

I V E C O • G R O U P

2022 SUSTAINABILITY ESSENTIALS | STRATEGY – ACTIONS – PERFORMANCE

IVECO
CAPITAL

HEULIEZ

IVECO
BUS

IVECO

FPT
POWERTRAIN TECHNOLOGIES

IDV

ASTRA

MAGIRUS



Iveco Group is targeting net zero carbon emissions by 2040, while remaining committed to reducing workplace injuries and contributing to ever increasing safety on the road. We will maintain an engaging and inclusive working environment within our Company and with partners. And we will develop products that are fully circular, with their emissions and energy lifecycle taken into account.

SUZANNE HEYWOOD

Chair



As Iveco Group, we are driven by a deeply rooted commitment to help stop and reverse climate change, a challenge we accept and work towards, inspired and guided by the way Nature works. Planet Earth operates in closed loop cycles of cause and effect, and so should we: from start to finish to a new start, from designing a product to recycling it, from well to wheel, we aim to foster a circular economy. We have ambitious plans in terms of ESG, and we are raising the bar regarding our commitment to a sustainable future. We will be inclusive in our approach, seek diversity of mindset and experience, and commit to integrity - always and everywhere - to ensure that we make a difference.

GERRIT MARX

Chief Executive Officer

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COMPANY PROFILE

[Born to Build a New Energy Future](#) ↗

[Iveco Group Ambitions](#) ↗

[Our Global Footprint](#) ↗

Born to Build a New Energy Future

Our diversified business portfolio, strong presence across the full range of commercial and specialty vehicles, complete powertrain offering, and focus on advanced sustainable solutions make us a global leader in the transport and commercial vehicle industries, serving customers around the world.



Iveco Group N.V. is a public Limited Liability Company, with its statutory seat in Amsterdam, the Netherlands, and headquarters in Turin, Italy.
The Group is listed on the Euronext Milan Market (Borsa Italiana S.p.A.).

Iveco Group Ambitions

Following the demerger from CNH Industrial on 1st January 2022, Iveco Group was established with the aim of transforming its business and leading the transformation to a more sustainable future.



Product Range & Positioning

Build leadership. Reposition heavy-duty trucks for profitable growth



Operational Performance

Improve quality. Capture pricing opportunities. Step up operational performance. Maintain lean structure



Alternative Powertrain

Offer solutions for specific customer missions. Support zero-emissions / carbon-neutral transition. Grow third-party business



Collaborations & Partnerships

Target best-fit and think-alike partners. Bring leading edge solutions to our customers



Lifecycle Services

Deliver best TCO & customer experience across lifecycle. Grow recurring service business

Our Global Footprint



Europe

20 Manufacturing Plants
21 R&D Centres

North America

1 R&D Centre

South America

5 Manufacturing Plants
3 R&D Centres

Rest of World

3 Manufacturing Plants
4 R&D Centres



As of 31st December 2021



OUR COMMITMENT TO SUSTAINABILITY

[Our 4 Sustainability Priorities](#) ☐

[Our Sustainability Strategic Targets](#) ☐

- Carbon Footprint ☐
- Workplace and Product Safety ☐
- Lifecycle Thinking ☐
- Inclusion and Engagement ☐

[Beyond Our Strategic Targets](#) ☐

[Leading Sustainable Change](#) ☐

Our 4 Sustainability Priorities

Iveco Group has identified its sustainability priorities based on its previous experience and on the Materiality Matrix prepared while part of CNH Industrial, guaranteeing better alignment with its core business. The four priorities that underpin the strategy are:



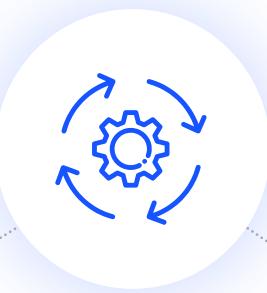
Carbon Footprint

To reduce CO₂ emissions from manufacturing processes along the entire value chain (supply and logistics) and from the product range, aiming for net zero carbon emissions by 2040



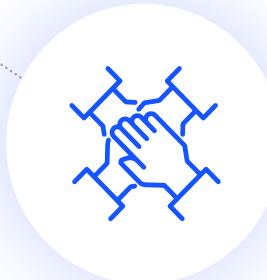
Workplace and Product Safety

To minimise the risk of workplace injuries through effective preventive and protective measures, and to ensure Company products have the highest safety standards



Lifecycle Thinking

To implement solutions that efficiently minimise the impact of products and processes through a circular product lifecycle approach



Inclusion and Engagement

To build ever-stronger relationships with stakeholders, continuing to work proactively and effectively to create an inclusive work environment

Our Sustainability Strategic Targets

Working to strengthen our journey towards a sustainable future, we intend to achieve our 4 strategic priorities by setting clear objectives along our entire value chain, with specific reference to our people, our direct operations, our products and services, and our valued partners.

The Sustainability Strategic Targets we have defined are also a part of our Strategic Business Plan.



Carbon Footprint

Conscious of the urgency of the climate change challenge and the major role that decarbonisation will play, we have set the ambitious goal of reaching **net zero carbon by 2040** – ten years before the target set by the Paris Agreement – in accordance with The Climate Pledge that we signed.

Emissions reduction starts with our energy usage (Scope 1 and Scope 2 CO₂ emissions): our plants have specific systems and processes designed to reduce energy consumption and limit the use of fossil fuels, favouring electricity from renewable sources.

We have also set targets for significant areas that contribute to Scope 3 CO₂ emissions.

We take the entire value chain into account to achieve measurable and relevant reductions, focusing on:

- the **use of our products**, by researching and developing new technologies (e.g., biofuels, electric drives, hydrogen fuel cells, digitalisation, connectivity and automation), including through collaboration with partners, start-ups and third-party experts;
- **logistics processes**, through the promotion of increasingly sustainable logistics processes which focus on technologies, procedures and activities to reduce emissions in transport, the adoption of intermodal solutions and the optimisation of transport capacity;
- **suppliers**, through the promotion of best practices for supplying goods and services, involving our key suppliers in the identification of shared solutions that will benefit both parties.

NET ZERO
CARBON BY
2040



Did you know?

Iveco Group joined The Climate Pledge in November 2021 and we have aligned our sustainability strategy to the Principles of the Initiative.



Discover more about
how we are making
decarbonisation happen



 Carbon Footprint

We are aiming for:

Our People & Operations

2030:
-50%
vs 2019

in absolute CO₂ emission (Scope 1-2)

Our Products & Services

2030:
-35%
vs 2019

in Scope 3 CO₂ emissions from the use of sold vehicles per vehicle/km

Our Valued Partners

2026:
-25%
vs 2019

in kg of CO₂ emissions per ton of goods transported (including spare parts)

2030:
100%

of total electricity consumption derived from renewable sources

**2040:
NET
ZERO
CARBON**



Workplace and Product Safety

With "safety first" in mind, we consider the health of people to be an absolute priority, and we contribute to a safe working environment and ever-increasing safety on the road by:

- **minimising the risk of injury in the workplace**, reducing the employee injury frequency rate in the manufacturing and non-manufacturing perimeters, and promoting effective preventive and protective measures;
- **ensuring high safety standards for our products** by embedding advanced driver assistance technology in all new vehicles, and providing safety training sessions on our product portfolio for all our dealership staff, thus making roads safer for everyone.



