

ANNUAL
REPORT 2024

I V E C O • G R O U P
WE GO BEYOND

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BOARD OF DIRECTORS AND AUDITOR

BOARD OF DIRECTORS^(a)

Chairperson

Suzanne Heywood

Chief Executive Officer^(b)

Olof Persson

Senior Non-Executive Director

Lorenzo Simonelli^{(1)(*)}

Non-Executive Directors

Judy Curran^{(1)(*)}

Tufan Erginbilgic^{(2)(3)(*)}

Essimari Kairisto^{(1)(*)}

Linda Knoll^{(2)(3)(*)}

Alessandro Nasi⁽²⁾⁽³⁾

INDEPENDENT AUDITOR

Deloitte Accountants B.V.

⁽¹⁾ Member of the Audit Committee

⁽²⁾ Member of the Human Capital and Compensation Committee

⁽³⁾ Member of the Environmental, Social and Governance (ESG) Committee

^(*) Independent Director

^(a) As appointed by the Annual General Meeting held on 17 April 2024.

^(b) Mr. Gerrit Marx has been Chief Executive Officer and member of the Board until 30 June 2024. Mr. Olof Persson succeeded Mr. Gerrit Marx as Chief Executive Officer, effective 1 July 2024.

DISCLAIMER

Statements other than statements of historical fact contained in this document, including competitive strengths; business strategy; future financial position or operating results; budgets; projections with respect to revenue, income, earnings (or loss) per share, capital expenditures, dividends, liquidity, capital structure or other financial items; costs; and plans and objectives of management regarding operations and products, are forward-looking statements. These statements may include terminology such as "may", "will", "expect", "could", "should", "intend", "estimate", "anticipate", "believe", "outlook", "continue", "remain", "on track", "design", "target", "objective", "goal", "forecast", "projection", "prospects", "plan", or similar terminology. Forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are difficult to predict and/or are outside the Company's control. If any of these risks and uncertainties materialise (or they occur with a degree of severity that the Company is unable to predict) or other assumptions underlying any of the forward-looking statements prove to be incorrect, including any assumptions regarding strategic plans, the actual results or developments may differ materially from any future results or developments expressed or implied by the forward-looking statements. Factors, risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements include, among others: the continued uncertainties related to the unknown duration and economic, operational and financial impacts of ongoing and/or threatened international conflicts and geopolitical tensions; supply chain disruptions and global logistic constraints, including, industry capacity constraints, supplier viability issues, material availability and relevant price volatility; increased vulnerability to cybersecurity or data privacy incidents, also due to potential massive availability of Generative Artificial Intelligence; the many interrelated factors that affect consumer confidence and worldwide demand for capital goods and capital goods-related products, including demand uncertainty caused by current macroeconomic and geopolitical issues; changes in government policies regarding banking, monetary and fiscal policy; legislation, particularly pertaining to capital goods-related issues such as the environment, debt relief and subsidy program policies, trade and commerce and infrastructure development; government policies on international trade and investment, including sanctions, import quotas, capital controls and tariffs; volatility in international trade caused by the imposition of tariffs, sanctions, embargoes, and trade wars; actions of competitors in the various industries in which we compete; development and use of new technologies and technological difficulties; the interpretation of, or adoption of new, compliance requirements with respect to engine emissions, safety or other aspects

of our products; production difficulties, including capacity and supply constraints and excess inventory levels; labour relations; interest rates and currency exchange rates; inflation and deflation; energy prices; our ability to obtain financing or to refinance existing debt; price pressure on new and used vehicles; the resolution of pending litigation and investigations on a wide range of topics, including dealer and supplier litigation, follow-on private litigation in various jurisdictions after the settlement of the EU antitrust investigation of the Iveco Group announced on 19 July 2016, intellectual property rights disputes, product warranty and defective product claims, and emissions and/or fuel economy regulatory and contractual issues; security breaches, cybersecurity attacks, technology failures, and other disruptions to the information technology infrastructure of Iveco Group and its suppliers and dealers; security breaches with respect to our products; further developments of geopolitical threats which could impact our operations, supply chains, distribution network, as well as negative evolutions of the economic and financial conditions at global and regional levels; political and civil unrest; volatility and deterioration of capital and financial markets, including other pandemics, terrorist attacks or acts of war in Europe and elsewhere; our ability to realise the anticipated benefits from our business initiatives as part of our strategic plan; our failure to realise, or a delay in realising, all of the anticipated benefits of our acquisitions, joint ventures, strategic alliances or divestitures and other similar risks and uncertainties, and our success in managing the risks involved in the foregoing.

Forward-looking statements are based upon assumptions relating to the factors described in this report, which are sometimes based upon estimates and data received from third parties. Such estimates and data are often revised. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside Iveco Group's control. Except as otherwise required by applicable rules, Iveco Group expressly disclaims any intention to provide, update or revise any forward-looking statements in this document to reflect any change in expectations or any change in events, conditions or circumstances on which these forward-looking statements are based. Further information concerning Iveco Group, including factors that potentially could materially affect Iveco Group's financial results, is included in Iveco Group's reports and public filings under applicable regulations.

Additional factors which could cause actual results and developments to differ from those expressed or implied by the forward-looking statements are included in the section "Risk Factors" of this Report.

All forward-looking statements by Iveco Group or persons acting on the behalf of Iveco Group are expressly qualified in their entirety by the cautionary statements contained herein or referred to above.



LETTER FROM THE **CHAIR** AND THE **CHIEF EXECUTIVE** **OFFICER**

DEAR SHAREHOLDERS,

THIS PAST YEAR HAS BEEN A TRANSFORMATIVE PERIOD FOR IVECO GROUP, MARKED BY SIGNIFICANT PROGRESS AS WE CONTINUE TO SHAPE THE FUTURE OF TRANSPORT.

WE MADE STEADY PROGRESS TOWARDS THE ENERGY TRANSITION, ADVANCING IN AREAS SUCH AS ALTERNATIVE PROPULSION, DIGITALISATION, FINANCIAL DISCIPLINE – AND OUR COMMITMENT TO RESPONSIBLE BUSINESS PRACTICES.

These developments took place against a backdrop of geopolitical uncertainty and economic volatility, which affected global trade, energy markets and supply chains. To stay resilient and competitive we took an assertive approach: we designed, produced and delivered increasingly efficient and forward-thinking products and services for our customers.

We are proud of what we achieved in 2024, a year that saw us meet or exceed all our financial targets for the third consecutive year.

Each of our five business units, along with the teams supporting them, worked with determination to manage costs and maintain strong pricing discipline. This approach helped offset the impact of lower volumes in some areas of our businesses.

Our sincere thanks go to our employees around the world, as well as to you, our shareholders, for your continued confidence in Iveco Group's ability to deliver long-term value.

FINANCIAL HIGHLIGHTS

We are pleased to report a strong financial performance for Iveco Group in 2024, a year that saw the introduction of several important products. Moreover, to counterbalance a 4% drop in Industrial Activities Net Revenues compared to 2023, we maintained positive pricing discipline and carefully managed costs. As a result, the adjusted

5.7%

ADJUSTED EBIT MARGIN FOR INDUSTRIAL ACTIVITIES

⁽¹⁾ This is a non-EU-IFRS financial measure. Refer to the Board Report, section "Operating and Financial Review" for information regarding the non-EU-IFRS financial measures used by the Group and the reconciliation between the non-EU-IFRS financial measure and the most comparable EU-IFRS financial measure.

€402 million

FREE CASH FLOW OF INDUSTRIAL ACTIVITIES

EBIT margin for Industrial Activities reached 5.7%, up 30 basis points from the previous year. Free cash flow⁽¹⁾ generation also ended the year at the upper end of guidance, at €402 million.

Throughout the period, we successfully launched the Model Year 2024 product line-up for trucks and vans, while – as said – maintaining a firm approach to pricing. Customer feedback has been positive, reflected in a substantial increase in Heavy-Duty Truck orders, both sequentially and year-over-year. We deliberately kept production capacity below market demand, supporting dealers in their efforts to ensure a smooth phase-out of Model Year 2022 stock. The transition to Model Year 2024 is now largely complete for Medium and Heavy-Duty Truck, with Light-Duty Truck set to follow suit during first quarter 2025, as planned.

Our Bus business unit strengthened its leadership in Europe's Intercity segment, securing 50.5% market share for the full year. We also saw impressive growth in the European City Bus segment, finishing the year as the second biggest player, with a 19.6% market share. In the Electric City Bus sub-segment, we also ranked second in Europe, with a 14.2% market share at year-end. Beyond Europe, we made notable gains in South America, doubling our market share from 4% in 2023, to 8% in 2024.

Our Powertrain business managed its cost base with remarkable efficiency, reducing the breakeven point and increasing its resilience to face challenging industry conditions. Despite sharp volume declines, these measures enabled Powertrain to end the year with an adjusted EBIT margin that was up year-over-year by 30 basis points.

Our Defence business unit achieved double-digit margins, successfully delivering a robust multi-year order book. And, as we announced on 7th February of 2025, in view of the different trends in the commercial vehicles and defence markets, and the increasingly different requirements for the long-term success of both businesses, our Board of Directors is considering separating the Defence business during 2025 through a spin-off. A separation could simplify the Group structure, increase management focus and create strategic flexibility for both businesses. The Board will provide an update on the outcome of this assessment in due course.

Finally, Financial Services again contributed significantly to the Group's aggregated figures through optimised funding that benefited the entire Company. The business unit's Net Revenues grew by a full 13% year-on-year, with a solid Return on Assets of 2%, primarily driven by the team's ability to retain a higher average receivables portfolio.

Partnerships were reinforced as seen in the renewal of our joint ventures with Santander and BNP Paribas for the management of our retail business, and with CNH for the management of their receivables in EMEA. Further, we scaled up market coverage for GATE by adding two European countries – France and Germany – in line with our business plan.

In view of the overall positive results and good performance of the various businesses, our Board of Directors recommends issuing an annual cash dividend of €0.33 per common share, totalling approximately €90 million. This proposal remains subject to formal approval at the Annual General Meeting on 16th April 2025.

GROWTH STRATEGY

While 2024 was a year of change in terms of geopolitical trends and market conditions, at Iveco Group we saw it as an opportunity to drive growth and innovation.

We focused on building an increasingly resilient supply chain, actively participating in the collective effort to embrace zero-emission mobility, and advancing our multi-energy offering designed to support each of our unique customers through this shift. And we made sure our extensive Iveco Group dealer and distribution network knew they could count on us. All of this, combined with our ongoing investments in technology, prepared us to perform well during the change. Allow us to mention a few specific examples.

On 14th March we hosted our first Capital Markets Day, where we unveiled Iveco Group's Strategic Business Plan. Having achieved well ahead of schedule the key targets for 2026 that we had set in 2021, we presented our new business ambitions and financial targets for the mid- and long-term.

In April, our Board of Directors announced a leadership transition, with Olof Persson succeeding Gerrit Marx as Chief Executive Officer from 1st July 2024. Having served as an independent director on the Board since the Group's founding, Olof was closely involved in shaping our strategic direction, including the development of the new plan presented at Capital Markets Day. His executive leadership experience, deep industry knowledge, and strong understanding of Iveco Group not only ensure continuity, but also offer renewed energy as we move forward.

In September, we had the opportunity to showcase our multi-energy strategy and introduce some new products at IAA Transportation in Hannover, Germany. At the heart of our exhibition was the state-of-the-art Model Year 2024 range of trucks and vans, designed to strengthen our leadership in Light-Duty Truck and reposition us in Heavy-Duty Truck, with products that have everything they need to compete with the best-in-class. We also featured FPT Industrial's XCursor 13-litre multi-fuel engine, which can operate on diesel, natural gas or hydrogen. Among the product launches at the show were our electric heavy-duty rigid truck, our eMoovy full-electric light chassis cab, our new 9-litre hydrogen-powered engine, and prototypes of an

engine powered by hythane (a blend of hydrogen and methane) and a new electrified axle for light commercial vehicles.

Elsewhere, we continued reshaping and expanding our distribution network. In November we transferred IVECO's Nordic distribution operations to Hedin Mobility Group, strengthening our reach across Denmark, Finland, Norway and Sweden.

And we ended the year as planned, announcing on 3rd January 2025 that the ownership of MAGIRUS and its affiliates performing firefighting business was transferred to Mutares, a German private equity company. This move ensured that MAGIRUS remains competitive in this specialist market.

SUSTAINABILITY AT OUR CORE

This year we have embraced the Corporate Sustainability Reporting Directive (CSRD), integrating our key ESG indicators into this Annual Report for the first time. Aligning with the new European framework not only reinforces our sustainability commitment but also drives stronger business performance.

Our focus on sustainable business practices continued to guide our operations throughout the year. We achieved EDGE Certification for our commitment towards workplace gender equality, making us the first in our industry to obtain this recognition. This not only reflects that we hold ourselves accountable to the highest standards in workplace equity and inclusion, it also satisfies our goal of obtaining third-party certification of gender pay equity across the organisation, two years ahead of schedule.

Our sustainability efforts were also recognised with a Platinum Medal in the EcoVadis Sustainability Rating, placing us in the top 1% of over 150,000 companies assessed globally. Additionally, we maintained our place in the prestigious Dow Jones Sustainability Indices for both Europe and World, achievements based on our performance and management of Environmental, Social and Governance (ESG) risks, opportunities and impacts.

Our commitment to sustainable products was highlighted by several industry awards, including 'Sustainable Truck of the Year 2024' and 'Electric Van Breakthrough of the Year' for the IVECO electric Daily. Also, our IVECO BUS E-WAY H2 hydrogen-powered bus won the 'International Sustainability Award 2024' and FPT Industrial's XCursor 13-litre multi-fuel engine won the 'Alternative Engine Award'.

2025 OUTLOOK

Our forecasts for 2025 reflect our expectations for a two-speed year: lower activity in the first half, with recovery in the second. We forecast heavy-duty trucks in Europe at between 280-290 thousand registrations, signalling a stabilisation of the market. For medium-duty trucks, we expect volumes to be slightly down compared to 2024 and for light-duty trucks, our European industry forecast is mainly flat versus 2024.

We will continue to monitor our production capacities, with particular attention to managing costs and supporting the phase-in of Model Year 2024 for Truck. Meanwhile, our Bus and Defence order books remain strong, and we are maintaining a rigorous approach to cost management in Powertrain, to support profitability.

In 2025 and 2026 we will accelerate our Efficiency Programme, reprioritising certain investments to reduce our operational spending and save €300 million (CapEx and OpEx), but without affecting our product pipeline.

Our state-of-the-art product offering, broad network of dealers and service points, and in-house battery production give the potential for Iveco Group to become the leader in the electric sector. We are on track to increase the output of all our electric products and well positioned to meet the upcoming European emission standard regulation.

So, our Full Year 2025 preliminary financial guidance is based on the current industry outlook and solid order backlogs, coupled with a constant pricing discipline and focus on cost management. As disclosed in our 2024 full year and fourth quarter press release, our 2025 preliminary financial guidance for the year is as follows:

At consolidated level:

- Group Adjusted EBIT at between €980 and €1,030 million.

And for Industrial Activities:

- Net Revenues (including currency effects) to be flat year-over-year.
- Adjusted EBIT from Industrial Activities at between €850 and €900 million.
- Free Cash Flow at between €400 and €450 million.

A MILESTONE YEAR

2025 marks a special milestone for us as we celebrate 50 years of IVECO. Our incredible brand has evolved over the decades into the Iveco Group of today. Throughout the year we will be hosting events and initiatives that reflect our rich history, Italian heritage and commitment to innovation. We look forward to celebrating with our customers, partners and employees worldwide.

At the heart of our success is a shared determination to go beyond, challenge expectations and deliver real value. With your trust and support we will continue to build a stronger and more successful Iveco Group.

Yours sincerely,



SUZANNE HEYWOOD
CHAIR, IVECO GROUP



OLOF PERSSON
CHIEF EXECUTIVE OFFICER, IVECO GROUP

01

BOARD REPORT

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INTRODUCTION

Iveco Group N.V. (the "Company" and together with its subsidiaries the "Iveco Group" or the "Group") was incorporated as a public limited company (naamloze vennootschap) under the laws of the Netherlands on 16 June 2021. The Company's corporate seat is in Amsterdam, the Netherlands, and its principal office and business address is Via Puglia n. 35, Turin, Italy. The Company is registered with the trade register of the Chamber of Commerce of the Netherlands (Kamer van Koophandel) under number 83102701. The Netherlands is the Company's home member state for the purposes of the EU Transparency Directive (Directive 2004/109/EC, as amended by Directive 2013/50/EU). Unless otherwise indicated or the context otherwise requires, the terms "we", "us" and "our" refer to Iveco Group N.V. together with its subsidiaries.

The Company was formed in the context of the separation ("the Demerger") of the Commercial and Specialty Vehicles business, the Powertrain business as well as the related Financial Services business from CNH Industrial N.V. The Demerger became effective on 1 January 2022 (the "Effective Date"), and the Company ultimately began to act as a holding for the Iveco Group, also providing for central treasury activity in the interest of Group's subsidiaries.

On 3 January 2022, the Company's Common Shares started trading on Euronext Milan (previously named the Mercato Telematico Azionario), a regulated market operated by Borsa Italiana S.p.A. in Milan, Italy. As a result of the listing, the Company became a Dutch Public Interest Entity (OOB) on 3 January 2022.

Iveco Group N.V. is a global automotive leader that, through its various businesses, designs, produces and sells trucks, commercial vehicles, buses, and defence vehicles, in addition to a broad portfolio of powertrain applications. In addition, Iveco Group's Financial Services segment offers a range of financial products and services to dealers and customers.

Until the end of 2024 Iveco Group also designed, produced and sold fire fighting vehicles under MAGIRUS brand. On 13 March 2024, Iveco Group and Mutares SE & Co. KGaA announced the signing of a definitive agreement for the transfer of ownership of Magirus GmbH and its affiliates performing Fire Fighting business. The transfer was completed on 3 January 2025. According to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, as the sale became highly probable in March 2024, the Fire Fighting business met the criteria to be classified as a disposal group held for sale and discontinued operations. In accordance with applicable accounting standards, the figures in the Income Statement and Statement of Cash Flows for 2023 comparative periods have been represented consistently.

PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION

Iveco Group reports quarterly and annual consolidated financial results prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU-IFRS), and with the euro as the presentation currency. The tables and discussion related to the financial results of the Company and its segments shown in this Report are prepared in accordance with EU-IFRS and, unless otherwise indicated, all financial data set forth in this Report are expressed in euro.

As of 31 December 2024, Iveco Group reports its operations under five reportable segments: Truck, Bus, Defence, Powertrain, and Financial Services. These operations are reported as Continuing Operations. The activities carried out by Truck, Bus, Defence, and Powertrain, as well as corporate functions, are collectively referred to as "Industrial Activities". As previously mentioned, Fire Fighting business is reported as Discontinued Operations.

Certain financial information in this report has been presented by geographic region. Our geographic regions are: (1) Europe; (2) South America; (3) North America and (4) Rest of World. The geographic designations have the following meanings:

- Europe: member countries of the European Union, European Free Trade Association, the United Kingdom, Ukraine and Balkans;
- South America: Central and South America, and the Caribbean Islands;
- North America: United States, Canada and Mexico; and
- Rest of World: Continental Asia (including Türkiye and Russia), Oceania and member countries of the Commonwealth of Independent States, the African continent and Middle East.

Certain industry and market share information in this report has been presented on a worldwide basis which includes all countries. In this Report, management estimates of past market-share information are generally based on registrations of equipment in most of Europe, Brazil, and various Rest of World markets, and on retail and shipment unit data collected by a central information bureau appointed by equipment manufacturers associations, including the ANFAVEA in Brazil, as well as on other shipment data collected by an independent service bureau. Commercial Vehicles regions are defined as follows: Europe (the 27 EU countries where Commercial Vehicles competes and for which market data are available, excluding the United Kingdom and Ireland, for market share and total industry volume (TIV) reporting purposes), South America (Brazil, Argentina), and Rest of World (Russia, Türkiye, South-East Asia, Australia, New Zealand). Iveco Group Light Commercial Vehicles (LCV) Professional Cab-Chassis only considers the major 14 European markets. Professional Cab-Chassis TIV is based on estimates subject to ongoing review and improvement; this supervision approach may lead to changes in Iveco Group market share, even in past periods. In addition, there may be a period of time between the shipment, delivery, sale and/or registration of a unit, which must be estimated, in making any adjustments to the shipment, delivery, sale, or registration data to determine our estimates of retail unit data in any period.

SUSTAINABILITY STATEMENT

1. GENERAL DISCLOSURES (ESRS 2)

1.1 GENERAL BASIS FOR THE PREPARATION OF THE SUSTAINABILITY STATEMENT (BP1, BP2)

Iveco Group's 2024 Sustainability Statement was prepared in accordance with the European Sustainability Reporting Standards (ESRS) developed by the European Financial Reporting Advisory Group (EFRAG). Although the adoption of the Corporate Sustainability Reporting Directive (CSRD) in the Netherlands is still pending, the Group has chosen to take a proactive approach by voluntarily adhering to the ESRS.

The Iveco Group Sustainability Statement aims to give stakeholders a comprehensive overview of the Group's operations, integrating its financial results and economic commitments with its environmental and social ones.

Sustainability Statement contents are selected through a process of exchange and comparison across Iveco Group's internal departments, facilitated by a network of representatives within the different organisational areas that oversee the implementation of initiatives and the reporting of sustainability performance.

The Statement's contents are defined based on the results of the double materiality assessment to provide as complete a representation as possible of the relevant information, outlining environmental and social action priorities and timeframes, to enable a thorough evaluation by stakeholders.

Unless otherwise indicated, the terms 'Iveco Group', 'Group', and 'Organisation' refer to Iveco Group together with all its subsidiaries (also called 'legal entities', 'companies', and 'group of companies'). 'Company' refers to Iveco Group N.V.

The annual reporting period of the Sustainability Statement covers information and data for the year 2024 – which coincides with the calendar year – for the whole of Iveco Group worldwide as consolidated in the 2024 Annual Report as at 31 December 2024. The Statement therefore covers 100% of the Group's activities.

The qualitative and quantitative information presented in the Sustainability Statement encompasses the Group's upstream and downstream value chain, highlighting the material topics deemed significant, including beyond corporate boundaries.

Unless otherwise indicated, the definitions of short-, medium-, and long-term align with those of the ESRS.

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

Approach to Data Calculation

Any significant restatement of data or information from the previous reporting period is explicitly noted in the relevant sections, in either the text or the accompanying tables. Changes in performance compared to previous years are calculated using all available decimal places to ensure accuracy. Additionally, all target achievement dates refer to the end of the year, specifically to 31 December of the year indicated.

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

- 2019 (for targets regarding CO₂ emissions reduction, environmental aspects, safety and educational activities) – 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)

- 2021 (for newly established targets for collaboration projects with suppliers and the Net Promoter Score) – being the first available year for tracking these specific new targets
- 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.

Sources of Estimation and Outcome Uncertainty

Most data reported in the Sustainability Statement was prepared using internal tools, while certain sustainability metrics were based on judgements, estimates, and assumptions. Where available, Iveco Group uses reputable external sources and historical data, reviewing and updating its approach regularly. However, these methods involve inherent uncertainties. This means that, when data was unavailable or incomplete, it was supplemented with data based on estimates and assumptions. This is outlined in the table below, together with references to the relevant Sustainability Statement sections where further details are provided.

Section	Data that was estimated
3.5 Climate Metrics (under 3. Climate Change)	Unavailable data for some non-manufacturing sites Unavailable data for Scope 3 categories 6, 7, 11, and 12
4.5.1 Our Operations (under 4. Pollution of Air)	Unavailable data on NO _x , SO _x , and dust emissions for some non-manufacturing sites
5.5 Water Consumption (under 5. Water Resources)	Unavailable data for some non-manufacturing sites
6.3.1 Resource Inflow Actions, Targets, and Metrics – Technical raw materials (under 6. Resource Use and Circular Economy)	For recycled content, estimates were based on a sample of data for vehicles produced in Europe, reflecting the respective material compositions reported
6.4.1 Waste Actions, Targets, and Metrics (under 6. Resource Use and Circular Economy)	Unavailable data for some non-manufacturing sites

Governance and Economic Data Calculation

Financial data was sourced directly from the Annual Report or through dedicated IT tools used by the Finance Department for ad hoc data collection.

Figures in **currencies** other than Euro were converted at the yearly average exchange rate as at 31 December 2024.

Environmental Data Calculation

Regarding both **environmental** and **energy performance**, normalised production unit indexes were defined specifically to track the respective medium- and long-term performance trends. This approach emphasises performance improvements due to process optimisation rather than fluctuations in production volumes.

Performance indicators are calculated on the **total number of manufacturing hours**, defined as the hours of presence of hourly employees within the manufacturing scope required to manufacture a product.

Values expressed in **tons** refer to metric tons/tonnes (1,000 kilos).

The Group's environmental data – including performance indicators such as energy consumption, Scope 1 and 2 emissions, water usage, and waste generation – 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.

FOCUS AREA SCOPE

Plant	Country
Vysoké Myto	Czech Republic
Annonay	France
Bourbon-Lancy	France
Rorthais	France
Ulm	Germany
Bolzano	Italy
Brescia Truck	Italy
Brescia Firefighting	Italy
Foggia Powertrain	Italy
Piacenza	Italy
Suzzara	Italy
Torino Driveline	Italy
Torino Motori	Italy
Vittorio Veneto	Italy
Madrid	Spain
Valladolid	Spain
Cordoba Truck	Argentina
Cordoba Powertrain	Argentina
Sete Lagoas Truck	Brazil
Sete Lagoas Defence	Brazil
Sete Lagoas Powertrain	Brazil
Chongqing	China

The **Group-Wide** scope in 2024 included, in addition to the aforementioned plants, a further 6 manufacturing sites⁽¹⁾ along with Group spare parts warehouses, research laboratories, test tracks, and office buildings.

Social Data Calculation

Own workforce refers to the entire corporate scope as at 31 December 2024, and is reported as the headcount number, unless otherwise specified.

Employees are divided into 4 main categories: Hourly, Salaried, Professional, and Manager. Professional encompasses all individuals in specialised roles. Manager refers to individuals in manager/senior professional roles and above. All categories include both full-time and part-time employees.

Investment data for **local communities** is categorised as per the principles set out in the Business for Societal Impact (B4SI) Framework. Data is based on accounting data and methods, and also includes estimates.

Other

In March 2024, Iveco Group announced an agreement with the listed private equity investor Mutares SE & Co. KGaA to transfer the ownership of Magirus GmbH and its affiliates conducting firefighting business under the Brand MAGIRUS. The transfer was completed on 3 January 2025. The 2024 data was not affected by this operation and, unless otherwise specified, Fire Fighting business is included in this sustainability reporting cycle.

Information regarding specific circumstances, and their impact on the preparation of the Sustainability Statement, is provided in the corresponding sections, along with the related disclosures.

⁽¹⁾ In this section of the Annual Report, the marine engines production line and the FPT Industrial ePowertrain plant in Turin (Italy) are treated as part of the Torino Motori plant and of the Torino Driveline plant, respectively.

1.2 THE BOARD OF DIRECTORS AND ITS COMMITTEES (GOV-1, GOV-2)

Iveco Group is a public limited liability company (naamloze vennootschap) incorporated and organised under Dutch law. Its Common Shares are listed on Euronext Milan, managed by Borsa Italiana S.p.A. Accordingly, the Company complies with Dutch law, Italian financial market rules, and the best practice provisions⁽²⁾ of the Dutch Corporate Governance Code (DCGC). The DCGC's aim is to ensure a sound and transparent system of checks and balances within Dutch listed companies by regulating relationships within the board of directors and between the board and the company's shareholders.

Iveco Group has a **one-tier board structure**⁽³⁾ that is charged with top-level administrative, management, and supervisory responsibilities. It comprises Executive Directors and Non-Executive Directors, collectively referred to as 'Directors'. The Board as a whole is responsible for the strategy and the continuity of the Company and its businesses. Each Director has an obligation to the Company to properly perform the duties assigned under or pursuant to the law or the Articles of Association, and to act in the Company's corporate interest, which extends to the interests of all its stakeholders, including shareholders, creditors, and employees.

The Executive Directors are primarily responsible for overseeing the Company's day-to-day operations. The Non-Executive Directors supervise (i) the Executive Directors' policies and performance of duties and (ii) the Company's general affairs and business, rendering both solicited or unsolicited advice and direction to the Executive Directors. The applicable rules and the Company's Articles of Association do not provide for the representation of employees or other workers on the Board.

In 2024, no Board member held a comparable position in public administration (including regulatory bodies) in the 2 years prior to their appointment.

As at 31 December 2024, the Board was composed of 8 Directors, with 2 (25%) serving as Executive Directors (one with the title of Chairperson – Suzanne Heywood – and one with the title of Chief Executive Officer – Olof Persson), and 6 (75%) as Non-Executive Directors. Of the total Directors, 50% were male and 50% female, all were appointed for a term lasting until the Company's Annual General Meeting in 2025, and 5 met the DCGC's independence requirements. No Board member was under 30 years of age; 1 member was in the 30-50 age group, and 7 members in the over-50 age group.

IVECO GROUP BOARD OF DIRECTORS OVERVIEW AS AT 31 DECEMBER 2024

DIRECTOR	PERSONAL INFORMATION			IVECO GROUP DIRECTORSHIP		
	BORN IN	GENDER IDENTITY ^(a)	GEOGRAPHIC DIVERSITY	EXECUTIVE	INDEPENDENT	YEAR OF INITIAL APPOINTMENT
SUZANNE HEYWOOD	1969	F	UK	Yes	No	2022
OLOF PERSSON	1964	M	SE	Yes	No	2022
LORENZO SIMONELLI ^(b)	1973	M	CH IT UK USA	No	Yes	2022
JUDY CURRAN	1961	F	USA	No	Yes	2024
TUFAN ERGINBILGIC	1959	M	TR UK	No	Yes	2022
ESSIMARI KAIRISTO	1966	F	DE FIN	No	Yes	2022
LINDA KNOLL	1960	F	USA	No	Yes	2022
ALESSANDRO NASI	1974	M	IT	No	No	2022

^(a) Gender identity is defined as an individual's internal sense of being male (M), female (F), both (B), neither (N), or something else (SE).

^(b) Senior Non-Executive Director.

⁽²⁾ Except as discussed in the section 'Compliance with the Dutch Corporate Governance Code' in this Report.

⁽³⁾ The Board of Directors does not include representation from employees or other workers.

In line with its regulations, its composition guidelines⁽⁴⁾, and the Company's Diversity, Equity & Inclusion Policy, the Board of Directors is composed of individuals who bring the appropriate skills and experience needed for a company of Iveco Group's size, geographic reach, and business focus. These competencies include expertise on general and industry-specific management, international business, Environmental, Social and Corporate Governance (ESG), quality and regulations, finance and accounting, human resources, information technology and digital (namely cybersecurity), marketing, and governmental and public affairs, all aligned with Iveco Group's business mission. The Company believes that bringing different perspectives into the boardroom creates more effective discussions. To this end, appropriate **diversity criteria** (including age, gender, and cultural and professional background) are applied to ensure a broad range of views on the Board. Combined with the skills and expertise of the Board members, these different perspectives support a deeper understanding of current affairs and of the longer-term risks and opportunities regarding Iveco Group's business, considering the geographic, social, and environmental context in which it operates.

Each Board member's **main skills** are summarised in individual charts available on the corporate website under their respective profiles⁽⁵⁾; these skills were self-assessed using a 3-level scale (basic, medium, or full skill). Directors can request targeted induction initiatives to support them in enhancing their skills as deemed appropriate, particularly in response to evolving scenarios, needs, and priorities. Based on the annual self-assessment performed under the oversight of the ESG Committee, the Board considers itself well-suited to fulfil its duties given the Company's current and prospective challenges, and will continue to consider enhanced diversity and independence as a priority. The Directors' skills (and relevant definitions) are summarised below.

