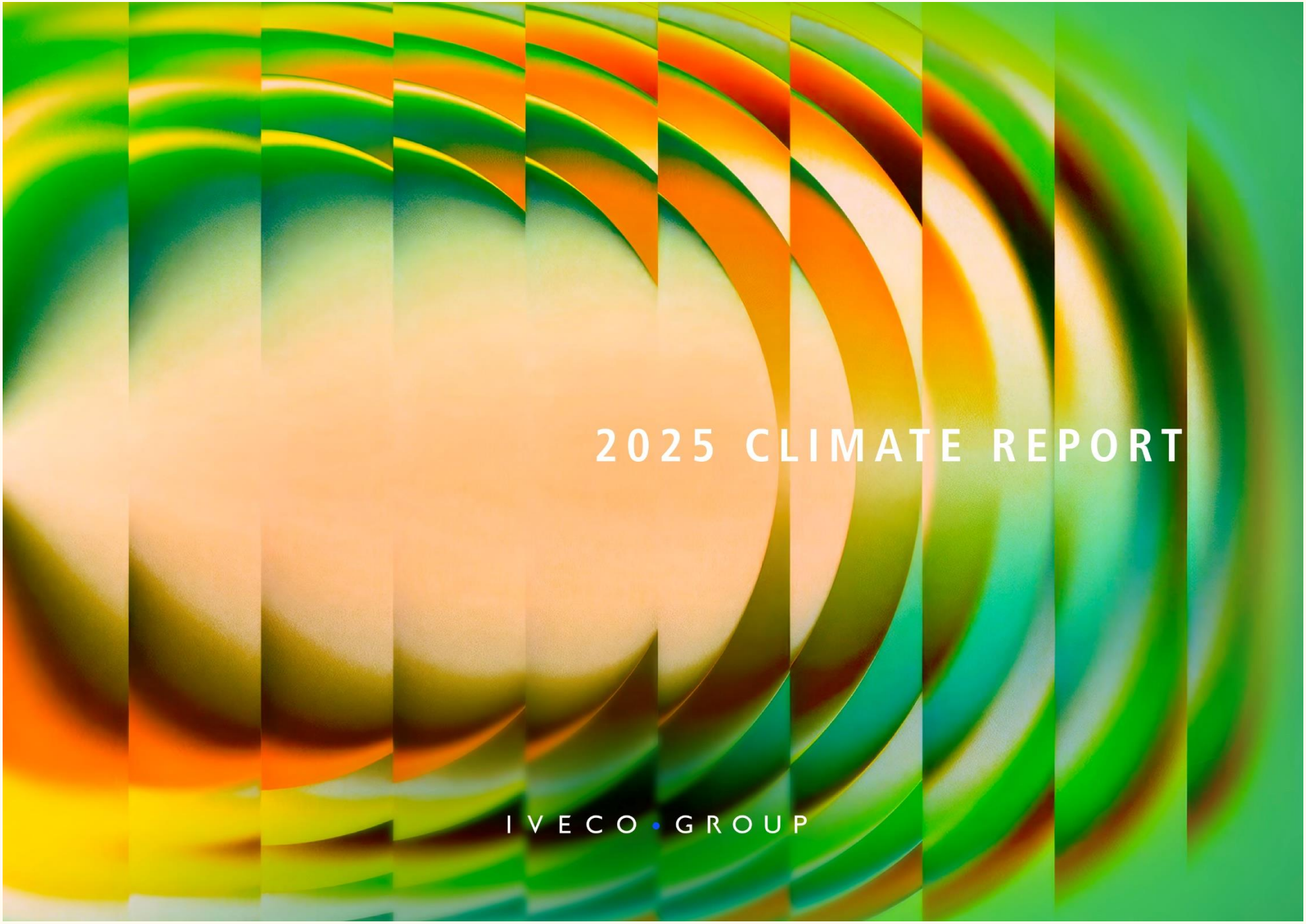
2025 CLIMATE REPORT
IVECO • GROUP

CONTENTS

PREFACE

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 accordance with *The Climate Pledge*[1] signed by the Organisation.

To ensure the timely delivery of its decarbonisation strategy, the Group has defined specific strategic sustainability targets for Scope 1, 2, and 3 emissions.
The Group's decarbonisation trajectory includes the following medium- and long-term targets:

- Scope 1 and 2: reduce CO_2 emissions in manufacturing plants by 50% by the end of 2030, compared to 2019
- Scope 3 (Supply chain): reduce CO_2 emissions generated by major suppliers of purchased goods, services and capital goods by 30% by 2030, compared to 2022
- Scope 3 (Logistics): reduce CO_2 emissions per ton of goods shipped (inbound, outbound, and spare parts) by 7% by the end of 2026, compared to 2022
- Scope 3 (Use of Sold Products): reduce CO_2 emissions from the use of sold products per vehicle-kilometre (for vehicles manufactured in Europe) by 38% by 2030, compared to 2022.

These targets are instrumental to achieving net zero carbon by 2040.

This Report outlines actions taken to meet targets and adds key data, including past years' figures, supplementing the information included in the 2025 Annual Report (Sustainability Statement section).

The document has been prepared in line with the TCFD recommendations, and GHG emissions have been calculated according to the GHG Protocol.

Unless otherwise indicated, 'n/a' in tables stands for 'not applicable' and 'n.a.' stands for 'not available'.

(1) The Climate Pledge Signature.

1. GOVERNANCE

The **responsibility** for defining the decarbonisation strategy lies with the 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. In addition, the ESG Committee ensures responsible management of climate risks and identifies trends and opportunities, including the potential impacts of new products under development and of new market trends and conditions.

At management level, the ultimate responsibility for initiatives focusing on energy efficiency and on the management of CO_2 emissions lies with the Senior Leadership Team (SLT). The SLT members are responsible for defining the 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.

At the operational level, for Scope 1 and 2 emissions, Iveco Group relies on a dedicated internal structure to manage energy resource conservation. Energy management activities are coordinated both centrally and at plant level by the Energy team, to ensure alignment and support across the Organisation. For Scope 3 emissions, responsibilities are assigned to the respective departments based on their area of expertise.

Iveco Group offers both long- and short-term **incentive plans** linked, among other things, to some of its strategic sustainability targets. The Long-Term Incentive Plan (LTIP) consists of two components: Company performance awards (i.e., Performance Share Units or PSUs) and retention-based awards (i.e., Restricted Share Units or RSUs), both in recognition of favourable individual performances and alignment with Company values. The Company performance component is linked to achieving challenging predefined performance and market objectives over a 3-year period. For Executive Directors, only PSUs are awarded.

In 2025, in keeping with the previous year, the compensation plan for Executive Directors (the Chairperson and CEO) included long-term incentives linked to the Company's strategic sustainability target of reducing its CO_2 emissions (Scope 1 & 2) compared to 2019. As a result, the 2023-2025 LTI PSU awards are contingent, among other things, on a 22% reduction in CO_2 emissions (Scope 1 & 2 - Focus Area[2]) by 2025, while the 2024-2026 LTI PSU awards are contingent on a 28% reduction by 2026. With a 20% weighting towards overall individual awards, these incentives provide a significant inducement to align with the Strategic Business Plan's carbon footprint commitment. As part of the Company's effort to drive sustainable, long-term value creation, the LTIP also applies to Senior Leadership Team (SLT) members and to certain individuals below senior management, namely directors, vice presidents, and other key positions.