Discover more about
how we make safety
happen





Workplace and Product Safety

We are aiming for:

Our People & Operations

2026:
-40%
vs 2019

in employee injury frequency rate (manufacturing and non-manufacturing perimeter)

Our Products & Services

2026:
100%

of new vehicles in Europe equipped with Advanced Driver Assistance Systems and additional advanced functions, such as Adaptive Cruise Control (ACC) Stop & Go, Corrective Steering Function (CSF), and Lane Centering (LC)

Our Valued Partners

2026:
100%

of dealership staff involved in safety training sessions on product portfolio

Lifecycle Thinking

Our approach will enable us to implement and promote a circular product lifecycle, where resources are used fully for as long as possible and where products and materials are recovered and regenerated at the end of their useful life.

Our plan is 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 extend the lifecycle of our products as much as possible;
- improve our capability to **increase waste recovery and reuse, and water recycling** in the Company's plants worldwide;
- collect broken or worn-out parts to **identify what can be reused, repurposed or recycled** and, in the meantime, **offer our customers a range of remanufactured products.**



Discover more about
our circular approach



 Lifecycle Thinking

We are aiming for:

Our People & Operations

2026:
60%

of water recycled at Company plants worldwide

Our Products & Services

2026:
100%

of new product developed using sustainability/recyclability design criteria

Our Valued Partners

2026:
15%

of spare parts' net sales generated by remanufactured components

2030:
100%

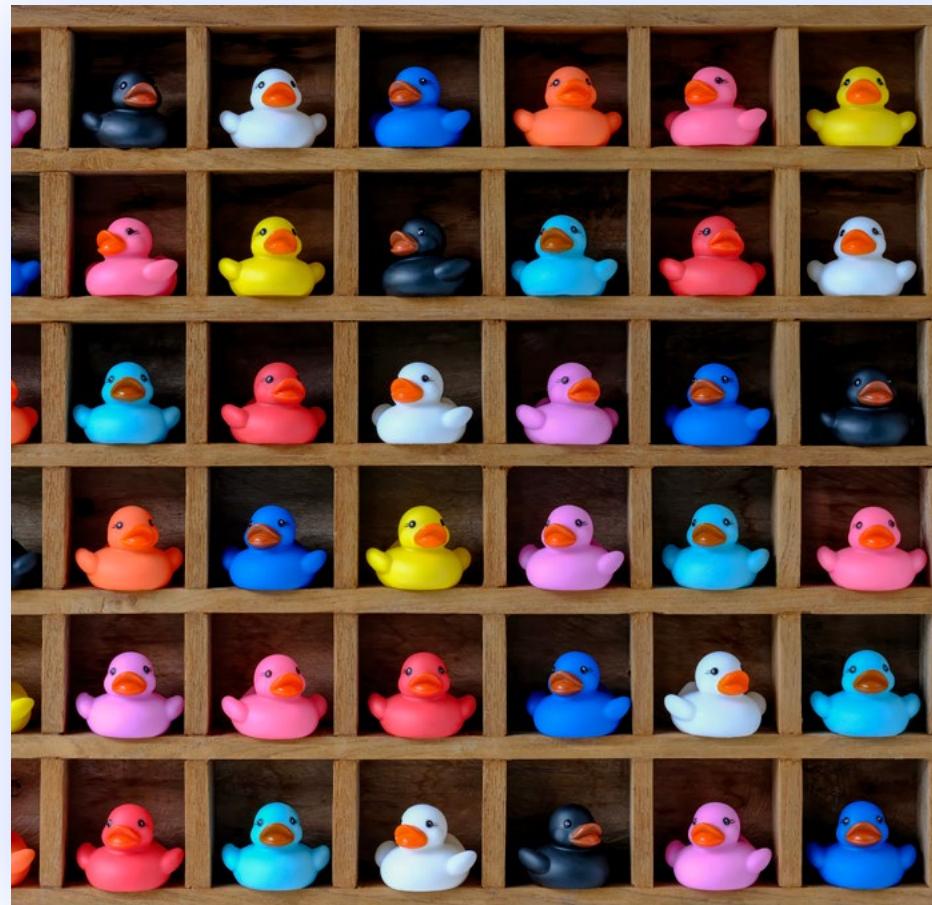
of core return of spare parts sold

Inclusion and Engagement

The pursuit of a fully inclusive environment, where diversity – in all its forms – is truly valued and everyone is encouraged to fulfil their potential, is the basis of a more effective, attractive and resilient organisation.

Our commitment to ensuring an inclusive, equitable, and engaged environment depends on:

- **creating the best possible conditions for our employees** to thrive, with a focus on the wider representation of women in the workplace, especially in management roles. The ambitious target we have set reflects the size of the challenge for the Company and the industry as a whole;
- **developing an inclusive and engaging culture, shared with our customers and partners;**
- **promoting educational activities** involving people in the communities.



Discover more about
how we make inclusion
happen





Inclusion and Engagement

We are aiming for:

Our People & Operations

**2026:
23%**

of women in management positions

Our Products & Services

**2026:
partnership with
100%**

of key customers to improve working conditions and life balance for drivers

**2026:
+20%
vs 2021**

in Net Promoter Score (IVECO Trucks)

Our Valued Partners

**2026:
100%**

of Tier1 suppliers involved in sustainability self-evaluations

**2026:
+100%
vs 2021**

in number of collaboration projects with suppliers to improve product sustainability performance

**2026:
+50%
vs 2019**

in number of students involved in education activities, focusing on the jobs of the future

Beyond Our Strategic Targets

We are deeply committed to implementing cross-cutting actions to ensure sustainability in all our activities and at all levels of the organisation.

What we do:

- Promote employee engagement
- Attract a diverse and qualified workforce
- Ensure an inclusive work environment
- Create a culture of accident prevention and risk awareness
- Promote the development of employees
- Support training as key to skill management and development
- Promote welfare and wellbeing
- Support dialogue with trade unions or other employee representatives

Our People

What we do:

- Reduce CO₂ and other polluting emissions
- Enhance the use of alternative fuels
- Eliminate the presence of regulated substances
- Aim for higher efficiency during use
- Lengthen the intervals between maintenance cycles
- Deliver the best Total Cost of Ownership (TCO)
- Select easy-to-dismantle components that can be remanufactured
- Offer safe products
- Offer telematics

Our Products & Services

Our Operations

What we do:

- Implement certification standards (ISO 14001 and ISO 50001)
- Promote awareness activities and training
- Safeguard air quality
- Sustainably manage waste and water (especially in water-stressed areas)
- Protect biodiversity
- Reduce energy consumption
- Use renewable energy

Our Valued Partners

What we do:

- Apply contractual clauses that include sustainability aspects
- Assess suppliers on sustainability
- Promote ongoing dialogue and idea exchange
- Increase low-emission transport
- Adopt intermodal solutions
- Optimise transport capacity
- Minimise non-reusable packaging and protective materials
- Bring cutting-edge solutions to our customers
- Deliver customer experience across the lifecycle
- Support customers' zero-emission/carbon-neutral transition
- Increase third-party business
- Endorse activities that encourage the economic, social, and cultural development of local communities

Leading Sustainable Change

We are aware that we can make a substantial contribution to the achievement of the United Nations Sustainable Development Goals (SDGs) through our strategic ambitions and efforts. As such, we developed a process to determine which SDGs we can make a more significant contribution to.

The process consists of 3 phases:

- the 17 SDGs, and their targets and indicators, were matched with our strategic targets;
- we identified the associated risks and the actual or potential impacts for each SDG and target, in relation to our processes, products and services;
- the results of this analysis confirmed the relevance of 10 SDGs.