IVECO GROUP BOARD OF DIRECTORS SKILLS MATRIX AS AT 31 DECEMBER 2024

DIRECTOR	SKILLS CATEGORIES							
	INDUSTRY	STRATEGY & CORPORATE DEVELOPMENT	INNOVATION	SUSTAINABILITY	RISK MANAGEMENT	ICT & CYBERSECURITY	GOVERNANCE	FINANCIAL
SUZANNE HEYWOOD	●	●	●	●	●	●	●	●
OLOF PERSSON	●	●	●	●	●	●	●	●
LORENZO SIMONELLI	●	●	●	●	●	●	●	●
JUDY CURRAN	●	●	●	●	●	●	●	●
TUFAN ERGINBILGIC	●	●	●	●	●	●	●	●
ESSIMARI KAIRISTO	●	●	●	●	●	●	●	●
LINDA KNOLL	●	●	●	●	●	●	●	●
ALESSANDRO NASI	●	●	●	●	●	●	●	●

The three skill levels (basic, medium, full) are described as follows:

- **Full** Director possesses extensive skill/knowledge/experience
Director has received significant formal training and guidance and is able to provide same to colleagues
- **Medium** Director has proved skill/knowledge/experience
Director has received formal training
- **Basic** Director has foundational level of skill/knowledge/experience
Director has received basic induction

⁽⁴⁾ Available on the corporate website.

⁽⁵⁾ Refer to the Board of Directors section.

The following are the skills definitions used to compile the Skills Matrix.

- **Industry:** Experience at executive and/or board level at companies operating in the following 2 sub industries⁽⁶⁾:
 - Industry: 201060 Machinery; sub-industry: 20106010 Construction Machinery & Heavy Transportation Equipment: Manufacturers of heavy-duty trucks, rolling machinery, earth-moving and construction equipment, and manufacturers of related parts. Includes non-military shipbuilding
 - Industry: 251020 Automobiles; sub-industry: 25102010 Automobile Manufacturers: companies that produce mainly passenger automobiles and light trucks.
- **Strategy and corporate development:** Experience at executive and/or board level in developing and leading strategy. Experience in analysing, identifying, and evaluating corporate development opportunities in a financial/insurance institution, including mergers, acquisitions, partnerships, joint ventures, and product development. Experience in overseeing an organisation's transformation and disclosures resulting from identified risks and opportunities.
- **Innovation:** Experience at executive and/or board level in developing and leading forward thinking innovation, or change initiatives including those that produce new solutions or efficiencies in business models, products, or operational excellence.
- **Sustainability:** Experience in sustainability, especially in key material environmental, social, and governance (ESG) trends (including climate change, employee health and safety, human rights, and diversity and inclusion aspects), along with material impacts, risks and opportunities for the organisation that relate to ESG.
- **Risk management:** Experience at executive and/or board level in risk management.
- **ICT & cybersecurity:** Experience of enterprise-wide information technology systems, client-based digital infrastructures, data analytics, privacy, and cybersecurity strategy and policies.
- **Governance**⁽⁷⁾: Understanding of board duties and responsibilities and of leading cooperative, regulatory, and/or governance principles and practices, including subsidiary governance, gained as the senior executive and/or board member of an organisation with solid cooperative and/or corporate governance practices.
- **Financial:** Experience in managing the financial activities of a public, private, and/or non-profit organisation or cooperative.

Based on the skills and professional experience of the Company's Directors, the Board believes it collectively possesses the experience and expertise required for Iveco Group's sectors of operation, products, and geographic presence. This includes the Board's ability to effectively oversee the Company's management team, which is in charge of the governance processes, controls, and procedures used to assess, monitor, manage, and oversee impacts, risks, and opportunities from an operational and technical perspective.

The Board of Directors has collective responsibility for the strategy, management, supervision, and continuity of the Company. Among other things, it oversees the development of Iveco Group's mission and vision, as well as its culture, strategies, policies, and goals regarding economic, environmental, social, and governance topics. The Board has three **committees**, each composed of Non-Executive Directors, to assist in fulfilling its duties: the Audit Committee, the ESG Committee, and the Human Capital & Compensation Committee. Both directly and through its Committees, the Board discusses strategic, industrial, and technological scenarios. It oversees the risk management process. It approves annual budgets and strategic plans and targets, and monitors their progress regarding actual results and forecasts. Lastly, it supervises ongoing operations with a specific focus on major projects and transactions while continually reviewing the Company's innovation priorities over time.

For more information on the Board of Directors, see the 'Governance Statement' in this Report.

⁽⁶⁾ Although Iveco Group is a multi-business undertaking, its activities relate to 2 sub-industry groups, as per MSCI and Standard & Poor's Global Industry Classification Standard.

⁽⁷⁾ For the purposes of this section, Governance encompasses all aspects of Business Conduct.

Iveco Group has established an **organisational structure** to optimise the management of sustainability matters within the Organisation. The ultimate responsibility for sustainability matters lies with the Board and its ESG Committee (with the active support of the Audit Committee in sustainability reporting and relevant internal controls and risk management systems). From an executive point of view, this responsibility falls under the Senior Leadership Team (SLT); from an operational one, under the Sustainability Department.

At **Board level**, according to its Charter, the ESG Committee⁽⁸⁾ is responsible, among other things, for assisting the Board in:

- overseeing the Company's ESG priorities, commitments, goals, risks, and opportunities, as well as their integration into the overall strategy and business model (including in terms of the materiality analysis), and with reference to the Company's entire value chain, in the pursuit of sustainable long-term value creation, taking into account the interests of the Company's diverse stakeholders
- overseeing the Company's stakeholder relations and dialogue on ESG and sustainability⁽⁹⁾ aspects, with consultation as deemed appropriate by the Committee
- overseeing ESG policies, programmes, and practices to advance the Company's business purpose, strategy, culture, values, and reputation
- monitoring the Company's ESG performance, providing guidance on key ESG matters, and reviewing the materiality analysis to prepare for sustainability reporting.

On the other hand, according to its Charter, the Audit Committee⁽¹⁰⁾ advises and assists the Board with:

- overseeing the integrity and quality of the Company's financial and sustainability disclosures, as well as the relevant reporting processes (including internal controls over financial and sustainability reporting)
- supervising the effectiveness of the design and operation of the Company's internal risk management and control system (including ICSR⁽¹¹⁾ and risk management systems for sustainability reporting), in line with applicable rules, standards, and best practices
- managing and supervising the Company's relations with its independent auditors for financial and sustainability reporting, according to applicable rules, standards, and best practices.

At senior **executive level**, the Senior Leadership Team (SLT) is an operational body of Iveco Group responsible for reviewing the operating performance of the Company's business areas. It is involved in decision-making on certain operational matters, and oversees the quality and execution of the Company's strategy on impacts, risks, and opportunities. The SLT reports to and advises the Board of Directors on key matters (including sustainability), with the Board remaining accountable for the decisions of the SLT itself as it has ultimate responsibility for the Company's direction, management, supervision, and reporting. The SLT operates under the supervision of the Non-Executive Directors, providing them, through the CEO and its other members, with all the information they require to fulfil their responsibilities.

As at 31 December 2024, the SLT had 15 members and its composition was as follows:

- gender: 10 males (representing 67% of the total) and 5 females (representing 33% of the total)
- age group: 4 members were in the 30-50 age group (27%), 11 members were in the over-50 age group (73%), and no member was under 30 years of age.

The SLT members are provided with regular updates on Iveco Group's sustainability performance, with a continuous focus on shared priorities and targets. The SLT is specifically responsible for:

- defining the sustainability strategy
- aligning the sustainability strategy with business needs, adopting a medium- to long-term perspective
- updating the Company's sustainability targets annually, and reviewing them mid-year.

The Chief Sustainability Officer, a member of the SLT, is in charge of providing performance updates to the SLT and generally attends all ESG Committee meetings, as well as Audit Committee meetings whenever sustainability topics are on the agenda.

⁽⁸⁾ The Charter of the ESG Committee is available on the corporate website.

⁽⁹⁾ ESG and sustainability aspects include climate-related and water security issues.

⁽¹⁰⁾ The Charter of the Audit Committee is available on the corporate website.

⁽¹¹⁾ Internal Control over Sustainability Reporting (ICSR).

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

- promoting a culture of sustainability throughout the Company, engaging all levels of the organisation
- promoting the integration of sustainability into day-to-day activities, implementing the relevant strategies
- facilitating continuous improvement by supporting and motivating other corporate functions
- strengthening relationships with stakeholders
- interacting regularly with the executive teams and Board of Directors
- providing updates on sustainability performance
- establishing internal controls to **ensure accuracy and reliability in the sustainability reporting process**.

The Sustainability Department Manager provides technical support to both the ESG Committee and the Audit Committee.

Sustainability Representatives are appointed to represent the Group's operating areas and provide a direct link with the Sustainability Department, ensuring both technical and organisational support in dealing with sustainability matters. They are responsible for:

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

A list of the impacts, risks, and opportunities associated with the material sustainability matters identified by the Iveco Group was submitted by the Sustainability Manager to the ESG Committee, approved by the latter, and shared with the Audit Committee. As per the normal yearly schedule, the ESG Committee is updated quarterly on material sustainability matters, which enables it to oversee the Organisation's sustainability activities and progress against set targets, using appropriate metrics and focusing on key processes and actions.

1.3 SUSTAINABILITY-DRIVEN INCENTIVE SCHEMES (GOV-3)

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 2024, 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 CO₂ 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 CO₂ emissions (Scope 1 & 2 - Focus Area⁽¹²⁾) 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.

On the other hand, Iveco Group's short-term incentives in 2024 were linked to the strategic sustainability target focused on increasing the number of office positions held by women. These incentives applied to the Senior Leadership Team (SLT) members, including the CEO, and all other professional-and-above employees. For more information on remuneration components, see the 'Remuneration Report' in this Report.

⁽¹²⁾ For the definition of the Focus Area scope, see 1.1 General Basis for the Preparation of the Sustainability Statement.

1.4 STATEMENT ON DUE DILIGENCE (GOV-4)

Iveco Group places particular emphasis on conducting due diligence within its value chain, recognising the crucial role it plays in Group operations. Due diligence is an ongoing practice that responds to and may trigger changes in the company's strategy, business model, activities, business relationships, operating, sourcing and selling contexts. The actions described in the sections referenced in the table below are the starting point for Iveco Group's structured due diligence approach to sustainability.

Core Elements of Due Diligence	Sections in the Sustainability Statement
Embedding due diligence in governance, strategy, and business model	1.6 Strategy, Business Model, and Value Chain 1.8 Integrating Material Impacts, Risks, and Opportunities into the Strategy and Business Model
Engaging with affected stakeholders in all key steps of the due diligence	1.7 Stakeholders Viewpoint and Interests
Identifying and assessing adverse impacts	1.9 Identifying and Assessing Material Impacts, Risks, and Opportunities
Taking actions to address those adverse impacts	3.4 Climate Actions and Targets 4.3 Air Pollution Actions and Resources 5.3 Water Actions and Resources 6.3 Resource Inflow 6.4 Resource Outflow 11.3 Business Conduct and Corporate Culture
Tracking the effectiveness of these efforts and communicating	3.5 Climate Metrics 4.5 Air Pollution 5.5 Water Consumption 6.3 Resource Inflow 6.4 Resource Outflow

1.5 RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING (GOV-5)

In 2024, Iveco Group launched an initiative to enhance its internal control system for sustainability reporting, focusing on both design and operating effectiveness. The internal control system consists of policies, procedures, organisational structures, and a corporate culture that promotes sustainable management, in line with strategic guidelines and corporate objectives, enabling the identification, evaluation, and mitigation of risks that could impact the achievement of such objectives. The internal control system was implemented based on the supplemental guidance entitled 'Achieving Effective Internal Control over Sustainability Reporting (ICSR)' issued by COSO⁽¹³⁾ on 31 March 2023, recognised as the benchmark for effective ESG reporting control systems.

The aforementioned 2023 COSO guidance leverages on the application of the 5 components (Control Environment, Risk Assessment, Control Activities, Information and Communication, Monitoring Activities) and the 17 principles defined by the COSO Internal Control - Integrated Framework (also known as ICIF-2013), designed to support the development of an effective and integrated control system for sustainability reporting. Building on this framework, Iveco Group leveraged synergies between its sustainability and financial reporting processes and controls in order to design and implement its own integrated and comprehensive internal control system.

The initiative, currently in progress, initially focused on a subset of KPIs identified as most relevant based on the results of the Scoping phase described below, with plans to expand the number of KPIs as implementation progresses. The Group's ICSR process includes the following key phases:

- **Governance:** involving the definition of the ICSR governance model in terms of roles and responsibilities, reporting structures, and mechanisms for coordinating between the Sustainability function and other functions involved in the sustainability reporting process
- **Scoping:** starting from the list of European Sustainability Reporting Standards (ESRS) data points to be disclosed by Iveco Group, identified as a result of the double materiality assessment, the Organisation developed an ad hoc methodology to implement an internal control approach tailored to the different levels of relevance of the data identified for disclosure. The levels of relevance were determined by assessing each KPI (each representing a grouping of ESRS data points within Iveco Group's scope) against qualitative and quantitative criteria (i.e., complexity, ownership, Group strategy,

⁽¹³⁾ Committee of Sponsoring Organizations of the Treadway Commission.

CSA⁽¹⁴⁾/rating agency requirements, management incentives, reputational impact, management evaluations), and by evaluating the contribution of countries, legal entities or plants to each KPI. Using this methodology, all KPIs in scope were grouped into three clusters of relevance, each requiring a distinct internal control model approach (refer to the Process and Control Documentation phase below). During this first year of implementation, the scoping perimeter was limited to quantitative data points, and will be extended to all data points in scope in the next phases of implementation

- **Risk Analysis:** involving the identification of risks in sustainability reporting by analysing relevant data and information and by identifying factors that may hinder the achievement of the 'Qualitative characteristics of information' outlined in ESRS 1 - Appendix B. The latter requires the information presented by Iveco Group in its Sustainability Statement to be relevant, faithfully represented, comparable, verifiable, and understandable. The sustainability reporting risk assessment allows to identify and assess sustainability risks at the assertion level, as well as the entity-level controls (ELCs) needed to effectively mitigate them. To strengthen the internal control system, Iveco Group selected and focused on a subset of KPIs, all of which are classified as highly relevant to the Group, in order to map the related processes supporting KPI data development and identify the associated risks. The main risks are described below:
 - inaccurate or incomplete data: the risk that the data reported in the Sustainability Statement is inaccurate or incomplete is mitigated through process controls over data calculation and collection. These controls are embedded in the end-to-end KPI development process⁽¹⁵⁾, as well as in data consolidation and reporting
 - data not compliant with applicable regulations: the risk that the data reported in the Sustainability Statement is not in line with applicable regulations is mitigated through central controls implemented by the Sustainability function. These controls ensure that both the ESG reporting perimeter and the double materiality assessment are duly validated, that the methodological rules for KPI calculations are reviewed annually, and that the Sustainability Statement's contents are thoroughly checked to ensure alignment with ESRS requirements.
- **Process and Control Documentation:** this phase involves identifying key processes based on the Scoping and Risk Analysis performed, as well as the relevant controls within each process to effectively mitigate the identified risks. These controls are documented in a structured and detailed manner, ensuring they can be assessed effectively to verify whether their design is appropriate for achieving their intended objectives. A Control Model was developed to establish suitable controls for different categories of KPIs, based on the cluster they were assigned to in the Scoping phase:
 - entity-level controls (ELCs) – these are company-wide internal controls designed to mitigate risks across the entire Organisation and that, as such, have a pervasive impact on Iveco Group's overall system of internal controls. ELCs, which include the policies, procedures, and activities that underpin the Group's comprehensive framework for an effective internal control system, are evaluated according to the COSO ICSR guidance
 - process-level controls (PLCs) – these controls cover the end-to-end KPI development process⁽¹⁶⁾. They are established for the most relevant KPIs and apply to individual processes/ functions/ plants/ entities/ etc. Depending on the relevance of the KPI in question, resulting from the scoping phase, PLCs may focus on the full end-to-end KPI development process⁽¹⁷⁾ or on its 'closing' activities (i.e., final stage of the development process related to data aggregation and KPI calculation).
- **Monitoring:** this phase involves assessing ELCs, PLCs, and IT general controls (ITGCs) for both design and operating effectiveness. It includes testing controls, identifying deficiencies, highlighting improvement areas, and defining the necessary corrective actions. To enhance integration and synergy, the monitoring approach leverages key elements of the Group's Internal Control over Financial Reporting model
- **Evaluation & Reporting:** this phase involves assessing the monitoring results and analysing deficiencies, the latter classified in line with the ICFR framework, to ensure consistent and comparable evaluations while enabling the integrated assessment of financial and non-financial reporting controls.

Iveco Group's ICSR Framework has been presented to the Senior Leadership Team (SLT), Audit Committee, and ESG Committee, which are also periodically updated on the progress of its implementation.

The Group will continue to expand the scope of its ICSR system to ensure a high level of control over its sustainability reporting process. This will also include establishing IT general controls (ITGCs) to ensure the proper functioning of the IT systems supporting the PLCs. The ICSR's phased implementation has already been planned over a timeline of approximately three years from 2024.

⁽¹⁴⁾ Corporate Sustainability Assessment by S&P Global.

⁽¹⁵⁾ The KPI development process encompasses data generation, aggregation, KPI calculation, and validation.

⁽¹⁶⁾ The KPI development process encompasses data generation, aggregation, KPI calculation, and validation.

⁽¹⁷⁾ The KPI development process encompasses data generation, aggregation, KPI calculation, and validation.

1.6 STRATEGY, BUSINESS MODEL, AND VALUE CHAIN (SBM-1)

Iveco Group is the holding company of a leading global capital goods group engaged in the design, production, marketing, sale, servicing, and financing of trucks, commercial vehicles, buses, and specialty vehicles for defence, firefighting⁽¹⁸⁾, and other uses; combustion engines, alternative propulsion systems, transmissions, and axles for those vehicles; and engines and alternative propulsion systems for agricultural and construction equipment and for marine and power generation applications. The Group has manufacturing, commercial, and financial services companies in 34 countries and a commercial presence in approximately 158 countries.

As at 31 December 2024, Iveco Group had five operating segments:

- **Truck** designs, manufactures and distributes a full range of light, medium, and heavy vehicles for the transportation and distribution of goods under the IVECO brand;
- **Bus** designs, manufactures and distributes minibuses, city-buses, intercity buses and coaches under the IVECO BUS and HEULIEZ brands;
- **Defence** designs, manufactures and distributes vehicles for civil defense and civil protection under the IDV brand, and vocational heavy-duty trucks for heavy haulage and off-road missions under the ASTRA brand;
- **Powertrain** designs, manufactures and distributes, under the FPT Industrial brand, a range of combustion engines, alternative propulsion systems, transmission systems and axles for on- and off-road applications, as well as for marine and power generation; and
- **Financial Services** offers a range of financial products and services to dealers and customers. Financial Services provides and administers retail financing to customers for the purchase or lease of new and used vehicles sold by brand dealers and distributors of the Group or directly by subsidiaries of the Group. In addition, Financial Services provides wholesale financing to brand dealers and distributors of the Group. Wholesale financing consists primarily of floor plan financing and allows the dealers to purchase and maintain a representative inventory of products. Financial Services also provides discounting of non-dealer trade receivables from legal entities of the Group. Additionally, Financial Services grants support to CNH Industrial Group (CNH), by providing financial services for its European brands, dealers and customers under a vendor and service agreement, receiving a fee for the services rendered.

Attracting, retaining, and further developing qualified employees is critical to the success of Iveco Group's businesses and its ability to create long-term value. The labour-intensive nature of the Group's operations is reflected in the large number of hourly employees.

EMPLOYEES BY REGION

(number)

	2024
Europe	30,968
South America	4,010
North America	77
Rest of World	991
Total	36,046

For financial information on revenues, see section 'Operating and Financial Review' in this Report; the segment revenues reported are attributable to the following ESRS-defined sectors:

Iveco Group Business Units	Main ESRS sector
Truck, Bus, Defence, Powertrain	C.29.10
Financial Services	C.64.99

Iveco Group does not operate in the fossil fuel, chemical production, controversial weapons, or tobacco cultivation industries.

Business Model

It is the Group's mission to put sustainability at the heart of its strategy, making it an integral part of day-to-day activities to ensure business is conducted in an economically sound, environmentally friendly, and socially beneficial way. By fully integrating environmental and social considerations with economic objectives, the Organisation is able to identify potential risks and seize additional development opportunities, fostering a process of continuous—and above all, sustainable—improvement that creates long-term value. In line with this commitment, the Group is a participant in the UN Global Compact and, as a Signatory, joins thousands of other companies worldwide committed to taking responsible business action.

⁽¹⁸⁾ In March 2024, Iveco Group announced an agreement with the listed private equity investor Mutares SE & Co. KGaA to transfer the ownership of Magirus GmbH and its affiliates performing Fire Fighting business under the Brand MAGIRUS. The transfer was completed on 3 January 2025. The 2024 data was not affected by this operation.

In 2022, every employee was involved in defining the Group's Purpose and the 5 corporate Values that truly reflect the way Iveco Group wants to do business. The Purpose and Values are applied daily and to all aspects of business, supported by:

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

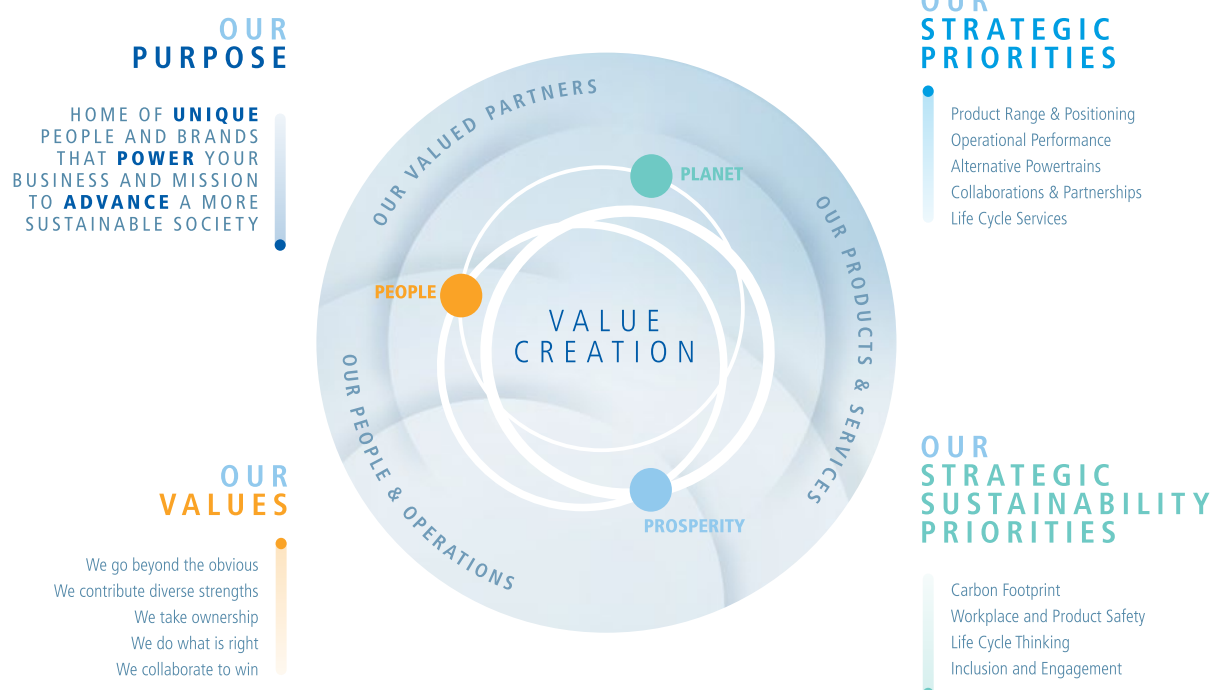
Iveco Group believes that innovation and the design of products and services tailored to customers' needs are essential to its competitive advantage and integral to all activities and processes involved in value creation. It is what enables the Company to compete effectively with other market players and be recognised by customers as a true partner. The main objective of Iveco Group's business is to create value for stakeholders, which are classified according to the pillars identified by the World Economic Forum (WEF):

- planet – this pillar represents a commitment to not underestimate the threats facing the Earth. Building a safer and more sustainable world requires the right balance between humanity and the environment, and pursuing the necessary targets can no longer be delayed
- people – this pillar represents a commitment to consider the diverse perspectives of those impacted by the Organisation's business, while actively encouraging their participation in driving positive change
- prosperity – this pillar represents a commitment to ensure greater prosperity for all, through the adoption of new technologies and the transition towards a more inclusive and increasingly digital society.

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

- Our People & Operations: representing the skilled individuals who contribute their expertise and dedication to developing products and services across all Group areas, supported by production processes that are efficient, technologically innovative, and environmentally friendly
- Our Products & Services: representing the Group's product and service offering, designed to provide customers with lower operating and maintenance costs, superior performance, maximum profitability, lower total costs of ownership (TCO), and technological innovation
- Our Valued Partners: representing those who make up Iveco Group's ecosystem (mainly the dealerships, service network, and suppliers), who share a mutual understanding and collaborate with the Organisation to map out and navigate the challenges of the current transition. These partnerships enable Iveco Group to operate efficiently and deliver the highest value to its ultimate and most valued partners – its customers.

OUR BUSINESS MODEL



Believing that long-term success is achieved by pairing innovation with resource efficiency, and financial prosperity with ESG performance, Iveco Group's **organisational model** was designed to strengthen:

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

Iveco Group's **value chain** is made up of:

- suppliers and sub-suppliers – which provide the raw materials and components required to manufacture the Group's products
- employees – who work across Group headquarters, plants, dealerships, and sales and distribution channels
- distribution networks – which sell the Group's products while providing relevant services
- customers – who purchase the Group's products
- end users – who operate the Group's products.

The Sustainability Plan

The Sustainability Plan reflects the commitment of Iveco Group's people to contributing to the Organisation's growth in harmony with society and the planet; its measurable and substantiated targets serve as clear and unequivocal pledges by the Group to its stakeholders.

The targets included in the Sustainability Plan are developed and set by the relevant Group functions in collaboration with other departments based on their areas of expertise, and are further shaped by the insights gathered from affected stakeholders through continuous engagement, dialogue, and feedback, with final approval from senior management. This ongoing exchange helps identify key focus areas and ensures target alignment with Group priorities. The responsibility for managing and achieving these targets lies with specific designated functions. Progress on targets is regularly disclosed through public reporting. Some of the targets indicated in the Plan are also included as individual goals in the Performance Development Process (PDP) for several managers, including plant managers, responsible for the projects that contribute to their achievement.

The Plan also includes strategic sustainability targets, which are an integral part of Iveco Group's Strategic Business Plan. All targets within the Sustainability Plan are:

- consistent with the 4 priorities⁽¹⁹⁾ that underpin Iveco Group's sustainability strategy
- specific, measurable, achievable, relevant, and time-bound (SMART)
- contributing to the achievement of some of the UN Sustainable Development Goals (SDGs)
- established by the Group's corporate functions with the assistance of the Sustainability Department
- approved by the Senior Leadership Team (SLT).

The Plan is updated annually and reviewed mid-year by the SLT and by the ESG Committee of the Board of Directors.

⁽¹⁹⁾ Carbon footprint; workplace and product safety; life cycle thinking; inclusion and engagement.

ESRS	Targets	2024 Results	
E1	2040: net zero carbon emissions	• Progress towards CO ₂ emissions reduction targets (Scope 1, 2, and 3) in line with plan	●
E1	2030: -50% vs 2019 in absolute CO ₂ emissions (Scope 1 & 2) at manufacturing plants (Focus Area)	• -25.2% vs 2019 in absolute CO ₂ emissions	●
E1	2026: 100% of total electricity consumption derived from renewable sources at manufacturing plants (Focus Area)	• 98.2% of total electricity consumption derived from renewable sources	●
E1	2030: -30% vs 2019 in energy consumption per production unit ^(a) at manufacturing plants (Focus Area)	• -16.9% vs 2019 in energy consumption per production unit ^(a)	●
E1	2030: -38% vs 2022 in Scope 3 CO ₂ emissions from the use of sold products ^(b) per vehicle/km	• -6.6% vs 2022 in Scope 3 CO ₂ emissions from the use of sold products per vehicle/km	●
E1	2026: -7% vs 2022 in kg of CO ₂ emissions per ton of goods shipped	• -4.9% vs 2022 in kg of CO ₂ emissions per ton of goods shipped	●
E1	2030: -30% vs 2022 in absolute CO ₂ emissions generated by major suppliers of purchased goods, services, and capital goods	• Activities on schedule	●
E2	2026: -14% vs 2019 in VOC emissions per square metre painted at manufacturing plants (Focus Area)	• -29.4% vs 2019 in VOC emissions per square metre painted	●
E3	2026: 75% of industrial water recycled at manufacturing plants (Focus Area)	• 74.7% of industrial water recycled	●
E3	2026: -15% vs 2019 in water withdrawal per production unit ^(a) at manufacturing plants (Focus Area)	• -13.9% vs 2019 in water withdrawal per production unit ^(a)	●
E3	2026: -10% vs 2019 in water withdrawal per production unit ^(a) at the Truck plant in Brescia (Italy)	• -12.5% vs 2019 in water withdrawal per production unit ^(a) achieved at the Truck plant in Brescia (Italy)	●
E3	2026: -5% vs 2019 in water withdrawal per production unit ^(a) at the Powertrain plant in Foggia (Italy)	• -17.5% vs 2019 in water withdrawal per production unit ^(a) achieved at the Powertrain plant in Foggia (Italy)	●
E3	2026: -22% vs 2019 in water withdrawal per production unit ^(a) at the plant in Madrid (Spain)	• -52.8% vs 2019 in water withdrawal per production unit ^(a) achieved at the plant in Madrid (Spain)	●
E3	2026: -10% vs 2019 in water withdrawal per production unit ^(a) at the plant in Valladolid (Spain)	• -10.3% vs 2019 in water withdrawal per production unit ^(a) achieved at the plant in Valladolid (Spain)	●
E5	2026: 100% of new products developed using sustainability/recyclability design criteria	• New design criteria for product launches being defined with the involvement of the supply chain	●
E5	2026: 97.1% of waste recovered at manufacturing plants (Focus Area)	• 97.5% of waste recovered	●
E5	2026: -7% vs 2019 in waste generated per production unit ^(a) at manufacturing plants (Focus Area)	• -14.3% vs 2019 in waste generated per production unit ^(a)	●
E5	2026: -6% vs 2019 in hazardous waste generated per production unit ^(a) at manufacturing plants (Focus Area)	• -17.4% vs 2019 in hazardous waste generated per production unit ^(a)	●
S1	2026: -40% vs 2019 in injury frequency rate	• -50.6% vs 2019 in injury frequency rate	●
S1	2026: maintain gender pay equity across the Organisation and have it certified by a third party	• EDGE certification obtained	●
S1	2028: 30% of office positions held by female office workers	• 27.8% of office positions held by female workers	●
S1	2024: completion of human rights assessments cycle (2022-2024 period), to monitor 100% of employees working in internal operations	• 2021-2024 human rights assessment cycle completed, covering 100% of employees working in internal operations	●
S1	2027: completion of human rights assessments cycle (2025-2027 period), to monitor 100% of employees working in internal operations		NEW TARGET
S2	2026: collaborations with 100% of key partners to improve the working conditions and work-life balance of drivers	• 50% of key partners involved in initiatives to improve the working conditions and work-life balance of drivers	●
S2	2026: 100% of dealership staff involved in safety training on Iveco Group's electric product portfolio	• 92% of dealership staff involved in safety training on the Group's electric product portfolio	●
S2	2024: execution of 84 supplier sustainability audits	• 84 supplier sustainability audits carried out	●
S2	2025: execution of 80 supplier sustainability audits		NEW TARGET
S2 G1	2026: 100% ^(c) of Tier 1 suppliers to be involved in sustainability assessment	• 89% of Tier 1 suppliers involved in sustainability assessment through the Open-es platform	●
S3	2026: +50% vs 2019 in number of students involved in education activities, focusing on the jobs of the future	• +24% vs 2019 in number of students involved in education activities	●
S4	2026: 100% of new vehicles in Europe equipped with advanced driver assistance systems (ADAS) and additional advanced functions, such as adaptive cruise control (ACC), ACC Stop & Go, corrective steering function (CSF), and lane centring (LC)	• Ongoing development of Level 2 ADAS for new vehicle models	●
S4	2026: +25% vs 2021 in Net Promoter Score (NPS) for IVECO Trucks	• +20% vs 2021 in the NPS for IVECO Trucks	●
G1	2026: +100% vs 2021 in number of collaboration projects with suppliers to improve products' sustainability performance	• +50% vs 2021 in number of collaboration projects with suppliers to improve products' sustainability performance	●
—	2030: 100% recovery of the cores of spare parts sold	• 31.4% of recoverable cores from spare parts sold returned to the Group	●
—	2026: 15% of net sales from spare parts generated by remanufactured components	• 6.8% of net sales from spare parts generated by remanufactured components	●

^(a) The production unit corresponds to the hour of production.

