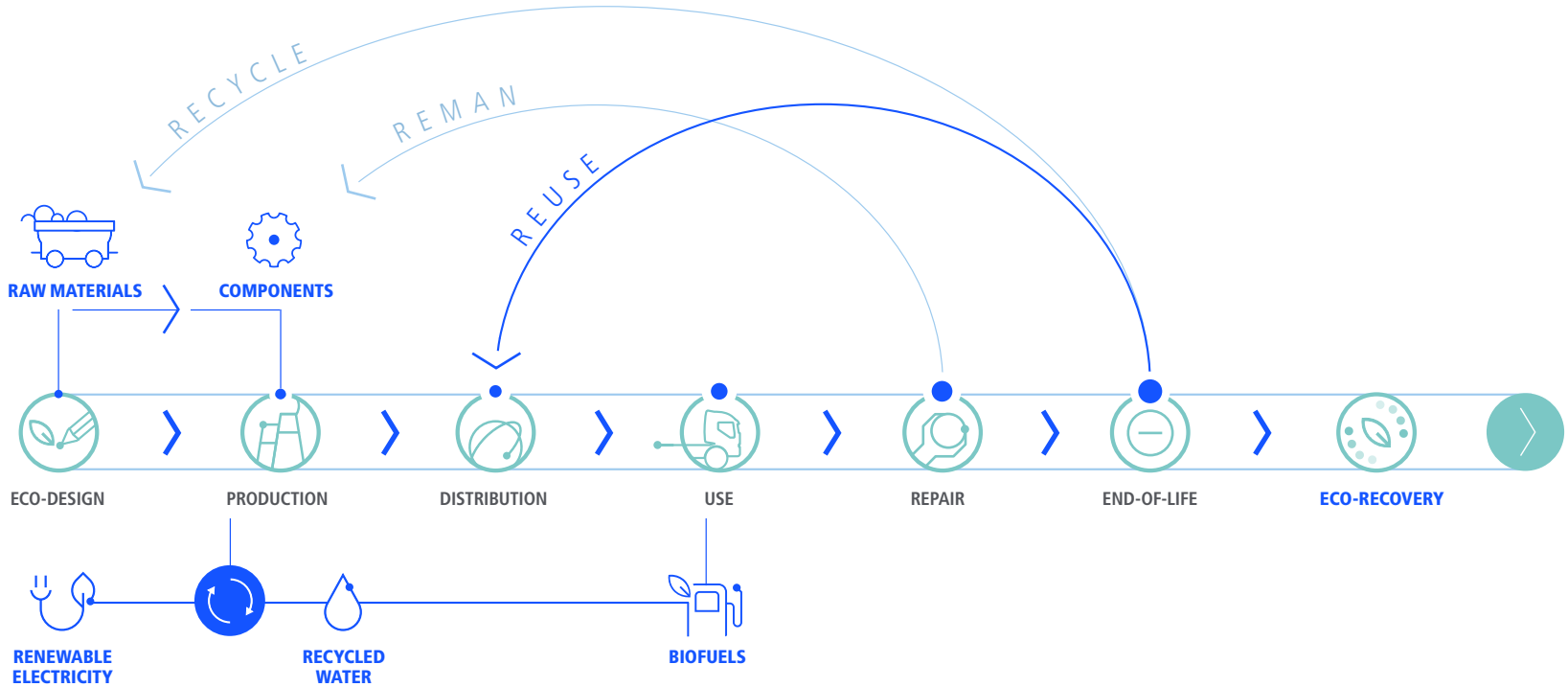
2.3 Resource Circularity

GRI 301-3

Life cycle thinking is one of Iveco Group's sustainability priorities, whereby applying a circular product life cycle approach ensures resources are used fully and for as long as possible. Our goals in this area are:

- to design all new products in alignment with sustainability and recyclability guidelines, looking at materials, technologies, and reuse potential from the very first stage of product development in order to maximise the life cycle of our products. Through product life cycle assessments (LCAs), we collect data on exact material composition and estimate the recyclability rates for each
- to collect broken or worn-out parts to identify which can be reused, repurposed or recycled, and offer our customers a consistent range of remanufactured products, with the aim of improving our capability to increase waste recovery and reuse as well as water recycling at our plants worldwide
- to increase our use of electricity from renewable sources.

Circular Approach



2.3.1 Reverse Supply Chain

During the design phase, Iveco Group promotes the development of products using raw materials and/or components that can be easily dismantled, repaired, recovered, remanufactured or recycled. Every year, our brands supply about 45 million spare parts through their dealerships and workshops. In 2023, the percentage of spare parts that could be either reused or recycled reached approximately 40%. Our goal is to maximise the adoption of a circular economy approach under our *5R* project, and to generate new business through the centralised management of components over their entire service life. This approach allows us to offer customers spare parts of the highest quality, and to manage component end-of-life in an environmentally friendly manner.

Through our *5R* project, the cores from spare parts sold are returned to the parent company, after which they undergo one of five processes:

- **remanufacture**: cores undergo a regeneration process
- **repair**: cores are repaired
- **reuse**: cores are still functional and are therefore refurbished and sold to customers as used
- **recover**: cores are disassembled, and the raw materials are either recovered by certified suppliers or reintegrated directly into the Company's production cycle
- **recycle**: cores are recycled in an eco-friendly manner by certified companies.

Remanufacturing worn components (cores) reduces waste, reuses materials, and encourages recycling. Additionally, by avoiding the extraction of new raw materials, we reduce both energy use and greenhouse gas emissions. Remanufacturing cores is an industrial process that ensures the same standards of operational performance as new, original equipment components, triggering a virtuous cycle of savings in raw materials and reductions in materials going to landfill. This process ensures reliability and reduced vehicle downtime for customers at competitive prices. Furthermore, remanufactured FPT Industrial engines and transmissions include a 36-month warranty, which is three times the genuine parts' warranty period. Iveco Group manages the overall remanufacturing process, from the collection of cores from dealerships to the stocking of remanufactured products and their sale to end customers. As a result, our portfolio includes a full range of original spare parts to cover the entire life cycle of many of our products, as well as a broad selection of remanufactured components. This allows us to offer like-new quality products, extended warranties, and good value since remanufactured parts save the customer an average 30% on list price. A strategic sustainability target for remanufacturing was incorporated into our Strategic Business Plan: **to ensure that 15% of net sales from spare parts are generated by remanufactured components by year-end 2026.** In 2023, the net sales from remanufactured components were 7.7% at global level and 8.9% at European level. This sustainability target was also included in the Sustainability Plan and as an individual goal in the Performance Development Process (PDP).

The **repair** process is currently available at our dealers for less complex components, and at our plants for FPT Industrial engines.

For **reuse**, two options are currently available: the first is the recovery of the main engine components that are still in good shape. These are resold as used parts, and often utilised to repair vehicles with minimal residual value. After dismantling, the parts are cleaned, inspected, allocated a specific part number, and packaged. The benefit to customers is being able to purchase a part at half the price of the genuine one. The second option is to buy back unsold parts from dealers. These are put on sale, a preferable alternative to them lying unused in the warehouse for later disposal.

Recovery is currently only available for noble metals; however, we are working to extend it to other metal types. In 2023, we recovered 45% of engine components for selected engines, and have a medium-to long-term target of 80%.

Recycling is the final stage of our circular economy approach, applied to rejected parts or those not suitable for the other 4 processes.

In 2022, we began looking into the development of a structured, competitive reverse supply chain to identify new approaches to improve our 5R effectiveness, including enhanced ICT design and cost-efficient reverse logistics flows. The study is still underway. A strategic sustainability target regarding the *5R* project was incorporated into our Strategic Business Plan: **100% of recoverable cores from spare parts sold to be returned to the Company by year-end 2030.** This sustainability target was also included in the Sustainability Plan and as an individual goal in the Performance Development Process (PDP). As at 31 December 2023, we had collected 30% of the recoverable cores from spare parts sold globally, which we reused, remanufactured or recycled, for a financial benefit of €119.7 million.

2.3.2 Reusable packaging

In December 2022, we launched a *Packaging Project* to streamline our parts packaging processes. With the clear objective of identifying improvement areas to reduce our environmental impact, we analysed our entire parts shipping operation, focusing on the two main processes that take place in our warehouses: the receipt and storage of parts from suppliers, and the selection and packing of parts for shipment to the service network.

On receiving a shipment, the packaging (almost always made of cardboard) must somehow be disposed of. Thanks to shredding machines installed at our warehouses under this project, we are now able to reuse carboard packaging rather than discard it. Indeed, shredded into perforated strips, it is being employed in place of plastic as a packing filler, protecting and separating the individual packages to be shipped to the service network. Based on our estimates, the shredding machines at our warehouses in **Turin** (Italy) alone would allow us to recover 1,240 tons of carboard per year for later reuse (with the perforated strips totalling about 2,455 kilometres in length), and therefore to cut our annual plastic packaging consumption. Besides reducing packaging, the project has also allowed us to explore new ways to optimise it by saturating box capacity to save space and minimise costs, in line with best practices adopted by all our warehouses globally. Since December 2022, the new methods put in place have cut our plastic consumption by 53 tons and paper consumption by 3 tons, reducing CO_2 emissions by about 310 tons.

While the Packaging Project focuses mainly on the management of spare parts, other initiatives launched at our plants in 2023 centre on reducing packaging waste according to the 5Rs of waste management – particularly the Reuse principle.

Our plant in **Madrid** (Spain) focused on reducing the amount of disposable packaging used to deliver materials by using reusable containers, which cut the plant's annual packaging waste by approximately 160,000 kilos and its respective disposal costs by circa €200,000.

Meanwhile, our plant in **Rorthais** (France) managed to reduce its annual cardboard packaging waste by approximately 4,000 kilos by investing about €36,000 in the creation of 75 new reusable metal containers for supplying materials to the site. It also invested approximately €12,000 in a project to reduce its wooden packaging waste, entailing the return of material containers to the suppliers for subsequent reuse. This initiative cut the plant's annual wooden packaging waste by approximately 3,000 kilos and its respective disposal costs.

2.3.3 End-of-Life Batteries

Iveco Group's end-of-life battery strategy is based on the circular economy model, following the 4R approach – repair, refurbish, repurpose, and recycle – to increase batteries' lifespan, decrease their overall environmental impacts, and remain compliant with the principles of Extended Producer Responsibility (EPR), which holds producers responsible for the entire life cycle of their products, from design to end-of-life.

With the introduction of our new electric vehicles, we have started to produce high-voltage batteries at our ePowertrain plant in Turin (Italy), and have established a process to manage their end-of-life based on EPR principles. Furthermore, to facilitate used battery collection and recycling in every European country, we have signed a number of contracts with the service providers operating in each.

Thanks to these agreements, when a customer returns an end-of-life vehicle to a dealership, the latter will assess whether the battery is viable for remanufacturing or repurposing, or, if not, will contact the relevant service provider to initiate the recycling process. The selected service providers, who handle battery collection from dealers and their transport and subsequent recycling, have the capability to recycle most battery components and materials through a series of disassembly processes.

GIVING USED ELECTRIC-VEHICLE BATTERIES A SECOND LIFE

In 2023, FPT Industrial and Reefilla launched a pilot project aimed at reusing electric vehicle (EV) batteries once their service life has expired – in particular the eBS 37 battery manufactured by FPT Industrial at its ePowertrain plant in Turin (Italy) and used in the IVECO eDaily and minibus. Founded in Turin in April 2021 as part of the I3P startup incubator and supported by Motor Valley Accelerator, Reefilla has developed an ecosystem of charging products and services for electric mobility. It currently offers predictive mobile charging for commercial fleets and private users in Turin and Milan (Italy). When eBS 37 batteries are no longer able to charge EVs, they will be sent to Reefilla, which will recover their modules and over 50% of their internal components. These will then be reused and installed in Reefilla's Fillee mobile power banks, significantly increasing their charging capacity. The mobile power banks will then be delivered to customers by a fleet of electric vans to charge their electric vehicles, both on demand and, as the service is predictive, without even having to ask. FPT Industrial launched the pilot project just six months after launching production of its eBS 37 batteries, creating a fully sustainable life cycle that handles batteries from production to reuse. The aim is to actively contribute to the carbon-neutral supply chain of electric mobility while promoting the circular economy. Moreover, the solution is fully compatible with the new eBS 37 EVO battery, soon to be launched on the market, developed entirely by FPT Industrial and fully compliant with the rigorous requirements of the ECE Regulation 100 Rev.3. For some time now, FPT Industrial has operated according to the 5R approach – Repair, Remanufacture, Reuse, Recover, and Recycle – providing customers with a product management methodology and a range of services that ensure environmental and financial sustainability throughout the entire life cycle of its products and their components.

2.3.4 Giving Vehicles a Second Life

IVECO Certified Pre-Owned is a new brand (created from IVECO's former OK TRUCKS brand) that reconditions and sells used vehicles following servicing and certification by IVECO itself. The new brand demonstrates IVECO's commitment to sustainability by giving vehicles a second life, resulting in a vast offering of IVECO-certified pre-owned commercial vehicles and trucks (also available in natural gas versions). The vehicles handled by IVECO Certified Pre-Owned, which are returned to IVECO through its *Buy Back* and *Trade In* programmes, are fully inspected and reconditioned before being authorised for resale. After collection by IVECO, they are exhaustively assessed by independent third parties, with 120 checks and inspections to ensure the condition and operational reliability of the following components: interiors, on-board electric and electronic systems, cabs, bodywork, chassis, braking systems, engines, fuel systems, gearboxes and distributors, clutches, cooling, heating and air-conditioning systems, equipment, and hydraulic systems. All servicing and checks follow set procedures using only original IVECO parts and components. Once duly reconditioned, and after each in-house certification step has been passed, each vehicle is offered to customers as a used vehicle that is both reliable and in perfect condition. IVECO Certified Pre-Owned also offers a complete range of services, comparable to those for new vehicles. These include the official IVECO warranty (valid throughout Europe), regular maintenance and repair programmes, driver and vehicle after-sales support, IVECO's 24/7 Assistance Non-Stop (ANS) freephone service, connectivity services, and dedicated, customisable leasing and finance solutions.

The IVECO Certified Pre-Owned network (with over 150 dealerships, mainly in Europe) provides a team of professionals to assist customers in selecting the most suitable used vehicles for their business needs. This ensures they attain the best value for money and lowest total cost of ownership (TCO) – which already benefits from the purchase of a used vehicle. The new brand is present in over 25 European countries and is affiliated with the entire network of IVECO workshops. This means customers have access to the same standard of service and support as if they had purchased a new vehicle fresh from the factory. IVECO's commitment to extending product life cycles through IVECO Certified Pre-Owned supports a sustainable business model, as expressed by its new claim: *IVECO Certified Pre-Owned: the reliable choice for a sustainable second life*.

EVOLVE
INTÉ

We can’t do it alone: to evolve, we must engage

We can’t expect change by always doing things the same. This means overcoming global challenges through innovation and collaboration, knowing that small actions can generate big change.

n3 SOCIAL DIMENSION

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3.1 Human and Labour Rights Management

3.1.1 Our Regulations

GRI
2-23; 412-2

At Iveco Group, we work hard to create long-term sustainable value for all our stakeholders, an objective that we believe cannot be achieved without respect for fundamental human rights. We uphold the protection of these rights in all our operations, and seek to promote respect for the same principles by others over whom we have an influence, particularly our contractors, suppliers, and all other entities and individuals with whom we have a business relationship. Furthermore, we will not establish or continue a relationship with any counterpart that refuses to respect the principles of the Iveco Group Code of Conduct, which explicitly endorses the protection of human rights.

Our commitment to these principles is also specified in our Human Rights Policy, which supplements the Iveco Group Code of Conduct, and in our Supplier Code of Conduct, both of which are available on the Company's website.
While it is the responsibility of all covered persons[1] to ensure respect for human rights, our Senior Leadership Team (SLT) retains executive oversight and has responsibility for the implementation of the Human Rights Policy. Iveco Group's Board of Directors oversees the policy's implementation at Company level and is responsible for ensuring adherence to the commitments therein, while Company managers are responsible for overseeing its application at local level.

The human rights principles included in the aforementioned documents are consistent with the spirit and intent of the United Nations' (UN) Universal Declaration of Human Rights, the OECD[2] Guidelines for Multinational Companies, and the relevant Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO).

The Company's Code of Conduct and policies apply to all directors, officers, and employees, as well as to those acting for or on behalf of all Iveco Group companies worldwide. As regards our suppliers, in addition to their adherence to the values outlined in the Code of Conduct, their selection is also based on their social and environmental performance.

Iveco Group handles the risks associated with human rights violations through its Enterprise Risk Management (ERM) system. Based on our ERM methodology, a risk is defined as any event that could affect our ability to meet our objectives. This approach enables us to identify risks and evaluate their significance in a timely manner, giving us the ability to take action to mitigate and, where possible, eliminate them.
There are specific procedures in place at Iveco Group to monitor respect for human rights across our operations, enabling us to assess the potential impact of our activities in this regard and implement mitigating and preventative measures where needed. To this end, a Compliance Helpline is available to all Iveco Group employees, customers, suppliers, and other third parties to report potential violations of applicable laws, Company policies or the Code of Conduct.

In addition, we offer training on specific human rights issues. In 2023, **online training** on human rights and other Code of Conduct aspects was made available to approximately 12,415 employees worldwide (salaried and above), for a total of 4,553 hours[3], and a specific human rights course – *Professional Conduct: Supporting an Environment of Respect* – was delivered to approximately 11,596 employees, for a total of 5,488 hours.

Find out more
about our Human Rights Policy

(1) Covered persons collectively include: Iveco Group N.V. and its subsidiaries; the directors, officers, and employees of such entities; and those acting for or on behalf of such entities, comprising all parties with whom the Company conducts business, including, but not limited to: suppliers, service providers, sales representatives, agents, consultants, dealers, distributors, importers, resellers, and joint venture partners.
(2) Organisation for Economic Co-operation and Development.

(3) Data as at 31 January 2024.

3.1.1.1 HUMAN AND LABOUR RIGHTS FOCUS AREAS

Iveco Group's approach to the management of human and labour rights focuses on the following 8 main areas.

GRI 408-1

3.1.1.1.1 No Child Labour

As stated in our Code of Conduct, Iveco Group prohibits the employment of child labour – specifically, of anyone younger than the minimum legal working age in force where the work is carried out and, in any case, of anyone younger than 15, unless an exception is expressly provided for by international conventions and by local legislation. We also refrain from establishing or maintaining business relationships with suppliers that employ child labour. For information on how we address this aspect in the management of our supply chain, see 3.3.1 Our Management Approach to the Supply Chain >.

3.1.1.1.2 No Forced Labour, Human Trafficking, or any form of Slavery

As set forth in our Human Rights Policy, Iveco Group does not tolerate the use of forced or mandatory labour, slavery, human trafficking, or sex trafficking by any covered person[4]. Human trafficking is defined as arranging or facilitating the recruitment, transportation, transfer, harbouring, or receipt of people through force, fraud or deception, with the aim of exploiting them for profit. It is immaterial whether these people are coerced or deceived into consenting to such activities.

Similarly, our Supplier Code of Conduct states that no supplier may employ forced labour or engage in any form of human trafficking (whether by force, fraud or coercion), and that all forms of involuntary servitude, slavery, forced labour, sex trafficking, and commercial sex activities are strictly prohibited. For information on how we address this aspect in the management of our supply chain, see 3.3.1 Our Management Approach to the Supply Chain >.

3.1.1.1.3 Working Conditions

As per our Human Rights Policy, we ensure that all employees receive the legally mandated minimum wage and benefits, or higher; and that working conditions, working hours, and compensation are fair and comply with the laws, standards, and practices of each country of operation. Similarly, overtime at Iveco Group is performed and remunerated according to applicable local laws and customs, collective labour agreements, or industry standards. We also hire contract workers to respond to temporary needs for manpower during peak production times or for other purposes within the limits set by local legislation.

(4) Covered persons collectively include: Iveco Group N.V. and its subsidiaries; the directors, officers, and employees of such entities; and those acting for or on behalf of such entities, comprising all parties with whom the Company conducts business, including, but not limited to: suppliers, service providers, sales representatives, agents, consultants, dealers, distributors, importers, resellers, and joint venture partners.

3.1.1.1.4 No Harassment

As stated in our Human Rights Policy, harassment can take many forms, all of which are considered cruel, inhumane, and/or degrading. We prohibit and do not tolerate any type of harassment at Iveco Group. By way of example, racial or sexual harassment, or harassment related to other personal characteristics (the purpose or effect of which is to create a hostile work environment, violating the dignity of the person who is the victim of such harassment), or any type of demand for sexual favours in exchange for a workplace advantage (e.g., as a condition for hiring, promoting, or not firing someone) is totally unacceptable to the Company, whether it takes place inside or outside the workplace.

3.1.1.1.5 No Discrimination

As per our Human Rights Policy, Iveco Group does not accept discrimination against employees in any form on the basis of: ethnicity, gender, sexual orientation, personal or social status, health, physical condition, disability, age, nationality, religious or personal beliefs, political opinion, or other protected status. The Company recruits and hires employees on the basis of their experience, knowledge, and skills, and is committed to providing equal opportunities to all employees, both on the job and in their career advancement[5].

The head of Human Resources of each business unit/function, in collaboration with all personnel managers, is required to ensure that in every aspect of the employment relationship – be it recruitment, training, compensation, promotion, transfer, or termination – employees are treated according to their abilities to meet job requirements, and all decisions are free from any form of discrimination.

Through our Supplier Code of Conduct, our suppliers are also required to treat their workers in a fair and non-discriminatory manner, guaranteeing equal opportunities and the absence of any policy aimed at, or indirectly resulting in, discrimination towards them on any basis whatsoever, including but not limited to: ethnicity, gender, sexual orientation, social or personal status, health, physical condition, disability, age, nationality, religious or personal beliefs, political opinion, or other prohibited basis (in accordance with applicable laws).

For further information on how Iveco Group manages diversity and equal opportunities, see 3.2.3 Diversity, Equity, and Inclusion ›.

For information on how we address this aspect in the management of our supply chain, see 3.3.1 Our Management Approach to the Supply Chain ›.

[5] As per Convention No. 111 of the International Labour Organization (ILO).

3.1.1.1.6 No Retaliation

GRI 407-1

As stated in our Human Rights Policy, it is prohibited at Iveco Group to retaliate in any way against someone for reporting in good faith a violation of this or any other Company policy, the Code of Conduct, or applicable laws; or for participating in the investigation of a reported violation. Any instance of retaliation may result in disciplinary action, up to and including termination of employment.

3.1.1.1.7 Freedom of Association and Collective Bargaining

As per our Human Rights Policy, Iveco Group recognises that employees are free to join (or not join) a trade union, and respects their right to be represented by said unions (or other representatives established in accordance with applicable local legislation and practice) and to participate in collective bargaining. When engaging in negotiations with such representatives, the Company seeks a constructive approach and relationship[6]. The same principles apply to our suppliers, which are required to allow their workers to freely join associations and bargain collectively, in accordance with local law, without interference, discrimination, retaliation, or harassment (see 3.3.1 Our Management Approach to the Supply Chain ›).

For further information on freedom of association and collective bargaining, see 3.2.8.1 Freedom of Association ›.

For information on how we address this aspect in the management of our supply chain, see 3.3.1 Our Management Approach to the Supply Chain ›.

3.1.1.1.8 Occupational Health and Safety

At Iveco Group, we consider health and safety in the workplace not only a fundamental employee right, but also a key component of our sustainability efforts, a prerequisite of every choice we make.

Our approach to occupational health and safety is both effective and constantly evolving, with preventive measures implemented at both individual and collective levels to minimise the potential for injury in the workplace. We seek to ensure industry-leading working conditions, in accordance with principles of hygiene, industrial ergonomics, and individual organisational and operational processes.

[6] As per Conventions No. 87 and 98 of the International Labour Organization (ILO).

Iveco Group also believes in, and actively promotes, a culture of accident prevention and risk awareness among workers, through training and information. All employees are required to act responsibly and follow all preventive measures for the protection of health and safety as per Company directives, which are circulated via targeted communications, instructions, informational material, and training (see the Health and Safety Policy available on the Company's website).

Suppliers are also required to provide and maintain a safe work environment in compliance with all applicable laws, as per the Supplier Code of Conduct.

For further information on occupational health and safety, see 3.2.5 Occupational Health and Safety .

For information on how we address this aspect in the management of our supply chain, see 3.3.1 Our Management Approach to the Supply Chain .

Given the increasing focus on human and labour rights at national and international level, Iveco Group endeavours to contribute to the relevant policy debate, such as on the UN Guiding Principles on Business and Human Rights and regarding EU measures on responsible business conduct. Indeed, we have engaged with both Italy's Inter-ministerial Committee on Human Rights and its Ministry of Foreign Affairs and International Cooperation, and with sector associations at national and EU level, to address human rights issues from a business perspective and share best practices.

3.1.1.2 CONFLICT MINERALS

Another demonstration of Iveco Group's respect for human rights is its stand against the use of natural resources extracted in conflict zones. To this end, we have adopted a compliance programme and a Conflict Minerals Policy intended to promote **the responsible sourcing of tin, tantalum, tungsten, and gold** (referred to as conflict minerals or 3TG) from the Democratic Republic of the Congo (DRC) and other countries or areas considered at high risk of conflict[7], where revenues from their extraction have historically funded armed conflict and human rights abuses.

Our Conflict Minerals Policy and the General Purchasing Terms and Conditions (GPTC) require affected suppliers to conduct a reasonably comprehensive enquiry into the existence and origins of any 3TG in their respective supply chains, and to provide written evidence of due diligence by completing the **Conflict Minerals Reporting Template** (CMRT), in line with Regulation (EU) 2017/821 and subsequent amendments. The Company's due diligence process and measures have been designed to conform, in all material respects, with the due diligence framework presented by the Organisation for Economic Co-operation and Development (OECD) in its 2016 publication **Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas**[8] (third edition, OECD Publishing), including its Supplements on gold, tin, tantalum, and tungsten. This due diligence framework is also known as the OECD Guidance.

We are committed to making every reasonable effort to establish, and require affected suppliers to disclose, whether the products purchased contain 3TG obtained from sources that fund armed conflict or support inhumane treatment in the DRC or other countries or areas considered at high risk of conflict[7].

We have processes in place to record and act on concerns expressed by employees and others about possible improper or unethical business practices or violations of company policies (including our Code of Conduct, Supplier Code of Conduct, and Conflict Minerals Policy) or applicable laws. This **grievance mechanism** is described in our Conflict Minerals Policy.

Iveco Group implements globally recognised Compliance Data Exchange (CDX) software for conflict mineral management. We chose CDX because it interfaces directly with the **International Material Data System** (IMDS) that we have used for years to manage Substances of Concern (SoC) in our vehicles. Through the CDX software, we are able to evaluate the conflict minerals report templates (CMRT) submitted by about 100 suppliers for a sample of products, and to automatically verify and file the subsequent reports. This setup also enables the suppliers' direct involvement in a qualitative crosscheck analysis of CMRT templates against the chemical compositions stated in the respective Material Data Sheets (MDS).

(7) See CAHRAs list

(8) See OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

Of the suppliers requested to complete the CMRT in 2023, 90% did so as per OECD guidelines, and our Procurement Department will chase up the remainder. If the products sold to Iveco Group are found to contain 3TG, suppliers must identify their sources and discontinue procurement, as soon as commercially feasible, of those containing 3TG obtained from sources that fund or support inhumane treatment in the DRC or other countries or areas considered at high risk of conflict. We reserve the right to reassess future business dealings with suppliers that fail to comply with this policy.

3.1.1.3 RESPONSIBLE USE OF COBALT

Cobalt is becoming an important material for Iveco Group, being a key element in the lithium-ion rechargeable batteries used in electric vehicles that, as we know, play a significant role in reducing greenhouse gas and polluting emissions. Cobalt is also used in the production of magnetic, wear-resistant, and high-strength engineering alloys, properties that are all critical in efficient vehicle design.

The world's largest producer of cobalt is the Democratic Republic of the Congo (DRC), holding more than 50% of global cobalt reserves. In recent years, annual cobalt consumption globally has trended upwards and is expected to rise significantly over the medium term. However, many reports have highlighted concerns over the social and environmental impacts of cobalt extraction, including the use of child labour and unsafe working conditions in artisanal cobalt mining operations.

Having previously benchmarked various companies' best practices under our former corporate structure, in 2023 we surveyed key lithium-ion battery suppliers on their sourcing information in light of our plan to implement a wider due diligence process on the responsible sourcing of cobalt throughout our supply chain.

Furthermore, in light of the recently published EU Regulation 2023/1542 on batteries and waste batteries that introduced a new due diligence policy for several raw materials contained in batteries – cobalt, natural graphite, lithium, and nickel – we have readied ourselves to work with our supply chain and all other stakeholders to evaluate the social and environmental risks of using them.

3.1.2 Human Rights Assessments

GRI 412-1

Iveco Group monitors respect for human rights across its internal operations and throughout its supply chain and customer base by means of dedicated processes for each area, as described in the following sections.

3.1.2.1 INTERNAL OPERATIONS

To monitor human rights across internal operations, we have set up a structured process that helps us to identify potential risk/non-compliance areas in need of further assessment and to implement mitigation measures accordingly, if needed.

The initial **self-assessment** phase of this process, overseen by the HR Department in the country of reference, covers compliance with our Human Rights Policy and with international human rights standards. A second phase of **on-site audits** analyses any critical issues identified through the self-assessments, and then defines any remedial actions needed with a view to continuous improvement.

The Company also conducts detailed human and labour rights risk assessments when acquiring significant **new businesses**, **operations**, **and projects**. Such assessments may be conducted during the relevant due diligence process and often with the assistance of specialised external law firms or other professional advisors.

3.1.2.1.1 Self-Assessments

To monitor respect for human rights within our **internal operations**[9], each year the Company conducts an impact assessment survey that involves several countries selected in rotation so as to cover 100% of internal operations over the course of 3 years. The aim of the survey, which is based on self-assessment questionnaires filled out by Iveco Group's HR country managers, is to identify and prevent any adverse corporate impacts on the following human rights aspects:

- non-discrimination and the right to equal remuneration (also covering the rights of women, indigenous people, and migrants)
- child labour and young workers
- forced labour (including, among others, human trafficking)
- harassment
- freedom of association (including, among others, the right to collective bargaining)
- occupational health and safety.

[9] Joint ventures in which Iveco Group holds at least a 51% interest are included in the perimeter.

The impact assessment also focuses on the promotion of local communities' social and economic development based on their specific needs.

Internal Human Rights Assessment

Iveco Group worldwide

YEAR	Countries involved	Global workforce[a] involved (%)	Employees involved (no.)
2022	Austria, France, Germany, Italy, Portugal, Spain, Switzerland	72	25,768
2023	**Argentina, Brazil**	**11**	**3,854**

[a] Refers to the percentage of employees involved as at the respective year-end.

In each of the past 2 years and in each geographic area evaluated, the assessment confirmed the presence of policies and controls designed to ensure respect for human rights, in line with local legal requirements, and did not identify any particular concerns or issues, including in relation to child or forced labour and freedom of association. The assessments complied with the requirements of Art. 17 and 18 of the Guiding Principles on Business and Human Rights, 2011[10] (the Ruggie Framework).

Every year, we perform a specific assessment of the entire workforce focusing on the presence of child labour across Iveco Group's legal entities and on the level of compliance with our Code of Conduct's child labour principles. The survey conducted in 2023 on 100% of our total workforce[11] confirmed that none of our legal entities employed individuals under the statutory minimum age for employment or apprenticeship set by local legislation. The survey also showed that no minor under the age of 18 employed by Iveco Group under a regular employment or apprenticeship contract was exposed to hazardous working conditions[12].

[10] United Nations' Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework 2011.

[11] Survey conducted on the total workforce as at 31 October 2023.

[12] For the purposes of the assessment, hazardous working conditions include: work with dangerous machinery, equipment or tools; the manual handling or transport of heavy loads; exposure to hazardous substances, agents or processes; exposure to health-damaging temperatures, noise levels, or vibrations; and work under particularly difficult conditions (long hours or night shifts).

3.1.2.1.2 On-site Audits

GRI 408-1

As per our risk management and internal control process, the self-assessments filled out by our HR country managers regarding our performance in upholding human rights across our legal entities and internal operations may be verified by our Internal Audit Department through specific **audit engagements**, conducted either on-site or remotely (the latter when in-person audits are unnecessary or unsuitable).

The areas posing a potential risk to human rights are identified based on the outcomes of the specific self-assessments, or those of the periodic Risk Assessment (RA) performed by Internal Audit. The RA entails examining and evaluating the risk associated with each of the Company's auditable legal entities, units, functions, processes, and cross-functional projects or activities. It also considers significant risk information that may emerge from aligned assurance[13] activities conducted with Iveco Group's Senior Management and the relevant functions (Enterprise Risk Management - ERM; Compliance; Energy, Environment, Health and Safety - EEHS; and Sustainability). Additional risks to human rights may also be identified through complaints or whistleblowing reports received via the Compliance Helpline. On-site audits are then planned accordingly.

On-site audits entail verifying the accuracy and completeness of the information disclosed by Iveco Group's HR country managers, reviewing any documents, and interviewing the managers of the areas under audit. A report is drawn up to keep track of all relevant information on human rights issues and of any improvement measures identified by the audits. The report is subsequently passed on to the relevant corporate functions, along with any mitigation measures required.

In 2023, our Internal Audit Department conducted a human rights compliance audit at our Bus plant in Vysoke Myto (Czech Republic) to verify the physical condition of its facilities and production lines. The audit confirmed that the plant adheres to the human rights principles outlined in our Code of Conduct and Human Rights Policy, as well as to local regulations. It also suggested the plant take the opportunity to renovate certain aging facilities to ensure excellent working conditions are maintained as well as to discourage workers from smoking in common areas near the welding shop and assembly line.

[13] A coordinated and collaborative approach to evaluating and ensuring the effectiveness of risk management and control processes across various functions or units within an organisation.

3.1.2.2 SUPPLIER EVALUATION

As regards **suppliers**, it is important to prevent or minimise any environmental or social impact arising from or related to the supply chain. To do so, Iveco Group assesses its suppliers on sustainability issues by means of sustainability self-assessments, risk assessments, and sustainability audits (see 3.3.3.2 Supplier Performance Monitoring >), and implements a specific operational procedure to monitor their compliance and risks. In 2023, we identified 77 suppliers worldwide as presenting potential risks according to the following criteria: supplier turnover, risk associated with the supplier's country of operation, supplier financial risk, level of participation in the assessment process, and risk associated with the specific purchasing category. These suppliers were subsequently audited by independent third-party auditors. Issues were identified for 11 of them, which agreed to a total of 15 corrective action plans for areas in need of improvement in terms of human rights issues.

The improvement measures identified included:

- promotion of internal communication and engagement
- facilitation of consultations and provision of up-to-date guidelines and operating instructions to all employees
- formalisation of processes and/or procedures for managing the risk of child labour and human rights violations.

Action plans are then monitored via follow-up meetings between each supplier and the Company auditor. In the event of defaulting suppliers, further corrective actions are defined and implemented in agreement with the competent internal departments.

According to the assessment process, in 2023 no suppliers were considered at risk in terms of child labour, forced/compulsory labour, or violation of either freedom of association or collective bargaining. To the Company's knowledge, there is no use of child or forced labour at the plants of its suppliers.

3.1.2.3 CUSTOMERS

GRI 409-1

Before engaging in a commercial transaction with a **customer**, Iveco Group conducts a due diligence screening and risk assessment. Company names, shareholders, and owners are screened against a number of lists – issued, among others, by the UN, the EU, and the USA – intended to counter, among other things, human rights violations. As an additional measure, when appropriate, the Company ensures that its sales agreements include specific end-user contract clauses, or end-user statements and/or undertakings, for certain transactions or locations identified as posing a high risk in the risk assessment. In AMEA[14], Iveco Group introduced a more robust clause in its sales agreements that specifically refers to the obligation of all dealers and other third parties who distribute the Company's products to comply with various human rights requirements when they resell Iveco Group's products.

(14) Asia, Middle East, and Africa.

3.2 Our People

3.2.1 Context and culture

Our people are the engine that drives Iveco Group's strategy and its ability to create and deliver long-term value. It is therefore a priority for us to accelerate their professional development, help them grow, and strengthen their leadership capabilities, improving individual performance through full engagement while ensuring a safe working environment.
To attract and retain talent, it is critical to build and sustain a corporate culture of engagement and inclusion, combined with a willingness to promote and discuss this culture openly. For this reason, we believe in complete transparency when showing people how we do things, and have created an appealing employee value proposition (EVP) as a foundation for our sustainable evolution.
Our Company is continually evolving to advance a sustainable society through growth, innovation, and highly engaged people. This requires a well-defined strategy, a purpose, and values in which engagement is the glue that holds everyone together, ensuring we are all moving in the same direction.
Developing an inclusive and engaging work environment is part of our business strategy that we presented to investors in November 2021. Indeed, engagement, diversity, and inclusion are the foundations of our sustainable development and underpin the work we do on Company culture and human capital management.

Our commitment to our people is stated in our Code of Conduct, Human Rights Policy, and Diversity, Equity & Inclusion Policy. The Code of Conduct and corporate policies were approved by the Board of Directors and distributed to all employees, and are available on our website and Intranet portal.

The highest responsibility for matters concerning our people lies with the Senior Leadership Team (SLT). From an operational point of view, the Chief Human Resources & IT Officer, who is also a member of the SLT, is responsible for the management of our people (including diversity, equity and inclusion, industrial relations, compensation and benefits, training and development, organisation, facilities, wellbeing, etc.).

Health and safety protection in the workplace, on the other hand, is promoted in every area and country of operation by a dedicated organisational structure (Energy, Environment, Health and Safety – EEHS), established within the scope of the Manufacturing function (see 3.2.5 Occupational Health and Safety).

In 2023, specific targets were included in the Performance Development Process (PDP) for most of the managers responsible for our people. Our commitment to our people is also reflected in the strategic sustainability targets incorporated into our Strategic Business Plan, to be achieved by year-end 2026: to ensure that 23% of management positions are held by women, and to reduce the employee injury frequency rate by 40% (compared to 2019). It should be noted that the first of these two targets was already achieved in 2023, and we have therefore changed its metrics and perimeter. Additionally, we have revised the second target, making it more challenging by expanding its perimeter (to include agency workers), and set a new target regarding gender pay equity. As a result, the updated strategic sustainability targets are:

- **to ensure that 30% of office positions are held by female office workers[15] by year-end 2028**
- **to reduce the injury frequency rate by 40% by year-end 2026 (compared to 2019)**
- **to maintain gender pay equity[16] across the organisation, and have it certified by a third party by year-end 2026.**

Several grievance reporting mechanisms, such as the Compliance Helpline, are available to our people to report potential violations of corporate policies, the Code of Conduct, or other applicable laws.

(15) Office employees exclude hourly employees and Senior Leadership Team (SLT) members.
(16) Iveco Group assesses gaps in gender pay equity using multilinear regression. This analysis is performed in the countries of operation with a headcount of 100 or more.

3.2.1.1 VOICE: TRANSFORMING OUR CULTURE

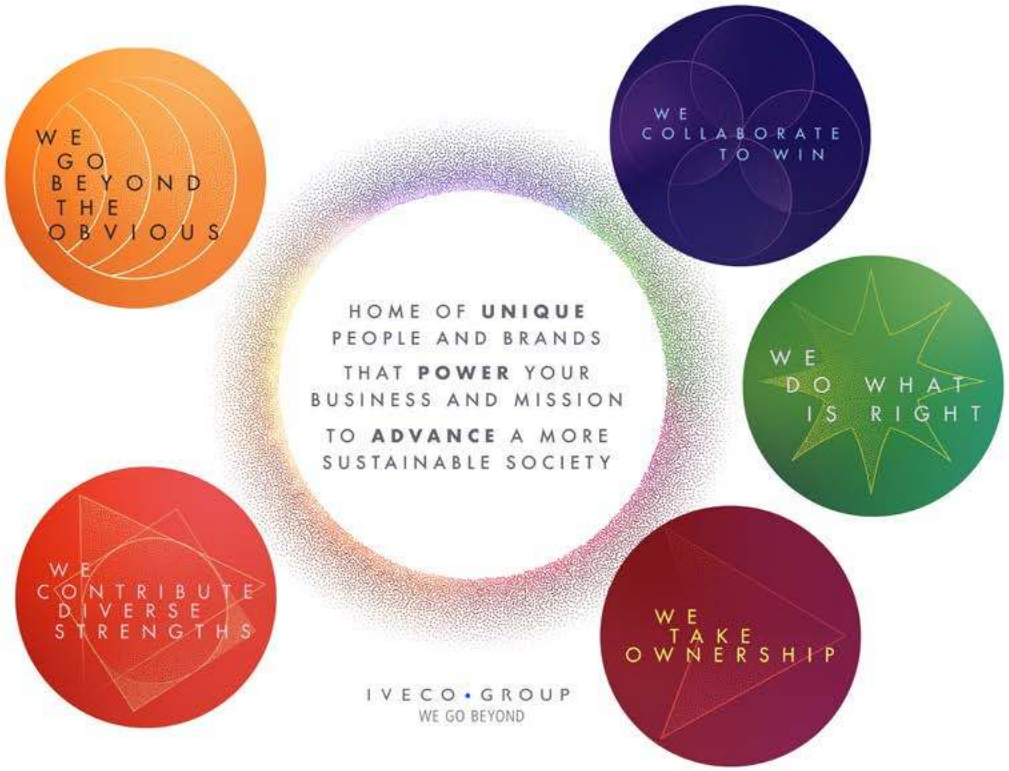
As soon as Iveco Group was established in 2022, we wasted no time in embarking on our *Voice* cultural transformation journey – transformative in that it is as much a change in culture as in mindset, intended to go beyond corporate archetypes by giving voice to everyone within the Company when it comes to its growth and evolution. Our primary focus during this first stage of the journey was hence on engagement, acting on the principle that it is everyone's responsibility.

The first step in the Voice journey was to build Iveco Group's identity and define its purpose and Values by listening to everyone in the Company. It was important to engage as many people as possible – our people first and foremost, as well as our customers and partners – using multiple means to reach them, including our first-ever *Voice Engagement Survey* (see 3.2.6.5 People Satisfaction and Engagement Surveys). This led to the definition of Iveco Group's purpose, Values, and Behaviours.

Using a bottom-up approach involving everyone within our Company, we defined our 5 key Values, which were further translated into Behaviours. The use of 'we' emphasises the importance of adopting a collective approach in everything we do:

- **We go beyond the obvious**: this is about innovation, about taking the road less travelled, about being brave enough to explore and find unique solutions. It is what differentiates us from our competitors.
- **We contribute diverse strengths**: each of us is unique, and so is each of our brands. We come with a broad portfolio of strengths, and we work as a team to utilise them.
- **We take ownership**: we take responsibility and aim to achieve high quality results.
- **We do what is right**: this is about ethics and integrity, and about doing certain things simply because they are the right thing to do, such as promoting diversity.
- **We collaborate to win**: what we achieve together as a Company is greater than the sum of individual achievements.

Purpose and Values



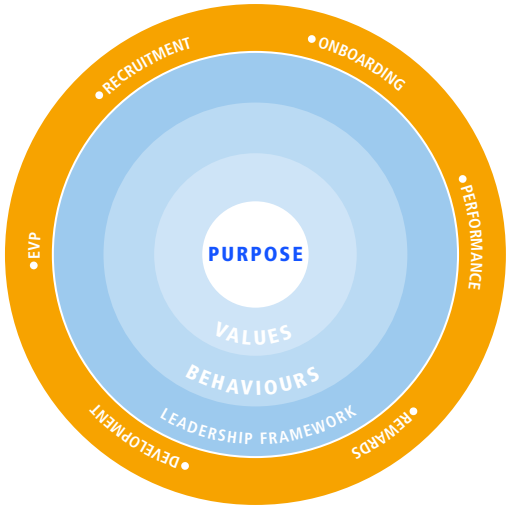
We also laid the foundations for a culture of **continuous feedback**, strongly promoting two-way feedback by upskilling people across the Company and by creating opportunities and role modelling for it. Two-way feedback involves asking for feedback, giving feedback, holding meaningful conversations, and acting upon it. Being a two-way exchange, a focus area was upskilling our managers, required not only to provide feedback to those under their supervision, but also to request feedback on their own performance and areas for improvement.

2023 **marked phase two of our Voice journey**. Our main goal was to drive it forward, making it more structured and granular so as to deliver pragmatic solutions and anchor all of our processes to the purpose and Values identified.
As a result, the journey's primary focus in 2023 was on development (see 3.2.6 People Development) and on connecting the dots to ensure that everything linked back to our new purpose and Values; this translated into a wealth of fully cohesive and consistent programmes and learning initiatives. From a culture perspective, it led to:

- the identification of a Leadership Framework (see 3.2.6.2 Talent Management and Succession Planning), which reflects what leadership means to Iveco Group
- the updating of our talent review process to make it more human-centric, shifting from our former Performance Management system to our inclusive Performance Development Process (PDP)
- the introduction of a Leadership Lab, delivering numerous learning and development materials and initiatives, accessible to everyone within the Company
- the definition of a new employee value proposition (EVP), fully aligned with our purpose and Values.

Our Behaviours

Our Compass to Powering Unique People



3.2.2 Our Workforce in Detail

GRI
2-7; 2-8; 401-1

As at 31 December 2023, Iveco Group had 36,037 employees, an increase of 426 from the 35,611 employees at year-end 2022. The change was mainly attributable to the difference between new hires (approximately 3,500) and departures (approximately 3,300) during the year. A further increase of approximately 200 employees was due to several changes in the scope of operations, mainly related to the insourcing of personnel from Stellantis (primarily from Custom Operations, HR, and Accounting Services), to the acquisition of the full and sole ownership of the former Nikola IVECO Europe joint venture in Germany, and to the sale of one dealer of property in France.

Excluding the changes in the scope of operations, the workforce increase compared to year-end 2022 was attributable mainly to the hiring of approximately 200 employees (salaried and above) in the research and development areas to strengthen the pool of skills and competencies for project activities focused on adopting innovative automotive technologies to advance technology transitions, particularly in the Light Commercial Vehicles, Bus, Electrification, Digital, and Electronics product lines.
Approximately 20 employees (salaried and above) were also hired in the Financial Services business unit to support GATE (Green & Advanced Transport Ecosystem), a new Iveco Group company managing long-term, all-inclusive rental models for electric trucks and vans, which will be a powerful component of the industry's energy transition.

The increase in Europe in temporary and permanent workers in manufacturing due to growing production volumes driven by market demand, mainly in the Bus, Defence, Powertrain, and Truck business units, was offset by the manufacturing workforce reductions in Latin America.

Employee Turnover

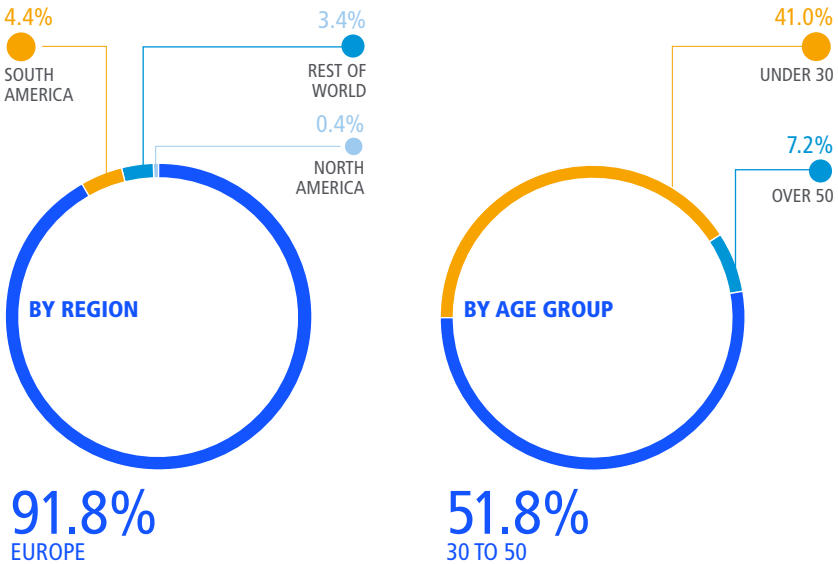
Iveco Group worldwide (no.)

	2023	2022
Employees at 1 January	**35,611**	34,132
New hires	**3,469**	4,538
Departures	**(3,272)**	(2,860)
Δ scope of operations	**299**	(199)
Employees at 31 December	**36,037**	35,611
Turnover (%)	**9.1**	8.0
New hires (%)	**9.6**	12.7

In 2023, approximately 76% of new hires were employed under permanent contracts. Approximately 41% of new hires were aged under 30. Female employees accounted for 25.3% of the year's new hires, while male employees accounted for 74.7%.

2023 New Hires[a]

Iveco Group worldwide



[a] As a percentage of total new hires.

In 2023, there were approximately 3,300 departures from the Company, 21% of which were collective redundancies following the reorganisation or rationalisation of operations, in some instances initiated in previous years. Whenever possible, redundancies were managed through social welfare mechanisms provided for by law, and through social programmes established in collaboration with trade unions and aimed at minimising the impact on employees. In all, 21.2% of the collective redundancies were managed through voluntary resignations or employment contract termination by mutual consent with exit incentives at sites affected by collective dismissals; 19% were early terminations of fixed-term contracts; and 10.9% were employment contract terminations at the Company's initiative, with payment of severance packages and other supporting measures more favourable than required by law, as per agreements with unions and/or employee representatives. The remaining redundancies were managed by applying the legal requirements, which were also implemented to determine the economic conditions for the affected employees.

The Company also provides opportunities for transfers between business units. During the year, 151 Iveco Group employees transferred between legal entities within the same country, while 36 transferred to a different country.

More details on turnover data are available in the Appendix (see 4.3.3.1 Our Workforce in Numbers >).

97% of the Company's current employment agreements are permanent contracts, 98% of which are full-time. Temporary contracts represent 3% of all contracts. During the year, 1,200 contracts were converted into permanent contracts, 27% of which with female employees.

In Europe, there were 51 so-called non-guaranteed hours employees[17], of whom 49 were male and 2 female.

Temporary hiring takes place in response to a temporary need for personnel, in line with applicable laws and the provisions of collective labour agreements (CLAs). As at 31 December 2023, agency contracts accounted for around 3,100 of personnel. Most of these were hourly workers within the Manufacturing function. The number of hourly agency workers slightly increased in the first part of the year, but fell by 9% in the last part, partly due to the conversion of about 800 agency contracts into permanent employment contracts. This type of contract is entered into or renewed according to business needs, as per applicable legislation and CLA provisions, and is thus ultimately subject to variation in relation to specific market requirements.