² In September 2015, the 193 Member States of the United Nations unanimously approved the 2030 Agenda for Sustainable Development, a revolutionary global plan of action established to serve as a blueprint for reaching peace and prosperity for all the people and the planet. The 17 Sustainable Development Goals were therefore defined to guide all the actors involved – governments, businesses, civil society – on the path towards the end of poverty and other socio-economic deprivations in both developed and developing countries. The 17 SDGs are divided into 169 targets and 231 indicators.



OUR SUSTAINABILITY GOVERNANCE

[Sustainability at the Heart of our Business Philosophy](#) ↗

[How the Sustainability Strategy is Formulated](#) ↗

[Ethical Operations](#) ↗

[Local Community Strategy](#) ↗

Sustainability at the Heart of our Business Philosophy

We believe sound corporate governance is the foundation for business ethics and a prerequisite for the concrete integration of sustainability into our business strategy.

Our Group's governance system operates in line with the principles and best practice provisions contained in the Dutch Corporate Governance Code.



How the Sustainability Strategy is Formulated

The [Board of Directors](#) (Board) has collective responsibility for the Company strategy and is vested with the general authority to represent Iveco Group N.V. It is assisted by the [ESG Committee](#) in overseeing the Company's significant environmental, social, and governance risks, strategies, policies, programmes, and practices to further its business purpose, strategy, culture, values, and reputation, in the best interests of all stakeholders.

The [Senior Leadership Team](#) (SLT) is an executive committee composed of Iveco Group's CEO and the key senior managers representing the different business units, the support and industrial functions, and the corporate functions. The SLT members are also members of the [Sustainability Committee](#). Specifically, the 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.



Did you know?

Our Sustainability Committee meets once a month to ensure regular updates on the Group's sustainability performance and a continuous focus on shared priorities and targets.

The next steps in Iveco Group's sustainability management

In 2022, we will review our process for the comprehensive integration of sustainability into our day-to-day activities, to best fit Iveco Group's business, through:

- the implementation of a materiality analysis to identify our material topics
- the engagement of stakeholders in the evaluation of material topics
- the publication of our first annual Sustainability Report, disclosing the Company's sustainability performance, and the inclusion of a sustainability summary in the EU Annual Report, supplementing the financial data as required by the Dutch Decree on Non-Financial Information.

Ethical Operations

Everything we do, internally and externally, is aligned with the highest ethical standards that are outlined in our Code of Conduct. Its provisions apply to all levels of our organisation and the geographical areas we operate in, and aim to support all our people and stakeholders in continuously responding to the ethical principles we endorse. Iveco Group's leaders and managers have a critical role in ensuring the Code of Conduct is respected, leading with integrity and ensuring proper conduct.

How our Code of Conduct ensures proper business conduct

INSPIRATIONS



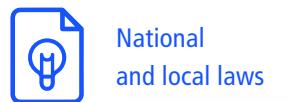
UN Declaration
of Human Rights



ILO Conventions



OECD Guidelines



National
and local laws

FOCUS AREAS



- Conduct in the marketplace
- Conduct towards people
- Conduct towards the environment and health and safety
- Conduct towards the community and society

COMPLIANCE POLICIES¹



- Anti-corruption Policy
- Compliance Helpline Policy
- Anti-retaliation Policy
- Communications Policy
- Competition Policy
- Conflict of Interest Policy
- Data Privacy Policy
- Environmental Policy
- Gift Entertainment and Travel Policy
- Community Investment Policy
- Health and Safety Policy
- Human Rights Policy
- Supplier Code of Conduct
- International Trade Policy
- Insider Trading Policy
- Inside Information Procedure



Did you know?

The *Compliance Helpline*, managed by an independent third party, is available to all our stakeholders to report possible violations of our Code of Conduct, other policies or applicable laws.

¹More information can be found on our [website](#).

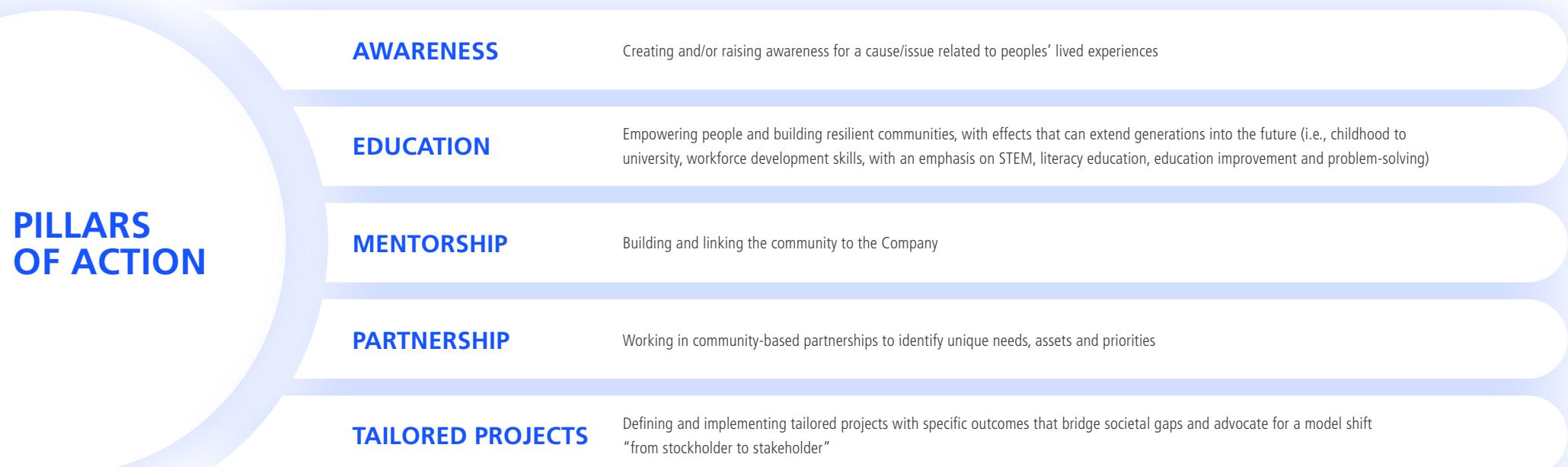
Local Community Strategy

In order to better focus our activities and maximise our positive impact on local communities, we identified three main areas of intervention that are related to Iveco Group's business and the concept of connection between people and territories.

PRESERVE BIODIVERSITY: we aim to boost the intrinsic (the planet), instrumental (the economy) and relational (human health and cultural identity) connections between people and nature, rooted in reciprocal and respectful relationships

REDUCE INEQUALITY, PROTECT DIVERSITY AND VULNERABILITY: we aim to celebrate the movement of people, culture and ideas through vulnerable groups and migrants' self-reliance, to enhance socio-economic inclusion and technological development in cities

FOSTER HEALTH AND WELL-BEING: we aim to play an active role in addressing health and well-being, fostering an equity-supportive environment to ensure improvements in education, income, and individual living and working conditions.



Our support for Ukraine

In response to the emergency in Ukraine, we are taking measures to support the people suffering from the war, as well as the women and men who are on the ground saving lives.

Since the beginning of the conflict, we have undertaken all necessary measures to protect our colleagues and their families in Ukraine; we have also supported local organisations that provide assistance to the population with in-kind donations.