Total manufacturing hours are used to calculate the normalised production unit indicator.

^(b) Target refers to vehicles manufactured in Europe.

^(c) Target progress is calculated as a percentage of Iveco Group's annual purchase value (APV).

Achievement at 31 December 2024

 Target exceeded
  Target partially achieved
  Target achieved or in line with plan
  Target postponed

1.7 STAKEHOLDER VIEWPOINT AND INTERESTS (SBM-2)

Stakeholders present a wide range of differing interests, so establishing and maintaining stable and lasting relationships with them is crucial for creating shared value over the long term.

Through an internal assessment performed by the corporate functions that manage stakeholder relations on a daily basis, the Group has identified and focused on several key stakeholders to better understand their specific needs and priorities; this enables the Organisation to address issues before they become critical, and to fine-tune its responses according to their interests.

Stakeholder categories	Corporate functions
• Employees • Employees' Families • Other Workers • Trade Unions & Employee Representatives	Human Resources, Communications, Business Units, Manufacturing
• Customers	Business Units, Financial Services, Communications
• Dealer and Service Network	Business Units, Financial Services, Communications
• Suppliers & Business Partners	Supply Chain
• Financial Community (Shareholders, traditional and ESG Investors)	Finance, Public Affairs & Sustainability, Communications
• Public Institutions^(a)	Public Affairs & Sustainability
• Scientific and Technological Research Centres and Universities	Business Units, Technology & Digital, Human Resources
• Local Communities^(b)	Public Affairs & Sustainability, Legal, Compliance & Corporate Governance, Manufacturing
• Environment	Manufacturing, Public Affairs & Sustainability, Business Units, Technology & Digital
• Next Generations	All Corporate functions

^(a) Governments, local authorities, public agencies, regulatory bodies, international institutions, trade associations, and non-governmental organisations.

^(b) Religious, cultural, and socio-political associations; health systems; schools and universities; non-governmental and non-profit organisations.

The Group promotes ongoing communication and active engagement with its stakeholders worldwide, interacting with them proactively throughout the year via dedicated functions. This approach is structured around 4 levels of engagement, as described below.

Engagement level	Engagement methods
Inform (one-way communication: Iveco Group to stakeholders)	• media • publications, reports, corporate website, press, and social/digital media • official public events/activities and speeches • advocacy
Listen (one-way communication: stakeholders to Iveco Group)	• media • interviews and meetings • investor relationships • conference calls
Involve	• materiality assessment • dedicated web portals • multi-stakeholder forums • shared projects • workshops • collective bargaining • Compliance Helpline
Collaborate	• partnerships • open innovation • joint projects • shared decision-making processes

In 2024, Iveco Group was able to ensure meaningful engagement and interactions with stakeholders through a variety of channels and platforms. **Key initiatives** included the involvement of investors during the Euronext Sustainability Week 2024, in which it shared insights and gathered valuable feedback, the engagement of stakeholders as part of the materiality assessment to better understand pressing issues, and the engagement of all employees through the Voice programme to foster a culture of transparency.

Additionally, the Group hosted multiple Supplier Days, strengthening its partnerships while aligning key suppliers with sustainability objectives. Stakeholders have raised several key sustainability concerns, reflecting the diverse priorities of different groups. The financial community has primarily focused on the Group's product decarbonisation strategy, seeking clarity on the transition to lower-emission technologies, investment plans, and long-term sustainability goals. Additionally, they have expressed interest in the sustainability of the supply chain, particularly regarding

ethical sourcing, environmental responsibility, and resilience against disruptions. Another critical area of focus has been the integration of ESG-related key performance indicators (KPIs) into executive remuneration, ensuring accountability and alignment with sustainability objectives. Furthermore, ESG rating assessments remain a priority, as investors and analysts closely monitor the Group's performance in areas such as carbon footprint reduction, social responsibility, and corporate governance.

Suppliers, on the other hand, have raised concerns about climate-related risks, with a particular emphasis on the sustainable sourcing of critical raw materials essential for the decarbonisation of industrial processes. Materials such as steel, which play a fundamental role in manufacturing, are under increasing scrutiny due to their environmental impact and the need for more sustainable production methods. Meanwhile, customers have increasingly demanded more energy-efficient and environmentally friendly products, highlighting the growing market expectation for innovative solutions that reduce carbon emissions and operational costs. For all stakeholders, climate change mitigation and human rights remain absolute priorities. These overarching issues are central to the Group's long-term sustainability strategy, as stakeholders continue to demand transparency, responsibility, and meaningful progress in these critical areas.

Iveco Group has adopted a Stakeholder Dialogue Policy on Sustainable Strategy⁽²⁰⁾ to guide its interactions with relevant stakeholders on the sustainability aspects of its strategy. These exchanges are seen as opportunities for mutual growth and improvement, and the reason behind the Organisation's efforts to build cooperation and trust through receptiveness and active engagement. These interactions are generally led by Iveco Group management representatives, although, in certain cases, Executive Directors or the Chair of the ESG Committee may engage directly with qualified stakeholders.

1.8 INTEGRATING MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES INTO THE STRATEGY AND BUSINESS MODEL (SBM-3)

Understanding the context in which Iveco Group operates is the first step in the materiality assessment. This involves a preliminary mapping of the Group's activities and value chain, so as to identify and define the key stages and business relationships where impacts, risks, and opportunities related to sustainability may arise. Iveco Group has been conducting materiality analyses since 2013, initially as part of the former Group⁽²¹⁾ and then as an independent entity as of 2022. Material sustainability matters determine Iveco Group's priorities, shaping its sustainability strategy and targets, as well as the contents included in the Sustainability Statement. By defining and fine-tuning such priorities, the Organisation is able to ensure better alignment with its core business.

Drawing on the materiality assessment, Iveco Group's sustainability strategy is built on 4 sustainability priorities deemed strategic:

- **carbon footprint:** to reduce CO₂ emissions from manufacturing processes, the product range, and along the entire value chain (supply and logistics), aiming for net zero carbon emissions by 2040
- **workplace and product safety:** to minimise the risk of workplace injuries through effective preventive and protective measures, and to ensure Group products meet the highest safety standards
- **life cycle thinking:** to implement efficient solutions to minimise the impact of products and processes through a circular life cycle approach
- **inclusion and engagement:** to build ever-stronger relationships with stakeholders, while proactively and effectively fostering an inclusive work environment.

To strengthen its efforts towards a sustainable future, Iveco Group has mapped out the path to achieving these 4 strategic priorities by setting clear objectives, with specific reference to its people, direct operations, products and services, and valued partners. These targets are included in the Strategic Business Plan, with progress regularly reported to both the ESG Committee and the Senior Leadership Team (SLT). They are also incorporated into the Group's Sustainability Plan, which encompasses both long- and short-term targets and reflects a commitment to grow in harmony with people and the environment. Clear responsibilities are assigned for each target to ensure they are consistently monitored and achieved. Mindful that its strategic sustainability targets can contribute to achieving the UN's Sustainable Development Goals (SDGs), Iveco Group has also developed a process to identify the SDGs most relevant to its business and that it is best equipped to support.

The sustainability matters identified in the 2024 materiality assessment reflect the industry's priorities in terms of social and environmental impacts, and are consistent with the Group's strategic approach to addressing risks and opportunities. Similar to the previous year, mitigating *Climate change* remains a critical priority for Iveco Group due to the impacts of operations, the supply chain, and, most notably, product use, and to the regulatory risks associated with vehicle emissions standards. Respect for *Working conditions and human rights* across the value chain was confirmed as highly material due to the implications of sourcing key raw materials from critical supply chains. Impacts related to *Product quality*

⁽²⁰⁾ The Stakeholder Dialogue Policy on Sustainable Strategy is available on the corporate website.

⁽²¹⁾ Iveco Group was established on 1 January, 2022, following the execution of the deed of demerger from CNH Industrial.

and safety, innovation, and Dealer and customer management remain material to the Organisation. Compared to 2023, two impact categories emerged as material: those related to *Pollution*, particularly air emissions from production processes, and to *Business conduct*⁽²²⁾, due to the risks associated with regulatory non-compliance as well as to the positive effects of fostering a corporate culture centred on principles of ethics and integrity. At year-end 2024, no sustainability-related material risks or opportunities were identified as posing a significant risk of requiring a material adjustment to the carrying amounts of assets and liabilities in the following annual reporting period.

1.9 IDENTIFYING AND ASSESSING MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES (IRO-1)

In 2024, the approach used by Iveco Group in its materiality assessment was in line with the Corporate Sustainability Reporting Directive (CSRD) framework, as outlined in the European Sustainability Reporting Standards (ESRS) and EFRAG⁽²³⁾ guidelines. It entailed a double materiality approach, which focuses on two distinct perspectives: **impact materiality**, which concerns the Group's impacts (whether positive or negative, actual or potential) over the short, medium, and long term, including those generated across its entire value chain; and **financial materiality**, which concerns the sustainability risks and opportunities that may affect Iveco Group's growth, positioning, and performance over the short, medium, and long term. During the assessment of risks and opportunities, the Group also focused on those arising from external impacts and dependencies, which were duly considered during the evaluation process. The process of identifying the Group's material impacts, risks, and opportunities for the 2024 reporting period is described below.

Step 1: Analysis and understanding of the organisational and business context.

A preliminary mapping was performed of the activities of the Group and its value chain, identifying and defining the main operational areas and business relationships that could give rise to material impacts, risks, or opportunities related to sustainability matters.

After a comprehensive overview, potentially material matters were identified based on the ESRS list of topics, sub-topics, and sub-sub-topics⁽²⁴⁾, alongside an analysis of the Strategic Business Plan, Sustainability Plan targets, industry material topics, and the requirements of key sustainability reporting standards. This first stage produced a list of possible sustainability matters material to Iveco Group, combining both ESRS topics and entity-specific aspects to provide a broad view of the Group's potential impacts, risks, and opportunities.

Step 2: Identification of impacts, risks, and opportunities related to sustainability matters.

Identifying impacts, risks, and opportunities entailed two distinct yet parallel and interconnected processes:

- identification of impacts: drawing on the aforementioned context analysis and other public sources – such as the ENCORE⁽²⁵⁾ platform – the Group identified its actual and potential impacts on people and the environment, both positive and negative, arising directly or indirectly from its business operations and relationships. These impacts were then aligned to the ESRS list of topics, sub-topics, and sub-sub-topics, supplemented with entity-specific aspects, and adjusted to the appropriate level of granularity for Iveco Group. A time horizon was also defined for each impact, as well as the stage within the value chain at which they may occur, with country- and site-specific details where necessary
- identification of risks and opportunities: based on the context analyses performed, and after assessing any dependency on environmental and/or social resources, the Group's Enterprise Risk Management (ERM) function completed a list of risks identified during its risk assessment process. As part of this ongoing framework, the Group has identified potential opportunities, with the most significant ones relating to climate matters. ESG-related opportunities will be progressively assessed and quantified, as part of the ongoing integration between the double materiality and risk analysis processes.

Step 3: Assessment of the significance of impacts, risks, and opportunities related to sustainability matters.

The impacts and risks identified were assessed through the lens of impact materiality (inside-out perspective) and financial materiality (outside-in perspective), respectively.

- The significance of impacts – whether actual or potential, positive or negative – on people and the environment in the short, medium, and long term was assessed through dedicated workshops involving the relevant corporate functions. The metrics used were in line with ESRS Standards and included parameters such as Scale, Scope, Irremediable Character (for negative impacts only), and Likelihood (for potential impacts only).

⁽²²⁾ In the previous assessment, aspects related to business conduct were considered prerequisites, and therefore not examined individually.

⁽²³⁾ IGT: Materiality Assessment Implementation Guidance.

⁽²⁴⁾ See ESRS 1, Appendix A.

⁽²⁵⁾ Exploring Natural Capital Opportunities, Risks, and Exposure.

- The significance of risks was assessed based on input from Risk Owners during the risk assessment process, using the ERM system's Severity and Likelihood parameters. The levels of risk were classified on a scale from 1 (Minor) to 4 (Very Significant or Critical), based on both qualitative and quantitative criteria. In the context of the process, and specifically in the area of climate matters, a list of opportunities has also been evaluated.

In addition to internal functions, Step 3 also involved key external stakeholders – suppliers, dealers, local communities, and members of the scientific community – consulted via ad hoc interviews to review and validate the findings of the Group's impact assessment process. The sustainability statement may not include every impact, risk and opportunity or additional entity-specific disclosure that each individual stakeholder (group) may consider important in its own particular assessment, nevertheless the Group is committed to addressing all relevant matters that come to its attention.

Step 4: Definition and prioritisation of the material impacts, risks, and opportunities related to sustainability matters.

The combination of internal and external stakeholder assessments resulted in an official list of material sustainability matters and respective impacts, risks, and opportunities, which was validated by the Senior Leadership Team (SLT) and subsequently approved by the ESG Committee of the Board of Directors. The findings of the double materiality analysis were also used to shape the contents of this Sustainability Statement.

The double materiality assessment is an ongoing process that may be impacted in time by sector-specific standards to be adopted or developments in stakeholder expectations, regulatory developments, changes in risk management or new business developments.

IVECO GROUP'S MATERIAL SUSTAINABILITY MATTERS AND SIGNIFICANT IMPACTS, RISKS, AND OPPORTUNITIES

SUSTAINABILITY MATTER	IMPACT MATERIALITY				FINANCIAL MATERIALITY		
	Description of Impact	Nature of Impact	Type of Effect	Time Horizon	Source of Impact	Description of Risk/Opportunity	Time Horizon
Climate change due to own operations	The greenhouse gas emissions generated by Iveco Group's own operations (Scope 1 & 2) contribute to climate change					1. Risk: Higher energy cost due to difficulties in finding the correct mix between renewables and alternative energy sources in regions where the Group operates	
	The greenhouse gas emissions generated by the use of sold vehicles contribute to climate change					1. Risk: Failure to comply with emissions regulations leading to penalties and reputational damage. Shift towards electric vehicles (EV) and the decline in internal combustion engines (ICEs) reshaping market dynamics, with uncertainty over adoption due to regulatory misalignment, incentives, and infrastructure gaps	
Climate change due to vehicles	The launch of new electric vehicles, as well as the use of alternative fuels and propulsions (e.g., natural gas, biomethane, hydrogen, and electric and hybrid engines) capable of reducing emissions during vehicle use, contribute to tackling climate change					2. Opportunity: Market consolidation driven by electrification, expansion of offerings, and new business models to meet demand. Success of new products/services aligned with evolving customer behaviour and related financial benefits from increasing demand for high-margin EV products and streamlined offerings	
Climate change due to supply chain	The greenhouse gas emissions generated by Iveco Group's supply chain contribute to climate change (e.g., inbound and outbound logistics flows)					—	
Pollution	The release of air pollutants during vehicle use (i.e., nitrogen oxides (NO _x), and particulate matter (PM)) represents a threat to human health and the environment					1. Risk: Failure to comply with relevant regulations related to air pollutants (e.g., NO _x)	
	The release of air pollutants in manufacturing processes (i.e., volatile organic compounds (VOCs), especially from painting, nitrogen oxides (NO _x), sulphur oxides (SO _x), and inorganic particulate matter (PM)) represents a threat to human health and the environment						

KEYS



POSITIVE



NEGATIVE



ACTUAL



POTENTIAL



UPSTREAM



DOWNSTREAM



OWN



LONG TERM



MEDIUM TERM



SHORT TERM

SUSTAINABILITY MATTER	IMPACT MATERIALITY				FINANCIAL MATERIALITY		
	Description of Impact	Nature of Impact	Type of Effect	Time Horizon	Source of Impact	Description of Risk/Opportunity	Time Horizon
Water	The use of water in Iveco Group's production processes, especially in water-stressed areas, contributes to the depletion of natural resources					—	
	The use of water in Iveco Group's supply chain, especially in water-stressed areas, contributes to the depletion of natural resources						
Circular economy	The use of products made of virgin materials (e.g., steel, aluminium) following a linear product design contributes to the depletion of natural resources					1. Risk: New product life cycle patterns due to increasing 'green' requirements, impacting the revenues generated by a product and the amortisation of R&D investments	
	The production of waste in Iveco Group's operations represents a threat to human health and the environment						
Working conditions and human rights of own workforce	The incorrect application of labour laws and regulations and/or the inadequate management of labour relations undermines Iveco Group's ability to respond to employees' needs, ensure favourable working conditions (i.e., secure employment, working time, adequate wages, social dialogue, freedom of association, collective bargaining), and enhance workforce wellbeing and satisfaction					1. Risk: Serious injuries to employees (including long-term disabilities and fatalities) caused by work-related accidents, leading to potential legal and regulatory consequences and/or reputational damage 2. Risk: Growing need for investment in health and safety to ensure legal compliance and protection of people and assets from climate change events	  
	Failure to comply with safety standards causes critical incidents, injuries, and work-related ill health involving Iveco Group employees						
	The violation of fundamental labour rights (e.g., child labour, forced labour) threatens employee access to basic life necessities or freedoms (e.g., education, livelihood)						
Wellbeing, inclusion, and development of own workforce	The offering of awareness and upskilling programmes contributes to employees' professional growth and career development					—	
	The offering of appropriate welfare and wellbeing plans contributes to employee work-life balance and satisfaction						
	Discrimination and harassment in the workplace, including unfair recruitment and compensation practices, affect employees, especially those who may be particularly vulnerable and/or marginalised (e.g., women, migrants, people with disabilities)						
	The development of an inclusive working environment where people are treated equally improves work-life quality, and makes employees feel valued and free to express their professional potential						

KEYS



POSITIVE



NEGATIVE



ACTUAL



POTENTIAL



UPSTREAM



DOWNSTREAM



OWN



LONG TERM



MEDIUM TERM



SHORT TERM

SUSTAINABILITY MATTER	IMPACT MATERIALITY				FINANCIAL MATERIALITY		
	Description of Impact	Nature of Impact	Type of Effect	Time Horizon	Source of Impact	Description of Risk/Opportunity	Time Horizon
Workers in the value chain	An ineffective supplier selection and monitoring system jeopardises satisfactory working conditions (i.e., secure employment, working time, adequate wages, social dialogue, freedom of association, collective bargaining, work-life balance), affecting workers in the supply chain						
	An ineffective supplier selection and monitoring system leads to human rights violations (e.g., child labour, forced labour), affecting workers in the supply chain						
	Inadequate engagement with Iveco Group's suppliers leads to failure to comply with safety standards, causing critical incidents and injuries involving workers in the supply chain					—	
	Engagement activities and training programmes involving workers in the supply chain contribute to the development of specific competencies, and enhance people engagement and satisfaction						
	Engagement activities and training programmes involving workers in the downstream value chain contribute to the development of specific competencies, and enhance people engagement and satisfaction						
Local communities	The promotion of community engagement initiatives supports the development of, and value creation for, local communities					—	
Product quality, safety, and accessibility	The ineffective management of design and production processes affects product quality, reducing the safety and/or satisfaction of drivers and passengers					—	
Dealer and customer management	Developing and maintaining strong relations with dealers and customers contributes to improving their satisfaction levels					—	
Digitalisation and connectivity	The digitalisation and connectivity of Iveco Group's products contribute to enhancing the customer experience, improving satisfaction and drivers' road safety					—	
Business conduct	The development of a corporate culture based on principles of ethics and integrity contributes to improving employees' sense of purpose and motivation					1. Risk: Failure to comply with corporate law and other applicable regulations	
Sustainable supply chain	An ongoing dialogue with suppliers and the dissemination of sustainability principles contribute to improving the supply chain's ESG performance, thus reducing negative environmental and social impacts						
	The inadequate management of supplier relationships, especially with regard to payment practices, affects suppliers' business performance, welfare, and growth					—	

KEYS



DOUBLE MATERIALITY ASSESSMENT RESULTS: MATERIAL SUSTAINABILITY MATTERS AND RELATED ESRS BY TYPE OF IMPACT



1.10 ESRS DISCLOSURES COVERED BY THE SUSTAINABILITY STATEMENT (IRO-2)

ESRS 2 - GENERAL DISCLOSURE

Disclosure requirement	Section
BP-1 – General basis for preparation of sustainability statements	1.1
BP-2 – Disclosures in relation to specific circumstances	1.1
GOV-1 – The role of the administrative, management and supervisory bodies	1.2
GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	1.2
GOV-3 - Integration of sustainability-related performance in incentive schemes	1.3
GOV-4 - Statement on due diligence	1.4
GOV-5 - Risk management and internal controls over sustainability reporting	1.5
SBM-1 – Strategy, business model and value chain	1.6
SBM-2 – Interests and views of stakeholders	1.7
SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	1.8
IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities	1.9
IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement	1.10

ESRS E1 - CLIMATE

Disclosure requirement	Section
ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes	1.3
E1-1 – Transition plan for climate change mitigation	3.1
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	1.8
ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities	1.9; 3.2
E1-2 – Policies related to climate change mitigation and adaptation	3.3
E1-3 – Actions and resources in relation to climate change policies	3.4
E1-4 – Targets related to climate change mitigation and adaptation	3.4
E1-5 – Energy consumption and mix	3.5.1
E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	3.5.2
E1-7 – GHG removals and GHG mitigation projects financed through carbon credits	3.5.3
E1-8 – Internal carbon pricing	3.5.4
E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Phased-in option applied

ESRS E2 - POLLUTION

Disclosure requirement	Section
ESRS 2 IRO-1 – Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	1.9; 4.1
E2-1 – Policies related to pollution	4.2
E2-2 – Actions and resources related to pollution	4.3
E2-3 – Targets related to pollution	4.4
E2-4 – Pollution of air, water and soil	4.5
E2-5 – Substances of concern and substances of very high concern	n/a
E2-6 – Anticipated financial effects from pollution-related impacts, risks and opportunities	Phased-in option applied

ESRS E3 - WATER AND MARINE RESOURCES

Disclosure requirement	Section
ESRS 2 IRO-1 – Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	1.9; 5.1
E3-1 – Policies related to water and marine resources	5.2
E3-2 – Actions and resources related to water and marine resources	5.3
E3-3 – Targets related to water and marine resources	5.4
E3-4 – Water consumption	5.5
E3-5 – Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	Phased-in option applied

ESRS E5 - RESOURCE USE AND CIRCULAR ECONOMY

Disclosure requirement	Section
ESRS 2 IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	1.9; 6.1
E5-1 – Policies related to resource use and circular economy	6.2
E5-2 – Actions and resources related to resource use and circular economy	6.3; 6.4
E5-3 – Targets related to resource use and circular economy	6.3; 6.4
E5-4 – Resource inflows	6.3
E5-5 – Resource outflows	6.4
E5-6 – Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Phased-in option applied

ESRS S1 - OWN WORKFORCE

Disclosure requirement	Section
ESRS 2 SBM-2 – Interests and views of stakeholders	1.7; 7.1; 7.4; 7.5; 7.6
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	1.8; 7.1
S1-1 – Policies related to own workforce	7.2
S1-2 – Processes for engaging with own workers and workers' representatives about impacts	7.4; 7.5; 7.6; 7.13.2; 7.13.3
S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns	7.3
S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	7.8; 7.9; 7.10; 7.10.3; 7.11; 7.12
S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	7.8; 7.9.1; 7.10; 7.12.2
S1-6 – Characteristics of the undertaking's employees	7.7
S1-7 – Characteristics of non-employee workers in the undertaking's own workforce	7.7
S1-8 – Collective bargaining coverage and social dialogue	7.13; 7.13.4
S1-9 – Diversity metrics	7.8
S1-10 – Adequate wages	7.9.2
S1-11 – Social protection	7.9.3
S1-12 – Persons with disabilities	7.8
S1-13 – Training and skills development metrics	7.11.1; 7.11.3
S1-14 – Health and safety metrics	7.10.2; 7.10.4; 7.10.7
S1-15 – Work-life balance metrics	Phased-in option applied
S1-16 – Compensation metrics (pay gap and total compensation)	7.9.1
S1-17 – Incidents, complaints and severe human rights impacts	7.14

ESRS S2 - WORKERS IN THE VALUE CHAIN

Disclosure requirement	Section
ESRS 2 SBM-2 Interests and views of stakeholders	1.7; 8.1
ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	1.8; 8.1
S2-1 – Policies related to value chain workers	8.2
S2-2 – Processes for engaging with value chain workers about impacts	8.3
S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	8.4
S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	8.5
S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	8.6

ESRS S3 - AFFECTED COMMUNITIES

Disclosure requirement	Section
ESRS 2 SBM-2 – Interests and views of stakeholders	1.7; 9.1
ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	1.8; 9.1
S3-1 – Policies related to affected communities	9.2
S3-2 – Processes for engaging with affected communities about impacts	9.2
S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns	9.3
S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	9.4
S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	9.5

ESRS S4 - CONSUMERS AND END-USERS

Disclosure requirement	Section
ESRS 2 SBM-2 – Interests and views of stakeholders	1.7; 10.1
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	1.8; 10.1
S4-1 – Policies related to consumers and end-users	10.2
S4-2 – Processes for engaging with consumers and end-users about impacts	10.3
S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	10.4
S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	10.4
S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	10.5

ESRS G1 - BUSINESS CONDUCT

Disclosure requirement	Section
ESRS 2 GOV-1 – The role of the administrative, supervisory and management bodies	1.2
ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	1.9; 11.1
G1-1 – Business conduct policies and corporate culture	11.2; 11.3
G1-2 – Management of relationships with suppliers	11.7
G1-3 – Prevention and detection of corruption and bribery	11.4
G1-4 – Confirmed incidents of corruption or bribery	11.5
G1-5 – Political influence and lobbying activities	11.6
G1-6 – Payment practices	11.7

LIST OF DATA POINTS IN CROSS-CUTTING AND TOPICAL STANDARDS THAT DERIVE FROM OTHER EU LEGISLATION

Disclosure requirement and related data point	SFDR ⁽¹⁾ reference	Pillar 3 ⁽²⁾ reference	Benchmark Regulation ⁽³⁾ reference	EU Climate Law ⁽⁴⁾ reference
Sustainability Statement section				
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	1.2		1.2	
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			1.2	
ESRS 2 GOV-4 Statement on due diligence paragraph 30	1.4			
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	n/a	n/a	n/a	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	n/a		n/a	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	n/a		n/a	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			n/a	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				3.1
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		n/a	n/a	
ESRS E1-4 GHG emission reduction targets paragraph 34	3.4	3.4	3.4	
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	3.5.1			
ESRS E1-5 Energy consumption and mix paragraph 37	3.5.1			
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	3.5.1			
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	3.5.2	3.5.2	3.5.2	
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	3.5.2	3.5.2	3.5.2	

Disclosure requirement and related data point	SFDR ⁽¹⁾ reference	Pillar 3 ⁽²⁾ reference	Benchmark Regulation ⁽³⁾ reference	EU Climate Law ⁽⁴⁾ reference
Sustainability Statement section				
ESRS E1-7 GHG removals and carbon credits paragraph 56				3.5.3
ESRS E1-9 Exposure of the benchmark portfolio to climate related physical risks paragraph 66			n/a	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)		n/a		
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		n/a		
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		n/a		
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			n/a	
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	4.5.1			
ESRS E3-1 Water and marine resources paragraph 9	5.2.1			
ESRS E3-1 Dedicated policy paragraph 13	5.2.1			
ESRS E3-1 Sustainable oceans and seas paragraph 14	n/a			
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	5.5			
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	5.5			
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	n/a			
ESRS 2- SBM 3 - E4 paragraph 16 (b)	n/a			
ESRS 2- SBM 3 - E4 paragraph 16 (c)	n/a			
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	n/a			
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	n/a			
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	n/a			
ESRS E5-5 Non-recycled waste paragraph 37 (d)	6.4.1			
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	6.4.1			
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	7.1			
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	7.1			
ESRS S1-1 Human rights policy commitments paragraph 20	7.2.1			
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			7.2.1	
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	7.2.1			
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	7.2.2			
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	7.3			

Disclosure requirement and related data point	SFDR ⁽¹⁾ reference	Pillar 3 ⁽²⁾ reference	Benchmark Regulation ⁽³⁾ reference	EU Climate Law ⁽⁴⁾ reference
Sustainability Statement section				
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	7.10.4		7.10.4	
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	7.10.4			
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	7.9.1		7.9.1	
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	7.9.1			
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	7.14.2			
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	7.14.1		7.14.1	
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	8.1			
ESRS S2-1 Human rights policy commitments paragraph 17	8.2			
ESRS S2-1 Policies related to value chain workers paragraph 18	8.2			
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	8.2		8.2	
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			8.2	
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	8.5			
ESRS S3-1 Human rights policy commitments paragraph 16	9.2			
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or/and OECD guidelines paragraph 17	9.2		9.2	
ESRS S3-4 Human rights issues and incidents paragraph 36	9.4			
ESRS S4-1 Policies related to consumers and end-users paragraph 16	10.2			
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	n/a		n/a	
ESRS S4-4 Human rights issues and incidents paragraph 35	n/a			
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	11.2			
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	11.2.4			
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	11.5		11.5	
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	11.5			

⁽¹⁾ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation) (OJ L 317, 9.12.2019, p. 1).

⁽²⁾ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation or CRR) (OJ L 176, 27.6.2013, p. 1).

⁽³⁾ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

⁽⁴⁾ Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).

⁽⁵⁾ Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social, and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1).

⁽⁶⁾ Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social, and governance risks (OJ L 324, 19.12.2022, p. 1).

⁽⁷⁾ Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).

2. EU TAXONOMY ON SUSTAINABLE ACTIVITIES

In June 2020, the European Commission issued Regulation (EU) 2020/852, known as the EU Taxonomy Regulation, establishing a unified EU classification system for environmentally sustainable economic activities. This classification system (the EU Taxonomy) helps companies identify, and direct investments towards, economic activities considered to have the potential to be environmentally sustainable, thereby supporting the European Green Deal objectives and the EU's transition to net zero carbon emissions by 2050.

The EU Taxonomy Regulation stipulates that an economic activity can be classified as sustainable only if it substantially contributes to one or more of the following 6 environmental objectives:

- climate change mitigation (CCM)
- climate change adaptation (CCA)
- sustainable use and protection of water and marine resources (WTR)
- transition to a circular economy (CE)
- pollution prevention and control (PPC)
- protection and restoration of biodiversity and ecosystems (BIO).

In 2021, the European Commission implemented the Climate Delegated Act⁽²⁶⁾, which regulates 2 of the environmental objectives – CCM and CCA – and establishes Technical Screening Criteria (TSC) to identify the economic activities that can significantly contribute to achieving these 2 environmental objectives while doing no significant harm (DNSH) to any of the other objectives.

In 2023, the European Commission introduced:

- the Delegated Act 2023/2485 (June 2023), which amended the aforementioned Climate Delegated Act by introducing additional activities and TSC for determining the conditions under which certain economic activities qualify as substantially contributing to the 2 climate objectives
- the Environmental Delegated Act⁽²⁷⁾ (November 2023), which, in Annexes I, II, III and IV, defines the economic activities associated with the other 4 environmental objectives – WTR, CE, PPC, and BIO – and the corresponding TSC. In addition, Annex V amends Delegated Regulation (EU) 2021/2178 (also known as the Disclosure Delegated Act), by including changes to the templates to be used for KPI reporting.

As stated in the EU Taxonomy Regulation, an economic activity⁽²⁸⁾ is considered taxonomy-eligible if listed in one or more Delegated Regulations (Climate Delegated Act, Complementary Climate Delegated Act, Environmental Delegated Act, and Delegated Act 2023/2485) of the Regulation itself, therefore contributing to at least one of the 6 environmental objectives.

Moreover, a taxonomy-eligible activity can be considered taxonomy-aligned if:

- it complies with a set of TSC that define the conditions under which the activity:
 - substantially contributes to one or more of the 6 environmental objectives of the Taxonomy Regulation
 - does not cause significant harm to any of the environmental objectives (Do No Significant Harm – DNSH)
- it complies with TSC established by the Commission in accordance with articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2)
- it complies with the Regulation's Minimum Safeguards (MS), which ensure that the activity is socially sustainable by respecting human rights and complying with international standards.