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(2) For the definition of the Focus Area scope, see 4.3 Organisational boundaries.

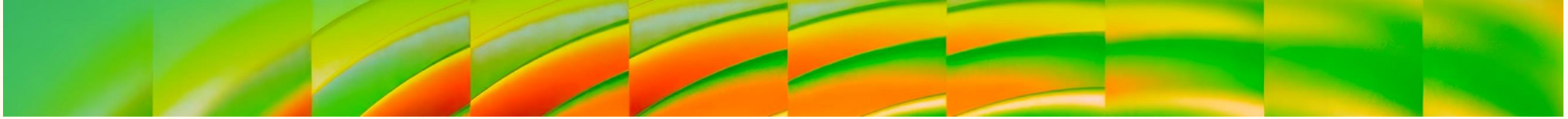
2. STRATEGY

2.1 GHG Scope 1 and 2 Emissions

Iveco Group works towards climate change mitigation by reducing its energy consumption and use of fossil fuels and by minimising air pollution, with the primary objective of reducing CO_2 emissions from its manufacturing processes. Managing greenhouse gas (GHG) emissions and optimising energy consumption are therefore prerequisites for the continuous improvement of the Group's performance and the protection of the environment in which it operates. As stated in its Energy Policy, Iveco Group is 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. Promoting employee involvement and raising awareness of the importance of conserving energy resources is key to achieving these improvement targets.

Energy efficiency is both a priority and an opportunity for companies to reduce operating costs and mitigate climate change. With this in mind, below are a few examples of how sustainability matters have become embedded in Iveco Group's daily activities and how they help drive its way of doing business. An efficient energy management system requires effective monitoring of energy performance. The Group has achieved this by adopting specific energy performance indicators (EnPI) to assess the benefits and effectiveness of its initiatives, plan improvement measures, and establish new and ever-more challenging targets.

In 2025, Iveco Group continued to monitor energy performance at each of its plants (representing the Focus Area), as well as their secondary vectors and their compliance with the Group's Energy Action Plan, using its Energy Monitoring & Targeting (EM&T) management and control platform. Additionally, it 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, thereby increasing the level of people engagement and awareness.
With regard to Iveco Group's Focus Area reporting scope, as at the end of 2025, 20 plants were ISO 50001:2018 certified, evidence of the Group's quest to reduce its energy impact. 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 GHG emissions. These efforts also apply to other sites beyond the Focus Area, such as those in San Mauro Torinese (Italy), Garchizy (France) and, as of 2025, Ulm (Germany).



To reduce energy consumption and CO_2 emissions, targeted actions have been implemented across several key areas:

- Metering: the system was expanded to gain deeper insights into consumption patterns and improve energy management
- Buildings: efforts involved wall insulation improvements, roof repairs, the installation of rapid doors, and office automations, all working collectively to reduce energy loss
- Lighting: involving the installation of high-efficiency intelligent LED systems with presence detectors and dimmers that ensure lights are used only when needed, both inside and outside facilities
- Heating and Cooling: the systems were optimised by electrifying heating through heat pumps powered by photovoltaic systems, replacing outdated heating equipment, lowering heating temperatures, and establishing startup and shutdown protocols with optimal set points. Additionally, cooling requirements were minimised, with air vents strategically placed to control temperature effectively while conserving energy.

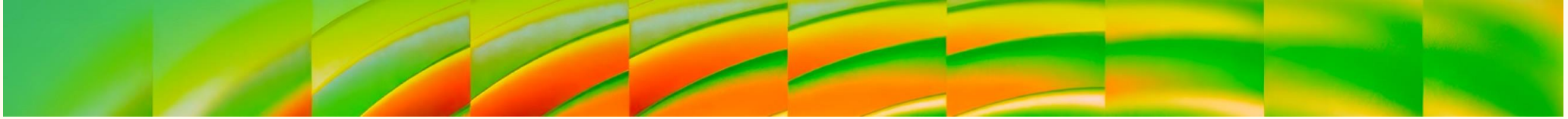
The combination of these initiatives played a substantial role in lowering both energy consumption and carbon emissions.

2.2 GHG Scope 3 Emissions (major categories)

Reducing greenhouse gas (GHG) emissions across the entire value chain is a key priority for Iveco Group, with Scope 3 Category 11 emissions – those generated during the use of sold products – accounting for the largest share of its total emissions. Given the Organisation's role in mobility and transport, tackling these emissions is essential to its decarbonisation strategy. To this end, the Group has set a CO_2 reduction target for Category 11 in line with its Strategic Business Plan, considering future product types and volumes. It has also committed to cutting emissions across its value chain by focusing on purchased goods, services, and logistics.

2.2.1 Purchased Goods

Suppliers are actively involved in Iveco Group's mission to reduce the environmental impact of its activities and fight climate change, in line with its commitments. In fact, to further limit the impact of manufacturing processes and products on the environment, the Supplier Code of Conduct expressly requires them to optimise their use of resources and minimise their 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. For these reasons, suppliers are strongly advised to adopt an environmental management system certified according to international standards.



In 2025, Iveco Group continued to monitor and interact with its supplier network through Open-es, the community-based digital platform it joined in 2022, so as to increase suppliers' engagement with and awareness of sustainability topics while tracking their sustainability performance. The Open-es platform is used to monitor environmental aspects in line with the World Economic Forum's guidelines on policies, activities, and results related to:

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

The suppliers that registered on the platform in 2025 accounted for approximately 92% of the Group's direct material purchases. The platform is a valuable tool used by the Organisation both to communicate its priorities and to support suppliers in their sustainability journey. This interactive ecosystem, combined with ongoing dialogue and collaboration with suppliers, is a means to share experiences and find increasingly innovative solutions to reduce the environmental footprint of all parties involved.
Iveco Group's commitment to the environment is also reflected in the strategic sustainability target incorporated into the Strategic Business Plan: to achieve a 30% reduction in absolute CO_2 emissions generated by major suppliers of purchased goods and services, by year-end 2030 (compared to 2022).

2.2.2 Upstream Transportation and Distribution

In managing logistics processes, Iveco Group continuously seeks sustainable solutions to enhance efficiency and reduce environmental impact. For this purpose, logistics processes are managed both internally within the value chain, specifically within the Manufacturing, Sales, and Procurement functions, and externally, by working with 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.

Iveco Group's approach to low-carbon logistics focuses on 3 areas:

- increasing low-emission transport

- adopting intermodal solutions
- optimising transport saturation.

Iveco Group has designed its 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 suppliers is integral to the efficiency and sustainability of the logistics system, the Group directly involves them in most of its projects and initiatives, working with them to develop and implement the best solutions to meet the Organisation's environmental impact reduction targets.

As evidence of its commitment to reducing its logistics impacts, the Group has incorporated a strategic sustainability **target** into its 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).

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

The Group promotes 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 technical and organisational changes are made to both routes and volumes to optimise and streamline the entire process.

In order to substantiate the strategic sustainability target the Group has set for logistics and the relevant improvement projects, the Organisation duly monitors some of the environmental aspects considered most significant[3] for logistics processes. CO_2 emissions from logistics are affected by:

- the number of inbound/outbound transport flows
- the Organisation's 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 2025, the containment initiatives in place had already allowed the Organisation to cut CO_2 emissions by 2.4% compared to the previous year (in terms of kilos of CO_2 emissions per ton of goods shipped).