There were also 3,305 contractors[18] throughout the year, providing general services such as canteen work, cleaning, waste management, and maintenance.

[17] Non-guaranteed hours employees are those not guaranteed a minimum or fixed number of working hours per day, week or month, but who may need to make themselves available for work as required (e.g., casual employees, employees with zero-hour contracts, on-call employees), as defined by the GRI Standards (GRI 2-7).

[18] This figure is expressed as full-time equivalent (FTE) and calculated based on total hours worked.

3.2.3 Diversity, Equity, and Inclusion

Iveco Group does not accept discrimination against employees in any form on the basis of: ethnicity, race, gender, sexual orientation, personal or social status, health, physical condition, disability, age, nationality, religious or personal beliefs, political opinion, or other protected status. The Code of Conduct states that harassment of any kind, such as racial or sexual harassment, bullying, or harassment related to other personal characteristics, which has the purpose or effect of violating the dignity of the person subjected to such harassment, is unacceptable within the Company – whether it takes place inside or outside the workplace. We are committed to complying with all applicable laws prohibiting intimidation, bullying, or harassment of any kind (sexual or otherwise).

At Iveco Group, diversity, equity, and inclusion (DEI) is not merely an initiative. It is integral to our strategy. It is what we do and how we do things, organically embedded in all our processes and decisions. We don't work towards DEI because of compliance issues: we do it because it is the right thing to do, because it is one of our Values, and because it is what we believe in.
The responsibility for diversity, equity, and inclusion lies primarily with our Senior Leadership Team (SLT), led by our CEO, which is committed to creating a truly diverse and inclusive workplace where everyone benefits from equal opportunities based on their abilities and skills. We have also established a DEI Council to oversee and promote diversity, equity, and inclusion within the Company.

Within the Human Resources & IT function, the Talent Management Department is responsible for creating DEI programmes and initiatives and for promoting such a culture at all corporate levels in coordination with the HR heads of each business unit/function. This ensures that, in every aspect of the employment relationship – be it recruitment, training, compensation, promotion, or relocation – employees are treated based on their ability to meet the requirements of the job, and all decisions are free from any form of discrimination.
Our DEI strategy was defined based on the following 6 key pillars, which identify the areas we will work on as a Company, using a bottom-up approach:

- awareness and communication, regarding how we manage our key messaging and storytelling
- career development programmes, which should be specifically tailored to employee diversity
- wellbeing at work, which entails reviewing both the policy and process for how we handle maternity and paternity leave, as well as introducing and aligning mental health support
- the employee value proposition (EVP), encompassing how we attract, onboard, and retain diverse candidates
- gender pay gap, currently being audited by an external third party
- hiring and mobility processes, designed to counteract bias.

We **recruit** and **hire** employees on the basis of their experience, knowledge, and skills, and are committed to providing equal opportunities to all, both on the job and in their career advancement, as stated in our Human Rights Policy available on the Company's website and Intranet portal.
Given our global presence, there may be differences in legislation among the countries where we operate, as well as different levels of awareness, concern, and ability among employees in applying the principles of non-discrimination. Our Code of Conduct and specific policies ensure that the same standards are applied worldwide. Indeed, as stated in the Code of Conduct itself, Company standards supersede in jurisdictions where legislation is more lenient.
To further strengthen our DEI efforts and outcomes, a strategic sustainability target was incorporated into our Strategic Business Plan: 23% of management positions to be held by women by year-end 2026. This KPI was also included in the Company Bonus Plan to provide goal alignment and as an incentive to reach the 2026 objective. In 2023, we exceeded this target, as the percentage of management positions held by women at Iveco Group was 24%. We therefore revised it by changing its metrics and perimeter. The updated target is: **to ensure that 30% of office positions are held by female office workers[19] by year-end 2028.**
In line with our *Voice* cultural transformation journey, the big item on our agenda for 2023's initiatives was inclusion. So, in addition to raising bias awareness, we put significant effort into creating an inclusive language. This led to the development of:

[19] Office employees exclude hourly employees and Senior Leadership Team (SLT) members.

- our first DEI Policy, setting out the principles and requirements through which we will enhance DEI throughout our Company. Officially launched at the end of the year, it applies to all employees and stakeholders conducting work on behalf of Iveco Group and of our brands
- our DEI Manifesto, reflecting our ambition to foster an open and supportive culture in which everyone can thrive, and to build an inclusive environment where all perspectives are valued and everyone is encouraged to fulfil their potential
- our DEI Playbook, available to employees in 11 languages, offering tools, tips, standards, definitions, and examples to help all of us improve our culture of inclusion and create an equitable workplace.

Our DEI Manifesto

DIVERSITY, EQUITY & INCLUSION MANIFESTO

Each of us is one of a kind.
We are unique people,
and we represent unique brands.
What unites us is our shared journey.
We go beyond together.

We respect each other and everyone around us,
fostering an open, supportive workplace,
listening to each other without bias,
valuing every perspective.

We are encouraged to be ourselves.
We contribute diverse strengths.

When everyone has the same opportunity,
the horizon shines brighter for all of us.
When we combine our unique qualities,
we spark creativity and innovation.

Together, we move faster, we travel further,
we climb higher.
Driving progress, beyond all boundaries,
Winning together.

To bring our manifesto to life through concrete action, we realised several initiatives in the DEI space – both at global and local level – to help reach our DEI targets. Some of these initiatives are described below.

We rolled out a global training initiative called *The Hidden Biases of Good People* that aims at creating awareness and reducing potential **unconscious bias** among our people. Offered via both online and classroom training in 7 languages, it was completed by over 3,200 managers in 2023.

We also implemented various local programmes[20] aimed at attracting **diverse candidates** while raising awareness and improving understanding of inclusion topics.

In partnership with the Siglo 21 University, we joined Siglo *21: Social & Labour Inclusion in Latin America*, an initiative offering 3-month work opportunities at our Company to 18 people with cognitive disabilities, as part of the university's Diploma in Competences for Social and Labour Inclusion.

In Spain, we took part in the Employment Fair for People with Disabilities, an event promoting the integration of professionals with disabilities.

In France, employees participated in *DuoDay*, an initiative that helps create work opportunities and supports people with disabilities.

Meanwhile, we confirmed our unwavering commitment to raising awareness of **gender topics**, and especially the pressing issue of violence against women, by taking part in several initiatives.

One of these was our *Red Bench* project, during which we installed 28 benches at our various sites, with the keen participation of over 2,400 colleagues who helped paint them red, symbolising our dedication to raising awareness of violence against women.

Furthermore, by collaborating with ActionAid in France, Italy, and Portugal, we will continue to provide our support in 2024 against gender inequalities and contribute to empowering and creating economic opportunities for all women, including marginalised and low-income women.

At a more detailed level, **gender equity** is a focal point for the Company. Women at Iveco Group constitute 19.1% of the global workforce. Female employees are mainly concentrated in the 30-50 year age group, and in the group with a length of service of up to 5 years. More than 64% of the Company's part-time employees are female, and 34.5% of temporary contracts are with women.

24%

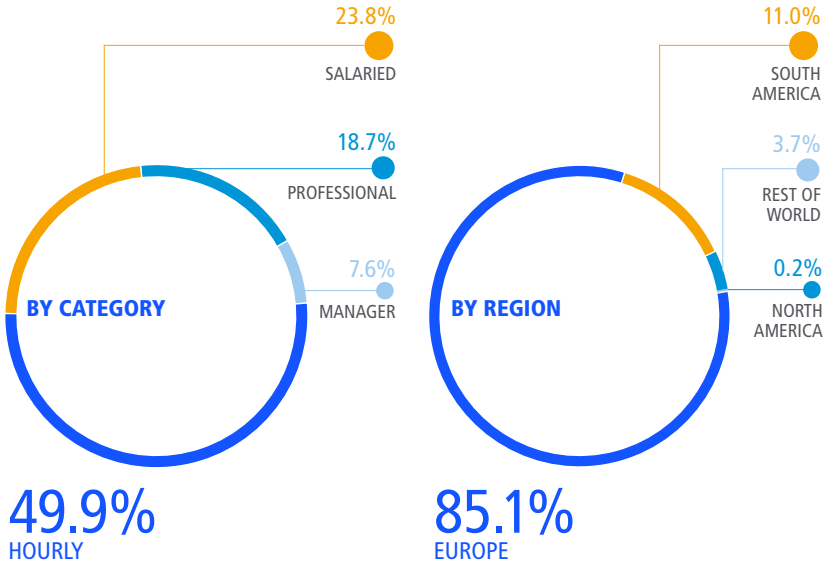
OF MANAGEMENT POSITIONS HELD BY WOMEN

Find out more
about our Diversity, Equity & Inclusion Policy

[20] Programmes were implemented in Spain, France, Brazil, Italy, the USA, the UK, Austria, Poland, China, South Africa, Argentina, and Australia.

2023 Female Employees

Iveco Group worldwide



A survey monitoring the employment of **people with disabilities** is conducted every 2 years. The last such survey[21] was carried out in 2022 in 13 countries (where the law requires companies to employ a minimum percentage of workers with disabilities), covering more than 90% of our global personnel. The survey showed that differently abled workers in these countries make up 5.3% of the total workforce. It also showed that differently abled women account for 36% of the total surveyed. In all of our other countries of operation, there is no legislation establishing minimum quotas for the employment of people with disabilities, although in some cases other forms of protection exist (i.e., related to working hours or workplace environments). In these countries, there are objective limitations to reporting the number of differently abled workers, as the information is sensitive and often subject to data protection legislation. As a result, the Company is only aware of employees' personal status if they choose to disclose it.

[21] Survey carried out on 31 October 2022 in Austria, Brazil, China, Czech Republic, France, Germany, Italy, Poland, Russia, Spain, South Africa, Türkiye, and Ukraine.

GRI 405-1

During the year, we also carried out an employee **nationality** survey[22] at Iveco Group legal entities in 7 countries, comprising 83% of our workforce worldwide. The survey evidenced that 7% of employees were of a nationality other than the country surveyed. It should be noted that this percentage was higher for female employees (8%) than for male employees (6%). Germany, Italy, and Belgium were the countries where our legal entities employed the highest percentage of workers of a nationality other than that of the host country (14% in Germany, 9% in Italy, and 8% in Belgium). For female workers, the figure was 14% in Germany, 13% in Belgium, and 11% in Italy.

CAREER DEVELOPMENT FOR WOMEN

During the year, we realised numerous initiatives aimed at supporting employees' development and growth. For example, we launched the *We Talk Series: Women Empowerment*, featuring a number of 1-hour live talks given by women employees who shared their career stories and journeys to inspire their colleagues, exchange ideas, and build relationships through networking. In 2023, we partnered once again with the WINConference[23], during which a group of our senior female employees from across Iveco Group attended a career development and networking programme aimed at inspiring leadership and bringing organisations together to share best practices. The partnership also saw both men and women from our Company involved in a number of events to raise awareness of gender equity topics and best practices. *Mulheres Protagonistas*, in Brazil, is a specific training programme for women at the start of their careers that aims to contribute to their development and professional growth. Themes covered include: women's positioning in the labour market, professional values and objectives, and career plans. Lastly, the *I-Talk* initiative within our Truck business unit was launched to support female leadership and help women cope with bias against female leaders. At the heart of this initiative are women in senior positions sharing their stories with more junior female colleagues to inspire them and support their development.

[22] Survey carried out on 31 October 2023 in Belgium, France, Germany, Italy, Spain, Argentina, and Brazil.
[23] Women's International Networking Conference.

3.2.4 Compensation

GRI 202-1

Iveco Group's approach to compensation is based on equitable criteria to ensure that all employees benefit from an inclusive work environment and equal opportunities. Our Company is committed to providing a base salary that, in compliance with local regulations, is competitive with the local market, affordable from a business perspective, and in line with our *achieve and earn* philosophy. Our compensation approach comprises several different components, delivering a comprehensive package that rewards employees for their contribution to the Company's results, allowing them to share in the business success they helped to create.

Our base salary, benefits, and short- and long-term incentives are determined by market-driven benchmarks; this ensures that all our employees in the different markets around the world are treated fairly and objectively. The specific criteria for adjustments focus on closing gaps with respect to market position, giving priority to top performers. Variable compensation, on the other hand, is determined according to each employee's individual contribution, which is assessed through a rigorous annual performance evaluation applied consistently throughout the entire Company to all eligible employees worldwide. Additionally, we employ a formal, monitored process to ensure our core equity and fairness principles are applied to compensation levels, annual salary reviews, and promotions alike. These reviews are in line with our *reward* philosophy.

Thanks to the combination of the above measures, the Company's overall compensation approach guarantees equal treatment for all individuals regardless of age, gender, ethnicity, religious belief, disability, sexual orientation, or other such factors or attributes.

3.2.4.1 EQUAL PAY

Recognising the importance of ensuring a fair approach to pay that is free from bias, we are committed to ensuring pay equity as a good business practice. This means equal pay for like work, for work of equal value, and for work rated as equivalent, regardless of an employee's gender or other defining characteristics.

We also acknowledge the possibility of acceptable differences in pay for similar work, provided they are based on fair and objective criteria such as performance, education, or other measurable job-related characteristics.

We uphold and maintain pay equity throughout the organisation by:

- reviewing and adjusting pay ranges each year and ensuring their compliance with local statutory requirements, which vary by country and reflect the prevailing local market pay rates for the roles in question
- monitoring the starting salaries of new employees to ensure they are fairly aligned with our pay ranges. To this end, before any employment offer is made, the HR team verifies that the salary being offered falls within predefined pay ranges (regardless of the candidate's salary history), which reduces the likelihood of importing pay inequities from previous employers
- monitoring salaries following internal promotions, with the HR team ensuring (as for new hires) that the starting salary for any promotion complies with local statutory requirements
- consistently reviewing and adjusting pay ranges to ensure their continued relevance throughout the year.

We are committed to conducting an annual review of base salaries for nearly all employees in most of our countries of operation (around 99% of our workforce), and to using statistical analysis (specifically multilinear regression) to identify and promptly address any unexplained gender pay gaps.

The analysis performed in 2023 revealed marginal differences in pay between genders, falling within an acceptable threshold of +/-5%. Regardless, our commitment to monitoring any unexplained gender pay gaps remains unchanged.

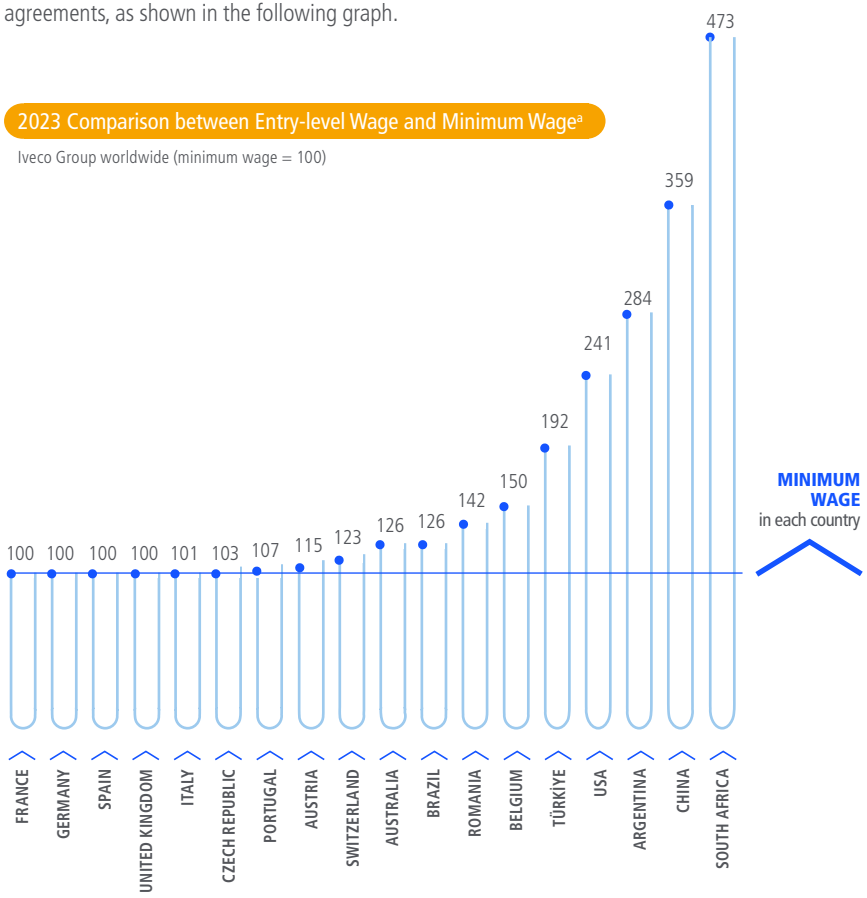
3.2.4.2 LOCAL MINIMUM WAGES

In many countries, minimum wage levels are established by law (although in some countries there may be regional, state or other internal variations). Where no specific law exists, a minimum wage may be established by collective bargaining agreements between employer associations and trade union representatives. This, for example, is the case in Italy, Germany, and Belgium, where pay and employment conditions are negotiated at regional or national level with the possibility of further agreements on their application or supplementary terms and conditions at company level. There are other instances in which minimum wage levels are established based on specific economic, social, and political circumstances and therefore do not allow for cross border comparisons.

In 2023, we analysed a number of our countries of operation, representing 99% of our employees, to evaluate the adequacy of entry-level wages in each. In all countries involved, our entry-level wages[24] were at or above the statutory minimum, or the collective labour agreements, as shown in the following graph.

2023 Comparison between Entry-level Wage and Minimum Wage[a]

Iveco Group worldwide (minimum wage = 100)



[a] Data reflects the effect of exchange rates.

[24] In accordance with the GRI Sustainability Reporting Standards (GRI Standards), an entry-level wage is defined as the full-time wage in the lowest employment category, on the basis of Company practice, policy, or agreements between the Company and trade unions. Interns and apprentices are not considered. For each country, results are based on the sector with the lowest entry-level wage. Figures reported are as at 31 October 2023.

3.2.4.3 EMPLOYEE BENEFITS

GRI 201-3; 401-2

Benefits often make up a meaningful part of the employees' total compensation package, with a value that goes beyond their salaries and cash incentives. For this reason, we offer a competitive range of benefits normally available to all full-time employees, and in many countries also to part-time or temporary employees. Benefits may differ according to an individual's position and country of employment.

We conducted a survey on 99% of our workforce worldwide, covering all our major sites as at 31 October 2023, on the availability and adoption of various Company benefits (e.g., pension plans, supplemental health plans, financial support for those with accident-related permanent disabilities, life insurance, employee cafeterias or meal vouchers, etc.). Survey results are shown in the following table.

Employees Entitled to Benefits[a]

Iveco Group worldwide (%)

Financial Benefits	2023	2022
Supplementary pension plans	**80.3**	80.4
Supplemental health plans	**80.5**	80.5
Financial support for accident/death/disability	**87.8**	64.9
Employee cafeterias or meal vouchers	**96.9**	93.6
Transportation[b]	**10.2**	12.2
Social Benefits		
Childcare[c]	**69.4**	69.4
Sports facilities[d]	**29.3**	27.6
Wellness and nutrition programmes[e]	**38.2**	35.7
Other (e.g., flexible working schemes, emergency care/first aid, referral programmes, leave of absence, or other flexible benefits)	**77.7**	67.0

[a] Data as at 31 October of each year.
[b] Includes benefits such as Company cars, fuel reimbursement, and transportation allowance.
[c] Includes kindergartens, summer camps/holidays, and other childcare services or educational assistance.
[d] Includes free gym access, gym/fitness courses, and other sports initiatives.
[e] Includes nutrition coaching, training on how to stop smoking, medical check-ups, vaccinations, medical screening, and other wellness programmes.

According to the survey, approximately 80% of our employees were eligible for a supplementary pension plan, and 67% of them had joined one (representing 54% of the total population surveyed).
Supplementary pension plans fall into 2 categories:

- defined contribution pension plans, in which contributions (by the employee, the Company, or both) are defined at the outset, and benefits paid out depend on the total payments into the pension fund and the financial returns of the fund itself
- defined benefit pension plans, in which benefits paid out to employees are defined at the outset, while contributions may vary over time to guarantee the predefined benefit.

Most existing pension plans at Iveco Group companies are defined contribution plans.

In addition, nearly all our legal entities participate in supplemental **health care plans**, the majority being insurance-based. Levels of coverage vary by country, depending on the public health care system, tax and regulatory restrictions, and local market conditions. The survey showed that approximately 80% of our employees were also eligible for a supplemental health plan, and about 74% of the eligible workforce had joined one.
During the year, we continued to promote a healthy lifestyle through wellness programmes (see 3.2.7.1.1 Health and Wellbeing Initiatives) and by facilitating access to dedicated sports facilities.

3.2.5 Occupational Health and Safety

GRI
403-2; 403-4; 403-5; 403-7; 403-9

Our occupational health and safety strategy leverages effective preventive and protective measures, implemented both collectively and individually, to minimise risk of injury in the workplace. We apply principles of industrial hygiene and ergonomics to our managing processes (at both organisational and operational level) to ensure optimal working conditions, and adopt the highest standards (even in the countries where regulatory requirements are less stringent), believing this to be the best way to achieve excellence.
Under our safety management system, employees are integral to creating a culture of accident prevention and risk awareness, and are actively involved in identifying and reporting any actual or potential work-related hazards (e.g., by filling in specific forms). This proactive approach, combined with other tools such as training and awareness campaigns, allows us to share common, ethical occupational health and safety principles across the Company, and achieve improvement targets more effectively.

In 2023, the Company delivered 189,272 hours of occupational health and safety **training** (of which 94,291 on the job). This included general training as well as training on specific work-related hazards (e.g., working at heights or in confined spaces, and safely handling and managing hazardous substances) and other topics (e.g., personal protective equipment, or PPE). The training's aim is to raise awareness and reduce operational health and safety incidents. On-the-job training involved 21,854 employees (representing 60.6% of the total workforce), 83.8% of whom were hourly. Specific refresher courses on safety rules and procedures are also delivered each year to contractors and agency workers.
We also require our suppliers and partners to comply with worker health and safety regulations, thus promoting high standards across the value chain to achieve continuous improvement. These principles are outlined in our Health and Safety Policy, adopted by the Company at its foundation, available in 7 languages to all employees and interested stakeholders via our website. The policy applies to all workers, including contractors and agency workers.
We involve all employees and their representatives in the development, implementation, and evaluation of the occupational health and safety management system by:

- arranging periodic meetings
- consulting with them to identify hazards, assess risks, define controls and preventive measures, and analyse incidents (presenting any such items at the above-mentioned meetings)

MORE THAN
189,200
HOURS OF OCCUPATIONAL HEALTH AND SAFETY TRAINING DELIVERED

- engaging them in the development and revision of occupational health and safety objectives and policies
- collecting their feedback on the preventive measures adopted, on the organisation of the occupational health and safety management system, and on working methods and procedures.

Safety is a priority across the Company, as evidenced by the compliance of our management systems with the ISO 45001 international standard (see 3.2.5.2 Certification Process).

We use consolidated monitoring and reporting systems – such as the SPARC (Sustainability, Performance, Analysis, Reporting, and Compliance) system – to track health and safety performance, measure the effectiveness of actions taken to achieve targets, and plan new improvement initiatives, all through the management of appropriate key performance indicators (KPIs). These indicators can be analysed at different levels (plant, business unit, geographic area, or Company), thus enabling the simultaneous engagement of different corporate functions at various levels to meet the targets set. We also perform periodic benchmarking, which helps drive the continuous improvement of our plants' health and safety performance. We have set ambitious annual targets for occupational health and safety, taking account of the particular work, experience, and technical advancement involved, while safeguarding employee health and the surrounding work environment. These targets, included in our Sustainability Plan, are pursued by implementing the continuous improvement processes of our safety management systems. Furthermore, a specific strategic sustainability target was included in our Strategic Business Plan: **to reduce the injury frequency rate by 40% by year-end 2026 (compared to 2019).** It should be noted that we revised this target in 2023, making it more challenging by expanding its perimeter (to include agency workers).

We consistently carry out health and safety hazard identification and risk assessments for both routine and non-routine activities at 100% of our plants, so as to establish specific action plans with quantified targets to address them. These action plans are prioritised based on risk assessment results, and the short-, medium-, and long-term countermeasures identified accordingly may include the modification or replacement of activities, materials, or processes, particularly regarding the design (or redesign) of work areas, processes, and work organisation. The effectiveness of these activities is verified via periodic internal audits and management reviews.

Risk assessments are conducted for normal, abnormal, and emergency conditions – as emergencies also require assessments and action plans to ensure they are dealt with promptly and effectively.

In addition, newly acquired plants are assessed based on existing processes and activities, to determine what interventions are necessary to achieve health and safety management compliance with Iveco Group's standards.

GRI 403-3

SAFETY IN E-VEHICLE PRODUCTION

We currently have at least 6 plants directly engaged in the manufacture of e-vehicles, with additional sites involved in their management. To provide expert support to all such plants and sites on the safe management of e-vehicles, in 2023 we launched a pilot project at our plant in Brescia (Italy) providing for an in-depth analysis of e-vehicle production and the subsequent development of risk assessment guidelines, operational and emergency procedures, technical countermeasures, and training programmes. This information was then circulated to other plants interested in e-vehicle production via our new EEHS Portal, designed for sharing documents, procedures, best practices, news, etc. with our global EEHS Community. The project was subsequently rolled out to the other plants involved in e-vehicle production.

3.2.5.1 RESPONSIBILITY AND ORGANISATION

We have established a consistent global organisational structure to safeguard and promote occupational health and safety in our activities across the countries in which we operate.

Specific responsibilities in the fields of health and safety are defined in compliance with national regulations, and assigned by employers with clearly identified areas of accountability. Management at our plants and in the workplace rests with local employers. Employee health management (e.g., health monitoring, medical appointments, preventive consultations,

vaccinations) is handled through in-house occupational medical services delivered by specially hired professionals, and through similar external services regulated by ad hoc consulting agreements.

The highest responsibility for initiatives focusing on occupational health and safety at the Company lies with the Senior Leadership Team (SLT).

Our central Energy, Environment, Health and Safety (EEHS) function (which serves as a reference point for sustainability) coordinates and manages health and safety issues as per Iveco Group's Health and Safety Policy. It periodically verifies performance against targets, proposes new initiatives, and defines health and safety policies. Each plant's EEHS unit is responsible for dealing with occupational health and safety issues, as well as for providing specialised technical assistance to production managers and to those in charge of other processes at site level. Moreover, each plant manager is responsible for implementing specific projects to manage the occupational health and safety impact of manufacturing processes.

Lastly, our Board of Directors' ESG Committee is regularly informed of health and safety results, and comments where appropriate.

Individual health and safety targets were included in our Performance Development Process (PDP) for plant managers and for most of the managers responsible for the projects indicated in the 2023 Sustainability Plan.

3.2.5.2 CERTIFICATION PROCESS

The Company voluntarily certified its occupational health and safety management systems as per the ISO 45001 international standard, covering 22 Iveco Group manufacturing plants worldwide and accounting for 21,964 employees. Certifications are by accredited international bodies that are, in turn, continuously and rigorously monitored by other international organisations; they are issued following thorough checks, attesting to the high levels of reliability of our systems and effectiveness of our operational and procedural standards.

In 2023, we certified our occupational health and safety management systems as per ISO 45001 at some of our non-manufacturing sites, accounting for 3,865 employees at 8 different sites.

This means that 30 Iveco Group sites worldwide (manufacturing and non-manufacturing) are now ISO 45001 compliant – covering 25,829 employees (about 72.2% of the employees within the reporting scope), as well as 2,694 contractors and 3,165 agency workers (representing, respectively, 81.5% and 93.7% of the relative populations within the reporting scope). All joint venture plants in which Iveco Group has at least a 51% interest are also ISO 45001 compliant.

GRI
403-1; 403-8

ISO 45001 Certified Plants and Non-Manufacturing Sites

Iveco Group worldwide (no.)

	2023	2022	2021
Certified plants	**22**	23	24
Employees working at certified plants	**21,964**	22,245	22,359
Contractors working at certified plants	**2,601**	2,642	2,322
Agency workers working at certified plants	**2,915**	3,150	2,576
Certified non-manufacturing sites	**8**	7	7
Employees working at certified non-manufacturing sites	**3,865**	3,043	3,579
Contractors working at certified non-manufacturing sites	**93**	113	53
Agency workers working at certified non-manufacturing sites	**250**	181	128

We regularly verify the effectiveness of our management systems through documented and substantiated audits; these are performed either by our qualified internal auditors, or by external industry-specific auditors or independent certification bodies (second and third-party external audits).

22
ISO 45001
CERTIFIED PLANTS

In 2023, internal audits of our management systems covered 24,913 employees (about 69.6% of the employees within the reporting scope), as well as 2,314 contractors and 3,123 agency workers (representing, respectively, 70.0% and 92.4% of the relative populations within the reporting scope); external audits covered 25,829 employees (about 72.2% of the employees within the reporting scope), as well as 2,694 contractors and 3,165 agency workers (representing, respectively, 81.5% and 93.7% of the relative populations within the reporting scope).

Audits and Workers Covered

Iveco Group worldwide (no.)

	2023	2022	2021
External audits	**30**	31	32
Employees covered by external audits	**25,829**	25,288	25,938
Contractors covered by external audits	**2,694**	2,755	2,375
Agency workers covered by external audits	**3,165**	3,331	2,704
Internal audits	**353**	289	242
Employees covered by internal audits	**24,913**	25,529	22,987
Contractors covered by internal audits	**2,314**	2,018	1,678
Agency workers covered by internal audits	**3,123**	3,156	1,392

3.2.5.3 SAFETY CULTURE

The Company's Health and Safety Policy promotes individual participation through communication and awareness activities designed to stimulate and motivate our staff to play an active role in the overall improvement process. This approach is particularly important in a multinational and interdisciplinary environment involving many cultures, multiple legal frameworks, and large numbers of people.

In 2023, we implemented several initiatives to promote a culture of safety and shared standards across the Company, including training and awareness activities to create a safer workplace. A few examples follow.

New global guidelines on safety training were distributed to all our plants worldwide. Going beyond local legal requirements, they provide for 4 stages that guide employees through theoretical training, practical on-the-job training, practice (application of acquired skills), and subsequent follow-up over a number of weeks in relation to safety at work. Targeted at new hires and at workers changing positions within the Company, these guidelines aim to ensure an effective health and safety induction process, so as to increase safety awareness and make safety rules and behaviours part of employees' daily routine.

At local level, our plants in **Brescia** (Italy) and **Bourbon-Lancy** (France) both launched projects inspired by the first-hand account of a severely injured victim of a workplace accident (from an external company).

Specific safety culture training was delivered in **Argentina** and **Brazil** to raise employee awareness of various non-manufacturing safety issues, such as the safe movement of vehicles and pedestrians. Still in Brazil, several health and safety campaigns – such as our *Internal Week for the Environment and Accident Prevention* (SIPAMA) – were organised to increase employee health and safety awareness and thus minimise the risk of injury and occupational illness in the workplace.

CARING ABOUT OUR PEOPLE'S HEALTH

Our people's health and wellbeing is an absolute priority, and so we again launched several health initiatives during the year. In **Italy**, new software was introduced at all in-house medical facilities to manage employees' medical check-ups. Developed by our central EEHS Department in collaboration with one of our suppliers and our occupational physicians, the software handles employee medical records and streamlines patient management. At our plant in **Vysoke Myto** (Czech Republic), the *Health Week Programme* saw specialists delivering talks on health, lifestyle, and psychohygiene, as well as other health initiatives such as eye tests, skin checks, blood pressure tests, and general health checks. At our plants in **Sete Lagoas** (Brazil), mental health specialists gave several lectures to plant employees on psychological wellbeing and suicide prevention. Further health initiatives included: educating employees about activities that may strain the spine, including cell phone use; online newsletters and guidelines to raise employee awareness of breast cancer and prostate cancer; and a questionnaire to monitor employees with chronic illnesses (diabetes, hypertension, cardiopathies, mental health issues, and osteo-skeletal conditions).

3.2.5.4 HEALTH AND SAFETY PERFORMANCE

3.2.5.4.1 Accident Rates

Accident rates are a clear indicator of how successful a company is at preventing occupational accidents. Owing to our many initiatives, the overall injury frequency rate in 2023 was 1.775 injuries per 1,000,000 hours worked, a 26.7% drop compared to the result achieved the previous year. Safety data relates to approximately 99.8% of employees within the reporting scope[25].

Main Injury Rates

Iveco Group worldwide

GRI 403-2; 403-9

	2023	2022	2021
Injury frequency rate[a] (injuries per 1,000,000 hours worked)	**1.775**	2.424	2.297
Employee injury frequency rate[b] (injuries per 1,000,000 hours worked)	**1.738**	2.364	2.402
Rate of high-consequence work related injuries among employees[c] (high-consequence work-related injuries per 1,000,000 hours worked, excluding fatalities)	**0.017**	-	-
Rate of recordable work-related injuries among employees[d] (recordable work-related injuries per 1,000,000 hours worked)	**1.460**	2.199	1.832

(a) The injury frequency rate is the number of injuries (work-related and non-work related, for employee and agency workers, resulting in at least 1 day of absence, excluding the day on which the event occurred) divided by the number of hours worked, multiplied by 1,000,000.
The base year (2019) injury frequency rate is equal to 2.758 injuries per 1,000,000 hours worked. For information on the rationale for choosing 2019 as the base year, see 4.2.2.1 Approach to Data Calculation.

(b) The employee injury frequency rate is the number of employee injuries (work-related and non-work related, resulting in at least 1 day of absence, excluding the day on which the event occurred) divided by the number of hours worked, multiplied by 1,000,000.

(c) The rate of high-consequence work-related injuries is the number of such injuries reported divided by the number of hours worked, multiplied by 1,000,000.

(d) The rate of recordable work-related injuries is the number of such injuries reported divided by the number of hours worked, multiplied by 1,000,000.

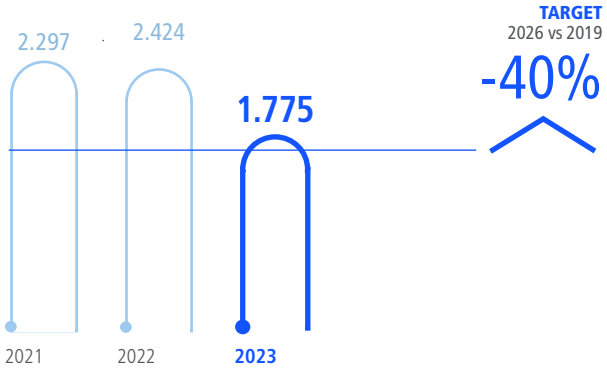
In the event of a work-related incident, a team is set up to conduct a field investigation and draw up a report to describe the event, analyse the root cause, and identify necessary countermeasures. During the follow-up, the team verifies the effectiveness of the countermeasures adopted, standardises them, and extends them to other areas subject to analogous risks to avoid any similar events in the future.

(25) The non-manufacturing data refers only to sites with a workforce of more than 30 people.

GRI 403-10

Injury Frequency Rate[a]

Iveco Group worldwide (injuries per 1,000,000 hours worked)



[a] The injury frequency rate is the number of injuries (work-related and non-work related, for employee and agency workers, resulting in at least 1 day of absence, excluding the day on which the event occurred) divided by the number of hours worked, multiplied by 1,000,000.
The base year (2019) injury frequency rate is equal to 2.758 injuries per 1,000,000 hours worked.
For information on the rationale for choosing 2019 as the base year, see 4.2.2.1 Approach to Data Calculation.

In 2023, 725 **near misses**[26] were reported and analysed. The remedial actions deemed necessary and implemented thereafter led to enhanced preventive measures contributing to further improvement. In addition, to improve the management of events (such as injuries, incidents requiring first aid, and near misses), unsafe acts, and unsafe conditions, and to enhance the effectiveness of the preventive measures in place, several activities were carried out across the Company to develop and disseminate tools for collecting data on such occurrences and for analysing and tracking them.
An analysis of lost-time injuries highlighted that the main types of employee work-related injuries fell under one of the following 4 categories: fractures/dislocations/crushing; contusions/bruises/abrasions; lacerations/punctures; and strains/sprains. For contractors, the main categories were: contusions/bruises/abrasions and fractures/dislocations/crushing. For agency workers, they were: contusions/bruises/abrasions and fractures/dislocations/crushing.

[26] Near miss: an unplanned event that did not result in injury, illness, or damage, but had the potential to do so.

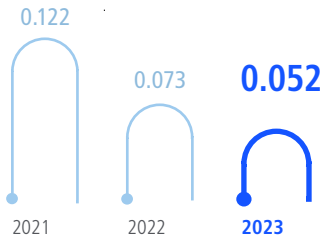
The analysis also showed that around 80% of the injuries were due to unsafe acts and 20% to unsafe conditions.

3.2.5.4.2 Occupational Diseases

Specific occupational disease indicators reflect a company's success in ensuring a healthy work environment for its employees. Occupational diseases are the result of lengthy, gradual, and progressive exposures during work activities to chemical, physical or biological agents harmful to workers.
We continually monitor occupational diseases in order to identify persistent working conditions that may have caused their onset, assess any residual risks and, if necessary, implement corrective and improvement measures to prevent recurrence.

Employee Occupational Illness Frequency Rate (OIFR)

Iveco Group worldwide (cases of recordable work-related ill health per 1,000,000 hours worked)



In 2023, there were 3 cases of occupational disease involving employees ascertained by the relevant insurance authorities in the countries of reference, while there were no cases of occupational disease involving contractors or agency workers operating at Iveco Group facilities worldwide.
Hazards with the potential to cause occupational illness are determined through risk assessments at each site; ergonomics issues were identified as the main such hazard in 2023. For the measures adopted or underway to eliminate these hazards and minimise risks, see 3.2.5.5.2 Workstation Ergonomics.

3.2.5.5 SAFEGUARDING HEALTH

At Iveco Group, safeguarding employee health means more than reducing accidents and illnesses by identifying and eliminating hazards and minimising risks. In fact, we do our best to promote the psychological and physical wellbeing of our people through specific disease and disorder prevention programmes, backed up by assistance and support services (see 3.2.7.1.1 Health and Wellbeing Initiatives).

We also strive to ensure industry-leading working conditions in accordance with hygiene principles (including fully functioning WASH[27] services), industrial ergonomics, individual organisational and operational processes (including preventive measures for noise exposure), and protocols in response to pandemics such as COVID-19.

3.2.5.5.1 Work-Related Stress

We have implemented several initiatives to assess work-related stress, including the adoption of a structured risk analysis process focusing specifically on our health and safety data. This risk analysis is tailored to the specific nature, aspects, and characteristics of our Company's workplace and environment, and complies with the specific regulations in each country of operation. Since risk assessments for work-related stress are influenced by environmental, cultural, and psychosocial factors, we have also developed a training programme for employees at all levels to ensure the objectivity of risk assessments within any given country. Consequently, assessment outcomes may differ from country to country. The systematic assessment of this type of risk helps us identify the most appropriate mitigation tools and promote employee wellbeing at all Company plants. The outcomes of this process are continually monitored to assess the effectiveness of the measures in place (e.g., through opinion surveys) and to implement new tools.

3.2.5.5.2 Workstation Ergonomics

We monitor workstation ergonomics at all plants across each geographic area, so as to prevent potential problems before they arise and identify and contain any critical situations. The probability and severity of an injury can be reduced by taking account of human physiology and of how people interact with equipment, right from the design phase of working environments. To improve health, safety, and comfort, as well as employee performance, we make use of in-house expertise to study workplace ergonomics, often through virtual simulations and often in close collaboration with eminent universities.

The following are a few examples of the initiatives implemented in 2023 to improve ergonomics at various Iveco Group sites. At the plants in **Valladolid** (Spain) and **Vysoke Myto** (Czech Republic), ergonomics improvements were made in the paint shop to minimise excessive strain and postural load for plant workers. The Valladolid plant also adopted measures to reduce both exposure to chemicals and the risk of falls. In **Cordoba** (Argentina), several initiatives were launched to improve ergonomics in the workplace, facilitate parts handling, and eliminate or reduce repetitive movements and manual lifting for employees. Ergonomic workstations were also installed. In **Sete Lagoas** (Brazil), technical measures were introduced and the production process was modified to minimise risks related to the manual handling of parts, incorrect posture, and manual lifting.

ROAD SAFETY

Road safety awareness is vitally important both at and outside our plants. In Europe and South America, this issue was addressed through training, talks, and technical measures.

In **Sete Lagoas** (Brazil), the *Risk Perception* project delivered dynamic road safety training by simulating blind spots around industrial vehicles, so as to raise awareness among both drivers and pedestrians. During Road Safety Week, several talks were held with employees to alert them to the risks of not complying with road safety regulations; the focus was on road accident prevention, with car and motorcycle wrecks displayed at the plant entrance. Actors were also hired as part of our efforts to encourage safe behaviour and so help prevent road accidents.

In all, almost 2,000 employees were involved in our road safety and accident prevention initiatives throughout the year.

[27] Water, Sanitation, and Hygiene. Acronym broadly adopted in the international development context and in the emergency sector with reference to access to adequate water supplies, sanitation facilities, and hygiene services.

3.2.6 People Development

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3.2.6.1 PERFORMANCE DEVELOPMENT PROCESS

Our new Performance Development Process (PDP), launched in 2023, is based on a new concept: using dialogue for development and setting goals and objectives through both a top-down and bottom-up process. Our main goal was to ensure a talent assessment process where development is just as prominent as performance measurement, and where the overall assessment is more transparent. In other words, our mission was to make it more human-centric and to enhance engagement throughout the Company, since various studies have shown that this improves performance.

The new PDP introduces more review checkpoints between managers and employees throughout the year to provide frequent feedback on performance, customising the process to each individual. This involves continuous two-way feedback conversations – a development dialogue rather than just a performance one – focusing on goal achievement and adherence to Company-endorsed Behaviours as much as on each person's aspirations, needs, and potential. To make the new system more inclusive, we decided to step away from our former numerical evaluation scale and adopt a word-based one, which we believe is more personal, more mindful of our people, and delivers a more positive message. Employees are evaluated not only on what they did, but also on how they did it, and the feedback provided is a means not only to motivate those involved but also to encourage open and positive relationships.
The outcomes and areas identified for improvement are openly discussed between manager and employee, paving the way for employee performance improvement. Upon completion, employees can access their respective evaluations online. Furthermore, at any moment in the process, they can enter details on their professional aspirations and request specific training (such as coaching, exposure to senior management, etc.) to address the areas identified for improvement. This unique skills mapping and appraisal process is supported by IT systems that give managers full access to up-to-date information on the people within their organisational unit, and on those indirectly in their reporting line. Individual employee evaluations are therefore also accessible to and can be examined by senior management within the organisational structure.
The main point is that our PDP provides a concerted, transparent, and above all individual-focused management framework for employee development.

During the year, 11,590 employees (salaried and above) were assessed via our PDP. The percentage of women engaged in the process was the same as the percentage of women employed by the Company. Furthermore, specific performance development (PD) training was delivered to managers and employees worldwide.
Each employee is assessed through the PDP according to eligibility guidelines (for example, the employee must have worked at the Company for more than 3 months). Apart from a few exceptions where the PDP does not apply (for example, joint ventures in China), 100% of salaried-and-above employees worldwide take part in the process.
In line with our *achieve and earn* philosophy, designed to promote a culture of excellence and rewards, PD assessment results are used to determine the individual contribution component of eligible employees' variable compensation. This demonstrates the extent to which we value a results-driven culture and reward both achievements and behaviours.

In 2023, we set key sustainability targets related to our social, environmental, and climate change efforts (with the social ones also focusing on diversity, equity, and inclusion). These targets (the achievement of which affects variable compensation) were incorporated into the PDP, and duly assessed for relevant employees at different levels of the Company, including Sustainability project leaders, Energy managers, Environment, Health and Safety managers, and other staff at plant level.

100% [a]

OF SALARIED EMPLOYEES AND ABOVE ASSESSED VIA THE PDP

[a] Based on eligibility guidelines and excluding organisations outside of the reporting scope.

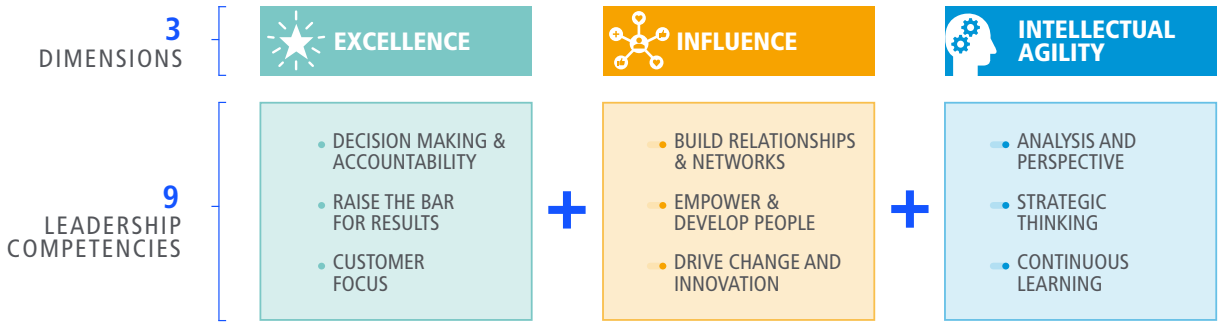
3.2.6.2 TALENT MANAGEMENT AND SUCCESSION PLANNING

Universities, social media platforms, career events, and job fairs are a focal point of our recruiting efforts around the world. We support several universities, which affords us privileged relationships, a strong presence on campus, and regular student internships. In some cases, we directly sponsor individual postgraduate students to carry out research projects on Company premises. In others, we award university scholarships to students studying in areas where we intend to recruit.

Iveco Group operates in a dynamic, highly competitive industry where success is achieved by identifying talented individuals within the Company, and by appointing the right people to key positions. These objectives are at the core of our recently introduced talent review process, through which we identify those with the potential to further grow within the organisation in order to fast-track and support their development. The talent review process was designed to reflect our cultural transformation, and in 2023 it was implemented uniformly across Company functions, business units, and levels.

We started by defining our **Leadership Framework**, which articulates what leadership means at Iveco Group. It is built around 9 competencies and we are continually developing new learning modules to help our managers and leaders improve in each of them.

Leadership Framework



The Framework is applied consistently to ensure Company-wide alignment, providing a common language that everyone understands and that facilitates open discussion. Harnessing and implementing these competencies demands two-way communication and mutual exchange, which makes both leadership mechanisms and goals transparent and accessible to all. The Leadership Framework represents our way of stepping away from conventional models that see leadership as a closed box, in which leaders' mindsets and opinions of colleagues remain inscrutable. This approach reflects our Values of collaboration, openness, and transparency. The Framework is used to identify people's potential, strengths, and development areas.

People are first assessed by their managers, which is followed by discussions in talent roundtable meetings involving leadership teams at all levels to align and validate the assessment. These roundtables ensure that any decisions about our talents are made collectively, transparently, and objectively, which minimises bias and further supports our DEI commitment.

After talent validation, manager and employee engage in a two-way Dialogue for Development to ensure alignment with the Leadership Framework assessment, identify clear development areas, and define a development plan.

The individuals identified as talents are offered development opportunities (formal training combined with exposure to senior management and on-the-job training), which allow them to gain experience while enabling us to develop effective succession plans that give priority to candidates from within Iveco Group. Indeed, in 2023, 57% of open positions across the Company were filled by internal candidates[28].

More broadly, we deem it important to develop **internal human resources**. To this end, 41% of new manager level appointments in 2023 were internal candidates, the remaining 59% external hires.

In all countries of operation, we encourage the appointment of local managers. However, we may opt for international appointments if considered to be development opportunities for talented individuals, or to ensure that specific skills and expertise are transferred between countries. In that case, the appointed manager is required to invest in the selection and development of a local successor.

Managers of Local Nationality by Region[a]

Iveco Group worldwide (%)

	2023	2022
Europe	**90.5**	91.2
South America	**97.0**	97.4
North America	**95.2**	90.0
Rest of World	**87.5**	86.6

[a] Local managers are those who come from the geographic area in question.

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3.2.6.3 LEARNING AND DEVELOPMENT

At Iveco Group, we believe that employee development is key to engagement and retention, both of which are crucial to our health, growth, and sustainability. That is why we leverage several forms of training to ensure employees can fulfil their potential, while allowing the Company to share its operational and business know-how, as well as its strategy and Values.

In 2023, Iveco Group invested approximately €17 million[29] in learning and development initiatives at global level, demonstrating a strong commitment to the growth of our people at all levels.

This figure includes not only the pure cost of training under our ON LEARN learning management system (LMS), which was approximatively €0.9 million (see 3.2.6.3.4 Training in Numbers >), but all other costs of people development initiatives, including those managed outside the ON LEARN LMS platform (including, but not limited to: training materials, MBA and masters programmes, coaching, and costs related to the design of customised learning journeys, particularly under the functional and technical academies).

In line with the human-centric approach of our Voice journey, we believe the development process is so much more than just training, involving areas such as coaching, mentoring, knowledge sharing and, above all, mutual exchange. For these reasons, we refer to it as a 'learning' process in our development approach.

57%

OF OPEN POSITIONS FILLED BY INTERNAL CANDIDATES

[28] Calculated by dividing the number of positions filled by internal candidates in 2023 by the total number of positions filled in the same year.

[29] Data not comparable to 2022, for which we reported only the cost of training provided exclusively under our learning management system (LMS) platform.

Our learning model is designed to enable a more effective and flexible response to evolving training needs arising from changes within the Company and in the economic environment. Indeed, our learning strategy is business-oriented, built around content areas such as:

- the fundamentals (soft skills, IT and software tools, language training, compliance)
- the Leadership Lab (to build and strengthen the 9 competencies of the Leadership Framework)
- technical, functional, and job-specific skills.

All of the aforementioned learning opportunities are accessible to all employees and consistent throughout the Company.

Learning at Iveco Group entails a 4-step process: training needs identification, content development, programme delivery, and reporting. Ownership of each lies with different functions and business units, depending on which areas of content or expertise need to be improved.

We manage our overall learning process through an internet-based global learning management system, known as the ON LEARN platform. It allows the most effective and comprehensive learning process for each employee to be defined and managed based on business, location, and/or specific individual needs, and builds upon our academies and training programmes specific to our business units and functions.