Article 8 of the Taxonomy Regulation requires non-financial undertakings to disclose information on the proportion of (i) turnover derived from products and services and of (ii) capital expenditure (CapEx) and operating expenditure (OpEx) related to assets and processes that are associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9. Turnover, CapEx, and OpEx are all key performance indicators, or KPIs.

⁽²⁶⁾ Delegated Regulation 2021/2139.

⁽²⁷⁾ Delegated Regulation 2023/2486.

⁽²⁸⁾ Delegated Regulation 2022/1214, introducing economic activities specific to the energy sector, including nuclear and gas energy.

In 2023 (with reference to fiscal year 2022), the companies adhering to the Regulation were required to disclose the proportion of the turnover, CapEx, and OpEx of their taxonomy-eligible, taxonomy-non eligible, and taxonomy-aligned economic activities that were associated with the 2 environmental objectives: CCM and CCA.

In 2024 (with reference to fiscal year 2023), companies within the scope were required to further expand their disclosures, compared to the previous year, by including the proportion of turnover, CapEx, and OpEx of their taxonomy-eligible and taxonomy-non eligible activities associated with the other 4 environmental objectives: WTR, CE, PPC, and BIO. As of 2025 (with reference to fiscal year 2024), companies will also need to report on the alignment of those activities that contribute substantially to these 4 objectives.

2.1 ELIGIBILITY ASSESSMENT OF IVECO GROUP'S ECONOMIC ACTIVITIES

Iveco Group conducted an eligibility assessment of its core business activities and operations, comparing them against those listed in the aforementioned Delegated Regulations of the EU Taxonomy Regulation. The Group identified the following revenue-generating eligible activities:

- 3.3 Manufacture of low carbon technologies for transport (contributing only to the CCM objective since the activity is not enabling under the CCA objective), representing the majority of Iveco Group's core activities and operations. This activity includes the manufacturing, repair, maintenance, retrofitting, repurposing, and upgrading of low-carbon transport vehicles belonging to the Truck and Bus Business Units
- 6.5 Transport by motorbikes, passenger cars, and light commercial vehicles (contributing only to the CCM objective since the activity is not enabling under the CCA objective), representing Iveco Group's financial services activities. This activity primarily includes active leasing for commercial vehicles (CV), with light truck vehicles specifically considered eligible since they belong to the M1 and N1 categories
- 3.18 Manufacture of automotive and mobility components (contributing only to the CCM objective), which represents the Group's powertrain activities and operations, in accordance with Delegated Regulation 2023/2485. This activity includes the manufacturing, repair, maintenance, and upgrade of mobility components for exclusive use in vehicles and buses within categories M1, N1, N2, and N3 (previously reported under activity 3.3). Specifically, the activity focuses on mobility components within the ePowertrain activities
- 5.4 Sale of second-hand goods (contributing to the CE objective), which includes the sale of second-hand goods that have been previously used for their intended purpose by customers. Under this activity, pre-owned vehicles (both trucks and buses) are considered eligible.

Furthermore, Iveco Group identified the following additional eligible activities with regard to CapEx (Annex 1 of Delegated Regulation (EU) 2021/2178, par. 1.1.2.2, point (c)) and OpEx (Annex 1 of Delegated Regulation (EU) 2021/2178, par. 1.1.3.2, point (c)), related to the purchase of output from Taxonomy-eligible and Taxonomy-aligned economic activities:

- 1.2 Manufacture of electrical and electronic equipment (contributing to the CE objective), which includes all investments and expenses related to electronic equipment such as laptops, printers, etc.
- 6.5 Transport by motorbikes, passenger cars, and light commercial vehicles (contributing to the CCM and CCA objectives), which includes the leasing of company cars
- 7.3 Installation, maintenance, and repair of energy-efficient equipment (contributing to the CCM and CCA objectives), which includes the installation of both HVAC systems and energy-efficient lighting systems
- 7.4 Installation, maintenance, and repair of charging stations for electric vehicles in buildings, and parking spaces attached to buildings (contributing to the CCM and CCA objectives), which includes the installation of charging stations for electric vehicles
- 7.5 Installation, maintenance, and repair of instruments and devices for measuring, regulation, and controlling energy performance of buildings (contributing to the CCM and CCA objectives), which includes the installation of building energy management systems (BEMS) and meters for gas and electricity
- 7.6 Installation, maintenance, and repair of renewable energy technologies (contributing to the CCM and CCA objectives), which focuses mainly on the installation of solar photovoltaic systems
- 7.7 Acquisition and ownership of buildings (contributing to the CCM and CCA objectives), which primarily involves the Group's management and ownership of real estate properties

The Group conducted an assessment to determine the contribution of the aforementioned eligible economic activities to each of the six environmental objectives. The analysis showed that the climate change mitigation objective is the most consistent with the Organisation's business. Delegated Regulation 2022/1214 introduced a list of economic activities specific to the energy sector, including in relation to nuclear and gas energy. Iveco Group has not identified any eligible activities within this sector, so none are included in its sustainability reporting or considered eligible under the EU Taxonomy criteria for the period in question, as reported in Table A – Nuclear and Fossil Gas-Related Activities.

2.2 ALIGNMENT ASSESSMENT OF IVECO GROUP'S ECONOMIC ACTIVITIES – SUBSTANTIAL CONTRIBUTION CRITERIA

Once an activity is classified as eligible, it must strictly comply with the relevant Technical Screening Criteria (TSC), thus identifying that it substantially contributes to the environmental objectives under which it is categorised. In line with the Taxonomy Regulation, the economic activities identified as eligible were further assessed to evaluate their compliance with the Substantial Contribution Criteria (SCC) outlined in Annex I of the Climate Delegated Act and in the Environmental Delegated Act. This assessment was conducted to identify which activities met the Delegated Regulation requirements and to determine the corresponding proportions of turnover, CapEx, and OpEx of said activities.

- 3.3 Manufacture of low carbon technologies for transport (CCM)

Iveco Group ensures compliance with EU Taxonomy criteria by focusing on vehicles with low or zero CO₂ emissions. For passenger transport, M2 and M3 vehicles meet the latest Euro VI standards, while light-duty vehicles in categories M1 and N1 comply with the requirement of emitting less than 50g CO₂/km. Similarly, heavy-duty vehicles in categories N2, N3, and N1 (over 7.5 tons) align with the zero- or low-emission specifications set by European regulations. As part of this assessment, Iveco Group considered only electric and Euro VI vehicles to be aligned with the criteria, while CNG and LNG (methane-powered) vehicles were excluded as they did not meet the required emissions thresholds.

- 6.5 Transport by motorbikes, passenger cars, and light commercial vehicles (CCM)

In accordance with Regulation (EC) No. 715/2007, electric light-duty vehicles in categories M1 and N1 meet the specific CO₂ emissions threshold of below 50g CO₂/km until 31 December 2025, aligning with the requirements for low- and zero-emission light-duty vehicles.

- 3.18 Manufacture of automotive and mobility components (CCM)

This economic activity was incorporated into the EU Taxonomy to ensure due recognition for components critical to reducing greenhouse gas emissions. Within this category, electrical components that are manufactured by Iveco Group's ePowertrain activities and supplied to third parties for fully electric vehicles are deemed to be aligned.

- 5.4 Sale of second-hand goods (CE)

This activity covers Iveco Group's sale of second-hand vehicles to third parties, in compliance with the relevant EU Taxonomy criteria and the legal standards on product conformity, liability, and guarantees. The SCC for this activity were not met, as remanufacturing may occur at dealers' plants, and the Group lacks sufficient data from suppliers to assess SCC compliance. According to the criteria, a waste management plan must be in place for remanufactured products, ensuring that materials not reused are recycled or, if recycling is not feasible, properly disposed of.

Substantial contribution criteria (SCC) related to the purchase of output from Taxonomy-aligned economic activities and to individual measures contributing to the reduction of the Organisation's greenhouse gas emissions

As regards capital expenditure and direct non-capitalised costs (activities 6.5, 7.3, 7.4, 7.5, 7.6, 7.7, and 1.2), in the absence of sufficient data from suppliers to assess their SCC compliance, and adopting a precautionary approach, the Group considered these activities as non-aligned.

2.3 ALIGNMENT ASSESSMENT OF IVECO GROUP'S ECONOMIC ACTIVITIES – DO NO SIGNIFICANT HARM CRITERIA

After evaluating the economic activities against the Substantial Contribution Criteria (SCC), they were further analysed for compliance with the Do No Significant Harm (DNSH) criteria. Each DNSH technical criteria specified for the activity under assessment was addressed to ensure that, while contributing to a specific objective, the activity did not cause significant harm to any of the other environmental objectives.

As a result of the assessment conducted and detailed below, activities 3.3, 3.18, and 6.5 were deemed aligned with the DNSH criteria.

Climate Change Mitigation

The assessment to verify no significant harm to this objective was conducted exclusively for activity 5.4 Sale of second-hand goods. The criterion is not applicable to the Group, as it pertains to on-site generation of heat/cooling or co-generation with direct GHG emissions below 270 gCO₂e/kWh, which are not involved in the Group's remanufacturing process.

Climate Change Adaptation

For each plant where economic activities took place, Iveco Group conducted a climate risk and vulnerability assessment to identify relevant physical climate risks and the necessary adaptation measures to mitigate them. To evaluate potential impacts on production activities over the short, medium, and long term, the Group carried out a comprehensive climate risk analysis in line with Appendix A of Annex I of Delegated Regulation (EU) 2021/2139. Based on these findings, it will implement a 5-year adaptation plan to mitigate the most significant physical risks identified.

Sustainable Use and Protection of Water and Marine Resources

The DNSH assessment for the environmental objective 'Sustainable use and protection of water and marine resources' applies to the following economic activities: 3.3 Manufacture of low carbon technologies for transport, 5.4 Sale of second-hand goods, and 3.18 Manufacture of automotive and mobility components. All three activities require that environmental risks related to water quality and water stress are addressed through an adequate water use and protection management plan, developed in consultation with relevant stakeholders. Each year, the Group maps the plants located in water-stressed areas to ensure proper monitoring and management of water-related risks. Degradation risks related to water quality and water stress were identified and mitigated through Iveco Group's environmental management system, with the aim of optimising water status. The WRI Aqueduct Water Risk Atlas was used to identify Group plants in water-stressed areas.

The criteria for activities 3.3 and 3.18 were fulfilled, as the assessment was conducted on the Group's main manufacturing sites. Conversely, the criteria for activity 5.4 were not satisfied due to insufficient data to assess compliance; therefore, in line with a precautionary approach, this activity was considered non-aligned.

Transition to a Circular Economy

The DNSH assessment for the environmental objective 'Transition to a circular economy' applies to the following economic activities: 3.3 Manufacture of low carbon technologies for transport, 6.5 Transport by motorbikes, passenger cars, and light commercial vehicles, and 3.18 Manufacture of automotive and mobility components.

To meet the criteria, activities 3.3 and 3.18 must focus on assessing and implementing sustainable manufacturing practices, specifically addressing the feasibility and adoption of techniques aimed at:

- reusing and incorporating secondary raw materials and components in manufacturing
- designing products that offer high durability and ease of recyclability, disassembly, and adaptability
- implementing waste management practices that prioritise recycling over disposal during the manufacturing process
- ensuring the provision of information and the traceability of substances of concern throughout the product life cycle.

The Group integrates circular economy principles through targeted initiatives. These include a remanufacturing programme aiming for 15% of net spare parts sales from remanufactured components by year-end 2026, and an Eco-Design working group driving sustainability and recyclability in new products. Manufacturing processes and waste management are continuously optimised, resulting in a waste recovery rate of over 97%. The Group is committed to replacing hazardous substances, particularly heavy metals in painting, and to promoting sustainable chemical use, ensuring compliance with REACH and RoHS regulations by closely monitoring supplier data (collected via the IMDS - International Material Data System) and through strict regulatory adherence. In addition, the Group's circular economy approach to batteries aligns with recent European regulations (Regulation (EU) 2023/1542). Moreover, Iveco Group is establishing country-by-country agreements with battery recyclers to implement end-of-life battery management solutions for electric vehicles.

To meet the criteria, activity 6.5 must satisfy circular economy requirements for vehicles in categories M1 and N1. These vehicles are designed to meet rigorous sustainability standards, ensuring that at least 85% of their weight is reusable or recyclable, with 95% being reusable or recoverable, in compliance with Directive 2005/64/EC and International Regulation R133. Additionally, applicable vehicles must comply with the Battery Directive 2006/66/EC and new Battery Regulation 2023/1542, as well as adhere to the End-of-Life Vehicles (ELV) Directive 2000/53/EC. The criteria were met for the economic activities categorised under this environmental objective.

Pollution Prevention and Control

The DNSH assessment for the environmental objective 'Pollution prevention and control' applies to the following economic activities: 3.3 Manufacture of low carbon technologies for transport, 6.5 Transport by motorbikes, passenger cars, and light commercial vehicles, 3.18 Manufacture of automotive and mobility components, and 5.4 Sale of second-hand goods.

- 3.3 Manufacture of low carbon technologies for transport and 3.18 Manufacture of automotive and mobility components

For these activities, companies must comply with stringent substance and emission regulations and aim at preventing the use or production of restricted substances as specified in Appendix C to Annex I of Delegated Regulation (EU) 2021/2139. Compliance with regulations such as REACH and RoHS is achieved by collecting supplier data via the International Material Data System (IMDS), verifying the absence of hazardous substances, and fulfilling all communication requirements. Iveco Group fully adheres to points (a), (b), (c), (d), and (e) of Appendix C. As regards the amendment of point (f) included in Regulation 2023/2485 on 27 June 2023, no additional requirements appear to have been introduced beyond those outlined in the REACH Regulation. Accordingly, based on its current understanding of the regulatory framework, Iveco Group considers the authorisation process managed as per REACH or other sector-specific regulations (e.g., valid exemptions or derogations under RoHS and POPs) sufficient for compliance.

- 6.5 Transport by motorbikes, passenger cars, and light commercial vehicles

As required by the criteria, vehicles in categories M and N comply with the latest applicable Euro 6 light-duty emission standards, as defined by Regulation (EC) No. 715/2007. They also meet the emission thresholds for clean light-duty vehicles outlined in Table 2 of the Annex to Directive 2009/33/EC. Additionally, their tyres are compliant with external rolling noise limits in the highest populated class and meet the Rolling Resistance Coefficient requirements in the top two populated classes, as outlined in Regulation (EU) 2020/740, with compliance verifiable through the European Product Registry for Energy Labelling (EPREL). These vehicles also meet the standards set forth by Regulation (EU) No 540/2014.

- 5.4 Sale of second-hand goods

For this activity, companies must comply with stringent substance and emission regulations and aim at preventing the use or production of restricted substances as specified in Appendix C to Annex I of Delegated Regulation (EU) 2021/2139. Compliance with regulations such as REACH and RoHS is achieved by collecting supplier data via the International Material Data System (IMDS), verifying the absence of hazardous substances, and fulfilling all communication requirements. Iveco Group fully adheres to points (a), (b), (c), (d), and (e) of Appendix C. As regards the amendment of point (f) included in Regulation 2023/2485 on 27 June 2023, no additional requirements appear to have been introduced beyond those outlined in the REACH Regulation. Accordingly, based on its current understanding of the regulatory framework, Iveco Group considers the authorisation process managed as per REACH or other sector-specific regulations (e.g., valid exemptions or derogations under RoHS and POPs) sufficient for compliance. Furthermore, products originating from NACE code C29 activities, such as vehicles or mobility components, must meet the latest Euro VI or Euro 6 emission standards. Tyres must comply with the highest-rated classes for noise and rolling resistance, as required under Regulation (EU) 2020/740 and its successors, ensuring energy efficiency and sustainability.

Restoration of Biodiversity and Ecosystems

The DNSH assessment for the environmental objective 'Restoration of biodiversity and ecosystems' applies to the following economic activities: 3.3 Manufacture of low carbon technologies for transport and 3.18 Manufacture of automotive and mobility components.

To evaluate the impact of these activities on biodiversity and ecosystems, different methodologies are applied at manufacturing sites located near protected areas of particular environmental interest. Specifically, Iveco Group employs the Biodiversity Value Index (BVI) methodology, which provides an in-depth analysis of ecosystems within a 5-kilometre radius of these sites. This assessment determines biodiversity levels and identifies appropriate improvement measures.

Additionally, the Group integrates the Biodiversity Risk Evaluation (BRE) methodology, which assesses the impact of plant operations on biodiversity and natural resources, irrespective of their overall contribution to the surrounding ecosystem. The BRE assessment generates risk maps for each plant, indicating potential biodiversity risks. These maps guide the identification of standardised indicators and the implementation of targeted mitigation measures based on assigned risk scores.

For operations near biodiversity-sensitive areas, Iveco Group has performed appropriate assessments and implemented the necessary mitigation measures to minimise any adverse impacts on local ecosystems.

DNSH criteria related to the purchase of output from Taxonomy-aligned economic activities and to individual measures contributing to the reduction of the Organisation's greenhouse gas emissions

As regards capital expenditure and direct non-capitalised costs (activities 6.5, 7.3, 7.4, 7.5, 7.6, 7.7, and 1.2), in the absence of sufficient data from suppliers to assess their compliance with the DNSH principle, and adopting a precautionary approach, the Group considered these activities as non-aligned.

2.4 MINIMUM SAFEGUARDS ASSESSMENT

The EU Taxonomy Regulation, under Article 18, establishes the requirements for economic activities to be considered sustainable. Indeed, they must not only be environmentally sustainable by meeting the Taxonomy's Technical Screening Criteria (TSC), but also socially sustainable by adhering to minimum safeguards to ensure compliance with both human and labour rights. To this end, companies are required to conduct an analysis at both the corporate and activity levels to assess their alignment with internationally recognised guidelines on human rights and business ethics, covering, but not limited to, issues such as corruption, taxation, and other relevant matters.

Article 18 of the Regulation outlines the specific requirements for Minimum Safeguards, referencing key international standards for responsible business conduct. These include the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the eight fundamental conventions of the International Labour Organization (ILO), and the International Bill of Human Rights. The Regulation also aligns with the 'do no significant harm' (DNSH) principle as defined by Article 18 of the EU Sustainable Finance Disclosure Regulation (SFDR).

To ensure compliance with the Minimum Safeguards, Iveco Group has conducted a specific assessment of its activities. The Organisation demonstrates its commitment to human rights through its Code of Conduct, Supplier Code of Conduct, and Human Rights Policy. Additionally, it monitors human rights across its internal operations, supply chain, and customer base through dedicated processes. To guarantee full compliance with anti-corruption and bribery laws, the Group implements an Anti-Corruption Policy and specific procedures. Moreover, its tax risk management strategy focuses on minimising the risk of violating tax regulations, while ensuring operations align with the tax system's principles and objectives.

With regard to antitrust and competition management, Iveco Group recognises the critical importance of an open and competitive market, which is why it is fully committed to complying with all applicable competition and antitrust laws and to scrupulously refraining from business practices that may violate them (such as the establishment of cartels, price fixing, market divisions, production or sales limitations, tying arrangements, or the exchange of commercial information or business views).

The Group has a Competition Compliance Programme in place to promote compliance with competition and antitrust laws, raise awareness within the Organisation of competition law implications for its businesses, and help identify and minimise the risk of any violations. This programme includes a dedicated Competition Policy, overseen by the Legal, Compliance & Corporate Governance (LC&CG) Department and available on the corporate website.

The Competition Policy includes a set of relevant practical guidelines by subject matter, and applies to all directors, officers, and employees, as well as to those acting for or on behalf of all Iveco Group companies worldwide. It sets detailed and stringent rules to be observed when dealing with competitors, trade associations, suppliers, and customers, as well as rules for responding to competition authority investigations, emphasising the need for full cooperation in the event of antitrust or competition investigations or of any requests for information regarding alleged anti-competitive conduct. Iveco Group also has a specific organisational unit dedicated to antitrust and competition law.

The Group's online training on the Code of Conduct includes a module on Antitrust and Competition Law. Additionally, dedicated in-person training on antitrust and competition aspects is provided to Senior Leadership Team (SLT) members, while ad hoc in-person training initiatives are deployed in several jurisdictions to maintain a high level of understanding of the importance of competition law compliance, with training sessions and workshops tailored to the specific needs of the Business Units and markets involved. Each year, a number of jurisdictions are selected for targeted, business-specific training, complementing the general Antitrust and Competition Law course available online.

In terms of grievances, a Compliance Helpline is available to all Iveco Group employees, customers, suppliers, and third parties to report potential violations of applicable laws, corporate policies, or the Code of Conduct. The Organisation further safeguards consumer interests through its Code of Conduct and Supplier Code of Conduct, which emphasise fair competition and adherence to antitrust regulations.

With regard to the antitrust case involving Iveco Poland, as reported in 'Legal Proceedings' in 'Business Overview' in this Report, Iveco Group has appealed the Office of Competition and Consumer Protection (UOKIK) decision before the Polish court and has not made any specific accounting provisions in relation to the case. More importantly, this appeal did not affect the Organisation's alignment with the Minimum Safeguards. Meanwhile, in line with its ongoing commitment to fair competition, the Organisation continued to implement its Competition Compliance Programme, which is part of its standard business practice irrespective of any specific antitrust cases. Iveco Group's regular compliance activities include the delivery of antitrust training sessions and the daily active support provided by the Group's Antitrust Unit to the business. As part of these ongoing efforts, two scheduled training sessions were delivered in November by the Antitrust Unit to key managerial staff in Poland. These sessions focused on horizontal and vertical relations and agreements under antitrust rules applicable to the dealership agreement, as well as on key aspects of sales and after-sales contract provisions. The training also featured interactive Q&A sessions during which participants were able to engage on a wide range of antitrust topics. In the event of a final and non-appealable ruling in the ongoing case in Poland, the Organisation will reassess its compliance with the Minimum Safeguards.

Iveco Group employs a range of tools to ensure compliance, both internally and externally, with the Minimum Safeguards, supported by the comprehensive regulatory framework detailed in the chapter 'Relevant Policies in the Internal Regulatory Framework'. In addition, the Group aligns with the 'do no significant harm' principle of the SFRD⁽²⁹⁾, under Article 2(17)⁽³⁰⁾, by addressing the gender pay gap and gender diversity within governance bodies and by reporting on the respective indicators in the Annual Report.

⁽²⁹⁾ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (OJ L 317, 9.12.2019, p. 1).

⁽³⁰⁾ 2023/C 211/01 Communication, FAQ 2.

2.5 CALCULATION OF EU TAXONOMY-RELATED KPIS AND CONTEXTUAL INFORMATION

Accounting Policy

The annexes of the Commission Delegated Regulation (EU) 2021/2178 (hereafter referred to as the 'Disclosure Delegated Act') require companies to calculate the proportion of turnover, capital expenditure (CapEx), and operating expenditure (OpEx) associated with eligible and aligned activities. To meet this regulatory requirement, the Group identified its eligible activities, assessed which of these met the alignment criteria, and calculated the three KPIs as required by the Regulation.

In November 2023, the European Commission adopted the Environmental Delegated Act, which, via Annex V, amended the Disclosure Delegated Act, specifically the format of the tables used for KPI calculations. The updated EU Taxonomy tables are provided at the end of the section 'Calculation of EU Taxonomy-related KPIs and Contextual Information'.

Iveco Group's Sustainability and Finance departments collaborated to identify the values needed to measure the KPIs to be reported. In line with the criteria outlined in Annex I of the EU Commission Delegated Act 2021/2178, these values were derived from balance sheet items, as described hereafter.

Numerators were calculated based solely on balance sheet items associated with the identified activities. The calculation of denominators, on the other hand, included all items specified by the regulations at the consolidated Iveco Group N.V. level, as detailed in the Contextual Information section below.

The turnover data was derived from the official consolidated financial statement, representing the total value of revenue from goods and services sold and invoiced during the reference period. To prevent double counting, all intercompany transactions were excluded from the revenue figures.

The CapEx was calculated based on additions to tangible and intangible assets, as well as long-term leases identified from company reports, serving as the foundation for any changes in asset disclosures.

To align with the taxonomy criteria, the OpEx was calculated as the sum of operating expenses related to capital investment projects (by nature), costs associated with maintenance and cleaning (by destination), and short-term leases.

EU Taxonomy-related KPIs and Contextual Information

The proportion of turnover, CapEx, and OpEx associated with eligible and non-eligible economic activities is presented as an aggregate percentage for Iveco Group in each respective category.

Turnover KPI

The Turnover KPI was calculated as the net turnover derived from eligible products or services (numerator) divided by the total net turnover (denominator). In line with the Disclosure Delegated Act, Iveco Group used the following values to calculate the share of turnover:

- the denominator represents the Group's consolidated net turnover from industrial activities. Net turnover is defined as the revenue from the sale of products and provision of services, minus sales rebates and value-added taxes directly linked to turnover. Accordingly, the KPI denominator corresponds to the Annual Report's Note 1, line item 'Total Industrial Activities', equal to €14,948 million. In accordance with EU Communication C/2023/305 - FAQ 17, the turnover from discontinued operations is reported as a separate line item and, therefore, should not be included in the Taxonomy KPI
- the numerator is equal to the portion of net sales from trucks and buses (new and used), powertrains, and services, as well as revenues from repair, maintenance, and leasing fees. Revenues from specialty vehicles (Defence and Fire Fighting) were excluded as they could not be associated with any of the Taxonomy activities. For the level of eligibility and alignment, please refer to Table B.

CapEx KPI

In line with the Disclosure Delegated Act, Iveco Group used the following values to calculate the share of capital expenditures:

- the denominator represents the increases in Property, Plant, and Equipment (excluding assets sold under Buy-Back commitments) and Right-of-Use (RoU) Assets, as well as Intangible Assets (excluding goodwill), as reported respectively in Note 13 and 12 of the Annual Report. As required by the EU Taxonomy Regulation, the values considered correspond to the line items marked as 'Additions' in the relevant tables, thus excluding the effects of amortisation, depreciation, impairment losses, divestments, assets classified as held for sale, translation differences, and other adjustments. The consolidated value of the sum of tangibles, intangibles, and RoU assets related to Industrial Activities was equal to €1,028 million

- the numerator is equal to the portion of capital expenditures within the denominator attributable to the revenue-generating activities identified (CapEx A) and to the investments related to the purchase of output from Taxonomy activities (CapEx C). For the level of eligibility and alignment, please refer to Table C.

OpEx KPI

In line with the Disclosure Delegated Act, Iveco Group used the following values to calculate the share of operating expenditures:

- the denominator includes all direct non-capitalised costs related to maintenance, building renovation, research and development, short-term leases, and any other direct expenditures related to the day-to-day servicing of property, plant, and equipment assets
- the numerator is equal to the portion of direct non-capitalised costs within the denominator attributable to the revenue-generating activities identified (OpEx A) and to the direct costs related to the purchase of output from Taxonomy activities (OpEx C). For the level of eligibility and alignment, please refer to Table D.

The reported values do not include any amounts related to Iveco Group's intercompany transactions associated with the economic activities assessed as part of the taxonomy analysis.

Furthermore, no CapEx or OpEx items relate to plans for expanding economic activities that are aligned with the Taxonomy Regulation.

The CapEx and OpEx values allocated to the numerators were calculated using the Tool Semplice (specific to the Initiatives Mngt system), aggregating data based on dedicated fields for tracking projects and on their purpose/objective.

The tables on the following pages contain information on the proportions of turnover, capital expenditure, and operating expenditure identified as eligible, non-eligible, and aligned according to the European Taxonomy, as per the new templates included in Annex V of the Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and European Council (Environmental Delegated Act).

TABLE A – NUCLEAR AND FOSSIL GAS-RELATED ACTIVITIES

Nuclear energy related activities

1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades	No

Fossil gas related activities

4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels	No

PROPORTION OF **TURNOVER** FROM PRODUCTS ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

DISCLOSURE COVERING FINANCIAL YEAR 2024

ECONOMIC ACTIVITIES	2024			Substantial Contribution Criteria							DNSH criteria (Do No Significant Harm)							MINIMUM SAFEGUARDS	TAXONOMY-ALIGNED OR ELIGIBLE PROPORTION OF TURNOVER, FY 2023	CATEGORY (ENABLING ACTIVITY)	CATEGORY (TRANSITIONAL ACTIVITY)			
	CODE ^(a)	ABSOLUTE TURNOVER (€ IN MILLIONS)	PROPORTION OF TURNOVER, 2024	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY									
A. TAXONOMY-ELIGIBLE ACTIVITIES																								
A.1. Environmentally sustainable activities (Taxonomy-aligned)																								
Manufacture of low carbon technologies for transport	3.3 CCM	1,695	11%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	3%	E						
Manufacture of automotive and mobility components	3.18 CCM	18	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E						
Transport by motorbikes, passenger cars and light commercial vehicles	6.5 CCM	0	0%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	N/A	Y	Y	N/A	Y	0%							
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		1,714	11%	11%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	3%							
of which Enabling		1,713	11%	11%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	3%	E						
of which Transitional		0.49	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%		T					
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																								
Manufacture of low carbon technologies for transport	3.3 CCM	6,698	45%	EL	N	N/EL	N/EL	N/EL	N/EL								Y	76%	E					
Transport by motorbikes, passenger cars and light commercial vehicles	6.5 CCM	51	0%	EL	N	N/EL	N/EL	N/EL	N/EL													Y	1%	
Sale of second-hand goods	5.4 CE	219	1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL													Y	1%	
Turnover of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		6,969	47%	45%	0%	0%	0%	1%	0%														78%	
A. Turnover of Taxonomy eligible activities (A.1+A.2)		8,683	58%	57%	0%	0%	0%	1%	0%									80%						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																								
Turnover of Taxonomy-non-eligible activities		6,265	42%																					
Total (A + B)		14,948	100%																					

^(a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the Section number of the activity in the relevant Annex covering the objective, i.e.,:

- Climate Change Mitigation: CCM
- Climate Change Adaptation: CCA
- Water and Marine Resources: WTR
- Circular Economy: CE
- Pollution Prevention and Control: PPC
- Biodiversity and ecosystems: BIO

PROPORTION OF CAPEX FROM PRODUCTS ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

DISCLOSURE COVERING FINANCIAL YEAR 2024

ECONOMIC ACTIVITIES	2024			Substantial Contribution Criteria							DNSH criteria (Do No Significant Harm)							MINIMUM SAFEGUARDS	TAXONOMY -ALIGNED OR ELIGIBLE PROPORTION OF TCAPEX, FY 2023	CATEGORY (ENABLING ACTIVITY)	CATEGORY (TRANSITIONAL ACTIVITY)
	CODE ^(a)	ABSOLUTE CAPEX (€ IN MILLIONS)	PROPORTION OF CAPEX, 2024	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY						
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
Manufacture of low carbon technologies for transport	3.3 CCM	185	18%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	35%	E			
Manufacture of low carbon technologies for transport	3.18 CCM	20	2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E			
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		206	20%	20%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	35%				
of which Enabling		206	20%	20%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	35%	E			
of which Transitional		0	0%														0%		T		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																					
Manufacture of electrical and electronic equipment	1.2 CE	0	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								Y	0%			
Manufacture of low carbon technologies for transport	3.3 CCM	148	14%	EL	N	N/EL	N/EL	N/EL	N/EL								Y	11%	E		
Transport by motorbikes, passenger cars and light commercial vehicles	6.5 CCM	33	3%	EL	N	N/EL	N/EL	N/EL	N/EL								Y	0%		T	
Installation, maintenance & repair of energy efficiency equipment	7.3 CCM	6	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								Y	0%	E		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.4 CCM	0	0%	EL	N	N/EL	N/EL	N/EL	N/EL								Y	0%	E		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5 CCM	0	0%	EL	N	N/EL	N/EL	N/EL	N/EL								Y	0%	E		
Installation, maintenance and repair of renewable energy technologies	7.6 CCM	0	0%	EL	N	N/EL	N/EL	N/EL	N/EL								Y	0%	E		
Acquisition and ownership of buildings	7.7 CCM	24	2%	EL	N	N/EL	N/EL	N/EL	N/EL								Y	0%			
Capex of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		211	21%	20%	0%	0%	0%	0%	0%		11%										
A. Capex of Taxonomy eligible activities (A.1+A.2)		417	40%	40%	0%	0%	0%	0%	0%		46%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
Capex of Taxonomy-non-eligible activities		613	60%																		
Total (A + B)		1,028	100%																		

^(a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the Section number of the activity in the relevant Annex covering the objective, i.e.:

- Climate Change Mitigation: CCM
- Climate Change Adaptation: CCA
- Water and Marine Resources: WTR
- Circular Economy: CE
- Pollution Prevention and Control: PPC
- Biodiversity and ecosystems: BIO

PROPORTION OF OPEX FROM PRODUCTS ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

DISCLOSURE COVERING FINANCIAL YEAR 2024

ECONOMIC ACTIVITIES	2024			Substantial Contribution Criteria							DNSH criteria (Do No Significant Harm)							MINIMUM SAFEGUARDS TAXONOMY-ALIGNED OR ELIGIBLE PROPORTION OF OPEX, FY 2023 CATEGORY (ENABLING ACTIVITY) CATEGORY (TRANSITIONAL ACTIVITY)				
	CODE ^(a)	ABSOLUTE OPEX (€ IN MILLIONS)	PROPORTION OF OPEX, 2024	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY							
A. TAXONOMY-ELIGIBLE ACTIVITIES																						
A.1. Environmentally sustainable activities (Taxonomy-aligned)																						
Manufacture of low carbon technologies for transport	3.3 CCM	52	10%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	22%	E				
Manufacture of automotive and mobility components	3.18 CCM	18	3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E				
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		69	13%	13%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	22%					
of which Enabling		69	13%	13%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	22%	E				
of which Transitional		0	0%														0%			T		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																						
Manufacture of low carbon technologies for transport	3.3 CCM	50	9%	EL	N	N/EL	N/EL	N/EL	N/EL								Y	3%	E			
Transport by motorbikes, passenger cars and light commercial vehicles	6.5 CCM	2	0%	EL	N	N/EL	N/EL	N/EL	N/EL								Y	0%			T	
Installation, maintenance & repair of energy efficiency equipment	7.3 CCM	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								Y	0%	E			
Acquisition and ownership of buildings	7.7 CCM	0	0%	EL	N	N/EL	N/EL	N/EL	N/EL								Y	0%				
Opex of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		52	10%	10%	0%	0%	0%	0%	0%													
A. Opex of Taxonomy eligible activities (A.1+A.2)		122	23%	23%	0%	0%	0%	0%	0%									24%				
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																						
Opex of Taxonomy-non-eligible activities		411	77%																			
Total (A + B)		533	100%																			

^(a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the Section number of the activity in the relevant Annex covering the objective, i.e.,:

- Climate Change Mitigation: CCM
- Climate Change Adaptation: CCA
- Water and Marine Resources: WTR
- Circular Economy: CE
- Pollution Prevention and Control: PPC
- Biodiversity and ecosystems: BIO

3. CLIMATE CHANGE (E1)

Iveco Group's materiality assessment identified *Climate change due to own operations*, *Climate change due to vehicles*, and *Climate change due to supply chain* as material sustainability matters, all linked to ESRS E1 and specifically to its sub-topics:

- 'Climate change adaptation'
- 'Climate change mitigation'
- 'Energy'.