We identified three Non-Governmental Organisations (NGOs), already operating in Ukraine, whose programmes and activities match our priorities of ensuring health and well-being and promoting education among vulnerable groups. They provide concrete support to the population, supplying essential items, and offering psychological and economic support, both in Ukraine and in refugee camps in host countries.





MAIN KPIs AND PROJECTS

- [Carbon Footprint !\[\]\(21836c01843165e8dc035337f541a17f_img.jpg\)](#)
- [Workplace and Product Safety !\[\]\(e411cb55f5ec6217252f076861c8cda1_img.jpg\)](#)
- [Lifecycle Thinking !\[\]\(f5a4fee37fd45360b8fbc4b94dc01c7f_img.jpg\)](#)
- [Inclusion and Engagement !\[\]\(342d0cad0393d6edcbd7bde81b345ae5_img.jpg\)](#)



Carbon Footprint

		2019	2020	2021
Energy Consumption	Energy Consumption (GJ)	2,943,967	2,621,349	3,116,246
	Energy Consumption (GJ/hours of production)	0.10859	0.10692	0.10520
Renewable Energy	Electricity Consumption from Renewable Sources (%)	91%	91%	98%
CO₂ Emissions	Total CO ₂ Emissions (tons) ¹	110,713	96,943	103,174
	Scope 1 emissions (tons)	53,504	48,047	56,323
	Scope 2 emissions (tons) - location-based method	180,687	133,290	145,538
	Scope 2 emissions (tons) - market-based method	57,209	48,897	46,851
	CO ₂ Emissions (tons of CO ₂ /hours of production) ²	0.00408	0.00395	0.00348

¹CO₂ is the only significant greenhouse gas in the Company's processes. Emissions were consolidated and reported using an operational control approach. Total CO₂ emissions are calculated using the market-based methodology of the GHG Protocol, and do not include emissions from landfill gases.

²The indicator includes scope 1 and scope 2 emissions, as per the market-based methodology of the GHG Protocol. KPIs do not include the fuel used to test products. Total manufacturing hours are used to calculate the indicator per hour of production.

Projects:

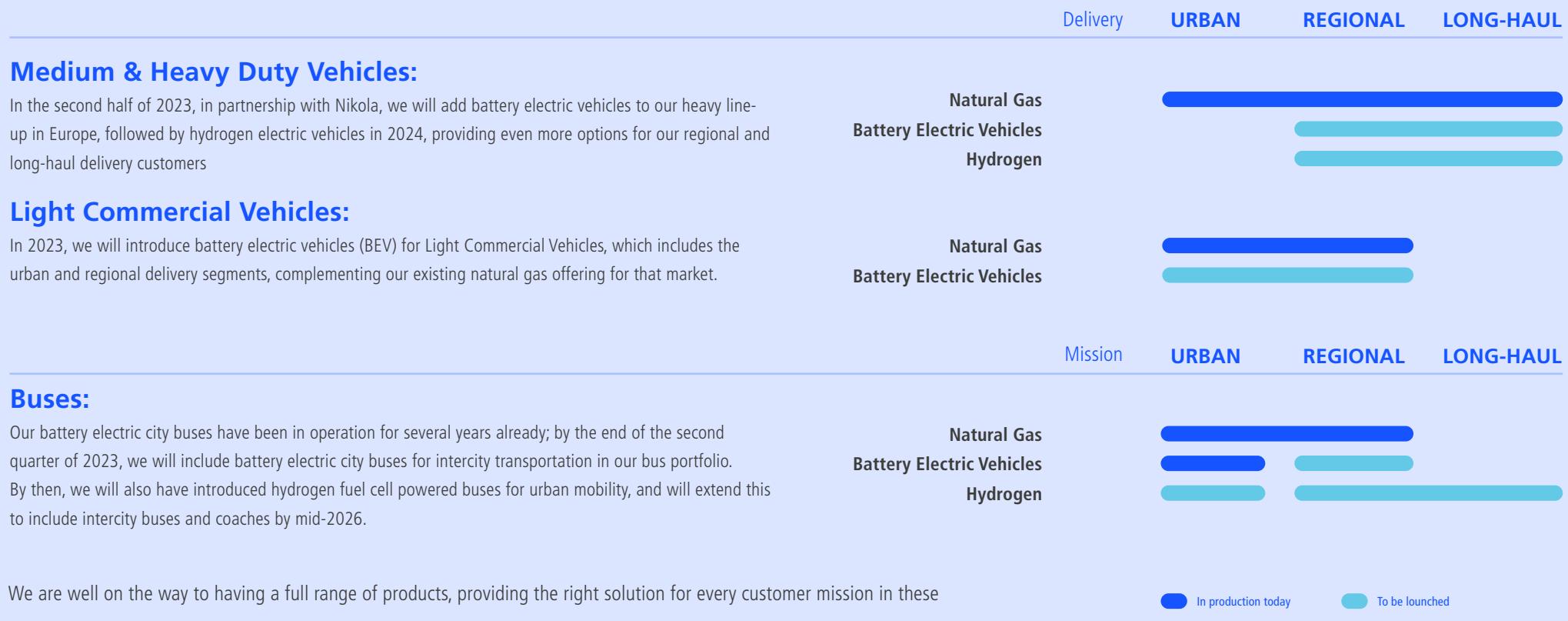
Roadmap to decarbonisation 

Nikola TRE semi-truck, the first battery electric vehicle 

From Suzzara to the future of mobility 

Roadmap to decarbonisation

In upcoming years, we aim to have the perfect combination of zero-emissions vehicles available for the Medium and Heavy Duty Vehicle, Light Commercial Vehicle and Bus sectors. This will be complemented by our line-up of CNG (Compressed Natural Gas) and LNG (Liquefied Natural Gas) powertrains, which provide CO₂ neutral propulsion when running on biomethane.



Nikola TRE semi-truck, the first Battery Electric Vehicle

The Nikola TRE semi-truck, developed in collaboration with IVECO, FPT Industrial and Nikola Motor Company, is the first Battery Electric Vehicle (BEV) of its kind for European markets.

The vehicle is based on the IVECO S-WAY heavy-duty truck and features Nikola's advanced electric technology and infotainment system.

The first Nikola TRE model, produced in Ulm (Germany), was delivered to select customers **in the United States in the first part of 2022**.

In addition to the BEV production model, the next evolution of this modular, heavy-duty platform was on display to the public in the form of the **Nikola Tre Fuel Cell Electric Vehicle (FCEV) prototype**. This subsequent model will enter production in Ulm by the end of 2023.



Did you know?

The first Daily Electric prototype dates back to 1986.

From Suzzara to the future of mobility

We strive to promote alternative modes of road transport using intermodal solutions, with the aim of reducing traffic congestion and CO₂ emissions.

Decarbonising the economy: this is the main challenge we are facing to safeguard the environment. The transport sector - in which we are a major player - is one of the key contributors to the global level of CO₂ emissions. Knowing this, we are committed to continuous product innovation, and the constant green evolution of logistics and production systems.

