

# I V E C O • G R O U P

<b>Company</b> Iveco Group	<b>GLOBAL ENVIRONMENTAL POLICY</b>		
<b>Function</b> Company-wide	<b>Version</b> 1.1	<b>Effective Date</b> February 2025	<b>Pages</b> 4

## **Scope**

This policy applies to Iveco Group N.V., its subsidiaries, and controlled joint ventures (collectively, “Iveco Group”, the “Company” or “We”), and to the directors, officers, employees, and those acting on behalf of such entities.

## **Purpose**

Iveco Group puts sustainability at the heart of its strategy, as an integral part of its day-to-day activities, to ensure business is conducted in an economically sound, environmentally conscious, and socially beneficial manner.

The purpose of this policy is to ensure that Iveco Group continuously works to minimise its environmental impact and moves towards decarbonisation and circularity in areas over which it has direct control or can exert influence. The main environmental impacts are identified and assessed through a materiality assessment process.

## **Policy**

Iveco Group is committed to continuously improving its environmental performance by incorporating recognised best practices into its environmental management and aligning with international standards in its business operations.

The Company aims to continuously reduce the carbon footprint of its business activities and its consumption of resources and energy, enhancing efficiency through a life cycle thinking approach.

Iveco Group commits to complying with all applicable environmental legislation as well as other environmental requirements, and to adopting ahead of mandatory deadlines, where possible, new legal provisions where these are more stringent.

Iveco Group’s commitment extends to all stages of the value chain, with a focus on the main impact areas presented below.

### **1. Purchasing processes**

Iveco Group is committed to advocating environmentally responsible practices across its upstream value chain, collaborating with suppliers with the aim of minimising their environmental footprint.

To reduce the impact of production processes and products on the environment, all Iveco Group suppliers are encouraged to:

- make every effort to optimise the use of resources and minimise polluting and greenhouse gas (GHG) emissions
- design and develop products taking into account the impact they have on the environment and the potential to re-use and recycle them
- properly manage, in compliance with applicable laws, waste treatment and disposal
- avoid the use of potentially hazardous substances, as defined by applicable laws

# I V E C O • G R O U P

- apply logistics management policies that take environmental impacts into consideration.

The implementation of environmental and energy management systems in line with international standards (i.e., ISO14001, ISO 50001, EMAS) is strongly recommended.

## 2. Product concept & development

Iveco Group aims to assess the potential environmental impact of its products over their entire life cycle – from research and design to recovery or disposal – using Life Cycle Assessments (LCA), Total Cost of Ownership (TCO), and other appropriate evaluation models. Accordingly, when developing new products, Iveco Group is committed to consider the following key factors:

- adopting an eco-design approach across all product platforms aimed to:
  - choosing raw materials or components that have a smaller environmental footprint
  - increasing the use of recycled raw materials
  - reducing vehicle weight
- developing solutions aimed at:
  - reducing fuel consumption and GHG emissions
  - reducing pollutant emissions
  - reducing noise emissions and vibrations

## 3. Own operations

Iveco Group strives to minimise its impacts on natural heritage and biodiversity and to combat climate change by efficiently using energy and natural resources. Additionally, the Company employs the best available technologies and technical innovations across its various sites and processes. The main actions in its operations include:

- reducing energy consumption through more efficient production processes and products
- lowering GHG emissions and other pollutants by reducing the amount of energy use, and both directly and indirectly promoting renewable energy sources
- reducing raw materials use by prioritising renewable and recycled materials
- reducing freshwater withdrawal and improving industrial water recycling, especially in areas where water availability is critical to the surrounding environment and population
- minimising hazardous substance discharges that could affect water supplies
- reducing hazardous waste generation and, in general, adopting a circular approach to waste management by prioritising, in order of preference, the following solutions: reduction, reuse, recycling, recovery, waste-to-energy conversion, and treatment as the last solution
- reducing air emissions from production processes (e.g. volatile organic compounds or VOCs)
- reducing the use of potentially hazardous substances and promoting their substitution where possible
- minimising impacts on natural habitats and biodiversity in areas surrounding our sites
- considering the use of existing industrial areas for new production sites to preserve undeveloped land and protect biodiversity
- promoting sustainable mobility by encouraging personnel to make use of the full range of available transport options, and by subsidising eco-friendly mobility solutions.

To support continuous improvement in environmental and energy performance, Iveco Group's main sites define specific strategies and targets, leveraging lean production principles to prioritise the measures necessary to achieve these targets within the entire production process (from design to engineering and maintenance). Results are regularly monitored to assess effectiveness, and further improvements or appropriate corrective actions are implemented as needed. Additionally, as part of the industrial management system, Iveco Group is committed to implementing and maintaining Environmental and Energy Management Systems at its production plants. These systems are certified by third-party organisations accredited at national or international level.