The expected short-term impacts related to *Climate change due to own operations* were identified as negative and described by stakeholders as follows: "The greenhouse gas emissions (Scope 1 and 2) generated by Iveco Group's own operations contribute to climate change".

The expected short-term impacts related to *Climate change due to vehicles* were identified as negative and described by stakeholders as follows: "The greenhouse gas emissions generated by the use of sold vehicles contribute to climate change". The expected medium-term impacts, on the other hand, were identified as positive and described by stakeholders as follows: "The launch of new electric vehicles, as well as the use of alternative fuels and propulsions (e.g., natural gas, biomethane, hydrogen, and electric and hybrid engines) capable of reducing emissions during vehicle use, contribute to tackling climate change".

The expected short-term impacts related to *Climate change due to supply chain* were identified as negative and described by stakeholders as follows: "The greenhouse gas emissions generated by Iveco Group's supply chain contribute to climate change (e.g., inbound and outbound logistics flows)".

For more information, see 1.9 Identifying and Assessing Material Impacts, Risks, and Opportunities in this Sustainability Statement.

3.1 TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION (E1-1)

Conscious of the urgency of climate change challenges and of the major role that decarbonisation will play in the short term, Iveco Group has set itself the ambitious goal of achieving net zero carbon by 2040 – ten years ahead of the deadline set by the Paris Agreement – in accordance with The Climate Pledge signed by the Organisation⁽³¹⁾. To ensure the timely delivery of its decarbonisation strategy, the Group has defined specific strategic sustainability targets for Scope 1, 2, and 3 emissions.

For Scope 1 and 2 emissions, Iveco Group is committed to reducing CO₂ emissions in its manufacturing processes by minimising fossil fuel use and increasing the use of renewable energy.

For Scope 3 emissions, a sustainability target has been set for year-end 2030 and incorporated into the Strategic Business Plan: to reduce by 38% the Scope 3 CO₂ emissions from the use of sold products⁽³²⁾ per vehicle/km (compared to 2022). To reach this target, the Group aims to ensure electric vehicles account for at least 35% of its sales by 2030 by gradually shifting its vehicle sales towards battery electric vehicles (BEV) and fuel cell electric vehicles (FCEV).

The main actions to reach these targets are reported in 3.4 Climate Actions and Targets, including details of relevant investments. CapEx and OpEx related to economic activities identified by the Taxonomy Regulation are reported in 2. EU Taxonomy on Sustainable Activities.

As regards the governance of Iveco Group's decarbonisation path, the ultimate responsibility for defining and implementing 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 CO₂ 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.

⁽³¹⁾ The Climate Pledge signature.

⁽³²⁾ The target refers to vehicles manufactured in Europe. Furthermore, it cannot be reported as an absolute value.

At management level, the ultimate responsibility for initiatives focusing on energy efficiency and on the management of CO₂ 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 continuously monitors the progress of its transition plan; below is a snapshot of the results achieved in 2024.

CO₂ EMISSIONS TARGETS^(a)

Iveco Group

	Target	2024
Scope 1 & 2		
Absolute CO ₂ emissions (Scope 1 & 2) from the manufacturing plants within the Focus Area ^(b) (tons CO ₂ eq)	2030: -50% vs 2019	-25.2%
Scope 3		
Cat. 1 - Absolute CO ₂ emissions generated by major suppliers of purchased goods, services, and capital goods (tons CO ₂ eq)	2030: -30% vs 2022	Activities on schedule
Cat. 4 - CO ₂ emissions per ton of goods shipped (kg CO ₂ eq)	2026: -7% vs 2022	-4.9%
Cat. 11 - CO ₂ emissions from the use of sold products ^(c) (grams CO ₂ eq per vehicle/km)	2030: -38% vs 2022	-6.6%

^(a) For the calculation methodology used, see 3.5 Climate Metrics.

^(b) For the definition of the Focus Area scope, see 1.1 General Basis for the Preparation of the Sustainability Statement.

^(c) The target refers to vehicles manufactured in Europe.

With regard to locked-in emissions, these stem from a combination of past and present investments, strategic decisions, and infrastructure choices that could make the decarbonisation path more challenging. Internal combustion engine (ICE) vehicles already sold or in production will continue to generate CO₂ emissions throughout their lifespan, while existing factories and supplier agreements, designed around traditional ICE vehicle manufacturing, continue to rely on emissions-producing processes. Moreover, dependence on fossil fuel-powered logistics, energy-intensive manufacturing, and dealership networks centred on ICE vehicle sales further sustain these emissions, slowing down the pace of emission reductions. The gradual expansion of electric vehicle (EV) charging infrastructure combined with the slow transition to renewable energy sources creates interlinked dynamics to overcome. The pace of change is also affected by government policies, market incentives, and consumer preferences, as significant investments in regions with lower EV adoption or with regulations favouring ICE vehicles could influence the transition's trajectory.

3.2 MANAGING CLIMATE RELATED RISKS AND OPPORTUNITIES (SBM-3, IRO-1)

At Iveco Group, climate risk management is integrated into a Group-Wide multidisciplinary risk management process designed to identify and assess climate-related risks and opportunities, as well as the current and anticipated effects of climate change 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 Group's Enterprise Risk Management (ERM), Strategic Business Plan, and 2030 climate scenario
- 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 using the requirements of both the ESRS and the International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures for reference.

This assessment considers each of the following risk categories to identify and assess risks, their likelihood and magnitude of impact, and the opportunities they present:

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

3.2.1 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 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.

In 2024, the Group performed an analysis over the short, medium, and long term (2025-2040) of each physical risk event for each site within its risk perimeter (including proprietary plants and the sites of suppliers and dealers of property), in order to evaluate potential changes in risk exposure over time. The analysis used the weather patterns of the RCP⁽³³⁾ 8.5 scenario of the Intergovernmental Panel on Climate Change (IPCC), which is based on various assumptions regarding emissions, policies, and rising temperature levels. The main drivers considered when evaluating Iveco Group's short-, medium- and long-term physical risks were data tool results for specific physical risks and IPCC predictions of variables such as: maximum precipitation levels; surface wind speed; maximum temperatures; and consecutive dry days.

As regards physical climate risk adaptation, the industrial risks associated with high-frequency/high-severity natural hazards are increasingly an issue for large manufacturing companies. Iveco Group's Risk Management Centre of Competence analyses such hazards with the support of its loss prevention engineering provider and of the technical departments of the insurance and reinsurance companies represented on the Group's insurance panel. This analysis takes place during field audits and for all new project developments, using analytical techniques as well as practical, cost-effective methodologies to develop optimised risk-mitigation measures where feasible.

⁽³³⁾ Representative Concentration Pathways (RCPs) are a climate scenario analysis tool (with each scenario describing a potential future pathway). The RCP 8.5 scenario assumes a high GHG emission future without effective climate change mitigation policies.

The 2024 assessment of material physical climate risks covered 84% of the Group's insured value⁽³⁴⁾, with completion schedules for implementing mitigation plans typically set at less than 5 years. Furthermore, 100% of new projects and initiatives are analysed from the earliest stages of development to ensure the highest level of prevention and protection from material physical climate risks. Any physical risk event affecting direct operations is considered a significant business disruptor (potentially having a substantive financial or strategic impact on business) if it results in significant value erosion potentially leading to critical financial impacts, jeopardising the Group's market position (high impact risk). The aforementioned risks may cause material adverse effects in terms of business interruptions, property damage, or other indirect costs, thus impacting the Group's EBIT and/or cash flow. It is predicted that climate change will lead to an increase in water stress and in extreme weather events, such as floods, hurricanes, cyclones, tornados, hailstorms, heat waves, and bush fires – inevitably disrupting production and component supplies.

Based on the 2024 assessment of Iveco Group sites within the risk perimeter and an initial pilot evaluation of supplier and dealer of property (DOP) sites, most of them are located in areas that are not particularly associated with high-risk exposure, with the exception of a few located in areas susceptible to hailstorms, flash floods and/or water stress. However, extreme natural events still pose a risk to the Group given the significant damage they can cause. Overall, considering the mitigation measures in place and the nature of the risks, Iveco Group plants' main economic vulnerability is linked to their exposure to river floods, hurricanes, cyclones, and tornados, whereas suppliers' economic exposure is mainly linked to water stress, hailstorms, and cold wave events.

Over the year⁽³⁵⁾, the Group invested a total of €0.16 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 approximately €92 million, resulting in a Global Efficiency Index⁽³⁶⁾ (GEI) of 0.17, in line with the highest international standards. 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. In 2024, the Group's loss-prevention investments cut the expected loss due to property damage by 81% and due to business interruptions by 19%.

3.2.2 TRANSITION RISKS

Iveco Group's transition risk assessment process starts with the identification of key trends and drivers relevant to the Organisation and its industry. The 2024 assessment was performed according to IFRS⁽³⁷⁾ S2 guidelines – considering the main climate-related risk categories specified therein: Market Risk, Policy and Legal Risks, Technology Risk, Reputation Risk, and Liabilities – as well as ESRS requirements.

The main drivers identified to evaluate Iveco Group's medium- to long-term transition risks and opportunities were: the diffusion of electric vehicles; changes in mobility habits; unavailability and price volatility of materials; carbon taxes and green accounting practices; tightening of vehicle regulations; new green production requirements; mandatory climate-related disclosures; development of green products, processes, and technologies; and changing stakeholder perceptions of climate-related themes.

The Group then created a risk register to map the climate-related transition risks and opportunities most relevant to the Organisation (linking each to the aforementioned drivers) and assessed their relevance through a qualitative analysis – along with an in-depth quantitative analysis of a number of them. Risk assessment results were subsequently validated within the Group's Climate Change Risk Management (CCRM) framework through a preliminary review by the Enterprise Risk Management (ERM) function, followed by final validation by the Senior Leadership Team (SLT).

The medium- to long-term (2030-2050) analysis of transition risks and opportunities was performed using the RCP⁽³⁸⁾ 1.9 scenario of the Intergovernmental Panel on Climate Change (IPCC), which is based on various assumptions regarding future emissions, policies, and economic trends. Iveco Group also adopted the NZE⁽³⁹⁾ scenario of the International Energy Agency (IEA) to perform a comprehensive analysis of the energy and automotive markets, as well as the SSP1⁽⁴⁰⁾ scenario developed by the IPCC. Transition risks are considered significant business disruptors (potentially having a substantive financial or strategic impact on business) if they result in any of the following:

- a negative effect on one or more key strategies for the Group's stability and growth
- a prolonged suspension of essential business activities

⁽³⁴⁾ 2024's total insured value under the control of the Loss Prevention Centre of Competence as at the third quarter of the year.

⁽³⁵⁾ Figures relate to the period from 1 July 2023 to 30 June 2024 (Insurance Year).

⁽³⁶⁾ 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.

⁽³⁷⁾ International Financial Reporting Standards.

⁽³⁸⁾ Representative Concentration Pathways (RCPs) are a climate scenario analysis tool (with each scenario describing a potential future pathway). RCP 1.9 is a very ambitious scenario, being the IPCC's lowest emission pathway towards limiting global warming to below 1.5°C by the end of the century, which is the aspirational goal of the Paris Agreement.

⁽³⁹⁾ Net Zero Emissions, a scenario that outlines a pathway for the global energy sector to achieve net zero CO₂ emissions by 2050.

⁽⁴⁰⁾ 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 path.

- a seizure of key assets or of profits
- negative repercussions on the Group's reputation or image, resulting in: a substantial decrease in share price; strained relations with stakeholders; and/or a significant adverse impact on rankings, potentially leading to exclusion from financial or sustainability rating indices.

Based on the analysis performed, Iveco Group's top (most severe) transition risks are associated with uncertainties regarding: the shift towards mixed transport, energy costs, the life cycle of new products, the growing need for investments in health and safety, and climate-related regulations and disclosures. Meanwhile, opportunities are linked to developments in market demand and financial benefits owing to electrification consolidation and the expansion of the internal combustion engine (ICE) product market in countries with more flexible ESG laws and regulations.

3.3 POLICIES RELATED TO CLIMATE CHANGE (E1-2)

The Iveco Group Environmental Policy and Energy Policy regulate those activities that generate the greatest impact and/or potential risk with regard to the ESRS E1 sub-topics 'Climate change mitigation', 'Climate change adaptation', and 'Energy', and support the Group in reaching its sustainability targets and ambitions.

3.3.1 ENVIRONMENTAL POLICY

Iveco Group considers climate change mitigation and adaptation, as well as energy, to be of the utmost importance, as the greenhouse gas emissions generated by the Group's own operations (Scope 1 and 2), by the use of its sold vehicles, and by its supply chain (e.g., inbound and outbound logistics flows) all contribute to climate change. On the other hand, the launch of new electric vehicles and the use of alternative fuels and propulsions (such as natural gas, biomethane, hydrogen, and electric and hybrid vehicles), which reduce emissions during vehicle use, contribute to tackling climate change. Furthermore, failure to comply with relevant regulations on engine and vehicle emissions can lead to considerable penalties and reputational damage. The Environmental Policy outlines Iveco Group's short-, medium-, and long-term commitments to responsibly managing its environmental aspects (particularly energy, water and natural resources, raw materials, hazardous substances, polluting emissions, and waste). It also explicitly reflects the Organisation's belief that efficient resource use and environmental impact reduction are crucial strategies in creating added value for both itself and the communities in which it operates. Iveco Group thus anticipates risks that could potentially impact the environment and human health by adopting a precautionary approach when designing products, overseeing manufacturing processes, defining logistics flows, and managing product end-of-life: namely, the precautionary principle introduced by the Rio Declaration on Environment and Development⁽⁴¹⁾. The policy addresses the key steps towards reaching Iveco Group's ambitious goal of achieving net zero carbon by 2040. This includes complying with all applicable environmental legislation as well as other environmental requirements, and, where possible, adopting early versions of new legal provisions if more stringent. This commitment extends to all stages of the upstream and downstream value chain: purchasing processes, product concept and development, operations, logistics and distribution, sales and after-sales, remanufacturing, and product end-of-life. The key measures include:

- reducing energy consumption, lowering greenhouse gas emissions, and promoting renewable energy
- reducing air emissions
- promoting sustainable mobility
- adopting an eco-design approach to minimise the environmental impact of vehicles by developing products that deliver industry-leading performance in terms of fuel efficiency, noise and polluting emissions, and recoverability rates
- minimising the environmental impact of inbound and outbound logistics.

Iveco Group also engages and partners with stakeholders to promote environmental care, increase understanding of environmental issues, and disseminate best practices, involving environmental experts from within and outside the Organisation. The Environmental Policy applies to Iveco Group N.V. and its subsidiaries, to the directors, officers, and employees of such entities, and to those acting for or on behalf of such entities. Iveco Group's Board of Directors endorses the policy's principles and oversees its implementation, the executive responsibility for which lies with the Senior Leadership Team (SLT), tasked with developing appropriate operational procedures and ensuring adequate allocation of resources and professional expertise. The policy, available on the corporate website, has been shared with all Group employees and senior management worldwide.

⁽⁴¹⁾ Principle 15 of the Rio Declaration on Environment and Development, approved by the United Nations in 1992.

3.3.2 ENERGY POLICY

The Energy Policy outlines Iveco Group's commitment to improving the energy performance of its processes in order to enhance resource use efficiency and reduce environmental impacts, pursuing the principles of sustainable development and continuous improvement. The Group's aim is to develop its business strategically through sustainable technology, monitoring risks and adopting measures to mitigate them, ultimately delivering economic benefits and improvements for the environment and society in which it operates. The Energy Policy is implemented in compliance with the ISO 50001:2018 standard, and is available on the corporate Intranet.

3.4 CLIMATE ACTIONS AND TARGETS (E1-3, E1-4)

3.4.1 SCOPE 1 AND 2 EMISSIONS ACTIONS AND TARGETS

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 CO₂ 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 2024, Iveco Group continued to monitor energy performance at each of its plants (Focus Area⁽⁴²⁾), as well as their secondary vectors and their compliance with the Group's Energy Action Plan, using its Energy Monitoring & Targeting (EMT) 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. The initiative led not only to an increased level of people engagement and awareness, but also to numerous technical and management improvement projects involving the redesign of processes, equipment conversions and retrofitting for decarbonisation, and operational changes to new installations.

With regard to Iveco Group's Focus Area scope, as at the end of 2024, 22 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 applied to other sites, each governed by its own energy management system, resulting in the logistics hub in San Mauro Torinese (Italy) becoming Iveco Group's first ISO 50001:2018 certified non-manufacturing site. The Group also obtained ISO 50005:2021 attestation (which provides for a phased approach to ISO 50001:2018 certification) for its dealers of property (DOPs) in Trento (Italy), Barcelona and Madrid (Spain), Vitrolles (France), Hamburg, Berlin, Cologne, Mannheim, and Nuremberg (Germany), Farnborough (UK), Lodenice (Czech Republic), and Manolache (Romania).

To reduce energy consumption and CO₂ 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

⁽⁴²⁾ For the definition of the Focus Area scope, see 1.1 General Basis for the Preparation of the Sustainability Statement.

- **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.

The 2024 expenditure was allocated as follows: €3.12 million in capital expenditures (CapEx) and €197,000 in operational expenditures (OpEx), with part of these investments linked to projects from previous years. Notably, the efficiency initiatives introduced in 2024 resulted in annual savings of approximately €550,000. The simple payback period is estimated at around 1.8 years. Moreover, the projects led to a reduction in energy consumption of approximately 4,900 MWh and in CO₂eq emissions of about 660 tons (as per the market-based method).

2024 ENERGY IMPROVEMENT PROJECTS IN DETAIL

Iveco Group (Focus Area)

	Total energy reduction in 2024 (MWh)	Project cost ^(a) (€ thousands)
Lighting efficiency	1,443	1,832
Electric power efficiency systems	132	463
Renewable energy systems	—	120
Heating systems	474	403
Technological heat systems	2,879	433
Total	4,928	3,251

^(a) As the implemented projects extend over multiple years and encompass various workstreams, the total investment value may be subject to adjustments throughout the duration of the initiative.

Iveco Group has set itself the ambitious goal of achieving net zero carbon by 2040. The strategic sustainability **targets** included in the Sustainability Plan (see 1.6 Strategy, Business Model, and Value Chain) and that apply to the scope of the Focus Area are:

- to obtain 100% of electricity consumption from renewable sources by year-end 2026
- to reduce absolute CO₂eq emissions (Scope 1 and 2) by 50% by year-end 2030 (compared to 2019).

In 2024, within the scope of the Focus Area, the Group achieved the following results:

- 98.2% in total electricity consumption derived from renewable sources
- a 25.2% reduction in absolute CO₂eq emissions compared to the 2019 base year.

Regarding the 50% reduction target in CO₂eq emissions compared to the 2019 base year, Scope 1 accounts for 60% of the reduction, while Scope 2 contributes 40%. Each decarbonisation initiative's contribution to reaching the overall target is shown in the following table.

Main emission reduction initiatives and expected outcomes	2019 Base year ^(a) (tons of CO ₂ eq)	2030 Target (%)
Building refurbishment		-1%
Energy efficiency systems		-1%
Renewable energy systems		-15%
Management initiatives		-10%
Heat recovery systems		-4%
Building energy management systems (BEMS)		-4%
Electrification of heat production and fuel switching (process & heating)		-15%
GHG emissions – Scope 1 & 2 (Focus Area)	99,926	-50%

^(a) The base year was recalculated to align with the ESRS E1 standard by converting data into CO₂ equivalent (CO₂eq) and incorporating the latest emission factors published by the International Energy Agency (IEA).

In 2024, approximately 1,700 hours of **training** were provided (mainly by in-house professionals) to more than 2,350 people across different plants, focusing on proper energy performance monitoring and management, the Group's decarbonisation strategy, and the best and latest technologies available. Several employee initiatives were introduced to raise energy awareness and promote a more sustainable lifestyle, such as energy workshops covering a range of topics of interest to the many Iveco Group energy specialists attending from plants worldwide.

3.4.2 SCOPE 3 EMISSIONS ACTIONS AND TARGETS

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 CO₂ 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.

3.4.2.1 Purchased goods and services and upstream transportation and distribution

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 2024, Iveco Group continued to monitor and interact with its supplier network through Open-es, the community-based digital platform 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 2024 accounted for approximately 89% 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 CO₂ emissions generated by major suppliers of purchased goods, services, and capital goods by year-end 2030 (compared to 2022). For further details on:

- process for target definition
- how stakeholders have been involved in target setting
- target base year and period to which the target applies
- target monitoring and progress during the year

please refer to the Sustainability Plan in 1.6 Strategy, Business Model, and Value Chain.

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 CO₂ emissions per ton of goods shipped (inbound, outbound, and spare parts) by year-end 2026 (compared to 2022).

For further details on:

- the target definition process
- stakeholder involvement in target setting
- target base year and applicable period
- target monitoring and progress during the year

please refer to the Sustainability Plan in 1.6 Strategy, Business Model, and Value Chain.

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⁽⁴³⁾ for logistics processes. CO₂ 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 2024, the containment initiatives in place had already allowed the Organisation to cut CO₂ emissions by 3.5% compared to the previous year (in terms of kilos of CO₂ emissions per ton of goods shipped).

CO₂ EMISSIONS IN LOGISTICS PROCESSES^(a)

Iveco Group worldwide (tons of CO₂eq)

	2024
Inbound	86,500.00
Outbound	54,988.00
Spare parts	21,040.00
Total	162,528.00

^(a) For the calculation methodology, see 3.5.2 Gross Scope 1, 2, 3 and Total GHG emissions.

⁽⁴³⁾ 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.

3.4.2.2 Use of sold products

The Group offers a diversified product portfolio, each delivering a very different range of features to perform the very different tasks they were designed for. Adding to this broad product mix is FPT Industrial, which manufactures industrial powertrains for trucks, buses, agricultural and construction equipment, boats, and power generators. This diversified offering has played a major role in shaping Iveco Group's decarbonisation strategy, driving the long-term adoption of a technology-neutral approach. Currently, this approach includes propulsion systems powered by traditional technologies as well as by natural gas (NG), biofuels, battery-electric 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 CO₂ 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 CO₂ emissions reduction target for year-end 2030: a 38% reduction in Scope 3 CO₂ emissions from the use of sold products⁽⁴⁴⁾ 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), and is aiming for its electric vehicles to account for up to 35% of total sales by 2030. For further details on:

- process for target definition
- how stakeholders have been involved in target setting
- target base year and period to which the target applies
- target monitoring and progress during the year
- please refer to the Sustainability Plan in 1.6 Strategy, Business Model, and Value Chain.

Internal Combustion Engines

The brand new XC13 engine, installed in the new IVECO S-WAY Model Year 2024, is FPT Industrial'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 new XC13 engine has potential as a primary driver in achieving short- and medium-term CO₂ emissions targets. Indeed, a truck fitted with an XC13 Diesel engine generates 10% fewer CO₂ emissions (a reduction of 9 tons per year), of which 7% attributable to the engine itself, compared to the same truck fitted with a C13 Diesel engine (Model Year 2022). The new XC13 engine will help deliver future CO₂ reductions in agricultural and construction applications as well, making it a major player in the Group's decarbonisation strategy.

FPT Industrial is actively researching second-generation renewable biofuels, in accordance with EN 15940 fuel specifications, with a particular focus on hydrotreated vegetable oil (HVO), also known as green diesel (or XTL). Since 2020, all of the Brand's engine families have been type-approved for HVO, and several buses and coaches have already been adapted to run on this fuel to reduce their CO₂ emissions. HVO, and XTL fuels in general, are an effective way to tackle the CO₂ 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 Industrial's 6.7L engine, featured in the CROSSWAY intercity coach produced by Brand IVECO BUS, is homologated for biodiesel B100 in accordance with EN14214, the European standard for biodiesel. This new version of the CROSSWAY is especially well-suited to address the decarbonisation needs of school and urban transport, given B100's ability to cut CO₂ emissions by almost 60% across the well-to-wheel cycle compared to traditional diesel. The first B100-compatible CROSSWAY units were delivered and registered mid-2024. The Brand is also exploring a retrofit protocol for its current CROSSWAY fleet equipped with the Tector 6.7 Euro VI step E engine.

⁽⁴⁴⁾ The target refers to vehicles manufactured in Europe.

For ICEs, **biomethane** remains one of the best alternatives to diesel over the medium term. All of the Organisation's currently available NG engines are 100% biomethane-compatible, the many benefits of which include:

- full compatibility with existing natural gas (NG) technology
- fully renewable fuel
- near-zero well-to-wheel CO₂ emissions – or even negative emissions (up to 130% fewer compared to diesel) if sourced from manure
- alignment with circular economy principles.

With over 100,000 units sold to date, FPT Industrial has the largest NG engine portfolio on the market and is a leader in NG engine sales in Europe. Furthermore, its N67 NG is the only medium-duty NG engine on the European market, delivering up to 10% fewer CO₂ emissions compared to the diesel version. It is featured in the IVECO Eurocargo truck Model Year 2024, and it was also installed on the IVECO BUS GWAY, the Brand's new gas midibus (effectively replacing the previous diesel version), as part of Iveco Group's portfolio transition to low-carbon transport solutions. This mid-size NG city bus is destined to become a best-seller in the European Union as it provides a sustainable mobility solution for narrow streets, mountainous regions, and/or areas of low population density. The N67 NG will soon also power New Holland's LNG tractor concept. Meanwhile, FPT Industrial is focusing on multipoint stoichiometric combustion for NG engine development, as it is the most cost-effective solution to meet Euro VI emissions standards, enabling a significant reduction in harmful emissions (e.g., hydrocarbons and NOX) to very low levels. They are used in commercial vehicles, buses, special vehicles, and agricultural equipment, and are available in the Cursor, NEF, and F1 engine series, offering customers significant cost benefits throughout the entire service life of vehicles.

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

E-Mobility

FPT Industrial has a dedicated cross-functional ePowertrain business line that works exclusively on the development of electric vehicle technologies. The aim is to meet customer needs with a wide range of tailor-made alternative propulsion and energy storage solutions for every type of mission, thus strengthening the Brand's positioning in the market as a multi-energy solutions provider.

To date, FPT Industrial's portfolio includes:

- eDrivelines (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).

As regards ePropulsion, of the 3 eDriveline solutions offered by the Brand, eAxles are a premium technological solution to maximise efficiency and optimise energy usage, with a complete lineup launched in 2024 for vehicles ranging from 3.5 to 49 tons.

As regards energy storage systems, FPT Industrial 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-road vehicles.

The complete battery lineup is modular (more than one pack can be mounted in parallel). Moreover, NMC pouch cell technology allows the battery packs' energy density to be maximised, ensuring high levels of safety. The Brand's eBS 37 EVO and eBS 69 batteries come with a Battery Passport, with traceable information collected via blockchain technology. The eBS 37 EVO is also already compliant with the ECE Regulation 100 Rev.3 on electric vehicle safety. This battery pack can be reused (and thus its lifespan extended) thanks to the Brand's proprietary 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.

The IVECO eDaily – the first-generation, all-electric version of the best-selling IVECO Daily commercial van – offers customers a comprehensive eMobility ecosystem. This includes high added-value services such as IVECO's electric Mobility Service Provider (eMSP) solution, which provides access to more than 500,000 public charging points across Europe via an app and/or card, as well as a wide range of charging solutions delivered directly through Customer Service and in collaboration with strategic energy partners. Other services include the innovative eDaily Smart Routing and IVECO ON Easy Daily apps. The former interacts with the vehicle to predict vehicle range, required battery level to reach a destination, and precise time of arrival. The

latter, which can be integrated with the IVECO Driver Pal voice assistant, offers vehicle-specific information on performance (health checks, battery levels, etc.), remote scheduling of battery recharge and preconditioning, navigation to charging stations, and more.

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

- the latest generation of the E-WAY range – featuring improved performance to match the most demanding European city missions. By year-end, nearly 2,000 units had been delivered to public authorities and operators
- CROSSWAY ELEC – a new all-electric bus designed for sustainable suburban and peri-urban mobility projects. Launched in December 2024 at AUTOCAR EXPO as part of its European premiere, it is the Brand's first battery-electric intercity coach for school transport. Its smart design integrates 4 battery packs (inherited from the Low Entry BEV and further developed in the CNG version). This represents a unique selling point as it preserves the full luggage compartment below the floor, similar to the conventional diesel version
- STREETWAY ELEC – a 12-metre battery-electric city bus designed to meet the specific needs of European and extra-European markets
- eDAILY – the latest addition to the DAILY minibus family; this new 100% electric minibus is also available in chassis version.

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 longer 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 FCEV is a heavy-duty electric truck for the European market with a range of up to 800 kilometres, fitted with Bosch fuel cells and an FPT Industrial eAxe. This first-generation prototype aims to compete favourably in the toughest heavy-duty missions against well-established conventional diesel vehicles, despite the latter having powered many generations of vehicles for more than a century. Within the light-duty range, IVECO and Hyundai unveiled a working prototype of the eDaily FCEV, featuring Hyundai's 90 kW hydrogen fuel cell system and 140 kW e-motor, and a battery pack designed by FPT Industrial. The prototype has a 7.2-ton gross vehicle weight (GVW). It has been tested in Europe, confirming a range of 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 FCEV will be ideal for long-haul, high-payload, and high-energy-demand missions.

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

The 2024 market launch was highly successful: indeed, the IVECO BUS E-WAY FCEV was selected by the French procurement agency UGAP⁽⁴⁵⁾ and also secured contracts for the acquisition of hydrogen bus fleets in the French cities of Cannes, Lorient, and La Roche-sur-Yon. As a result, the production of the first 30 units is scheduled to begin in 2025.

Low-Carbon Products

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

In 2024, R&D investments mainly focused on zero-emission vehicles, electrification, multi-fuel energy solutions, and digitalisation, and totalled €802 million. For more information, see 'Research and Development' in this Report.