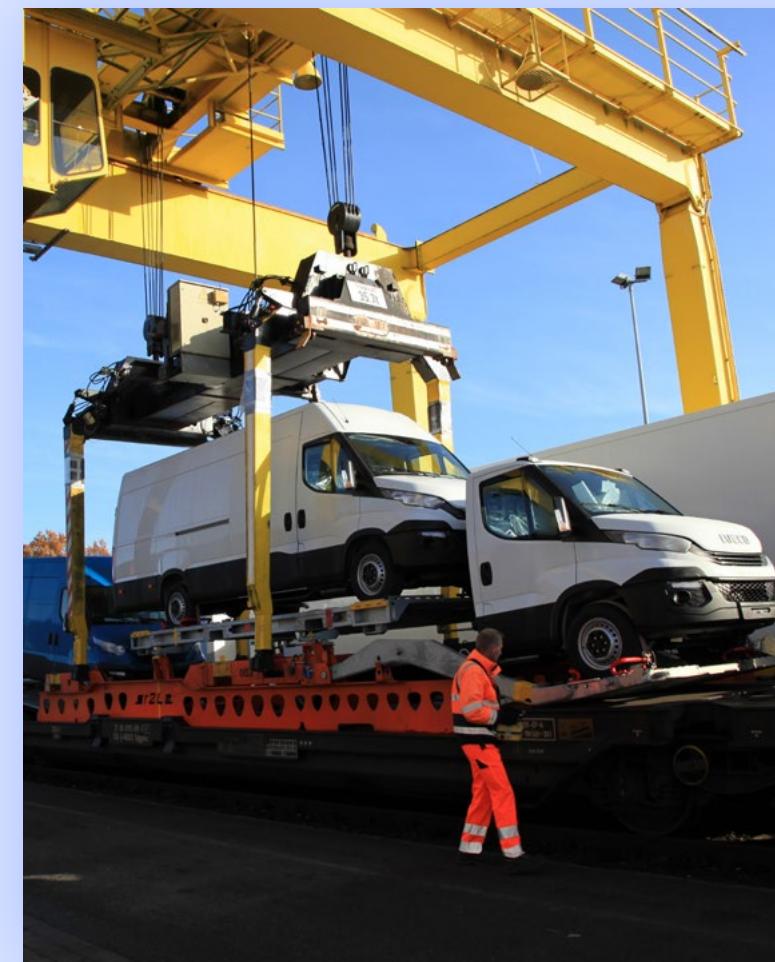
The mobility change starts in Suzzara, Italy, the "Home of the Daily".

In line with our **Green Logistics Principles**, in 2020 we **created a new intermodal transport route for IVECO Light Commercial Vehicles** manufactured at our Company's local plant, for delivery to dealers and customers in northern Europe.

Twice a week, or three times during production peaks, 71 vans leave our Suzzara factory on a special train to reach the distribution centre in Rheine, Germany, within 24 hours. From here, they are shipped to customers using the shortest possible route.

Compared to road transport, intermodality increases the speed of delivery and has a positive impact on the environment, **saving around 2,100 tonnes of CO₂ emissions** (on the basis of an expected transport of about 10,500 vans a year).

Great results stem from attention to detail, such as the search for a partner looking to transport vehicles in the opposite direction, so that trains do not return to Italy empty; the adaptation of trains to carry various cargo loads; and the development of terminals at either end of the route.





Workplace and Product Safety

	2019	2020	2021
Injury frequency rate ¹ (injuries per 1,000,000 hours worked)	2.218	2.039	1.995
Injury severity rate ² (days of absence per 1,000 hours worked)	0.097	0.075	0.061



¹The injury frequency rate is the number of injuries (work-related and non-work related, resulting in more than 3 days of absence) divided by the number of hours worked, multiplied by 1,000,000.

²The injury severity rate is the number of days of absence (of more than 3 days, due to work-related and non-work related injuries) divided by the number of hours worked, multiplied by 1,000.

Projects:

Road to Zero Injuries: improving machine safety at the Sete Lagoas' plant

Making roads safer through innovation and training

Road to Zero Injuries: improving machine safety at the Sete Lagoas plant

We improve machine safety by introducing innovative systems to analyse production data and technologies.

The Sete Lagoas plant (Brazil) is one of the many examples of what it means for us to strive for excellence in production processes, an ambition that has a positive impact on both workers' safety and product quality.

We are testing the potential of digital technology to increase machine safety by integrating IT control systems into the production chain.

Since their launch two projects in particular have achieved excellent results, minimising the possibility of incidents related to operations:

- the installation of position sensors, equipped with height detection systems and connected to the **Programmable Logic Controller** (PLC) that activates the machine, means **the risk of workpieces falling during lifting and/or rotation has been eliminated**;
- the integration of the PLC with a **digital checklist** helps the operator remember everything: the equipment can only work if the checklist has been completed and if there are no non-compliant elements.



Making roads safer through innovation and training

The IVECO ON portfolio of digital services includes the unique Safe Driving suite of features, designed to help customers become safer drivers.

The on-board system **measures a set of Key Performance Indicators** (KPIs) related to dynamics, collision risks and compliance. **Regular reports are generated** to help drivers acquire a safe driving style and fleet managers foster a safe driving culture across their fleets. Fleet managers can analyse trends at fleet level and identify areas for improvement for drivers to enhance their driving style and safety on the road. The Safe Driving features, available on the IVECO S-WAY and on current Daily models with a Connectivity Box, are easily accessible through the IVECO ON portal.

In 2021, IVECO, GLS Italy, and Dedo Driving School launched a **safe-driving training course** to maximise safety when operating the new IVECO S-WAY trucks powered by Liquefied Natural Gas (LNG) and Bio-LNG, with **4 theory and 4 practical lessons**. The courses will continue in 2022.



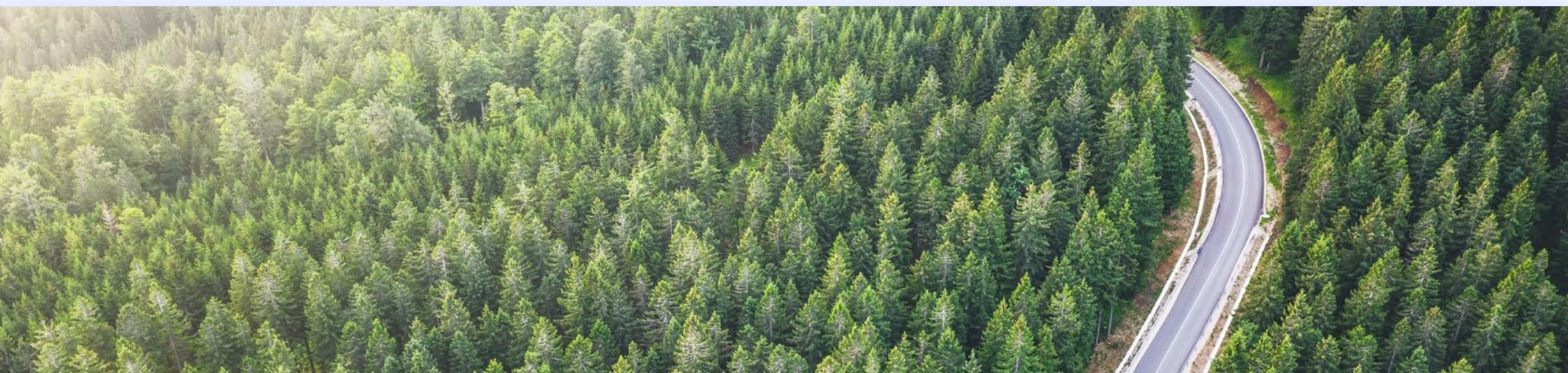
Did you know?

IVECO offers a voice-activated driving assistant, Driver Pal, based on Amazon Alexa technology. This feature includes route and driving style optimisation, cabin function activation, vehicle status info, and diagnostics and information exchange with the IVECO driver community. It also comes with translations made in real time.