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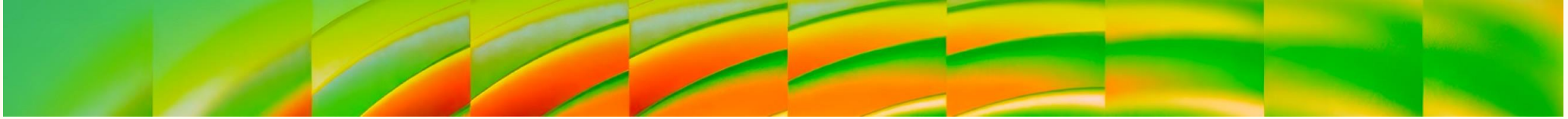
(3) The criteria used to measure the significance of the environmental aspects of logistics processes are the size of their impact as well as the Group's ability to manage and mitigate both the impact and its potential effects on the surrounding environment.



2.2.3 Use of Sold Products

The Group offers a diversified portfolio of products, each delivering a very different range of features to perform the very different tasks it was designed for. Adding to this broad product mix is Brand FPT, which manufactures industrial powertrains for trucks, buses, agricultural and construction equipment, boats, and power generators. This diversified offering has played a major role in shaping Iveco Group's decarbonisation strategy, driving the long-term adoption of a multi-energy approach. Currently, this approach includes propulsion systems powered by traditional technologies as well as by natural gas (NG), biofuels, electrified solutions, and hydrogen. While the electric vehicle market is expected to grow in the future, a continued market presence is foreseen for internal combustion engine (ICE) vehicles running on sustainable biofuels or other non-fossil fuels, including hydrogen. Furthermore, legislative milestones are expected globally for CO_2 emissions on the path towards decarbonised transport. For these reasons, the Organisation continues to invest in ICEs and after-treatment systems to enhance fuel efficiency, meet regulatory requirements, and maintain a competitive edge

In line with its goal of achieving net zero carbon by 2040, Iveco Group has set a vehicle CO_2 emissions reduction **target** for year-end 2030: a 38% reduction in Scope 3 CO_2 emissions from the use of sold products[4] per vehicle/km (compared to 2022). To reach this target, the Group is gradually shifting its vehicle sales towards battery electric vehicles (BEVs) and hydrogen-powered vehicles, including fuel cell electric vehicles (FCEVs).

2.2.3.1 Internal Combustion Engines

The XC13 engine, installed in the new IVECO S-WAY Model Year 2024, is Brand FPT's first **multifuel**, single base engine – an example of the Brand's Cursor X 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 (also compatible with biomethane) and, currently under development, hydrogen. Besides delivering world-class performance, the XC13 engine has potential as a primary driver in achieving short- and medium-term CO_2 emissions targets. Indeed, a truck fitted with an XC13 Diesel engine generates 10% fewer CO_2 emissions (a reduction of 9 tons per year), of which 7% is attributable to the engine itself, compared to the same truck fitted with a C13 Diesel engine (Model Year 2022). The XC13 engine will help deliver future CO_2 reductions in agricultural and construction applications as well, making it a major player in the Group's decarbonisation strategy.

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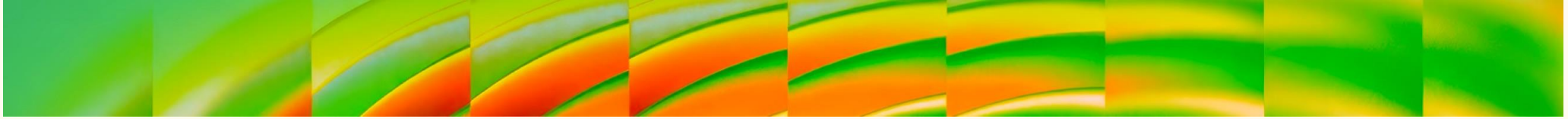
(4) The target refers to vehicles manufactured in Europe.



FPT is actively researching second-generation renewable **biofuels** in accordance with EN15940 fuel specifications, with a particular focus on hydrotreated vegetable oil (HVO) and other renewable XTL[5] solutions. Since 2020, all of the Brand's engine families have been type-approved for HVO, and several buses and coaches have already been adapted to run on this fuel 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 fuel distribution infrastructure. Furthermore, the availability of HVO as a neat fuel (i.e., not mixed or diluted with other fuels) is expanding across Europe, with an increasing number of fuelling stations offering this option. In this regard, Iveco Group signed a letter of intent with energy company Eni, which now sells HVOlution (a diesel fuel produced entirely from renewable raw materials) at over 600 fuelling stations in Western Europe. The goal of this collaboration is to support the smooth transition from fossil fuels to renewable alternatives.

FPT's N67 engine is homologated for use with B100 biodiesel in accordance with EN14214, the European standard for biodiesel, and is featured in the CROSSWAY intercity coach produced by Brand IVECO BUS. This new version is especially well-suited to address the decarbonisation needs of school and urban transport, given B100's ability to cut CO_2 emissions by almost 60% across the well-to-wheel cycle compared to traditional diesel. The first B100-compatible CROSSWAY units were delivered and registered in mid-2024. The Brand is also exploring a retrofit protocol for its existing CROSSWAY fleet equipped with the N67 Euro VI step E engine.

For internal combustion engines, **biomethane** remains one of the best alternatives to diesel over the medium term. Indeed, all of the Organisation's currently available natural gas (NG) engines are 100% biomethane-compatible, the many benefits of which include:

- full compatibility with existing natural gas (NG) technology
- full compatibility with existing NG technology
- fully renewable fuel
- near-zero well-to-wheel CO_2 emissions – or even negative emissions (up to 120%[6] fewer compared to diesel) if sourced from manure
- alignment with circular economy principles.

With over 100,000 units sold to date, FPT 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 currently available in Europe, delivering up to 10% fewer CO_2 emissions compared to its diesel version. It is featured in the IVECO Eurocargo truck Model Year 2024 as well as in the brand new IVECO BUS G-WAY – a biomethane-compatible midibus that essentially replaces the previous diesel version – supporting

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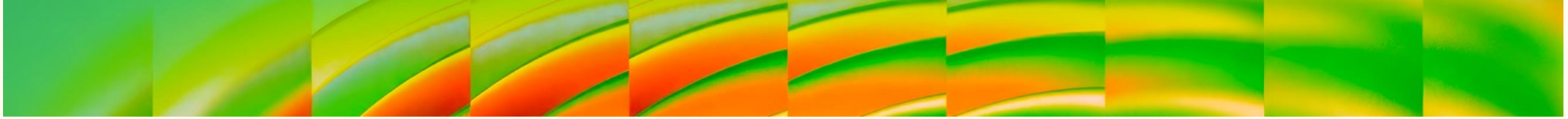
(5) XTL (X-to-Liquid) refers to synthetic diesel fuels, including HVO, that meet the EN15940 standard.

(6) Source: study carried out by the Institute of Atmospheric Pollution of the Italian National Research Council (CNR).



Iveco Group's portfolio transition to low-carbon transport solutions. Beyond road transport, the N67 NG engine is used in agricultural tractors, further highlighting its versatility across applications. FPT is also advancing NG engine development by focusing on multipoint stoichiometric combustion, currently the most cost-effective solution to meet Euro VI emissions standards. This technology enables a substantial reduction in harmful emissions (such as hydrocarbons and NO_X) to very low levels, and is already used in commercial vehicles, buses, specialty vehicles, and agricultural equipment. It is currently available in FPT's Cursor, NEF, and F1 engine series, offering customers significant cost benefits throughout the entire service life of vehicles.