⁽⁴⁵⁾ Union des Groupements d'Achats Publics.

Type	Product	2024 Total net revenues ^(a) (%)	2024 Estimated emissions avoided (tons CO ₂ eq)	Comment
Low-carbon products	IVECO URBANWAY IVECO CROSSWAY IVECO CREALIS (Buses)	23.0	76,953	- Mild hybrid vehicle delivering 5-15% fewer CO₂ emissions vs the conventional version - Hybridisation available for both CNG and diesel versions
	IVECO E-WAY IVECO CROSSWAY ELEC (Buses)			Zero-emissions electric buses and coaches
	IVECO eDAILY (Light vehicle)	1.2		Zero-emissions electric Daily
Products that enable third parties to avoid emissions	IVECO WAY range Model Year 2024 (Heavy vehicles)	31.8	309,091	Diesel version (MY24), delivering -10% in CO₂ emissions vs its previous version

^(a) Refers to the respective segment. For more information on revenues, see the 'Business Overview' in this Report.

Data Calculation Methodology

The total reported CO₂ emissions were estimated using an internal methodology that accounts for the number of vehicles sold in 2024, the average CO₂ emissions across the entire range, and the average annual mileage for each vehicle category.

Emissions reductions were calculated by:

- comparing CO₂ emissions from low-carbon products, such as hybrid or electric vehicles, with their equivalent fossil fuel-powered versions
- comparing CO₂ emissions from new model-year vehicles with the previous, less efficient models.

3.5 CLIMATE METRICS

3.5.1 ENERGY CONSUMPTION AND MIX (E1-5)

In 2024, Iveco Group reported a total energy consumption of 1,173,772 MWh within its Group-Wide scope⁽⁴⁶⁾. Meanwhile, within the scope of the Focus Area⁽⁴⁷⁾, the Organisation's energy performance – defined as total internal energy consumption⁽⁴⁸⁾ divided by hours of production – saw an improvement, with the key performance indicator (KPI)⁽⁴⁹⁾ falling by approximately 16.9% compared to 2019. This was the result of the successful synergy between the ISO 50001 energy management system and the energy efficiency projects realised. The sustainability target set for the Focus Area and included in the Sustainability Plan (see 1.6 Strategy, Business Model, and Value Chain) is to achieve a 30% reduction in total energy consumption per production unit (MWh/hour of production) by year-end 2030 (compared to 2019).

Energy production mix – Focus Area	2024	2019
Total energy consumption (MWh)	753,985.73	817,768.70
KPI [MWh/Total manufacturing hours]	0.0251	0.0302

⁽⁴⁶⁾ For the definition of the Group-Wide scope, see 1.1 General Basis for the Preparation of the Sustainability Statement.

⁽⁴⁷⁾ For the definition of the Focus Area scope, see 1.1 General Basis for the Preparation of the Sustainability Statement.

⁽⁴⁸⁾ Types of energy included: electricity, heat, steam, cooling, natural gas, metallurgical coal, diesel, and other fuels.

⁽⁴⁹⁾ Fuel used to test products is not included.

Energy production mix – Group-Wide	2024
Fuel consumption from crude oil and petroleum products (MWh)	102,592.57
Fuel consumption from natural gas (MWh)	605,402.23
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	97,120.50
Total fossil energy consumption (MWh)	805,115.30
Share of fossil sources in total energy consumption (%)	69%
Consumption from nuclear sources (MWh)	57,824.85
Share of consumption from nuclear sources in total energy consumption (%)	4.9%
Fuel consumption from renewable sources, including biomass(a) (MWh)	8,136.06
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	352,858.32
Consumption of self-generated non-fuel renewable energy (MWh)	7,661.90
Total renewable energy consumption	368,656.28
Share of renewable sources in total energy consumption (%)	31%
Total energy consumption (MWh)	1,173,771.58

^(a) Also comprising industrial and municipal waste of organic origin, biogas, renewable hydrogen, etc.

Iveco Group's energy intensity is calculated based on net revenues and corresponds to 75.54 MWh/€ million⁽⁵⁰⁾. The underlying assumption is that all Iveco Group energy consumption relates to high climate impact sectors.

Focus Area Scope - Data Calculation Methodology

Normalised production unit indexes were defined specifically to track medium- and long-term environmental performance trends. This approach emphasises performance improvements due to process optimisation rather than fluctuations in production volumes. Performance indicators were calculated on the total number of manufacturing hours, defined as the hours of presence of hourly employees within the manufacturing scope required to manufacture a product.

Specific metrics were used to monitor secondary vectors within this scope (e.g., when monitored as a secondary vector, compressed air was indicated in Nm³ and converted into MWh).

Direct energy refers to the forms of energy that fall within the scope of Iveco Group's operations; it can either be consumed by the Organisation within its boundaries or exported to other users.

The consumption of fuel used for the following purposes was reported separately: to move unsold, newly manufactured vehicles to the designated parking lots; to fuel forklifts and internal utility cars; to perform engine tests; and to power generators, motor pumps, pressure washers, and other devices.

Indirect energy refers to the energy produced outside the scope of Iveco Group's operations, supplied to meet the needs of the Organisation itself (e.g., electricity, heating, and cooling).

The KPIs for assessing both energy consumption and CO₂eq emissions per production unit do not take into account diesel or LPG consumption from logistics or product testing.

Group-Wide Scope - Data Calculation Methodology

The reported energy consumption was measured using special metering systems installed on the primary energy carrier meters at plant entrances. Unlike the Focus Area, consumption within this scope does not refer only to the manufacturing perimeter, and thus to total manufacturing hours, but to the consumption of the entire Group. It therefore includes the consumption of fuel used: to move unsold, newly manufactured vehicles to the designated parking lots; to fuel forklifts and internal utility cars; to perform engine tests; and to power generators, motor pumps, pressure washers, and other devices.

Fleet car fuel consumption was estimated based on average data from a representative sample of vehicles.

Most of the reported data (approximately 91%) was derived from primary sources, covering the scope of the Focus Area as well as some additional sites. When reporting on the full Group-Wide scope, the remaining data (9%) was based on estimates, using comparable data from similar monitored sites as a reference and considering factors such as site size and indicators such as the number of employees.

⁽⁵⁰⁾ Revenues for the intensity ratio calculation include discontinued operations.

3.5.2 GROSS SCOPE 1, 2, 3 AND TOTAL GHG EMISSIONS (E1-6)

SCOPE 1 AND 2 EMISSIONS

Iveco Group (tons CO₂eq)

	2024	
	Group-Wide	Focus Area ^(a)
GHG emissions		
Gross Scope 1 GHG emissions	130,791.38	71,214.90
GHG emissions from regulated emission trading schemes (%)	—	—
Gross Scope 2 GHG emissions – location-based	110,434.85	85,774.7
Gross Scope 2 GHG emissions – market-based ^(b)	38,388.95	3,508.0
Total GHG emissions (Scope 1 & 2) – location-based	241,266.23	156,989.6
Total GHG emissions (Scope 1 & 2) – market-based	169,180.33	74,722.9

^(a) Emissions from diesel, LPG, and the car fleet are excluded.^(b) Guarantees of Origin or renewable energy certificates cover 88% of purchased electricity within the Focus Area scope and 70% within the Group-Wide scope.

SCOPE 3 EMISSIONS

Iveco Group worldwide (tons CO₂eq)

Type of activity	Scope 3 emissions category ^(a)	2024
Upstream	1 - Purchased goods and services	3,968,982.00
	2 - Capital goods	—
	3 - Fuel- and energy-related activities (not included in Scope 1 or 2)	35,135.88
	4 - Upstream transportation and distribution	162,528.00
	5 - Waste generated in operations	—
	6 - Business travel	4,204.00
	7 - Employee commuting	32,184.35
	8 - Upstream leased assets	—
	Total upstream	4,203,034.23
Downstream	9 - Downstream transportation and distribution	—
	10 - Processing of sold products	—
	11 - Use of sold products	60,357,066.94
	12 - End-of-life treatment of sold products	415,386.00
	13 - Downstream leased assets	—
	14 - Franchises	n/a
	15 - Investments	—
	Total downstream	60,772,452.94
	Total Scope 3 emissions	64,975,487.17

^(a) Scope 3 emissions are calculated using both primary and secondary data. In 2024, approximately 50% of Scope 3 emissions were calculated using primary data.

SCOPE 1, 2, AND 3 EMISSIONS

Iveco Group worldwide (tons CO₂eq)

	2024
GHG emissions	Group-Wide
Gross Scope 1 and 2 GHG emissions – location-based	241,266.23
Gross Scope 1 and 2 GHG emissions – market based	169,180.33
Gross Scope 3 GHG emissions	64,975,487.17
Total GHG emissions – location-based	65,216,753.40
Total GHG emissions – market-based	65,144,667.50
Total GHG emissions – location-based – per net revenue (€ million)^(a)	4,196.88
Total GHG emissions – market-based – per net revenue (€ million)^(a)	4,192.24

^(a) Revenues for the intensity ratio calculation include discontinued operations.

Scope 1 Emissions – Data Calculation Methodology

Regardless of the scope (Group-Wide or Focus Area), Scope 1 emissions are the emissions generated by Iveco Group's consumption of fossil fuels for internal use and operations, including heating buildings, operating Group equipment, and running generators. As per Greenhouse Gas Emissions Inventory procedures, the following sources were excluded from the Scope 1 emissions inventory when classified as de minimis, i.e., their value was less than or equal to the threshold of 3% of a plant's CO₂eq emissions (location-based method):

- organic-based technical gas
- fugitive emissions, for example generated by fixed appliances or when recharging vehicles' on-board air-conditioning compressors using HFC or HCFH refrigerants
- emissions from internal transport operations carried out using vehicles that are Group-owned or leased from third parties
- fire suppression equipment that operates with greenhouse gases (e.g., CO₂eq, HFCs, F-gases)
- refrigerants
- direct methane (CH₄) and nitrous oxide (N₂O) emissions from fuel combustion.

At Iveco Group, the only sources of greenhouse gas (GHG) emissions, besides those deriving from energy consumption, are associated with the use of hydrofluorocarbon (HFC) compounds with global warming potential (GWP). These are present in equipment for air-conditioning, cooling, fire suppression, and manufacturing. The potential emissions from these substances (CO₂eq) are negligible compared with emissions from energy production: in fact, with an incidence of 1.3%, they fall outside the reporting scope.

Fleet car emissions were estimated based on average fuel consumption data from a representative sample of vehicles.

Scope 2 Emissions – Data Calculation Methodology

Regardless of the scope (Group-Wide or Focus Area), Scope 2 emissions are indirect emissions associated with the purchase of energy (electricity, compressed air, and the electricity associated with the consumption of heating and cooling, combined heat and power (CHP), and district heating). 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 Group plants:

- the location-based method, which reflects the average emissions intensity of the grids on which energy consumption occurs
- the market-based method, which reflects emissions from electricity that companies have actively chosen to purchase (or reflects their lack of choice).

Using the **location-based** method, global CO₂eq emissions from energy consumption were calculated using the specific emission coefficients (expressed in gCO₂eq/kWh) provided by the International Energy Agency (IEA), which are updated every 3 years.

Using the **market-based** method, the CO₂eq emissions from energy consumption were calculated using specific emission coefficients provided by the following sources:

- the Association of Issuing Bodies (AIB) 2024 European Residual Mix – to calculate emissions from electricity consumption at European sites
- IEA – to calculate emissions from: electricity consumption at extra-EU sites, global district heating, and cogeneration.

The CO₂eq emissions target set for the Focus Area refers to Scope 2 emissions calculated according to the market-based method.

Scope 3 Category 1 Emissions (from Purchased Goods and Services) – Data Calculation Methodology

In 2024, the calculation methodology for Scope 3 Category 1 emissions (from purchased goods and services) was refined compared to the previous year to enhance accuracy by integrating product- and geography-specific emission factors. The category's CO₂eq emissions were calculated using the spend-based method, as outlined in the GHG Protocol Technical Guidance for Calculating Scope 3 Emissions, applying the following formula:

$$\text{CO}_2\text{eq emissions} = \sum (\text{value of purchased goods or services (€)} \times \text{emission factor per unit of economic value (kg CO}_2\text{eq/€)}).$$

The value of purchased goods and services used corresponds to the 2024 Annual Purchase Value (APV), while emission factors were sourced from Exiobase 3.8.2 – a detailed multi-regional, environmentally extended input-output (EEIO) database covering various economic sectors and geographies.

The revised methodology improves precision by incorporating multiple dimensions, providing a more accurate representation of geographic variations in emissions. This is achieved by integrating the country of origin (COO) of purchased goods (i.e., the country where they were produced), capturing regional energy mixes, thereby reflecting the heterogeneity of Iveco Group's global procurement. Furthermore, the enhanced methodology increases the level of granularity by assigning specific emission factors (EFs) based on the material description of each purchased good. This was accomplished by analysing the procurement database, mapping and associating each material description to a corresponding NACE code, and linking the latter to the emission categories in the new database – thus resulting in a dual mapping approach that combines both material description and COO.

The methodology was then refined even further by updating emission factors to account for inflation-adjusted values, applying inflation rates from the International Monetary Fund (IMF) for each geographic region. This adjustment ensures that Exiobase emission factors, originally referenced to 2022, are appropriately scaled to 2024. Another significant methodological enhancement involved adjusting emission factors based on projected decarbonisation trends in the Organisation's sourcing countries, leveraging insights from the International Energy Agency's World Energy Outlook 2023. This ensures that external factors influencing emissions are duly considered.

The integration of this updated methodology has introduced more precise and tailored emission factors, improving the accuracy of output data by incorporating country-specific manufacturing emissions and customised EFs based on the characteristics of purchased goods.

Scope 3 Category 2 Emissions (from Capital Goods Covered by the Relevant Target) – Data Calculation Methodology

The CO₂ emissions from the Group's capital goods were negligible compared to the total Scope 3 emissions.

Scope 3 Category 3 Emissions (from Fuel- and Energy-Related Activities not Included in Scope 1 or 2) – Data Calculation Methodology

The activities included in category 3 are:

- A. upstream emissions of purchased fuels
- B. upstream emissions of purchased electricity
- C. transmission and distribution (T&D) losses.

Total emissions were calculated as follows:

CO₂eq emissions (location-based) = CO₂eq emissions (A) + CO₂eq emissions (B) + CO₂eq emissions (C).

- For activity A, the average-data method (see GHG Protocol, Technical Guidance for Calculating Scope 3 Emissions) was applied as follows:
Upstream CO₂eq emissions of purchased fuels = $\sum (\text{fuel consumed (e.g., kWh)} \times \text{upstream fuel emission factor (kgCO}_2\text{eq/kWh)})$ – where upstream fuel emission factors = DEFRA emission factors.
- For activity B, the average-data method (see GHG Protocol, Technical Guidance for Calculating Scope 3 Emissions) was applied as follows:
Upstream CO₂eq emissions of purchased electricity = $\sum (\text{electricity consumed (e.g., kWh)} \times \text{fuel-cycle factor (gCO}_2\text{eq/kWh)})$ – where fuel-cycle factor = IEA emission factors.
- For activity C, the average-data method (see GHG Protocol, Technical Guidance for Calculating Scope 3 Emissions) was applied as follows:
CO₂eq emissions from energy T&D losses = $\sum (\text{electricity consumed (kWh)} \times \text{life cycle T\&D emission factor (kgCO}_2\text{eq/kWh)})$.

Scope 3 Category 4 Emissions (from Upstream Transportation and Distribution) – Data Calculation Methodology

This category includes inbound, outbound, and spare parts logistics services outsourced by the Group to third parties.

The emissions within this category were measured based on the Greenhouse Gas Protocol (revised edition) for road transport, and on the IFEU Heidelberg method for sea and rail transport. The CO₂ emissions calculation methodology for **inbound transportation and distribution** varied depending on the different transportation modes, as described below.

- ROAD transport – To calculate the total CO₂eq emissions from road transport, the following information was considered: number of shipments, utilisation capacity (taxable weight of shipment), and distance travelled (in kilometres) for each truck. The first two sets of data were downloaded from the Supply Chain Management (SCM) information system. The third set of data was obtained by measuring distances according to a Point Map. The calculation took into consideration a 24-ton average taxable weight for each truck and different region-specific emission factors (as per the Greenhouse Gas Protocol). Based on the above, the emissions were calculated as follows: $(\sum (\text{distance in km per truck}) \times \text{taxable weight per shipment per truck} \times \text{specific emission factors}) / \text{average taxable weight of each truck}$.
- RAIL transport – To calculate the emissions from rail transport, the Group considered the following: a 24-ton average taxable weight per container (since trains are loaded/unloaded from trucks) and the number of trains and containers per route (information received periodically from the logistics services providers). The CO₂eq emissions were calculated as follows: CO₂eq emissions per rail route per container⁽⁵¹⁾ x weight moved.

⁽⁵¹⁾ Data obtained from EcoTransIT considering average taxable weight per container.

- SEA transport – To calculate the emissions from sea transport, the Group considered the following data downloaded from the Supply Chain Management (SCM) information system: number of routes and weight transported during the reporting period. The CO₂eq emissions were calculated as follows: CO₂eq emissions per sea route per ton⁽⁵²⁾ x weight moved.
- AIR transport – To calculate the emissions from air transport, the Group considered data received from its air service provider and checked by a dedicated internal team. The CO₂eq emissions were calculated as follows: CO₂eq emissions factor per air shipment x weight moved (tons).

The CO₂eq emissions calculation methodology for **outbound and spare parts transportation** and distribution varied depending on the different transportation modes, as described below.

- ROAD transport (outbound) – To calculate the emissions from outbound road transport, the following data was considered: the list of sold vehicles invoiced during the reporting period; the distance travelled (in kilometres) per transport leg according to a Point Map; the average load factor specific to each product; and different region-specific emission factors. The CO₂eq emissions were calculated as follows: $\sum (\text{distance in km per transport leg} / \text{average load factor} \times \text{specific emission factors})$.
- ROAD transport (spare parts) – To calculate the total CO₂eq emissions from the transportation of spare parts by road, the Group considered the following data downloaded from the Supply Chain Management (SCM) information system: total cubic metres per route (total CBM) and distance travelled (in kilometres) per route according to a Point Map. The calculation also considered a 50-CBM average truck saturation and different region-specific emission factors. The total CO₂eq emissions were calculated as follows: (total CMB / average truck saturation) x distance x specific emission factors.
- RAIL transport – To calculate the emissions from rail transport, the Group considered the following: a 24-ton average taxable weight per container (since trains are loaded/unloaded from trucks) and the number of trains and containers per route (information received periodically from the logistics services providers). The CO₂eq emissions were calculated as follows: CO₂eq emissions per rail route per container⁽⁵³⁾ x weight moved.
- SEA transport – These emissions were measured using the same calculation methodology as for rail transport emissions, using data from logistics service providers on the number of ships per shipment. Depending on the route and the weight transported, CO₂eq emissions were then quantified using the IFEU Heidelberg method (EcoTransIT).

Scope 3 Category 5 Emissions (from Waste Generated in Operations) – Data Calculation Methodology

The CO₂eq emissions from waste generated in operations were negligible, comprising less than 0.05% of total Scope 3 emissions.

Scope 3 Category 6 Emissions (from Business Travel) – Data Calculation Methodology

The CO₂eq emissions from employees' work related air travel, managed directly through Iveco Group's headquarters, were calculated according to the GHG Protocol. The CO₂eq emissions from train travel (approximately 4,500 journeys in 2024) were estimated based on a representative sample route.

Scope 3 Category 7 Emissions (from Employee Commuting) – Data Calculation Methodology

The data within this category refers to 100% of Iveco Group employees. It was calculated for the sites in Italy (8 sites employing approximately 13,800 employees, representing approximately 38% of the global employee headcount), and then estimated for the sites outside Italy based on the average CO₂eq emissions per employee at the Italian sites.

Scope 3 Category 8 Emissions (from Upstream Leased Assets) – Data Calculation Methodology

This category includes powered industrial vehicles at plants, on-site trailer tractors, ICT equipment, and leased cars. It should be noted that leased assets that use electricity fall under the Group's Scope 2 emissions, while those that use natural gas or fossil fuel fall under its Scope 1 emissions.

Scope 3 Category 9 Emissions (from Downstream Transportation and Distribution) – Data Calculation Methodology

The CO₂eq emissions associated with distribution to end-customers not included in Category 4 were negligible compared to the total Scope 3 emissions.

⁽⁵²⁾ Data obtained from EcoTransIT.

⁽⁵³⁾ Data obtained from EcoTransIT.

Scope 3 Category 10 Emissions (from the Processing of Sold Products) – Data Calculation Methodology

The emissions within this category were calculated applying the average-data method⁽⁵⁴⁾ using the formula: CO₂eq emissions = $\sum$ (mass of sold intermediate product (number of engines) × emission factor of processing of sold products (kg CO₂eq/engine)). Most of Iveco Group's products are ready for use when they leave its production sites. A proportion of FPT Industrial engines were supplied to external customers that sell trucks, buses, and light commercial vehicles and were installed in their products. To determine the CO₂eq emissions from the assembly of these engines, the specific CO₂eq emission factors were calculated based on the energy consumption involved in their assembly at Iveco Group's plants, specifically at the Annonay plant (France) for buses, the Madrid plant (Spain) for trucks, and the Suzzara plant (Italy) for light commercial vehicles. Based on the assumption that the assembly process is similar for customers, the total emissions were calculated as follows: $\sum$ (specific emission factors x number of engines sold). The CO₂eq emissions from the processing of sold products were negligible, with an incidence of less than 0.05% of total Scope 3 emissions.

Scope 3 Category 11 Emissions (from the Use of Sold Products) – Data Calculation Methodology

Iveco Group quantifies its CO₂ emissions from the use of sold products⁽⁵⁵⁾ by applying different calculation methodologies depending on geographic location. In Europe, a well-to-wheel approach was used that is the sum of tank-to-wheel and well-to-tank emissions. 2022 was chosen as the base year for the relevant target following the introduction of new regulatory requirements and the updating of the sales forecasts of the Group's Strategic Business Plan. The tank-to-wheel emissions were measured based on the assessment of the Organisation's entire model range manufactured in Europe. Since the tank-to-wheel emissions of other greenhouses gases (GHG) at Iveco Group are less than 5% of its CO₂ emissions, and since biogenic CO₂ emissions are negligible, they were not included in the calculations. Diesel-, methane-, electric-, and hydrogen-powered versions were analysed for the following products: light commercial vehicles; medium- and heavy-duty trucks; and coaches and urban/intercity buses.

Production volumes were based on the Strategic Business Plan and the forecasts for 2030 of the individual Group brands. The average mileage by vehicle type was calculated according to the indications of the European Commission's latest proposal to amend EU CO₂ standards for trucks and buses. The average mileage for light commercial vehicles, on the other hand, was calculated using the Organisation's telematics and warranty data. For trucks, fuel consumption and CO₂ emissions were calculated using VECTO, an official tool developed by the European Commission. For buses, they were calculated using an internal tool. For light commercial vehicles, they were calculated using the CO₂ emissions data of Brand IVECO's fleet of Daily vehicles, type-approved as per the homologation tests of the Worldwide Harmonised Light Vehicles Test Procedure (WLTP test cycles). Iveco Group's well-to-tank emissions were measured based on information from accredited sources⁽⁵⁶⁾, according to which a weighted percentage of CO₂ emissions was assigned to each fuel type, taking into account fuel extraction, transport, refining, and distribution. Total annual CO₂ emissions were calculated as the well-to-wheel emissions from vehicles sold during the year multiplied by a 10-year lifetime estimate, determined based on internal data.

In South America, CO₂ emissions were calculated according to a well-to-wheel approach, by location and by vehicle type, as follows: CO₂eq emissions = $\sum$ ((number of vehicles manufactured x average annual mileage (km/year)) / average consumption) x emission factor, where: mileage was based on historical maintenance data and the emission factors were region- and product-specific based on biodiesel percentages, as per nationally recognised sources. Furthermore, both average consumptions and emission factors varied according to the fuel used (diesel or biomethane). Total annual CO₂ emissions were calculated based on a lifetime estimate of 6 years for buses and of 15 years for light commercial vehicles and medium- and heavy-duty trucks, both determined based on internal data.

Scope 3 Category 12 Emissions (from the End-of-Life Treatment of Sold Products) – Data Calculation Methodology

The CO₂eq emissions from the end-of-life (EoL) treatment of vehicles were estimated by extrapolating sample-based results to the total volume of vehicles manufactured in Europe. Emissions were evaluated separately for three vehicle categories – light-duty vehicles (LDVs), heavy-duty vehicles (HDVs), and buses – using the following methodology:

- sample-based estimation: the sample vehicles included for each vehicle category were selected based on the availability of respective life cycle assessment (LCA) studies; these samples were used to estimate emissions from processes such as dismantling, recycling, and disposal, considering material composition and EoL practices

⁽⁵⁴⁾ See GHG Protocol, Technical Guidance for Calculating Scope 3 Emissions.

⁽⁵⁵⁾ See Scope 3 category 11 of the GHG Protocol.

⁽⁵⁶⁾ U.S. Department of Agriculture's Foreign Agricultural Service (FAS); Infineum; Joint Research Centre (JRC); Centre for European Policy Studies (CEPS); International Energy Agency (IEA); European Biogas Association (EBA); Planète Energies; U.S. Energy Information Administration (EIA); RTE; UN Environment Programme (UNEP); European Environment Agency (EEA); Agence de l'Environnement et de la Maîtrise de l'Énergie (ADEME); and Fuel Cells and Hydrogen Joint Undertaking (FCH JU).

- extrapolation to the total volumes: the emissions per vehicle category, derived from the sample vehicles, were extrapolated to the total number of vehicles produced in that category
- aggregation of results: total emissions were calculated as the sum of estimated emissions from light-duty vehicles, heavy-duty vehicles, and buses, ensuring comprehensive and consistent estimates across different vehicle types.

Scope 3 Category 13 Emissions (from Downstream Leased Assets) – Data Calculation Methodology

Iveco Group's emissions from downstream leased assets were included in category 11, and were measured using the latter's same calculation methodology and same emission factors.

Scope 3 Category 14 Emissions (from Franchises) – Data Calculation Methodology

The Group does not have franchises.

Scope 3 Category 15 Emissions (from Investments Emissions) – Data Calculation Methodology

Emissions from investments, if any, were considered negligible or included in other categories.

3.5.3 GHG REMOVALS AND GHG MITIGATION PROJECTS FINANCED THROUGH CARBON CREDITS (E1-7)

In 2024, Brand FPT Industrial continued to offset the GHG emissions generated by its Turin Testing Centre (Italy), in pursuit of becoming a zero-impact testing facility. Around 11,000 tons of CO₂eq emissions generated by the facility were balanced to zero by supporting specific carbon offsetting initiatives, aimed at reducing deforestation and degradation and at preserving biodiversity through sustainable forest management practices, ultimately benefitting local communities. The carbon credits purchased are entirely voluntary and do not contribute to achieving CO₂ reduction targets or the net zero target. Furthermore, all purchased credits fall outside both the upstream and downstream value chain. These credits are associated with The Envira Amazonia Project – A Tropical Forest Conservation Project in Acre (Brazil).

3.5.4 INTERNAL CARBON PRICING (E1-8)

The Group is evaluating approaches to extend and improve the application of the Internal Price of Carbon (IPoC) methodology, a strategic business tool for guiding investments to reduce CO₂ emissions. The IPoC allows Iveco Group to classify and prioritise energy saving projects based on their ability to generate the greatest CO₂ emissions reductions in relation to the investment cost sustained by the Organisation⁽⁵⁷⁾. This also enables the cross-fertilisation at global level of the most effective projects in terms of CO₂ reductions based on the specific IPoC of each geographic region and plant.

⁽⁵⁷⁾ Data on the specific carbon prices applied and on percentage coverage is currently being prepared and so not yet available.

4. POLLUTION OF AIR (E2)

4.1 APPROACH TO THE SUSTAINABILITY MATTER (IRO-1)

The Iveco Group materiality assessment identified *Pollution* as a material sustainability matter, linked to the ESRS E2 sub-topic 'Pollution of air'. The expected short-term impacts related to this sustainability matter were identified as negative and described by stakeholders as follows:

- "Air pollutants from manufacturing processes – including volatile organic compounds (VOCs), especially from painting, nitrogen oxides (NO_x), sulphur oxides (SO_x), and inorganic particulate matter (PM) – represent a threat to human health and the environment"
- "Air pollutants from the use phase of vehicles – including NO_x and PM – represent a threat to human health and the environment".

For more information, see 1.9 Identifying and Assessing Material Impacts, Risks, and Opportunities in this Sustainability Statement.

4.2 POLICIES RELATED TO AIR POLLUTION (E2-1)

4.2.1 ENVIRONMENTAL POLICY

The Iveco Group Environmental Policy regulates those activities that generate the greatest impact and/or potential risk with regard to the ESRS E2 sub-topic 'Pollution of air', and supports the Group in reaching its sustainability targets and ambitions. Iveco Group considers air pollution to be of the utmost importance, as the release of air pollutants during vehicle use (e.g., nitrogen oxides (NO_x) and particulate matter (PM)) and in manufacturing processes (e.g., volatile organic compounds (VOCs) – especially from painting – NO_x, sulphur oxides (SO_x), and inorganic PM) poses a threat to human health and the environment. Furthermore, failure to comply with relevant regulations on air pollutants can lead to considerable penalties and reputational damage. The policy outlines Iveco Group's short-, medium-, and long-term commitments to responsibly managing its environmental aspects (including polluting emissions). It also explicitly reflects the Organisation's belief that efficient resource use and environmental impact reduction are crucial strategies in creating added value for both itself and the communities in which it operates. Iveco Group thus anticipates risks that could potentially impact the environment and human health by adopting a precautionary approach when designing products, overseeing manufacturing processes, defining logistics flows, and managing product end-of-life: namely, the precautionary principle introduced by the Rio Declaration on Environment and Development⁽⁵⁸⁾. This commitment extends to all stages of the upstream and downstream value chain: purchasing processes, product concept and development, operations, logistics and distribution, sales and after-sales, remanufacturing, and product end-of-life. The key measures include:

- reducing air emissions
- adopting an eco-design approach to minimise the environmental impact of vehicles by developing products that deliver industry-leading performance in terms of fuel efficiency as well as noise and polluting emissions.

Iveco Group also engages and partners with stakeholders to promote environmental care, increase understanding of environmental issues, and disseminate best practices, involving environmental experts from within and outside the Organisation. The Environmental Policy applies to Iveco Group N.V. and its subsidiaries, to the directors, officers, and employees of such entities, and to those acting for or on behalf of such entities. Iveco Group's Board of Directors endorses the policy's principles and oversees its implementation, the executive responsibility for which lies with the Senior Leadership Team (SLT), tasked with developing appropriate operational procedures and ensuring adequate allocation of resources and professional expertise. The policy, available on the corporate website, has been shared with all Group employees and senior management worldwide.

4.3 AIR POLLUTION ACTIONS AND RESOURCES (E2-2)

4.3.1 Our operations

One of Iveco Group's goals is to reduce its air emissions, which is why it applies advanced technologies to manufacturing processes, deemed critical to meeting its improvement targets. The Group's main air emissions are monitored, and results systematically recorded, using specific

⁽⁵⁸⁾ Principle 15 of the Rio Declaration on Environment and Development, approved by the United Nations in 1992.

programmes and systems that verify compliance with existing regulations. There are currently no ozone-depleting substances⁽⁵⁹⁾ (only found in certain cooling, air conditioning, and climate control equipment) at any plants falling within the reporting scope.

In terms of volatile organic compound (VOC)⁽⁶⁰⁾ emissions, painting has the greatest environmental impact of all manufacturing processes at Iveco Group. Emissions of nitrogen oxides (NO_x), sulphur oxides (SO_x), and inorganic particulate matter (PM) from fossil fuel combustion are also monitored, since these pollutants can impact the climate, ecosystems, and human health.

The Group's approach to air pollution focuses on continuous management and control improvements to manufacturing processes, paired with targeted changes and upgrades at plant level.