Lifecycle Thinking

	2019	2020	2021
Water withdrawal per production unit (m ³ /hours of production ¹)	0.090	0.089	0.084
Water recycling index ² (%)	29.4	54.3	55.3
Waste recovered ³ (%)	95.5	95.7	96.5



¹ Total manufacturing hours are used to calculate the indicator per hour of production. For the definition of total manufacturing hours, see Definitions in Appendix.

² The recycling index is calculated as a percentage of the total water requirement.

³ Calculated as the sum of waste diverted from disposal and waste incinerated with energy recovery, expressed as a percentage of waste generated.



Projects:

Responsible production: improving machine performances and reducing water consumption ↗

Life Cycle Assessment: a long journey that started in 2014 ↗

Responsible production: improving machine performances and reducing water consumption

Every year, several initiatives are carried out to reduce our plants' water footprint:

- At our plants in **Sete Lagoas** (Brazil), a new **system** was installed **for the collection of rainwater to be used in cleaning activities** and a new technology was adopted to extend the life of baths in its paint pre-treatment process.
- The plant in **Bourbon-Lancy** (France) expanded its **reverse osmosis system** to include **8 additional washing machines**. By reusing water for multiple wash cycles, the plant is able to **extend the machines' bath life while reducing the consumption of chemicals**.
- The **Suzzara plant** (Italy) installed a **water recycling system in its paintshop**, which supplies the spray booth with water from the wastewater treatment plant instead of using industrial water.



Life Cycle Assessment: a long journey that started in 2014

We conduct an assessment to quantify our engine's environmental impact in terms of CO₂ emissions along the entire process chain, from raw materials to final engine disposal.

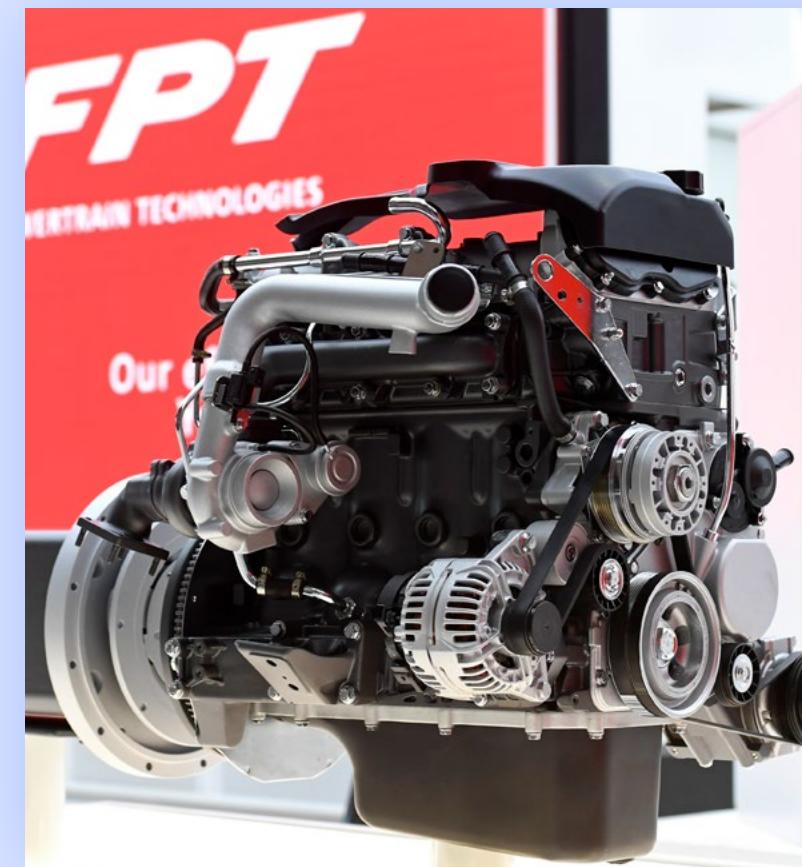
Every journey has a starting point, ours was Foggia, Italy. There, in 2014, at FPT Industrial's Foggia plant our Life Cycle Assessment (LCA) process of the 3-liter F1C engine for Light Commercial Vehicles began.

The goal was to quantify the environmental impact of the entire engine production process chain in terms of CO₂ emissions, from raw materials to final engine disposal.

At the end of this study, **the product was certified ISO 14067:2018**, launching the Group towards an increasingly conscious management of the environmental footprint of its products.

On the basis of this first experience, in 2019 the brand decided to pursue the certification of its F1C NG (natural gas) engine, deemed strategic in terms of environmental impact, which is also manufactured at the Foggia plant. In addition, another LCA was launched in 2020 to analyse the carbon footprint of the brand's Cursor 13 diesel engine manufactured in the Bourbon-Lancy (France) plant and used in combine harvesters.

The positive echo of what has been done can also be seen in the assessment of the NEF (medium range) engine, manufactured in Turin (Italy), which will be finished in 2022 to complete the set.





Inclusion and Engagement

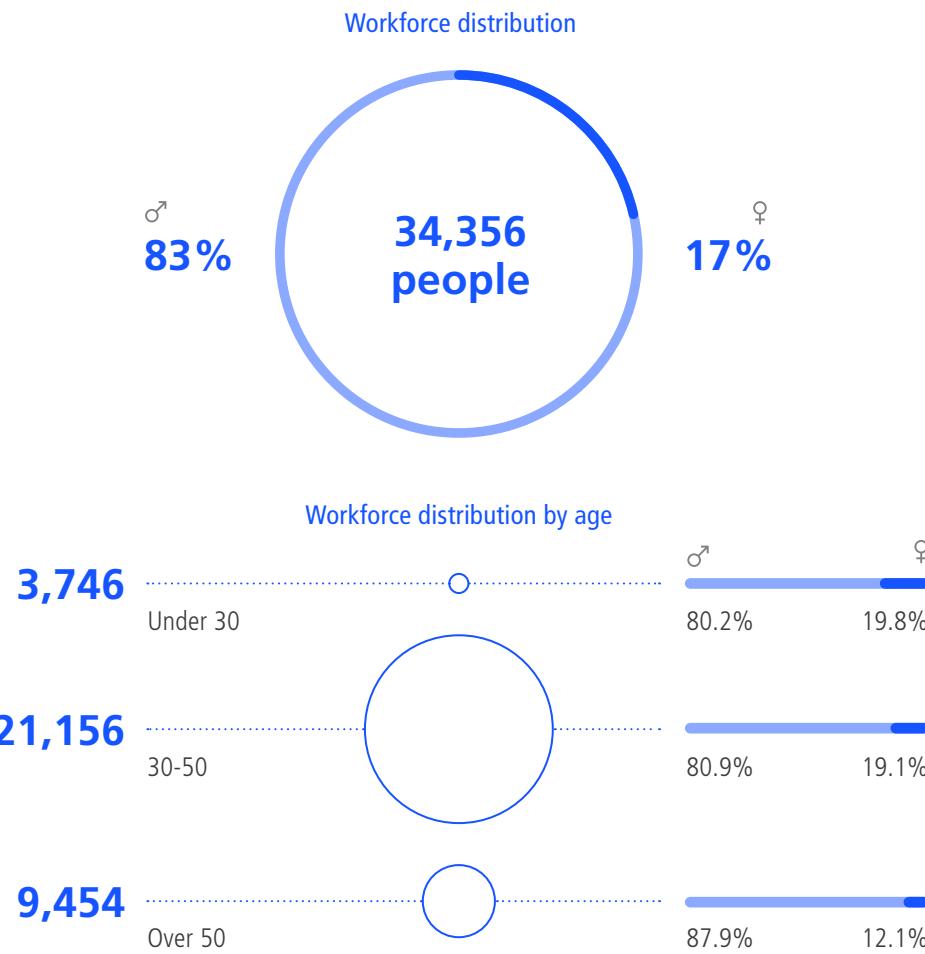


Projects:

Voice project: building Iveco Group, together [↗](#)

TechPro² project: training for young people in Italy, Ethiopia, South Africa and China [↗](#)

Our People



As of 31st January 2022

Scope, Definitions and Methodologies

Voice project: building Iveco Group, together

The Voice Project is a transformation journey to build the culture, purpose, and values for Iveco Group and ensure engagement for all.