Dialogue for Development (integrated into both the Performance Development Process and the Talent Review Process) is an opportunity for our people to reflect on their strengths and professional aspirations, discuss them with their managers, and together define the most appropriate development actions to support their personal growth during the year and beyond. Each development plan is therefore unique and requires employees to play an active role in identifying their needs, defining the most appropriate development actions, and taking responsibility for their own growth. Identified actions are then shared with respective Human Resources (HR), evaluated, and implemented according to needs and priorities.

The role of the manager is to help ensure that individuals see how their aspirations, goals, and passions align with Company mission, goals, and strategies, and to support people in realising their potential.

Training effectiveness and efficiency are monitored and measured based on the participants' satisfaction with the initiatives delivered and improvements in their knowledge/skills; in some cases, depending on the learning path, the Company also provides structured follow-ups.

Our Talent Management Department facilitates the overall training process by providing support to other functions and across business units, focusing on the priorities that support our strategy.

The Talent Management team centrally monitors:

- numbers of participants involved in training initiatives
- hours of training
- leadership development.

3.2.6.3.1 The Leadership Lab

The Leadership Lab, one of the pillars of our learning model, was created in 2023 as part of our cultural transformation journey to build and strengthen our people's leadership skills at all Company levels.

The Leadership Lab contents are designed in line with our Leadership Framework, and currently include:

- the **Group Leadership Programme** (GLP): a learning journey for people identified as talents (see 3.2.6.4 Employee Development Programmes and Talent Retention >)
- **Leadership Essentials**: a series of 9 courses, each covering a different Leadership Framework competency. The live, online or classroom-based sessions are available in 7 languages to all office-based employees, regardless of their role or level. The contents of each have been designed to ensure consistency and alignment with our Values and culture. We launched 3 new courses in 2023: Decision Making & Accountability; Build Relationships & Network; Empower & Develop People
- **Moments That Matter**: a set of resources (live or recorded webinars, manuals, other materials, etc.) to support managers in specific moments of the employee's journey (Performance Development, Leadership Framework Assessment, Voice Dialogue & Action).

3.2.6.3.2 Functional Academies

The rapid pace of technological advancement makes it increasingly important to provide individuals with the right technical and job-specific skills to support our business strategies. Within this context, our Functional Academies play a crucial role in helping our people to acquire, enhance, and update their technical skills, essential for us to thrive and stay competitive.

In addition to the DOT programme, focused on the development of our plant employees, we have 5 functional academies: the Financial Services Academy, Finance Academy, IVECO Academy (covering IVECO products), Change Academy (targeted at our Truck business unit's sales and marketing employees), and Technology & Digital Academy.
Both functional and technical training are managed through our global learning management system, known as the ON LEARN platform.

3.2.6.3.3 People Development through the DOT Programme

At Iveco Group, we apply the principles of our *Driving Operations Together* (DOT) programme, which promotes the integrated management of all aspects within an organisation. The DOT holistic model supports a culture of operational excellence across the Company and paves the way for a consistent and shared approach applied by everyone and aimed at best-in-class standards. As at 31 December 2023, 21 plants were participating in the programme, accounting for 99.7% of plant personnel worldwide and 100% of revenues from sales of products manufactured at Company plants[30]. The DOT programme is designed to enrich our ecosystem with a new managerial focus that encourages a more proactive mindset. This is why our employees play a pivotal role in the programme, as reflected by one of its 11 commitments explicitly centred on people, recognising their essential role in our pursuit of excellence. The aim of this commitment is to shape the teams of the future through effective knowledge and skill development, while raising awareness of, and building a strong culture around, improvements in safety, sustainability, quality, products, processes, and logistics. It therefore helps us establish a robust competency development system within each plant, based on continuous skills gap analysis and evaluation, on the definition of targeted training to fill that gap, and on the development of appropriate learning paths.

The development of our people entails addressing some important challenges:

- zero accidents – creating a safety culture
- zero human errors – ensuring seamless interaction between people and systems, so as to improve process competencies
- developing outstanding technical professionals who can assess any facility's current status, develop action plans to reach the desired status, and implement efficient and effective maintenance systems
- developing employees' skills and competencies
- achieving excellent process control through the correct implementation of quality procedures
- involving and motivating people to assume responsibilities within a continuous improvement environment.

Our leadership approach to managing employee engagement ensures that our people's wellbeing and input are valued, driven by the belief that the more passionate and engaged people are, the more productive they are, and the more their suggestions are heard, the more they become involved and feel valued by the Company. Indeed, the DOT programme's framework enables our people to share their contributions and suggest improvement projects (known as kaizen) to optimise processes, which boosts their engagement while contributing to the Company's growth. Through their suggestions and the direct role they play in projects, our employees drive continuous improvement and contribute the most to it.
The use of tools to share information and collect suggestions is well established at Iveco Group.

In 2023, about 77,900 employee suggestions were collected across the plants where DOT principles are applied, with an average of 4 per employee. Furthermore, 2,062 DOT projects were implemented throughout the year, generating €34.6 million in savings.

ENGAGING PEOPLE THROUGH DOT

Our plant in Madrid (Spain), in collaboration with the Madrid Employment Agency, set up *IVECO Lab*, a training academy that provides theoretical and practical training directly at the plant, for a total of 100 hours per participant. The Lab creates a pool of candidates from which the Company can select new hires who are already trained and aligned with the plant's quality and safety standards and practices, so reducing recruitment and learning times. Launched in October 2023, the first training courses involved 25 people, who obtained an average overall mark of 9.4/10 in their final exam. The Madrid plant also launched *DOTflix*, an interactive web-based training platform, which was also used throughout the year to release training videos to increase awareness of the plant's key performance indicators (KPIs) and of the impact that employees' actions may have on achieving targets.

ABOUT
77,900
EMPLOYEE SUGGESTIONS COLLECTED THROUGH THE DOT PROGRAMME

[30] The percentage is calculated on 22 plants; for the complete list of these plants, see 4.2.1.2 Data Coverage.

3.2.6.3.4 Training in Numbers

Our development strategy relies on a combination of both external experts from various fields to ensure that our people stay abreast of the latest technological developments, theories, and approaches, and in-house experts to enhance efficiency and consistently promote a culture of internal knowledge sharing and continuous learning.
In 2023, we were able to optimise cost effectiveness by scaling up existing programmes in which we had invested in previous years, making them accessible to more people without incurring additional expenses. Additionally, we provided courses to develop internal trainers who, in turn, teach other colleagues, thereby increasing training availability across the organisation.

As regards the training provided exclusively under our ON LEARN LMS platform (and covered by the circa €0.9 million investment), in 2023, Iveco Group delivered a total of 433,045 training hours to 24,996 employees, of whom 78.9% were men and 21.1% were women.

Training in Numbers

Iveco Group worldwide

	2023	2022
Training hours (no.)	**433,045**	402,131
Employees involved in training (no.)	**24,996**	21,888
Average hours of training per employee (no.)	**12.0**	11.3
Average amount spent per employee (€)	**25.7**	50.3

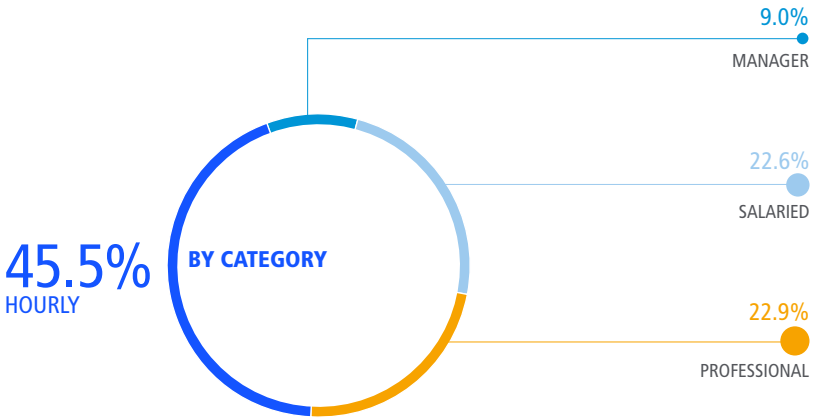
Several learning initiatives were delivered online allowing people to learn at their own pace, thus ensuring a consistent and accessible experience to everyone regardless of geographical location.

In 2023, 77,126 hours of online training were provided to 14,429 employees. For details on the specific training modules delivered, refer to:

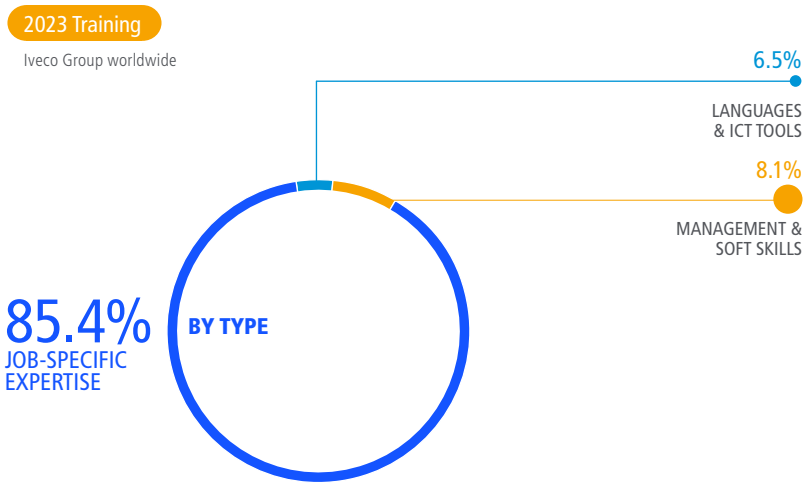
- Code of Conduct (see 1.4.1.1.1 Application and Dissemination >)
- anti-corruption and bribery (see 1.4.1.2 Anti-Corruption and Bribery >)
- antitrust and competition (see 1.4.1.3 Antitrust and Competition >)
- energy resource conservation (see 2.1.3.1.3 Sharing and Awareness >)
- environment (see 2.2.2.3 Engagement and Awareness Activities >)
- diversity, equity, and inclusion (see 3.2.3 Diversity, Equity, and Inclusion >)
- occupational health and safety (see 3.2.5 Occupational Health and Safety >).

2023 Employees Involved in Training

Iveco Group worldwide



ABOUT 430,000 TRAINING HOURS DELIVERED



3.2.6.4 EMPLOYEE DEVELOPMENT PROGRAMMES AND TALENT RETENTION

Iveco Group firmly believes that a more skilled, engaged, and knowledgeable workforce is not only strongly correlated with improved performance, but also crucial to the sustainability of our business.

Our development programmes are designed to foster a culture of continuous learning and growth; integral to our strategy, they empower our employees to acquire new skills, adapt to changing business environments, and make innovative contributions to achieving our goals. Moreover, our initiatives aim to promote a sense of belonging, while reducing turnover and increasing retention.

In 2023, as part of our Leadership Lab offer, we launched the Group Leadership Programme (GLP), a structured learning journey targeted at people within the Company identified as high-potential talents. The programme explores the 3 dimensions of our Leadership Framework, providing our people with new tools, knowledge, and opportunities for networking, reflection, and interaction among colleagues from different departments and geographies. Spanning a 5-month period, the GLP is structured into 4 workshops (2 webinars and 2 in-person sessions) and 3 action-learning moments during which participants are engaged in individual activities, group coaching, and peer coaching.

The programme's main objectives are:

- to provide a better understanding of what leadership is at Iveco Group
- to equip our leaders with the right mindset and tools to grow into strong leaders (based on the 9 competencies of the Leadership Framework)
- to increase the engagement of participants, enabling them in turn to further engage their teams and further enhance their people's development (which translates into business benefits in terms of productivity, innovation, and inclusion)
- to build a network that can be leveraged to encourage further interaction and collaboration beyond the programme itself.

In 2023, 119 people participated in the Group Leadership Programme, divided into two cohorts (59 attended GLP1 and 60 attended GLP2).

3.2.6.4.1 Outplacement

The Company has specific programmes in place to manage career transitions, helping employees move on to new jobs and find their bearings in the job market. In some countries, we also offer outplacement services outsourced to carefully selected external partners. Based on specific needs, and at the Company's discretion, outplacement services are also offered to managers.

3.2.6.5 PEOPLE SATISFACTION AND ENGAGEMENT SURVEYS

At Iveco Group, we use people satisfaction and engagement surveys not only for measuring the level of employee satisfaction and engagement, but also for identifying improvement opportunities that meet the needs and expectations of the entire Company.

We also collect the information from exit surveys and/or interviews with departing employees worldwide. The goal is to understand what employees look for in a new organisation and gain awareness of any potential areas of dissatisfaction. Departing employees are asked to complete a questionnaire on management, career development, Company culture, and the work environment. The HR Department consolidates this data and shares specific business unit feedback with the relevant managers, in order to address specific matters of concern within each area.

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Similarly, new hires are required to fill out questionnaires after 30 and 210 days of employment, providing valuable feedback on their first months at the Company.

In 2022, we embarked on our Voice cultural transformation programme, starting with a Voice Engagement Survey with very specific aims in mind. On the one hand, it was set up to measure and monitor our employees' levels of engagement, addressing aspects such as job satisfaction, sense of purpose, clarity of expectations, and feeling of inclusion. After filling out the questionnaire, participants were asked to take part in the so-called Dialogue & Action sessions, held at each team level across the Company to discuss survey results and agree/follow up on specific actions for improvement. These sessions involved more than 1,800 teams.

Voice Engagement Survey Results

Iveco Group worldwide (%)

	2023	2022
Total participants	89	86
Employees expressing highest level of satisfaction	67	66

On the other hand, the survey was also designed to find out what our own people think the Company's purpose and Values should be. Like the overall cultural journey, it centres on a bottom-up approach by which we listen and give voice to the entire organisation, thus working from the inside out. Indeed, it was the first time we had involved everyone in a project of this kind. In line with our cultural transformation strategy, the Voice Engagement Survey is conducted on an annual basis. In 2023, it was sent out to approximately 35,000 people in 44 countries, of whom 30,805 responded.

ENGAGING OUR PEOPLE AT THE BOURBON-LANCY PLANT

Inspired by the results of our 2023 Voice Survey, our plant in Bourbon Lancy (France) launched two new, major engagement initiatives: a monthly plant magazine and its own buddy system, called *Company Buddy*, which pairs a new hire with a suitable and carefully chosen employee who serves as their guide. The monthly magazine is prepared by a working group at the plant with the aim of sharing the latter's targets and challenges more effectively across all levels of the company, so further engaging our employees and empowering them to become even more central to our processes. The topics covered include: the month's main news, the new XC13 engine's launch status, workplace safety, and the latest figures on production, product quality defects, safety, company headcount, and other HR topics. The Company Buddy system pairing an employee with a new arrival or intern, on the other hand, is all about structured meetings and activities designed to pass on useful information, practical advice, and other sometimes unspoken aspects of our corporate culture that so often help newcomers integrate more easily. The designated 'buddies' may have a different background and skill set to the newcomers, but will have gained sufficient experience at Iveco Group to excel as guides. The pairing is not based on a hierarchical relationship, but rather leverages the interpersonal skills of the two individuals involved, so as to ensure an ideal match and ultimately optimise an employee's journey from the outset.

OVER 30,800 RESPONDED TO THE VOICE SURVEY

3.2.7 Welfare and Wellbeing

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It is common practice at Iveco Group to offer our employees wellbeing initiatives in addition to traditional benefits (such as health care), going beyond our legal obligations in the countries where we operate. Time and money saving initiatives and flexible working arrangements help our people balance their personal commitments, while family initiatives, engagement with the community, and involvement in Company life cultivate employee motivation, pride, and a sense of belonging in the workplace.

3.2.7.1 WORK-LIFE BALANCE

At Iveco Group, we recognise that our people's wellbeing is directly linked to how well they can balance their professional and personal commitments; for this reason, we offer several programmes and services to help employees meet these obligations.

Childcare is an area where managing costs and time is crucial. We provide various types of assistance to our employees, including childcare nurseries, discounts at local day care centres, direct subsidies, school kits, and the flexible use of benefit funds for childcare expenses.

On-site services help our people make the best use of their time during working hours. In many locations, we offer on-site canteens, snack shops, and other meal services or vouchers. Additional types of assistance include: laundry and dry-cleaning services or discounts at certain locations in the USA, Switzerland, Italy, and Argentina; on-site banking and other financial services (including virtual workshops); and on-site fitness equipment available at some locations.

3.2.7.1.1 Health and Wellbeing Initiatives

Throughout the year, we engaged our people in many health programmes as well as awareness initiatives on health risks and preventive measures.

In support of new mothers, designated lactation/breastfeeding spaces ensuring hygiene and privacy continued to be made available at sites in Argentina, Brazil, Czech Republic, China, Switzerland, and the USA.

2023 Main Health and Wellbeing Initiatives

INITIATIVES	COUNTRIES
Pink October campaign on breast cancer awareness Blue November campaign on prostate cancer prevention	Argentina, Brazil, France, Poland
Mental health campaigns and initiatives (e.g., Yellow September)	South Africa, Argentina, Spain, UK, USA
Dengue fever awareness and prevention initiatives	Brazil
Special programmes for pregnant women and/or new parents	Argentina, France
Annual cancer and medical screenings, health checks, and/or other lab analyses	Austria, Argentina, China, South Korea, France, India, Germany, Czech Republic, Spain, UK, Russia, Italy
Vaccination campaigns	Austria, France, Germany, Czech Republic, UK, Belgium, Argentina, Spain, Italy

3.2.7.1.2 Flexible Working

At Iveco Group, we believe in improving employee wellbeing through flexible work arrangements, as permitted by local customs and regulations, by the organisational requirements in place, and by the job requirements of each position. By allowing flexible working hours, including part-time employment, we help our employees reconcile work demands with family responsibilities, enabling them to manage their time to suit their needs (such as those related to childcare, care for the elderly, or other personal matters). These measures help us establish and maintain a positive working environment for all employees.

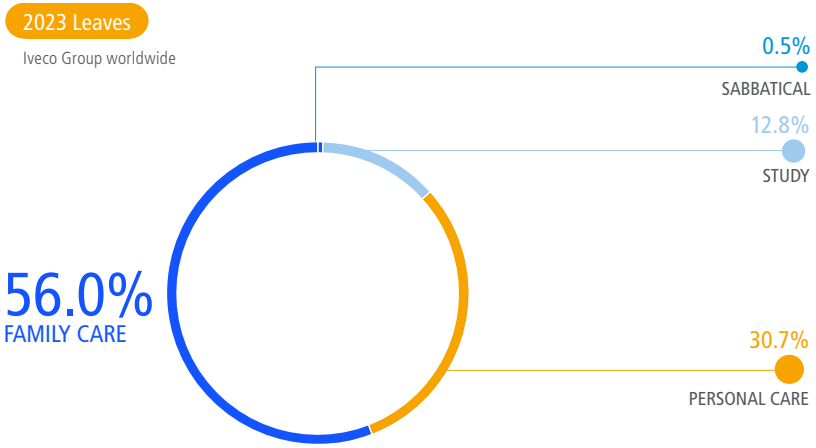
In 2023, we carried out a survey on the flexible working arrangements we offer to our people, focusing on flexible working hours and parental and other forms of leave. The wide-ranging results helped us identify appropriate action for improving employee work-life balance. The survey revealed that approximately 94% of the employees surveyed[31] made use of flextime. A separate survey[32] showed that, between January and October 2023, 9,230 employees (about 26% of Iveco Group's total workforce) took leave to care for family members, for personal treatment and care (excluding all forms of compulsory leave for illness), or for study and sabbatical leave.

Overall, 23.5 % of the above leaves (defined by Company policy or by agreements with trade unions or employee representatives) were more favourable than required by law, and 30% of the more favourable conditions were granted to female employees.

There are also some instances in which the Company grants paid personal or family leaves. This is the case in Germany and Poland (which represent 8.4% of the total workforce), where employees can take paid leave to care for a sick child. In Italy, France, Belgium, Poland, and Brazil (which represent 60% of the total workforce), employees are granted paid leave for weddings/civil unions and upon the death of a family member.

In 2023, the type of leave most taken by employees was family-related (taken by 5,172 people, representing 56% of total leaves), with 17.8% of this taken by female workers. Leave taken for personal treatment and care amounted to 30.7% of the total, with about 34% of this taken by female workers. Education leave represented 12.8% of the total, 83.2% of which was taken by male workers. Sabbatical leave was 0.5%.

We believe such benefits help build a healthier, more motivated, and sustainable workforce that actively participates in the Company's success.



During the year, we launched new initiatives across the Company and continued to expand a number of schemes that give our people the flexibility to work from different locations. The *Work from Home* scheme, which allows people to work from home for up to 12 days per month, has been further extended and is now available in 30 countries.

Meanwhile, 11,961 people globally befitted from a flexible work schedule that allows them to choose the time they clock in and out (within limits set by local policy).

In Brazil, an hour bank allows employees to convert overtime hours into time off. They also receive an allowance for working from home, where applicable.

In Italy, we offer the *Venerdì Breve* (Short Friday) scheme, in which people can vary the number of hours worked per day, provided they work their set contractual hours per week (e.g., 8.5 hours from Monday to Thursday and 6 hours on Friday).

(31) Survey of all Company employees, excluding hourlies, carried out on 31 October 2023.
(32) Survey of all Company employees carried out on 31 October 2023.

GRI
401-2; 401-3

3.2.7.1.3 Parental Leave

The equal opportunities offered by Iveco Group with regards to maternity, paternity, and adoption are evidence of our commitment to encouraging both female and male employees to balance parental responsibilities with their careers. We grant parental leaves to all our employees in compliance with local regulations (labour law requirements may vary from country to country), collective labour agreements, and Company policies.

In 2023, 1,671 employees[33], approximately 4.6% of Company personnel, took maternity, paternity, adoption, or breastfeeding leave. In terms of gender, 67.1% of overall leave was taken by male workers. Paternity leave accounted for 59.5% of the total, while maternity leave for 26.2%. Breastfeeding leave accounted for 14.3% and there were no adoption leaves. In France, Germany, Italy, and Spain (which represent 71.3% of total employees), our people are entitled to at least 11 weeks of paid maternity or paternity leave.

In some cases, the conditions of parental leave granted by Iveco Group are more favourable than those required by law. In Argentina, for example, Company policy provides for 1 additional month of paid leave at the end of maternity leave, followed by 8 weeks of working from home to ease the transition back to on-site work. In the USA, due to their size, Iveco Group companies do not meet the requirements of the Family Medical Leave Act, which provides for up to 12 weeks of unpaid leave for family or medical reasons; however, as per Company policy, employees are allowed up to 12 weeks of paid maternity leave. In the UK, by law, employees can take up to 2 weeks of paternity leave, paid at the relevant statutory rate or at 90% of their average weekly earnings (whichever is lower); however, our Company policy provides for the first 3 days to be paid in full, and the remaining days at statutory pay. In France, there is no statutory breastfeeding leave, the law stipulating an absence of 1 hour a day (30 minutes in the morning and 30 minutes in the afternoon); however, in accordance with a specific agreement between Iveco Group and the trade unions, our companies allow 8 weeks of breastfeeding leave, paid at 75% of the employee's gross earnings.

2023 Parental Leave

Iveco Group worldwide (no.)

	Maternity leave entitlement			Paternity leave entitlement			Adoption leave entitlement			Breastfeeding leave entitlement		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
Total number of employees entitled to parental leave[a]	6,865	-	6,865	29,262	29,262	-	35,297	28,606	6,691	20,935	15,518	5,417
	Maternity leave			**Paternity leave[c]**			**Adoption leave[c, d]**			**Breastfeeding leave[c]**		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
Total number of employees taking parental leave[b]	438	-	438	994	994	-	-	-	-	239	128	111

(a) Number of employees entitled to parental leave as at 31 October 2023, as per applicable laws, collective labour agreements, and/or Company policies.
(b) From January to October 2023.
(c) In North America, paternity, adoption, and breastfeeding leaves are included in family care leave, and so are not included in the data for parental leave.
(d) In many timekeeping/payroll systems, adoption leave is coded as maternity or paternity leave; therefore, the data for adoption is partial.

(33) Survey covering the period from 1 January to 31 October 2023.

3.2.7.2 SENSE OF BELONGING AND PRIDE

We have developed various initiatives to foster our employees' sense of belonging and pride in the Company, such as volunteering, our *Family Days*, scholarship programmes for employees' children, and sport events.

To foster a sense of belonging, we also planned many activities worldwide especially for our **people's families.** In December, the Iveco Group Industrial Village in Turin (Italy) was transformed into a winter circus hosting a children's party, enjoyed by their families. Young children were met with gifts and festive surprises, games, activities, and entertainment. Festive holiday events were also held at many of our locations, bringing together our teams and families to celebrate our achievements and results, which is one of the ways we show our gratitude to our people and foster a sense of belonging. We organised Family Days in Argentina, Czech Republic, France, Italy, and India.

In 2023, about 5,200 people at various Iveco Group sites donated 24,987 hours to **volunteering activities**, with numerous initiatives realised to focus on helping people, society, and the environment. For instance, in response to the earthquake that struck Türkiye in February 2023, our local employees volunteered to collect quilts, clothes, essential items, and food and deliver them to those affected by the natural disaster. A particularly impactful event was the Volunteering Day organised during our first *Sustainability and DEI Week*, which saw hundreds of employees work side-by-side with NGOs in various cities, including Bangkok (Thailand), Cordoba (Argentina), Istanbul (Türkiye), Madrid (Spain), Shanghai (China), Sete Lagoas (Brazil), Ulm (Germany), Vysoke Myto (Czech Republic), and Turin (Italy). The Volunteering Day held at our Italian headquarters helped raise funds for Rise Against Hunger, a non-profit movement to end hunger.

Through our long-standing **grants and scholarship** programme – the *Sergio Marchionne Student Achievement Awards* – we offered our employees' children a chance to qualify for grants based on their level of academic excellence. In 2023, around 180 pupils were awarded. We also focused on **sport and recreational activities**, which give our people an opportunity to network in addition to benefitting their health; in some cases, they also serve a broader social purpose. In 2023, around 2,000 people were involved in marathons, cycling races, and walks.

SUSTAINABILITY AND DEI WEEK

In June 2023, Iveco Group launched a new Company-wide initiative, its first *Sustainability and Diversity, Equity & Inclusion (DEI) Week*. We kicked off the event with a panel discussion among our CEO, our Chief Public Affairs & Sustainability Officer, our Chief HR & IT Officer, and the Chief Programs Officer of Rise Against Hunger. Every day thereafter saw different senior leaders hosting live streams and panel discussions to explore the 4 sustainability priorities that define our ESG strategy: *carbon footprint*, *workplace and product safety*, *life cycle thinking*, and *inclusion and engagement*. The Sustainability and DEI Week was also an opportunity to focus on Iveco Group's efforts to build an increasingly inclusive workplace. A pivotal moment was the release of our DEI Manifesto and DEI Playbook, the latter providing tips, examples, and definitions to help foster a culture of inclusion. The week also featured numerous activities, including networking initiatives, training sessions, discussion groups, and an awareness campaign coinciding with Pride Month.

ABOUT
5,200
EMPLOYEES VOLUNTEERING DURING WORKING HOURS

3.2.8 Industrial Relations

GRI 407-1

Iveco Group qualifies as an EU-scale group of undertakings, and is therefore subject to regulatory provisions designed to improve workers' rights to information and consultation through the establishment of a European Works Council (EWC). Requests to begin negotiations on the establishment of an EWC were received by the Company from the trade unions in two different countries in July and October 2023, respectively. Procedures were subsequently initiated, in accordance with applicable legislation, for employee representatives to establish a Special Negotiating Body (SNB) responsible for negotiating with management on the establishment of the EWC and for determining, among others things: the scope of the EWC's duties and powers, its size and composition, the powers and length of the EWC members' mandate, and the information and consultation process.

3.2.8.1 FREEDOM OF ASSOCIATION

As stated in the Iveco Group Code of Conduct, we recognise and respect the right of our employees to be represented by trade unions or other representatives established or appointed as per local applicable law.

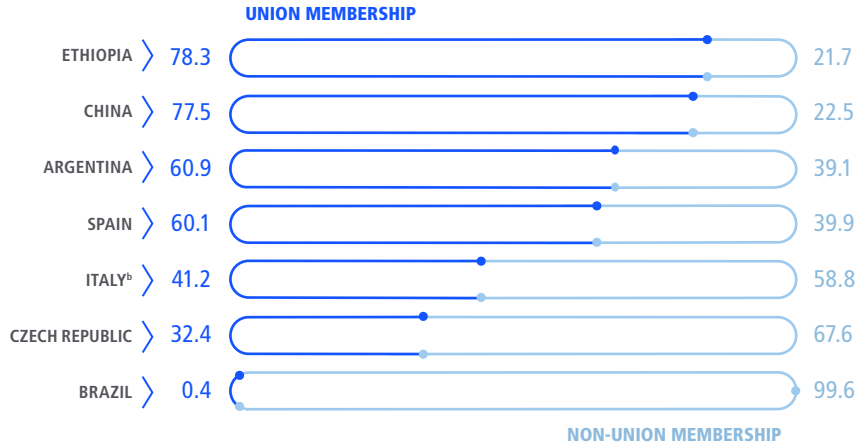
A survey on unionisation was carried out during the year (figures as at 31 October 2023) in most of the Company's countries of operation, each of which has its own specific legislation regulating freedom of association. In certain countries, no surveys on the level of trade union representation can be conducted because an employee's union membership is considered a private matter and, as such, is not communicated to the employer.

At the time of the survey, 9 countries were excluded due to data privacy protection (accounting for 20% of Iveco Group employees), whilst 19 countries (accounting for 3% of the population mapped) had no employees affiliated with a trade union.

It should be noted that the absence of employee affiliations with trade unions does not prevent employees from establishing representation bodies with information, consultation, and negotiation rights. This is the case in Romania and Poland, for instance, where around 220 Iveco Group employees (representing 20% of the workforce of the 19 countries with no employee affiliations to trade unions) elected such a representative body with information, consultation, and negotiation rights.

2023 Union Membership[a]

Iveco Group worldwide (%)



(a) Survey carried out on 31 October 2023 in all of the countries where Iveco Group's global workforce is employed.
(b) Figures for Italy updated as at 31 December 2023.

3.2.8.1.1 Representative Bodies

Representative bodies, normally elected by workers at their respective plants, have the right to be informed and/or consulted and/or to enter negotiations on issues that, as defined by law or applicable collective agreements, may regard health and safety in the workplace, wages and benefits, operational issues (working hours, shifts, collective vacations, etc.), training, equal opportunities, company restructuring, collective redundancies, etc. In the countries of the European Union, the establishment of employee representative bodies is envisaged for companies and/or sites where employee numbers exceed the minimum limits specified by national laws or procedures.

OVER **94%** OF EMPLOYEES COVERED BY REPRESENTATIVE BODIES

A survey carried out on 31 October 2023 in all of Iveco Group's countries of operation, involving 99.9% of its global headcount, revealed the absence of any employee representative bodies in 21 of those countries (accounting for approximately 3.7% of the workforce surveyed). Worldwide, more than 94% of our employees are covered by representative bodies.

3.2.8.1.2 Joint Committees

A survey[34] conducted in October 2023 showed that 84.2% of Iveco Group employees worldwide were represented by occupational health and safety joint committees (i.e., committees made up of both Company and worker representatives).

In Italy, for example, the health and safety joint committees at plant/site level are made up, on the workers' side, of a number of selected employee health and safety representatives; and on the Company's side, of the employer or representative, the Human Resources (HR) manager or representative, and the head of the Prevention and Protection Service. These health and safety joint committees convene at least once a month, and carry out the information and consultation duties required by Italian law. They also have specific rights to prior information and/or consultation as well as power of proposal, for instance in relation to:

- the implementation of health and safety programmes, initiatives, guidelines, and good practices defined by the Organo Paritetico Health and Safety[35] (OPHS), which was established according to the collective labour agreement (CLA) in force
- the proposal and evaluation of measures aimed at the ongoing improvement of health and safety in the workplace
- the introduction of new technologies in the workplace – mainly of digital content (Industry 4.0) and relating to the health and safety of workers
- the analysis and evaluation of workstation ergonomics according to the standards recognised and applied by Iveco Group, CNH Industrial, and Stellantis, as specified in a technical annex of the CLA.

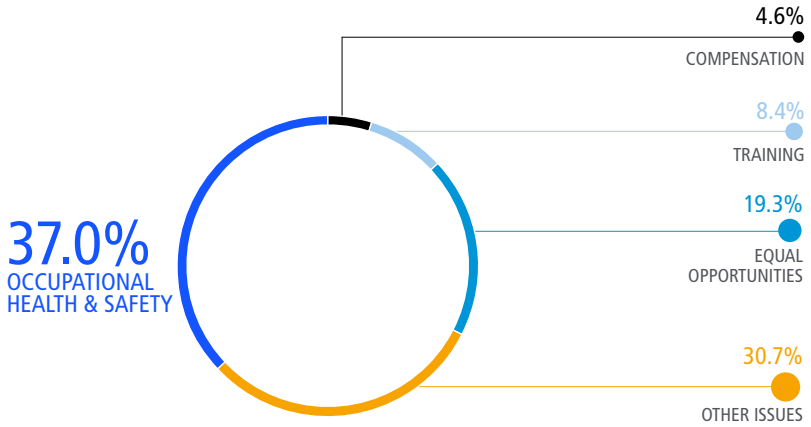
GRI 403-4

Globally, joint committees addressing equal opportunities, training, and pay were found to represent 32.2%, 17.2%, and 7.3%, respectively, of the employees surveyed, while more than 60% of them were represented by joint committees that deal with other issues. These include:

- several joint committees established in Italy under the CLA, such as the National Joint Committee, the National Joint Committee on Welfare, the National Equal Opportunity Joint Committee, and joint committees on organisation and production systems at plant and/or production department level
- joint committees for the management of apprenticeships and for social issues relating to individual workers, in place in various countries
- joint committees on housing, employee transportation, childcare, and cafeterias, in place in various countries.

2023 Distribution of Joint Committees

Iveco Group worldwide



(34) Data based on a survey of 97.8 % of Iveco Group's global headcount.
(35) Joint health and safety body.

3.2.8.2 COLLECTIVE BARGAINING AGREEMENTS

As at 31 December 2023, collective bargaining agreements (CBAs) covered over 90% of Company employees[36]. This is an average figure, the actual percentage depending on local practices and regulations, as shown in the following table. It should be noted that about 70% of the agreements reached in 2023 were signed with unions or employee representatives representing more than 50% of Company employees. Meanwhile, 4.1 % of the Iveco Group employees surveyed are located in countries where CBAs are unavailable; for almost 10% of this population, the Company determines employment terms and conditions based on the CBAs covering its other employees in other countries, or on the CBAs in force at other organisations.

2023 Collective Bargaining Agreement Coverage

Iveco Group worldwide (%)

	Employees surveyed	Employees surveyed covered by CBAs
Europe	100	97.7
South America	100	92.8
North America	100	-
Rest of World	99.7	7.7
Global	**99.9**	**94.3**

3.2.8.3 COLLECTIVE LABOUR AGREEMENTS IN DETAIL

GRI 2-30

In 2023, Iveco Group signed a total of 133 collective labour agreements (CLAs) at either Company or plant level, 11 of which included provisions on health and safety matters.

The following is a summary of the main wage and regulatory agreements signed during the year with Company legal entities:

- in **France**, agreements were reached in the last quarter of 2023 providing for wage increases as of early 2024 that take into account the loss of purchasing power suffered by the employees in 2023
- in the **Czech Republic**, where an agreement had been reached in late 2022 on renewing the CLA for 2023 in consideration of rising inflation in the country (mainly due to the critical geopolitical situation), the 2024 negotiations were brought forward to the latter part of 2023 and are currently still under way
- in **Brazil**, agreements were reached providing for a percentage pay increase similar to the average inflation rate, and for the alignment of benefits and working conditions with those applied across the country's industrial sectors. Consensus was also reached on profit sharing agreements, providing for payments linked to the achievement of targets related to production and sales volumes, market share, quality, and absenteeism
- in **Argentina**, agreements were entered into on a quarterly basis to increase hourly employees' wages to match the level of inflation. The signing of multiple agreements has been a standard and long-standing practice in South America, where hyperinflation is an issue. In fact, Argentina had one of the world's highest inflation rates in 2023, surpassing 200% – its highest in over three decades. An additional agreement was signed in March 2023 on the applicable terms and conditions in the event of temporary layoffs for hourly employees, who will be entitled to receive 75% of their wages during any period of work suspension. A further agreement was entered into in November 2023, providing for the payment of a Holiday Bonus to the entire hourly workforce
- as regards **Italy**, see the following section: Collective Labour Agreement Renewal in Italy.

[36] Survey conducted on 99.9% of Iveco Group's global headcount.

Main Issues Covered under the Agreements[a]

Iveco Group worldwide (%)

	2023
Wages/pay issues	32.0
Training	24.3
Operating issues	19.5
Restructuring	7.7
Health & safety	6.5
Equal opportunities	4.1
Other	4,1
Career development	1.8

[a] There is no correlation between the number of agreements and the number of issues covered, as each agreement may deal with several issues.

COLLECTIVE LABOUR AGREEMENT RENEWAL IN ITALY

In March 2023, Iveco Group, Stellantis, CNH Industrial, and Ferrari signed a new collective labour agreement (CLA) with trade unions FIM-CISL, UILM-UIL, UGL Metalmeccanici, FISMIC, and AQCF-R. The regulatory provisions of the new CLA will be effective until 31 December 2026, while the economic terms will be effective until 31 December 2024.

The agreement, which applies to approximately 13,950 Iveco Group employees (not managers) in Italy, will also strengthen the Company's relations with trade unions as it provides for the establishment of a National Observatory on Industrial and Organisational Policies made up of a representative from the National Secretariat for each of the signatory trade unions of the CLA and of representatives from the signatory companies. The Observatory's objective is to share company information, particularly regarding production and employment trends, the implementation of strategic plans, related investments, and the ongoing industrial transformation, with a specific focus on the energy and green transition. The new CLA has several new provisions, including:

- an increase in the contractual base salary as of March 2023, closely aligned with the 2022 average inflation rate, and a further 4.5% increase as of January 2024
- 2 lump sum payments (to be made in April and July 2023), and an additional €200 as a flexible benefit to be used exclusively for the purchase of goods and services offered through a designated welfare platform
- the application of the performance bonus introduced in 2022, with minor modifications
- additional provisions aimed at improving employee work-life balance
- additional clauses aimed at balancing individual needs with the operational needs of the Company.

On 28 April 2023, an agreement was also reached with the relevant trade union regarding the renewal of the CLA applicable to all managers employed in Italy at Iveco Group, Stellantis, CNH Industrial, and Ferrari. This new agreement applies to approximately 350 Iveco Group managers in Italy.

GRI 402-1

3.2.8.4 MINIMUM NOTICE PERIOD FOR OPERATIONAL CHANGES

In the **European Union** (EU), the Council Directive 2001/23/EC stipulates that, should a contractual sale or merger result in the transfer of a business, plant, or parts thereof, an information and consultation procedure must be conducted with employee representatives. The procedure must be initiated a reasonable period of time prior to the transfer. Moreover, the Council Directive 98/59/EC, on the approximation of the laws of the EU member states relating to collective redundancies, requires employers to hold consultations with workers' representatives whenever collective redundancies are being contemplated. Accordingly, Iveco Group subsidiaries comply with the regulatory provisions resulting from the adoption of the above directives in each individual EU member state.

In **Brazil**, although bargaining is not mandatory in the event of a contractual sale or merger resulting in the transfer of a business, plant, or parts thereof, Iveco Group's approach is to implement a direct and formal communication process with both employees and unions. Talks generally focus on minimising social impacts, if any.

In **Argentina**, where the number of unionised workers is high, Iveco Group ensures frequent, in-depth dialogue with union representatives, and all Company initiatives involving operational changes (including dismissals) are discussed with unions in advance (even though this is not required by law).

In both **Brazil** and **Argentina**, operational changes such as the deployment of new technologies to improve work efficiency, quality, competitiveness, or employee health and safety, are preceded by formal negotiations with labour unions, according to the specific terms and conditions of collective bargaining agreements. This negotiation procedure must be initiated a reasonable period of time prior to any change; when necessary, changes are made gradually so as to ensure employees are duly prepared.

In the **USA**, the federal Worker Adjustment and Retraining Notification Act (WARN), which applies whether a site is unionised or not, requires employers with 100 or more full-time workers to give a minimum of 60 days' notice for any action that will cause at least 50 employees at a single site to lose their jobs.

In **China**, operational changes specifically covered by law (e.g., due to serious difficulties in production and/or business operations, the introduction of major technological innovations, or business model reviews) causing 20 or more employees, or 10% of the workforce, to lose their jobs, require a consultation either with unions or with the entire workforce; the Labour Bureau must be given 30 days' notice of the workforce reduction plan.

In **Russia**, the minimum notice period required in the event of operational changes is 2 months. The Company must also notify the local employment centre in advance if mass redundancies are planned.

In **South Africa**, a 60-day consultation period is required, followed by 30 days' notice of any operational changes.

3.2.8.5 RESTRUCTURING AND REORGANISATION

Iveco Group's best practice, in part derived from past experience under the corporate structure in place until 31 December 2021, is to make every effort to minimise the social impacts of any restructuring or reorganisation. In fact, this is also customary practice in all countries where the law requires consultations or negotiations with workers' representatives or trade unions in the event of either. If permitted by the regulations in force[37], the Company minimises the social impacts of restructuring and reorganisation by adopting a series of measures, either individually or in combination, such as: retraining, internal mobility programmes, individual follow-up consultations with employees, reduced working hours, outplacement services, early retirement, and/or compensation more favourable than required by law.

In **Italy**, the dismissal process affecting the workers at the FPT Industrial plant in Pregnana Milanese, which started in the third quarter of 2019, was finalised at the end of April 2023 through an agreement with the trade unions signed in the presence of representatives of the Lombardy Region. Of the 63 workers still employed in April 2023, 3 accepted relocation to Turin under conditions more favourable than required by law, while 60 were collectively dismissed. The collective dismissal agreement conditions also exceeded legal requirements, offering early retirement incentives for those meeting the retirement criteria within 2 years, and an incentive for other employees opting to leave. The incentives were higher for employees taking care of children or parents with disabilities, and higher still for workers with disabilities.

[37] For example, early retirement is applicable only if provided for by the law of the country in question. Furthermore, unless supported by an adequate scheme formally recognised by the relevant public pension system, any solution mandating early retirement risks harming rather than helping employees.

A 12-month outplacement was also envisaged by the agreement for all workers, excluding those on early retirement. The redundancies of the 240 workers still employed at year-end 2020 were managed through an extended process developed within the framework of the tripartite dialogue involving regional and national institutions and trade unions. This process was executed under conditions more favourable than required by law: 35% of workers accepted relocation (with incentives) to another FPT Industrial or Iveco Group site; 17% took early retirement with incentives; 23% agreed to terminate the employment relationship; and 25% were collectively dismissed, effective from 1 May 2023.The reorganisation plan at the FPT Industrial plant in Foggia (aimed at dealing with the labour surplus and at relaunching the site) started during the third quarter of 2021, with the implementation of a 24-month solidarity agreement as of August of that year. Due to the early completion of the site's restructuring activities, aimed at changing the plant's mission (from producing exclusively on-road engines to producing a mix of both on- and off-road engines, further expanding both the internal and external customer base), and to the increase in production volumes, it was possible to terminate the solidarity contract as of 24 February 2023, i.e., 6 months earlier than expected. The reorganisation did not involve the dismissal of any workers at the site.

In **Germany**, in December 2023, a reconciliation of interest agreement was reached with the Iveco Magirus AG works council, providing for the dismissal of a maximum of 10 workers at the Hildesheim site by year-end 2024, as part of a strategic restructuring aimed at increasing the profitability of the pre-owned vehicles business. The social plan to mitigate the impact of the redundancies will be negotiated in 2024.

In **Brazil**, 2023's significant market contraction (of almost 50% compared to the previous year) required the implementation of a restructuring plan at the Sete Lagoas plant for both On-Highway Brasil Ltda and FPT Industrial Brasil Ltda. Holiday entitlements were brought forward and employees choosing voluntary turnover were not replaced. Downsizing was carried out gradually, from January to September, at around 50 workers per month as production needs fell, for a total of about 470 dismissals (including about 130 temporary workers), satisfying all legal requirements, including in relation to the financial provisions to which the affected employees were entitled. In August, an agreement with the trade union was reached providing for flexibility measures aimed at mitigating social impacts whilst satisfying Company needs. The agreement provides for a new and more flexible hour bank, and allows Iveco Group to implement temporary layoffs if necessary – meaning it can suspend employee contracts as needed, with salaries partly paid by the government and partly by the Company. During the temporary layoff period (which can be between 2 and 5 months), the Company must provide professional qualification courses for the affected employees, who in turn must meet minimum course attendance requirements. The job positions are kept open for the employees in question during the temporary layoff period and for 90 days thereafter. About 240 employees were laid off in October and 800 in November and December. It is expected that about 800 employees will be recalled to work in mid-January 2024.

In **Argentina**, a restructuring plan was launched in late 2023 in response to early indications pointing to a notable fall in demand in 2024 for brands IVECO and FPT Industrial. Within this context, by year-end 2023, the employment contracts of about 120 permanent employees were terminated by mutual consent, with individually agreed incentives. As always, there were discussions with the trade union to minimise the impact of redundancies on company climate.

3.2.8.6 LABOUR UNREST

In **France**, the level of labour unrest in 2023 more than doubled compared to the previous year. Most of the strikes were related to external initiatives (impacting other companies as well), mainly in protest against the pension reform. Only 26.6% of strikes were initiated by our internal trade unions, primarily to oppose the pension reform and only minimally in relation to annual wage negotiations.

In **Italy**, the overall level of labour unrest in 2023 led to a 135% increase in hours lost due to strikes compared to the previous year. It should be noted that almost 80% of these strike hours were due to external factors unrelated to the Company (an increase compared to the 50% reported in 2022).

In our **other countries** of operation, the overall levels of labour unrest during the year were either zero or negligible.

3.3 Our Suppliers

3.3.1 Our Management Approach to the Supply Chain

GRI 2-23

In keeping with previous years, we continued to take a responsible approach to the management of our entire supply chain. From small local companies to large multinational organisations, we remained focused on forging relationships that go beyond commercial transactions, working hard to build long-lasting and mutually beneficial collaborations with eminent and qualified partners that share our Company's principles. The way we see it, supply chain sustainability means strategically and effectively promoting a sense of shared responsibility beyond corporate boundaries. This means that, in addition to the established priorities at the heart of supply chain management – quality, price, and lead times – we are fundamentally committed to advocating socially and environmentally responsible practices across our entire supply chain, while spreading a culture of sustainability among those Company employees who work with our suppliers every day.

Relationships based on open dialogue and collaboration foster efficiency, quality, innovation and, above all, a shared commitment to achieving sustainability targets, creating undeniable mutual benefits for both Company and suppliers. Furthermore, all parties involved stand to gain from long-term relationships centred on the implementation and monitoring of high standards of sustainability, because this reduces potential risks, ensures continuity of supply, and improves overall sustainability along the entire supply chain, mitigating reputational risks that could affect the Company's credibility.

Iveco Group's purchases are managed by our Group Procurement and respective business unit Procurement teams within the Supply Chain function, which operates globally through dedicated structures, by product line and sourcing areas. These Procurement teams define strategies and guidelines to build and strengthen alliances with our suppliers, offering them stability and development opportunities by leveraging our broad product portfolio.

The highest responsibility for Iveco Group's sustainability in supply chain management lies with our Senior Leadership Team (SLT). Meanwhile, a dedicated Governance, Performance, and Sustainability Management Team (established within the Supply Chain Leadership Team) is responsible for monitoring our suppliers' compliance with the Supplier Code of Conduct and their sustainability assessment process. In 2023, supply chain sustainability targets were included in the Performance Development Process (PDP) for most managers involved in supply chain management.

In conjunction with the Iveco Group Code of Conduct, our Supplier Code of Conduct provides a framework for responsible supply chain management. Available in 6 languages on the corporate website and via our Supplier Portal, it stipulates suppliers' compliance with local legislation and their respect for:

LABOUR AND HUMAN RIGHTS

- rejecting any form of forced or child labour
- guaranteeing fair working conditions, working hours, and wages
- recognising the right to freedom of association in line with applicable laws
- safeguarding employee health and safety
- guaranteeing equal opportunities and the absence of policies that could lead to any form of discrimination

ENVIRONMENTAL PROTECTION

- optimising the use of resources (including energy and water) and minimising polluting and greenhouse gas emissions
- designing and developing products while considering their impact on the environment and the potential to reuse or recycle them
- responsibly managing waste treatment and disposal
- eliminating the use of potentially hazardous substances
- adopting logistics procedures while considering their environmental impact

TRADE RESTRICTIONS/EXPORT CONTROLS

- sourcing minerals responsibly

BUSINESS ETHICS

- complying with regulations against improper payments
- ensuring accurate and complete bookkeeping
- respecting intellectual property rights
- disclosing conflicts of interest
- respecting principles of fair competition and antitrust regulations
- respecting anti-money laundering legislation.

Find out more
about our Supplier Code of Conduct

The Supplier Code of Conduct applies to our entire supply chain, and requires suppliers to work with Iveco Group to enforce the Code itself and to pass on its principles to their respective employees, subsidiaries, affiliates, and subcontractors. To ensure the consistent alignment of our supply chain and purchasing practices with the Supplier Code of Conduct, suppliers undergo an Ethical Check every 3 years. This assessment is conducted by an external third party, using a dedicated reporting system that allows us to monitor any potential issues that may require further clarification or investigation. This periodic monitoring is regulated by Company policies and procedures designed to ensure supplier compliance.

In 2023, a training module on Iveco Group's Supplier Code of Conduct was developed and delivered to both our supplier base and our employees.

All suppliers must comply with applicable laws (including, but not limited to, anti-corruption and antitrust regulations) and with our Supplier Code of Conduct, and are obliged to report any suspected violations thereof to the Company. To this end, they have access to an operational grievance mechanism, the Compliance Helpline (details of which are available in the Supplier Code of Conduct), to report potential violations of corporate policies, the Code of Conduct, or applicable laws. Any violations by suppliers may result in the termination of the business relationship with Iveco Group.

Two strategic sustainability targets for our suppliers were incorporated into our Strategic Business Plan:

- **100% of Tier 1 suppliers to be involved in sustainability self-assessment by year-end 2026**
- **a 100% increase in the number of collaboration projects with suppliers to improve products' sustainability performance by year-end 2026 (compared to 2021).**

3.3.2 Supplier Profile

GRI 2-6; 204-1

Iveco Group manages purchases worth almost €10.4 billion, with a total network of 1,926 direct material suppliers. In 2023, 19 new eligible suppliers were added to our network, while there were no significant changes to supply chain structure and no additional outsourcing of activities. Our top 150 suppliers are considered strategic suppliers, not only because they generate 79% of the total value of purchases, but also because of the length of each relationship and the extent of each supplier's production capacity and capability for handling spare parts.