In Europe, to enhance paint application efficiency, the Suzzara plant (Italy) installed 6 new painting robots and renovated a number of its painting booths. With a total investment of about €6.4 million, the initiative cut annual VOC emissions by approximately 6,100 kilos. Similarly, the plant in Valladolid (Spain) invested €750,000 to install new painting robots, leading to an annual reduction in VOC emissions of 2,000 kilos. The Madrid plant (Spain) reduced its consumption of paint and cleaning solvents by grouping colours to cut the number of colour changes and optimise the sequencing of its skid conveyors. This €120,000 investment led to an annual reduction in paint and solvent consumption, cutting annual VOC emissions by approximately 770 kilos. In South America, the Sete Lagoas plant (Brazil) optimised the use and recovery of cleaning solvents within its paint system (so preventing their release into the atmosphere), cutting VOC emissions by approximately 38,400 kilos.

4.3.2 OUR PRODUCTS

Iveco Group has a dual strategy for reducing its emissions: one is to develop advanced solutions to minimise pollutants – specifically nitrous oxides (NO_x) and particulate matter (PM) – from conventional fuel combustion, the other is to make its powertrains compatible with renewable fuels, thereby cutting CO₂ emissions.

In terms of minimising air pollutants, FPT Industrial's **diesel engines** comply with the latest and most stringent international regulations on air quality, such as the European emission standards Euro 6, Euro VI, and Stage V. The technologies used by FPT Industrial to reduce pollutant emissions focus on improving both combustion – through the adoption of the most cutting-edge high-pressure injection systems, advanced fluid dynamics, and exhaust gas recirculation (EGR) – and the after-treatment of exhaust gases using established solutions – such as Selective Catalyst Reduction (SCR) to comply with NO_x limits and Diesel Particulate Filters (DPF) to comply with PM limits. These technologies are combined using a holistic approach aimed at maximising CO₂ emission reductions to fully meet specific regulatory requirements while safeguarding the environment. FPT Industrial's SCR technology, first introduced in 2005, has been continually upgraded through the years, including by leveraging the cross-fertilisation of on-road and off-road applications. This has led to the development and launch of two advanced systems: HI-eSCR, which optimises combustion and fuel consumption, requires less frequent DPF regeneration, and uses Diesel Exhaust Fluid (DEF) to cut NO_x emissions; and HI-eSCR2, specifically designed for agriculture and construction applications. FPT Industrial's SCR systems are currently used in on-road, off-road, and power generation applications and feature in more than 75% of the diesel engines produced by the Brand as at year-end 2024.

Regarding **carbon-free fuels** such as hydrogen, Iveco Group recently presented its latest advancements at the IAA TRANSPORTATION 2024 trade show in Hanover (Germany): namely, the CURSOR 9 H2, a zero CO₂ emission solution for heavy-duty transport, and the new N67 Hythane prototype, powered by a blend of hydrogen and methane. As regards powertrain compatibility with biofuels (see 3.4.2.2 Use of Sold Products), Iveco Group currently offers a range of solutions fully compatible with biomethane and with EN 15940-compliant XTL diesel fuels, such as commercial Hydrotreated Vegetable Oils (HVO). FPT Industrial is also conducting trials on engines capable of running on 100% bioethanol (a renewable biofuel widely used in countries such as Brazil) and on hydrogen, which in Europe is considered to have the potential to be complementary to both Battery Electric Vehicles (BEV) and Fuel Cell Electric Vehicles (FCEV) in achieving the ultimate goal of Zero Emission Vehicles (ZEV). Further possibilities lie in the development of multi-fuel engine platforms, designed to run on different types of fuels. For example, the XCURSOR 13, launched in 2022, is FPT Industrial's first multi-fuel single base engine designed to run on diesel or methane, with hydrogen planned for the future. It is compatible with a wide range of market requirements and easily adaptable for different vehicle installations.

⁽⁵⁹⁾ Ozone-depleting substances (ODS) are potentially harmful substances that contribute to the depletion of the ozone layer. The most significant and harmful are chlorofluorocarbons (CFCs), generally used as refrigerants, solvents, and propellants, and hydrochlorofluorocarbons (HCFCs), used to replace CFCs.

⁽⁶⁰⁾ Volatile organic compounds (VOC) include compounds such as hydrocarbons, containing only carbon and hydrogen, as well as compounds also containing oxygen, chlorine or other elements.

Non-fossil energy sources	FPT Industrial engine compatibility	Currently available on the market
Green diesel: hydrogenated vegetable oil (HVO)	- F1 series - NEF series - Cursor series - XC13	Yes
Biomethane	- F1C NG - NEF 6 NG - Cursor 9 NG - Cursor 13 NG - XC13	Yes
Bioethanol	Under development	Yes, blended with gasoline
Hydrogen	- XC13 - C9	Limited
Hythane (blend of H2 and methane)	N67	Limited

The Group further enhances the environmental performance of its active fleets through **advanced connectivity**. The Iveco Group Control Room supports customers by collecting and analysing real-time data from the on-board telematic systems of connected vehicles. By monitoring key parameters, the system provides proactive recommendations for vehicle maintenance, ensuring optimal operation and minimising downtime. Since 2019, IVECO has substantially upgraded the digital end-to-end infrastructure of its Model Year 2019 light and heavy models. These enhancements include a more powerful and adaptable telematics box, advanced cybersecurity measures, and a Cloud-based platform that offers improved reliability and scalability over the earlier on-premises off board system. The Brand's Remote Assistance Service maximises customer uptime by enabling most operations, such as comprehensive remote checks and authorised software updates, to be completed in just a 10-15 minute pit stop. This eliminates the need for workshop visits, so minimising business disruptions for customers. The service also delivers advanced fuel optimisation guidance, leveraging sophisticated algorithms that analyse data from connected fleet vehicles to predict fuel consumption across various missions and conditions. Additionally, it offers actionable recommendations to enhance vehicle performance. These insights address factors such as driver behaviour, eco-features, tyre pressure, potential vehicle issues affecting fuel economy, and the impact of trailers.

Control Room	2024
Connected vehicles (number)	130,000
Connected engines ^(a) (number)	268,000

^(a) Including engines assembled in both Iveco Group and third-party connected vehicles.

4.4 AIR POLLUTION TARGETS (E2-3)

4.4.1 OUR OPERATIONS

Iveco Group's voluntary commitment to reducing air pollution is reflected in the sustainability **target** included in the Sustainability Plan and that applies to the scope of the Focus Area as defined in 1.1 General Basis for the Preparation of the Sustainability Statement: to achieve a 14% decrease in volatile organic compound (VOC) emissions per square metre painted at Group plants worldwide (Focus Area) by year-end 2026 (compared to 2019⁽⁶¹⁾). In 2024, within the scope of the Focus Area, Iveco Group achieved a 29.4% decrease in VOC emissions (compared to the 2019 base year). For further details on:

- the target definition process
- stakeholder involvement in target setting
- target base year and applicable period
- target monitoring and progress during the year

please refer to the Sustainability Plan in 1.6 Strategy, Business Model, and Value Chain.

⁽⁶¹⁾ The base year (2019) VOC emissions are equal to 38.5 g/m². For information on the rationale for choosing 2019 as the base year, see 1.1 General Basis for the Preparation of the Sustainability Statement.

While specifically focusing on reducing VOCs in paint processes across the Organisation's plants, in line with the Iveco Group Environmental Policy, the above target also aims to develop new best practices and to identify and address situations or activities at plant level that pose a potential threat to the environment.

There are no targets set for nitrogen oxides (NO_x), sulphur oxides (SO_x), or inorganic particulate matter (PM), although their emissions are monitored to check compliance with the policy. Levels are calculated based on the annual consumption of fossil fuels in production processes, using the corresponding emission factors.

4.4.2 OUR PRODUCTS

Iveco Group's commitment to reducing air pollution is demonstrated by its ongoing compliance with current regulations such as Euro 6, Euro VI, and Stage V standards. Additionally, the Group is preparing for the implementation of upcoming regulations, such as the Euro 7 standard: for light-duty vehicles, this will take effect from November 2026 for new type approvals and from November 2027 for new registrations; for heavy-duty vehicles, it will apply from May 2028 for new type approvals and May 2029 for new registrations. In this regard, internal targets have been set to ensure compliance with regulatory requirements.

The planned actions to achieve compliance with Euro 7 standards, as well as the allocated resources, are part of the Organisation's R&D activities and, as such, are not subject to public disclosure. These activities are in line with the Group's Environmental Policy and aim to cut air pollutants from all internal combustion engines powering Iveco Group vehicles.

4.5 AIR POLLUTION (E2-4)

4.5.1 OUR OPERATIONS

With regard to quantitative KPIs and metrics, the main data and indicators are provided in the following tables.

VOLATILE ORGANIC COMPOUNDS (VOC) EMISSIONS

Iveco Group

	2024	
	Group-Wide	Focus Area
Average VOC emissions (g/m ²)	27.2	27.2
Total VOC emissions (tons)	691.4	691.3

NO_x, SO_x, AND DUST EMISSIONS

Iveco Group (tons)

	2024	
	Group-Wide	Focus Area
Nitrogen oxides (NO _x)	287.9	189.2
Sulphur oxides (SO _x)	33.2	17.6
Dust	2.9	1.5

Data Calculation Methodology

NO_x, SO_x, and dust emissions are calculated based on the annual consumption of fossil fuels in production processes, using the corresponding emission factors.

VOC emissions were calculated based on a mass balance for each plant, taking into account all painting products used in the painting cycles.

Most of the reported data on NO_x, SO_x, and dust emissions (approximately 92%) was derived from primary sources, covering the scope of the Focus Area as well as some additional sites. When reporting on the full Group-Wide scope, the remaining data (8%) was based on estimates, using comparable data from similar monitored sites as a reference and considering factors such as site size and indicators such as the number of employees.

The Group's VOC emissions are generated exclusively by its manufacturing sites, and all of the relevant data was collected from primary sources.

Normalised production unit indexes were defined to track medium- and long-term environmental performance trends. This approach emphasises performance improvements due to process optimisation rather than fluctuations in production volumes. VOC emissions indicators are calculated on the total area painted, defined as the total area subjected to coating with paint products, expressed in square metres.

Data on air pollution from Group operations was compiled individually (using SPARC⁽⁶²⁾ or similar systems) for each site based on their respective qualitative and quantitative data.

4.5.2 OUR PRODUCTS

Vehicle emissions are tested both on the bench and on the road to ensure compliance with type approval regulations in the countries where the vehicles are sold. Additionally, when required, in-service conformity emission tests using a Portable Emissions Measurement System (PEMS) are carried out to verify compliance under real-world operating conditions.

⁽⁶²⁾ Sustainability, Performance, Analysis, Reporting & Compliance.

5. WATER RESOURCES (E3)

5.1 APPROACH TO THE SUSTAINABILITY MATTER (IRO-1)

Iveco Group's materiality assessment identified *Water* as a material sustainability matter, linked to the ESRS E3 sub-topic 'Water' and its sub-sub-topics 'Water consumption', 'Water withdrawals', and 'Water discharges'.

The expected short-term impacts of this sustainability matter were found to be negative, summarised by stakeholders as follows:

- "The use of water in Iveco Group's production processes, especially in water-stressed areas, contributes to the depletion of natural resources"
- "The use of water in Iveco Group's supply chain, especially in water-stressed areas, contributes to the depletion of natural resources".

For more information, see 1.9 Identifying and Assessing Material Impacts, Risks, and Opportunities in this Sustainability Statement.

5.2 POLICIES RELATED TO WATER (E3-1)

5.2.1 ENVIRONMENTAL POLICY

The Iveco Group Environmental Policy regulates those activities that generate the greatest impact and/or potential risk with regard to the ESRS E3 sub-sub-topics 'Water consumption', 'Water withdrawals', and 'Water discharges', and supports the Group in reaching its sustainability targets and ambitions. Iveco Group considers water consumption, withdrawals, and discharges to be of the utmost importance, as the use of water in its production processes and supply chain, especially in water-stressed areas, contributes to the depletion of natural resources. The policy outlines Iveco Group's short-, medium-, and long-term commitments to responsibly managing its environmental aspects (including water and natural resources). It also explicitly reflects the Organisation's belief that efficient resource use and environmental impact reduction are crucial strategies in creating added value for both itself and the communities in which it operates. Iveco Group thus anticipates risks that could potentially impact the environment and human health by applying a precautionary approach when designing products, overseeing manufacturing processes, defining logistics flows, and managing product end-of-life: namely, the precautionary principle introduced by the Rio Declaration on Environment and Development⁽⁶³⁾. This commitment extends to all stages of the upstream and downstream value chain: purchasing processes, product concept and development, operations, logistics and distribution, sales and after-sales, remanufacturing, and product end-of-life. The key measures include:

- reducing freshwater withdrawals
- increasing water recycling, especially in areas where water availability is critical to the surrounding environment and population
- minimising the discharge of hazardous substances that could affect water supplies.

Iveco Group also engages and partners with stakeholders to promote environmental care, increase understanding of environmental issues, and disseminate best practices, involving environmental experts from within and outside the Organisation. The Environmental Policy applies to Iveco Group N.V. and its subsidiaries, to the directors, officers, and employees of such entities, and to those acting for or on behalf of such entities. Iveco Group's Board of Directors endorses the policy's principles and oversees its implementation, the executive responsibility for which lies with the Senior Leadership Team (SLT), tasked with developing appropriate operational procedures and ensuring adequate allocation of resources and professional expertise. The policy, available on the corporate website, has been shared with all Group employees and senior management worldwide.

5.3 WATER ACTIONS AND RESOURCES (E3-2)

From a global perspective, Iveco Group firmly believes that committing to sustainable water management is essential given the growth in population (and therefore in water demand) worldwide, accompanied as it is by a marked and increasingly widespread scarcity of water resources. From a business angle, the Group recognises the economic importance of effective water management to counter the potential risks that water scarcity and other related issues pose for the continuity of both the supply chain and industrial processes. Lastly, from a manufacturing standpoint, the proper management of water resources is seen as a driver for innovation and improvements within production processes.

Iveco Group draws water mainly for industrial use, specifically for painting, cooling, washing, and machining, and strives to improve water efficiency across all its processes (regional and environmental conditions permitting). Efforts are made not only at Group level, but also at

⁽⁶³⁾ Principle 15 of the Rio Declaration on Environment and Development, approved by the United Nations in 1992.

individual plant level, through water use assessments to identify opportunities for water efficiency improvements, and through local initiatives to reduce water requirements and wastewater volumes without compromising quality standards.

The Organisation's approach to water management is to increase the use of recycled water to reduce withdrawals from external sources, thus improving water independence and the availability of water for local communities. From a broader perspective, given that water is a shared resource, it is important to collaborate with other stakeholders to improve water management and hence contribute to community health and wellbeing, especially in water-stressed areas (see 5.3.1 Plants in Water-Stressed areas).

In this regard, all of the Group's 22 ISO 14001 certified plants within the scope of the Focus Area⁽⁶⁴⁾ are required to measure their impact on water resources as an integral part of their environmental assessment and, as a result, have a water management plan in place.

As per Iveco Group's Water Management Guidelines, all sites are required to:

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

In 2024, the Group carried out several initiatives to get a detailed picture of water consumption at plant level and **reduce its plants' water footprint**, thereby generating annual cost savings. In Europe, the Vysoké Myto plant (Czech Republic) installed a water storage system that enables the collection of water from its paint shop's wastewater treatment plant (WWTP) and its subsequent reuse in the spray booths' wet abatement system. The project led to the reuse of 2,400 cubic metres of water. The plants in Madrid and Valladolid (Spain) installed rain sensors in their automatic irrigation systems to optimise water use for gardening, cutting water withdrawal by approximately 1,000 cubic metres. In South America, the Sete Lagoas plant (Brazil) installed a collection system that enables the reuse of water discarded from the demineralised water production unit in the painting pre-treatment process. The project increased annual water recycling at the plant by approximately 10,600 cubic metres, thus reducing water withdrawal from the municipal supply.

In addition to promoting responsible water withdrawal and introducing ad hoc initiatives, it is extremely important to the Group to safeguard the water bodies that receive the effluents from its industrial processes – as reflected in its efforts to exceed local wastewater requirements. To this end, Iveco Group's sites rely on established operating procedures to ensure that the wastewater discharged during their activities meets required quality standards. Indeed, the **3 wastewater quality indicators** applied by the Organisation – biochemical oxygen demand (BOD)⁽⁶⁵⁾, chemical oxygen demand (COD)⁽⁶⁶⁾, and total suspended solids (TSS)⁽⁶⁷⁾ – showed that its performance in 2024 was fully compliant with applicable local limits. This result was achieved partly thanks to the adoption of specific wastewater treatment systems (operated either in-house or by specialised industry partners) that treat the water discharged from the plants; this mainly involves physical and chemical processes and, depending on wastewater quality, biological treatment.

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

⁽⁶⁴⁾ For the complete list of plants, see 1.1 General Basis for the Preparation of the Sustainability Statement.

⁽⁶⁵⁾ Biochemical oxygen demand (BOD) is the total mass of oxygen used by microorganisms, over a specific time period at 20°C, to decompose (oxidise) the organic material present in a litre of water (normally expressed in mg/l). The standard test period for BOD is 5 days (BOD5).

⁽⁶⁶⁾ Chemical oxygen demand (COD), expressed in milligrams per litre (mg/l), is the quantity of oxygen required for the complete chemical oxidation of organic and inorganic compounds present in a sample of water.

⁽⁶⁷⁾ Total suspended solids (TSS) is the parameter used in water quality management and in water purification to indicate the quantity of solids present in suspension, which can be separated by vigorous mechanical means such as vacuum filtration or centrifugation of the water sample.

5.3.1 PLANTS IN WATER-STRESSED AREAS

A few Iveco Group plants were classified in 2022 as being located in areas considered sensitive in terms of availability and use of water resources (so-called water-stressed areas⁽⁶⁸⁾): the two plants in Brescia and the two in Foggia (all in Italy) and the plants in Madrid and Valladolid (Spain). They were identified using the WRI⁽⁶⁹⁾ Aqueduct Water Risk Atlas, a mapping tool recognised by the major organisations in the field that shows which countries contain water-stressed areas. It is used by Iveco Group each year to pinpoint the plants where specific water conservation and protection measures are needed. Accordingly, the aforementioned plants focused on reducing their water consumption throughout the year by implementing targeted measures and initiatives and by setting specific improvement targets.

5.4 WATER TARGETS (E3-3)

Iveco Group's voluntary commitment to reducing water consumption is reflected in the following sustainability **targets** included in the Sustainability Plan and that apply within the scope of the Focus Area as defined in 1.1 General Basis for the Preparation of the Sustainability Statement:

- 75% of industrial water to be recycled at Group plants worldwide (Focus Area) by year-end 2026
- a 15% reduction in water withdrawal per production unit⁽⁷⁰⁾ at Group plants worldwide (Focus Area) by year-end 2026 (compared to 2019⁽⁷¹⁾)
- a 10% reduction in water withdrawal per production unit at the Truck plant in Brescia (Italy) by year-end 2026 (compared to 2019⁽⁷²⁾)
- a 5% reduction in water withdrawal per production unit at the Powertrain plant in Foggia (Italy) by year-end 2026 (compared to 2019⁽⁷³⁾)
- a 22% reduction in water withdrawal per production unit at the plant in Madrid (Spain) by year-end 2026 (compared to 2019⁽⁷⁴⁾)
- a 10% reduction in water withdrawal per production unit at the plant in Valladolid (Spain) by year-end 2026 (compared to 2019⁽⁷⁵⁾).

In 2024, within the scope of the Focus Area, the Organisation recycled 74.7% of its industrial water and reduced its total water withdrawal per production unit by 13.9% at Group plants worldwide (compared to the 2019 base year).

The above water withdrawal targets are linked to water consumption, defined as the amount of water entering the Group's perimeter that is not discharged back into external water systems or bodies, because the withdrawal reduction measures in place (i.e., improvements to water-intensive processes and leak detection and repairs) lower the water balance and, consequently, overall consumption.

While specifically focusing on reducing water consumption across the Organisation's manufacturing plants, in line with the Iveco Group Environmental Policy, the above targets also aim to develop new best practices and to identify and address situations or activities at plant level that pose a potential threat to the environment. For further details on:

- the target definition process
- stakeholder involvement in target setting
- target base year and applicable period
- target monitoring and progress during the year

please refer to the Sustainability Plan in 1.6 Strategy, Business Model, and Value Chain.

⁽⁶⁸⁾ Areas with a baseline water stress that is high (40-80%) or extremely high (>80%), according to the WRI Aqueduct Risk Atlas tool, as at 24 May 2022.

⁽⁶⁹⁾ World Resources Institute.

⁽⁷⁰⁾ The production unit corresponds to the hour of production. Total manufacturing hours are used to calculate the normalised production unit indicator. For the definition of total manufacturing hours, see 1.1 General Basis for the Preparation of the Sustainability Statement.

⁽⁷¹⁾ The base year (2019) water withdrawal is equal to 0.108 m³/hour of production. For information on the rationale for choosing 2019 as the base year, see 1.1 General Basis for the Preparation of the Sustainability Statement.

⁽⁷²⁾ The base year (2019) water withdrawal is equal to 0.257 m³/hour of production.

⁽⁷³⁾ The base year (2019) water withdrawal is equal to 0.080 m³/hour of production.

⁽⁷⁴⁾ The base year (2019) water withdrawal is equal to 0.036 m³/hour of production.

⁽⁷⁵⁾ The base year (2019) water withdrawal is equal to 0.087 m³/hour of production.

5.5 WATER CONSUMPTION (E3-4)

With regard to quantitative KPIs and metrics, the main data and indicators are provided in the following tables.

WATER WITHDRAWAL PER PRODUCTION UNIT^(a)

Iveco Group (m³/hour of production^(b))

	2024
	Focus Area
Water withdrawal	0.093

^(a) The base year (2019) water withdrawal is equal to 0.108 m³/hour of production. For information on the rationale for choosing 2019 as the base year, see 1.1 General Basis for the Preparation of the Sustainability Statement.

^(b) Total manufacturing hours are used to calculate the indicator per hour of production. For the definition of total manufacturing hours, see 1.1 General Basis for the Preparation of the Sustainability Statement.

WATER STORAGE

Iveco Group (thousands of m³)

	Group-Wide	2024 Focus Area
Water stored	30	28
Changes in water storage	—	—

WATER INTENSITY^(a)

Iveco Group (m³/€ million)

	Group-Wide	2024 Focus Area
Water intensity	147.5	77.8

^(a) Water intensity is measured as the total water consumption (expressed in m³) across Iveco Group's own operations per net revenue (expressed in € million). Revenues for the intensity ratio calculation include discontinued operations.

WATER WITHDRAWAL, DISCHARGE, AND CONSUMPTION

Iveco Group (thousands of m³)

	Group-Wide		2024 Focus Area
	All areas	of which in water-stressed areas ^(a)	
Withdrawal			
Groundwater	3,523	437	1,906
Third-party water	1,147	343	877
of which municipal water supply	1,147	343	877
Surface water	15	—	10
of which rainwater	5	—	—
Seawater	—	—	—
Produced water	—	—	—
Total water withdrawal	4,685	780^(b)	2,793
Discharge			
Surface water	409	122	409
Third-party water	1,982	246	1,175
Seawater	—	—	—
Groundwater	2	—	—
Total water discharge	2,393	368	1,584
Consumption			
Total water consumption^(c)	2,292	412	1,209

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

^(b) The total water withdrawal in water-stressed areas corresponds to 17% of the Group's total water withdrawal.

^(c) Calculated as total water withdrawal minus total water discharge.

WATER RECYCLING^(a) INDEXIveco Group (thousands of m³)

	Group-Wide	2024 Focus Area
Total water requirement	11,423	9,499
of which covered by recycling	6,738	6,706
of which water withdrawal	4,685	2,793
Water recycling index^(b) (%)	59.0	70.6

^(a) Water recycling includes water reused.^(b) The recycling index is calculated as a percentage of the total water requirement.INDUSTRIAL WATER RECYCLING^(a) INDEXIveco Group (thousands of m³)

	Group-Wide	2024 Focus Area
Industrial water requirement	10,647	8,977
of which covered by recycling	6,738	6,705
of which water withdrawal	3,909	2,272
Industrial water recycling index^(b) (%)	63.3	74.7

^(a) Industrial water recycling includes industrial water reused.^(b) The industrial water recycling index is calculated as a percentage of the total industrial water requirement.PLANTS LOCATED IN WATER-STRESSED AREAS^(a)

Iveco Group worldwide

Plant (Country)	2024 discharge water quality (mg/l)	2019 water withdrawal per production unit (m ³ /hour of production ^(b))	2024 water withdrawal per production unit (m ³ /hour of production ^(b))	Reduction target ^(c) (2026 vs 2019 ^(d))
Brescia Truck (Italy)	BOD: 20 COD: 15 TSS: 56	0.257	0.225	-10%
Brescia Firefighting (Italy)	BOD: 20 COD: 15 TSS: 56	0.043	0.114	—
Foggia Powertrain (Italy)	BOD: 24 COD: 272 TSS: 85	0.080	0.074	-5%
Foggia Bus (Italy)	BOD: 24 COD: 272 TSS: 85	n/a ^(e)	0.005	n/a ^(e)
Madrid (Spain)	BOD: 135 COD: 194 TSS: 112	0.036	0.017	-22%
Valladolid (Spain)	BOD: 49 COD: 91 TSS: 15	0.087	0.078	-10%

^(a) Areas with a baseline water stress that is high (40-80%) or extremely high (>80%), according to the WRI Aqueduct Risk Atlas tool, as at 24 May 2022.^(b) Total manufacturing hours are used to calculate the indicator per hour of production. For the definition of total manufacturing hours, see 1.1 General Basis for the Preparation of the Sustainability Statement.^(c) Refers to water withdrawal per production unit (m³/hour of production). Total manufacturing hours are used to calculate the indicator per hour of production. For the definition of total manufacturing hours, see 1.1 General Basis for the Preparation of the Sustainability Statement.^(d) For information on the rationale for choosing 2019 as the base year, see 1.1 General Basis for the Preparation of the Sustainability Statement.^(e) The plant started operating in 2023.

QUALITY OF WATER DISCHARGES

Iveco Group (milligram/litre)

	Group-Wide	2024 Focus Area
Biochemical oxygen demand (BOD)	59.4	59.5
Chemical oxygen demand (COD)	179.3	196.1
Total suspended solids (TSS)	60.2	60.5

Data Calculation Methodology

The Group-Wide reporting scope includes all water withdrawals by both manufacturing and non-manufacturing sites. The Focus Area scope includes solely water withdrawals directly related to the plants' manufacturing processes. This excludes research and development, non-production-related administrative tasks, after-sales, shipping, activities managed by third parties, and any other operations not directly or indirectly linked to production. Most of the reported data (approximately 62%) was derived from primary sources, covering the scope of the Focus Area as well as some additional sites.

When reporting on the full Group-Wide scope, the remaining data (38%) was based on estimates, using comparable data from similar monitored sites as a reference and considering factors such as site size and indicators such as the number of employees. Normalised production unit indexes were defined specifically to track medium- and long-term environmental performance trends. This approach emphasises performance improvements due to process optimisation rather than fluctuations in production volumes. Performance indicators are calculated on the total number of manufacturing hours, defined as the hours of presence of hourly employees within the manufacturing scope required to manufacture a product.

Environmental data was compiled individually (using SPARC⁽⁷⁶⁾ or similar systems) for each site based on their respective qualitative and quantitative data.

Iveco Group's wastewater quality indicators – biochemical oxygen demand (BOD), chemical oxygen demand (COD), and total suspended solids (TSS) – correspond to the average concentrations measured at each plant's effluent discharge point and weighted according to the respective volumes discharged. For each plant, calculations were based on the highest BOD, COD, and TSS concentrations measured during the year under normal operating conditions.

⁽⁷⁶⁾ Sustainability, Performance, Analysis, Reporting & Compliance.

6. RESOURCE USE AND CIRCULAR ECONOMY (E5)

6.1 APPROACH TO THE SUSTAINABILITY MATTER (IRO-1)

Iveco Group's materiality assessment identified *Circular economy* as a material sustainability matter, linked to the ESRS E5 sub-topics 'Resources inflows, including resource use' and 'Waste'. The expected short-term impacts of this sustainability matter were identified as negative and described by stakeholders as follows:

- for 'Resources inflows, including resource use': "The use of products made of virgin materials (e.g., steel, aluminium) following a linear product design contributes to the depletion of natural resources"
- for 'Waste': "The production of waste in Iveco Group's operations represents a threat to human health and the environment".

For more information, see 1.9 Identifying and Assessing Material Impacts, Risks, and Opportunities in this Sustainability Statement.

6.2 POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY (E5-1)

6.2.1 ENVIRONMENTAL POLICY

The Iveco Group Environmental Policy regulates those activities that generate the greatest impact and/or potential risk with regard to the ESRS E5 sub-topics 'Resources inflows, including resource use' and 'Waste', and supports the Group in reaching its sustainability targets and ambitions. Iveco Group considers resource inflows, resource use, and waste to be of the utmost importance, as manufacturing products from virgin materials (e.g., steel, aluminium) according to a linear product design contributes to the depletion of natural resources, while the production of waste in Group operations poses a threat to human health and the environment. Furthermore, supply shortages of key components/raw materials or semi-finished products can lead to potential manufacturing disruptions. The policy outlines Iveco Group's short-, medium-, and long-term commitments to responsibly managing its environmental aspects (particularly energy, water and natural resources, raw materials, hazardous substances, polluting emissions, and waste). It also explicitly reflects the Organisation's belief that efficient resource use and environmental impact reduction are crucial strategies in creating added value for both itself and the communities in which it operates. Iveco Group thus anticipates risks that could potentially impact the environment and human health by applying a precautionary approach when designing products, overseeing manufacturing processes, defining logistics flows, and managing product end-of-life: namely, the precautionary principle introduced by the Rio Declaration on Environment and Development⁽⁷⁷⁾. This commitment extends to all stages of the upstream and downstream value chain: purchasing processes, product concept and development, operations, logistics and distribution, sales and after-sales, remanufacturing, and product end-of-life. The key measures include:

- prioritising renewable and recycled materials to reduce raw material use
- reducing hazardous waste generation by prioritising a circular approach to waste management (reduction, reuse, recycling, recovery, waste to energy conversion), with waste treatment as a last resort
- adopting an eco-design approach to minimise the environmental impact of vehicles by developing products that deliver industry-leading performance in terms of fuel efficiency, noise and polluting emissions, and recoverability rates.

Iveco Group also engages and partners with stakeholders to promote environmental care, increase understanding of environmental issues, and disseminate best practices, involving environmental experts from within and outside the Organisation. The Environmental Policy applies to Iveco Group N.V. and its subsidiaries, to the directors, officers, and employees of such entities, and to those acting for or on behalf of such entities. Iveco Group's Board of Directors endorses the policy's principles and oversees its implementation, the executive responsibility for which lies with the Senior Leadership Team (SLT), tasked with developing appropriate operational procedures and ensuring adequate allocation of resources and professional expertise. The policy, available on the corporate website, has been shared with all Group employees and senior management worldwide.

⁽⁷⁷⁾ Principle 15 of the Rio Declaration on Environment and Development, approved by the United Nations in 1992.

6.3 RESOURCE INFLOW

6.3.1 RESOURCE INFLOW ACTIONS, TARGETS, AND METRICS (E5-2, E5-3, E5-4)

Materials

One of the most challenging aspects of Iveco Group's business is establishing and adopting adequate sustainability (i.e., eco-design) criteria to evaluate a product's impact at each stage of its life cycle, from conception and component sourcing to production, use, and end of life. The Group's voluntary commitment to managing resource inflows (including resource use) is reflected in the strategic sustainability **target** included in the Sustainability Plan and that applies to the scope of the Focus Area as defined in 1.1 General Basis for the Preparation of the Sustainability Statement: to ensure that 100% of new products are developed using sustainability and/or recyclability design criteria by year-end 2026. For further details on:

- the target definition process
- stakeholder involvement in target setting
- target base year and applicable period
- target monitoring and progress during the year

please refer to the Sustainability Plan in 1.6 Strategy, Business Model, and Value Chain.

Although the Group does not always purchase raw materials directly (with the exception of steel used for direct processing), it constantly monitors their overall consumption and general price trends. When designing components for new products (which is done in close collaboration with suppliers), precedence is given to the use of easily recyclable materials. In 2024, the main raw materials used in semi-finished goods purchased by the Group were steel and cast iron (including scrap), plastics and resins, rubber, and other miscellaneous materials (including high-voltage battery materials such as lithium, nickel, and cobalt).