With the Voice Project, **every colleague is involved** in the definition of the Group's **purpose and values**, which will then guide the identification of the targeted behaviours at Company level.

The Project, inspired by a bottom-up approach, is being developed in four steps towards establishing our **unique Iveco Group and organisational identity** and creating an **engaging workplace**:

- **The definition of our culture** through the launch of a Company-wide survey, a number of site visits, and various stakeholder interviews;
- **The alignment of our people**, by finalising the purpose and values statements of the Company and making sure everyone understands and applies them;
- **Adoption**, which includes redesigning Behaviours, Performance Management & Leadership Development, and driving the diffusion of our purpose deep into our Organisation;
- **Sustaining our ecosystem** with follow-up actions on engagement results and continuing the Company-wide surveys every year.

Did you know?

86% of our overall population participated in the Voice engagement survey,
that means about 29,000 colleagues responded out of 34,000



TechPro²: training for young people in Italy, Ethiopia, South Africa, and China

We have supported the TechPro² project since 2011, partnering with the Don Bosco Salesian Society to offer exceptional technical training and ensure students have future employment opportunities.

TechPro² aims to **train mechatronics specialists to meet the growing demand for skilled personnel** and gives employment opportunities especially within the Company's sales and service network.

Training includes theory and hands-on learning at Salesian centres, followed by targeted internships in the field.

We provide **expertise by training the teachers**, who in turn pass on the knowledge to the students in the classroom.

We also offer **financial aid, tools, and parts** (such as complementary vehicles, engines, and diagnostic tools) **for classroom training and practice**.

The TechPro² project is currently offered on IVECO Group's vehicles and engines for around **400 students** in Italy, Ethiopia, South Africa, and China.



Did you know?

FPT Industrial partnered with the WeWorld organisation to support people affected by natural disasters in Mozambique, creating safe and inclusive learning spaces for students and teachers, also accessible to those with disabilities, and improving the condition of school buildings.



APPENDIX

- [Our Operating Sites](#)
- [Scope, Definitions and Methodologies](#)
- [SASB Index](#)
- [Task Force on Climate-related Financial Disclosures](#)
- [SGS Assurance](#)

Our Operating Sites

Plant Overview

Country	Plant	Primary functions	Quality		Safety		Environment		Energy	
			ISO 9001	ISO 45001	Scope	ISO 14001	Scope	ISO 50001	Scope	ISO 50001
Europe										
Czech Rep.	Vysoké Mýto	Buses (city, intercity)	●	●	○	●	○	●	○	
France	Annonay	Buses (coaches, city)	●	●	○	●	○	●	○	
France	Bourbon-Lancy	Engines (heavy)	●	●	○	●	○	●	○	
France	Rorthais	Buses (city)	●	●	○	●	○	●	○	
Germany	Ulm	Firefighter vehicles	●	●	○	●	○	●	○	
Italy	Bolzano	Defence vehicles	●	●	○	●	○	●	○	
Italy	Brescia	Medium vehicles, cabs, chassis	●	●	○	●	○	●	○	
Italy	Brescia	Firefighter vehicles	●	●	○	●	○	●	○	
Italy	Foggia	Engines (light), drive shafts	●	●	○	●	○	●	○	
Italy	Piacenza	Quarry and constructions vehicles	●	●	○	●	○	●	○	
Italy	Pregnana M.se	Engines (marine and power generation units)	●	●	○	●	○	●	○	
Italy	Suzzara	Light vehicles	●	●	○	●	○	●	○	
Italy	Torino Driveline	Transmissions, axies	●	●	○	●	○	●	○	
Italy	Torino Motori	Engines (heavy)	●	●	○	●	○	●	○	
Italy	Vittorio Veneto	Components	●	●	○	●	○	●	○	
Spain	Madrid	Heavy vehicles	●	●	○	●	○	●	○	
Spain	Valladolid	Light vehicles, heavy cabs components	●	●	○	●	○	●	○	

Country	Plant	Primary functions	Quality		Safety		Environment		Energy	
			ISO 9001	ISO 45001	Scope	ISO 14001	Scope	ISO 50001	Scope	ISO 50001
South America										
Argentina	Córdoba	Medium and heavy vehicles	●	●	○	●	○	●	○	
Argentina	Córdoba	Engines (heavy)	●	●	○	●	○	●	○	
Brazil	Sete Lagoas	Light, medium and heavy vehicles	●	●	○	●	○	●	○	
Brazil	Sete Lagoas	Defence vehicles	●	●	○	●	○	●	○	
Brazil	Sete Lagoas	Engines (light, medium and heavy)	●	●	○	●	○	●	○	
Rest of World										
Australia	Dandenong	Heavy vehicles	●	●	○	●	○	●	○	
China	Chongqing	Engines (light, medium and heavy)	●	●	○	●	○	●	○	
South Africa	Rosslyn	Buses (intercity), medium and heavy vehicles assembly			○					○

● ISO certification

○ Plant included in the scope of this Report

Scope, Definitions and Methodologies

SCOPE AND DATA COVERAGE

The Iveco Group sustainability reporting scope includes 25 manufacturing plants. The exclusion of any geographic area, legal entity, plant, or specific site in the scope of this document 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). Any plant closed during the year is included in the reporting scope for the year due to its impact in the months prior to closure. Data coverage is disclosed in the following table:

	Number of plants	% revenues ¹
Energy performance	25	100%
Environmental performance (waste and water)	24	99.7%
ISO 50001	24	99.7%
ISO 14001	24	99.7%
ISO 45001	24	99.7%

¹ Revenues from sales of products manufactured at Iveco Group plants in the reporting scope.

DEFINITIONS

Employees are divided into 4 main categories: Hourly, Salaried, Professional, and Manager. They include both full-time and part-time personnel.

Total number of manufacturing hours are defined as the hours of presence of hourly employees within the manufacturing scope required to manufacture a product.

Scope 1 Emissions: direct emissions from sources owned by the Company.

Scope 2 Emissions: emissions from purchased electricity consumed.

Scope 3 Emissions: indirect emissions that occur in the value chain.

Scope, Definitions and Methodologies

METHODOLOGIES

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 and supplied to meet the organisation's needs (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 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 CO₂ emissions per production unit do not take into account diesel or LPG consumption related to logistics or product testing.

CO₂ emissions were calculated according to GHG Protocol standards implemented through Company guidelines. 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 CO₂ was taken into account, as CH₄ and N₂O components were considered negligible and therefore de minimis.