Meanwhile, IVECO BUS further expanded its compressed natural gas (CNG) portfolio, confirming its position as Europe's leader in CNG mobility. The Brand's portfolio includes vehicles covering all types of passenger transport, with URBANWAY, CREALIS, and CROSSWAY models available in low-entry and normal floor variants, all of which are also available in mild hybrid versions. The newest model, the G-WAY midibus, combines the environmental benefits of natural gas and biomethane with high performance and a range of up to 500 kilometres. This mid-size NG city bus features compact dimensions (9.5 or 10.7 metres in length and 2.33 metres wide) and exceptional manoeuvrability, providing a sustainable mobility solution for narrow streets, mountainous regions, and areas with low population density.

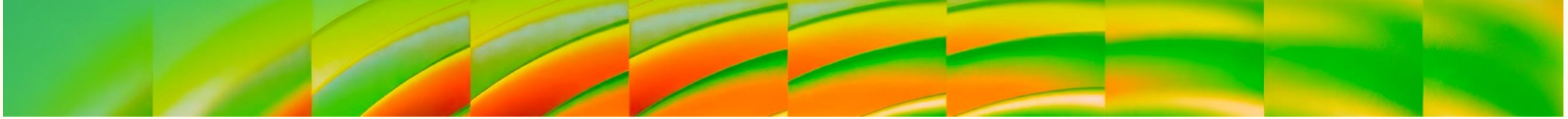
Finally, the use of **hydrogen** as a fuel for ICEs to achieve zero-carbon emissions does not require major modifications to current vehicle architectures (whether on- or off-highway), and avoids the need for an electric motor to provide power assist. Within this context, FPT is currently developing its H2-ICE technology, designing a new series of engines offering modular, multifuel solutions that are simple to install.

2.2.3.2 E-Powertrain

Brand FPT has a dedicated cross-functional ePowertrain business line that focuses on the development of electric vehicle technologies. The aim is to meet customer needs with a wide range of tailor-made alternative ePropulsion and energy storage solutions that can be adapted to multiple applications and industry segments, thus strengthening the Brand's positioning in the market as a multi-energy solutions provider.

To date, FPT's portfolio includes:

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

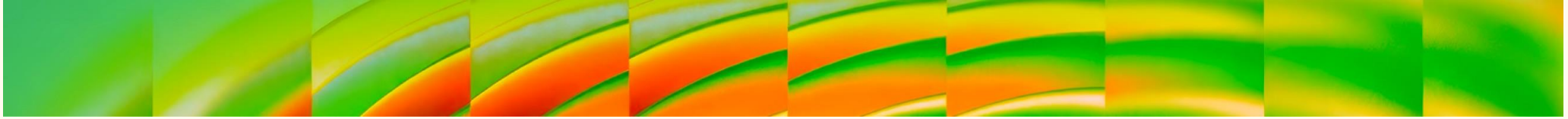


Among the 3 eDriveline solutions within the Brand's ePropulsion portfolio, eAxles are a premium technological solution to maximise efficiency and optimise energy usage, with a complete line-up launched in 2024 for vehicles ranging from 3.5 to 49 tons.

As regards energy storage systems, FPT offers 3 different battery packs: 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-highway vehicles.
The complete battery line-up is modular (more than one pack can be mounted in parallel). Moreover, NMC[7] pouch cell technology allows the battery packs' energy density to be maximised, ensuring high levels of safety. The Brand's eBS 37 EVO and eBS 69 EVO batteries come with a Battery Passport, with traceable information collected via blockchain technology. Both solutions are already compliant with the ECE Regulation 100 Rev.3 on electric vehicle safety. Additionally, the eBS 37 EVO 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 Group is exploring a number of options for battery pack reuse once it has been removed from vehicles at the end of its service life. A proof of concept (PoC) life cycle assessment (LCA) was performed on the eBS37 EVO battery pack to assess its carbon footprint, with results indicating an optimised environmental profile. As at year-end 2025, FPT had delivered approximately 30,000 ePowertrain units to customers. All products are assembled and validated in carbon-neutral manufacturing and testing facilities.

IVECO has recently expanded its electric vehicle portfolio beyond the all-electric IVECO eDaily commercial van, with the launch of the new IVECO S-eWay battery-electric truck and of the eJolly and eSuperJolly electric vans, both developed in partnership with Stellantis. As a result, the Brand now offers a fully electric line-up designed to address any operational needs, from urban and regional applications to the most demanding missions. Acting as an eMobility partner, IVECO delivers an integrated ecosystem of vehicles, charging solutions, and smart digital services to accelerate the transition to more sustainable operations. Digital services, such as the IVECO ON Portal and the Smart Routing and Easy Apps, provide real-time insights, predictive range management, and remote charging control, helping fleets reduce energy waste, optimise routes, and improve overall efficiency. Moreover, as at year-end 2025, the IVECO Customer Uptime Centre was monitoring more than 3,000 electric vehicles, enabling proactive maintenance and operational continuity. This approach supports customers' sustainability objectives by extending vehicle service life, reducing resource consumption, and minimising unplanned downtime – key factors in lowering life cycle emissions and enhancing operational resilience. Completing this ecosystem are IVECO eCharge Solutions, which support

(7) NMC refers to a Nickel Manganese Cobalt-based lithium-ion cathode chemistry.



electrification by enabling private depot charging and providing access, via the IVECO eCharge Card, to a European-wide public network of more than one million charging points, including 10,000 ultra-fast stations and an increasing number of truck-ready sites.

Brand IVECO BUS also extended its range of electric vehicles, covering all the demands of urban, suburban, and interurban missions. Following the successful introduction of the E-WAY (with versions ranging from midibus to articulated) and the CROSSWAY ELEC (available in low-entry and normal floor variants), the portfolio was completed with the addition of a new minibus model: the eDAILY Low Entry, showcased at Busworld 2025. This new electric version of the eDaily minibus provides easy access for wheelchair users thanks to its central section equipped with a ramp, and can accommodate 2 or 3 eDaily batteries, providing up to 148 kWh of energy storage. The positive response to this portfolio from transport authorities and operators translated into record registrations of IVECO BUS battery electric vehicles (BEVs) in 2025, with over 1,200 units registered in Europe. To support the sale of its electric vehicles, the Brand has also set up Energy Mobility Solutions, which further boosts its added value, providing consulting services and delivering turn-key projects. Over 50 projects have been managed to date, involving the sale of over 750 chargers for the Brand's buses.

2.2.3.3 Fuel Cell Electric Vehicles

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

The IVECO S-eWay Fuel Cell is a heavy-duty electric truck for the European market, offering a range of up to 800 kilometres and fitted with Bosch fuel cells and an FPT eAX 840-R eAxle. In 2025, its pre-series version was deployed under the EU-funded H2Haul project to selected customers, for real-world testing of this first-generation prototype. This will allow the Group to learn from its practical application, identify areas for improvement, and fine-tune the vehicle, while demonstrating that it can effectively deliver the most demanding heavy-duty missions – a long-established benchmark for conventional diesel vehicles.

Within the light-duty range, in 2024, IVECO and Hyundai unveiled a working prototype of the eDaily Fuel Cell, featuring Hyundai's 90 kW hydrogen fuel cell system, along with an eCD 140-R central electric drive system and eBS 37 EVO modular battery pack designed, developed, and produced by FPT. The prototype has a 7.2-ton gross vehicle weight (GVW). It has been tested in Europe, confirming a range of 400 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 Fuel Cell will be ideal for long-haul, high-payload, and high-energy-demand missions. For passenger transport, at the end of 2025, IVECO BUS delivered the first serial production of the e-Way Fuel Cell for operation in Lorient (France). Deliveries will continue in 2026, based on new orders acquired in 2025 for Dunkerque and Annecy (France) and for Gorizia (Italy).