## 4. Logistics and distribution

Iveco Group is committed to limiting the environmental impact of inbound and outbound logistics by favouring low-emission transport, using intermodal solutions, optimising transport capacity, and reducing disposable packaging and protective materials where technically possible.

## 5. Sales & after-sales

Iveco Group encourages the environmentally responsible use of its products by providing customers and dealers with information and training on proper use and maintenance.

## 6. Remanufacturing and end-of-life

Iveco Group is determined to increase the remanufacturing rate of as many components as possible to avoid the introduction of new materials into the production process, promoting a circular approach. The Company is fully aware of the Extended Producer Responsibility (EPR) principle and makes every effort to ensure full compliance with applicable legislation in all countries where its vehicles and components are sold.

## **Value chain engagement on environmental matters**

We are committed to engaging our suppliers, dealers, contractors and business partners to adopt behaviours, measures and standards in line with this policy, thus contributing to an overall improvement in environmental performance throughout the value chain. When evaluating business relationships with potential partners, we are committed to embed environmental issues and due diligence is conducted as necessary.

To meet these commitments, Iveco Group proactively:

- includes environmental risks and opportunities in company-wide risk identification and mitigation processes, reporting on principal environmental risks in the Annual Report
- monitors external environmental impacts and ensures resilience to potential risks
- sets and reviews internal and published environmental targets, supported by clearly defined metrics
- monitors and transparently reports on its environmental performance and annual progress against published targets
- engages and partners with stakeholders to promote environmental care, increase understanding of environmental issues, and disseminate best practices
- monitors external issues and public concerns related to the environment, responding accordingly
- promotes adequate measures to raise awareness among internal and external stakeholders of environmental management and environmental impacts (including employee training to understand the impacts of their work activities on the environment), and consults with them on environmental issues
- leverages environmental expertise from inside and outside the Company.

## **Climate change mitigation and adaptation management**

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. In line with this objective, the Company commits to:

- establishing and periodically reviewing emission reduction targets in accordance with the Paris Agreement and the latest scientific developments on climate change
- developing climate scenarios to guide decision making and ensure the effective implementation of both mitigation and adaptation strategies
- engaging key stakeholders in a transparent and inclusive manner to ensure the development of a shared, equitable, and fair transition strategy
- integrating its carbon strategy into the Company's remuneration framework, linking performance metrics to sustainability objectives
- enhancing both public and employee awareness of climate change, its impacts, and potential solutions, emphasising the urgency of action through knowledge-sharing initiatives and the promotion of climate action, in alignment with the Iveco Group Responsible Lobbying Policy.

## **Governance roles and responsibilities**

Iveco Group's Board of Directors endorses the principles of this Policy and oversees the implementation. The executive responsibility for the implementation of this Policy lies with the Senior Leadership Team that develops appropriate operational procedures and shall ensure adequate allocation of resources and professional competences.

## **Monitoring, implementation and transparency**

Iveco Group monitors compliance with this policy across its operations through specific actions, assessing their potential impact on ESG matters and implementing mitigating and preventative actions as needed. As part of its commitment to transparency, the Company provides regular updates on its environmental performance through public reporting.

## **Grievance mechanism and anti-retaliation**

Iveco Group has implemented the Compliance Helpline as a means for its employees, customers, suppliers, and other third parties to report potential violations of applicable laws, Company policies, or the Code of Conduct. Matters may be reported to the Compliance Helpline anonymously (to the extent legally permitted). The Company also has an Anti-Retaliation Policy that prohibits retaliation of any kind against any person who submits a report in good faith or participates in an investigation.

## **Dissemination**

This policy shall be disseminated to all employees through dedicated training sessions and made available on the Iveco Group website to all stakeholders, including suppliers and other business partners. The Company works broadly to promote respect for sustainability through public policy efforts, stakeholder dialogue, advocacy, collaborations, and participation in various forums.

Iveco Group will take adequate disciplinary measures against Company personnel (i) whose actions are shown to violate this policy, (ii) who unreasonably fail to detect or report any violations, or (iii) who threaten or carry out retaliatory actions against others who report such violations.

Disciplinary measures may include termination of employment or business relationship.

## **Additional information**

This policy supplements information in the Iveco Group Code of Conduct and should be read in conjunction with other Company policies, including the following:

- Iveco Group Supplier Code of Conduct
- Iveco Group Compliance Helpline Policy
- Iveco Group Anti-Retaliation Policy
- Product Safety, Security and Technical Compliance Policy