For Scope 2 emissions accounting, Iveco Group 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 CO₂ emissions associated with energy consumption were calculated, worldwide, using the emission coefficients (expressed in g CO₂ /kWh) provided by either the International Energy Agency or DEFRA (UK). When reporting according to the market-based method, on the other hand, they were calculated using the latest emission coefficients (expressed in g CO₂ /kWh) provided by the following sources:

- Re-DISS for CO₂ emissions accounting in Europe
- International Energy Agency for CO₂ emissions accounting in South America and Rest of World

The Key Performance Indicator (KPI) to assess CO₂ emissions per production unit refers to the Scope 2 emissions calculated according to the market-based method.

SASB Index

The **Sustainability Accounting Standards** (SASB Standards) – developed by the SASB Foundation – are **industry-specific** standards that set guidelines for the disclosure of sustainability information by companies to their investors. The identified topics are recognised to be those issues that most likely can have an impact on the performance of a company within the specific considered industry, in terms of its operations and financial conditions. Within the SASB Standards, we are classified in the “**Industrial Machinery & Goods**” industry and we used the “Sustainability Accounting Standards” (version 2018-10) as a reference.

TOPIC	SASB CODE	METRIC	UNIT OF MEASURE	RESPONSE COMMENT
Activity	RT-IG-000.A	Number of units produced by product category	Number	Commercial & Specialty Vehicles: 161,178 - Powertrain: 798,700
	RT-IG-000.B	Number of employees ¹	Number	34,356
Energy Management	RT-IG-130a.1	(1) Total energy consumed	Gigajoules (GJ)	3,116,246
		(2) Percentage grid electricity	%	43.8
		(3) Percentage renewable	%	44.3
Employee Health and Safety	RT-IG-320a.1	(1) Total Recordable Incident Rate (TRIR) ²	Rate	0.391
		(2) Fatality rate ³	Rate	-
		(3) Near Miss Frequency Rate (NMFR) ⁴	Rate	2.903
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	The Company is currently identifying a methodology for the calculation of sales-weighted fuel efficiency and emissions data
	RT-IG-410a.2	Sales-weighted fuel efficiency for non-road equipment	Gallons per hour	
	RT-IG-410a.3	Sales-weighted fuel efficiency for stationary generators	Watts per gallon	
	RT-IG-410a.4	Sales-weighted emissions of: (1) Nitrogen oxides (NOx) and (2) Particulate matter (PM) for: (I) Marine diesel engines, (II) Locomotive diesel engines, (III) On-road medium- and heavy-duty engines, and (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	The Company's products are highly complex, typically containing thousands of parts that come from many different direct suppliers within the Company'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 in components or materials it purchases. The Company has adopted policies, programmes, and procedures to manage risks related to material sourcing and to promote responsible sourcing.
Remanufacturing Design & Services	RT-IG-440b.1	Revenue from remanufactured products and remanufacturing services	€million	89

¹ As of 31st January 2022.

² 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.

³ The fatality rate is the number of work-related fatalities divided by the number of hours worked, multiplied by 200,000.

⁴ The Near Miss Frequency Rate is the number of work-related near misses divided by the number of hours worked, multiplied by 200,000.

Task Force on Climate-Related Financial Disclosures

Iveco Group is committed to climate change mitigation and aims for full transparency in its management of climate-related risks and opportunities, in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) created in 2015 by the Financial Stability Board.

Governance: The ESG Committee of the Board of Directors is responsible for reviewing and guiding the strategy and risk management policies related to climate change. Moreover, the Committee is responsible for monitoring the implementation of measures to meet climate change targets such as CO₂ emissions and energy efficiency. The highest responsibility for initiatives focusing on energy efficiency and on the management of CO₂ emissions at Iveco Group lies with the Senior Leadership Team (SLT).

Strategy: The identification of climate-related risks and opportunities led to the definition of a decarbonisation strategy, which in turn has been incorporated within, and regularly influences, the Company's Strategic Business Plan. Climate-related risks and opportunities are embedded within Iveco Group's strategy to ensure resiliency of its business model in light of shifting global challenges. The Company has established specific functions and structures to monitor the relevant emerging policies and regulatory developments at local and global level (especially in Europe, where regulatory pressure is more significant). Iveco Group considers these evolutions in the development of its product portfolio to steer the focus of research and development toward sustainable technologies (e.g., "green" fuels, electric and hydrogen propulsion technologies, etc.). To further address the potential impacts of climate change, Iveco Group has implemented relevant projects and a number of other specific climate-related topics and has defined long-term strategic targets.

Risk Management: The Company has an Enterprise Risk Management (ERM) process designed to assist in the identification, evaluation, and prioritisation of business risks (including environmental, social, and governance) followed by a coordinated and balanced application of resources to minimise, monitor, and control the probability or impact of adverse events or to maximise the realisation of opportunities. The effects of climate change represent a key emerging risk to Iveco Group and examples of the Company's related mitigation actions include investments in technology as part of its decarbonisation strategy, and efforts to reduce energy consumption in manufacturing processes.

In order to strengthen sustainability and resilience within Iveco Group, the Company also works to develop and launch forward-looking solutions to better understand the impacts of natural hazards and to respond accordingly. The ability to assess the losses and costs associated with natural hazards is essential for better decision making on hazard-mitigation investments and planning.

Metrics and targets: Iveco Group has developed various indicators and tools to assess its contribution, exposure, and resilience to climate change. Its climate change impacts and performance are reported according to the requirements of the GRI Standards. CO₂ emissions are calculated according to the Greenhouse Gas Protocol (GHG Protocol), incorporated into the Company Guidelines. The full disclosure according to the TCFD recommendations will be published in next year's reports.

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ASSURANCE STATEMENT

SGS Nederland's report on sustainability activities in the Iveco Group N.V. "2022 Iveco Group Sustainability Essentials"

NATURE OF THE ASSURANCE/VERIFICATION

SGS Nederland B.V. was commissioned to conduct an independent assurance of the document "2022 Iveco Group Sustainability Essentials", prepared by Iveco Group N.V. (henceforth referred to as "Iveco Group", or "Company", or "Organization")

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 "2022 Iveco Group Sustainability Essentials", 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 "2022 Iveco Group Sustainability Essentials" is the exclusive responsibility of Iveco Group.

The information in the "2022 Iveco Group Sustainability Essentials" and its presentation are the responsibility of the governing body and the management of Iveco Group. The Company is responsible for defining objectives with respect to sustainability performance, and for establishing and maintaining appropriate performance management and internal control systems.

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 assessment of the robustness of the data management systems, information flow and controls, and the verification of qualitative and/or quantitative information to confirm the accuracy and the process of data elaboration and synthesis.

ASSURANCE METHODOLOGY LIMITATIONS AND MITIGATION

The verification process is based on SGS Product Procedure for Sustainability Report Assurance. The assurance comprised a combination of pre-assurance research, the examination of records, procedures and documents, and interviews with personnel and management.

The texts, graphs, and tables included in the "2022 Iveco Group Sustainability Essentials" 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 February 2022 involving the Company's central functions in Turin (Italy) and its plants in Bourbon Lancy (France) and Brescia (Italy) to assess the reliability of the data reporting process. Concerning the audit at the headquarters in Turin (Italy), the audit activities were conducted remotely due to COVID-19 restrictions. The audits at the plants were conducted on site.

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 "2022 Iveco Group Sustainability Essentials" is accurate, balanced, and reliable, representing a relevant summary of the activities carried out by Iveco Group and an essential tool in communicating with stakeholders.

For and on behalf of SGS Nederland B.V.

Andre Siraa
Business Manager

Spijkenisse, April 14, 2022.
WWW.SGS.COM

DocuSigned by:

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