3. Climate Risk Management

At Iveco Group, climate risk management is integrated into a Group-wide interdisciplinary risk management process designed to identify and assess climate-related risks and opportunities, as well as the current and anticipated effects of climate change relevant to the Group's business model and value chain. This process encompasses direct operations, the supply chain (upstream), and products (downstream). Climate-related risks and opportunities span three time horizons, meaning they can be:

- short-term (0-1 years), as per climate change assessments of physical risks
- medium-term (1-6 years), as per the 2030 climate scenario (also incorporating the time horizons of the Group's Enterprise Risk Management (ERM) and Strategic Business Plan)
- long-term (6-16 years), as per the Group's 2040 net zero carbon strategies and targets, set in line with the Paris Agreement, and its aligned 2040 climate scenario.

The Group assesses the implications of climate-related risks and its own level of climate resilience and adaptability in line with the requirements of both the European Sustainability Reporting Standards (ESRS) and the International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures. This assessment considers each of the following climate-related risk categories when identifying risks and opportunities and assessing their likelihood and potential magnitude of impact:

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

3.1 Physical Risks

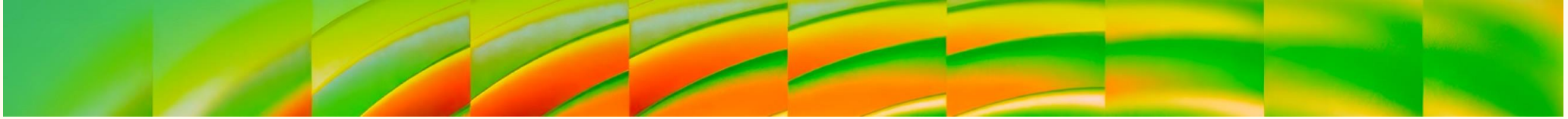
The first step in Iveco Group's physical risk identification and assessment process consists in evaluating the relevance of all such risks for each site within the risk perimeter, through the analysis of climate zones and site-specific morphological features (such as altitude and proximity to rivers, coasts, or mountains). The Group evaluates its 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 are based on:

- data quality – in terms of terrain resolution (i.e., the level of spatial detail in elevation and topographic data), estimation accuracy (which depends 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) its applicability to all project phases (thus enabling both short- and long-term analysis)
- accessibility – the availability of open-access tools that support the replication of analyses over time
- multiple applications – a tool's ability to assess multiple physical risks concurrently.

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 predefined impact thresholds specific to each physical risk event. This approach helps determine the economic impact of each risk event in terms of property damage (cash flow), business interruptions (EBIT), and other direct or indirect costs (beyond EBIT or cash flow). The net impacts of each physical risk are then quantified and recorded on the Enterprise Risk Management (ERM) impact scale, considering each plant's specific characteristics, any physical mitigators (such as the presence of mobile dams for river flooding), and insurance coverages. The results obtained are then submitted to and validated by the relevant stakeholders within Iveco Group associated with the selected sites.

Iveco Group performed a climate change risk analysis to assess potential changes in risk exposure over the short, medium, and long term (2025-2040), covering each physical risk pertinent to each site within its risk perimeter (including proprietary plants as well as a selection of key supplier and dealer of property sites). Site-specific exposure to individual physical risk events was assessed using outputs from climate-risk data tools and projections from the Intergovernmental Panel on Climate Change (IPCC), considering variables such as maximum precipitation levels, surface wind speed, maximum temperatures, and consecutive dry days as the main drivers of the assessment.



For the medium- and long-term analysis, the Group used the weather patterns associated with the IPCC's RCP[8] 8.5 scenario, which is based on various projections regarding emissions, policies, and rising temperature levels. This climate scenario, which was applied in conjunction with the Shared Socioeconomic Pathway (SSP5) scenario, assumes rapid global economic growth driven by fossil energy and limited climate policy implementation. Under this pathway, average global temperatures are projected to increase by approximately 2°C by 2050 and by up to 5°C by 2100 as a result of high greenhouse gas emissions. This combined RCP 8.5/SSP5 scenario represents one of the most severe global warming pathways and associated physical impacts, projecting extreme climate conditions and a significant increase in the frequency and intensity of extreme weather events, including heatwaves, floods, droughts, and rising sea levels. This scenario-based approach aligns with best practices in climate risk management and supports the Group's strategic resilience planning for physical risks under the worst-case scenario.

The physical climate risks assessment is performed with the support of the loss prevention engineering provider and of the technical departments of the insurance and reinsurance companies. The latest assessment of material physical climate risks covered 84% of the Group's insured value[9]. Furthermore, new projects and initiatives are analysed from the earliest stages of development to ensure the highest level of prevention of and protection from material physical climate risks.

- **Floods**: the risk of flooding from overflowing rivers or heavy rainfall is considered relevant for many sites. Floods may result in water intrusion into buildings and sewer backups, potentially causing damage to structures, machinery, and stored products, disrupting production capacity until facilities are repaired, and leading to unforeseen maintenance costs.

Material risk for: Bolzano, Brescia, Foggia, Piacenza, Suzzara, and Turin (Italy); Bourbon-Lancy (France).

- **Hurricanes, cyclones, and tornadoes**: although the tornadoes to which the Organisation's assets are potentially exposed are mostly of medium intensity, these events may still result in severe impacts, such as significant damage to roofs and external structures, blocked access roads due to fallen trees, and temporary disruptions to electricity and water supply networks.

Material risk for: Bolzano, Brescia, Foggia, and Suzzara (Italy); Bourbon-Lancy (France).

(8) Representative Concentration Pathways (RCPs) are a climate scenario analysis tool, with each scenario describing a potential future trajectory of greenhouse gas concentrations and the resulting global warming effect (i.e., radiative forcing, or RF) up to the year 2100.
(9) Analysis conducted on 2024's total insured value under the control of the Loss Prevention Centre of Competence as at the third quarter of the year.

- **Windstorms**: exposure to strong windstorms may result in damage to buildings (roofs, external walls, and windows), temporary interruptions to electricity and/or water supplies, and significant damage to vehicles, trees, and any external property.

Material risk for: Rorthais (France).

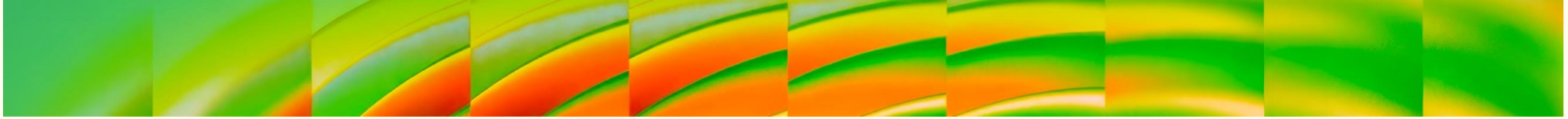
- **Hailstorms**: most Group assets are exposed to large-sized hail, which could result in damage to windows, roofs, external structures, and vehicles. Hail events may also lead to operational disruptions due to restricted movement of personnel and vehicles outside buildings, as well as to power supply outages.