Suppliers in Numbers

Iveco Group worldwide

	2023
Direct and indirect material purchases[a] (% of the total volume of Iveco Group purchases)	85
Direct material suppliers (no.)	1,926
Value of purchases from direct material suppliers[b] (€billion)	7.6
Value of purchases from indirect material suppliers[c] (€billion)	1.2
Local suppliers (%)	97

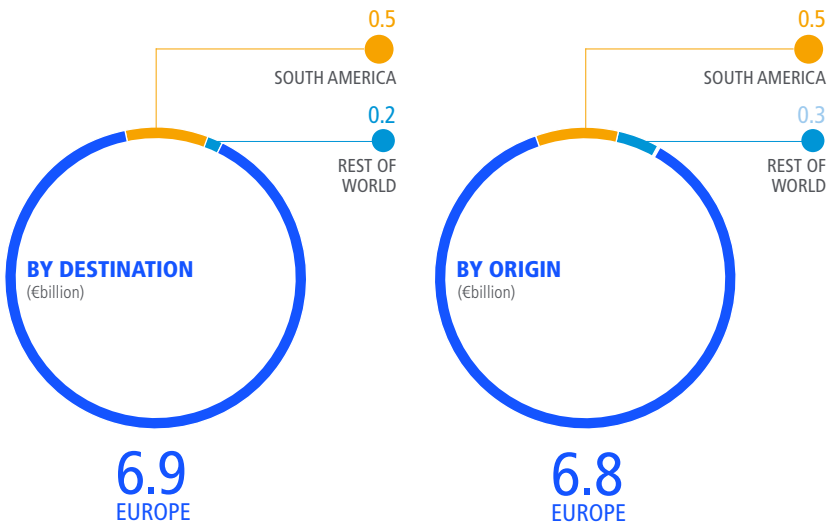
(a) Refers to the value of purchases.
(b) Direct materials are preassembled components and systems used in assembly. The value of raw material purchases is considered marginal.
(c) Indirect materials include services, machinery, equipment, etc.

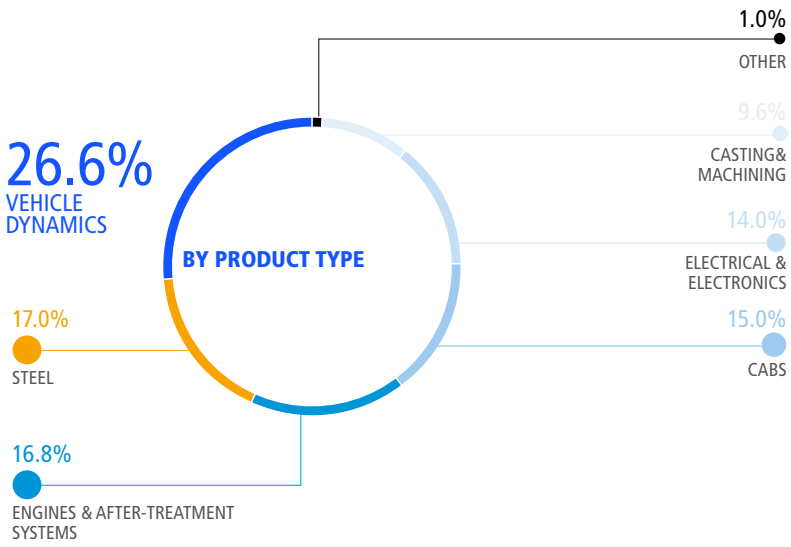
97%

OF PROCUREMENT SPENDING ON LOCAL SUPPLIERS

2023 Purchases[a]

Iveco Group worldwide (€billion)





(a) Refers to the value of direct material purchases.

The targets we have set ourselves include developing local skills, transferring our technical and managerial expertise, and strengthening local businesses. We strive to build strong long-term relationships with local suppliers as this presents fewer risks associated with business operations and optimises costs.

Significant amounts are spent on local suppliers[38]: in 2023, the contracts signed with them by Iveco Group accounted for 97% of our procurement costs. Furthermore, 97% of these contracts were signed in Europe, which is our primary location of operation[39].

Although we do not always purchase **raw materials** directly (one exception being steel used for direct processing), we constantly monitor their overall consumption and general price trends. In 2023, the main raw materials used in semi-finished goods purchased by the Company were steel and cast iron (including scrap), plastics and resins, rubber, and other miscellaneous materials (including PGMs[40] such as platinum, palladium, and rhodium, and high-voltage battery materials such as lithium, nickel, and cobalt).

(38) Local suppliers are those operating in the same country as the Iveco Group plant in question.

(39) The significant locations of operation are defined by total direct material purchases. Europe represents our primary location of operation as its direct material purchases account for 88% of the total value of our purchases.

(40) Platinum group metals.

GRI 301-1

Raw Materials Used in Semi-Finished Goods Purchased by the Company

Iveco Group worldwide (thousand tons)

	2023	2023
Steel and cast iron[a]	**909**	1,077
Plastics and resins	**59**	54
Rubber	**33**	39
Other miscellaneous materials	**80**	60

[a] Including scrap.

We also monitor the consumption of paper, cardboard, and wood at our offices, and of packaging at our plants, so as to assess impact and devise improvement measures if needed.

Paper, Cardboard, and Wood Consumption

Iveco Group worldwide (tons)

	2023	2023
Paper (office use)	**261**	343
Cardboard (packaging used at plants)	**647**	1,071
Wood (packaging used at plants)	**14,632**	24,391
Related procurement spend (%)	**0.11**	0.17

Still in 2023, we performed a detailed financial assessment of our supplier base (to be conducted regularly) to monitor and mitigate financial risk. It involved 1,233 suppliers (accounting for approximately 85.7% of direct material purchases) in the following categories:

- casting and machining: 9%
- cabs: 15%
- electrical and electronics: 14%
- engines and after-treatment systems: 19%
- steel: 18%
- vehicle dynamics: 24%
- other: 1%.

Of the suppliers involved in the analysis, 94.3% were in Europe, 4.3% in South America, and 1.4% in the Rest of the World.

We recognise that the continuous monitoring of economic factors is essential to good supply chain management. The tool that we use for financial risk assessments (called TIGRAN, replacing our previous FS3 system) gives our supply chain managers access to the suppliers' financial assessments. The tool is continually updated with confidential information provided by the suppliers themselves and with information contained in any financial reports. The results of this evaluation, which are generated automatically and checked by an analyst, allow us to classify suppliers according to their category of financial risk. Suppliers in particular difficulty are monitored weekly to prevent or minimise the risk of any interruptions to the supply chain.

3.3.3 Sustainability in Supplier Management

GRI
308-1; 412-3; 414-1

3.3.3.1 SUPPLIER SELECTION

Considerable effort went into ensuring the full integration of environmental and social sustainability standards into our supplier management system. Selecting and codifying new suppliers is an operational phase of the procurement process that is regulated by specific internal procedures. Selection is based not only on the quality and competitiveness of supplier products and services, but also on supplier compliance with our Company's social, ethical, and environmental principles.

New suppliers are required to sign a formal **Commitment Declaration** through which they agree to comply with both our Company's Code of Conduct and Supplier Code of Conduct. Specific contractual clauses require them to provide references and demonstrate abilities in relation to: fighting corruption, safeguarding the environment, promoting health and safety at work, ensuring non-discrimination, prohibiting forced and/or child labour, and recognising employees' freedom of association. Supplier agreements contain these and other clauses, as well as best practices and the General Purchasing Terms and Conditions, all of which are shared and applied consistently across Iveco Group. If a supplier fails to adhere to any of the above principles, the Company reserves the right to terminate the business relationship or instruct the supplier to implement a corrective action plan.

We evaluate a company's potential to join our supply chain through the Potential Suppliers Assessment (PSA) process, which enables us to identify a supplier's strengths and weaknesses and its ability to manufacture according to the highest quality standards using best practices; it also allows us to assess systems and processes directly at supplier plants. The PSA process is carried out not only to evaluate companies that do not currently provide direct materials to Iveco Group, but also suppliers that have undergone reorganisation or whose plants were relocated. PSAs are performed prior to the procurement phase to allow potential new suppliers to participate in tenders.
PSA criteria involve key sustainability aspects, with explicit reference to both environmental and occupational health and safety management. Indeed, one of the requirements is to have environmental and health and safety systems in working areas, preferably certified by a third party. A dedicated section of the PSA also allows verifying suppliers' compliance with the restrictions on the use of hazardous substances. A suitable management system is a key factor in our decision to do business with suppliers, as it reflects their efforts to monitor and manage environmental aspects, labour practices, human rights, and their impacts on society.

In 2023, 19 new suppliers were evaluated according to the above criteria and added to our network. Supplier sustainability is then assessed regularly based on indicators included in a self-assessment questionnaire, with results verified by audit for a number of suppliers determined each year.

3.3.3.2 SUPPLIER PERFORMANCE MONITORING

We monitor our suppliers using a comprehensive dashboard that contains all relevant KPIs, organised in weighted, normalised clusters that are grouped into two categories: Performance and Reliability. These KPIs allow us to evaluate each supplier in terms of their quality, delivery behaviour, ESG performance, and business relevance.

Supplier Scorecard

PERFORMANCE

CLUSTER	Customer centricity			Zero hours quality			Field quality		Development & launch	Warranty	Delivery (plant)	Delivery (parts)
KPI	Customer satisfaction score	CSL[a] opened	NBH[b]	PIQ[c]	Quality PPM[d]	Responsiveness (SR%[e])	TTF[f]	In-field failure[g]	PPAP[h]	PID[i]	Delivery performance evaluation	SSL[j]

RELIABILITY

CLUSTER	Operation management	Quality & sustainability		Supply risk	Warranty & liability
KPI	WCM/Lean Methodology (DOT)	Quality certification	Sustainability (score)	Financial risk	Warranty coverage

(a) Control shipping levels (on-site inspection requested by the Company to check for non-conforming materials and products and prevent them from being shipped).
(b) New business hold (measure taken due to serious issues with current supply, requiring significant and immediate change and improvement).
(c) Performance index quality (KPI directly linked to orders placed in the previous 6 months for a specific component from a specific supplier, normalised against correctly delivered volumes, serving as a measure of supplier reliability).
(d) Non-conforming parts per million.
(e) Supplier responsiveness on the Supplier Quality Portal (SQP).
(f) Time to fix (time required to resolve a claim or field issue, serving as an indicator of supplier collaboration, proactiveness, and efficiency).
(g) Number of field issues associated with a supply from a given supplier.
(h) Production part approval process.
(i) Product improvement deployment.
(j) Supplier service level.

Monitoring all KPIs via a single dashboard provides a comprehensive overview of supplier performance, ultimately optimising our decision-making. The main risks we consider in our screening process for significant suppliers are sector- and commodity-specific.
This centralised approach allows for the prompt identification of trends, potential issues across different sectors, and areas for improvement, enabling proactive management and the swift implementation of corrective measures where needed. It provides a clear picture of supplier efficiency, quality, sustainability, and reliability, all of which are crucial to maintaining operational effectiveness and prerequisites for suppliers to fulfil their contractual obligations, thereby mitigating risks and ensuring business continuity. The dashboard also allows us to compare supplier performance within the same material group; this comparative analysis provides valuable insight into each supplier's strengths and weaknesses, contributing to the optimisation of our sourcing strategies.

3.3.3.3 SUPPLIER ESG ASSESSMENT

Undoubtedly, suppliers are central to supply continuity and can influence the way public opinion perceives Iveco Group's social and environmental responsibility. We have therefore developed a process to assess suppliers on sustainability issues, which helps us prevent or minimise the environmental or social impact of our supply chain. This process is also a means to engage suppliers while promoting high sustainability standards and continuous improvement and development.

To this end, we have also set up an email address exclusive to Iveco Group's suppliers that is specifically dedicated to addressing sustainability matters, so as to enhance communication and ensure it is effective and transparent.

The supplier assessment process is performed yearly, managed by the Supply Chain Sustainability function and overseen by the Supply Chain Leadership Team. It involves 3 consecutive steps over a 1-year period.

During the first step of the evaluation, suppliers are asked to fill out a sustainability self-assessment questionnaire on **Open-es**, a digital platform designed to engage companies in a shared journey towards sustainability performance improvement. The platform is an interactive ecosystem in which Iveco Group serves as a Value Chain Partner, playing an active role together with its suppliers. All companies within this ecosystem collaborate and compete on sustainability matters with a sense of purpose, so as to create tangible, long-term value across the entire production chain.

Supplier Sustainability Assessment Process

SUSTAINABILITY SELF-ASSESSMENT & SCREENING
(via the Open-es platform)

- Supplier base participation in online self-assessment questionnaire, along with engagement and training initiatives
- Supplier screening and subsequent delivery of ESG reports and suggestions for development based on self-assessment results

SUSTAINABILITY RISK ASSESSMENT

- Identification of significant suppliers[a] based on specific criteria (score disclosure and relevant evaluation)

SUSTAINABILITY AUDITS

- Sustainability auditing by independent external auditors
- Definition of joint corrective action plans based on audit results
- Monitoring of action plan implementation through follow-up activities

Find out more
about the Open-es platform

[a] Suppliers posing a substantial risk in terms of negative ESG impacts and/or identified as being of significant business relevance to the Company.

In order to monitor the ESG performance of our suppliers, we ask them to register on the Open-es platform, access their ESG profile, and fill out the respective questionnaire. The latter is based on the 4 pillars of the non-financial sustainability reporting framework of the World Economic Forum, and its questions therefore regard People, Prosperity, Planet, and Principles of Governance. Each pillar covers several themes, grouped as follows:

PEOPLE

- dignity and equality
- human rights
- health and wellbeing
- skills for the future
- employee wellbeing

PLANET

- climate change
- energy efficiency
- biodiversity
- water resources
- circular economy
- plastic recycling

PROSPERITY

- employment
- wealth generation
- innovation of better products and services

PRINCIPLES OF GOVERNANCE

- governance models
- quality of governing body
- stakeholder engagement
- ethical behaviour
- risk and opportunity oversight
- value chain management

After the self-assessment, suppliers can access their ESG reports via the platform, along with suggestions regarding the implementation of corrective or improvement actions based on any gaps identified. Meanwhile, the data they entered into the Open-es platform allows Iveco Group to screen them on sustainability topics. To support our suppliers' continuous improvement and development, Open-es also offers in-depth technical support programmes to build their capacity and improve their ESG performance, as well as validation, auditing, comparison/ESG benchmarks, and consultancy services.

The outcomes of the self-assessment questionnaires are then analysed and used in-house to perform a sustainability risk assessment, which enables the identification of critical suppliers whose compliance with sustainability requirements needs to be addressed. These suppliers are identified based on specific criteria, such as whether or not they have disclosed their Open-es ESG score and relevant evaluation with Iveco Group.

Based on risk assessment outcomes, suppliers are selected for additional actions, follow-ups, and/or auditing. These **sustainability audits** are organised in agreement with the suppliers, and performed on site at their plants by independent third-party auditors. The aim is to check the information submitted via the self-assessment questionnaires and define possible improvement plans where necessary. In 2023, the sustainability audits were performed throughout the second half of the year. Each supplier selects a manager and other representatives within its organisation (usually from Human Resources, Safety, Environment, and Quality) to take part in the audits. Should these reveal critical issues to be addressed, joint action plans are drawn up with the suppliers to define:

- improvement areas (e.g., implementation of internal procedures in line with sustainability principles)
- responsibilities (which could entail organisational changes)
- corrective measures (e.g., targeted training programmes)
- timeframes for action plans.

Action plans are then monitored via follow-ups between supplier and auditor, under the supervision of our Supply Chain Sustainability function. At the end of the follow-up period, action plan results are collected and analysed for compliance according to a dedicated operational procedure. In the event of defaulting suppliers, further corrective actions are defined and implemented in agreement with our relevant internal departments.

Find out more
about the Open-es platform

Sustainability performance, along with each supplier's financial, technical, and logistics data, makes up the Summary by Plan document that we use to assign new orders. We also track Open-es memberships via the platform itself. The sustainability score is not a determining factor for supplier qualification as of yet; however, the Company will make it a mandatory prerequisite for new product sourcing by year-end 2024.

In 2023, we continued to invite our direct material suppliers to join the Open-es platform. The total suppliers currently registered on the platform are 749, representing approximately 82% of our direct material purchases. Moreover, their average progress so far in filling out the Open-es questionnaire (78%) is a clear reflection of their willingness to join us on our path and to share their progress with us.

GRI
308-2; 412-1; 414-2

2023 Analysis of Supplier Self-Assessment Questionnaires

Iveco Group worldwide

	Number of suppliers identified as having significant actual and/or potential negative impacts[a]	Significant actual and/or potential negative impacts
Environmental aspects	7	**Lack of information regarding:** • climate change strategy • efficient use of energy • monitoring of water consumption • monitoring of plastic consumption
Social aspects	2	**Lack of information regarding:** • structured management of social aspects • improvement of social policies

[a] Out of 87 suppliers that had completed over 50% of the Open-es questionnaire.

In 2023, sustainability audits were conducted by external auditors at 77 supplier plants worldwide, involving 77 suppliers.

Globally, the total number of audits covered approximately 7% of our total purchase value. In 2023, 40 suppliers were involved in the formulation of corrective action plans (against 144 findings) for areas in need of improvement. No critical issues emerged from the audits, and therefore no contracts were suspended or terminated.

Audits by Geographic Area

Iveco Group worldwide (no.)

	2023	2022
Europe	52	48
South America	20	13
Rest of World	5	14
Total	**77**	**75**

2023 Analysis of Corrective Action Plans

Iveco Group worldwide

	Percentage of suppliers identified as having significant actual and/or potential negative impacts, with which action plans were agreed[a]	Number of action plans identified	Main action plan topics
Environmental	26%	39	• environmental management system improvement • increase in awareness of personal environmental impact • engagement of suppliers in CO_2 emissions reduction plans • monitoring of environmental data • commencement of a transition towards ISO 14001 certification • environmental data monitoring improvement
Labour practices	39%	65	• increase in awareness and provision of training • data monitoring for non-compulsory training • implementation of a tool to manage internal employee complaints while ensuring anonymity • calculation and monitoring of health and safety data and indicators
Human rights	14%	15	• promotion of internal communication and engagement • facilitation of consultations and provision of up-to-date guidelines and operating instructions to all employees • formalisation of processes and/or procedures for managing the risk of child labour and human rights violations
Impacts on society	23%	26	• increase in supply chain awareness • supplier data collection and monitoring • integration of sustainability aspects into supplier assessment

[a] The percentage is calculated based on the number of suppliers audited (77 in 2023). No suppliers were considered at risk in terms of child labour, forced/compulsory labour, or violations of either freedom of association or collective bargaining.

3.3.3.4 ONGOING DIALOGUE WITH SUPPLIERS

We are firmly convinced that suppliers are key to our sustainable growth, which is why we do our best to keep them engaged and informed at all times. This continuous dialogue and exchange allows us to strengthen supplier relationships, providing fertile ground for shared goals and strategies and for thriving collaborations and joint projects – as evidenced by our many long-standing and mutually beneficial alliances.

The **Supplier Portal** represents the main collaboration and communication platform used by the Company to interact with its supply chain. It contains the forms, documents, and tools used to exchange information and manage any operations involving suppliers.

In 2023, several initiatives promoting the exchange of ideas and information with suppliers continued as in previous years.

In May, we held our first-ever *Iveco Group Supplier Convention* in **Turin** (Italy), around the theme of 'Connecting the dots', during which we presented the Company, its challenges, and its strategic priorities. Above all, it gave us the opportunity to emphasise the importance of our supplier relationships, and their influence in generating synergies, support, and proactivity. The event, attended by almost 300 participants from around the world, sparked significant interest and debate during the Q&A session.

In July, we organised a *Supplier Meeting* in **Belo Horizonte** (Brazil) to share strategies and reinforce the alliance with our suppliers. On this occasion, the best performers out of the 84 attending companies were presented with awards in 5 categories for their contributions to: Customer Services; Technology and Innovation; Business Relationships; Quality; and ESG. We also hosted a dedicated event to showcase our ESG projects, inviting all suppliers from South America to participate in this category and share their own initiatives, which led to the registration and presentation of 29 projects.

In November, we invited our suppliers to our *1st Latin America Sustainability Meeting*, held at our plant in Sete Lagoas (Brazil). Our Head of Sustainability presented Iveco Group's sustainability strategy to the 56 attending companies, highlighting the importance of partnership projects to achieve a positive impact. It was also an opportunity to share the best practices implemented by the Company and other suppliers.

Over the year, we also organised 7 webinars for our South American supplier base to promote continuous improvement and optimisation projects through the *SuPer Programme*, with the active participation of the companies that attended (resulting in over 200 ideas and proposals collected and evaluated).

We then organised 4 digital workshops around the Open-es platform for our supplier base **worldwide**, with two held for the onboarding of new suppliers and two to provide updates on the new features of the platform. On each occasion, we also provided information and training on our supplier ESG programme, processes, and requirements. The combined sessions involved more than 500 participants. We also launched a further onboarding campaign focused on the platform's many useful functions and features, delivered via ad hoc communications, user manuals, and targeted meetings with suppliers. Encouraging Open-es platform membership is our primary initiative for increasing supplier engagement and awareness of sustainability matters. The platform's approach revolves around creating a sense of community and providing a space where experiences can be shared. The opportunity for comparison with other industry companies makes suppliers more aware of their areas of strength and more mindful of any areas for improvement and any action priorities.

We also promoted numerous initiatives to encourage innovation among suppliers, advocating a proactive approach to business. One of our key initiatives is to act on our suppliers' suggestions: indeed, through the Suppliers' Proposals section accessible via the Supplier Portal, suppliers can submit both cost reduction and quality improvement ideas, which are then assessed by a dedicated cross-functional team at Iveco Group.

3.3.3.5 COLLABORATION PROJECTS WITH SUPPLIERS

Much of our efforts in 2023 went into collecting and evaluating our suppliers' improvement and sustainability ideas, which resulted in the selection and launch of 3 collaboration projects in the second half of the year, as described below.

Find out more
about the Supplier Portal

Together with one of our major partners, we reengineered our remanufacturing process in Brazil, reducing its footprint by changing the way used parts are collected, and remanufactured ones are distributed. The project also centred on extending the life cycle of spare parts by giving new life to used components, thus reducing waste and encouraging resource reuse, which resulted in more than 600 spare parts remanufactured during the year. Besides its benefits from an environmental perspective, the project also had a positive impact in terms of our financial performance, commercial offering (given that remanufactured parts were not previously available on the Brazilian market), and carbon footprint.

We then partnered with one of our suppliers in a 2-year project providing for the setup of a brand new painting facility for FPT Industrial's F1/F28 engines in Foggia (Italy), near the Brand's plant. Leveraging FPT Industrial's manufacturing background, we are sharing our sustainability and digitalisation expertise to assist in the online monitoring of the facility's activities and resource consumption and in optimising its carbon footprint.

The third project was kicked off in the last quarter of the year with 2 leading bus tyre manufacturers. It provides for a series of dedicated workshops and follow-ups to advance development in material selection, sustainability, recyclability, life cycles, product offerings, and customer services. This collaborative project, which will continue in 2024, will specifically revolve around:

- tyre compounds, with a specific focus on performance and responsible material selection (especially for sensitive materials such as natural rubber)
- customers, striving to meet their expectations in terms of tyre consumption, performance, fuel consumption, affordability, and sustainability
- better products, which will add value to the overall customer experience without affecting costs (hence focusing on saving opportunities).

3.3.3.6 SPREADING AN INTERNAL CULTURE OF SUSTAINABILITY

In keeping with previous years, we continued to implement a number of well-established initiatives targeting the Iveco Group employees responsible for supplier relationships, i.e., those tasked with ensuring awareness of sustainability and good governance among suppliers through open and ongoing dialogue.

These initiatives included the development of a training module for supply chain employees (mainly buyers), focusing on their roles within the supplier ESG programme. The module, expected to be rolled out at the beginning of 2024, is also an opportunity to share and explore ESG matters while focusing on the role of procurement in achieving our strategic objectives.

3.3.3.7 SUPPORTING SUPPLIERS IN DIFFICULTY

In light of today's global context, it is ever more important to closely monitor and manage any critical situations arising along the supply chain. To this end, we have further strengthened our structures and mechanisms for managing suppliers in financial difficulty, focusing on promptly identifying high-risk situations and on stabilising them through appropriate measures to ensure supply continuity. These measures include a recently implemented supplier monitoring tool.

3.4 Our Dealership

3.4.1 Dealer Management and Partnerships

Customer centricity is the fundamental driving principle behind Iveco Group's strategy, guiding everything we do, and it is the dealer and service network that provides that crucial open line of communication with our customers. Dealerships are the first point of contact for those who use the Company's products in their work, and who need advice on the best purchasing options and assurance that they are investing the right amount of capital, time, and resources in products that best meet their business needs. This relationship must be one of mutual trust, whereby customers can depend on prompt assistance and minimum downtime. This is why we invest in and work hard at continuously improving the customer experience (CX), redefining the customer journey as needed within each of our brands' networks through targeted projects – such as the *Retail Excellence Programme*, aimed at improving the sales process, or the *Digital Job Card* initiative related to service delivery.

In Europe, our dealer and service network is made up of 249 Truck dealerships (of which 6% are owned by Iveco Group), employing more than 18,000 people, and 96 Bus dealerships. Globally, we have 468 Truck dealerships and 184 Bus dealerships. The network is responsible for implementing our specific dealership development programmes, which enable it to offer customers the best possible service, contributing in turn to its growth while making it stronger and more competitive. It must also meet the detailed Iveco Group **qualitative standards** specific to each brand, which are an integral part of the contract that each dealership signs when joining the Company's dealer network. These standards are verified periodically and mainly cover:

- dealer facilities and visual identity guidelines
- sales processes
- after-sales services
- environmental impacts
- safety measures
- organisational structures
- financial requirements
- systems and tools
- the training of dealership staff (salespeople, technicians, and managers)
- e-mobility solutions.

For any non-compliance identified during audits, an action plan is established and monitored through follow-ups. Iveco Group representatives, who visit dealerships regularly, are responsible for communicating any changes in quality standards based on their area of competence, and for establishing a schedule for dealership compliance. Updates to quality standards are also provided during regular ad hoc events held to engage the dealer network's sales force. For the above reasons, we always strongly encourage our dealers to pursue international quality standards, such as ISO 9001 for quality management systems and ISO 14001 for environmental management systems. Indeed, 85% of our dealers are certified as per ISO 9000 standards.

New dealers receive guidelines on dealership facilities, appearance and visual identity, exterior and interior layouts, furnishings, posters, and staff uniforms. Detailed indications are also provided on all other aspects (sales, service, and spare parts) to help dealers to: define suitable outlet size, optimise internal flows, promote the right brand experience, acquire the required equipment (IT and special workshop tools), and ensure the appropriate headcount. The guidelines also specify the key performance indicators (KPIs) to be monitored for each line of business (response time in the event of downtime, and management procedures for Product Improvement Programmes). Additionally, they cover international best practices as well as the training requirements for dealership personnel, e.g., number of hours and types of courses that Iveco Group will provide for each professional. Our experts deliver induction training and support to new dealerships, giving guidance according to their areas of expertise on:

- network development
- sales
- after-sales
- financial services.

In addition, dealers may request the specific support of the Training function responsible for each respective market, and access many online profile-specific training courses made available by the Company.

In order to be admitted into the dealer and service network of one of our brands, candidate dealers must meet our recommended standards and have a business plan in place. Their processes are rigorously assessed for approval by Iveco Group's Dealer Network manager, regional Sales VP, and Service, Parts, Financial Services, and Legal representatives, and their compliance is verified using ad hoc tools, with due diligence carried out by location and

by function through the Customer Master Data Workflow (CMDW) application. The overall assessment process is managed through an Electronic Network Action Approval Form (eNAAF). Once the contract is signed, the dealer's admission to our dealer and service network is coded, which entails the creation of a username and credentials to access our Dealer Portal. This web portal connects our global dealer network to Iveco Group, and provides the tools to manage sales and after-sales. The Dealer Portal allows dealers to:

- configure a vehicle and draw up a quote for the customer
- enter purchase orders
- download Operator's Manuals
- register new vehicle warranties
- order spare parts
- obtain technical information and specialist assistance for repairs
- receive authorisations to perform warranty repairs
- receive information on Product Improvement Deployments (PIDs, or recall campaigns)
- order documentation
- receive promotional and marketing communications about spare parts
- follow up on progress towards achieving spare parts sales targets
- access documentation on the contractual quality standards.

3.4.1.1 CUSTOMER CENTRICITY

A crucial aspect of customer centricity is the dealerships' level of expertise and proficiency at training end customers, and to this end we provide all of them with demos on vehicle functionality. Dealers are required to appoint demo drivers with expertise in driving efficiency and in the use of our connectivity services and programmes designed to improve driving styles. During vehicle handover, the dealers pass on this knowledge to customers, enabling them to optimise vehicle use and service life while reducing fuel consumption, so improving environmental sustainability and customers' profitability. Furthermore, when collecting a new vehicle from the dealership, customers are also given a one-off training session on product safety features, which helps safeguard both the drivers and other road users.

3.4.1.2 QUALITY AUDITS AND INCENTIVES

The dealer network is audited yearly on qualitative standards, either by Iveco Group, external agencies, or the dealership itself through self-assessments. The audit checklist, which is based on the Company's quality management system, covers 3 main areas – sales, after-sales, and spare parts – as well as specific aspects for each. Dealerships are evaluated on competitiveness, organisational structure, financial sustainability, customer service and satisfaction, visual identity, equipment and operations, administration and marketing, sales, spare parts, and participation in training.

The programmes implementing **dealership qualitative standards**, as well as all relevant information, are managed via the IVECO Dealer Network Assessment (IDNA) system, which enables dealers, sub-dealers, and authorised workshops to continually monitor their quality compliance while overseeing the measures in place to meet them. The system also collects information on every dealership audit performed, using the results to analyse dealer performance and, if necessary, develop action plans to help resolve any points of weakness detected.

In Europe, in 2023, 4% of IVECO dealerships were audited by internal brand auditors and 96% by third parties, revealing that 85% of them are certified as per the ISO 9000 series of quality standards.

Quality audit results determine dealership access to the respective **incentive programmes** implemented by each brand to reward dealer compliance. These programmes assess dealers and reward best-in-class performance across a wide range of operational and performance criteria. Developed in line with global market strategies, their main objective is to drive business growth and continuous improvement in quality standards to ensure outstanding customer service.

One of our incentive programmes is the *Annual Dealer Performance Bonus*, which sets priorities for dealerships and rewards those that excel in:

- customer experience (CX) management and customer satisfaction
- use of customer relationship management (CRM) tools
- improvement in sales and after-sales processes and services
- expansion of maintenance and response (M&R) contracts and connectivity services to enhance predictive assistance.

3.4.1.2.1 Service Manual

Service Manuals provide our service network with information on the proper maintenance and repair of our products and components, and guidance on quickly and safely restoring vehicle functionality and efficiency on the first attempt. They contain data, specifications, instructions, and procedures arranged in the following sections:

- mechanical procedures
- descriptions of electric/electronic components
- fault codes resolution and troubleshooting
- descriptions of functions
- schematics (hydraulic, electrical, and pneumatic)
- tests, calibrations, and adjustments.

The manuals are intended for specialised, qualified personnel, provided they use suitable personal protection equipment (PPE), workshop equipment, and any special tools supplied by our brands. They are available in every major language used in the markets where the products are sold, and are accessible to the service network via a dedicated webpage on the Dealer Portal. The service network can also access and navigate an offline version of the Service Manuals using a tool known as eTIM GO, which also features live updates.

With regard to its latest electric vehicles, IVECO is prioritising safety by providing its service network with: detailed information on specific procedures involving high voltage components; comprehensive checklists covering the entire workshop process (from acceptance and repair to delivery); and guidance on the proper management, return, and/or disposal of batteries.

3.4.1.3 DEALERSHIP TRAINING

We believe it is essential to develop the skills and know-how of all our dealership personnel, which is why we created a training department to address dealer network training needs and enhance staff knowledge and expertise. We run special training programmes every year for approximately 20,000 dealership personnel (technicians, salespeople, and after-sales staff), designed according to the strategies and needs of each business unit, brand, and geographic area.

Our training approach is to build on the dealer network's expertise and ability to meet customer requirements, from tailoring product offerings to individual needs to performing timely repairs to minimise product downtime. We offer customised training courses and solutions consistent with current market conditions, plus a wide range of activities delivered, where possible, in the native languages of dealers and customers.

Courses are delivered in many forms, be it face-to-face at our training centres, via virtual classrooms (VCR), or via web-based training (WBT). WBT courses are delivered via our Web Academy platform, which maximises their time frame of availability and cuts costs by reducing the need to travel. Delivery methods are chosen by course users according to the certification level required. Coaching sessions by an expert trainer are also available for a deep dive into innovation and technology in our dealer processes.

Quality management training programmes are provided to 100% of our dealership network each year, and technical training courses to 100% of our authorised workshops. All technical courses feature specific sessions on **safe product operation** and on **environmental** and **climate change** issues. Additionally, we recently launched new High Voltage Certification courses for our workshop personnel to qualify them to work on electric vehicles. For our sales force, on the other hand, we provide specific modules on electric ecosystems and on how CO_2 emissions reduction targets contribute to fulfilling our climate pledge, with detailed information on the emissions of individual models during their use.

In 2023, about 30,000 *Student Days* were provided to our service network, with a 75% take-up rate (attendance was 45% web-based and 55% face-to-face).

As evidence of our commitment to transferring know-how to our dealerships, we have incorporated a strategic sustainability target into our Strategic Business Plan: to involve **100% of dealership staff in safety training on our electric product portfolio by year-end 2026 (compared to 2021).**

While general product safety aspects are covered by nearly all our courses, we believe that gas-, electric-, and hydrogen-powered products require specific safety training, given their particular features.

In 2023, we delivered safety training to 27% of our entire dealership, representing 80% of our primary dealer network and 10% of our secondary network, with participants attending in-person training on the new IVECO eDaily (the second module of a two-part course started the previous year). Dealers are required to provide a one-off safety induction or product safety session to all customers collecting a new vehicle, in line with the handover manual supplied by our IVECO Brand to the dealer network, which specifies each step for consigning vehicles. Since 2023, following the launch of the new IVECO eDaily, dealers are required to be certified in high-voltage safety to align with our Company's safety guidelines and standards.

30,000
STUDENT DAYS PROVIDED TO OUR SERVICE NETWORK

3.5 Our Customers

3.5.1 Lifelong Services

GRI
417-2; 417-3; 418-1

Customers are always seeking to enhance their productivity and so need practical advice on the best purchasing options, how much to invest, and the right product for their business needs. With this in mind, our product distribution network is structured to suit customer priorities, while our brands' websites help customers identify the most appropriate vehicles and equipment to buy.
A key factor in managing expectations is the effective handling of customer relations across the board, responding promptly and clearly and ensuring accessibility in the event of information requests and problem reporting. This aspect is also crucial for building long-term success because it helps determine the level of customer satisfaction. Furthermore, customer feedback and suggestions help us identify necessary changes to be made to existing product ranges, and new product lines to be developed to meet future market needs. We consider this aspect essential for building trust, while stakeholders view it as an opportunity to promote efficient equipment use and thus limit disruptions in the event of issues.
Commitment to our customers is a cornerstone of our Code of Conduct, which states that Iveco Group, and all its executives, managers, and employees, shall deliver the highest value to its customers. This includes making every effort to safeguard values such as confidentiality and personal data protection rights, in compliance with our Data Privacy Policy and with applicable laws.

Recognising that advertising must be truthful and transparent, we advocate positive and responsible values and conduct across all forms of communication. In this regard, in 2023, no significant final rulings[41] were issued against Iveco Group for non-compliance with regulations or voluntary codes concerning:

- marketing communications, including advertising, promotions, and sponsorships
- product and service information and labelling
- breach of customer privacy and loss of customer data.

Each of our brands is responsible for managing its customer relations and establishing its own guidelines. Responsibility for delivering customer satisfaction lies with the business units, the presidents of which are members of the Senior Leadership Team (SLT).

When purchasing a product from Brand IVECO's portfolio, customers want the opportunity to evaluate not only purchase prices, but also maintenance, depreciation, insurance, and operating costs. To this end, leveraging IVECO's connected services, we have adopted a total cost of ownership (TCO) approach to assist customers seeking:

- lower fuel consumption and CO_2 emissions
- longer scheduled maintenance intervals, fewer breakdowns, and improved efficiency
- easier access to components for timelier interventions.

Through this approach, we are able to provide customers with an extremely valuable, easy-to-use online calculation tool to aid them in selecting the vehicle best suited to their specific business needs. Our TCO model, developed by IVECO, has become more comprehensive over the years to take account of the Brand's advanced connected services and increasingly customer-centric approach. In addition to covering aspects such as driver satisfaction and safety – providing specific KPIs to monitor driver behaviour, productivity, social responsibility, and economic and environmental sustainability – all factors within our latest TCO model revolve around the driver, and are integrated to continuously interact with and influence each other.
The transport industry has recently had to face significant challenges, key among which is increasing capacity to keep pace with higher demand due to the lack of drivers – a consequence of newer generations being less willing to join the profession. Reasons cited are drivers' working conditions and hours, road safety concerns, and legal issues – even human rights violations.

In 2023, to better assess, understand, and tackle such challenges, Iveco Group joined the Responsible Trucking project, a collaborative platform launched by CSR Europe (a leading European business network for corporate sustainability and responsibility). The project enables companies to work together on evaluating the impact of their operations on logistics and to seek ideas for improving drivers' working conditions.

Find out more
about the Responsible Trucking project

(41) Significant final rulings are defined as having, individually, an adverse material effect on the Company.

The first step of the initiative involved our plants in Suzzara (Italy) and Valladolid (Spain), as well as 6 of our carriers. An anonymous survey was made available to all drivers via a QR code posted at the two plants and at our carriers' premises. The questionnaire covered the following topics: respect for people's rights (working hours, fair and equal pay, the right to join a trade union), the adequacy of employers' training provision, and the quality and safety standards in our loading/unloading bays. Based on the initial wave of responses received from 149 of our plant drivers and 98 of our carrier drivers, we were able to identify our plants' strengths and pinpoint areas for improvement, which will be addressed over the coming years.

This project is a necessary step in achieving our strategic sustainability target incorporated into our Strategic Business Plan: **to collaborate with 100% of key partners to improve drivers' working conditions and work-life balance by year-end 2026.**

3.5.1.2 CUSTOMER-TAILORED MOBILITY SOLUTIONS

Brand IVECO offers a wealth of integrated services and solutions for the drivers of our vehicles, designed to help customers become more competitive, profitable, and sustainable while simplifying the management of their businesses. The flexibility of the Brand's offering means that services can be customised based on specific business, job, and/or mission requirements – from connected telematics that exploit the vehicles' full potential, to a complete series of tailored aftermarket solutions – so as to support customers every step of the way. Whether fleet managers or fleet owners, customers can choose the individual service packages that best suit their businesses (in terms of size and needs), and rest assured that costs are fixed and known. To ensure vehicles stay in top shape, our customers have full access to our synergistic service, spare parts, and dealership offering. Additionally, IVECO offers a broad portfolio of components, such as accessories and original and remanufactured spare parts, to help boost customer productivity while keeping maintenance costs in check throughout the vehicles' service life.

Customers can count on Iveco Group's Customer Uptime Centre, which provides support in 48 countries across Europe and South Africa, in 34 languages, handling approximately 2.7 million contacts per year via the many channels available to our brands' customers (phone, email, mobile apps, and websites).

Over time, the Customer Uptime Centre has expanded its approach to meeting customer needs, going from being simply **reactive** to issues and dealing with them when reported (e.g., via our Assistance Non-Stop service), to offering **proactive** and **predictive** services. Proactive support entails using telematics systems to detect vehicle issues, notifying customers, and promptly providing assistance and solutions; predictive support leverages fault code alerts to foresee potential issues, and notifies customers accordingly to avoid any unscheduled vehicle downtime.

Our **Assistance Non-Stop** (ANS) is a round-the-clock, 365 days a year service available to all Iveco Group customers in Europe and South America, providing immediate technical support for vehicle problems.

Upon identifying customer and vehicle location, the operator handling the assistance request pre-diagnoses the problem and, once the fault has been verified, contacts the nearest mechanic, who is directed to the breakdown location. The operator continues to monitor proceedings until the repair is complete, assisting the mechanic, if needed, and keeping the customer updated until the vehicle is released (be it on the roadside or at the workshop).

The Customer Uptime Centre shares its database with relevant departments, listing faults by number, type, and breakdown duration and matching them with faulty models. The ANS service can be requested via a universal toll-free number or through the on-board infotainment system or the mobile apps designed for the drivers. In the event of a breakdown, the system serves as a gateway that enables the driver to send a breakdown assistance request directly from the vehicle to the Customer Uptime Centre, which in turn can send the driver regular updates on the status of the request and the estimated assistance arrival time.

For our IVECO S-WAY, IVECO Daily, and IVECO eDaily (each as of Model Year 2019), we have a Control Room that monitors and analyses the information received from the on-board telematics systems of all connected vehicles. This data provides information on vehicle status, and is processed using specific algorithms so as to identify potential malfunctions and intervene by promptly alerting customers before any serious issue or breakdown occurs. These innovative systems and real-time monitoring tools are currently used to monitor vehicle breakdowns across Europe. We collect and analyse customer feedback on the service they received via our new smartphone apps, and use the Net Promoter Score (NPS) to measure their satisfaction to better understand the overall customer experience.

Our Brand IVECO also offers fleet managers services such as fuel consumption monitoring, mission assignment and planning, route optimisation, and the monitoring of driving safety parameters. Furthermore, the on-board systems generate specific reports on fuel consumption, tyre pressure, and driving style, which help optimise vehicle performance and on-board safety. Lastly, through on-board and smartphone apps, customers have access to remote diagnostics services and international assistance.

IVECO has further strengthened its commitment to sustainability by launching new eMobility services for its IVECO eDaily customers. These services are designed to meet the increasing demand for environmentally friendly practices in transport and logistics. With features such as eRemote Control, eRange Assurance, eDaily Routing, and eCharge Management, the goal is to empower operators to enhance efficiency, maximise vehicle uptime, and streamline the charging process, ultimately contributing to the global transition to zero-emission vehicles (ZEVs).

3.5.1.2.1 Specially for Drivers

IVECO Driver Pal is a voice assistant specifically created to make the driver's life even easier, more productive, and safer. This perfect travel companion is fully integrated with Amazon Alexa technology, enabling the use of voice commands from the smart cab to interact with the vehicle itself and with the driver community and to access IVECO's connected services. Features include route navigation, vehicle status checks, and assistance to avoid delays and unplanned stops, thanks to traffic, weather, and other information accessed by voice command.

The IVECO Driver Pal assistant also helps maximise vehicle uptime: in the event of a breakdown or technical issue, drivers can request IVECO's Assistance Non-Stop service by voice command instead of using their mobile app or infotainment system. Thanks to this voice companion, drivers can enjoy a safer driving experience with fewer distractions as all secondary tasks can be performed by voice command, leaving drivers free to focus on their missions. Any notifications from the Control Room, including those related to software updates, can be sent to the driver via IVECO Driver Pal (in addition to the IVECO Easy Way and IVECO Easy Daily apps). Moreover, with our premium service, drivers have access to fast tracking at workshops, accommodation in case of vehicle breakdown, and medical assistance in case of need.

3.5.1.3 SPARE PARTS DISTRIBUTION

It is important for customers using Iveco Group products in their work to find spare parts as quickly as possible at their dealership workshops. Through our global network of 19 parts warehouses, we are able to offer dynamic logistics and assistance teams that work hard to deliver the highest quality standards and technology, ensuring the prompt availability and delivery of parts and the best solutions to any issues. We then work in partnership with selected suppliers to provide our dealers with the right combination of such services, parts, and solutions, so as to best support them in increasing customer satisfaction and loyalty.

The Company boasts around 400,000 items in stock: a complete range of new, used, and remanufactured parts, accessories, attachments, and telematics solutions that ensure all our brands' current and past models deliver value and performance over the long term. Furthermore, all of our spare parts are packaged in brown, eco-friendly cardboard that is Forest Stewardship Council (FSC) certified, free of glossy paper, and made using a single ink colour – features that make packaging far easier to recycle.

3.5.2 Customer Satisfaction

Customer experience management (CXM) begins with the customer journey, which consists of a series of key touchpoints reflecting every interaction between customers and the Company before and after the purchase of Iveco Group products and services – from initial awareness to use, loyalty, and advocacy. Our CXM process is overseen by a central team, responsible for standardising the criteria and procedures for managing customer satisfaction while respecting specific business needs, and for ensuring that any reported issue is duly addressed by those responsible for the relevant touchpoints in the customer journey.

Within the scope of CXM, specific questionnaires enable us to measure customer satisfaction while providing valuable insights into areas for improvement. To better understand the overall customer experience, we also use the Net Promoter Score (NPS), which is the most commonly used approach for tracking and enhancing customer satisfaction due to its simplicity, scalability, and adaptability across industries. Its use of a single question – how likely a customer is to recommend a given brand or product to a friend or relative (on a scale of 0 to 10) – makes the NPS the most effective predictor of revenue growth.

The NPS is the main indicator within our Brand IVECO's CXM programme. Customer feedback is collected and circulated within the company as quickly, effectively, and widely as possible, along with the status of KPIs, to obtain a clear picture of customer satisfaction at all times. Beyond this, the CXM programme encourages customer inclusion and engagement, as the single NPS question elicits emotion-based customer assessments, indicative of their loyalty and sense of belonging to the Brand. Moreover, the feedback collected through the NPS survey is used to improve products and services, serving as a valuable tool for involving customers indirectly in the company's decisional processes.

The importance of the NPS is underscored by the strategic sustainability target that we incorporated into our Strategic Business Plan in 2021 for IVECO Trucks, providing for a 20% increase in NPS by year-end 2026 (compared to 2021). It should be noted that this target was already achieved in 2023, partly due to the implementation of a structured process for managing detractors[42] within a specific time frame. We have therefore revised it and made it more challenging by increasing its level of ambition.

As a result, the updated strategic sustainability target is **to achieve a 25% increase in NPS for IVECO Trucks by year-end 2026 (compared to 2021).**

In 2023, IVECO Brazil won its third Modern Customer Award, a prestigious recognition of top-performing companies in Customer Experience, often referred to as the 'Oscar' for Brazilian services. This achievement is further acknowledgement of our investments in expanding our service portfolio and dealership network in Brazil, and a reflection of our commitment to delivering exceptional customer service.

3.5.2.1 OPERATOR'S MANUAL

Each of our products comes with an Operator's Manual (OM) containing key product information for customers, making it an integral part of the product itself. These manuals provide extensive details on safe product use and guidance to minimise environmental impacts, including proper disposal practices for lubricating oils and additives, and strategies to reduce fuel and energy consumption and pollution through efficient product use.

Each manual contains comprehensive information on:

- product identification data
- product start-up and operation
- correct vehicle manoeuvring
- correct use of the vehicle equipment provided – e.g., fixed-body trucks, tail lifts
- correct use of advanced driver assistance systems (ADAS) – e.g., lane departure warning systems (LDWS)
- safe product use – to avoid risk of injury and/or of serious damage to the vehicle and to safeguard the environment
- human-machine interaction (controls and devices)
- on-board equipment
- telematics features
- technical features
- periodic checks and scheduled maintenance
- refuelling.

[42] Detractors are survey respondents who give a company a score from 0-6 in an NPS survey (i.e., unsatisfied customers).

Manuals are available in every major language used in the markets where the products are sold, as per applicable local regulations, and are accessible to the service network via a dedicated webpage on the Dealer Portal.
IVECO end-users can navigate the full contents of Operator's Manuals by downloading the Brand's Easy Guide smartphone app (for iOS and Android), which also features live updates and links to multimedia material. Meanwhile, with the introduction of the new Model Year 2024 product ranges, the Brand is helping to reduce deforestation by offering shorter versions of the printed manuals, serving as quick guides on key safety and vehicle features.

SUSTAINABLE EVENTS

When planning and executing Iveco Group corporate events, the Company takes meaningful steps to reduce its impact on the planet. In fact, whenever possible, it uses LED technology to reduce electricity consumption, replants the plants after using them as venue decoration, opts to support non-profit associations in lieu of traditional giveaways, limits the use of plastic by providing water in biodegradable and compostable bottles, and supplies shopping bags made mainly from recycled or recyclable materials. Iveco Group also limits the use of printed material as much as possible, or uses recycled and certified FSC paper, and any leftover food is donated to local associations that, in turn, distribute it to centres serving people in need.

3.5.3 Product Safety and Cybersecurity

GRI
416-1; 417-1

As regards the manuals for its latest electric vehicles, IVECO has enhanced the contents on customer safety and on maintaining and safeguarding batteries to extend their lifespan.
The customers who purchase Iveco Group's products use them every day in their work. To make their job as easy and safe as possible, we therefore incorporate ergonomics and comfort into all our product designs to provide increasingly intuitive and user-friendly controls. The Company delivers safe, secure, and high-quality vehicles by: researching, developing, and adopting ergonomic solutions as well as functional/technical solutions that help enhance product safety and security performance; conducting studies and research to find and develop safer and more sustainable materials and chemical compounds; and providing information on correct and safe product use via the Operator's Manuals and through ad hoc training programmes.
As stated in our Code of Conduct, ensuring product safety for our customers is one of our fundamental objectives and key responsibilities, which is why we make every effort to deliver extremely safe, reliable, and high-quality products and services. Moreover, everyone at Iveco Group is expected to comply with the safety standards in place, taking appropriate steps to identify, correct, and prevent any non-compliance. This means that any vehicle safety issues must be immediately reported to a supervisor, the Compliance or Legal departments, or via our Whistleblowing System. This commitment is stated in our Health and Safety Policy and applies to all Iveco Group products and brands. As a result, each brand is invested in pursuing the highest standards of preventive, active, passive, and tertiary product safety, so as to safeguard the health of drivers/operators, passengers, and pedestrians alike.

The technological features of latest-generation vehicles (e.g., connectivity and assisted/automated driving systems) make travelling safer and more comfortable. They rely on the exchange of data and information between the vehicle and its surroundings, allowing on-board instruments such as navigators to find the best routes and avoid accidents, traffic jams, and roadblocks. Advanced driver assistance systems (ADAS), for example, are one of the most important features in use today; their ability to read road signs and road markings and to detect pedestrians makes them a significant advance in human safety.
As is the case in IT and in ICT networks, adopting these technologies brings many advantages but also makes vehicles vulnerable to potential cyberattacks. Since the safety of our customers

is a top priority at Iveco Group, we are fully committed to securing automotive **cybersecurity** for all our vehicles. In this regard, we have adopted a Product Safety, Security, and Technical Compliance Policy (PSSC), reflecting our commitment to designing, validating, manufacturing, selling, and supporting safe and secure products that comply with or exceed the requirements of all applicable laws, and to providing protection against cyberattacks by mitigating the related risks. Iveco Group considers this a prerequisite for conducting responsible and sustainable business, and essential to building and maintaining public trust in our products and in the Company itself.

Through this approach, we work to create, maintain, and constantly support a corporate culture of product safety, security, and technical compliance that goes beyond the 'mere' rules of compliance.

As per our PSSC Policy, we have established our own Cybersecurity Management System (CSMS), which ensures security is built into the design of vehicles to provide protection throughout their entire lifespan, thus minimising their exposure to the risk of cyberattacks. In December 2022, we certified our CSMS according to UN Regulation No. 155, which defines uniform provisions for the approval of vehicles with regards to cybersecurity and its management. In addition, we install the most innovative cybersecurity technologies on new vehicles, implementing structured processes along the entire development chain, and from production to post-production.

3.5.3.1 ROAD SAFETY

Designing products according to high safety standards to protect drivers, passengers, and all other road users presents a daily challenge for Iveco Group. We consider it not just a commitment, but also our responsibility towards the community. Accordingly, our research and development into safety systems focuses on 3 key areas: active safety (aimed at collision avoidance through solutions such as Advanced Driver Assistance Systems (ADAS), Electronic Stability Control (ESC), and Anti-Lock Braking System (ABS)); passive safety (aimed at damage mitigation); and tertiary safety (aimed at post-crash safety management).

In terms of Advanced Driver Assistance Systems (ADAS) with **active safety** features, the main solutions on the market include Advanced Emergency Braking Systems (AEBS), which alert the driver to a potential collision and automatically activate the brakes to avoid or reduce the speed of impact; Lane Departure Warning (LDW), which alerts the driver when unintentionally straying into or moving too close to neighbouring road lanes or road edges; and Adaptive Cruise Control (ACC), which maintains a safe cruising speed and distance from the vehicles ahead while on the road. These are some of the active systems and tools that help prevent road accidents caused by human error, poor driving skills, fatigue, or simple lack of judgment. Furthermore, ADAS are classified according to the 6 levels of driving automation defined by SAE International, a leading authority on mobility standards development: Level 0: No Driving Automation; Level 1: Driver Assistance; Level 2: Partial Driving Automation; Level 3: Conditional Driving Automation; Level 4: High Driving Automation; and Level 5: Full Driving Automation. The ADAS currently offered by Iveco Group include Adaptive Cruise Control (ACC), Advanced Emergency Braking System (AEBS), and Lane Departure Warning System (LDWS). Our goal is to equip all of our vehicles with Level 2 ADAS, which we began developing in 2022 for new models scheduled for release over the next few years. This commitment is also reflected by the strategic sustainability target we incorporated into our Strategic Business Plan: **to ensure that 100% of new vehicles manufactured in Europe are equipped with Level 2 ADAS by year-end 2026**, and with additional advanced functions such as Adaptive Cruise Control (ACC) with Stop & Go[43], Corrective Steering Function (CSF)[44], and Lane Centring (LC). This strategic target was also included in our Sustainability Plan and as an individual goal in the Performance Development Process (PDP).

Following several studies on **passive safety** and biomechanics, our light and medium commercial vehicles can optionally be fitted with Advanced Occupant Restraint Systems (AORS) for enhanced protection in case of frontal impact. Light vehicles also come with the additional option of installing window airbags to protect occupants in the event of a side impact.

Manufacturers tend to focus mainly on primary and secondary safety to help drivers avoid accidents, limit their consequences, and reduce the effects of any impacts (kinetic energy dissipation). However, as underlined by Euro NCAP[45], road safety is not only about protecting occupants and promoting driver assistance systems. It also concerns better post-crash safety management, a sphere known as **tertiary safety**. It is crucial that first responders know what they should and should not do at the scene of an accident. Intervention within the so-called 'golden hour' is essential, and rescuers need quickly available and straightforward information on a vehicle's construction to help remove persons safely from a crash site.

(43) While ACC allows drivers to maintain a preset speed and distance from the vehicle ahead, ACC paired with Stop & Go helps them come to a complete stop.

(44) CSF is part of an electronic control system whereby the automatic evaluation of indicators initiated on-board the vehicle may result, for a limited duration, in changes to the steering angle of one or more wheels, in order to: compensate for a sudden, unexpected change in the side force of the vehicle; improve vehicle stability; or correct lane departure.

(45) The European New Car Assessment Programme, which provides European consumers information on the safety of passenger vehicles.

For this reason, Brand IVECO has developed specific rescue sheets and emergency response guides, and made them available in the Rescue Material section of its website. Compliant with the ISO 17840 standard (defining information for first and second responders) and available in multiple languages, rescue sheets are standardised summary documents containing all the information crucial to rescuers to carry out occupant extrication quickly and safely. Rescue guides, on the other hand, provide more detailed information that is used to train first responders, with a particular focus on alternative fuel vehicles.

Understanding that the human factor plays a key role in accident prevention, IVECO's portfolio of digital services includes the unique Safe Driving suite, with features designed to help **customers** become safer drivers. This on-board system monitors a set of key performance indicators (KPIs) and generates regular reports that, on the one hand, help drivers to acquire a safe driving style; on the other, they help fleet managers analyse trends at fleet level and identify driving style improvement areas, enhancing a safe driving culture among fleet drivers and thus safety on the road. The Safe Driving suite is designed to enhance the driver's risk awareness, thus improving road safety by reducing the risk of accidents and consequently the incidence of injuries to people and of damage to transported goods and vehicles. Safe Driving Reports summarise fleet KPIs in 3 categories:

- Dynamics – which focuses on harsh steering or acceleration, stability control, and handbrake use while driving
- Collision Risk – which looks at behaviours potentially contributing to accidents, such as harsh braking or insufficient safety distance between vehicles
- Compliance – which covers regulations on speed, driving hours, and maximum legal weight limits for vehicles.

The Safe Driving suite system is currently available on our vehicle models equipped with a Connectivity Box, and information on its features are easily accessible through the IVECO portal.

3.5.3.2 RECALL CAMPAIGNS

The decision to launch a corrective action, also known as a Product Improvement Deployment (PID), is made by our Current Product Management (CPM) team, taking into account both technical factors and the impact on customers. The CPM team works with the Vehicle Conformance Team to evaluate the safety aspects of each PID using state-of-the-art tools and methodologies, such as safety risk assessments, and determines whether to launch a particular safety recall campaign based on the index obtained. In the event of a PID launch, we notify customers and the relevant authorities in complete transparency.

Once a recall campaign has been approved, it is launched and released to our service network. This ensures swift completion to minimise customer impact and customer vehicle downtime. Recall campaigns fall under our product quality control process and involve all customer-facing functions, including brand organisations and dealers. If a campaign involves vehicle repair, we utilise various programmes and channels to inform customers about the work involved.

Our Customer Uptime Centre is responsible for overseeing this process for the countries within its remit[46] and for reaching out to affected customers. Each market concerned sends the Centre notifications about impacted vehicles, type of recall campaign, and launch date, as well as certified translations of recall letters. The affected customers are contacted via a dedicated portal or by letter and email. Countries outside the remit of the Customer Uptime Centre are handled by local partners and dealers.

At Iveco Group, ensuring safe and reliable products for our customers is key. For this reason, our quality control process includes a Reporting Procedure for Product Safety Problems through which both our service network and our people can report any product safety issue found. Employees can report events involving any of our products via a dedicated section on our corporate Intranet. The reports received are analysed and duly processed by our CPM team. In addition, to speed up the reporting of potential quality problems, the service network is provided with appropriate Incident Reporting Guidelines.

GRI 416-2; 417-2

Recall Campaigns (PIDs)

Iveco Group worldwide (no.)

	2023	2022	2021
Mandatory campaigns	**46**	38	44
Safety & regulatory campaigns	**32**	12	14
Total	**78**	**50**	**58**

[46] Belgium, Bulgaria, Czech Republic, France, Ireland, Italy, Luxembourg, the Netherlands, Poland, Portugal, Romania, Slovakia, Spain, and the UK.

3.6 Local Communities

3.6.1 Strategy and Governance

GRI 413-1

As a corporate citizen, Iveco Group believes in making a positive contribution to society in its countries of operation. We want to share our purpose, Values, knowledge, and resources with our communities in order to foster development, unlock opportunities, and reduce inequalities for people who have fewer prospects due to limited resources.

Creating value for our stakeholders and for those who live and work near our plants requires a clear direction and vision to guide our operations. As set forth in our Code of Conduct, we are committed to community engagement by playing an active role wherever we operate, contributing to local social, economic, and institutional development through specific programmes. Moreover, our Community Investment Policy, available on our corporate website, ensures that our activities are managed consistently, defining areas of application at global level.

Against this background, we have also identified risks and opportunities. For example, hostility by local communities towards our activities may cause reputational damage and/or affect business continuity. Furthermore, both our credibility and our efforts to transition towards long-term equitable social development would be at risk if we supported projects that were not in tune with community priorities or were not socially impactful; the same would be true if we were to cooperate with organisations whose conduct or actions were not in line with our ethical values. Our approach to such risks, given the scale of challenges facing both planet and people, is to support projects that bring measurable benefits to the countries where we operate in terms of business and investments, as well as high-value, long-term partnerships.

Our commitment to promoting equity, inclusion, and engagement also means fostering community educational activities. We have thus incorporated a strategic sustainability target for education into our Strategic Business Plan, focusing on the jobs of the future: **a 50% increase in the number of students involved in educational activities by year-end 2026 (compared to 2019).** Thanks to the many initiatives in place, we were already able to achieve a 33% increase by year-end 2023.

Overall, the resources allocated by Iveco Group in 2023 to support various local community initiatives totalled **€3.72 million** (see 1.6.5.2.2 Local Community Investments).

3.6.1.1 STRATEGY FOR LOCAL COMMUNITY INITIATIVES

We have identified 3 main action priorities reflecting our business role in connecting people with other people, with goods, and with services across various locations worldwide:

- **Preserve Biodiversity**: we aim to strengthen the connections between people and nature, building mutually respectful relationships rooted in the intrinsic value of nature (the planet), how it is instrumental to growth (the economy), and its relational benefits (human health and cultural identity)
- **Reduce Inequality and Protect Diversity and Vulnerable Groups**: we aim to promote the advancement of people, culture, and ideas, and to enhance socio-economic inclusion and technological development, by empowering vulnerable groups and migrants
- **Foster Health and Wellbeing**: we aim to play an active role in fostering health, wellbeing, equity, and fairness to deliver improvements in education, income, and individual living and working conditions.

Driven by our commitment to social development, we empower our local communities through 5 pillars of action:

- **Awareness**: raising awareness of a cause or issue that reflects people's lived experience
- **Education**: empowering people and building resilient communities, generating positive repercussions that can potentially extend generations into the future (i.e., developing the skills of tomorrow's workforce by promoting STEM disciplines, literacy, improved education, and problem-solving from childhood to university)
- **Mentorship**: building the community and fostering closer ties to the Company
- **Partnership**: working in community-based partnerships to identify specific needs, assets, and priorities
- **Tailored Projects**: designing and implementing tailored projects aimed at specific outcomes that bridge societal divisions and advocate for a shift 'from stockholder to stakeholder'.

€3.72

MILLION INVESTED IN LOCAL COMMUNITIES

GRI
413-2

3.6.1.2 GOVERNANCE SYSTEM FOR LOCAL COMMUNITIES

The main pillars of our local initiatives governance model include:

- our ESG and local community strategies
- specific decision-making bodies (i.e., our SLT Sustainability Committee and 5 regional committees), each with an approval threshold, supported by the Legal and Finance functions
- dedicated control mechanisms, such as a structured approval workflow and budget registers.

The 5 regional committees review and approve projects with a budget below €50,000, ensure alignment with local community strategy, and oversee the approval process workflow. They meet monthly, or as needed. All local community projects with a budget above €50,000 require approval by the SLT Sustainability Committee.
Such a structured process, led by our Sustainability Department, ensures consistency across geographic areas and alignment of all programmes and initiatives with our business drivers.

3.6.1.3 POTENTIAL IMPACT OF OPERATIONS ON LOCAL COMMUNITIES

The aspects that could significantly impact local communities, and that Iveco Group is committed to improving, concern:

- the impact on the health of workers and their families (see 3.2.5 Occupational Health and Safety >)
- improvements in the welfare of workers and their families (see 3.2.7 Welfare and Wellbeing >)
- the impact of atmospheric emissions (see 2.1.3.1.6 CO_2 Emissions >)
- air quality protection (see 2.2.3.2 NO_X, SO_X, and Dust Emissions >)
- water management (see 2.2.4 Water Management >)
- waste management and soil/subsoil protection (see 2.2.5 Protecting the Soil and Subsoil > and 2.2.6 Waste Management >)
- biodiversity protection (see 2.2.7 Protecting Biodiversity >)
- adoption of logistics solutions with lower environmental impact (see 2.1.4.2 Logistics Processes >).

We monitor all of the above, along with other aspects, under our Risk Management system (see 1.5.1 Risk Management >), initiating targeted projects (directly impacting local communities) at those plants where biodiversity protection and water management and monitoring are deemed necessary.
When monitoring the impact of our operations on the environment and on local communities, we also consider the suppliers that we rely on and have partnered with, and to whom we transfer our best practices. In this regard, they are required to abide by our principles on human rights and working conditions (e.g., to reject all forms of forced and/or child labour), environmental protection, and business ethics (see 3.3 Our Suppliers >).

PROUD to be a part of BUSINESS FOR SOCIETAL IMPACT CORPORATE CITIZENSHIP SUPPORTED BY SLR 2024

3.6.2 Main Projects

GRI 413-1

3.6.2.1 PRESERVE BIODIVERSITY

WASH PROJECT

Country: Kenya (Africa)
Project Developer: WeWorld
Goal: to provide water facilities for livestock and for local food production, so as to prevent food crises in periods of drought and reduce conflict between small farmers and pastoralists

The Isiolo County is in the central-northern belt of Kenya, with a population of 268,002 and an area of 25,350 square kilometres divided into three sub-counties (Garbatulla, Isiolo, and Merti). Drought and irregular rains negatively impact the County's economy, causing reduced yields, low productivity, high livestock mortality, significant loss of earnings, and a sharp rise in malnutrition. Furthermore, the poor accessibility to and availability of water and food resources are fertile ground for disputes and violence over the ownership of the means of sustenance. The WASH project aims to increase the resilience of the local agro-pastoralist communities (particularly the women and children), mainly by providing water facilities for livestock and local food production to prevent food crises in periods of drought and reduce conflict between small farmers and pastoralists. It is part of a much broader multisectoral initiative encompassing several complementary activities designed to strengthen the resilience of the people of Isiolo County. Indeed, the 168,272 inhabitants residing in the two sub-counties of Isiolo and Merti will benefit from fewer conflicts in the area as a result of the project.

Project Outputs and Impacts

COMMUNITY OUTPUTS

- **2** water pans built to increase water availability for agriculture and livestock
- **2** committees (totalling 30 members) established for the management of water resources and the prevention of conflicts among project beneficiaries
- **1,000** families of small farmers and pastoralists (i.e., about **6,000** people) benefitted from the water pans, with improved local food production

COMMUNITY IMPACTS

The Women Empowerment in Agriculture Index (WEAI) increased from **0.9101** to **0.9400**[a]

The Citizens Drought Coping Strategy Index (CSI) in Isiolo County improved, decreasing from the baseline figure of **23.6%** in 2020 to **16%** in 2023[b]

The Women Dietary Diversity Score (WDDS) increased from **23.6%** to **28.5%**[c]

(a) Indicator of the empowerment, agency, and inclusion of women in the agriculture sector in an effort to identify ways to overcome the persistent obstacles and economic constraints they face.
(b) Indicator of households' food security based on the extent to which they use harmful coping strategies when they do not have enough food or enough money to buy food. A reduction in this indicator therefore reflects an improvement in food security.
(c) Generally speaking, the Dietary Diversity Score is an indicator of household micronutrient adequacy and nutrition insecurity, based on the number of different food groups consumed by a household over a given period. An increase in this indicator therefore reflects an increase in the number of different food groups consumed in the given period.

WATER STORAGE PROJECT

Country: Argentina (South America)
Project developer: Ansenuza National Park and Fundación Parques
Goal: to improve access to and storage capacity for high quality drinking water for rural families living in Ansenuza National Park.

The area covered by the project is on the northern border of the Ansenuza National Reserve, encompassing Campo Alegre, Pozo Verde, Isla Larga, Los Pozos, and Laguna La Paulina. The project provided the resources and technology to build 9 water tanks to increase the storage capacity of drinking water, support the establishment of farming families in these communities by ensuring access to safe water, and promote responsible water management practices to safeguard drinking water quality.

Project Outputs and Impacts

COMMUNITY OUTPUTS

- **9** water tanks built
- **90** Company volunteers involved
- **9** farming families (for a total of 33 people including children, women, and men) benefitted from the increase in clean water storage capacity, delivering an average of up to 16,000 litres per family

COMMUNITY IMPACTS (expected)

Training on responsible water management practices to be delivered to the farming families covered by the project

GREEN OASES IN THE CZECH REPUBLIC

Respect for biodiversity and nature are fundamental values to be nurtured from childhood. Families and schools play a crucial role in shaping such values for the future, and collectively we can support them even further. The region of Pardubice (Czech Republic) has a strong need for gardens and green spaces on school premises, not just to cultivate plants but also to educate children and their families about the environment. Recognising this need, Iveco Group partnered with *Nadace Partnerství*, an environmental foundation operating since 1992, to support the construction of 3 new school gardens in the region. Each of these green oases is expected to have a direct impact on approximately 800 students and more than 1,500 people. By focusing on local schools, the initiative will also have a significant impact on the Iveco Group employees and respective families in the region, creating a ripple effect across the community.

COMBATING THE DESERTIFICATION OF THE ARAL SEA IN UZBEKISTAN

Over the last 50 years, the Aral Sea has shrunk dramatically, losing 90% of its water volume, and the wetland ecosystems of both the Amu Darya and Syr Darya river deltas have disappeared. The receding waters have led to the desertification of extensive areas of the seabed, leaving them exposed and covered with salt and toxic chemicals. Furthermore, frequent droughts and dust storms cause the dispersion of some 75 million tons of toxic salts and sand from the dry seabed every year, significantly impacting the health of the local population. As a result, rates of cancer and tuberculosis are much higher, and access to safe drinking water is limited. Our brand IVECO has launched a project to help address these problems by planting 10,000 Saxaul tree seedlings, a species native to western Uzbekistan able to grow in the region's harsh conditions and high-salinity soil. With this initiative, IVECO is supporting *Yashil Makon*, a major ecological programme launched by the Republic of Uzbekistan in 2021, joining nationwide efforts to increase the country's green areas.

3.6.2.2 REDUCE INEQUALITY AND PROTECT DIVERSITY AND VULNERABLE GROUPS

SUPPORTING EDUCATION AND PROTECTING CHILDREN

Country: Ethiopia (East Africa)
Project developer: Save the Children
Goal: supporting children's education and protection.

In Ethiopia (East Africa), despite access to public education significantly improving in recent decades, quality education remains a challenge. Assessments of reading skills among children indicate that, after completing grade 2 and 3, a significant percentage are unable to read fluently in their native language, with the poorest skills found in the SNNPR (South Nations, Nationalities, and People's Region) and Sidama regions.

In 2022, we began supporting Save the Children's Literacy Boost, an innovative, evidence-based approach to improving literacy learning outcomes. The main focus during this first year of collaboration was on boosting children's literacy skills by enhancing the expertise of teachers and education experts, providing them with coaching and mentoring, strengthening relationships within the education sector at national, regional, and district level, and facilitating the initiative's integration and implementation into the primary school curriculum across Ethiopia. Furthermore, recognising the impact of digital technology on improving the quality of education (especially in terms of strengthening the teaching of pedagogy), the initiative also provided for the purchase of IT materials. These included 200 smartphones and 1,600 USB/SD flash cards, which were distributed to selected schools in Sidama, Gedeo, Halaba, and Wolaita and used by teachers to access, download, and share online training content and materials.

Since 2023, the project's remit has expanded. In addition to supporting education, it currently also focuses on safeguarding children from violence and neglect through an efficient child protection system, targeting the most disadvantaged children, including some with disabilities, residing in remote rural communities with the least access to quality education.

Project Outputs and Impacts

COMMUNITY OUTPUTS

- **187,500** students (grade 1-4) benefitted over the school year
- **750** schools in the SNNPR and Sidama regions received educational materials
- **115** teachers involved in peer-to-peer learning
- **203** educational supervisors engaged
- **2,073** teachers and **57** regional experts trained

COMMUNITY IMPACTS

Over **30%** of the children improved their reading and comprehension skills (Level A)

5 additional SNNPR districts were included in the project

Positive feedback and appreciation received from regional authorities

FUORICLASSE IN MOVIMENTO

Country: Italy (Europe)
Project developer: Save the Children
Goal: to foster students' participation and wellbeing at school and fight early school dropouts.

Iveco Group sponsors the project *Fuoriclasse in Movimento*, backed by Save the Children, which promotes the wellbeing and motivation of teenage girls and boys. More specifically, it focuses on enhancing their self-esteem in light of contemporary challenges and needs, and on building collaboration among pupils, teachers, and families to reduce the number of school dropouts. The initiative also supports systemic change in school policies, and new proactive and synergistic approaches and tools to deliver high-quality, equitable, and inclusive education with the involvement of the teaching community.

Fuoriclasse in Movimento promotes pupil participation, trains teachers and school leaders on the issues of inclusive teaching, and supports closer relationships with families and local education communities. It also enables the exchange of best practices among schools. At its core are the Fuoriclasse Councils, which are courses run by teacher and pupil representatives aimed at identifying shared solutions to improve spaces, teaching, relationships, and collaboration with the community at each school involved.

Project Outputs and Impacts

COMMUNITY OUTPUTS

- **18,000** students involved in consultations, concept development, and drafting of change proposals
- **1,763** teachers involved in tutoring and webinars
- **175** schools nationwide involved over the school year

COMMUNITY IMPACTS

Over **520** change proposals were implemented

Outstanding Days were organised at schools to celebrate the Fuoriclasse Councils' work and share it with the entire school and education community and with families

TECHPRO² PROJECT

Country: Italy (Europe); China (East Asia); Ethiopia and South Africa (Africa)
Project developer: Don Bosco Salesian Society
Goal: to train mechatronic specialists to meet market demand.

The growing mismatch between supply of and demand for industrial skills is one of the main causes of high youth unemployment around the globe, especially in many developing countries.

Our global *TechPro²* joint project is the result of a long-standing partnership with the Don Bosco Salesian Society. Its aim is to train mechatronic specialists to meet the market's growing demand for qualified personnel, creating in turn more job opportunities for these young individuals – especially within our Company's sales and service network.

Training includes theory and hands-on learning at Salesian centres, followed by targeted internships in the field. The objective is twofold: on the one hand, to ensure students have a future vocation; on the other, to enhance the quality of specialised technical assistance for our products while meeting the demand for qualified technicians at authorised dealers and workshops. To achieve this, we provide expertise by training the teachers, who in turn pass on their knowledge to students in the classroom. We also offer financial aid, tools, and essential parts (such as complementary vehicles, engines, drives, and diagnostic tools) for classroom training and practice.

Project Outputs and Impacts

COMMUNITY OUTPUTS

- **7** schools involved across **4** countries
- **276** students engaged in classroom and on-the-job training in 2023
- **4,200** total training hours delivered in 2023

COMMUNITY IMPACTS

Based on feedback from both the trainees and the schools, the project helped the former develop new skills and knowledge and enabled the latter to improve their technological competence and ability

45 students found employment after completing the training course

CONBECA PROJECT

Country: Argentina (South America)
Project developer: Asociación Conciencia
Goal: to provide access to and continuity in education for students in secondary schools who lack economic resources.

CONBECA is a programme run by Asociación Conciencia since 2003 to ensure education access and continuity for students from low-income families attending secondary schools who demonstrate effort, good performance, and commitment in their studies. It is designed to provide them with the necessary support, tools, and resources to enhance their opportunities in adult life.

In Cordoba, as part of this programme, we have helped set up a social, educational, and vocational project to support students (aged 17-19) from the El Quebracho neighbourhood, in collaboration with the Los Pekkes Foundation. The project offers individual guidance and training in socio-emotional skills, supporting the students in their journey towards graduation during their final years of secondary school. To date, it has benefitted 12 teenagers and their families.

In 2023, 5 students who were part of the previous year's programme successfully passed all their subjects, achieving their target grades; 7 students attending the penultimate year advanced to the final school year; and 5 students attending their final year chose to pursue higher education.

Project Outputs and Impacts

COMMUNITY OUTPUTS

- **12** students involved
- **36** individual meetings held with the students

COMMUNITY IMPACTS

The students benefitted from one-on-one tutorials, group meetings, and workshops

The programme fostered digital inclusion

3.6.2.3 FOSTER HEALTH AND WELLBEING

TORINO STREET CARE 3.0

Country: Italy (Europe)
Project developer: Camminare Insieme (volunteering association); Danish Refugee Council Italia (NPO); Rainbow4Africa (NPO)
Goal: to provide care, assistance, and rehabilitation to marginalised people.

The project Torino Street CARE (Care, Assistance, and Rehabilitation) against marginalisation provides a mobile bus to a team of socio-legal and health care experts for outreach work in the city and province of Turin (Italy), with a focus on neighbourhoods with a higher concentration of vulnerable and homeless individuals.

The project's main lines of action include:

- carefully planning activities by mapping out and monitoring the streets and areas to be visited by the mobile unit's on-board multidisciplinary team
- providing social health support and assistance, as well as access to basic and specialised health care services onboard the mobile unit, including language and cultural mediation services
- providing socio-legal assistance to non-Italians, refugees, and asylum seekers.

Project Outputs and Impacts

COMMUNITY OUTPUTS

- **77** people have benefitted since the beginning of the project
- **74** benefitted from general medical screenings
- **51** people provided with socio-legal assistance
- **40** people at risk identified and referred to specialised medical testing centres
- **35** people benefitted from better social interactions, an improved health care environment, and referrals to specialist services

COMMUNITY IMPACTS

Homeless and vulnerable people (mainly marginalised women) gained access to health care services

Migrants were provided with social and legal counseling aimed at increasing their social inclusion

OZHARVEST

Country: Australia (Australia and New Zealand)
Project developer: OzHarvest
Goal: to provide food rescue and distribution services.

Iveco Group has partnered with OzHarvest, Australia's leading food rescue organisation whose mission is to fight food waste. This partnership allows us to contribute to the provision of 200,000 meals to people in need through the organisation's Food Rescue programme. It also allows us to help prevent 100,000 kilos of food from going to landfill and avoid 660,000 kilos of greenhouse gas emissions. Founded in 2004, OzHarvest supports 1,500 charities across Australia, providing food to vulnerable people in need.

The Company also provides road support with OzHarvest through 16 IVECO Daily vans that play a crucial role in distributing rescued food to charities around the country. These vans are equipped to make them comfortable, safe, and easy to drive for the team rescuing and delivering food every day.

Project Outputs and Impacts

COMMUNITY OUTPUTS	COMMUNITY IMPACTS
200,000 meals delivered to those in need	The project allows saving as much fresh and nutritious food as possible and delivering it directly to over **1,500** charities across the country
100,000 kg of food saved from going to landfill	The project allows saving landfill space and preserving the resources originally invested in creating the rescued food, including energy, water, and money
660,000 kg of greenhouse gas emissions avoided	The reduction in food sent to landfill means fewer CO_2 emissions

MENTAL HEALTH CARE

Country: Czech Republic (Europe)
Project developer: Péče o Duševní Zdraví
Goal: to provide professional mental health support to people of all ages across the region.

In a global context in which mental health issues are on the rise, the Czech Republic is suffering from a shortage of over 1,000 professionals in the fields of psychology, psychotherapy, and psychiatry.

For this reason, we decided to help expand the support network and contribute to development and training programmes for the professional staff working at the NPO/NGO Péče o Duševní Zdraví, which provides assistance to people over the age of 16 suffering from schizophrenia, from bipolar, neurotic, and personality disorders, and from other serious mental health issues. The organisation's objective is to help patients on their recovery journey, providing them with the coping mechanisms to manage their symptoms and live a happy life wherever they are.

Project Outputs and Impacts (expected)

COMMUNITY OUTPUTS	COMMUNITY IMPACTS
Set-up (in terms of location, equipment, and staffing) and opening of a new mental health care centre in Ústí nad Orlicí	The initiative is expected to impact **30** mental health specialists
650 potential beneficiariesl	

ENERGISING RESEARCH WITH TELETHON

Iveco Group sponsors a young Principal Investigator (PI) at the Telethon Institute of Genetics and Medicine (TIGEM) in Pozzuoli (Italy). This PI is carrying out highly innovative research on molecular mechanisms in genetic kidney disease, which still has no cure to date.

Using a very complex in-vitro system, the research aims to grow so-called kidney *organoids*, i.e., small kidneys from stem cells in a lab setting, using patients' stem cells or those engineered in the lab to resemble cells from patients. This in-vitro system is also being used to test old and new drugs in order to study their potential benefits and side effects, their safety, and their efficacy.

FOOD COLLECTION IN SPAIN

Iveco Group's partnership with food bank *Banco de Alimentos* started back in 2017 under our former corporate structure. In 2023, thanks to this collaboration, our plants in Madrid and Valladolid (Spain) donated a combined total of more than 1,000 kilos of food collected by approximately 300 employees, with the Company contributing further by matching their donation. 33 of our people (5 in Valladolid and 28 in Madrid) also contributed to the initiative by volunteering one hour each during their work shifts.

FROM SPORT TO EMPLOYMENT AND SOCIAL INCLUSION

In France, Iveco Group supports *Sport dans la Ville*, a leading non-profit organisation assisting disadvantaged young people through sport and job-readiness initiatives, supporting them in their personal development and giving them access to training, employment, and business startups.

In Italy, our Brand IDV provided support to the Paralympic Defense Sports Group (GSPD), an outstanding sports initiative within the Italian Paralympic Committee, by donating an IVECO Daily 4×2 van especially equipped to cater for the needs of the paralympic athletes.

PREVENTING BREAST CANCER IN TUNISIA

Networking with like-minded partners is a powerful driver to bring about desired change, given the scale of challenges facing the planet and people. Neapolis Pharma and the Nour Ne association, working alongside the Ministry of Public Health, have acquired an IVECO Eurocargo truck and fitted it out with medical equipment for performing mammograms to offer Tunisian women preventative breast cancer screenings. The Eurocargo has been equipped with a cutting-edge scanner, a breast ultrasound machine, and an area for clinical examinations. The vehicle will tour Tunisia to bring health care to women in the country's less accessible regions, enabling the early detection of breast cancer while saving women the time and cost of arranging their own transport.

3.6.2.4 EMERGENCY RELIEF

Between 2022 and 2023, the number of people affected by emergency crises increased worldwide. As a corporate citizen committed to social responsibility, we understand the meaningful impact of collaborating with non-governmental organisations and civil society. For this reason, we wasted no time in mobilising resources throughout the year – both in cash and in-kind – based on proximity and unfolding events and driven by a desire to provide tangible support to our communities. This was the case in the aftermath of the war in Ukraine, the earthquakes in Türkiye, Syria, and Morocco, and the flooding in Italy's Emilia Romagna Region.

In **Ukraine**, in 2023, Iveco Group supported a project by the AVSI Foundation to create: 3 child-friendly spaces in the region, providing children with a safe and protected environment where they can play, grow, and express themselves; 2 kindergartens in Arbuz and Kharkiv, respectively; and a multisectoral humanitarian community centre on the premises of the Vocational Education Institute in the city of Izyum, which has endured a devastating occupation. The aim is to help restore some sense of normality to the lives of the local residents, traumatised by months of serious human rights violations. Moreover, through the Unbroken Kids project run by NGO Soleterre, we also contributed to the renovation of a rehabilitation centre at the Saint Nicholas Hospital in the city of Lviv, with the aim of providing psychological support and rehabilitation to hundreds of children injured in the war, including amputees and those with blast injuries. At the centre, we provided support for the construction of a therapeutic pool and of two office spaces where dedicated professionals will ensure the continuity of the new centre's mental health services. In response to the earthquake in **Türkiye** and **Syria**, we helped provide urgent aid to address the immediate needs of those affected by the calamity – in terms of shelters, medical supplies, health care services, education assistance, food/NFI[47] kits, and drinking water. We did so through community-based partnerships so as to specifically hone in on the unique needs of these communities and roll out tailored projects that would ensure the desired outcomes.

In **Italy**, following the flooding in the Emilia Romagna Region, we worked closely with the civil protection unit and local associations to provide support and assistance, including by supplying our MAGIRUS portable fire pumps to help with rescue efforts. Alongside the *Specchio dei tempi Foundation*, the Company is also supporting a project called *Le Botteghe di Pinocchio* (Pinocchio's Workshops), an after-school educational programme at the Comprehensive Institute of Modigliana. The project aims to provide support to teenagers, particularly those who are experiencing emotional issues hindering their school interactions and learning. This support is provided through so-called *Botteghe Pomeridiane* (Afternoon Workshops) serving as a place for monitoring and for meaningful conversations. The after-school programme will enhance educational activities, as well as facilitate student transport within the municipality, which has been devasted by hundreds of landslides after the flooding.

In **Morocco**, following 2023's earthquake, we partnered with Soleterre and WeWorld to respond to the immediate needs of the population most affected by the calamity, and to lay the foundations to provide our support even beyond the initial emergency, so as to ensure medium-long term assistance to the most affected families and vulnerable groups.

3.6.2.5 Other Projects

In South America, our Cordoba plant (**Argentina**) used its waste materials to build a greenhouse for growing native tree species for reforestation. It also planted 300 seedlings in the *La Calera* Natural Defense Reserve and 250 trees in the *Parque General San Martín* Nature Reserve, with the support of Company volunteers and their families. The Company also implemented a project called *Educar hasta la en cima* (Education to the Top), with the support of 85 volunteers comprising employees and their families, providing for the renovation of a municipal school in the Altas Cumbres neighbourhood located at an altitude of 2,200 metres. The project impacted 35 students. In Sete Lagoas (**Brazil**), we supported the *Próximo Passo* project in the city's Cidade de Deus neighbourhood, in partnership with the NGO *Cooperação para Desenvolvimento e Morada Humana* (Cooperation for Housing Development). The project was designed to offer young individuals a programme of socio-educational workshops, theatre workshops, music lessons, and sport as a means to tackle school dropout rates. Its aim is to help them develop socio-emotional skills (such as self-control, empathy, self-esteem, and confidence) and combat shyness and insecurity through emotional self-awareness, self-motivation, the ability to read emotions, creativity, and social interaction. In 2023, 120 children and teenagers benefitted directly from the project. We also supported *Próximo Passo's Conexão de Vida* (Life Connection) project leveraging a tax incentive designed to encourage initiatives for the elderly. The project aims to encourage socialising and promote the physical and mental health of the over-60s through cultural activities and shared experiences, so as to strengthen their bonds with one another, their families, and their surrounding communities. In 2023, the project impacted 130 people. Still in the Cidade de

[47] Non-food items.

Deus neighbourhood, we supported the *Semeando o Futuro* (Sowing the Future) project aimed at promoting the development of young people, with workshops on socialising, contributing to the community, and qualifications for the job market. The goal is to develop skills and empower individuals to improve their current living conditions. In 2023, the project involved about 30 children. Located in the *Cerrado* biome, an especially rich ecosystem, our plant in Sete Lagoas is surrounded by native pequi trees. In collaboration with a local municipal school, company volunteers organised a course for residents in the Jardim dos Pequis neighbourhood, focusing on entrepreneurship and tools to generate income from the fruit of this indigenous tree. In 2023, the project involved 25 people within the community. As regards assisting unemployed people in Sete Lagoas in attaining the necessary skills to fill Company positions, we provided professional training through the *Escola IVECO* (IVECO school), in partnership with the SENAI Institution. Courses focus on the development of technical and behavioural skills through distance and in-person classes, and the school also features an exclusive programme for women. In 2023, 175 people received training (104 women and 71 men).

IVECO's *Solidarity Cargo* project, started in Brazil in 2015 under our former corporate structure, aims to help socially vulnerable people and takes place around Christmas. In 2023, 15 employees at our plant in Sete Lagoas volunteered to help load an IVECO S-WAY with items for donation. The project is also about connectivity and digital inclusion, reaching out and offering opportunities to children, young people, adults, and the elderly alike. We selected the community to benefit from the initiative after identifying Alagoas as one of the states with the lowest rates of internet access in Brazil. Specifically, we chose Piaçabuçu, a small town along the São Francisco River where people have limited access to the internet and to computer equipment. IVECO partnered with the *NGO Olha o Chico* and renovated one of its rooms to serve as a digital teaching space, donating 11 computers, 1 camera, and other equipment, as well as tables and chairs. Furthermore, with support from a movement known as *Web Para Todos* (Web for All), the Brand also organised digital teaching classes to train the trainers tasked with teaching the students

TACKLING VIOLENCE AGAINST WOMEN

Our collaboration with ActionAid Italia is a force for change. In 2023, by supporting this international charity that works with women and girls living in poverty, we contributed to 2 projects that engaged 12 European schools and young individuals in campaigns to combat peer violence; the projects also engaged women victims of intimate partner violence (IPV) in co-planning actions to advocate for employment rights and economic empowerment for those who have survived violence. Iveco Group sponsored WE GO! (Women Economic-independence & Growth Opportunity), a European programme developed in close synergy with other European partners from Spain, UK, France, Greece, Cyprus, Sweden, and Bulgaria aimed at supporting women who have escaped violence, and at helping them to reintegrate socially and professionally. A result of the WE GO! initiative was the release of The Rights at Stake Report, an analysis of national and regional policies and tools to support women in achieving full emancipation, and a crucial means of helping them to permanently distance themselves from violent partners. The initiative also led to a further Policy Paper, which contains recommendations directed at political decision-makers on how to shape policies to prevent and combat male violence against women. We also supported Youth for Love, another ActionAid project, which operates in Italy, Greece, Belgium, and Romania and focuses on educating high school students among whom the negative impact of social rules driving peer gender-based violence is so often overlooked. The project delivered training modules on the different forms, causes, and consequences of gender-based and peer-to-peer violence, and on how stereotypes are culturally transmitted and widespread among peers. Furthermore, a community-based Intervention Toolkit was created to empower students, school staff, and educators to design and implement youth-led campaign and advocacy activities at local level to prevent and fight peer violence. This initiative was in recognition of the fact that young people, both within and outside the school context, can be powerful agents of change and play a pivotal role in making their communities more inclusive, safe, and youth-friendly.

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Our pact with you: to deliver results

We're making good on our promises to stakeholders and holding ourselves accountable through transparency.

04 APPENDIX

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4.1 Our Sustainability Plan

The Sustainability Plan is a statement of our people's commitment to contributing to Iveco Group's growth in harmony with society and the planet; its measurable and substantiated targets are clear and unequivocal pledges by the Company to its stakeholders.

The Plan also includes our strategic sustainability targets, which are an integral part of Iveco Group's Strategic Business Plan. It should be noted that, in keeping with the previous year, 2023's **executive compensation** was linked, among other things, to the achievement of two of these strategic targets: specifically, the long-term incentive plan was linked to the reduction in CO_2 emissions (Scope 1 and 2) compared to 2019, while the short-term incentives were linked to the increase in management positions held by women.

All targets within our Sustainability Plan are:

- consistent with the 4 priorities that underpin Iveco Group's sustainability strategy
- specific, measurable, achievable, relevant, and time-bound (SMART)
- contributing to the achievement of some of the UN Sustainable Development Goals (SDGs)
- identified and set by our corporate functions with the assistance of the Sustainability Department
- approved by the SLT Sustainability Committee.

The Plan is updated annually and reviewed mid-year by the SLT Sustainability Committee and by the ESG Committee of the Board of Directors.

The Sustainability Plan represents our path to continuous improvement and, by staying on course, we were actually able to achieve some of our targets in 2023, ahead of schedule. As a result, they have been revised, made more ambitious, and incorporated into the Plan, with details provided in the respective footnotes. The results reported, on the other hand, are those measured against the original targets.

4.1.1 Workplace and Product Safety

KEY
- Target exceeded
- Target achieved or in line with plan
- Target partially achieved
- Target postponed

Our People & Operations

COMMITMENT	TARGETS	2023 RESULTS	ACHIEVEMENT AT 31 DECEMBER 2023
Maintain high standards in the prevention of accidents and injuries in the workplace	2026: -40% vs 2019 in injury[a] frequency rate	-35.6% vs 2019 achieved in injury frequency rate 3.2.5.4.1	Base year 2019 -35.6 Target 2026 -40%

Our Products & Services

COMMITMENT	TARGETS	2023 RESULTS	ACHIEVEMENT AT 31 DECEMBER 2023
Maintain high standards in the prevention of road accidents	2026: 100% of new vehicles in Europe equipped with advanced driver assistance systems (ADAS) and additional advanced functions, such as adaptive cruise control (ACC), ACC Stop & Go, corrective steering function (CSF), and lane centring (LC)	Ongoing development of Level 2 ADAS for new vehicle models 3.5.3.1	Target 2026 100%

Our Valued Partners

COMMITMENT	TARGETS	2023 RESULTS	ACHIEVEMENT AT 31 DECEMBER 2023
Promote product safety through the dissemination of good practices	2026: 100% of dealership staff involved in safety training on our electric product portfolio	27% of dealership staff involved in safety training on our electric product portfolio 3.4.1.3	27 Target 2026 100%

[a] Target revised and made more challenging by expanding its perimeter (to include agency workers).

4.1.2 Carbon Footprint

KEY
- Target exceeded
- Target achieved or in line with plan
- Target partially achieved
- Target postponed

COMMITMENT	TARGETS	2023 RESULTS
Implement a decarbonisation strategy in line with the Paris Agreement	2040: net zero carbon	Progress towards CO_2 emissions reduction targets (Scope 1, 2, and 3) in line with plan 2.1.1

Our People & Operations

COMMITMENT	TARGETS	2023 RESULTS	ACHIEVEMENT AT 31 DECEMBER 2023
Reduce CO_2 emissions from manufacturing processes	2030: -50% vs 2019 in absolute CO_2 emissions (Scope 1 & 2)	-19.9% vs 2019 in absolute CO_2 emissions achieved at Company plants worldwide 2.1.3.1.6	Base year 2019 -19.9 Target 2030 -50%
Reduce energy consumption via ad hoc measures and technologies	2030: -30% vs 2019 in energy consumption per production unit[a] at Company plants worldwide	-16% vs 2019 in energy consumption per production unit[a] at Company plants worldwide 2.1.3.1.5	Base year 2019 -16 Target 2030 -30%
Promote renewable energy generation and use	2026[b]: 100% of total electricity consumption derived from renewable sources	98% of total electricity consumption derived from renewable sources 2.1.3.1.5	98 Target 2026 100%

Our Products & Services

COMMITMENT	TARGETS	2023 RESULTS	ACHIEVEMENT AT 31 DECEMBER 2023
Reduce the environmental impact of the use of sold products	2030: -38% vs 2022 in Scope 3 CO_2 emissions from the use of sold products[c] per vehicle/km	-6.1% vs 2022 in Scope 3 CO_2 emissions from the use of sold products per vehicle/km[d] 2.1.1	Base year 2022 -6.1[d] Target 2030 -38%

Our Valued Partners

COMMITMENT	TARGETS	2023 RESULTS	ACHIEVEMENT AT 31 DECEMBER 2023
Reduce the environmental impact of logistics	2026: -7% vs 2022 in kg of CO_2 emissions per ton of goods shipped	-1.4% vs 2022 in kg of CO_2 emissions per ton of goods shipped 2.1.4.2	Base year 2022 -1.4 Target 2026 -7%
Reduce the environmental impact of the supply chain	2030[d]: -30%[e] vs 2022 in absolute CO_2 emissions generated by key suppliers of purchased goods, services, and capital goods	-3% vs 2022 in absolute CO_2 emissions generated by major suppliers of purchased goods, services, and capital goods 2.1.4.2.1	Base year 2022 -3 Target 2030 -30%

(a) The production unit corresponds to the hour of production. Total manufacturing hours are used to calculate the normalised production unit indicator. For the definition of total manufacturing hours, see 4.2.2.1.2 Environmental Data Calculation.
(b) Target revised and made more challenging by bringing forward its deadline from 2030 to 2026.
(c) Target refers to vehicles manufactured in Europe.
(d) This is related to data extracted from IT system in January 2024 which includes final figures up to November 2023 and production forecast for December.
(e) Target deadline postponed from 2026 to 2030.
(f) Target revised and made more challenging by increasing its level of ambition from -20% to -30% and by expanding its scope to include major suppliers as opposed to key suppliers only.

4.1.3 Life Cycle Thinking

KEY
- Target exceeded
- Target achieved or in line with plan
- Target partially achieved
- Target postponed

Our People & Operations

COMMITMENT	TARGETS	2023 RESULTS	ACHIEVEMENT AT 31 DECEMBER 2023
Optimise water management and increase water recycling	2026: 75% of industrial water recycled at Company plants worldwide	68.4% of industrial water recycled at Company plants worldwide > 2.2.4	68.4 — Target 2026 75%
	2026: -15% vs 2019 in water withdrawal per production unit[a] at Company plants worldwide	-13.0% vs 2019 in water withdrawal per production unit achieved at Company plants worldwide > 2.2.4	Base year 2019 -13.0 — Target 2026 -15%
	2026: -10% vs 2019 in water withdrawal per production unit[a] at the Truck plant in Brescia (Italy)	-40.1% vs 2019 in water withdrawal per production unit achieved at the Truck plant in Brescia (Italy) > 2.2.4.1; 4.3.2.4	Base year 2019 -40.1 — Target 2026 -10%
	2026: -5% vs 2019 in water withdrawal per production unit[a] at the plant in Foggia (Italy)	-19.9% vs 2019 in water withdrawal per production unit achieved at the plant in Foggia (Italy) > 2.2.4.1; 4.3.2.4	Base year 2019 -19.9 — Target 2026 -5%
	2026: -22% vs 2019 in water withdrawal per production unit[a] at the plant in Madrid (Spain)	-30.1% vs 2019 in water withdrawal per production unit achieved at the plant in Madrid (Spain) > 2.2.4.1; 4.3.2.4	Base year 2019 -30.1 — Target 2026 -22%
	2026: -10% vs 2019 in water withdrawal per production unit[a] at the plant in Valladolid (Spain)	-2.2% vs 2019 in water withdrawal per production unit achieved at the plant in Valladolid (Spain) > 2.2.4.1; 4.3.2.4	Base year 2019 -2.2 — Target 2026 -10%
Optimise waste management and increase waste recovery	2026: 97.1% of waste recovered at Company plants worldwide	97.5% of waste recovered at Company plants worldwide > 2.2.6	97.5 — Target 2026 97.1%
	2026: -7% vs 2019 in waste generated per production unit[a] at Company plants worldwide	-7.7% vs 2019 in waste generated per production unit at Company plants worldwide > 2.2.6	Base year 2019 -7.7 — Target 2026 -7%
	2026: -6% vs 2019 in hazardous waste generated per production unit[a] at Company plants worldwide	-16.3% vs 2019 in hazardous waste generated per production unit at Company plants worldwide > 2.2.6	Base year 2019 -16.3 — Target 2026 -6%

[a] The production unit corresponds to the hour of production. Total manufacturing hours are used to calculate the normalised production unit indicator. For the definition of total manufacturing hours, see 4.2.2.1.2 Environmental Data Calculation >.

KEY

- Target exceeded
- Target achieved or in line with plan
- Target partially achieved
- Target postponed

Our People & Operations

COMMITMENT	TARGETS	2023 RESULTS	ACHIEVEMENT AT 31 DECEMBER 2023
Safeguard protected species and biodiversity	2023: implementation of improvement measures identified through the biodiversity value index (BVI) or biodiversity risk evaluation (BRE)		TARGET POSTPONED
Reduce volatile organic compounds (VOCs) in paint processes	2026: -14% vs 2019 in VOC emissions per square metre painted at Company plants worldwide	-22.0% vs 2019 in VOC emissions per square metre painted achieved at Company plants worldwide 2.2.3.1	Base year 2019 -22.0 Target 2026 -14%

Our Products & Services

COMMITMENT	TARGETS	2023 RESULTS	ACHIEVEMENT AT 31 DECEMBER 2023
Promote best practices in the design of sustainable products	2026: 100% of new products developed using sustainability/ recyclability design criteria	New design criteria for product launches being defined with the involvement of the supply chain 1.6.6.2	Target 2026 100%

Our Valued Partners

COMMITMENT	TARGETS	2023 RESULTS	ACHIEVEMENT AT 31 DECEMBER 2023
Optimise the management of the entire life cycle of spare parts	2030: 100% recovery of the cores of spare parts sold	30% of recoverable cores from spare parts sold returned to the Company 2.3.1	30 Target 2030 100%
Increase the production of remanufactured components	2026: 15% of net sales from spare parts generated by remanufactured components	7.7% of net sales from spare parts generated by remanufactured components 2.3.1	7.7 Target 2026 15%

4.1.4 Inclusion and engagement

KEY
- Target exceeded
- Target achieved or in line with plan
- Target partially achieved
- Target postponed

Our People & Operations

COMMITMENT	TARGETS	2023 RESULTS	ACHIEVEMENT AT 31 DECEMBER 2023
Continuously update processes to remain aligned with best practices on human rights	2024: completion of human rights assessments cycle (2022-2024 period), to monitor 100% of employees working in internal operations	Human rights assessment performed, covering to date 83% of employees working in internal operations[a] 3.1.2.1.1	83 — Target 2024 100%
Promote diversity, equity, and inclusion and offer equal opportunities	2026: 23% of management positions held by women	24% of management positions held by women 3.2.3	24 — Target 2026 23%
	2028: 30% of office positions[b] held by female office workers		NEW TARGET
	2026: maintain gender pay equity[c] across the organisation and have it certified by a third party		NEW TARGET
Promote employee engagement	2023: 100% of our people involved in culture and engagement initiatives	100% of our people involved in culture and engagement initiatives 3.2.1.1	100 — Target 2023 100%

Our Products & Services

COMMITMENT	TARGETS	2023 RESULTS	ACHIEVEMENT AT 31 DECEMBER 2023
Promote the health and wellbeing of drivers	2026: collaborations with 100% of key partners to improve the working conditions and work-life balance of drivers	50% of key partners involved in initiatives to improve the working conditions and work-life balance of drivers 3.5.1	50 — Target 2026 100%
Deliver best-in-class customer journey	2026: +25%[d] vs 2021 in Net Promoter Score (NPS) for IVECO Trucks	+20% vs 2021 in the NPS for IVECO Trucks 3.5.2	Base year 2021 — +20 — Target 2026 +25%

(a) The 2-year assessment cycle began in 2022. In 2023, it covered 11% of employees working in internal operations.
(b) Office employees exclude hourly employees and Senior Leadership Team (SLT) members.
(c) Iveco Group assesses gaps in gender pay equity using multilinear regression. This analysis is performed in the countries of operation with a headcount of 100 or more.
(d) Target revised and made more challenging by increasing its level of ambition from +20% to +25%.