Material risk for: Foggia (Italy); Bourbon-Lancy (France); Vysoke Myto (Czech Republic).

Based on the assessment, most of the aforementioned sites within the defined risk perimeter are located in areas not associated with particularly high levels of physical climate risk exposure. The main exception relates to heatwaves, which may affect all locations globally with increasing intensity. In addition, a limited number of sites are located in areas with higher exposure to specific physical risks – such as hailstorms (Italy, France, and Argentina), flash floods (Italy), and water stress (Italy and Spain). With regard to the suppliers within the scope of the analysis, their sites are mainly exposed to risk of hailstorms, flash floods, water stress, and heat and cold waves.
No matter how rare or unlikely to occur, extreme natural events will nevertheless continue to pose a risk to the Group due to the significant damage they can cause. Overall, the main potential impacts affecting the Group's plants are associated with river and flash floods, hurricanes, cyclones, tornados, windstorms, and hailstorms, all of which are considered material physical risks.

However, the mitigation measures in place, combined with the Group's insurance coverage, significantly limit the potential net economic impacts for most assets (property damage), bringing them well below the materiality threshold. In 2025[10], the Group identified investments for a total of more than €1.2 million in loss prevention and mitigation measures, specifically in recommended improvements to align its sites to its loss prevention standards. These targeted investments cut loss expectancies by over €93.6 million, resulting in a Global Efficiency Index[11] (GEI) of 0.013, in line with the highest international standards.

(10) Figures relate to the period from 1 January 2025 to 31 December 2025 (Insurance Year).
(11) 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.



The goal of Iveco Group's loss-prevention investment strategy is to reduce damage to assets and minimise any resulting production stoppages (business interruptions), at both site and Group level, through the full or partial adoption of existing physical protection recommendations. Over the year, the Group's loss-prevention investments cut the expected loss due to property damage by 58% and due to business interruptions by 42%.

3.2 Transition Risks

Iveco Group's transition risk and opportunity assessment process started with the identification of key trends and drivers relevant to the Organisation and its industry. The assessment was performed according to *European Sustainability Reporting Standards* (ESRS) requirements as well as International *Financial Reporting Standards* (IFRS) S2 guidelines – considering the latter's main climate-related risk and opportunity categories: Market, Policy and Legal, Technology, Reputation, and Liabilities.

The main drivers considered to identify Iveco Group's medium- to long-term transition risks and opportunities were:

- market trends – including the diffusion of electric vehicles and the declining role of internal combustion engines (ICEs) in developed countries; changes in mobility habits in public and private transport; unavailability and price volatility of materials (particularly for metals, semi-conductors, and batteries); and the increase in carbon prices and green accounting practices
- policy trends – such as stricter vehicle emissions standards and ICE sales regulations, the introduction of new green production requirements, mandatory climate-related disclosures, and increased regulatory efforts in other areas, such as health and safety
- technology trends – including the growing demand for green technologies, such as low-carbon materials and innovative battery chemistries, and the adoption of clean-tech production technologies
- reputational trends – such as changing stakeholder perceptions of climate-related issues.

The medium- to long-term analysis (2030-2040) of climate transition risks and opportunities was conducted using the NZE2050[12] scenario of the International Energy Agency (IEA), which provides detailed projections for the energy and automotive markets, alongside the IPCC's RCP[13] 1.9 scenario and the associated Shared Socioeconomic Pathway

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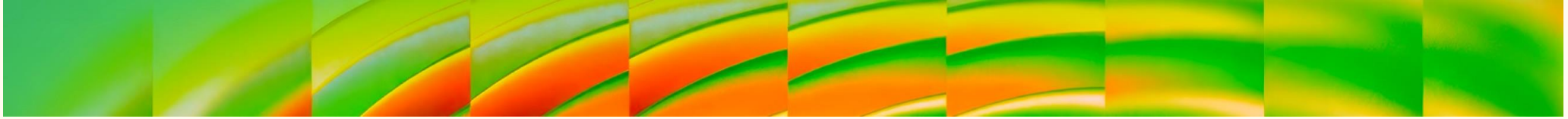
(12) Net Zero Emissions, a scenario that outlines a pathway for the global energy sector to achieve net zero CO_2 emissions by 2050.

(13) Representative Concentration Pathways (RCPs) are a climate scenario analysis tool, with each scenario describing a potential future trajectory of greenhouse gas concentrations and the resulting global warming effect. 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.



SSP1[14]. These scenarios reflect a set of assumptions regarding future emissions trajectories, climate and energy policies, technological development, and macroeconomic trends. The resulting projections describe a more sustainable global transition pathway consistent with achieving net-zero emissions by 2050 and with limiting the global temperature rise to 1.5°C by 2100. This transition is underpinned by 4 key pillars: large-scale clean energy electrification, significant improvements in energy efficiency, increased use of low-emissions fuels, and methane abatement. Consumption patterns within this pathway are characterised by lower material growth and reduced resource and energy intensity, supported by increased investment in renewable energy, low-carbon technologies, and ongoing efficiency improvements and innovation.
This scenario was selected in line with best practices in climate risk management, as it exposes the Organisation to one of the most demanding future pathways and enables the assessment of the implications, risks, and opportunities associated with such a stringent and ambitious decarbonisation transition. It is also consistent with the Group's strategic commitment to achieving net-zero carbon emissions by 2040.

Once the scenario of reference was clearly defined, the Group created a risk register to map the climate-related transition risks and opportunities identified as most relevant to the Organisation (linking each to the aforementioned drivers). Their relevance was assessed through a qualitative analysis, supplemented by an in-depth quantitative analysis of a number of them. The assessment process involved a series of interviews with representatives from various business units – from senior strategists to operational functions – enabling targeted evaluations for each transition risk and opportunity identified and the collection of supporting data for the quantitative analyses. Risk assessment results were subsequently validated within the Group's Climate Change Risk Management (CCRM) framework through alignment with the Enterprise Risk Management (ERM) function, followed by final validation by the Senior Leadership Team (SLT).

Both transition risks and opportunities are classified as material if they have the potential to result in a substantive financial or strategic impact on Group performance. Transition risks are considered significant business disruptors, and opportunities significant business enablers, if they lead to any of the following:

- a negative or positive effect on one or more key strategies designed to improve the Group's stability and growth
- the prolonged suspension, or the launch or enhancement, of essential business activities
- the loss or seizure, or the acquisition or safeguarding, of key assets or profits

(14) Shared Socioeconomic Pathways (SSPs) describe alternative socio-economic developments. SSP1 'Sustainability – Taking the Green Road' considers a gradual but pervasive shift towards a more sustainable pathway.

- negative or positive repercussions on the Group's reputation or image, resulting in: a substantial decrease or increase in share price; strained or strengthened relations with stakeholders; a significant adverse or favourable impact on rankings, potentially leading to exclusion from or inclusion in financial or sustainability rating indices.

The final risk register comprised 28 risks and 16 opportunities associated with the main drivers identified.

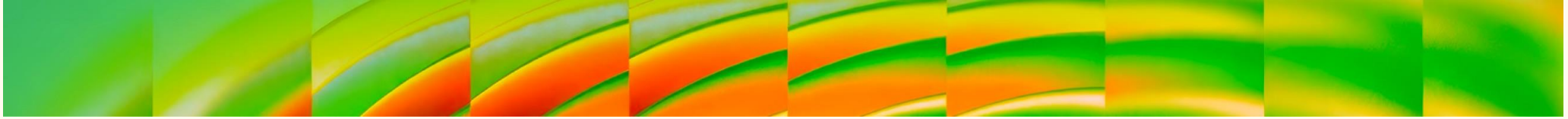
Of these, 9 risks and 4 opportunities were identified as material in the medium and/or long term, as described below.