KEY

- Target exceeded
- Target achieved or in line with plan
- Target partially achieved
- Target postponed

Our Valued Partners

COMMITMENT	TARGETS	2023 RESULTS	ACHIEVEMENT AT 31 DECEMBER 2023		
Promote social and environmental responsibility among suppliers	2026: 100% of Tier 1 suppliers involved in sustainability self-assessment	82% of Tier 1 suppliers involved in sustainability self-assessment through the Open-es platform 3.3.3.3		82	Target 2026 **100%**
	2026: +100% vs 2021 in number of collaboration projects with suppliers to improve products' sustainability performance	+33% vs 2021 in number of collaboration projects with suppliers to improve products' sustainability performance 3.3.3.5	Base year **2021**	+33	Target 2026 **+100%**
	2024: execution of 84[a] supplier sustainability audits	77 audits executed 3.3.3.3		77	Target 2024 **84**
Promote the social and economic development of local communities	2026: +50% vs 2019 in number of students involved in education activities, focusing on the jobs of the future	+33% vs 2019 in number of students involved in education activities 3.6.1	Base year **2019**	+33	Target 2026 **+50%**

[a] Target made more challenging by increasing the number of audits from 75 to 84.

4.2 Report Parameters

4.2.1 Sustainability Report Contents

GRI
2-2; 2-3; 3-1

Our second annual Sustainability Report aims to give stakeholders a comprehensive overview of the Company's operations, integrating our financial results and economic commitments with our environmental and social ones. The topics covered in this Report originate from the materiality analysis. As per the GRI Standards (GRI 1: Foundation 2021, Requirement 5), one or more of the disclosures listed in the GRI Topic Standards were monitored and reported for each material topic.

The contents of the Report were integrated with the information requirements of ESG investors and financial and non-financial analysts who periodically review Iveco Group's sustainability performance. Iveco Group's strategic approach is set out in chapter 1.2 We Go Beyond, which also includes the Sustainability Model summarising the Company's approach to sustainability, and explains how the materiality analysis evolved from a context analysis tool into a business tool used by senior management to identify strategic targets consistent with, and integrated into, our business strategy. Sustainability Report contents are selected through a process of exchange and comparison across Iveco Group's internal structures, via a network of representatives within the different organisational areas that oversee the implementation of initiatives and the reporting of sustainability performance.

Defining the contents of the Report is a process based on principles of materiality, stakeholder inclusiveness, sustainability context, and completeness. This complex and systematic process, which takes place during the Report's planning phase – in part through the materiality analysis – focuses on defining the topics and scope considered relevant to Iveco Group's business and stakeholders owing to their economic, environmental, and social impact. The Report provides as complete a representation as possible of the relevant information, defining environmental and social action priorities and timeframes, to enable a thorough evaluation by stakeholders.

Ensuring the quality of information, on the other hand, is a process that concerns principles of balance, comparability, accuracy, timeliness, clarity, and reliability as per the GRI Sustainability Reporting Standards (GRI Standards). Indeed, the annual Sustainability Report describes positive trends as well as weaknesses and areas for improvement, with the aim of presenting a clear and balanced picture of Iveco Group's sustainability performance to its stakeholders. Furthermore, information and quantitative data is collected in such a way as to enable data comparability over several years and between similar organisations, for an accurate reading of the information provided.

The **preparation** of the Sustainability Report was contingent on a systematic information and data retrieval process, crucial to ensure the accuracy of sustainability performance reporting. Approximately 200 key performance indicators (KPIs) were reported in this document. Where available, computerised management and control systems (e.g., the SAP HR platform for employee data) were used to ensure the reliability of information flows and data accuracy. Other indicators were monitored using electronic databases (e.g., the SPARC[1] reporting system for environmental and occupational health and safety data related to manufacturing sites) or spreadsheets, populated directly by the representatives of each thematic area worldwide and verified by their supervisors.

4.2.1.1 SCOPE

Unless otherwise indicated, the terms 'Company' and 'Iveco Group' refer to Iveco Group including all its subsidiaries (also called 'legal entities', 'companies', or 'group of companies').

Unless otherwise stated, the annual **reporting period** of the Sustainability Report covers information and data for the year 2023 – which coincides with the calendar year – for the whole of Iveco Group worldwide as consolidated[2] in the 2023 Annual Report as at 31 December 2023.

Iveco Group is divided into 4 **geographic areas**: Europe, South America, North America, and Rest of the World. The countries that make up these geographic areas are listed in 4.2.3.4 Other Definitions.

It should be noted that the **definition of plant** used in the Sustainability Report is in line with that in the 2023 Annual Report. The exclusion of any geographic area, legal entity, plant, or specific site from the scope of the Report is attributable to the inability to obtain data of satisfactory quality or to the immateriality of its **activities** (as is often the case for newly acquired legal entities, joint ventures, or manufacturing activities not yet fully operational).

In some cases, subsidiaries or plants not consolidated in the financial statements were included within the scope of the Report because of their significant environmental and social impact. Furthermore, any plant closed during the year was also included in the reporting scope for that year due to its impact in the months prior to closure. Any **significant variations** in the scope of the Report or in the data therein are expressly indicated in the text or tables in the Appendix.

(1) Sustainability, Performance, Analysis, Reporting & Compliance.

(2) The following are the main differences with respect to the scope of the 2023 Annual Report. The scope of the 2023 Sustainability Report excludes the Fourchambault-Garchizy plant (France) and the Graz plant (Austria). The scope of the 2023 Annual Report includes: the ATS plant in Chongqing (China); the IVECO BUS plant in Foggia (Italy); and the EVCO plant (formerly Nikola Iveco Europe) in Ulm (Germany) – not yet included within the scope of the 2023 Sustainability Report. Furthermore, unlike the 2023 Annual Report, the marine engines production line and the FPT Industrial ePowertrain plant in Turin (Italy) are treated in the Sustainability Report as part of the Torino Motori plant and of the Torino Driveline plant, respectively.

4.2.1.2 DATA COVERAGE

Iveco Group's 2023 sustainability reporting scope includes 22 manufacturing plants.

2023 Data Coverage

Iveco Group worldwide

	PLANTS COVERED (no.)	Plants covered (as a % of total plants within the reporting scope[a])	Revenue from sales of products manufactured at the plants covered (as a % of total revenue from sales of products manufactured at all plants within the reporting scope[a])	Employees at the plants covered (no.)	Employees at the plants covered (as a % of employees at all plants within the reporting scope[a])	Reference (section)
ISO 9001 or IATF 16949	22	100	100	22,051	100	-
DOT programme	21	95.5	100	21,983	99.7	1.6.1 Driving Operations Together
Health & Safety	22	100	100	-	-	3.2.5 Occupational Health and Safety
ISO 45001	22	100	100	-	-	3.2.5.2 Certification Process
Environmental performance[b]	22	100	100	22,051	100	2.2.2 Mitigating Plant Impacts
ISO 14001	22	100	100	22,051	100	2.2.2.2 Process Certification
Energy performance[c]	22	100	100	22,051	100	2.1.3.1 Energy Management and Performance
ISO 50001	22	100	100	22,051	100	2.1.3.1.2 Manufacturing and Non-Manufacturing Energy Management Systems

(a) The percentage is calculated on the 22 plants listed in the table '2023 Plants within the Reporting Scope'.
(b) Including volatile organic compounds (VOCs), water, and waste.
(c) Including CO_2, NO_X, SO_X, and Dust Emissions.

2023 Plants within the Reporting Scope

Country	PLANT	Business unit[a]	Primary functions	DOT	QUALITY	SAFETY		ENVIRONMENT		ENERGY	
				Scope	ISO 9001 or IATF 16949	ISO 45001	Scope	ISO 14001	Scope	ISO 50001	Scope
EUROPE											
Czech Republic	**Vysoke Myto**	Bus	Buses (city, intercity)	○	○	○	○	○	○	○	○
France	**Annonay**	Bus	Buses (coaches, city)	○	○	○	○	○	○	○	○
France	**Bourbon-Lancy**	Powertrain	Engines (heavy)	○	○	○	○	○	○	○	○
France	**Rorthais**	Bus	Buses (city)	○	○	○	○	○	○	○	○
Germany	**Ulm**	Firefighting	Firefighting vehicles	○	○	○	○	○	○	○	○
Italy	**Bolzano**	Defence Vehicles & ASTRA	Defence vehicles	○	○	○	○	○	○	○	○
Italy	**Brescia**	Truck	Medium vehicles, cabs, chassis	○	○	○	○	○	○	○	○
Italy	**Brescia**	Firefighting	Firefighting vehicles	○	○	○	○	○	○	○	○
Italy	**Foggia**	Powertrain	Engines (light), drive shafts	○	○	○	○	○	○	○	○
Italy	**Piacenza**	Defence Vehicles & ASTRA	Quarry and construction vehicles	○	○	○	○	○	○	○	○
Italy	**Suzzara**	Truck	Light vehicles	○	○	○	○	○	○	○	○
Italy	**Torino Driveline**	Powertrain	Transmissions, axles	○	○	○	○	○	○	○	○
Italy	**Torino Motori**	Powertrain	Engines (heavy)	○	○	○	○	○	○	○	○
Italy	**Vittorio Veneto**	Powertrain	Components		○	○	○	○	○	○	○
Spain	**Madrid**	Truck	Heavy vehicles	○	○	○	○	○	○	○	○
Spain	**Valladolid**	Truck	Light vehicles, heavy cabs components	○	○	○	○	○	○	○	○
SOUTH AMERICA											
Argentina	**Cordoba**	Truck	Medium and heavy vehicles	○	○	○	○	○	○	○	○
Argentina	**Cordoba**	Powertrain	Engines (heavy)	○	○	○	○	○	○	○	○
Brazil	**Sete Lagoas**	Truck	Light, medium, and heavy vehicles	○	○	○	○	○	○	○	○
Brazil	**Sete Lagoas**	Defence Vehicles & ASTRA	Defence vehicles	○	○	○	○	○	○	○	○
Brazil	**Sete Lagoas**	Powertrain	Engines (light, medium, and heavy)	○	○	○	○	○	○	○	○
REST OF WORLD											
China	**Chongqing**	Powertrain	Engines (light, medium, and heavy)	○	○	○	○	○	○	○	○

[a] Truck (IVECO); Powertrain (FPT Industrial); Bus (IVECO BUS, HEULIEZ); Defence Vehicles & ASTRA (IDV, ASTRA); Firefighting (MAGIRUS).

4.2.2 Methodologies

GRI
2-4; 302-1; 302-3; 305-3; 305-7; 306-2; 306-3; 306-4; 306-5

4.2.2.1 APPROACH TO DATA CALCULATION

- Considering 2022 was Iveco Group's first year as an independent Company, data comparability over 3 years was possible only for the manufacturing perimeter and for those perimeters of our previous corporate structure from which we could extrapolate the data. In such instances, the data reported refers to the 2021-2023 period, while in all other cases it pertains to 2022-2023.
- Any significant restatement of data or information from the previous reporting period is expressly indicated in the relevant text or tables.
- Performance changes compared to previous years were calculated to all decimal places available at the time of calculation.
- Target achievement dates are always year-end, i.e., they refer to 31 December of the year indicated.
- Several base years were selected when setting our targets, for the following reasons:
  - 2019 (for targets regarding CO_2 emissions reduction, environmental aspects, and safety) – to allow comparability with performance results achieved prior to the impact of external factors (i.e., the pandemic, supply chain disruptions, and the rise in gas prices as a result of the war in Ukraine)
  - 2019 (for targets regarding educational activities) – to allow comparability with the performance results under our previous corporate structure
  - 2021 (for newly-established targets regarding collaboration projects with suppliers and the Net Promoter Score) – being the first available year for tracking these new specific targets
  - 2022 (for targets regarding Scope 3 emissions) – to standardise all Scope 3 targets following the revision of our product use target, which was modified to align with the new regulatory requirements and our updated Strategic Business Plan.

4.2.2.1.1 Governance and Economic Data Calculation

- **Financial data** was collected directly, rather than extrapolated, from the 2023 Annual Report, available on Iveco Group's website.
- Figures in **currencies** other than Euro were converted at the average exchange rate at 31 December 2023.
- The **value added**, representing the value generated by corporate business activities, was calculated via an internal method as the difference between production value and the associated intermediate costs, net of depreciation. The global net value added was then divided among beneficiaries as follows: employees (direct remuneration comprising salaries, wages, and severance pay; and indirect remuneration consisting of welfare benefits); governments (taxes paid); financial providers (interest paid on borrowed capital); shareholders (dividends paid); Company (share of reinvested profits); and local communities.

4.2.2.1.2 Environmental Data Calculation

- Regarding both **environmental** and **energy performance,** normalised production unit indexes were defined to evidence the respective medium- and long-term performance trends. This approach highlights enhanced performance due to process improvements, and not simply linked to variations in production volumes. Performance indicators are calculated on the **total number of manufacturing hours**, defined as the hours of presence of hourly employees within the manufacturing scope required to manufacture a product.
- Values expressed in **tons** refer to metric tons (1,000 kilos).
- **Energy consumption** was measured via specific measurement systems and converted into joules through specific equivalences depending on the energy vector. For example, when monitored as a secondary vector, compressed air is indicated in Nm^3 and, through conversion formulas, translated into kWh and then GJ. Direct energy refers to the forms of energy that fall within the scope of the organisation's operations; it can either be consumed by the organisation within its boundaries, or exported to other users. Indirect energy refers to the energy produced outside the scope of the organisation's operations, supplied to meet the needs of the organisation itself (e.g., electricity, heating, and cooling). The amount of fuel used for the following purposes is reported separately: to move unsold, newly manufactured vehicles to the designated parking lots; to fuel forklifts and internal utility cars; to perform engine tests; and to power generators, motor pumps, pressure washers, and other devices. The key performance indicators (KPIs) to assess energy consumption per production unit and CO_2 emissions per production unit do not take into account diesel or LPG consumption related to logistics or product testing.

- At Iveco Group, the sources of **greenhouse gas emissions (GHG)**, besides the CO_2 emissions from energy consumption, are associated with the use of hydrofluorocarbon (HFC) compounds with global warming potential (GWP) present in air-conditioning, cooling, fire suppression, aerosols (e.g., propellants), and manufacturing equipment. The potential emissions from these substances (CO_2e) are negligible compared with emissions from energy production; in fact, with an incidence of 1.3%, they fall outside the reporting scope.
- **CO_2 emissions** were calculated according to GHG Protocol standards implemented through Company guidelines. Furthermore, calculations were made using the lower heat of combustion reference value and the emission factors specific to the energy industry's power generation stations, available in the second volume of the IPCC 2006 Guidelines. In terms of emission factors, only CO_2 was taken into account, as CH_4 and N_2O components were considered negligible and therefore de minimis.
- **Scope 1 emissions** are the direct emissions generated by the Company's consumption of fossil fuels for internal use and operations, including heating buildings, operating Company equipment, and running generators. As per Greenhouse Gas Emissions Inventory procedures, the following sources were excluded from the Scope 1 emissions inventory when classified as de minimis, i.e., their value was less than or equal to a threshold of 3% of a plant's CO_2 emissions (location-based method):
  - organic-based technical gas
  - fugitive emissions, for example generated by fixed appliances or when recharging vehicles' on-board air-conditioning compressors using HFC or HCFC refrigerants
  - emissions from internal transport operations carried out using vehicles that are Company-owned or leased from third parties
  - fire suppression equipment that operates with greenhouse gases (e.g., CO_2, HFCs, F-gases)
  - refrigerants
  - direct methane (CH_4) and nitrous oxide (N_2O) emissions from fuel combustion.
- **Scope 2 emission**s are indirect emissions associated with the purchase of energy. For Scope 2 emissions accounting, we have applied the dual reporting system of the GHG Protocol Scope 2 Guidance, using both of its allocation methods across all Company plants:
  - the location-based method, which reflects the average emissions intensity of the grids on which energy consumption occurs (using mostly grid-average emission factor data)
  - the market-based method, which reflects emissions from electricity that companies have actively chosen to purchase (or reflects their lack of choice).

In the case of energy produced and purchased outside a plant (mainly electricity and heat), when reporting according to the location-based method, the CO_2 emissions associated with energy consumption were calculated, worldwide, using the emission coefficients (expressed in gCO_2/kWh) provided by the International Energy Agency. The emission coefficients are updated every 3 years. When reporting according to the market-based method, on the other hand, they were calculated using the latest emission coefficients (expressed in gCO_2/ kWh) provided by the following sources:

- Re-DISS for CO_2 emissions accounting in Europe
- International Energy Agency for CO_2 emissions accounting in South America and Rest of the World
- primary energy suppliers for CO_2 emissions accounting in North America.

The key performance indicator (KPI) to assess CO_2 emissions per production unit refers to the Scope 2 emissions calculated according to the market-based method.

- For **Scope 3 emissions** accounting, we have applied the following methodologies: **Category 1 emissions (from purchased goods and services)**. To calculate the CO_2 emissions within this category, we applied the spend-based method (see GHG Protocol, Technical Guidance for Calculating Scope 3 Emissions), using the formula: *CO_2e emissions = ∑ (value of purchased good or service (€) × emission factor of purchased good or service per unit of economic value (kg CO_2e/€))*. In this formula, the value of purchased goods and services we used was the 2023 annual purchase value (APV), whereas the suppliers' emission factors were calculated (by company and by sourcing area) based on their 2022 data, using both the spend-based method and the hybrid method of the Technical Guidance for Calculating Scope 3 Emissions of the GHG Protocol. As regards the measurement of suppliers' 2022 emission factors, the spend-base method was applied to a smaller proportion of Iveco Group's total purchases, using the emissions conversion factors developed by CEDA[3] (version 6).

[3] Centre for Environmental Data Analysis.

Find out more
about GHG Protocol, Technical Guidance for Calculating Scope 3 Emissions

The hybrid method, on the other hand, was applied to a greater proportion of the Company's total purchases, using supplier-specific primary data on Scope 1 and 2 (market-based) emissions and revenue data directly extracted from their sustainability reports and CDP questionnaires. We also used secondary data from the suppliers' CDP questionnaires to rectify any omissions and calculate the Scope 3 upstream emissions associated with their products. This means that all cradle-to-gate emissions of goods and services have been taken into consideration.

Category 2 emissions (from capital goods covered by the relevant target). The CO_2 emissions from the Company's capital goods were negligible compared to the total Scope 3 emissions.

Category 3 emissions (from fuel- and energy-related activities not included in Scope 1 or 2). The activities included in category 3 are:

A. upstream emissions of purchased fuels

B. upstream emissions of purchased electricity

C. transmission and distribution (T&D) losses.

We calculated the total emissions as follows: *CO_2e emissions (location-based) = CO_2e emissions of A + CO_2e emissions of B + CO_2e emissions of C*.

- **For activity A**, the average-data method (see GHG Protocol, Technical Guidance for Calculating Scope 3 Emissions) was applied as follows: *Upstream CO_2e emissions of purchased fuels = ∑ (fuel consumed (e.g., kWh) × upstream fuel emission factor (kg CO_2e)/ kWh)) – where upstream fuel emission factors* = DEFRA emission factors.
- **For activity B**, the average-data method (see GHG Protocol, Technical Guidance for Calculating Scope 3 Emissions) was applied as follows: Upstream *CO_2e emissions of purchased electricity = ∑ (electricity consumed (e.g., kWh) × fuel-cycle factor (g CO_2e)/ kWh))* – where fuel-cycle factor = IEA emission factors.
- **For activity C**, the average-data method (see GHG Protocol, Technical Guidance for Calculating Scope 3 Emissions) was applied as follows: *CO_2e emissions from energy T&D losses = ∑ (electricity consumed (kWh) × life cycle T&D emission factor (kg CO_2e)/kWh)*.

Category 4 emissions (from upstream transportation and distribution). This category includes inbound, outbound, and spare parts logistics services outsourced by the Company to third parties. The CO_2 emissions within this category were measured based on the Greenhouse Gas Protocol (revised edition) for road transport, and on the IFEU Heidelberg method for sea and rail transport. The CO_2 emissions calculation methodology for **inbound** transportation and distribution varied depending on the different transportation modes, as described below.

- **ROAD transport** – To calculate the total CO_2 emissions from road transport, we considered the following information: number of shipments, utilisation capacity (taxable weight of shipment), and distance travelled (in kilometres) for each truck. The first two sets of data were downloaded from the Supply Chain Management (SCM) information system. The third set of data was obtained by measuring distances according to a Point Map. The calculation took into consideration a 24-ton average taxable weight for each truck and different region-specific emission factors (as per the Greenhouse Gas Protocol). Based on the above, the emissions were calculated as follows: *(∑ (distance in km per truck) x taxable weight per shipment per truck x specific emission factors) / average taxable weight of each truck*.
- **RAIL transport** – To calculate the emissions from rail transport, we considered the following: a 24-ton average taxable weight per container (since trains are loaded/unloaded from trucks) and the number of trains and containers per route (information received periodically from our logistics services providers). *The CO_2e emissions were calculated as follows: CO_2e emissions per rail route per container[4] x number of containers transported.*
- **SEA transport** – To calculate the emissions from sea transport, we considered the following data downloaded from the Supply Chain Management (SCM) information system: number of routes and weight transported during the reporting period. The CO_2e emissions were calculated as follows: *CO_2e emissions per sea route per ton[5] x tons moved.*
- **AIR transport** – To calculate the emissions from air transport, we considered data received from our air service provider and checked by a dedicated internal team. The CO_2e emissions were calculated as follows: *CO_2 emissions factor per air shipment x weight moved (tons).*

The CO_2 emissions calculation methodology for **outbound and spare** parts transportation and distribution varied depending on the different transportation modes, as described below.

- **ROAD transport (outbound)** – To calculate the emissions from outbound road transport, we considered the following data: the list of sold vehicles invoiced during the reporting period; the distance travelled (in kilometres) per transport leg according to a Point Map; the average load factor specific to each product; and different region-specific emission factors. The CO_2e emissions were calculated as follows: *∑ (distance in km per transport leg / average load factor x specific emission factors).*

(4) Data obtained from www.ecotransit.org considering average taxable weight per container.
(5) Data obtained from www.ecotransit.org.

- **ROAD transport (spare parts)** – To calculate the total CO_2 emissions from the transportation of spare parts by road, we considered the following data downloaded from the Supply Chain Management (SCM) information system: total cubic metres per route (total CBM) and distance travelled (in kilometres) per route according to a Point Map. We also considered a 50-CBM average truck saturation and different region-specific emission factors. The total CO_2 emissions were calculated as follows: *(total CMB / average truck saturation) x distance x specific emission factors.*
- **RAIL transport** – To calculate rail transport emissions, we considered the following data downloaded from the Supply Chain Management (SCM) information system: number of vehicles invoiced in the reporting period and number of trains per shipment. Based on this information and depending on the weight transported, CO_2e emissions were quantified using the IFEU Heidelberg method (www.ecotransit.org).
- **SEA transport** – These emissions were measured using the same calculation methodology as for rail transport emissions, using data from logistics service providers on the number of ships per shipment. Depending on the route and the weight transported, CO_2e emissions were then quantified using the IFEU Heidelberg method (www.ecotransit.org).

Category 5 emissions (from waste generated in operations). The CO_2 emissions from waste generated in operations were negligible, with an incidence of less than 0.05% of total Scope 3 emissions.

Category 6 emissions (from business travel). The CO_2e emissions from employees' work-related air travel, managed directly through our headquarters, were calculated according to the GHG Protocol. The CO_2 emissions from travel by train (about 4,000 journeys in 2023), estimated as 2% of business travel emissions, were negligible.

Category 7 emissions (from employee commuting). The data within this category refers to 100% of Iveco Group employees. It was calculated for the sites in Italy (8 sites employing approximately 14,000 employees, representing 98% of the total workforce in Italy or approximately 39% of the total global workforce), and then estimated for the sites outside Italy based on the average CO_2 emissions per employee at the Italian sites.

Category 8 emissions (from upstream leased assets). This category includes powered industrial vehicles at plants, onsite trailer tractors, ICT equipment, and leased cars. It should be noted that leased assets that use electricity fall under our Scope 2 emissions, while those that use mains natural gas fall under our Scope 1 emissions.

Category 9 emissions (from downstream transportation and distribution). The CO_2 emissions associated with distribution to end-customers not included in Category 4 were negligible compared to the total Scope 3 emissions.

Category 10 emissions (from the processing of sold products). The emissions within this category were calculated applying the average-data method (see GHG Protocol, Technical Guidance for Calculating Scope 3 Emissions), using the formula: *CO_2e emissions = ∑ (mass of sold intermediate product (no. engines) × emission factor of processing of sold products (kg CO_2e/engine))*. Most of our products are ready for use when they leave our production sites. A proportion of FPT Industrial engines were supplied to external customers that sell trucks, buses, and light commercial vehicles and installed in their products. To determine the CO_2e emissions from the assembly of these engines, we calculated the specific CO_2e emission factors based on the energy consumption involved in their assembly at Iveco Group's plants, specifically at the Annonay plant (France) for buses, the Madrid plant (Spain) for trucks, and the Suzzara plant (Italy) for light commercial vehicles. Based on the assumption that the assembly process is similar for customers, we calculated the total emissions as follows: *∑ (specific emission factors x number of engines sold)*.

Category 11 emissions (from the use of sold products). To quantify our CO_2 emissions from the use of sold products (see Scope 3 category 11 of the GHG Protocol), we used different calculation methodologies depending on geographic location.

In Europe, we used a **well-to-wheel** approach that is the sum of **tank-to-wheel** and well-to-tank emissions. 2022 was chosen as the base year for the relevant target following the introduction of new regulatory requirements and the updating of the sales forecasts of our Strategic Business Plan. The tank-to-wheel emissions were measured based on the assessment of our entire model range manufactured in Europe. Since the tank-to-wheel emissions of other greenhouses gases (GHG) at Iveco Group are less than 1% of our CO_2 emissions, and since our biogenic CO_2 emissions are negligible, they were not included in our calculations. We looked at the diesel-, methane-, electric-, and hydrogen-powered versions of our: light commercial vehicles; medium- and heavy-duty trucks; and coaches and urban/intercity buses. Production volumes were calculated as the sum of the forecasts for 2026 of our Strategic Business Plan and the forecasts for 2030 of our individual brands. The average mileage by vehicle type was calculated according to the indications of the European Commission's latest proposal to amend EU CO_2 standards for trucks and buses. The average mileage for light commercial vehicles, on

the other hand, was calculated using Iveco Group's telematics and warranty data. For trucks, fuel consumption and CO_2 emissions were calculated using VECTO, an official tool developed by the European Commission. For buses, they were calculated using an internal tool. For light commercial vehicles, they were calculated using the CO_2 emissions data of IVECO's fleet of Daily vehicles, type-approved as per the homologation tests of the Worldwide Harmonised Light Vehicles Test Procedure (WLTP test cycles). Our **well-to-tank** emissions were measured based on information from accredited sources[6], according to which we assigned a weighted percentage of CO_2 emissions to each fuel type, taking into account fuel extraction, transport, refining, and distribution. The total annual CO_2 emissions were calculated as the well-to-wheel emissions from vehicles sold during the year multiplied by a 10-year lifetime estimate, determined based on internal data. It should be noted that this category's emissions were calculated using data extrapolated from our systems as at November 2023 and production forecasts for December 2023.

In South America, the *CO_2 emissions were calculated by location and by vehicle type as follows: CO_2e emissions = $\sum$ ((number of vehicles sold x average annual mileage (km/year)) / average consumption) x emission factor*, where: mileage was based on internal telemetry data and the emission factors were region- and product-specific based on biodiesel percentages, as per nationally recognised sources. Furthermore, both average consumptions and emission factors varied according to the fuel used (diesel or natural gas). The total annual CO_2 emissions were calculated based on a lifetime estimate of 6 years for buses and of 15 years for light commercial vehicles and medium- and heavy-duty trucks, both determined based on internal data.

Category 12 emissions (from the end-of-life treatment of sold products). According to studies and calculations, the carbon footprint in terms of global warming potential (CO_2e) of the end-of-life treatment of sold products accounts for less than 2% of products' environmental impact throughout their entire life cycle, from the manufacturing process to use and disposal (as per a life cycle assessment (LCA) conducted in 2022 in collaboration with the Italian universities *Politecnico di Torino* and *Politecnico di Milano* on the IVECO Daily Model Year 2021, using a cut-off approach).

Category 13 emissions (from downstream leased assets). Our emissions from downstream leased assets were included in category 11, and were measured using the latter's same calculation methodology and same emission factors.

Category 14 emissions (from franchises). The Company does not have franchises.

Category 15 emissions (from investments emissions). Emissions from investments, if any, were included in category 13.

- With regard to **environmental data**, SPARC[7] or similar systems were individually compiled for each production department based on respective qualitative and quantitative data. Individual Standard Aggregation Databases only include data for the activities of the production department in question. Depending on data, the detection criterion was either measured, calculated, or estimated[8].
- **NO_x**, **SO_x**, and **dust emissions** were calculated based on historical average values. Dusts are those deriving from the combustion of fossil fuels (methane, diesel, and LPG).
- The Sustainability Report accounts **for industrial waste**, which is defined as any waste directly or indirectly related to production department activities and includes:
  - waste generated in production departments during normal working cycles
  - waste that, while not directly associated with manufacturing activities, is generated as a result of auxiliary or production support activities within the production department (e.g., maintenance, logistics, clerical, catering, medical room, sanitation, etc.).

  The reporting scope does not include waste that is not associated with manufacturing, auxiliary, or production support activities within the production department, nor waste generated as a result of activities outside the normal production cycle.
- Iveco Group's **wastewater quality indicators** – biochemical oxygen demand (BOD), chemical oxygen demand (COD), and total suspended solids (TSS) – correspond to the average concentrations measured at each plant's effluent discharge point and weighted according to the respective volumes discharged. For each plant, calculations were based on the highest BOD, COD, and TSS concentrations measured during the year under normal operating conditions.

(6) U.S. Department of Agriculture's Foreign Agricultural Service (FAS); Infineum; Joint Research Centre (JRC); Centre for European Policy Studies (CEPS); International Energy Agency (IEA); European Biogas Association (EBA); Planète Énergies; U.S. Energy Information Administration (EIA); RTE; UN Environment Programme (UNEP); European Environment Agency (EEA); Agence de l'Environnement et de la Maîtrise de l'Énergie (ADEME); and Fuel Cells and Hydrogen Joint Undertaking (FCH JU).

(7) Sustainability, Performance, Analysis, Reporting & Compliance.

(8) A value is considered as measured if detected using a certified measurement tool. This criterion remains valid even if a formula is applied to convert the detected value's unit of measurement. A value is considered as calculated if derived from 2 or more measured data items using a formula or algorithm. A value is considered as estimated if based on at least 1 uncertain data item in addition to other measured quantities.

4.2.2.1.3 Social Data Calculation

- **Human resources data** refers to the entire corporate scope as at 31 December 2023 (unless otherwise specified).
- **Employees** are divided into 4 main categories: Hourly, Salaried, Professional, and Manager. Professional encompasses all individuals in specialised roles. Manager refers to individuals in manager/senior professional roles and above. They include both full-time and part-time personnel.
- **Occupational health and safety data** refers to both manufacturing and non-manufacturing sites and includes employees, contractors, and agency workers. Data on senior managers is not included. Given the variability during the year of reference in the use of contractors and agency workers at Iveco Group sites worldwide, their total numbers in the 3.2.5 Occupational Health and Safety section are based on basic mathematical calculations: figures are full-time equivalent (FTE) and calculated based on respective total hours worked.
- **Injury rates** were calculated excluding commuting accidents, i.e., those involving employees during normal commutes between place of residence and work. When calculating injury rates for contractors, hours worked may have been estimated.
- In calculating **days of absence**, days refer to calendar days.
- **Investment data for local communities** is categorised as per the principles set out in the Business for Societal Impact (B4SI) Framework. Data is based on accounting data and methods, and also includes estimates. With regard to local community projects, the Company monitors both initiative costs and management costs. The initiative cost may be a cash contribution, in-kind donation, or volunteer work (the latter is estimated based on the number of hours employees spend volunteering for the initiative during paid working hours). Management costs can be internal (i.e., the cost of employee time to manage and organise humanitarian initiatives promoted by the Company) or external. The hourly rate is calculated by dividing the total cost of personnel by the number of employees. The result is then divided by the number of working days per year (240), and again by the standard number of working hours per day (8). Figures do not include brand promotion initiatives.
- The **Corporate Community Investment Form**, developed in line with the B4SI Framework, is used to evaluate the types of benefits gained in the 4 major areas potentially affected by any project: people, organisation, environment, and business. Based on this methodology, the 4 areas are weighted and the project's impact on specific aspects within each is rated on a scale from 1 (no impact) to 5 (very high impact). An average rating is then calculated for each area, representing the indicators (KPIs) to assess the project's overall impact on people, organisation, environment, and business, respectively. The KPIs in detail are:
  - benefit to people – positive change in people's attitude or behaviour; skills and personal development; direct impact on people's quality of life
  - benefit to organisation – capacity building
  - benefit to environment – direct environmental impact; impact on human activities and behaviour
  - benefit to business – benefits of volunteering for employees (job-related skills, personal impact, behavioural change); improvement in stakeholder relations/ perceptions; business generated; brand awareness.

GRI
2-7; 202-2; 403-8; 403-9; 403-10

4.2.3 Definitions

4.2.3.1 MATERIAL TOPICS

- **Circular product life cycle**. This material topic is related to the integration of circular economy principles into product development, promoting the responsible use of resources throughout the entire life cycle of the product.
- **CO_2 emissions from logistics**. This material topic is related to initiatives that promote sustainable logistics processes, so as to increase low-emission transport, adopt intermodal solutions, and optimise transport capacity.
- **CO_2 emissions from operations**. This material topic is related to the implementation of measures to reduce CO_2 emissions, through the use of renewable sources and energy efficiency initiatives within Iveco Group's operational processes.
- **CO_2 emissions from vehicles**. This material topic is related to the development of innovative solutions to reduce the carbon footprint of vehicles, through the implementation of the most advanced technologies and the use of renewable fuels.
- **Dealer and customer management**. This material topic is related to active engagement with dealers and customers, by behaving with correctness, transparency, and promptness, in order to meet their expectations and respond to their requests.
- **Digitalisation and connectivity**. This material topic is related to the development of digital technologies and use of big data analysis aimed at establishing a direct connection between vehicles and their surrounding environment, so as to support users' real-time decision making while safeguarding data and cybersecurity.
- **Diversity, equity, and inclusion**. This material topic is related to the promotion of an inclusive work environment, enhancing diversity and challenging all discriminatory behaviour.
- **Employee development and training**. This material topic is related to ensuring employees' professional and personal growth and promoting adequate welfare plans to enhance their value and wellbeing.
- **Occupational health and safety**. This material topic is related to the protection of workers' and third parties' health and safety through the adoption of management systems and initiatives that promote a safety culture.
- **Human rights**. This material topic is related to ensuring respect for fundamental human and labour rights throughout the entire the value chain.
- **Local communities.** This material topic pertains to the promotion of initiatives aimed at supporting and developing local communities in the regions in which Iveco Group operates.
- **Product quality and safety**. This material topic is related to the delivery of safe, high-quality vehicles to customers by adopting the highest standards to maximise road user safety.
- **Responsible management of natural resources**. This material topic is related to the responsible and efficient management of resources across all operations, with the aim to reduce Iveco Group's environmental footprint.
- **Sustainable supply chain**. This material topic is related to the promotion of responsible practices among suppliers, with the aim to improve their reliability and safety levels while supporting them in minimising their environmental footprint.

4.2.3.2 Skills Matrix definitions

The following are the skills definitions used to compile the Skills Matrix.

- **Industry**: Current or previous leadership or board position at companies operating in the following 2 sub-industries as per MSCI and Standard & Poor's 2023 Global Industry Classification Standard[9] (GICS):
  - Industry: 201060 Machinery; sub-industry: 20106010 Construction Machinery & Heavy Transportation Equipment: Manufacturers of heavy-duty trucks, rolling machinery, earth-moving and construction equipment, and manufacturers of related parts. Includes non-military shipbuilding
  - Industry: 251020 Automobiles; sub-industry: 25102010 Automobile Manufacturers: Companies that produce mainly passenger automobiles and light trucks.
- **Strategy and corporate development**: Experience at executive and/or board level in developing and leading strategy. Experience in analysing, identifying, and evaluating corporate development opportunities in a financial/insurance institution, including mergers, acquisitions, partnerships, joint ventures, and product development. Experience in overseeing an organisation's transformation and disclosures resulting from identified risks and opportunities.

[9] See GICS.

- **Innovation**: Experience at executive and/or board level in developing and leading forward thinking innovation, or change initiatives including those that produce new solutions or efficiencies in business models, products, or operational excellence.
- **Sustainability**: Experience in sustainability, especially in the most material environmental, social, and governance (ESG) trends and risks and opportunities for the organisation, including climate change, employee health and safety, human rights, and diversity and inclusion aspects.
- **Risk management**: Experience at executive and/or board level in risk management.
- **ICT & cybersecurity**: Experience of enterprise-wide information technology systems, client-based digital infrastructures, data analytics, privacy, and cybersecurity strategy and policies.
- **Governance**: Understanding of board duties and responsibilities and of leading cooperative, regulatory, and/or governance principles and practices, including subsidiary governance, gained as a senior executive and/or board member of an organisation with solid cooperative and/or corporate governance practices.
- **Financial**: Experience in managing the financial activities of a public, private, and/or non-profit organisation or cooperative.

4.2.3.3 SKILL LEVELS

GRI 2-8

- **Basic skill**: director has foundational level of skill/knowledge/experience; director has received basic induction.
- **Medium skill**: director has proven skill/knowledge/experience; director has received formal training.
- **Full skill**: director has extensive skill/knowledge/experience; director has received significant formal training and guidance, and is able to provide same to colleagues.

4.2.3.4 Other Definitions

Stakeholder: defined, as per the ISO 26000 international standard, as any individual or group that has an interest that is affected or could be affected by the decisions or activities of an organisation.

Iveco Group's **4 geographic areas** include the following:

- **Europe**: member countries of the European Union, the European Free Trade Association, the United Kingdom, Ukraine, and the Balkans
- **South America**: Central and South America and the Caribbean Islands
- **North America**: the United States, Canada, and Mexico
- **Rest of World**: Continental Asia (including Türkiye and Russia), Oceania, member countries of the Commonwealth of Independent States, the African continent, and the Middle East.

Adjusted EBIT: is defined as EBIT net of restructuring costs and non-recurring items. In particular, non-recurring items are specifically disclosed items that management considers rare or discrete events that are infrequent in nature and not reflective of ongoing operational activities.

Adjusted Diluted EPS: computed by dividing Adjusted Net Income/(Loss) attributable to Iveco Group N.V. by a weighted-average number of common shares outstanding during the period in question, taking into consideration potential common shares outstanding deriving from the Iveco Group share-based payment awards, when inclusion is not anti-dilutive. When we provide guidance for adjusted diluted EPS, we do not provide guidance on an earnings per share basis because the IFRS[10] measure will include potentially significant items that have not yet occurred and are difficult to predict with reasonable certainty prior to year-end.

[10] International Financial Reporting Standards.

Emerging Markets are defined as low, lower-middle, or upper-middle income countries as per the 2023 World Bank list of economies.

Any reference to Iveco Group's products and vehicles regards the products and vehicles offered by the Company's brands.

Low water impact is defined as per the Available WAter REmain (AWARE) assessment. It represents the relative available water remaining per area in a watershed, after the demand of humans and aquatic ecosystems has been met. It assesses the potential of water deprivation, to either humans or ecosystems, building on the assumption that the less water remaining available per area, the more likely another user will be deprived.

Industrial water is the generic term for water used in industry during production and processing operations. The rate of industrial water recycling is a measure of efficiency, reflecting an organisation's success in reducing its water withdrawals and discharges. The KPI is the total volume of industrial water recycled, as a percentage of the total industrial water requirement[11].

Industrial water recycling is the act of processing used industrial water and wastewater through one or more cycles before discharge to final treatment and discharge to the environment.

Contractors are defined as external companies or freelance/self-employed workers who have a contract with an Iveco Group company and who provide services within the data reporting scope and within the Company perimeter (resident).

Agency personnel are defined as working for, rather than employed by, Iveco Group, and are contracted and paid through a third-party company. They are coordinated and overseen by the Company's internal supervisors, and are usually temporary and conduct the same type of activities within the same business scope as Iveco Group employees.

[11] The industrial water requirement is the amount needed by a company to run its operations, equal to the total volume of industrial water withdrawn plus the total volume of recycled or reused water.

4.3 Performance Indicators
4.3.1 Governance and Economic Dimension

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2023 Membership of Associations[a]

4.3.1.1 MEMBERSHIP OF ASSOCIATIONS

Country	NAME	Type of Institution	COMMITMENT FROM IVECO GROUP			
			MEMBERSHIP	POSITION ON GOVERNANCE BODY	PROJECTS	FUNDING
EUROPE						
Belgium	European Association of Internal Combustion Engine Manufacturers (EUROMOT)	Association	○	○		
Belgium	European Automobile Manufacturers' Association (ACEA)	Association	○	○		
Belgium	European Biogas Association (EBA)	Association	○		○	
Belgium	European Council for Automotive R&D (EUCAR)	Association	○		○	
Belgium	European Council on Foreign Relations (ECFR)	Association	○			
Belgium	European Green Vehicles Initiative Association (EGVIA) (2Zero partnership)	Association	○		○	
Belgium	European Land Defence Industry Group (ELDIG) – under the European Aerospace, Security and Defence Industries (ASD)	Association	○			
Belgium	Fédération Belge de l'Automobile & du Cycle (FEBIAC)	Association	○			
Belgium	Federation for the Technology Industry (AGORIA)	Association	○			
Belgium	Gruppo di Iniziativa Italiana (GII)	Association	○	○		
Belgium	Hydrogen Council (Europe)	Association	○			
Belgium	Hydrogen Europe	Association	○	○		
Belgium	Eurogas	Association	○			
Belgium	International Automotive Task Force (IATF)	Association	○			
Belgium	Union Internationale des Transports Publics (UITP)	Association	○	○		
Bulgaria	Association of Car Manufacturers and their Authorised Representatives for Bulgaria (ACM)	Association	○			
Czech Rep.	Automotive Industry Association (AIA CR)	Association	○	○	○	○

[a] In which Iveco Group plays a significant role.

Country	NAME	Type of Institution	COMMITMENT FROM IVECO GROUP			
			MEMBERSHIP	POSITION ON GOVERNANCE BODY	PROJECTS	FUNDING
Czech Rep.	Czech Hydrogen Technology Platform (HYTEP)	Association	○			○
Denmark	De Danske Bilimportører (Danish Car Importers Association)	Association	○			
Finland	Autotuojat Ja -Teollisuus Ry (Association of Automotive Industry in Finland)	Association	○			
Finland	Suomen Kuljetus ja Logistiikka SKAL Ry (Finnish Transports and Logistics SKAL)	Association	○			
France	Plateforme de la Filière Automobile (PFA) (Automotive industry platform)	Association	○			
France	The European Association for Electromobility (AVERE France)	Association	○	○		
France	Association for School Transport (ANATEEP)	Association	○			
France	Association Française du Gaz Naturel pour Véhicules (AFGNV)	Association	○	○		
France	Le Cercle Lyonnais (DZA) (Forum supporting foreign investments in France and Europe)	Association	○			○
France	Groupement des Autorités Responsables de Transport (GART)	Association	○			
France	Chambre Syndicale Internationale de l'Automobile et du Motocycle (CSIAM)	Association	○	○		
France	Cooperation for Urban Mobility in the Developing World (CODATU)	Association	○			○
France	European Cluster for Mobility Solutions (CARA)	Association	○	○	○	
France	Fédération Française de Carosserie – Industrie et Services (FFC)	Association	○			
France	Mobilité Hydrogène France	Association	○			
France	MOBILIANS (professional organisation representing mobility companies)	Association	○			
France	Mouvement des Entreprises de France International (MEDEF International)	Association	○			
France	Medef Saône et Loire	Association	○			
France	Pro France (Association for the promotion of French-made products)	Association	○	○		
France	Union des Transports Publics et Ferroviaires (UTP)	Association	○			○
France	Certibruit	Association	○			
France	Information Technology for Public Transport (ITxPT)	Association	○			

Country	NAME	Type of Institution	COMMITMENT FROM IVECO GROUP			
			MEMBERSHIP	POSITION ON GOVERNANCE BODY	PROJECTS	FUNDING
Germany	Association of German Engineers (VDI)	Association	○			
Germany	Deutscher Wesserstoff- und Brennstoffzellen-Verband (DWV)	Association	○			
Germany	eFuel Alliance	Association	○			
Germany	Verband Deutscher Maschinen und Anlagenbau (VDMA)	Association	○			
Germany	Verband der Automobilindustrie (VDA)	Association	○	○		
Germany	Bundesverband Güterkraftverkehr Logistik und Entsorgung (BGL)	Association	○			
Germany	Verband Deutscher Verkehrsunternehmen (VDV-Industrieforum)	Association	○			
Germany	Zukunft Gas (Natural gas association)	Association	○			
Greece	Hellenic Association of Motor Vehicle Importers-Representatives (AMVIR)	Association	○			
Israel	Israel Vehicle Importers Association (I-VIA)	Association	○			
Italy	Federazione Aziende Italiane per l'Aerospazio, la Difesa e la Sicurezza (AIAD)	Association	○			
Italy	AmCham Italy	Association	○			
Italy	Camera di Commercio Italo-Libica	Association	○			
Italy	Federazione Nazionale Costruttori Macchine per l'Agricoltura (FEDERUNACOMA)	Association	○			
Italy	H2IT (Italian Hydrogen and Fuel Cell Association)	Association	○			
Italy	MOTUS-E (Electric mobility association)	Association	○			
Italy	National Association for Telematics for Transport and Safety (TTS Italia)	Association	○			
Italy	Natural Gas Vehicle Italy (NGV Italy)	Association	○	○		
Italy	Unione Nazionale Aziende Construction Equipment & Attachments (UNACEA)	Association	○			
Italy	World Energy Council Italy (WEC Italy)	Association	○			
Netherlands	Dutch Bio-LNG Platform	Association	○			

Country	NAME	Type of Institution	COMMITMENT FROM IVECO GROUP			
			MEMBERSHIP	POSITION ON GOVERNANCE BODY	PROJECTS	FUNDING
Netherlands	Rijwiel en Automobiel Industrie (RAI)	Association	○			
Norway	Bilimportørens Landsforening (BIL)	Association	○			
Norway	Norges Bilbransjeforbund / Norwegian Motor Trade Association (NBF)	Association	○			
Poland	Polish LNG Platform	Association	○	○		
Poland	Polski Związek Przemysłu Motoryzacyjnego (PZPM)	Association	○			
Poland	Transport Logistyka Polska (TLP)	Association	○			
Poland	Polish Alternative Fuels Association (PSPA)	Association	○			
Portugal	Câmara de Comércio Italiana	Association	○			
Romania	Automotive Manufacturers and Importers Association (APIA)	Association	○			
Slovenia	International Association of Fire and Rescue Services (CTIF)	Association	○			
Spain	Asociación Española de Fabricantes de Automóviles y Camiones (ANFAC)	Association	○	○		
Spain	Asociación Española de Profesionales de Automoción (ASEPA)	Association	○			
Spain	Asociación Ibérica de Gás Natural para la Movilidad (GASNAM)	Association	○	○		
Spain	Camara de Comercio e Industria Italiana para España	Association	○	○		
Spain	Circulo de Confianza (Nueva Economia Forum)	Association	○			
Spain	Asociación de Empresas del Metal de Madrid (AAECIM)	Association	○			
Sweden	Mobility Sweden (BIL Sweden)	Association	○			
Switzerland	Auto-Schweiz (car importer)	Association	○			
Switzerland	International Road Transport Union (IRU)	Association	○			
UK	British Vehicle Rental and Leasing Association (BVRLA)	Association	○			
UK	Logistics UK	Association	○			
UK	Road Haulage Association (RHA)	Association	○			

Country	NAME	Type of Institution	COMMITMENT FROM IVECO GROUP			
			MEMBERSHIP	POSITION ON GOVERNANCE BODY	PROJECTS	FUNDING
UK	Society of Operations Engineers (SOE)	Association	○			
UK	Society of Motor Manufacturers and Traders (SMMT)	Association	○			
SOUTH AMERICA						
Argentina	Association of Automotive Makers (ADEFA)	Association	○			
Argentina	Unión Industrial de Córdoba (UIC)	Association	○			
Argentina	Italian Chamber of Commerce	Association	○			
Argentina	The Córdoba Automotive Cluster	Association	○	○		
Argentina	Asociacion de Fábricas Argentinas de Tractores (AFAT) (Association of tractor, engine, and other equipment manufacturers)	Association	○			
Brazil	Brazilian Association of Automotive Engineering (AEA)	Association	○			
Brazil	National Association of Automotive Vehicle Manufacturers (ANFAVEA)	Association	○	○		
Brazil	National Association of Brazilian Auto Parts Manufacturers (SINDIPEÇAS)	Association	○			
Brazil	Italian Chamber of Commerce (Minas Gerais)	Association	○	○		
Brazil	Argentine Chamber of Commerce (Minas Gerais)	Association	○			
Brazil	Brazilian Biogas Association (ABiogás)	Association	○			
NORTH AMERICA						
USA	Association of Equipment Manufacturers (AEM)	Association	○			
USA	Diesel Technology Forum (DTF)	Association	○	○		
USA	Natural Gas Vehicles for America (NGV America)	Association	○			
USA	Clean Fuels Alliance America (CFAA)	Association	○			
USA	Truck and Engine Manufacturers Association (EMA)	Association	○	○		
USA	Global Business Alliance (GBA)	Association	○			

Country	NAME	Type of Institution	COMMITMENT FROM IVECO GROUP			
			MEMBERSHIP	POSITION ON GOVERNANCE BODY	PROJECTS	FUNDING
USA	CALSTART	Association	○		○	○
USA	U.S. Chamber of Commerce	Association	○			
REST OF WORLD						
Australia	Australian Renewable Energy Agency (ARENA)	Government			○	○
Australia	Australian Trucking Association (ATA)	Association	○			
Australia	Bus Industry Confederation (BIC)	Association	○	○		
Australia	Heavy Vehicle Industry Australia (HVIA)	Association	○			
Australia	Italian Chamber of Commerce and Industry (Victoria)	Association	○			
Australia	Truck Industry Council (TIC)	Association	○	○		
China	China Association of Automobile Manufacturers (CAAM)	Association	○			
China	China Construction Machinery Association (CCMA)	Association	○			
China	China-Italy Chamber of Commerce (CICC)	Association	○			
China	China Internal Combustion Engine Industry Association (CICEIA)	Association	○			
China	European Union Chamber of Commerce in China (EUCCC)	Association	○			
New Zealand	Energy Efficiency and Conservation Authority (EECA)	Government			○	○
New Zealand	Motor Industry Association of New Zealand Inc. (MIA)	Association	○			
South Africa	National Association of Automobile Manufacturers of South Africa (NAAMSA)	Association	○			
Türkiye	Automotive Distributors' Association (ODD)	Association	○			
Türkiye	Heavy Commercial Vehicles Association (TAİD)	Association	○	○		

4.3.1.2 RESEARCH AND PRODUCT DEVELOPMENT

Research and Development Highlights

Iveco Group worldwide	2023	2022	2021
R&D spending (€million)	**888**	634	509
R&D spending as % of sales[a]	**5.6**	4.5	4.1
R&D sites (no.)	**31**	29	29
of which in Emerging Markets	**6**	6	5
Active patents owned (no.)	**6,054**	5,452	5,275

[a] Includes only net sales of industrial activities (€15,877 million in 2023).

2023 Revenues Generated from Product Innovations

Iveco Group worldwide (%)	Share of gross revenues (%)
Newly commercialised products or services launched during the previous 4 years	**55**
Significantly improved products or services launched during the previous 4 years	**17**
Unchanged or minimally changed products or services	**28**
Total	**100**

4.3.1.3 EU TAXONOMY FOR SUSTAINABLE ACTIVITIES

The EU Taxonomy Regulation establishes a classification system (or EU Taxonomy) that helps companies identify and direct investments to the economic activities that can be considered environmentally sustainable, and that therefore support the EU Green Deal objectives and the transition to net zero carbon emissions by 2050. It also establishes six environmental objectives, two of which were regulated in 2021 while the remaining four in 2023.

Climate Change Mitigation (CCM) and Climate Change Adaptation (CCA) are the two objectives that the European Union regulated in 2021 through Commission Delegated Regulation (EU) 2021/2139 ('Climate Delegated Act'), which provides for two lists of economic activities that can potentially contribute to achieving the CCM and CCA objectives. For each economic activity identified, the Climate Delegated Act provides a description and specific Technical Screening Criteria (TSC); the latter are subdivided in Substantial Contribution criteria (SCC) and Do No Significant Harm criteria (DNSH).

In 2023, the European Commission published the final Environmental Delegated Act, which defines the technical screening criteria of the four other environmental objectives of the Taxonomy Regulation, namely: sustainable use and protection of water and marine resources; transition to a circular economy; pollution prevention and control; and protection and restoration of biodiversity and ecosystems.

To be environmentally sustainable under the EU Taxonomy, an economic activity must:

- be taxonomy eligible, i.e., fall under the description of one of the economic activities
- (only if eligible) be taxonomy aligned, i.e., meet the TSC. Indeed, an economic activity must meet the SCC in order to substantially contribute to an environmental objective of the Taxonomy Regulation, and the DNSH criteria to ensure it does not cause significant harm to any of the other Taxonomy objectives.

As of 2022, companies are required to disclose the proportion of turnover, capital expenditure (CapEx), and operating expenditure (OpEx) of taxonomy eligible and non-eligible activities (for CCM and CCA). As of financial year 2023, companies are required to disclose these KPIs of taxonomy eligible and non-eligible activities for the remaining four environmental objectives, as well as of aligned and not-aligned activities (only for Climate Change Mitigation and Climate Change Adaptation). 2023 was the second year of reporting for which companies were required to assess and disclose the actual alignment of their activities with the technical screening criteria for Climate Change Mitigation and Climate Change Adaptation, and the first year of reporting on the eligibility of their activities with regards to the other four objectives.

4.3.1.3.1 Eligibility assessment of Iveco Group's economic activities

Iveco Group conducted an eligibility assessment of its core business activities and operations, comparing the latter against the economic activities of Annexes I and II of the Climate Delegated Act. The economic activities found to be eligible fell within the scope of one of the following activity categories:

- 3.3 'Manufacture of low carbon technologies for transport', which represents most of Iveco Group's core activities and operations
- 5.4 'Sale of second-hand goods' (considered only for turnover KPI)
- 6.5 'Transport by motorbikes, passenger cars, and light commercial vehicles', which represents in particular Iveco Group's financial services activities.

Climate Change Mitigation was identified as the environmental objective most consistent with Iveco Group's business.

4.3.1.3.2 Alignment assessment of Iveco Group's economic activities – Substantial Contribution criteria

For the economic activities identified as eligible, a further assessment was conducted to verify if they met the relevant SCC, so as to identify those among them that are aligned with Disclosures Delegated Act requirements and determine their proportion of turnover, CapEx, and OpEx. The analysis performed confirmed that all technical screening criteria for substantial contribution to the CCM objective were met.

Particularly with regard to the Substantial Contribution criteria, the economic activities falling under 3.3 'Manufacture of low carbon technologies for transport' and 6.5 'Transport by motorbikes, passenger cars, and light commercial vehicles' consist in the manufacture, repair, maintenance, retrofitting, repurposing, and upgrade of category M1 and N1 vehicles that meet the GHG emissions threshold (less than 50 g CO_2/km).

4.3.1.3.3 Alignment assessment of Iveco Group's economic activities – Do No Significant Harm criteria

The economic activities previously assessed in relation to Substantial Contribution criteria were further analysed to verify whether they also met Do No Significant Harm (DNSH) criteria.

Keeping in mind that our activities are mainly related to the Climate Change Mitigation environmental objective, the results of the aforementioned analysis showed that all economic activities falling under activity 3.3 met the DNSH criteria with regard to the other five environmental objectives as follows:

- Climate Change Adaptation: for each plant where economic activities took place, a climate risk and vulnerability assessment was conducted to identify the physical climate risks material to the activities themselves, as well as the adaptation solutions to reduce such risks accordingly
- Sustainable Use and Protection of Water and Marine Resources: degradation risks related to preserving water quality and avoiding water stress were identified and addressed through Iveco Group's environmental management system, with the aim of achieving good water status and good ecological potential. The WRI Aqueduct Water Risk Atlas was used to identify the Company's plants in water-stressed areas
- Transition to a Circular Economy: the circular economy criteria were met in relation to manufacturing processes
- Pollution Prevention and Control regarding Use and Presence of Chemicals: the requirements related to the use of certain substances, as set out in Appendix C to Annex I of Delegated Regulation (EU) 2021/2139, were met. Compliance with regulations such as REACH and RoHS is guaranteed through the collection of information from suppliers (IMDS - International Material Data System), the verification of the absence of dangerous substances, and the relevant communications required. Iveco Group is fully aligned with points (a), (b), (c), (d), and (e) of Appendix C. As regards the amendment of point (f) included in Regulation 2023/2485 on 27 June 2023, it does not appear to introduce any additional requirements beyond those outlined in the REACH Regulation. Accordingly, the Company will make every effort to collect and evaluate supply chain data over the required 18-month period to prove that no other suitable alternatives are available on the market for certain substances
- Protection and Restoration of Biodiversity and Ecosystems: two methodologies were implemented at the manufacturing sites adjacent to protected areas of particular environmental interest where the economic activities took place, so as to assess their impact on biodiversity and ecosystems.

With regard to the economic activities falling under activity 6.5, they met the DNSH criteria with regard to the other five environmental objectives as follows:

- Climate Change Adaptation: for each plant where economic activities take place, a climate risk and vulnerability assessment was conducted to identify the physical climate risks material to the activities themselves, as well as adaptation solutions to reduce such risks accordingly
- Transition to a Circular Economy: the circular economy criteria were met in relation to M1 and N1 vehicles
- Pollution Prevention and Control regarding Use and Presence of Chemicals: both vehicles M1 and N1 complied with the requirements of the most recent applicable stage of the Euro 6 light-duty emission type-approval, as well as with external rolling noise requirements related to tyres.

4.3.1.3.4 Minimum Safeguard Assessment

The EU Taxonomy Regulation sets a further requirement for economic activities to be considered sustainable: they must be not only environmentally sustainable by meeting the TSC, but also socially sustainable by meeting certain Minimum Safeguards.

More specifically, in conducting the economic activity, an entity shall also implement measures to ensure its alignment with the OECD Guidelines for Multinational Enterprises, with the UN Guiding Principles on Business and Human Rights, with the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work, and with the International Bill of Human Rights.

Iveco Group conducted a specific assessment to verify the compliance of its activities with Minimum Safeguards.

Iveco Group upholds respect for human rights through its Code of Conduct, Supplier Code of Conduct, and Human Rights Policy. Human rights are monitored across the Company's internal operations and throughout its supply chain and customer base by means of dedicated processes for each area. To ensure full compliance with applicable anti-corruption and bribery laws, an Anti-Corruption Policy and specific procedures are in place. The Company's tax risk management strategy focuses on managing and minimising the possibility of operating in violation of tax regulations or in a way that is contrary to the principles or purposes of the tax system. As regards grievances, a Compliance Helpline is available to all Iveco Group employees, customers, suppliers, and other third parties to report potential violations of applicable laws, Company policies, or the Code of Conduct. Lastly, Iveco Group safeguards consumer interest through its Code of Conduct and Supplier Code of Conduct, which stipulate, among other things, respect for the principles of fair competition and antitrust regulations.

4.3.1.3.5 Accounting Policy (1.2.1)

Iveco Group's Sustainability Department and Finance Department were involved in the identification of the values related to the three KPIs (Turnover, CapEx, OpEx). As per the criteria set out in Annex 1 to EU Commission Delegated Act 2021/2178 ('Disclosures Delegated Act') , these departments identified the values to be included in the KPIs from the balance sheet items, as described in the next paragraph.

As for the calculation of the numerator, only the balance sheet items related to the identified activities (subsections 3.3 and 6.5) were considered. As for the calculation of the denominator, all the items provided for by the regulations at a consolidated Iveco Group N.V. level were included (as further specified in the contextual information paragraph below).

The CapEx calculation was based on additions to tangible and intangible assets identified from Company reports, constituting the basis for any changes in asset disclosures.

The turnover information was obtained from the official consolidated financial statement, consisting of the value of revenue from all goods and services sold and invoiced during the period of reference. In order to avoid double-counting, all intercompany flows were excluded from revenues.

In order to meet taxonomy criteria, the OpEx was calculated as the sum of operating expenses of capital investment projects (by nature) and the costs related to maintenance and cleaning (by destination).

4.3.1.3.6 Assessment of compliance with Regulation (EU) 2020/852 (1.2.2)

Iveco Group identified three taxonomy-eligible activities:

- Manufacture of low carbon technologies for transport (3.3), considering the sales from the vehicles manufactured by the Company and vehicle maintenance and repair. Revenues from the sale of spare parts and individual components were excluded from the numerator. As per Strategic Business Plan 2023 - 2026, the investments related to Manufacture of low carbon technologies for transport (3.3) will increase over the coming years, changing the industry landscape with a focus on zero carbon footprint and carbon neutrality and expanding vehicle line-ups through tailored Zero Electric Vehicle Offerings
- Sale of second-hand goods (5.4), considering the sales of second-hand vehicles
- Transport by motorbikes, passenger cars, and light commercial vehicles (6.5), considering any active leasing for commercial vehicles (CV).

To avoid any double-counting in the calculation of the KPIs, the values were determined directly from the items included in the financial statement of Iveco Group N.V.

4.3.1.3.7 Contextual information (1.2.3)

Turnover KPIs

- The denominator was identified based on Iveco Group's consolidated net turnover from industrial activities
- The numerator was identified including net sales from the sales of trucks and buses (new and used) and services, revenues from repair and maintenance, and leasing fees. Revenues from specialty vehicles (defence and firefighting), from the remaining segments of the industrial activities, and from spare parts were excluded.

CapEx KPIs

- The denominator consists of additions to tangible and intangible fixed assets during the financial year, before depreciation, amortisation, and any re-measurements, including those resulting from revaluations and impairments, and excluding changes in fair value

- The numerator equals capital expenditures that are part of the denominator referred to buses and to light, medium, and heavy trucks and powertrain.

OpEx KPIs

- The denominator includes all direct non-capitalised costs related to maintenance, building renovation measures, research and development, short-term leases, and any other direct expenditures relating to the day-to-day servicing of assets of property, plants, and equipment
- The numerator equals the direct non-capitalised costs that are part of the denominator referred to buses and to light, medium, and heavy trucks.

The reported values do not include any amounts related to economic activities included in the taxonomy analysis conducted for Iveco Group's internal consumption.

Within the CapEx and OpEx items, there are no items related to a plan to expand the economic activities aligned with the taxonomy regulation.

The CapEx and OpEx allocated to the numerator were calculated using the Tool Semplice (specific to the Initiatives Mngt system), aggregating data based on dedicated fields for tracking projects and on their purpose/objective.

The tables on the following pages contain information on the disclosure of capital expenditure, operating expenditure, and proportion of turnover identified as eligible, non-eligible, and aligned according to the European Taxonomy, as per the new templates included in Annex V of the Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and European Council ('Environmental Delegated Act').

Proportion of **turnover** from products associated with Taxonomy-aligned economic activities

ECONOMIC ACTIVITIES	2023			Substantial Contribution Criteria						DNSH criteria (Do No Significant Harm)									
	CODE[a]	ABSOLUTE TURNOVER (€ IN MILLIONS)	PROPORTION OF TURNOVER, 2023	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY	MINIMUM SAFEGUARDS	TAXONOMY -ALIGNED OR ELIGIBLE PROPORTION OF TURNOVER, 2022	CATEGORY (ENABLING ACTIVITY)	CATEGORY (TRANSITIONAL ACTIVITY)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of low carbon technologies for transport	CCM 3.3	397	2.50%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	1.20%	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**397**	**2.50%**	**100%**	**-**	**-**	**-**	**-**	**-**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**1.20%**		
of which Enabling		397	100.00%	100%	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	100%	E	
of which Transitional		-	-							-	-	-	-	-	-	-	-		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of low carbon technologies for transport	CCM 3.3	12,038	75.82%	Y	N	N	N	N	N								79.00%		
Sale of second-hand goods	CE 5.4	233	1.47%	N	N	N	N	Y	N								-		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	86	0.54%	Y	N	N	N	N	N								0.61%		
Turnover of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		12,357	**77.83%**	-	-	-	-	-	-								79.61%		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		12,754	**80.33%**	-	-	-	-	-	-								80.81%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		3,123	**19.67%**																
Total (A + B)		15,877	**100.00%**																

	TAXONOMY-ALIGNED PER OBJECTIVE	TAXONOMY-ELIGIBLE PER OBJECTIVE
CCM	2.50%	76.36%
CCA	-	-
WTR	-	-
CE	-	1.47%
PPC	-	-
BIO	-	-

[a] The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the Section number of the activity in the relevant Annex covering the objective, i.e.,:
- Climate Change Mitigation: CCM
- Climate Change Adaptation: CCA
- Water and Marine Resources: WTR
- Circular Economy: CE
- Pollution Prevention and Control: PPC
- Biodiversity and ecosystems: BIO

Proportion of **CapEx** from products associated with Taxonomy-aligned economic activities

ECONOMIC ACTIVITIES	2023			Substantial Contribution Criteria						DNSH criteria (Do No Significant Harm)									
	CODE[a]	ABSOLUTE CAPEX (€ IN MILLIONS)	PROPORTION OF CAPEX, 2023	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY	MINIMUM SAFEGUARDS	TAXONOMY -ALIGNED OR ELIGIBLE PROPORTION OF CAPEX, 2022	CATEGORY (ENABLING ACTIVITY)	CATEGORY (TRANSITIONAL ACTIVITY)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of low carbon technologies for transport	CCM 3.3	339	35.06%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	30.79%	E	
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**339**	**35.06%**	**100%**	**-**	**-**	**-**	**-**	**-**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**31%**		
of which Enabling		339	100.00%	100%	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	**100%**	E	
of which Transitional		-	-							-	-	-	-	-	-	-	**-**		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of low carbon technologies for transport	CCM 3.3	108	11.17%	Y	N	N	N	N	N								11.09%		
Capex of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		108	**11.17%**	100%	-	-	-	-	-								11.09%		
A. Capex of Taxonomy eligible activities (A.1+A.2)		447	**46.23%**	100%	-	-	-	-	-								41.88%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Capex of Taxonomy-non-eligible activities		520	**53.77%**																
Total (A + B)		967	**100.00%**																

	TAXONOMY-ALIGNED PER OBJECTIVE	TAXONOMY-ELIGIBLE PER OBJECTIVE
CCM	35.06%	11.17%
CCA	-	-
WTR	-	-
CE	-	-
PPC	-	-
BIO	-	-

[a] The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the Section number of the activity in the relevant Annex covering the objective, i.e.,:
- Climate Change Mitigation: CCM
- Climate Change Adaptation: CCA
- Water and Marine Resources: WTR
- Circular Economy: CE
- Pollution Prevention and Control: PPC
- Biodiversity and ecosystems: BIO

Proportion of **OpEx** from products associated with Taxonomy-aligned economic activities

ECONOMIC ACTIVITIES	2023			Substantial Contribution Criteria						DNSH criteria (Do No Significant Harm)									
	CODE[a]	ABSOLUTE OPEX (€ IN MILLIONS)	PROPORTION OF OPEX, 2023	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY	MINIMUM SAFEGUARDS	TAXONOMY -ALIGNED OR ELIGIBLE PROPORTION OF OPEX, 2022	CATEGORY (ENABLING ACTIVITY)	CATEGORY (TRANSITIONAL ACTIVITY)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of low carbon technologies for transport	CCM 3.3	104	21.53%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	23.08%	E	
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**104**	**21.53%**	**100%**	**-**	**-**	**-**	**-**	**-**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**23.08%**		
of which Enabling		104	100.00%	100%	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	-	E	
of which Transitional		-	-							-	-	-	-	-	-	-	-		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of low carbon technologies for transport	CCM 3.3	14	2.90%	Y	N	N	N	N	N								2.07%		
Opex of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		14	**2.90%**	100%	-	-	-	-	-								2.07%		
A. Opex of Taxonomy eligible activities (A.1+A.2)		118	**24.43%**	100%	-	-	-	-	-								25.15%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Opex of Taxonomy-non-eligible activities		365	**75.57%**																
Total (A + B)		483	**100.00%**																

	TAXONOMY-ALIGNED PER OBJECTIVE	TAXONOMY-ELIGIBLE PER OBJECTIVE
CCM	21.53%	2.90%
CCA	-	-
WTR	-	-
CE	-	-
PPC	-	-
BIO	-	-

[a] The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the Section number of the activity in the relevant Annex covering the objective, i.e.,:
- Climate Change Mitigation: CCM
- Climate Change Adaptation: CCA
- Water and Marine Resources: WTR
- Circular Economy: CE
- Pollution Prevention and Control: PPC
- Biodiversity and ecosystems: BIO

4.3.2 Environmental Dimension

GRI
302-1; 302-4

4.3.2.1 ENERGY CONSUMPTION IN DETAIL

Total Energy Consumption[a]

Iveco Group worldwide (GJ)

Non-renewable sources	2023	2022	2021
Plants (no.)	22	23	25
Direct energy consumption			
Natural gas	888,489	921,375	1,002,851
Coal	-	-	-
Diesel	125,851	121,737	134,441
Liquefied petroleum gas (LPG)	7,972	36	106
Other (HS and LS fuel oil)	-	-	-
Total	**1,022,312**	**1,043,148**	**1,137,398**
Indirect energy consumption			
Electricity	22,731	28,016	27,442
Thermal energy	625,571	639,332	702,879
Other energy sources	-	-	262
Total	**648,302**	**667,348**	**730,583**
Total energy consumption from non-renewable sources	**1,670,614**	**1,710,496**	**1,867,981**

Renewable sources	2023	2022	2021
Plants (no.)	22	23	25
Direct energy consumption			
Biomass	-	-	-
Solar-thermal	11	80	83
Photovoltaic	18,940	1,176	-
Total	**18,951**	**1,256**	**83**
Indirect energy consumption			
Electricity	1,155,354	1,165,529	1,209,535
Thermal energy	870	19,420	24,111
Other energy sources	186,940	155,340	148,236
Total	**1,343,164**	**1,340,289**	**1,381,882**
Total energy consumption from renewable sources	**1,362,115**	**1,341,545**	**1,381,965**
Total energy consumption	**3,032,729**	**3,052,041**	**3,249,946**

[a] The base year (2019) energy consumption is equal to 3,104,689 GJ. For information on the rationale for choosing 2019 as the base year, see 4.2.2.1 Approach to Data Calculation.

GRI
302-3; 305-1; 305-2; 305-4; 305-5

Energy Consumption by Type

Iveco Group worldwide (GJ)

	2023	2022	2021
Plants (no.)	22	23	25
Electricity[a]	**1,330,627**	1,321,355	1,365,458
Heat	**626,452**	658,832	727,073
Steam[b]	**-**	-	-
Cooling	**53,338**	28,706	20,017
Natural gas	**888,489**	921,375	1,002,851
Other energy sources	**133,823**	121,773	134,547
Total energy consumption	**3,032,729**	3,052,041	3,249,946

(a) Electricity also includes compressed air and the share of electricity generated by the photovoltaic (PV) systems.
(b) Steam is included in heat.

4.3.2.2 CO_2 EMISSIONS IN DETAIL

Direct and Indirect CO_2 Emissions[a]

Iveco Group worldwide (tons)

	Target 2030 vs 2019	2023	2022	2021
Plants (no.)		22	23	25
Direct emissions (Scope 1)		**59,673**	60,712	66,229
Direct emissions (Scope 1) – excluding fuel used to test products		**49,844**	51,764	56,323
Indirect emissions (Scope 2) – market-based		**38,839**	41,024	46,851
Indirect emissions (Scope 2) – location-based		**128,485**	132,064	145,537
Total CO_2 emissions[b] – market-based		**98,512**	**101,736**	**113,080**
Total CO_2 emissions[c] – market-based	**-50%**	**88,683**	**92,788**	**103,174**

(a) CO_2 is the only significant greenhouse gas within Iveco Group's processes (see 4.2.2.1.2 Environmental Data Calculation).
The base year (2019) CO_2 emissions are equal to 122,588 tons (110,713 tons excluding fuel used to test products).
For information on the rationale for choosing 2019 as the base year, see 4.2.2.1 Approach to Data Calculation .
There were no significant changes in emissions requiring the recalculation of base year emissions.
GHG emissions were consolidated and reported using an operational control approach.
For the methodologies and emission factors used, see 4.2.2.1.2 Environmental Data Calculation .
(b) Total CO_2 emissions calculated as per the market-based methodology of the GHG Protocol, including emissions from fuel used to test products.
(c) Total CO_2 emissions calculated as per the market-based methodology of the GHG Protocol, excluding emissions from fuel used to test products.

Energy Consumption per Production Unit[a]

Iveco Group worldwide (GJ/hour of production[b])

	Target 2030 vs 2019	2023	2022	2021
Plants (no.)		22	23	25
Energy consumption per production unit	**-30%**	**0.09124**	0.09675	0.10520

(a) The base year (2019) energy consumption per production unit is equal to 0.1086 GJ/hour of production. For information on the rationale for choosing 2019 as the base year, see 4.2.2.1 Approach to Data Calculation .
Types of energy included: electricity, heat, steam, cooling, and natural gas.
KPIs do not include the fuel used to test products.
(b) Total manufacturing hours are used to calculate the indicator per hour of production. For the definition of total manufacturing hours, see 4.2.2.1.2 Environmental Data Calculation .

Electricity Consumption from Renewable Sources

Iveco Group worldwide (%)

	Target 2030	2023	2022	2021
Plants (no.)		22	23	25
Electricity consumption from renewable sources	**100%**	**98**	98	98

Direct and Indirect CO_2 Emissions per Production Unit[a]

Iveco Group worldwide (tons of CO_2/hour of production[b])

	2023	2022	2021
Plants (no.)	22	23	25
Direct and indirect CO_2 emissions per production unit	**0.00279**	0.00306	0.00348

(a) CO_2 is the only significant greenhouse gas within Iveco Group's processes (see 4.2.2.1.2 Environmental Data Calculation).
The base year (2019) CO_2 emissions per production unit are equal to 0.00408 tons/hour of production.
For information on the rationale for choosing 2019 as the base year, see 4.2.2.1 Approach to Data Calculation .
The indicator includes Scope 1 and Scope 2 emissions, as per the market-based methodology of the GHG Protocol.
(b) Total manufacturing hours are used to calculate the indicator per hour of production. For the definition of total manufacturing hours, see 4.2.2.1.2 Environmental Data Calculation . KPIs do not include the fuel used to test products.

4.3.2.3 AIR EMISSIONS IN NUMBERS

Volatile Organic Compounds (VOC)[a]

Iveco Group worldwide

	Target 2026 vs 2019	2023	2022	2021
Plants (no.)		22	23	24
Average VOC emissions (g/m²)	**-14%**	**30.1**	33.7	39.6
Total VOC emissions (kg)		**789,398**	878,801	878,851

[a] The base year (2019) VOC emissions are equal to 38.5 g/m². For information on the rationale for choosing 2019 as the base year, see 4.2.2.1 Approach to Data Calculation.

GRI
303-3; 303-4; 303-5; 305-7

NO_x, SO_x, and Dust Emissions

Iveco Group worldwide (tons)

	2023	2022	2021
Plants (no.)	22	23	25
Nitrogen oxides (NO_x)	**120.3**	123.6	134.8
Sulphur oxides (SO_x)	**17.9**	17.3	19.1
Dust	**1.6**	1.5	1.7

4.3.2.4 WATER IN NUMBERS

Quality of Water Discharges

Iveco Group worldwide (milligram/litre)

	2023	2022	2021
Plants (no.)	22	23	24
Biochemical Oxygen Demand (BOD)	**54.0**	63.6	54.6
Chemical Oxygen Demand (COD)	**164.1**	118.5	119.4
Total Suspended Solids (TSS)	**38.0**	43.1	46.2

Water Withdrawal per Production Unit[a]

Iveco Group worldwide (m³/hour of production[b])

	Target 2026 vs 2019	2023	2022	2021
Plants (no.)		22	23	24
Water withdrawal	**-15%**	**0.094**	0.103	0.108

[a] The base year (2019) water withdrawal is equal to 0.108 m³/hour of production. For information on the rationale for choosing 2019 as the base year, see 4.2.2.1 Approach to Data Calculation.
[b] Total manufacturing hours are used to calculate the indicator per hour of production. For the definition of total manufacturing hours, see 4.2.2.1.2 Environmental Data Calculation.

Water Withdrawal, Discharge, and Consumption

Iveco Group worldwide (thousands of m³)

	2023		2022		2021	
Plants (no.)		22		23		24
	All areas	**of which in water-stressed areas**	All areas	of which in water-stressed areas	All areas	of which in water-stressed areas
Withdrawal						
Groundwater						
Freshwater[a]	**2,139**	**370**	2,303	555	2,230	497
Other water[b]	**-**	**-**	-	-	-	-
Total groundwater	**2,139**	**370**	2,303	555	2,230	497
Third-party water						
Freshwater[a]	**935**	**418**	963	467	1,005	434
Other water[b]	**-**	**-**	-	-	-	-
Total third-party water	**935**	**418**	963	467	1,005	434
of which municipal water supply	**935**	**418**	963	467	1,005	434
Surface water						
Freshwater[a]	**10**	**-**	10	-	10	-
Other water[b]	**-**	**-**	-	-	-	-
Total surface water	**10**	**-**	10	-	10	-
of which rainwater	**-**	**-**	-	-	-	-
Seawater						
Total seawater	**-**	**-**	-	-	-	-
Produced water						
Total produced water	**-**	**-**	-	-	-	-
Total water withdrawal	**3,084**	**788**	**3,276**	**1,022**	**3,245**	**931**
Discharge						
Surface water	**438**	**122**	396	105	369	84
of which freshwater[a]	**438**	**122**	392	101	369	84
Third-party water	**1,638**	**336**	1,645	398	1,936	364
of which sent for use to other organisations	**-**	**-**	-	-	-	-
Seawater	**-**	**-**	-	-	-	-
Groundwater	**2**	**-**	1	-	13	-
of which freshwater[a]	**2**	**-**	1	-	13	-
Total water discharge	**2,078**	**458**	2,042	503	2,318	448
of which freshwater[a]	**860**	**458**	818	376	2,022	448
of which other water[b]	**1,218**	**-**	1,224	127	296	-
Consumption						
Total water consumption[c]	**1,006**	**330**	**1,234**	**519**	**927**	**483**
Total net fresh water consumption[d]	**2,664**	**666**	**2,883**	**921**	**2,863**	**847**

(a) Water with a concentration of total dissolved solids equal to or below 1,000 mg/l, as defined by GRI Standards (GRI 303).
(b) Water with a concentration of total dissolved solids over 1,000 mg/l, as defined by GRI Standards (GRI 303).
(c) Calculated as total water withdrawal minus total water discharge.
(d) Calculated as the sum of the total municipal water supply, fresh surface water withdrawal (excluding rainwater), and fresh groundwater withdrawal minus the discharge to both fresh surface water and fresh groundwater.

Water Recycling[a] Index

Iveco Group worldwide (thousands of m³)

	2023	2022	2021
Plants (no.)	22	23	24
Total water requirement	**8,694**	8,211	7,255
of which covered by recycling	**5,610**	4,935	4,010
of which water withdrawal	**3,084**	3,276	3,245
Recycling index[b] (%)	**64.5**	**60.1**	**55.3**

(a) Water recycling includes water reused.
(b) The recycling index is calculated as a percentage of the total water requirement.

Industrial Water Recycling Index

Iveco Group worldwide (thousands of m³)

	Target 2026	2023	2022	2021
Plants (no.)		22	23	24
Industrial water requirement		**8,199**	7,704	6,734
of which covered by recycling		**5,610**	4,935	4,010
of which industrial water withdrawal		**2,589**	2,769	2,724
Industrial Water Recycling index[b] (%)	**75**	**68.4**	**64.1**	**59.6**

(a) Industrial water recycling includes industrial water reused.
(b) The industrial water recycling index is calculated as a percentage of the total industrial water requirement.

Plants Located in Water-Stressed Areas[a]

Iveco Group worldwide

BUSINESS UNIT AND PLANT	2023 discharge water quality (mg/l)	2019 water withdrawal per production unit (m³/hour of production[b])	2023 water withdrawal per production unit (m³/hour of production[b])	Reduction target[c] (2026 vs 2019[d])
Brescia Truck (Italy)	BOD: 20 COD: 15 TSS: 16	0.257	0.154	-10%
Brescia Firefighting (Italy)	BOD: 20 COD: 15 TSS: 16	0.043	0.110	-
Foggia (Italy)	BOD: 20 COD: 129 TSS: 86	0.080	0.064	-5%
Madrid (Spain)	BOD: 42 COD: 90 TSS: 22	0.036	0.025	-22%
Valladolid (Spain)	BOD: 49 COD: 89 TSS: 7	0.087	0.085	-10%

(a) Areas with a baseline water stress that is high (40-80%) or extremely high (>80%), according to the WRI Aqueduct Risk Atlas tool, as at 24 May 2022.
(b) Total manufacturing hours are used to calculate the indicator per hour of production. For the definition of total manufacturing hours, see 4.2.2.1.2 Environmental Data Calculation.
(c) Refers to water withdrawal per production unit (m³/hour of production). Total manufacturing hours are used to calculate the indicator per hour of production. For the definition of total manufacturing hours, see 4.2.2.1.2 Environmental Data Calculation.
(d) For information on the rationale for choosing 2019 as the base year, see 4.2.2.1 Approach to Data Calculation.

2023 Water Withdrawal, Discharge, and Consumption in Water-Stressed Areas[a]

Iveco Group worldwide (thousands of m³)

GRI 303-3; 303-4; 303-5

	Total	Brescia Truck (Italy)	Brescia Firefighting (Italy)	Foggia (Italy)	Madrid (Spain)	Valladolid (Spain)
Withdrawal						
Groundwater	**370**	353	17	-	-	-
Third-party water	**418**	54	1	146	101	116
of which surface water	**418**	54	1	146	101	116
of which groundwater	-	-	-	-	-	-
of which seawater	-	-	-	-	-	-
of which produced water	-	-	-	-	-	-
Surface water	-	-	-	-	-	-
Seawater	-	-	-	-	-	-
Produced water	-	-	-	-	-	-
Total water withdrawal[b]	**788**	**407**	**18**	**146**	**101**	**116**
Discharge						
Total water discharge	**458**	**190**	**2**	**49**	**101**	**116**
Consumption						
Total water consumption[c]	**330**	**217**	**16**	**97**	**-**	**-**
Water consumption per production unit (m³/hour of production[d])	**0.031**	0.082	0.099	0.043	-	-

(a) Areas with a baseline water stress that is high (40-80%) or extremely high (>80%), according to the WRI Aqueduct Risk Atlas tool, as at 24 May 2022.
(b) The total water withdrawal in water-stressed areas corresponds to 25.6% of the Company's total water withdrawal.
(c) Calculated as total water withdrawal minus total water discharge.
(d) Total manufacturing hours are used to calculate the indicator per hour of production. For the definition of total manufacturing hours, see 4.2.2.1.2 Environmental Data Calculation.

4.3.2.5 WASTE IN NUMBERS

Waste Generated, Diverted, and Directed to Disposal

Iveco Group worldwide (tons)

GRI 306-3; 306-4; 306-5

	2023	2022	2021
Plants (no.)	22	23	24
WASTE GENERATED, BY COMPOSITION			
Hazardous waste	**6,330**	6,445	7,026
Non-hazardous waste	**73,949**	72,533	69,053
Total waste generated	**80,279**	**78,978**	**76,079**
of which packaging	**33,098**	34,460	31,045
WASTE DIVERTED FROM DISPOSAL, BY RECOVERY OPERATION[a]			
Hazardous waste			
Preparation for reuse	**-**	-	-
Recycling	**4,015**	4,090	4,428
of which recycled on site	**-**	-	-
Other recovery operations	**-**	-	-
Total hazardous waste diverted from disposal	**4,015**	**4,090**	**4,428**
Non-hazardous waste			
Preparation for reuse	**-**	-	-
Recycling	**69,613**	69,462	66,315
Other recovery operations	**-**	-	-
Total non-hazardous waste diverted from disposal	**69,613**	**69,462**	**66,315**
Total waste diverted from disposal	**73,628**	**73,552**	**70,743**
WASTE DIRECTED TO DISPOSAL, BY DISPOSAL OPERATION[a]			
Hazardous waste			
Incineration (with energy recovery)	**1,230**	1,164	1,158
Incineration (without energy recovery)	**15**	7	21
Landfill	**2**	-	-
Other disposal operations (treatment)	**1,067**	1,184	1,420
Total hazardous waste directed to disposal	**2,314**	**2,355**	**2,599**
Non-hazardous waste			
Incineration (with energy recovery)	**3,397**	1,623	1,495
Incineration (without energy recovery)	**43**	55	53
Landfill	**710**	1,142	1,115
Other disposal operations (treatment)	**187**	251	74
Total non-hazardous waste directed to disposal	**4,337**	**3,071**	**2,273**
Total waste directed to disposal	**6,651**	**5,426**	**5,336**

[a] Operation carried out off site, unless otherwise specified.

Waste and Hazardous Waste Generated per Production Unit[a]

Iveco Group worldwide (kg/hour of production[b])

	Target 2026 vs 2019	2023	2022	2021
Plants (no.)		22	23	24
Waste generated	**-7%**	**2.45**	2.49	2.54
Hazardous waste generated	**-6%**	**0.19**	0.20	0.24

(a) The base year (2019) waste generated is equal to 2.66 kg/hour of production.
The base year (2019) hazardous waste generated is equal to 0.23 kg/hour of production.
For information on the rationale for choosing 2019 as the base year, see 4.2.2.1 Approach to Data Calculation >.

(b) Total manufacturing hours are used to calculate the indicator per hour of production.
For the definition of total manufacturing hours, see 4.2.2.1.2 Environmental Data Calculation >.

Waste Recovered[a] and Sent to Landfill

Iveco Group worldwide

	Target 2026	2023	2022	2021
Plants (no.)		22	23	24
Waste recovered (%)	**97.1**	**97.5**	96.7	96.5
Waste recovered (tons)		**78,255**	76,339	73,396
Waste sent to landfill (%)		**0.9**	1.4	1.5

(a) Waste recovered is calculated as the sum of waste diverted from disposal and waste incinerated with energy recovery, calculated as a percentage of total waste generated.

4.3.2.6 BIODIVERSITY IN DETAIL

GRI 304-1; 304-4

2023 Plants Near, Bordering or Within Protected[a] or High-Biodiversity Areas

Iveco Group worldwide

PLANT	Primary functions	Plant's total surface area (m²)	Location with respect to protected area	Species on IUCN Red List of threatened species and on national lists (no.)
Bolzano (Italy)[b]	Defence vehicles	120,000	Adjacent to the protected area (5,000 m)	387 species listed, of which: • 0 critically endangered • 6 endangered • 17 vulnerable • 27 near threatened • 337 of least concern
Bourbon-Lancy (France)[c]	Engines (heavy)	210,000	Adjacent to protected area (500 m)	193 species listed, of which: • 0 critically endangered • 2 endangered • 1 vulnerable • 1 near threatened • 189 of least concern
Foggia (Italy)[c]	Engines (light), drive shafts	601,680	Adjacent to protected area (3,500 m)	168 species listed, of which: • 0 critically endangered • 0 endangered • 2 vulnerable • 6 near threatened • 160 of least concern
Madrid (Spain)[c]	Heavy vehicles	347,200	Adjacent to protected area (1,500 m)	64 species listed, of which: • 0 critically endangered • 0 endangered • 0 vulnerable • 1 near threatened • 63 of least concern
Piacenza (Italy)[b]	Heavy vehicles	175,000	Adjacent to protected area (5,000 m)	241 species listed, of which: • 2 critically endangered • 6 endangered • 11 vulnerable • 13 near threatened • 209 of least concern

(a) Protected areas (national, regional, of EU-level importance, special protection zones, oases, etc.) are geographically defined areas designated, regulated, or managed to achieve specific conservation objectives. Areas of high biodiversity value are not subject to legal protection, but are recognised by governmental and non-governmental organisations as having significant biodiversity.
(b) Plant implementing the BRE methodology (see 2.2.7 Protecting Biodiversity) that is located near, bordering or within protected or high-biodiversity areas.
(c) Plant implementing the BVI methodology (see 2.2.7 Protecting Biodiversity) that is located near, bordering or within protected or high-biodiversity areas.

PLANT	Primary functions	Plant's total surface area (m²)	Location with respect to protected area	Species on IUCN Red List of threatened species and on national lists (no.)
Sete Lagoas (Brazil)[c]	Light, medium, and heavy vehicles	2,111,608	Adjacent to protected area (1,500 m)	79 species listed, of which: ● 0 critically endangered ● 0 endangered ● 0 vulnerable ● 0 near threatened ● 79 of least concern
Suzzara (Italy)[c]	Light vehicles	539,000	Adjacent to the protected area (4,000 m)	110 species listed, of which: ● 0 critically endangered ● 2 endangered ● 0 vulnerable ● 0 near threatened ● 108 of least concern
Torino Driveline (Italy)[b]	Transmissions, axles	248,310	Adjacent to the protected area (included in a 5 km radius)	299 species listed, of which: ● 7 critically endangered ● 10 endangered ● 21 vulnerable ● 19 near threatened ● 242 of least concern
Torino Motori (Italy)[b]	Engines (heavy)	230,000		
Ulm (Germany)[c]	Firefighting vehicles	679,000	Adjacent to the protected area (2,000 m)	153 species listed, of which: ● 0 critically endangered ● 2 endangered ● 1 vulnerable ● 3 near threatened ● 147 of least concern

(b) Plant implementing the BRE methodology (see 2.2.7 Protecting Biodiversity) that is located near, bordering or within protected or high-biodiversity areas.
(c) Plant implementing the BVI methodology (see 2.2.7 Protecting Biodiversity) that is located near, bordering or within protected or high-biodiversity areas.

4.3.3 Social Dimension

GRI 2-7

4.3.3.1 OUR WORKFORCE IN NUMBERS

Employees by Region

Iveco Group worldwide (no.)

	2023	2022
Europe	31,012	29,914
South America	3,854	4,432
North America	84	74
Rest of World	1,087	1,191
Total	**36,037**	**35,611**

Employees by Segment

Iveco Group worldwide (no.)

	2023	2022
Commercial and Special Vehicles	27,121	26,718
Powertrain	8,167	8,198
Financial Services	527	488
Other Activities	222	207
Total	**36,037**	**35,611**

Employees by Region and Category[a]

Iveco Group worldwide (no.)

	2023			
	Hourly	Salaried	Professional	Manager
Europe	19,991	4,385	4,778	1,858
South America	2,719	535	401	199
North America	-	-	63	21
Rest of World	439	248	312	88
Total	**23,149**	**5,168**	**5,554**	**2,166**

	2022			
	Hourly	Salaried	Professional	Manager
Europe	19,479	4,211	4,448	1,776
South America	3,373	479	386	194
North America	-	2	52	20
Rest of World	469	293	332	97
Total	**23,321**	**4,985**	**5,218**	**2,087**

[a] For more information on employee categories, see 4.2.2.1.3 Social Data Calculation >.

Employee Turnover

Iveco Group worldwide (no.)

	2023	2022
Employees at 1 January	35,611	34,132
New hires	3,469	4,538
Departures	(3,272)	(2,860)
Δ scope of operations	229	(199)
Employees at 31 December	**36,037**	**35,611**
Turnover (%)	9.1	8.0
of which voluntary turnover (%)	2.9	2.9
New hires (%)	9.6	12.7

GRI 401-1

Employee Turnover by Region

Iveco Group worldwide (no.)

Europe	2023	2022
Employees at 1 January	29,914	29,151
New hires	3,187	2,982
Departures	(2,204)	(2,012)
Δ scope of operations	115	(207)
Employees at 31 December	**31,012**	**29,914**
Turnover (%)	7.1	6.7
New hires (%)	10.3	10.0

South America	2023	2022
Employees at 1 January	4,432	3,606
New hires	156	1,362
Departures	(840)	(544)
Δ scope of operations	106	8
Employees at 31 December	**3,854**	**4,432**
Turnover (%)	21.8	12.3
New hires (%)	4.0	30.7

North America	2023	2022
Employees at 1 January	74	63
New hires	16	29
Departures	(11)	(18)
Δ scope of operations	5	-
Employees at 31 December	**84**	**74**
Turnover (%)	13.1	24.3
New hires (%)	19.0	39.2

Rest of World	2023	2022
Employees at 1 January	1,191	1,312
New hires	122	165
Departures	(229)	(286)
Δ scope of operations	3	-
Employees at 31 December	**1,087**	**1,191**
Turnover (%)	21.1	24.0
New hires (%)	11.2	13.9

Employee Turnover by Category[a]

Iveco Group worldwide (no.)

Hourly	2023	2022
Employees at 1 January	23,321	22,276
New hires	2,261	3,170
Departures	(2,293)	(1,936)
Δ change in category	(68)	(87)
Δ scope of operations	(72)	(102)
Employees at 31 December	**23,149**	**23,321**
Turnover (%)	9.9	8.3
New hires (%)	9.8	13.6

Salaried	2023	2022
Employees at 1 January	4,985	5,110
New hires	603	565
Departures	(449)	(428)
Δ change in category	(160)	(230)
Δ scope of operations	189	(32)
Employees at 31 December	**5,168**	**4,985**
Turnover (%)	8.7	8.6
New hires (%)	11.7	11.3

[a] For more information on employee categories, see 4.2.2.1.3 Social Data Calculation.

GRI 401-1

Professional	2023	2022
Employees at 1 January	5,218	4,879
New hires	494	581
Departures	(380)	(369)
Δ change in category	141	182
Δ scope of operations	81	(55)
Employees at 31 December	**5,554**	**5,218**
Turnover (%)	6.8	7.1
New hires (%)	8.9	11.1

Manager	2023	2022
Employees at 1 January	2,087	1,867
New hires	111	222
Departures	(150)	(127)
Δ change in category	87	135
Δ scope of operations	31	(10)
Employees at 31 December	**2,166**	**2,087**
Turnover (%)	6.9	6.1
New hires (%)	5.1	10.6

Employee Turnover by Age Group

Iveco Group worldwide (no.)

Under 30 years	2023	2022
Employees at 1 January	4,180	3,678
New hires	1,423	1,841
Departures	(812)	(726)
Δ age range	(650)	(591)
Δ scope of operations	51	(22)
Employees at 31 December	**4,192**	**4,180**
Turnover (%)	19.4	17.4
New hires (%)	33.9	44.0

30 to 50 years	2023	2022
Employees at 1 January	21,530	20,989
New hires	1,798	2,408
Departures	(1,681)	(1,322)
Δ age range	(444)	(435)
Δ scope of operations	144	(110)
Employees at 31 December	**21,347**	**21,530**
Turnover (%)	7.9	6.1
New hires (%)	8.4	11.2

Over 50 years	2023	2022
Employees at 1 January	9,901	9,465
New hires	248	289
Departures	(779)	(812)
Δ age range	1,094	1,026
Δ scope of operations	34	(67)
Employees at 31 December	**10,498**	**9,901**
Turnover (%)	7.4	8.2
New hires (%)	2.4	2.9

Promotions

Iveco Group worldwide (no.)

	2023	2022
Hourly	89	95
Salaried	238	323
Professional	97	138
Manager	44	102
Total	**468**	**658**

GRI
401-1; 405-1

Employee Turnover by Gender

Iveco Group worldwide (no.)

Men	2023	2022
Employees at 1 January	29,074	28,353
New hires	2,591	3,242
Departures	(2,586)	(2,358)
Δ scope of operations	89	(163)
Employees at 31 December	**29,168**	**29,074**
Turnover (%)	8.9	8.1
New hires (%)	8.9	11.2

Women	2023	2022
Employees at 1 January	6,537	5,779
New hires	878	1,296
Departures	(686)	(502)
Δ scope of operations	140	(36)
Employees at 31 December	**6,869**	**6,537**
Turnover (%)	10.0	7.7
New hires (%)	12.8	19.8

Employees by Category by Age[a]

Iveco Group worldwide (no.)

	2023			2022		
	Under 30 years	30 to 50 years	Over 50 years	Under 30 years	30 to 50 years	Over 50 years
Hourly	3,259	13,351	6,539	3,377	13,778	6,166
Salaried	704	2,998	1,466	600	2,985	1,400
Professional	227	3,710	1,617	199	3,506	1,513
Manager	2	1,288	876	4	1,261	822
Total	**4,192**	**21,347**	**10,498**	**4,180**	**21,530**	**9,901**

[a] For more information on employee categories, see 4.2.2.1.3 Social Data Calculation.

Employees by Category by Age[a]

Iveco Group worldwide (%)

	2023			2022		
	Under 30 years	30 to 50 years	Over 50 years	Under 30 years	30 to 50 years	Over 50 years
Hourly	14.1	57.7	28.2	14.5	59.1	26.4
Salaried	13.6	58.0	28.4	12.0	59.9	28.1
Professional	4.1	66.8	29.1	3.8	67.2	29.0
Manager	0.1	59.5	40.4	0.2	60.4	39.4
Global	**11.6**	**59.2**	**29.1**	**11.7**	**60.5**	**27.8**

[a] For more information on employee categories, see 4.2.2.1.3 Social Data Calculation.

Employee Gender Distribution by Category[a]

Iveco Group worldwide

	2023				2022			
	Men		Women		Men		Women	
	(no.)	(%)	(no.)	(%)	(no.)	(%)	(no.)	(%)
Hourly	19,178	85.2	3,431	14.8	19,936	85.5	3,385	14.5
Salaried	3,533	68.4	1,635	31.6	3,478	69.8	1,507	30.2
Professional	4,271	76.9	1,283	23.1	4,026	77.2	1,192	22.8
Manager	1,646	76.0	520	24.0	1,634	78.3	453	21.7
Total	**29,168**	**80.9**	**6,869**	**19.1**	**29,074**	**81.6**	**6,537**	**18.4**

[a] For more information on employee categories, see 4.2.2.1.3 Social Data Calculation.

Employee Gender Distribution by Length of Service

Iveco Group worldwide

	2023		2022	
	Total (no.)	of which women (%)	Total (no.)	of which women (%)
Up to 5 years	12,337	25.9	11,616	25.4
6 to 10 years	3,889	18.7	4,421	19.0
11 to 20 years	9,103	19.3	9,038	18.2
21 to 30 years	7,197	11.9	6,915	11.5
Over 30 years	3,511	9.1	3,621	8.5

GRI 2-7

Employee Gender Distribution by Employment Contract

Iveco Group worldwide (no.)

	2023		2022	
	Permanent	Temporary	Permanent	Temporary
Men	28,555	613	27,885	1,189
Women	6,546	323	5,939	598
Total	**35,101**	**936**	**33,824**	**1,787**

Employee Gender Distribution by Employment Type

Iveco Group worldwide (no.)