Risks:

- The ongoing expansion of electric vehicles (EVs) and the contraction of the internal combustion engine (ICE) market may impact the competitive landscape and market dynamics (market risk, material in both the medium and long term).
- A shift to mixed transport technologies that incorporate solutions beyond the Group's portfolio may reduce sales and/or increase investment costs (market risk, material in the long term).
- Challenges in optimising the mix between renewable and alternative energy sources may lead to higher energy costs (market risk, material in the medium term).
- New or increasingly stringent emissions regulations may require changes across the entire value chain and potentially reduce product sales (policy and legal risk, material in both the medium and long term).
- Increasingly stringent environmental regulations may shorten product life cycles (policy and legal risk, material in the medium term).
- The investment costs required to comply with EU regulations may reduce cash flow (policy and legal risk, material in the medium term).
- Ensuring legal compliance and protecting people and assets from climate-related events may increase health and safety investment costs (policy and legal risk, material in both the medium and long term).
- The streamlining of battery pack assembly processes may reduce the required workforce (technology risk, material in the long term).
- Failure to anticipate future market dynamics regarding green products or production technologies may reduce competitiveness (technology risk, material in the long term).

Opportunities:

- The electrification trend may enhance market consolidation, increasing the Group's market share (market opportunity, material in both the medium and long term).
- The development of products and services that keep pace with evolving customer behaviours and purchasing patterns may strengthen the Group's market position (market opportunity, material in the long term).



- The consolidation of electrification may generate financial benefits associated with higher margin products and improved efficiency (market opportunity, material in the medium and long term).
- A regulatory shift supporting the use of carbon-neutral fuels to achieve CO_2 reduction targets may create opportunities to extend the viability of ICEs while reducing the overall cost of electrification (policy and legal opportunity, material in the medium term).

Quantifying the exact financial impacts of climate-related risks and opportunities remains challenging due to the inherent uncertainties in projections and scenarios. However, where sufficiently accurate and robust assumptions could be made, the Group has estimated the economic impacts of its risks and opportunities, providing substantial financial information to support its climate change risk assessment.

4. Metrics and Targets

GHG emissions accounting is conducted in accordance with the Greenhouse Gas Protocol.

Several base years were selected when setting Iveco Group's targets, for the following reasons:

- 2019 (for targets regarding Scope 1 and 2 emissions) – to allow comparability with performance results achieved prior to the impact of various external factors (i.e., the pandemic, supply chain disruptions, and gas price rises as a result of the war in Ukraine)
- 2022 (for targets regarding Scope 3 emissions) – to standardise all Scope 3 targets following the revision of Iveco Group's product use target, which was modified to align with new regulatory requirements and the Organisation's updated Strategic Business Plan.

In the consolidation of the GHG emissions, Iveco Group adopts the **operational control approach**.

4.1 Energy Mix and GHG Emissions Inventory

Energy Production Mix (Group-Wide)

	2025	2024 Recast[15]	2024	2023
Fuel consumption from crude oil and petroleum products (MWh)[16]	131,685	118,560	121,279	n.a.
Fuel consumption from natural gas (MWh)	568,798	598,852	605,402	n.a.
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	29,335	96,107	97,121	n.a.
Total fossil energy consumption (MWh)	**729,818**	**813,519**	**823,802**	n.a.
Share of fossil sources in total energy consumption (%)	64.8	69.6	69.1	n.a.
Fuel consumption from renewable sources, including biomass[17] (MWh)	-	-	-	n.a.
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	387,796	347,761	360,994	n.a.
Consumption of self-generated non-fuel renewable energy (MWh)	8,296	7,662	7,662	n.a.
Total renewable energy consumption (MWh)	**390,092**	**355,423**	**368,656**	n.a.
Share of renewable sources in total energy consumption (%)	35.2	30.4	30.9	n.a.
Total energy consumption (MWh)	**1,125,910**	**1,168,942**	**1,192,458**	n.a.

(15) The 2024 Recast column reports figures recalculated after excluding Iveco Group's former Fire Fighting Business Unit.
(16) The 2024 figures were recalculated to reflect a more granular analysis of car fleet energy consumption.
(17) Also comprising industrial and municipal waste of organic origin, biogas, renewable hydrogen, etc.

Energy Production Mix (Focus Area)

(tons CO_2eq)	2025	2024 Recast[18]	2024	2023
Fuel consumption from crude oil and petroleum products (MWh)	38,731	39,465	40,400	37,173
Fuel consumption from natural gas and consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	370,384	391,722	396,425	426,887
Total fossil energy consumption (MWh)	**409,115**	**431,187**	**436,825**	**464,060**
Share of fossil sources in total energy consumption (%)	55.6	55.6	55.0	55.0
Fuel consumption from renewable sources, including biomass[19] (MWh)	-	-	-	242
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	318,156	336,914	350,001	372,859
Consumption of self-generated non-fuel renewable energy (MWh)	8,179	7,560	7,560	5,264
Total renewable energy consumption	**326,335**	**344,474**	**357,561**	**378,365**
Share of renewable sources in total energy consumption (%)	44.4%	44.4%	45.0%	45.0%
Total energy consumption (MWh)	**735,450**	**775,661**	**794,386**	**842,425.1**

(18) The 2024 Recast column reports figures recalculated after excluding Iveco Group's former Fire Fighting Business Unit.
(19) Also comprising industrial and municipal waste of organic origin, biogas, renewable hydrogen, etc.

Scope 1 and 2 GHG emissions (Group-Wide)

(tons CO_2eq)	2025	2024 Recast[20]	2024	2023
Gross Scope 1 GHG emissions	134,675	133,486	135,324	n.a.
Gross Scope 2 GHG emissions – location-based	101,417	108,620	110,435	n.a.
Gross Scope 2 GHG emissions – market-based	10,942	38,380	38,389	n.a.
Total GHG emissions (Scope 1 & 2) – location-based	236,092	242,106	245,759	n.a.
Total GHG emissions (Scope 1 & 2) – market-based	145,617	171,866	173,713	n.a.

Scope 1 and 2 GHG emissions (Focus Area)

(tons CO_2eq)	2025	2024 Recast[21]	2024	2023
Gross Scope 1 GHG emissions[22]	67,375	70,314	71,215	75,067
Gross Scope 2 GHG emissions – location-based	78,371	84,085	85,775	95,509
Gross Scope 2 GHG emissions – market-based	1,827	3,508	3,508	3,960
Total GHG emissions (Scope 1 & 2) – location-based	145,746	154,399	156,990	170,576
Total GHG emissions (Scope 1 & 2) – market-based	69,202	73,822	74,723	79,027

(20) The 2024 Recast column reports figures recalculated after excluding Iveco Group's former Fire Fighting Business Unit.
(21) The 2024 Recast column reports figures recalculated after excluding Iveco Group's former Fire Fighting Business Unit.
(22) Emissions from diesel, LPG, and the car fleet are excluded.

GHG Scope 3 Emissions (Group-Wide)

(tons CO_2eq)	**2025**	**2024**
1 - Purchased goods and services	3,874,768	3,968,982
2 - Capital goods	-	-
3 - Fuel-and-energy-related activities (not included in Scopes 1 or 2)	33,757	35,136
4 - Upstream transportation and distribution	158,621	162,528
5 - Waste generated in operations	-	-
6 - Business travel	4,040	4,204
7 - Employee commuting	39,196	32,184
8 - Upstream leased assets	-	-
9 - Downstream transportation and distribution	-	-
10 - Processing of sold products	-	-
11 - Use of sold products	46,069,631	52,330,813
12 - End-of-life treatment of sold products	363,280	415,386
13 - Downstream leased assets	-	-
14 - Franchises	n/a	n/a
15 - Investments	-	-
Total GHG emissions (Scope 3)	**50,543,293**	**56,949,233**

4.2 Progress Versus Targets

Energy Consumption

	Target	Base Year Value (Focus Area)	2025 (Focus Area)	2025 Progress
Energy consumption per production unit[23] at manufacturing plants (MWh/Total manufacturing hours)	2030: -30% vs 2019	0.0306	0.0236	-22.9%

GHG Scope 1, 2 and 3 Emissions

Scope 1 and Scope 2	**Target**	**Base Year Value (Focus Area)**	**2025 (Focus Area)**	**2025 Progress**
Absolute CO_2 emissions (Scope 1 & 2) from the manufacturing plants excluding fuel used to test products (tCO_2eq)	2030: -50% vs 2019	98,300	69,202	-29.6%
Scope 3	**Target**	**Base Year Value**	**2025**	**2025 Progress**
Cat. 1 - Absolute CO_2 emissions generated by major suppliers of purchased goods, services, and capital goods (tCO_2eq)	2030: -30% vs 2022	N/A	N/A	Activities on schedule
Cat. 4 - CO_2 emissions per ton of goods shipped ($kgCO_2eq$)	2026: -7% vs 2022	268	255	-6.0%
Cat. 11 - CO_2 emissions from the use of sold products[24] (gCO_2eq per vehicle/km)	2030: -38% vs 2022	701.05	636.95	-9.1%

(23) The production unit corresponds to the hour of production. Total manufacturing hours are used to calculate the normalised production unit indicator.

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

4.3 Organisational Boundaries

The **reporting period** of the information covers the period from 1 January to 31 December for the years 2023, 2024, and 2025.

The **reporting scope** of the data presented is consistent with that of the 2025 Annual Report (refer to Chapter 1.1 General basis for the preparation of the Sustainability Statement (BP1, BP2), and Chapter 3. Climate Change (E1)). In addition, this document includes supplementary information and data from previous years.

The Group's **Scope 1 and 2 emissions** data is presented according to two distinct reporting scopes:

- Group-Wide: this scope encompasses all Iveco Group entities and sites, providing a comprehensive overview of the Organisation's environmental performance as a whole
- Focus Area: this scope includes only production areas within manufacturing plants, identified as having the greatest impact on environmental performance, providing a targeted view of the scope with the greatest influence.

As the Group Wide information was part of a scope extension prepared for the ESRS implementation, previous years' data is not available. At the same time, the targets were set in accordance with the scope of the Focus Area, in some cases excluding certain aspects such as diesel used for product testing.

The Group **Scope 3 emissions** data is presented according to the Group-Wide scope.

This document follows internationally recognised methodologies and standards for the calculation and reporting of greenhouse gas (GHG) emissions. The main references adopted are the GHG Protocol and the European Sustainability Reporting Standards (ESRS), in particular ESRS E1 – Climate Change.

GHG emissions are reported in carbon dioxide equivalents (CO_2eq).

Further details on the **calculation methodologies** are available in the 2025 Annual Report and the 2025 GHG Statement.

Focus Area Scope

Country	Plant	Business Unit[25]	Primary functions
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)
Italy	Bolzano	Defence	Defence vehicles
Italy	Brescia	Truck	Medium vehicles, cabs, chassis
Italy	Foggia	Powertrain	Engines (light), drive shafts
Italy	Piacenza	Defence	Quarry and construction vehicles
Italy	Suzzara	Truck	Light vehicles
Italy	Torino Driveline	Powertrain	Transmissions, axles
Italy	Torino Motori	Powertrain	Engines (heavy)
Italy	Vittorio Veneto	Defence	Components
Spain	Madrid	Truck	Heavy vehicles
Spain	Valladolid	Truck	Light vehicles, heavy cabs components
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	Defence vehicles
Brazil	Sete Lagoas	Powertrain	Engines (light, medium, and heavy)
China	Chongqing	Powertrain	Engines (light, medium, and heavy)

[25] In 2025 Iveco Group's business units comprised the brands indicated in brackets: Truck (IVECO); Powertrain (FPT); Bus (IVECO BUS, HEULIEZ); Defence (IDV, ASTRA).

4.4 Internal Price of Carbon

4.4.1 *Own Operations*

The Group is evaluating approaches to extend and improve the application of the internal carbon pricing (ICP) methodology, a strategic business tool for guiding investments to reduce CO_2 emissions. It should be noted that, in 2025, all identified projects received funding; therefore, the ICP did not lead to any project exclusions and was used solely for ranking projects in order of priority.

Projects are prioritised based on their ICP, favouring those that achieve greater emission reductions per euro invested.

In 2025, the methodology was applied to 26 projects to assist in the prioritisation of investments. Projects were ranked based on their calculated ICP values, and those with the lowest ICP were given precedence.

The ICP was calculated as project investment per ton of estimated greenhouse gas emissions avoided over a 10-year project lifetime (€ invested / (tCO_2eq avoided x 10 years)).

As the necessary financial resources were available, all identified projects were implemented during the year. The ICP values applied averaged €70 per ton of CO_2eq emissions avoided per year.

Some of the projects implemented in 2025 and their associated ICP values are described below:

- installation and aeraulic adjustment of a fresh-air ventilation fan serving a PVC curing oven, including inverter-based control and airflow setpoint regulation (€17/tCO_2eq/year)
- replacement of an old burner with a new high-efficiency unit within the paint curing process (€95/tCO_2eq/year)
- replacement of a cataphoresis chiller with a heat pump to recover and supply both heating and cooling for industrial processes (€99/tCO_2eq/year).

These examples reflect the Group's commitment to decarbonisation, pursuing emissions reductions even beyond strictly economic criteria.

4.4.2 Supply chain

Iveco Group is advancing the implementation of internal carbon pricing (ICP) beyond its internal operations to progressively encompass the supply chain, embedding carbon considerations into procurement and sourcing decisions. Within this framework, particular focus is placed on carbon-intensive materials, such as steel, and on the introduction of incentive mechanisms that recognise and reward the procurement of low-emission steel products through ICP. By internalising the cost of carbon and reflecting it in purchasing decisions, the Group aims to establish a clear price signal that drives supplier engagement, encourages technological innovation, and accelerates the transition toward lower-carbon supply chains.

5. TCFD Correspondence Table

THEMATIC AREA	RECOMMENDED TCFD DISCLOSURES	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	1. Governance
	b) Describe management's role in assessing and managing climate-related risks and opportunities	1. Governance 3. Climate Risk Management
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.	2. Strategy 3. Climate Risk Management
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	2. Strategy 3. Climate Risk Management
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	2. Strategy 3. Climate Risk Management
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.	3. Climate Risk Management
	b) Describe the organisation's processes for managing climate-related risks.	3. Climate Risk Management
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	3. Climate Risk Management
Metrics and 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.	4. Metrics and targets
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	4. Metrics and targets
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	4. Metrics and targets