	2023		2022	
	Full-time	Part-time	Full-time	Part-time
Men	28,887	281	28,810	264
Women	6,358	511	6,031	506
Total	**35,245**	**792**	**34,841**	**770**

4.3.3.2 DIVERSITY, EQUITY, AND INCLUSION IN NUMBERS

Employee Gender Diversity Indicators

Iveco Group worldwide (%)

	2023	2022
Women as a share of total employees	19.1	18.4
Women in all management positions	24.0	21.7
Women in junior management positions	20.4	18.3
Women in top management positions	21.1	18.2
Women in management positions in revenue-generating functions	24.6	21.9
Women in STEM positions	14.3	13.6

Employee Distribution by Employment Contract by Region

Iveco Group worldwide (no.)

	2023		2022	
	Permanent	Temporary	Permanent	Temporary
Europe	30,419	593	28,950	964
South America	3,518	336	3,612	820
North America	84	-	74	-
Rest of World	1,080	7	1,188	3
Total	**35,101**	**936**	**33,824**	**1,787**

Employee Distribution by Employment Type by Region

Iveco Group worldwide (no.)

	2023		2022	
	Full-time	Part-time	Full-time	Part-time
Europe	30,224	788	29,148	766
South America	3,854	-	4,432	-
North America	84	-	74	-
Rest of World	1,083	4	1,187	4
Total	**35,245**	**792**	**34,841**	**770**

Employee Nationality[a]

Iveco Group worldwide (%)

	2023		2022	
	Share of employees[b]	Share of management positions[c]	Share of employees[b]	Share of management positions[c]
Italian	44.0	67.5	42.7	67.2
Spanish	15.6	4.2	15.0	4.3
French	12.8	7.7	13.8	7.8
Brazilian	10.2	8.3	12.2	8.4
German	8.6	5.8	8.2	5.6
Argentinian	3.1	2.3	3.3	2.4
Moroccan	0.7	-	0.5	-
Others	5.1	4.2	4.3	4.3

(a) Survey carried out on 83% of Iveco Group employees.
(b) As a percentage of total employees.
(c) As a percentage of total managers.

4.3.3.3 HEALTH AND SAFETY IN NUMBERS

GRI
403-9; 403-10

Injury Frequency Rate – Employees and Agency Workers

Iveco Group worldwide

	Target 2026 vs 2019	2023	2022	2021
Injury frequency rate[a] (injuries per 1,000,000 hours worked)	-40%	**1.775**	2.424	2.297
Number of lost time injuries (no.)		**114**	147	124
Number of hours worked (no.)		**64,210,926**	60,650,259	53,977,960

(a) The injury frequency rate is the number of injuries (work-related and non-work related, for employee and agency workers, resulting in at least 1 day of absence, excluding the day on which the event occurred) divided by the number of hours worked, multiplied by 1,000,000. The base year (2019) injury frequency rate is equal to 2.758 injuries per 1,000,000 hours worked. For information on the rationale for choosing 2019 as the base year, see 4.2.2.1 Approach to Data Calculation.

Health and Safety Performance – Employees

Iveco Group worldwide

	2023	2022	2021
Number of fatalities as a result of work-related injury[a] (no.)	**-**	-	-
Number of fatalities as a result of work-related ill health[a] (no.)	**-**	-	-
Number of high-consequence work-related injuries[b], excluding fatalities (no.)	**1**	-	-
Number of recordable work-related injuries[c] (no.)	**84**	120	90
Number of cases of recordable work-related ill health[c] (no.)	**3**	4	6
Injury frequency rate[d] (injuries per 1,000,000 hours worked)	**1.738**	2.364	2.402
Injury severity rate[e] (days of absence per 1,000 hours worked)	**0.069**	0.060	0.062
Rate of high-consequence work-related injuries[f] (high-consequence work-related injuries per 1,000,000 hours worked, excluding fatalities)	**0.017**	-	-
Rate of recordable work-related injuries[g] (recordable work-related injuries per 1,000,000 hours worked)	**1.460**	2.199	1.832
Occupational illness frequency rate (OIFR) (cases of recordable work-related ill health per 1,000,000 hours worked)	**0.052**	0.073	0.122
Number of hours worked (no.)	**57,540,303**	54,578,057	49,124,368

(a) Work-related injuries and ill health are those that arise from exposure to hazards at work, as defined by GRI Standards (GRI 403).
(b) A high-consequence work-related injury is one that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months, as defined by GRI Standards (GRI 403).
(c) A recordable work-related injury or ill health is that which results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness, as defined by GRI Standards (GRI 403).
(d) The injury frequency rate is the number of injuries (work-related and non-work related, resulting in at least 1 day of absence, excluding the day on which the event occurred) divided by the number of hours worked, multiplied by 1,000,000.
(e) The injury severity rate is the number of days of absence (of at least 1 day, due to work-related and non-work related injuries) divided by the number of hours worked, multiplied by 1,000.
(f) The rate of high-consequence work-related injuries is the number of such injuries reported divided by the number of hours worked, multiplied by 1,000,000.
(g) The rate of recordable work-related injuries is the number of such injuries reported divided by the number of hours worked, multiplied by 1,000,000.

Health and Safety Performance – Contractors

Iveco Group worldwide

GRI
403-9; 403-10

	2023	2022	2021
Number of fatalities as a result of work-related injury[a] (no.)	-	-	-
Number of fatalities as a result of work-related ill health[a] (no.)	-	-	-
Number of high-consequence work-related injuries[b], excluding fatalities (no.)	-	-	-
Number of recordable work-related injuries[c] (no.)	**28**	8	11
Number of cases of recordable work-related ill health[c] (no.)	-	-	-
Injury frequency rate[d] (injuries per 1,000,000 hours worked)	**4.813**	2.217	2.949
Injury severity rate[e] (days of absence per 1,000 hours worked)	**0.046**	0.088	0.200
Rate of high-consequence work-related injuries[f] (high-consequence work-related injuries per 1,000,000 hours worked, excluding fatalities)	-	-	-
Rate of recordable work-related injuries[g] (recordable work-related injuries per 1,000,000 hours worked)	**4.813**	1.612	2.495
Occupational illness frequency rate (OIFR) (cases of recordable work-related ill health per 1,000,000 hours worked)	-	-	-
Number of hours worked (no.)	**5,817,524**	4,961,303	4,408,721

(a) Work-related injuries and ill health are those that arise from exposure to hazards at work, as defined by GRI Standards (GRI 403).
(b) A high-consequence work-related injury is one that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months, as defined by GRI Standards (GRI 403).
(c) A recordable work-related injury or ill health is that which results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness, as defined by GRI Standards (GRI 403).
(d) The injury frequency rate is the number of injuries (work-related and non-work related, resulting in at least 1 day of absence, excluding the day on which the event occurred) divided by the number of hours worked, multiplied by 1,000,000.
(e) The injury severity rate is the number of days of absence (of at least 1 day, due to work-related and non-work related injuries) divided by the number of hours worked, multiplied by 1,000.
(f) The rate of high-consequence work-related injuries is the number of such injuries reported divided by the number of hours worked, multiplied by 1,000,000.
(g) The rate of recordable work-related injuries is the number of such injuries reported divided by the number of hours worked, multiplied by 1,000,000.

Health and Safety Performance – Agency Workers

Iveco Group worldwide

GRI
403-9; 403-10

	2023	2022	2021
Number of fatalities as a result of work-related injury[a] (no.)	-	-	-
Number of fatalities as a result of work-related ill health[a] (no.)	-	-	-
Number of high-consequence work-related injuries[b], excluding fatalities (no.)	-	-	-
Number of recordable work-related injuries[c] (no.)	**11**	16	3
Number of cases of recordable work-related ill health[c] (no.)	-	-	-
Injury frequency rate[d] (injuries per 1,000,000 hours worked)	**2.099**	2.964	1.236
Injury severity rate[e] (days of absence per 1,000 hours worked)	**0.073**	0.052	0.028
Rate of high-consequence work-related injuries[f] (high-consequence work-related injuries per 1,000,000 hours worked, excluding fatalities)	-	-	-
Rate of recordable work-related injuries[g] (recordable work-related injuries per 1,000,000 hours worked)	**1.649**	2.635	0.618
Occupational illness frequency rate (OIFR) (cases of recordable work-related ill health per 1,000,000 hours worked)	-	-	-
Number of hours worked (no.)	**6,670,623**	6,072,202	4,853,592

(a) Work-related injuries and ill health are those that arise from exposure to hazards at work, as defined by GRI Standards (GRI 403).
(b) A high-consequence work-related injury is one that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months, as defined by GRI Standards (GRI 403).
(c) A recordable work-related injury or ill health is that which results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness, as defined by GRI Standards (GRI 403).
(d) The injury frequency rate is the number of injuries (work-related and non-work related, resulting in at least 1 day of absence, excluding the day on which the event occurred) divided by the number of hours worked, multiplied by 1,000,000.
(e) The injury severity rate is the number of days of absence (of at least 1 day, due to work-related and non-work related injuries) divided by the number of hours worked, multiplied by 1,000.
(f) The rate of high-consequence work-related injuries is the number of such injuries reported divided by the number of hours worked, multiplied by 1,000,000.
(g) The rate of recordable work-related injuries is the number of such injuries reported divided by the number of hours worked, multiplied by 1,000,000.

4.3.3.4 PEOPLE DEVELOPMENT IN NUMBERS

Internal Hires

Iveco Group worldwide (%)

	2023	2022
Open positions filled by internal candidates[a]	**57**	43

[a] Calculated by dividing the number of positions filled by internal candidates in 2023 by the total number of positions filled in the same year.

Managers of Local Nationality by Region[a]

Iveco Group worldwide (%)

	2023	2022
Europe	**90.5**	91.2
South America	**97.0**	97.4
North America	**95.2**	90.0
Rest of World	**87.5**	86.6

[a] Local managers are those who come from the geographic area in question.

Training in Numbers

Iveco Group worldwide

	2023	2022
Training hours (no.)	**433,045**	402,131
Employees involved in training (no.)	**24,996**	21,888
Average hours of training per employee (no.)	**12.0**	11.3
Average amount spent per employee (€)	**25.7**	50.3

Hours of Training by Type of Training

Iveco Group worldwide (no.)

	2023			2022		
	Job-specific expertise	Management & Soft skills	Languages & ICT tools	Job-specific expertise	Management & Soft skills	Languages & ICT tools
Training hours	**369,595**	**35,180**	**28,270**	359,100	14,985	28,047
Average hours of training per employee	**10.3**	**1.0**	**0.8**	10.1	0.4	0.8

Details of Training per Employee by Gender

Iveco Group worldwide (no.)

	2023		2022	
	Men	Women	Men	Women
Training hours	**341,479**	**91,566**	319,488	82,643
Employees involved in training	**19,725**	**5,271**	16,994	4,894
Average hours of training per employee	**11.7**	**13.3**	11.0	12.6

GRI 202-2; 404-1

Details of Training per Employee by Category[a]

Iveco Group worldwide (no.)

	2023			
	Hourly	Salaried	Professional	Manager
Training hours	**176,078**	**93,569**	**115,573**	**47,825**
Employees involved in training	**11,373**	**5,662**	**5,713**	**2,248**
Average hours of training per employee	**7.6**	**18.1**	**20.8**	**22.1**

	2022			
	Hourly	Salaried	Professional	Manager
Training hours	217,096	69,783	84,908	30,345
Employees involved in training	9,571	4,984	5,213	2,120
Average hours of training per employee	9.3	14.0	16.3	14.5

[a] For more information on employee categories, see 4.2.2.1.3 Social Data Calculation >.

Details of Training per Employee by Age Group

Iveco Group worldwide (no.)

	2023			2022		
	Under 30 years	30 to 50 years	Over 50 years	Under 30 years	30 to 50 years	Over 50 years
Training hours	**57,201**	**267,985**	**107,859**	73,431	252,818	75,882
Employees involved in training	**3,519**	**13,848**	**7,629**	3,181	12,549	6,158
Average hours of training per employee	**13.6**	**12.6**	**10.3**	17.6	11.7	7.7

4.3.3.5 IMPACT MEASUREMENT OF LOCAL COMMUNITY INVESTMENTS

GRI 413-1

In 2023, we measured the impact of our local community investments according to the Business for Societal Impact (B4SI) Framework and generated the following impact report, which was then submitted to and certified by the B4SI itself (see 4.4.2 B4SI for the Assurance Statement).

2023 INPUTS

Summaries	Category	Amount (€)/People/Hours	% Contribution
Total value of contributions (including management costs)		**1,399,915**	**-**
Total value of contributions (excluding management costs)		**1,344,312**	**-**
HOW	Cash	1,240,420	92.3
	Time	46,892	3.5
	In-kind: contributions of products, equipment, rooms, etc.	57,000	4.2
Total		**1,344,312**	**100**
MOTIVATION	Charitable gifts	-	-
	Community investments	1,344,312	100
	Commercial initiatives in the community	-	-
Total		**1,344,312**	**100**
SUBJECT FOCUS - FOCUS AREA	Education	823,094	61
	Health	105,000	8
	Economic development	15,000	1
	Environment	61,530	5
	Arts/Culture	69,444	5
	Social welfare	113,244	8
	Emergency relief	157,000	12
	Other support	-	-
Total		**1,344,312**	**100**

BUSINESS FOR SOCIETAL IMPACT
CORPORATE CITIZENSHIP
SUPPORTED BY #SLR
ASSURED
2024

2023 INPUTS

Summaries	Category	Amount (€)/People/Hours	% Contribution
GLOBAL BREAKDOWN	Europe	797,946	59
	Middle East and Africa	316,701	24
	Asia-Pacific	70,596	5
	North America	-	-
	South America	159,069	12
Total		**1,344,312**	**100**

2023 OUTPUTS

	Amount (€)/People/Hours
Total number of activities reported	**22**
COMMUNITY OUTPUTS	
Total number of direct beneficiaries	**120,106**
Total number of beneficiary organisations	**2,449**
BUSINESS OUTPUTS	
Number of employees involved in company time	604
Number of hours contributed in company time	1,507

2023 LEVERAGE

	Amount (€)/People/hours	% Contribution
Other external partners	35,000	100

2023 IMPACTS

	Amount (€)/People/Hours
COMMUNITY IMPACTS	
Number of direct beneficiaries where results were measured	35,572
Number of beneficiaries who:	
Made a connection through your community activity	691
Made an improvement through your community activity	1,575
Made a transformation through your community activity	-
Number of beneficiaries who:	
Experienced a positive change in their behaviour or attitude as a result of your support	3,425
Developed new skills or an increase in their personal effectiveness	13,216
Experienced a direct positive impact on their quality of life as a result of your support	10,231

4.4 Assurance Statements
4.4.1 SGS

GRI
2-5

SGS

ASSURANCE STATEMENT

SGS Nederland's report on sustainability activities in the Iveco Group N.V. 2023 Sustainability Report

NATURE OF THE ASSURANCE/VERIFICATION
SGS Nederland B.V. was commissioned to conduct an independent assurance of the Iveco Group N.V. (henceforth referred to as "Iveco Group", or "Company", or "Organization") 2023 Sustainability Report.

INTENDED USERS OF THIS ASSURANCE STATEMENT
This Assurance Statement is provided with the intention of informing all Iveco Group Stakeholders.

RESPONSIBILITIES
SGS Nederland B.V. is responsible for expressing its opinion on information, graphs, tables, and statements in the Sustainability Report, within the assurance scope described below, for the purpose of informing all interested parties.

SGS Nederland B.V. expressly disclaims any liability or co-responsibility for the preparation of any of the material included in this document or for the process of collection and treatment of the data therein.

The information in the Sustainability Report is the exclusive responsibility of Iveco Group.

The information in the Report and its presentation are the responsibility of the governing body and the management of Iveco Group. The Company is responsible for the identification of stakeholders and of material topics, for defining objectives with respect to sustainability performance, and for establishing and maintaining appropriate performance management and internal control systems.

ASSURANCE STANDARDS AND TYPE AND LEVEL OF ASSURANCE
The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance and standards, including the principles of reporting contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) – GRI 1: Foundation 2021 for report quality, GRI 2: General Disclosure 2021 for the organization's reporting practices and other organizational details, and GRI 3: 2021 for the organization's process of determining material topics, its list of material topics, and how it manages each topic – and the guidance on levels of assurance contained within the AA1000 series of standards and ISAE3000.

The assurance of this Report has been conducted according to the following Assurance Standards: AA1000 Assurance Standard v3 Type 2 evaluation of report content and supporting management systems against the AA1000 Accountability Principles (2018).

Assurance has been conducted at a moderate level of scrutiny.

SCOPE OF ASSURANCE AND REPORTING CRITERIA
The scope of the assurance included evaluation of quality, accuracy, and reliability of specified performance information as detailed below.

SGS Nederland B.V. was asked to express an opinion in relation to the assurance scope, which includes the following aspects:

- the evaluation of the Report against the GRI Standards, "in accordance" option;
- the review of the Company's approach to the materiality analysis and stakeholder engagement processes and initiatives;
- the assessment of the robustness of the data management systems, information flow, and controls, and the verification of qualitative and/or quantitative information (including environmental and social KPIs) to confirm the accuracy and the process of data elaboration and synthesis;
- the performance of a type 2 evaluation of the application of the AA1000 AP (2018) and of the reliability of the information reported;
- the confirmation of the adherence of the sustainability model adopted by Iveco Group to the requirements of ISO 26000 guidance.

ASSURANCE METHODOLOGY LIMITATIONS AND MITIGATION
The verification process is based on SGS Product Procedure for Sustainability Report Assurance and incorporates the AA1000 Assurance Standard as audit criteria. The assurance comprised a combination of pre-assurance research, validation of materiality analysis and stakeholder engagement methodology, the examination of records, procedures and documents, and interviews with personnel and management.

The texts, graphs, and tables included in the Report were verified by selecting, on a significant sample, qualitative and/or quantitative information to confirm the accuracy of the data collection and consolidation process.

Auditing activities were carried out in January and February 2024 involving the Company's central functions in Turin (Italy) and its plants in Suzzara (Italy), Cordoba FPT Industrial (Argentina), and Annonay (France) to assess the reliability of the data reporting process. The audits at all three plants and the central functions were conducted on site and remotely.

Financial data is taken directly from the independently audited Iveco Group Annual Report as at 31 December 2023, prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU IFRS") and with Part 9 of Book 2 of the Dutch Civil Code.

STATEMENT OF INDEPENDENCE AND COMPETENCE
The SGS Group of companies is the world leader in inspection, testing, and verification, operating in more than 140 countries and providing services including: management systems and service certification; quality, environmental, social, and ethical auditing and training; environmental, social, and sustainability report assurance.

SGS Nederland B.V. affirms its independence from Iveco Group, being free from bias and conflict of interests with the Company, its subsidiaries, and stakeholders.

The assurance team was assembled based on the knowledge, experience, and qualifications of the team members, and comprised auditors that are experts in social, governance, and environmental fields and that are registered with ISO9001, ISO 14001, SA8000, ISO 37001, and ISO 50001 standards.

ASSURANCE OPINION
On the basis of the verification work performed, we are satisfied, with a reasonable level of assurance, that the information contained in the Iveco Group 2023 Sustainability Report is accurate, balanced, and reliable, representing a relevant summary of the activities carried out by Iveco Group in 2023 and an essential tool in communicating with stakeholders.

SGS Nederland B.V. confirms that the information included in the 2023 Sustainability Report provides a material and complete representation of the Company's sustainability performance.

We believe that the Organization has chosen an appropriate level of assurance for this stage in its reporting.

ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES STANDARD (2018)
With regards to the level of adherence to the AA1000 Principles (Inclusivity, Materiality, Responsiveness, and Impact), and to the approach of the Company to the materiality analysis and stakeholder engagement processes and initiatives, the audit team provides the following opinion:

INCLUSIVITY
The Organization has established a multi-stakeholder participation process that is integrated with the materiality analysis. The stakeholder engagement is continuous and effective and includes employees, customers, dealers, opinion leaders, public institutions, NGOs, investors, and journalists. In light of all that, SGS Nederland B.V. confirmed through the verification that the Organization supports the principle of Inclusivity.

MATERIALITY
Fourteen (14) material topics have been identified and prioritized in consideration of the requirements of international guidelines and stakeholder feedback. Based on the interpretation of stakeholders' expectations, the Organization has also defined four (4) sustainability priorities, these being Carbon Footprint, Workplace and Product Safety, Life Cycle Thinking, and Inclusion and Engagement. The sustainability priorities are further supported by strategic sustainability targets set by the Company's senior management, aligned with the material topics included in the Materiality Matrix, and consistent with the UN Sustainable Development Goals (SDGs). The Board of Directors' ESG Committee regularly reviews the process for identifying key material issues. In light of all that, SGS Nederland B.V. confirmed through the verification that the Organization has identified key material topics and thus supports the principle of Materiality.

RESPONSIVENESS
The Sustainability Report discloses to stakeholders the strategies, programs, projects, and initiatives that address the material topics identified by the Organization. The targets and the results for the identified material topics have been linked to the SDGs most relevant to the Organization's business activities and are also disclosed in the Report. In light of all that, SGS Nederland B.V. confirmed through the verification that the Organization supports the principle of Responsiveness.

IMPACT
The Organization has provided evidence that the data collection process is effective and robust. Through the Sustainability Report, the Organization fully discloses its impacts with respect to the key material topics and sustainability priorities identified. The disclosure includes a detailed update on the progress made concerning the strategic sustainability targets set by the Organization. In light of all that, SGS Nederland B.V. confirmed through the verification that the Organization supports the principle of Impact.

ADHERENCE TO GRI STANDARDS
With reference to the GRI Sustainability Reporting Standards (GRI Standards), the Organization satisfies the principles for defining report content and the principles for ensuring the quality of reported information.

We confirm that the Report is aligned with the requirements of the GRI Standards: **In accordance**.

Furthermore, we confirm that the Sustainability Model – integrated into the Company's business model – is in line with the requirements of ISO 26000 guidance.

For and on behalf of SGS Nederland B.V.
André Siraa
Business Manager

DocuSigned by:
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Spijkenisse, February 26, 2024.

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AA1000
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4.4.2 B4SI

B4SI Assurance Statement

Overview

Corporate Citizenship has been asked by Iveco Group to review its use of the Business for Societal Impact (B4SI) Framework for measuring Corporate Community Investment (CCI) programmes in 2023.

The B4SI Frameworks help businesses to improve the management, measurement, and reporting of their social impact. A combination of three Frameworks covers Community Investment, Social Innovation & Procurement for Social Impact. (See https://b4si.net for more information).

Iveco Group has been an active member of the B4SI global network for a year. Corporate Citizenship, as global managers of B4SI, have worked with Iveco Group to assure the impact of their Community Investment data gathered over the period from January 2023 and December 2023 and the application of the B4SI Community Investment Framework, in accordance with current Guidance. The scope of assurance covers impacts resulting from the company's community investment and the inputs and outputs of the partnerships where impact was measured. Having conducted our assessment nothing has come to our attention which causes us to believe that the reported data, as stated in the Appendix for this document, does not accurately reflect the B4SI principles. Our work has not extended to an independent audit of the data.

Iveco Group has demonstrated a promising first year of embedding the B4SI Framework in their operations, with an effort to collect output and impact data in their key partnerships. In our commentary, we identify the main findings of the Assurance process, including the strengths to Iveco Group's embedding of the Framework in project operations as well as areas for development where the company can build on learnings from this first year. We have further explained our observations in a separate management report to Iveco Group.

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Commentary

This is the first full year Iveco Group has applied the B4SI Framework and has been a part of the global B4SI Network, accessing guidance and support for its application. As part of its efforts to ensure a robust application of the Framework, the company had its CCI impact data independently assured by B4SI in this first year. Iveco Group has demonstrated a commitment to rigorous measurement and reporting and a successful first year in collecting data following the principles of the B4SI Framework.

Of all activities where impact was measured, the data shows a total contribution worth €1,399,915; 92.3% was in cash donations, 3.5% was in time, and 4.2% from in-kind donations. From these activities, Iveco Group had a reach of 120,106 beneficiaries. A full breakdown of beneficiaries reached and impacted is provided further down in this Assurance Statement.

Iveco Group measures the social output and impact of some of its community investment activities which are included in the scope of this Assurance. Of these activities, Iveco Group demonstrated a strong understanding of its inputs with a promising implementation of output and impact measurement. The definitions used for each measure are backed by the B4SI Framework and are put in practice in collaboration with its partners to gather the data. The global sustainability team and local community representatives collect data using a Corporate Community Investment Form that is based on the B4SI Framework which the global sustainability team then collates and reviews.

The global sustainability team is also responsible for training local community representatives who have access to B4SI Guidance based materials. Impact data is pulled from charity partner impact reports, which the sustainability team examines and aggregates into Iveco Group's internal data collection system.

Our review of Iveco Group's Community Investment impact data showed a promising start in impact measurement. Future developments could address consistency of the application of the Framework across all of Iveco Group's activities, de-duplication of beneficiaries, and upskilling colleagues and charity partners in the measurement and evidencing of output and impact data in line with the B4SI Framework.

Iveco Group has demonstrated commitment to continuous improvement in its embedding of the B4SI Framework in their operations and making efforts to work with partners to collect output and impact data, consolidating a strong base to develop further in the future.

Clodagh Connolly
Global B4SI Director

Corporate Citizenship – B4SI
www.b4si.net

The scope of the statement is limited to the reporting period

13th February 2024

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4.5 Sustainability Reporting Standards
4.5.1 GRI Content Index

The GRI Content Index is made up of two parts. The first contains references to the disclosures reported in accordance with the GRI Standards, based on the materiality analysis. The second contains references to additional GRI disclosures (not linked to the material topics) that complete the outline of Iveco Group's performance.
For each disclosure, reference is made to the relevant sections in the 2023 Sustainability Report. Where specifically stated, the reference is to the 2023 Annual Report as at 31 December 2023, available on the corporate website.

Statement of use: Iveco Group N.V. has reported in accordance with the GRI Standards for the period 1 January 2023 - 31 December 2023.
GRI 1 used: GRI 1: Foundation 2021.
Applicable GRI Sector Standard(s): Not available.

GRI STANDARDS	DISCLOSURE	LOCATION (SECTION)	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
General disclosure					
GRI 2: General Disclosures 2021	2-1 Organizational details	1.6.2 Economic Contribution Annual Report: Major Shareholders			
	2-2 Entities included in the organization's sustainability reporting	4.2.1 Sustainability Report Contents Annual Report: Business Overview			
	2-3 Reporting period, frequency and contact point	1.2.3.4 The Sustainability Plan and Reporting Process 4.2.1 Sustainability Report Contents			
	2-4 Restatements of information	4.2.2.1 Approach to Data Calculation			
	2-5 External assurance	1.2.3.4 The Sustainability Plan and Reporting Process 4.4 Assurance Statements			
	2-6 Activities, value chain and other business relationships	1.6.2 Economic Contribution 3.3.2 Supplier Profile Annual Report: Business Overview			
	2-7 Employees	3.2.2 Our Workforce in Detail 4.2.2.1.3 Social Data Calculation 4.3.3.1 Our Workforce in Numbers 4.3.3.2 Diversity, Equity, and Inclusion in Numbers			
	2-8 Workers who are not employees	3.2.2 Our Workforce in Detail 4.2.3.4 Other Definitions			
	2-9 Governance structure and composition	1.3.1 Governance Structure			

GRI STANDARDS	DISCLOSURE	LOCATION (SECTION)	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
General disclosure					
GRI 2: General Disclosures 2021	2-10 Nomination and selection of the highest governance body	1.3.2 Board of Directors			
	2-11 Chair of the highest governance body	1.3.1 Governance Structure 1.3.2 Board of Directors Annual Report: Corporate Governance			
	2-12 Role of the highest governance body in overseeing the management of impacts	1.2.3.2 Materiality Analysis 1.3.2 Board of Directors 1.3.2.1 The Board's Committees 1.5.1.1 Iveco Group Risk Management Annual Report: Risk Management and Internal Control System			
	2-13 Delegation of responsibility for managing impacts	1.3.1 Governance Structure 1.3.2 Board of Directors 1.3.3 Senior Leadership Team			
	2-14 Role of the highest governance body in sustainability reporting	1.2.3.2 Materiality Analysis 1.2.3.4 The Sustainability Plan and Reporting Process			
	2-15 Conflicts of interest	1.3.2 Board of Directors 1.3.2.1 The Board's Committees Annual Report: Corporate Governance			
	2-16 Communication of critical concerns	1.4.2.1 Whistleblowing Procedures			
	2-17 Collective knowledge of the highest governance body	1.3.2.1 The Board's Committees			
	2-18 Evaluation of the performance of the highest governance body	1.3.2 Board of Directors			
	2-19 Remuneration policies	Annual Report: Remuneration Report			
	2-20 Process to determine remuneration	Annual Report: Corporate Governance; Remuneration Report			
	2-21 Annual total compensation ratio	Annual Report: Remuneration Report			
	2-22 Statement on sustainable development strategy	Letter from the Chairperson and the Chief Executive Officer			

GRI STANDARDS	DISCLOSURE	LOCATION (SECTION)	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
General disclosure					
GRI 2: General Disclosures 2021	2-23 Policy commitments	1.4.1.1 Code of Conduct and Policies 2.2.1 Our Approach to Protecting our Planet 3.1.1 Our Regulations 3.3.1 Our Management Approach to the Supply Chain			
	2-24 Embedding policy commitments	1.4.3.1 Lobbying and Compliance with Strategy and Policies			
	2-25 Processes to remediate negative impacts	1.4.2.1 Whistleblowing Procedures			
	2-26 Mechanisms for seeking advice and raising concerns	1.4.1.1.1 Application and Dissemination 1.4.2.1 Whistleblowing Procedures			
	2-27 Compliance with laws and regulations	1.4.2.3 Final Rulings and Additional Information 2.2.8 Other Environmental Indicators			
	2-28 Membership associations	1.4.3.1 Lobbying and Compliance with Strategy and Policies 4.3.1.1 Membership of Associations			
	2-29 Approach to stakeholder engagement	1.2.2 Our Stakeholders			
	2-30 Collective bargaining agreements	3.2.8.2 Collective Bargaining Agreements			
Material Topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	1.2.3.2 Materiality Analysis 4.2.1 Sustainability Report Contents			
	3-2 List of material topics	1.2.3.2 Materiality Analysis			
CO_2 emissions from operations					
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.3.2 Materiality Analysis			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	2.1.3.1.5 Energy Consumption 4.2.2.1.2 Environmental Data Calculation 4.3.2.1 Energy Consumption in Detail			
	302-3 Energy intensity	2.1.3.1.5 Energy Consumption 4.2.2.1.2 Environmental Data Calculation 4.3.2.1 Energy Consumption in Detail			
	302-4 Reduction of energy consumption	2.1.3.1.4 Energy Performance 2.1.3.1.5 Energy Consumption 4.3.2.1 Energy Consumption in Detail			

GRI STANDARDS	DISCLOSURE	LOCATION (SECTION)	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
General disclosure					
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	2.1.3.1.6 CO_2 Emissions 4.3.2.2 CO_2 Emissions in Detail			
	305-2 Energy indirect (Scope 2) GHG emissions	2.1.3.1.6 CO_2 Emissions 4.3.2.2 CO_2 Emissions in Detail			
	305-3 Other indirect (Scope 3) GHG emissions	2.1.4 GHG Emissions (Scope 3) 4.2.2.1.2 Environmental Data Calculation			
	305-4 GHG emissions intensity	2.1.3.1.6 CO_2 Emissions 4.3.2.2 CO_2 Emissions in Detail			
	305-5 Reduction of GHG emissions	2.1.3.1.6 CO_2 Emissions 4.3.2.2 CO_2 Emissions in Detail			
CO_2 emissions from vehicles					
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.3.2 Materiality Analysis			
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	2.1.4 GHG Emissions (Scope 3) 4.2.2.1.2 Environmental Data Calculation			
CO_2 emissions from logistics					
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.3.2 Materiality Analysis			
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	2.1.4 GHG Emissions (Scope 3) 4.2.2.1.2 Environmental Data Calculation			
Responsible management of natural resources					
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.3.2 Materiality Analysis			

GRI STANDARDS	DISCLOSURE	LOCATION (SECTION)	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
General disclosure					
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	1.6.6.2 Eco-Design 2.2.4 Water Management 2.2.4.1 Plants in Water-Stressed Areas			
	303-2 Management of water discharge-related impacts	2.2.4 Water Management			
	303-3 Water withdrawal	2.2.4 Water Management 4.3.2.4 Water in Numbers			
	303-4 Water discharge	2.2.4 Water Management 2.2.8 Other Environmental Indicators 4.3.2.4 Water in Numbers			
	303-5 Water consumption	2.2.4 Water Management 4.3.2.4 Water in Numbers			
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	4.3.2.6 Biodiversity in Detail			
	304-2 Significant impacts of activities, products and services on biodiversity	2.2.7 Protecting Biodiversity			
	304-3 Habitats protected or restored	2.2.7 Protecting Biodiversity			
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	4.3.2.6 Biodiversity in Detail			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	1.6.6.2 Eco-Design 2.2.6 Waste Management			
	306-2 Management of significant waste-related impacts	2.2.6 Waste Management 4.2.2.1.2 Environmental Data Calculation			
	306-3 Waste generated	2.2.6 Waste Management 4.2.2.1.2 Environmental Data Calculation 4.3.2.5 Waste in Numbers			
	306-4 Waste diverted from disposal	2.2.6 Waste Management 4.2.2.1.2 Environmental Data Calculation 4.3.2.5 Waste in Numbers			
	306-5 Waste directed to disposal	2.2.6 Waste Management 4.2.2.1.2 Environmental Data Calculation 4.3.2.5 Waste in Numbers			

GRI STANDARDS	DISCLOSURE	LOCATION (SECTION)	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
General disclosure					
Sustainable supply chain					
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.3.2 Materiality Analysis			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	3.3.2 Supplier Profile			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	3.3.2 Supplier Profile			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	3.3.3.1 Supplier Selection			
	308-2 Negative environmental impacts in the supply chain and actions taken	3.3.3.3 Supplier ESG Assessment			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	3.3.3.1 Supplier Selection			
	414-2 Negative social impacts in the supply chain and actions taken	3.3.3.3 Supplier ESG Assessment			
Circular product life cycle					
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.3.2 Materiality Analysis			
GRI 301: Materials	301-3 Reclaimed products and their packaging materials	2.3 Resource Circularity			
Human rights					
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.3.2 Materiality Analysis			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	1.4.2.1.1 Violations			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	3.1.1.1.7 Freedom of Association and Collective Bargaining 3.2.8.1 Freedom of Association			

GRI STANDARDS	DISCLOSURE	LOCATION (SECTION)	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
General disclosure					
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	3.1.1.1.1 No Child Labour 3.1.2.1.1 Self-Assessments			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	3.1.2.2 Supplier Evaluation			
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	3.1.2.1 Internal Operations 3.3.3.3 Supplier ESG Assessment			
	412-2 Employee training on human rights policies or procedures	3.1.1 Our Regulations			
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	3.3.3.1 Supplier Selection			
Diversity, equity, and inclusion					
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.3.2 Materiality Analysis			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	1.3.2 Board of Directors 1.3.3 Senior Leadership Team 3.2.3 Diversity, Equity, and Inclusion 4.3.3.1 Our Workforce in Numbers			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	1.4.2.1.1 Violations			
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.3.2 Materiality Analysis			

GRI STANDARDS	DISCLOSURE	LOCATION (SECTION)	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
General disclosure					
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	3.2.5.2 Certification Process			
	403-2 Hazard identification, risk assessment, and incident investigation	3.2.5 Occupational Health and Safety 3.2.5.4.1 Accident Rates			
	403-3 Occupational health services	3.2.5.1 Responsibility and Organisation			
	403-4 Worker participation, consultation, and communication on occupational health and safety	3.2.5 Occupational Health and Safety 3.2.8.1.2 Joint Committees			
	403-5 Worker training on occupational health and safety	3.2.5 Occupational Health and Safety			
	403-6 Promotion of worker health	3.2.7.1.1 Health and Wellbeing Initiatives			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.2.5 Occupational Health and Safety			
	403-8 Workers covered by an occupational health and safety management system	3.2.5.2 Certification Process 4.2.2.1.3 Social Data Calculation			
	403-9 Work-related injuries	3.2.5 Occupational Health and Safety 3.2.5.4.1 Accident Rates 4.2.2.1.3 Social Data Calculation 4.3.3.3 Health and Safety in Numbers			
	403-10 Work-related ill health	3.2.5.4.2 Occupational Diseases 4.2.2.1.3 Social Data Calculation 4.3.3.3 Health and Safety in Numbers			
Employee development and training					
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.3.2 Materiality Analysis			

GRI STANDARDS	DISCLOSURE	LOCATION (SECTION)	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
General disclosure					
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	4.3.3.4 People Development in Numbers			
	404-2 Programs for upgrading employee skills and transition assistance programs	3.2.6.4 Employee Development Programmes and Talent Retention			
	404-3 Percentage of employees receiving regular performance and career development reviews	3.2.6.1 Performance Development Process			
Dealer and customer management					
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.3.2 Materiality Analysis			
Product quality and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.3.2 Materiality Analysis			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	3.5.3 Product Safety and Cybersecurity			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	1.4.2.3 Final Rulings and Additional Information 3.5.3.2 Recall Campaigns			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	3.5.3 Product Safety and Cybersecurity			
	417-2 Incidents of non-compliance concerning product and service information and labeling	1.4.2.3 Final Rulings and Additional Information 3.5.1 Lifelong Services 3.5.3.2 Recall Campaigns			
	417-3 Incidents of non-compliance concerning marketing communications	1.4.2.3 Final Rulings and Additional Information 3.5.1 Lifelong Services			
Digitalisation and connectivity					
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.3.2 Materiality Analysis			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	1.4.1.6 Data Protection and Privacy 1.4.2.3 Final Rulings and Additional Information 3.5.1 Lifelong Services			

GRI STANDARDS	DISCLOSURE	LOCATION (SECTION)	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
General disclosure					
Local communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.3.2 Materiality Analysis			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	1.6.5.2.2 Local Community Investments 3.6.1 Strategy and Governance 3.6.2 Main Projects 4.3.3.5 Impact Measurement of Local Community Investments			
	413-2 Operations with significant actual and potential negative impacts on local communities	3.6.1.3 Potential Impact of Operations on Local Communities			

ADDITIONAL GRI DISCLOSURES[a]

GRI STANDARDS	DISCLOSURE	LOCATION (SECTION)
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	1.6.2.2 Distribution of Value Added
	201-2 Financial implications and other risks and opportunities due to climate change	2.1.2.2 Physical Risks
	201-3 Defined benefit plan obligations and other retirement plans	3.2.4.3 Employee Benefits Annual Report: Consolidated Financial Statements at 31 December 2023
	201-4 Financial assistance received from government	1.6.2.2 Distribution of Value Added Annual Report: Consolidated Financial Statements at 31 December 2023
GRI 202: Market Presence 2016	202-1 Ratios of standard entry-level wage by gender compared to local minimum wage[b]	3.2.4.2 Local Minimum Wages
	202-2 Proportion of senior management hired from the local community	3.2.6.2 Talent Management and Succession Planning 4.2.2.1.3 Social Data Calculation 4.3.3.4 People Development in Numbers
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	1.4.1.2 Anti-Corruption and Bribery 1.4.2.2 Periodic Auditing
	205-2 Communication and training about anti-corruption policies and procedures	1.4.1.2 Anti-Corruption and Bribery
	205-3 Confirmed incidents of corruption and actions taken	1.4.2.1.1 Violations 1.4.2.3 Final Rulings and Additional Information
GRI 206: Anti-Competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	1.4.2.3 Final Rulings and Additional Information Annual Report: Risk Factors; Business Overview; Consolidated Financial Statements at 31 December 2023
GRI 207: Tax 2019	207-1 Approach to tax	1.6.3 Tax Transparency
	207-2 Tax governance, control, and risk management	1.6.3 Tax Transparency
	207-3 Stakeholder engagement and management of concerns related to tax	1.6.3 Tax Transparency
	207-4 Country-by-country reporting	1.6.3 Tax Transparency
GRI 305: Emissions 2016	305-6 Emissions of ozone-depleting substances (ODS)	2.2.3 Safeguarding Air Quality
	305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions[b]	2.2.3 Safeguarding Air Quality 4.2.2.1.2 Environmental Data Calculation 4.3.2.3 Air Emissions in Numbers
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	3.2.2 Our Workforce in Detail 4.3.3.1 Our Workforce in Numbers
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees[b]	3.2.4.3 Employee Benefits 3.2.7.1.3 Parental Leave
	401-3 Parental leave[b]	3.2.7.1.3 Parental Leave
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	3.2.8.4 Minimum Notice Period for Operational Changes
GRI 415: Public Policy 2016	415-1 Political contributions	1.4.3.3 Political Parties

[a] Not linked to the material topics.
[b] This GRI Standards Disclosure is partially reported.

4.5.2 SASB INDEX

TOPIC	SASB CODE	METRIC	UNIT OF MEASURE	RESPONSE/COMMENT
Activity	RT-IG-000.A	Number of units produced by product category	Number	Commercial Vehicles: 168,890 Powertrain: 806,433 Buses: 6,049 Special Vehicles: 2,283
	RT-IG-000.B	Number of employees	Number	36,037
Energy Management	RT-IG-130a.1	(1) total energy consumed	Gigajoules (GJ)	3,032,729
		(2) percentage of grid electricity	%	43.3
		(3) percentage renewable	%	44.9
Employee Health & Safety	RT-IG-320a.1	(1) total recordable incident rate (TRIR)[a]	Rate	0.302
		(2) fatality rate[b]	Rate	-
		(3) near miss frequency rate (NMFR)[c]	Rate	2.520
Fuel Economy & Emissions in Use-Phase	RT-IG-410a.1	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	Gallons per 1,000 ton-miles	(d)
	RT-IG-410a.2	Sales-weighted fuel efficiency for non-road equipment	Gallons per hour	n.a.
	RT-IG-410a.3	Sales-weighted fuel efficiency for stationary generators	Watts per gallon	n.a.
	RT-IG-410a.4	Sales-weighted emissions of: (1) nitrogen oxides (NO_x) and (2) particulate matter (PM) for: (I) marine diesel engines (II) locomotive diesel engines (III) on-road medium- and heavy-duty engines (IV) other non-road diesel engines	Grams per kilowatt-hour	-
Materials Sourcing	RT-IG-440a.1	Description of the management of risks associated with the use of critical materials	n.a.	(e)
Remanufacturing Design & Services	RT-IG-440b.1	Revenue from remanufactured products and remanufacturing services	€million	119.7

(a) The total recordable incident rate is the number of recordable work-related injuries and illnesses divided by the number of hours worked, multiplied by 200,000.
(b) The fatality rate is the number of work-related fatalities divided by the number of hours worked, multiplied by 200,000.
(c) The near miss frequency rate is the number of work-related near misses divided by the number of hours worked, multiplied by 200,000.
(d) The metric used for evaluating emissions in the use-phase is CO_2 emissions per vehicle per km (see 4.2.2.1.2 Environmental Data Calculation).
(e) The Company's products are highly complex, typically containing thousands of parts that come from many different direct suppliers within the Iveco Group's vast global supply network. This means that the Company must rely on its direct suppliers to work with their upstream supply chain to detect the presence and evaluate the origin of any critical substances contained.

4.5.6 Task force on Climate-Related Financial Disclosures (TCFD) Correspondence Table

THEMATIC AREA	RECOMMENDED TCFD DISCLOSURES	ANNUAL REPORT REFERENCE
Governance Disclose the organisation's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.	Annual Report: • Our Commitment to Sustainability Corporate Governance/ Board Committees: ESG Committee
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Annual Report: • Our Commitment to Sustainability
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning, where such information is material.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Annual Report: • Our Commitment to Sustainability • Risks Factors • Industry Overview • Risk Management and Internal Control System
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Annual Report: • Our Commitment to Sustainability • Risks Factors • Industry Overview • Risk Management and Internal Control System
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Annual Report: • Our Commitment to Sustainability • Risks Factors • Industry Overview • Risk Management and Internal Control System
Risk Management Disclose how the organisation identifies, assesses, and manages climate-related risks.	a) Describe the organisation's processes for identifying and assessing climate-related risks.	Annual Report: • Our Commitment to Sustainability • Risk Management and Internal Control System
	b) Describe the organisation's processes for managing climate-related risks.	Annual Report: • Our Commitment to Sustainability • Risk Management and Internal Control System
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Annual Report: • Our Commitment to Sustainability • Risk Management and Internal Control System
Metrics & Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities, where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Annual Report: • Our Commitment to Sustainability
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Annual Report: • Our Commitment to Sustainability
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities, and its performance against targets.	Annual Report: • Our Commitment to Sustainability

4.5.7 WEF IBC Index

In 2020, the International Business Council (IBC) of the World Economic Forum (WEF) published a report, entitled 'Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation'. It defines shared common metrics to measure and report on the level of sustainability delivered by the business model adopted by a company to create value for stakeholders.
Level of sustainability refers to the effectiveness of a company's actions in pursuing the UN's sustainable development goals (SDGs). The metrics are based on existing standards and aim to accelerate convergence among the leading private standard-setters. Above all, they are intended to bring greater consistency to the reporting of ESG disclosures, thus improving comparability between the various parameters used in different sustainability reports.
The following table provides information on the 21 core metrics and on most of the 34 expanded metrics indicated in the WEF report, as well as references to the relevant chapters of our 2023 Sustainability Report.

WEF Content Index

Iveco Group worldwide

Pillar	THEME	Core Metrics (●●● Expanded Metrics)	Reference (chapter)
PRINCIPLE OF GOVERNANCE	Governing purpose	Setting purpose	1.2.3.2 Materiality Analysis
		●●● Purpose-led management	1.2.3.1 Strategic Sustainability Priorities and Targets
	Quality of governing body	Governance body composition	1.3.2 Board of Directors
		●●● Progress against strategic milestones	4.1 Our Sustainability Plan
		●●● Remuneration	Annual Report: Remuneration Report
	Stakeholder engagement	Material issues impacting stakeholders	1.2.3.2 Materiality Analysis
	Ethical behavior	Anti-corruption	1.4.1.2 Anti-Corruption and Bribery
		Protected ethics advice and reporting mechanisms	1.4.2 Our Control Systems
		●●● Alignment of strategy and policies to lobbying	1.4.3 Public Policy and Interest Representation
		●●● Monetary losses from unethical behavior	1.4.2.3 Final Rulings and Additional Information
	Risk and opportunity oversight	Integrating risk and opportunity into business process	1.5.1 Risk Management
		●●● Economic, environmental, and social topics in capital allocation framework	1.3.2 Board of Directors

Pillar	THEME	Core Metrics (●●● Expanded Metrics)	Reference (chapter)
PLANET	Climate change	Greenhouse gas (GHG) emissions	2.1 Mitigating Climate Change
		TCFD implementation	4.1.2 Carbon Footprint
		●●● Paris-aligned GHG emissions targets	4.1.2 Carbon Footprint
	Nature loss	Land use and ecological sensitivity	4.3.2.6 Biodiversity in Detail
		●●● Impact of land use and conversion	not material
	Freshwater availability	Water consumption and withdrawal in water-stressed areas	4.3.2.4 Water in Numbers
		●●● Impact of freshwater consumption and withdrawal	not available
	Air pollution	●●● Air pollution	4.3.2.3 Air Emissions in Numbers
		●●● Impact of air pollution	not available
	Water pollution	●●● Nutrients	not material
		●●● Impact of water pollution	not material
	Solid waste	●●● Single-use plastics	not material
		●●● Impact of solid waste disposal	not material
	Resource availability	●●● Resource circularity	not available

Pillar	THEME	Core Metrics (●●● Expanded Metrics)	Reference (chapter)
PEOPLE	Dignity and equality	Diversity and inclusion	3.2.3 Diversity, Equity, and Inclusion 4.3.3.1 Our Workforce in Numbers
		Pay equality	not available
		Wage level	3.2.4.2 Local Minimum Wages Annual Report: Remuneration Report
		Risk of incidents of child, forced or compulsory labor	3.1 Human and Labour Rights Management
		●●● Pay gap (%, #)	not available
		●●● Discrimination and harassment incidents (#) and the total amount of monetary losses (€)	1.4.2.1.1 Violations
		●●● Freedom of association and collective bargaining at risk (%)	3.1.1.1.7 Freedom of Association and Collective Bargaining 3.2.8.2 Collective Bargaining Agreements
		●●● Human rights review, grievance impact & modern slavery (#, %)	3.1.2 Human Rights Assessments 3.3.3.3 Supplier ESG Assessment
		●●● Living wage (%)	not available
	Health and wellbeing	Health and safety	3.2.5.4.1 Accident Rate 3.2.7.1.1 Health and Wellbeing Initiatives; 4.3.3.3 Health and Safety in Numbers
		●●● Monetized impacts of work-related incidents on organization (#, €)	not available
		●●● Employee wellbeing (#, %)	3.2.5.4.2 Occupational Diseases 3.2.7.1.1 Health and Wellbeing Initiatives; 4.3.3.3 Health and Safety in Numbers
	Skills for the future	Training provided	3.2.6.3.4 Training in Numbers 4.3.3.4 People Development in Numbers
		●●● Number of unfilled skilled positions (#, %)	not available
		●●● Monetized impacts of training – Increased earning capacity as a result of training intervention (%, €)	not available

Pillar	THEME	Core Metrics (●●● Expanded Metrics)	Reference (chapter)
PROSPERITY	Employment and wealth generation	Absolute number and rate of employment	4.3.3.1 Our Workforce in Numbers
		Economic contribution	1.6.2 Economic Contribution
		Financial investment contribution	not available
		●●● Infrastructure investments and services supported	not material
		●●● Significant indirect economic impacts	1.6.2.2 Distribution of Value Added 4.3.3.5 Impact Measurement of Local Community Investments
	Innovation in better products and services	Total R&D expenses	4.3.1.2 Research and Product Development
		●●● Social value generated (%)	1.6.6 Value Creation Through Innovative Solutions
		●●● Vitality Index	4.3.1.2 Research and Product Development
	Community and social vitality	Total tax paid	1.6.3 Tax Transparency
		●●● Total Social Investment (€)	4.3.3.5 Impact Measurement of Local Community Investments
		●●● Additional tax remitted	not available
		●●● Total tax paid by country for significant locations	1.6.3.4 Reporting

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WE GO BEYOND

Iveco Group N.V.

Corporate Seat: Amsterdam, the Netherlands | Principal Office and Business Address: Via Puglia n. 35, Turin, Italy.

Share Capital: €3,454,589.70 (as at 31 December 2023) | Chamber of Commerce of the Netherlands: reg. no. 83102701 | ISIN: NL0015000LU4

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