New product development activities place great emphasis on the selection of materials for various components. Therefore, to ensure full traceability of raw materials across its product portfolio, the Group has implemented the International Material Data System (IMDS) throughout its entire manufacturing process. This online platform enables suppliers to upload detailed information on the materials and substances used in each of their components, including the quantity of recycled plastic and biopolymers, the origin of each of these (whether from production waste or end-of-life products), and the type of recycling employed (mechanical or chemical). The IMDS also allows the monitoring of compliance with: EU REACH⁽⁷⁸⁾ Regulation No. 1907/2006 and POP⁽⁷⁹⁾ Regulation No. 2019/1021 for vehicles and components; EU RoHS⁽⁸⁰⁾ Directive No. 2011/65 for marine engines and generators; and Directive 2005/64/EC for vehicle reuse, recycling, and recovery.

⁽⁷⁸⁾ Registration, Evaluation, Authorisation, and Restriction of Chemicals.

⁽⁷⁹⁾ Persistent Organic Pollutants.

⁽⁸⁰⁾ Restriction of Hazardous Substances.

2024 MAIN MATERIALS USED

Iveco Group worldwide

Technical raw materials	Thousand tons	of which recycled (%)	of which certified / sustainably sourced (%)
Steel	521.2	0.36	n/a ^(a)
Iron	313.7	5.79	n/a ^(a)
Plastics	60.0	0.11	n/a ^(a)
Aluminium	41.3	2.78	n/a ^(a)
Cobalt	0.1	—	n/a ^(a)
Copper	6.2	1.16	n/a ^(a)
Nickel	1.5	—	n/a ^(a)
Lithium	0.3	—	n/a ^(a)
Fluids	11.7	—	n/a ^(a)
Total	956		
Biological raw materials^(b)			
Rubber ^(c) (natural and synthetic contents)	38.3	n/a ^(a)	n/a ^(a)
Paper ^(d) (office use)	0.2	n/a ^(a)	74
Total	38.5		

^(a) Not available.^(b) Biofuels are not relevant for the manufacturing of Group products.^(c) The natural rubber content varies by supplier, typically ranging between 20% and 40%.^(d) Forest Stewardship Council (FSC®) certified.

Data Calculation Methodology

Data related to raw materials was calculated based on sourcing category management analysis, ensuring a structured assessment aligned with procurement strategies and supply chain structures. For recycled content, estimates were derived from IMDS data samples for vehicles produced in Europe, reflecting the respective material compositions reported.

Packaging

It is important for customers using Iveco Group products in their work to find spare parts as quickly as possible at their dealership workshops. The Group's dynamic logistics and assistance teams work hard to deliver the highest quality standards and technology, ensuring the prompt availability and delivery of parts, and the best solutions to any issues, through its global network of 17 parts warehouses. Iveco Group then works in partnership with selected suppliers to provide dealers with the right combination of such services, parts, and solutions, so as to best support them in increasing customer satisfaction and loyalty. The Group boasts around 400,000 items in stock: a complete range of new, used, and remanufactured parts, accessories, attachments, and telematics solutions that ensure all its brands' current and past models deliver value and performance over the long term. All spare parts are individually packaged in brown, eco-friendly cardboard that is Forest Stewardship Council (FSC®) certified, free of glossy paper, and made using a single ink colour – features that make packaging far easier to recycle. Moreover, at the San Mauro Torinese logistics hub (Italy), all cardboard boxes used to ship spare parts are also FSC®-certified.

To streamline its parts packaging processes, Iveco Group has implemented an advanced eco-management system to reduce the use, and hence the environmental impact, of packaging. The entire parts shipping operation was analysed, focusing on the two main processes that take place at the Group's warehouses: the receipt and storage of parts from suppliers, and the selection and packing of parts for shipment to the service network. Normally, when a shipment is received, its packaging (almost always cardboard) must somehow be disposed of. Thanks to shredding machines installed at the warehouses under this project, cardboard packaging can now be reused rather than discarded. Indeed, shredded into perforated strips, it is being used in place of plastic as a packing filler, protecting and separating the individual packages to be shipped to the service network. Based on estimates, the shredding machines at the warehouses in Turin (Italy) alone would allow the Organisation to recover 1,240 tons of cardboard per year for reuse (with the perforated strips totalling about 2,455 kilometres in length), therefore cutting annual plastic packaging consumption. Besides reducing packaging, the project has provided opportunities to explore new optimisation strategies, such as saturating box capacity to save space and minimise costs, in line with best practices adopted across all Group warehouses globally.

In 2024, the measures in place cut Iveco Group's plastic consumption by 15 tons and its corresponding CO₂ emissions by approximately 90 tons compared to the previous year. Building on this result, the target set for year-end 2025 is to reduce CO₂ emissions by 150 tons compared to 2024.

2024 MAIN MATERIALS USED FOR PARTS PACKAGING

Iveco Group worldwide

Biological raw materials	Thousand tons	of which recycled (%)	of which certified / sustainably sourced (%)
Cardboard	0.56	46.0	—
Wood	10.43	—	19
Total	10.99		

6.4 RESOURCE OUTFLOW

6.4.1 WASTE ACTIONS, TARGETS, AND METRICS (E5-2, E5-3, E5-5)

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

In 2024, Iveco Group's plants implemented several **waste-reduction initiatives**, including circularity measures and recycling programmes designed to reduce total waste disposal, manage its significant impacts, and work towards zero waste across all operations. The plants in Cordoba (Argentina) launched circular economy initiatives to optimise waste management by reusing materials recycled by suppliers for manufacturing purposes. They also began to reuse wood and plastic packaging for internal logistics. With a total investment of about €42,000, these activities reduced the waste generated by the plants by approximately 110 tons, resulting in annual savings of about €67,000. The plant in Suzzara (Italy) installed a distiller to recover exhausted solvents from the painting process. This €320,000 investment is expected to cut hazardous waste by approximately 180 tons annually and generate savings of about €310,000. To reduce hazardous waste generation, the plant in Valladolid (Spain) replaced the single-use small tanks used for hazardous substances with reusable intermediate bulk containers (IBCs), thereby preventing the wasteful disposal of the residual chemical products previously discarded with the tanks. The plant also established an agreement with a supplier to collect the sealant purged by its paint shop, which is then regenerated and returned to the plant for reuse. These efforts led to a 7-ton reduction in hazardous waste and a decrease in annual costs.

Iveco Group's voluntary commitment to managing resource outflows (including waste) is reflected in the following sustainability **targets** included in the Sustainability Plan and that apply to the scope of the Focus Area as defined in 1.1 General Basis for the Preparation of the Sustainability Statement:

- 97.1% of waste to be recovered at Group plants worldwide (Focus Area) by year-end 2026
- a 7% reduction in waste generated per production unit⁽⁸¹⁾ at Group plants worldwide (Focus Area) by year-end 2026 (compared to 2019⁽⁸²⁾)
- a 6% reduction in hazardous waste generated per production unit⁽⁸³⁾ at Group plants worldwide (Focus Area) by year-end 2026 (compared to 2019⁽⁸⁴⁾).

⁽⁸¹⁾ The production unit corresponds to the hour of production. Total manufacturing hours are used to calculate the normalised production unit indicator. For the definition of total manufacturing hours, see 1.1 General Basis for the Preparation of the Sustainability Statement.

⁽⁸²⁾ The base year (2019) waste generated is equal to 2.66 kg/hour of production. For information on the rationale for choosing 2019 as the base year, see 1.1 General Basis for the Preparation of the Sustainability Statement.

⁽⁸³⁾ The production unit corresponds to the hour of production. Total manufacturing hours are used to calculate the normalised production unit indicator. For the definition of total manufacturing hours, see 1.1 General Basis for the Preparation of the Sustainability Statement.

⁽⁸⁴⁾ The base year (2019) hazardous waste generated is equal to 0.23 kg/hour of production. For information on the rationale for choosing 2019 as the base year, see 1.1 General Basis for the Preparation of the Sustainability Statement.

In 2024, Iveco Group achieved the following results within the scope of the Focus Area:

- 97.5% of waste recovered at Group plants worldwide
- a 14.3% reduction in waste generated per production unit at Group plants worldwide (compared to 2019)
- a 17.4% reduction in hazardous waste generated per production unit at Group plants worldwide (compared to 2019).

While specifically focusing on optimising waste management and increasing waste recovery across manufacturing processes, in line with the Iveco Group Environmental Policy, the above targets also aim to develop new best practices and to identify and address situations or activities at plant level that pose a potential threat to the environment. For further details on:

- the target definition process
- stakeholder involvement in target setting
- target base year and applicable period
- target monitoring and progress during the year

please refer to the Sustainability Plan in 1.6 Strategy, Business Model, and Value Chain.

With regard to quantitative KPIs and metrics, the main data and indicators are provided in the following tables.

WASTE GENERATED, DIVERTED, AND DIRECTED TO DISPOSAL

Iveco Group (tons)

	Group-Wide	2024 Focus Area
Waste generated, by composition		
Hazardous waste	8,204	5,608
Non-hazardous waste ^(a)	83,776	63,031
Total waste generated	91,980	68,639
of which packaging	37,425	30,099
Waste diverted from disposal, by recovery operation		
Hazardous waste		
Preparation for reuse	—	—
Recycling	5,265	3,614
Other recovery operations	—	—
Total hazardous waste diverted from disposal	5,265	3,614
Non-hazardous waste		
Preparation for reuse	—	—
Recycling	73,496	58,078
Other recovery operations	—	—
Total non-hazardous waste diverted from disposal	73,496	58,078
Total waste diverted from disposal	78,761	61,692
Waste directed to disposal, by disposal operation		
Hazardous waste		
Incineration (with energy recovery)	1,712	1,108
Incineration (without energy recovery)	28	7
Landfill	20	4
Other disposal operations (treatment)	1,179	875
Total hazardous waste directed to disposal	2,939	1,994
Non-hazardous waste		
Incineration (with energy recovery)	5,467	4,150
Incineration (without energy recovery)	1,865	40
Landfill	2,415	616
Other disposal operations (treatment)	533	147
Total non-hazardous waste directed to disposal	10,280	4,953
Total waste directed to disposal	13,219	6,947

^(a) The Group does not generate radioactive waste.

WASTE AND HAZARDOUS WASTE GENERATED PER PRODUCTION UNIT^(a)Iveco Group (kg/hour of production^(b))

2024

Focus Area

Waste generated	2.28
Hazardous waste generated	0.19

^(a) The base year (2019) waste generated is equal to 2.66 kg/hour of production. The base year (2019) hazardous waste generated is equal to 0.23 kg/hour of production. For information on the rationale for choosing 2019 as the base year, see 1.1 General Basis for the Preparation of the Sustainability Statement.

^(b) Total manufacturing hours are used to calculate the indicator per hour of production. For the definition of total manufacturing hours, see 1.1 General Basis for the Preparation of the Sustainability Statement.

NON-RECYCLED WASTE, WASTE RECOVERED^(a), AND WASTE SENT TO LANDFILL

Iveco Group

2024

	Group-Wide	Focus Area
Waste recovered (%)	93.4	97.5
Waste recovered (tons)	85,940	66,950
Waste sent to landfill (%)	2.6	0.9
Non-recycled waste (%)	14.4	10.1
Non-recycled waste (tons)	13,219	6,947

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

Data Calculation Methodology

The main waste generated by Iveco Group's plants includes metal waste from machining processes and packaging waste from logistics (mainly wood and paper).

The full Group-Wide reporting scope includes all waste generated by both manufacturing and non-manufacturing sites. The Focus Area scope includes only the industrial waste generated by manufacturing plants, defined as any waste directly or indirectly related to production department activities, and covers:

- waste generated in production departments during normal working cycles
- waste that, while not directly associated with manufacturing, is generated as a result of auxiliary or production support activities within the production department (e.g., maintenance, logistics, clerical, catering, medical room, sanitation, etc.).

The Focus Area reporting scope does not include waste that is not associated with manufacturing, auxiliary, or production support activities within the production department, nor waste generated as a result of activities outside the normal production cycle.

Most of the reported data (approximately 91%) was derived from primary sources, covering the scope of the Focus Area as well as some additional sites. When reporting on the full Group-Wide scope, the remaining data (9%) was based on estimates, using comparable data from similar monitored sites as a reference and considering factors such as site size and indicators such as the number of employees.

Normalised production unit indexes were defined specifically to track medium- and long-term environmental performance trends. This approach emphasises performance improvements due to process optimisation rather than fluctuations in production volumes. Performance indicators are calculated on the total number of manufacturing hours, defined as the hours of presence of hourly employees within the manufacturing scope required to manufacture a product.

Environmental data was compiled individually (using SPARC⁽⁸⁵⁾ or similar systems) for each site based on their respective qualitative and quantitative data.

⁽⁸⁵⁾ Sustainability, Performance, Analysis, Reporting & Compliance.

7. OWN WORKFORCE (S1)

7.1 APPROACH TO THE SUSTAINABILITY MATTER (SBM-2, SBM-3)

Iveco Group recognises that its workforce is the heart of its business and operations. That is why it fosters consistent and meaningful interactions with its people throughout the year (see 1.7 Stakeholders Viewpoint and Interests), firmly believing that listening to them and ensuring transparent, continuous feedback is fundamental to creating a healthy and inclusive work environment.

Iveco Group's industry and its business model encompass several categories of workers. Its employees have a diverse range of skills and roles, reflecting the complexity of Group operations. These span various types of activities – from design and development to production, distribution, sales, and marketing – engaging a wide variety of professionals. The workforce also includes non-employees, whose contribution is essential to daily operations. These include agency workers, who are mainly involved in manufacturing, contracted through third-party companies and coordinated by internal supervisors; and contractors, who provide general services as self-employed workers or on behalf of external companies. During its double materiality assessment, in order to identify the material impacts and risks most relevant to its people, Iveco Group treated all of them as part of its workforce.

The potential negative impacts for the Group's workforce are linked to isolated episodes rather than widespread or systemic issues. On the other hand, the positive impacts tend to be associated with the Group's continuous efforts to enhance workforce wellbeing and satisfaction through targeted initiatives, such as training, development, and diversity, equity, and inclusion (DEI) programmes, as further described in relevant sections of this Statement.

Such impacts can affect Iveco Group's performance and positioning, since the potential occurrence of serious injuries is recognised as a significant risk that could lead to legal and regulatory consequences as well as reputational damage.

So far, the climate transition plan has not led to any material impacts on the workforce. However, as the industry shifts towards electrification, there is a growing demand for a more specialised skill set. This transition requires additional training, upskilling, and workforce adaptation to ensure employees are equipped to work with emerging technologies, advanced electrical systems, and sustainable energy solutions.

The procedures involved in manufacturing electric vehicles impact every stage of the production process, with the presence of high voltage (HV) batteries requiring an integrated approach that spans logistics (storage, transportation, and line feeding), assembly (HV battery installation and housing), quality checks and testing, reworking, and after-sales services. Moreover, each phase requires specific risk assessments, the implementation of new technological solutions to mitigate the risks identified, specialised personal protection equipment (PPE) for workers, and targeted training to ensure those working on electric vehicles are fully qualified. For details on the specific measures implemented by Iveco Group to ensure safety in e-vehicle production, see 7.10.3 Safety Culture and Actions.

While the full impact of these changes remains to be seen, the Group is implementing strategies to support a smooth and inclusive transition.

The Group monitors its operations through an impact assessment survey, which particularly focuses on respect for human rights, especially child and forced labour (see 7.14.1 Human Rights Assessment). The 2024 survey did not identify any significant concerns or issues in this regard.

7.2 POLICIES RELATED TO OWN WORKFORCE (S1-1)

Iveco Group's commitment to its employees is stated in its Code of Conduct (see 11.2.1 Code of Conduct), Human Rights Policy, Diversity, Equity & Inclusion Policy, Health and Safety Policy, and Data Privacy Policy. These policies apply to the entire Iveco Group workforce.

7.2.1 HUMAN RIGHTS POLICY

Iveco Group works hard to create long-term sustainable value for all its stakeholders, an objective that it believes cannot be achieved without respect for fundamental human rights. The Human Rights Policy supports Iveco Group in reaching its sustainability targets and ambitions, and regulates those activities that generate the greatest impact and/or potential risk with regard to the following ESR S1 sub-topics and sub-sub-topics:

- 'Working conditions' (including 'Secure employment', 'Working time', 'Adequate wages', 'Social dialogue', 'Freedom of association', 'Collective bargaining', and 'Health and safety')
- 'Equal treatment and opportunities for all' (including 'Measures against violence and harassment in the workplace')
- 'Other work-related rights' (including 'Child labour' and 'Forced labour').

Iveco Group considers human rights to be of the utmost importance, as the improper application of labour law and/or management of labour relations compromises the Group's ability to respond to employees' needs, ensure favourable working conditions, and enhance their wellbeing and satisfaction levels, while fundamental labour rights violations threaten employees' access to basic life necessities and freedoms (such as education and livelihood, among others). The Group's Human Rights Policy focuses on 8 main priorities:

- no child labour
- no forced labour, human trafficking, or any form of slavery
- working conditions
- no harassment
- no discrimination
- no retaliation
- freedom of association and collective bargaining
- occupational health and safety.

Iveco Group will not establish or continue a relationship with any counterpart that refuses to respect the principles of its Code of Conduct, which explicitly endorses the protection of human rights. The human rights principles included in the policy are consistent with the spirit and intent of the United Nations' (UN) Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, and the relevant Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO). The policy also outlines Iveco Group's commitment to preventing human trafficking and slavery across its supply chain in compliance with the California Transparency in Supply Chains Act, the Human Trafficking Prevention Act, the UK Modern Slavery Act 2015, and similar laws.

Iveco Group manages the risks associated with human rights violations through its Enterprise Risk Management (ERM) system, applying a methodology that defines risk as any event that could affect the Group's ability to meet its objectives. This approach enables it to identify and evaluate risks in a timely manner, and to take action to mitigate or, where possible, eliminate them. The Group also conducts detailed human and labour rights risk assessments when acquiring significant new businesses, operations, or projects, maintaining an averse risk appetite level for human rights violations within the ERM system's Risk Appetite Framework. These assessments are typically conducted as part of the due diligence process and often with the assistance of external third-party law firms or advisors. The Human Rights Policy applies to Iveco Group N.V. and its subsidiaries, to the directors, officers and employees of such entities, to those acting for or on behalf of such entities, and to all parties with which the Group conducts business, including but not limited to suppliers, service providers, sales representatives, agents, consultants, dealers, distributors, importers, resellers, and joint venture partners. While it is the responsibility of all persons covered by the policy to ensure respect for human rights, the Senior Leadership Team (SLT) retains executive oversight and responsibility for implementation. At Group level, the Board of Directors oversees the policy's implementation and is responsible for ensuring adherence to the commitments therein, while Group managers are responsible for overseeing its application at local level. The Group is continually evolving to build a sustainable society through growth, innovation, and highly engaged people. This requires a well-defined strategy, a purpose, and values, with engagement serving as the unifying force driving everyone towards shared objectives. When discrimination is identified, grievance procedures to address complaints, manage appeals, and provide recourse for employees are handled through the Compliance Helpline, available to all Iveco Group employees, customers, suppliers, and other third parties to report potential violations of applicable laws, the Code of Conduct, or corporate policies. The policy is available on the corporate website in 7 languages (Czech, English, French, German, Italian, Portuguese, and Spanish).

7.2.2 HEALTH AND SAFETY POLICY

The Iveco Group Health and Safety Policy regulates those activities that generate the greatest impact and/or potential risk with regard to the ESRS S1 sub-sub-topic 'Health and safety', and supports the Group in reaching its sustainability targets and ambitions. Iveco Group prioritises health and safety, recognising that failure to comply with safety standards can lead to critical incidents, injuries, or work-related ill health impacting employees, and that any injuries, long-term disabilities, or fatalities may also have legal, regulatory, and reputational consequences. The Health and Safety Policy stipulates preventive measures at both individual and collective levels to minimise the potential risk of injury in the workplace. The Group ensures optimal working conditions by applying industrial hygiene and ergonomics principles to its organisational and operational processes, and by adopting the highest health and safety standards (even in countries with less stringent regulations), believing this to be the best way to achieve excellence. Safety is a priority across Iveco Group, as evidenced by the compliance of its management systems with the ISO 45001 international standard. The Group uses consolidated monitoring and reporting systems – such as the SPARC system – to track health and safety performance, measure the effectiveness of actions taken to achieve targets, and plan new improvement initiatives, all through the management

of appropriate key performance indicators (KPIs). The Group involves all employees and their representatives in the development, implementation, and evaluation of the occupational health and safety management system by:

- arranging periodic meetings
- consulting with them to identify hazards, assess risks, define controls and preventive measures, and analyse incidents (presenting any such items at the above-mentioned meetings)
- engaging them in the development and revision of occupational health and safety objectives and policies
- collecting their feedback on the preventive measures adopted, on the organisation of the occupational health and safety management system, and on working methods and procedures.

The Health and Safety Policy applies to Iveco Group N.V. and its subsidiaries, to the directors, officers, and employees of such entities, and to those acting for or on behalf of such entities. Iveco Group's Board of Directors endorses the principles of this policy and oversees its implementation, the responsibility for which lies with the Senior Leadership Team (SLT), tasked with developing appropriate operational procedures and ensuring adequate allocation of resources and professional expertise. The policy is available on the corporate website in 7 languages (Czech, English, French, German, Italian, Portuguese, and Spanish).

7.2.3 DIVERSITY, EQUITY & INCLUSION POLICY (DEI POLICY)

Among its core values, the Group believes that diverse strengths and an inclusive environment are essential for sustainable long-term value creation and for building an effective, attractive, and resilient organisation. The Diversity, Equity & Inclusion (DEI) Policy supports the Group in reaching its sustainability targets and ambitions, and regulates those activities that generate the greatest impact and/or potential risk with regard to the following ESRS S1 sub-sub-topics: 'Gender equality and equal pay for work of equal value', 'Employment and inclusion of persons with disabilities', 'Measures against violence and harassment in the workplace', and 'Diversity'. Iveco Group considers DEI to be of fundamental importance, as incidents of discrimination and harassment in the workplace, including unfair recruiting and compensation practices, negatively affect employees, especially those who may be vulnerable and/or marginalised. On the other hand, the development of an inclusive working environment where people are treated equally improves work-life quality, and allows employees to feel valued and to achieve their professional potential. As stated in the DEI Policy, the Group does not accept discrimination and/or harassment against employees in any form on the basis of: ethnicity, race, gender, sexual orientation, personal or social status, health, physical condition, disability, age, nationality, religious or personal beliefs, political opinion, or other protected status, and all employees are expected to uphold DEI values. Iveco Group is committed to acting impartially to eliminate all forms of direct and indirect discrimination or undue advantage, while building a culture of mutual respect that values differences and empowers everyone to achieve their potential while contributing to the Group's overall success. The aim is to build a diverse workforce and Board of Directors, prioritising merit and diversity while tackling discrimination. Key priorities include nurturing talent, ensuring fair treatment, and supporting each individual's professional growth, with specific efforts designed to improve gender balance, eliminate pay gaps, provide accessibility for people with disabilities, and foster an inclusive culture. DEI goals are embedded in the Group's sustainability strategy, reflecting a commitment to creating a work environment that is respectful, collaborative, and centred on wellbeing. The DEI Policy applies to Iveco Group N.V. and its subsidiaries, to the directors, officers, and employees of such entities, and to those acting for or on behalf of such entities. In joint ventures where the Group is a non-controlling shareholder, the aim is to circulate the policy to the other shareholder(s) involved and encourage them to apply similar standards. The same applies to any third parties interacting with Iveco Group (including customers, suppliers, and other business partners). Meanwhile, all visitors to Group premises are required to abide by the policy at all times, with access to sites denied in the event of non-compliance. The Board of Directors is responsible for ensuring adherence to the DEI Policy at a strategic level, monitoring its outcomes and progress over time, and providing proper disclosure as per applicable regulations. While DEI is a responsibility shared by everyone within the Group, executive oversight and implementation of the policy rest with the Senior Leadership Team (SLT). An ad hoc DEI Council is in charge of developing, reviewing and, if necessary, redefining initiatives to reduce inequality, support diversity, and promote inclusion. Employees who violate the DEI Policy may be subject to disciplinary action, up to and including termination of employment, and may be held personally liable for their behaviour. The policy, available on the Group website in 7 languages (Czech, English, French, German, Italian, Portuguese, and Spanish), is accessible to all stakeholders, including suppliers and other business partners. More broadly, the Group actively promotes respect for DEI through public policy efforts, stakeholder dialogue, advocacy, collaboration, and participation in various forums.

7.2.4 DATA PRIVACY POLICY

The Iveco Group Data Privacy Policy regulates those activities that generate the greatest impact and/or potential risk with regard to the ESRS S1 sub-sub-topic 'Privacy', and supports the Group in reaching its sustainability targets and ambitions. It outlines the principles for collecting, storing, and processing personal data as per all applicable laws. These include the principles of: lawfulness, fairness, and transparency; data quality;

purpose limitation; storage limitation; security safeguards; accountability; and privacy by design. The Data Privacy Policy applies to Iveco Group N.V. and its subsidiaries, to the directors, officers, and employees of such entities, and to those acting for or on behalf of such entities. The Senior Leadership Team (SLT) is responsible for monitoring compliance with the policy, updating it as necessary, and reporting on progress. The policy is available on the corporate website in 7 languages (Czech, English, French, German, Italian, Portuguese, and Spanish).

7.3 ADDRESSING NEGATIVE IMPACTS AND EMPLOYEE CONCERNS (S1-3)

Iveco Group's **Compliance Helpline** is a global reporting tool, available in 15 languages and managed by an independent third party, that provides employees, customers, suppliers, and other third parties with a dedicated means to report potential violations of applicable laws, the Code of Conduct, the Supplier Code of Conduct, or corporate policies. Reporting potential violations gives the Group the opportunity to investigate matters and take corrective action, reducing the risk or potential harm to the employees involved, co-workers, the Group itself, or the communities in which it operates.

As indicated in Iveco Group's Speak Up Policy and on the corporate website, reports can be submitted in several ways (including anonymously, where permitted by law):

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

If a reported matter is substantiated, the Group enforces appropriate disciplinary action, up to and including termination of employment. To this end, the Ethics & Compliance Committee has approved specific disciplinary guidelines that clearly outline expectations for appropriate disciplinary measures and ensure a consistent approach. In 2024, any violations of the Code of Conduct were managed either through appropriate disciplinary action or through action plans to improve internal control procedures. For more information on reporting violations, see 11.3 Business Conduct and Corporate Culture in this Sustainability Statement. For details on the protection of individuals against retaliation, refer to 11.2.4 Anti-Retaliation Policy and 11.2.3 Speak Up Policy.

7.4 CONTEXT AND CULTURE (SBM-2, S1-2)

Iveco Group's people are the driving force behind its strategy and its ability to create and deliver long-term value. It is therefore a priority to accelerate their professional development, help them grow, and strengthen their leadership capabilities, improving individual performance through full engagement while ensuring a safe working environment.

To attract and retain talent, it is critical to build and sustain a corporate culture of engagement and inclusion, combined with a willingness to promote and discuss this culture openly. For this reason, the Group believes in complete transparency when showing people how it does things and has created an attractive employee value proposition (EVP) as a foundation for its sustainable evolution.

Iveco Group is continually evolving to advance a sustainable society through growth, innovation, and highly engaged people. This requires a clear strategy, a purpose, and shared values, with engagement serving as the glue that holds everyone together, ensuring all are moving in the same direction. Indeed, engagement, diversity, and inclusion are the foundations of sustainable development and integral to the Organisation's culture and human capital management efforts.

Iveco Group's commitment to its people is stated in its Code of Conduct, Human Rights Policy, and Diversity, Equity & Inclusion Policy. These documents, approved by the Board of Directors, have been distributed to all employees, and are available on the corporate website and Intranet portal.

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

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

7.5 VOICE: TRANSFORMING OUR CULTURE (SBM-2, S1-2)

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

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

The Organisation also laid the foundations for a culture of continuous feedback, strongly promoting two-way feedback by upskilling people across Iveco Group and by creating opportunities and role modelling for effective dialogue. Two-way feedback involves asking, giving, and receiving input from others, holding meaningful conversations, and acting upon it. As a mutual exchange, a focus area was enhancing the skills of managers, required not only to provide feedback to those under their supervision, but also to seek input on their own performance and areas for improvement.

2023 marked phase two of the *Voice* journey. The main goal was to drive it forward, making it more structured and granular so as to deliver pragmatic solutions and anchor all Group processes to the Purpose and Values identified. As a result, the journey's primary focus in 2023 was on development and on connecting the dots to ensure that everything linked back to the corporate Purpose and Values; this translated into a wealth of fully cohesive and consistent programmes and learning initiatives.

2024 saw **phase three of the Voice journey**, building on the tools and processes already established and following up on commitments made to deliver a sustained transformation, making it integral to how Iveco Group does business.

The Group continued to focus on its Dialogue & Action sessions, consistently reinforcing the importance of its culture of engagement throughout its leadership transition.

7.6 PEOPLE SATISFACTION AND ENGAGEMENT (SBM-2, S1-2)

Iveco Group uses people satisfaction and engagement surveys not only to measure the level of employee satisfaction and engagement, but also to identify improvement opportunities that meet the needs and expectations of the entire Organisation.

The Group also collects the information from exit surveys and/or interviews with departing employees worldwide, so as to gain insights into what they look for in a new organisation and uncover any potential areas of dissatisfaction. Departing employees are asked to complete a questionnaire on management, career development, corporate culture, and the work environment. The Human Resources Department consolidates this data and shares specific Business Unit feedback with the relevant managers, in order to address specific matters of concern within each area. Similarly, new hires are required to fill out questionnaires after 30 and 210 days of employment, providing valuable feedback on their first months at the Group.

Since 2022, as part of its *Voice* cultural transformation programme, Iveco Group has conducted an annual **Voice Engagement Survey** to measure and monitor employees' levels of engagement. The survey addresses aspects such as job satisfaction, sense of purpose, clarity of expectations, and feeling of inclusion. In 2024, it was sent out to 34,923 people in 42 countries, of whom 31,878 responded (a 91% participation rate), with 70% of employees expressing the highest level of satisfaction.

The survey was also designed to monitor employees' experience of Iveco Group's Values within the workplace, listening and giving voice to the entire Organisation by employing a bottom-up approach, working from the inside out in line with the overall cultural journey.

Consistent with the cultural transformation strategy of the Group, the *Voice Engagement Survey* is conducted on an annual basis. Every year, after filling out the questionnaire, participants are asked to take part in the so-called Dialogue & Action sessions, held at team level across the Organisation to discuss survey results and to agree and follow up on specific actions for improvement. In 2024, these sessions involved more than 2,000 teams.

7.7 OWN WORKFORCE IN DETAIL (S1-6, S1-7)

As at 31 December 2024, Iveco Group had 36,046 employees, an increase of 9 from the 36,037 employees at year-end 2023. The change was mainly attributable to the difference between new hires (approximately 3,000) and departures (approximately 2,700) during the year. A further decrease of approximately 300 employees was due mainly to changes in the Truck Business Unit's (BU) scope of operations, related to the sale

of distribution and retail operations in Nordic countries, and to the sale of two dealers of property in France, partially offset by the last step of personnel insourcing from Stellantis, initiated the previous year.

Excluding changes in the scope of operations, the workforce increase compared to year-end 2023 was attributable mainly to its growth: in the Bus BU, driven by the production and sale of vehicles meeting the energy transition requirements and the demand for sustainable mobility; in the Defence BU, whose business growth in terms of both turnover and results has led to an upward adjustment in personnel, involving all departments; in the Truck BU's manufacturing plants, primarily in Brazil and to a lesser extent in Italy, partially offset by a reduced workforce in the Powertrain BU due to lower production volumes.

In 2024, there were approximately 2,700 departures from the Group, 1.9% of which were collective redundancies following the reorganisation or rationalisation of operations, in some instances initiated in previous years. Whenever possible, redundancies were managed through social welfare mechanisms provided for by law, and through social programmes established in collaboration with trade unions and aimed at minimising the impact on employees. 77% of the collective redundancies and associated economic conditions were managed in line with legal requirements; 21.2% were employment contract terminations by mutual consent, with exit incentives more favourable than required by law; 1.8% were early terminations of fixed-term contracts.

Temporary hiring takes place in response to a temporary need for personnel. As at 31 December 2024, agency contracts⁽⁸⁶⁾ accounted for 3,112 of personnel, in line with the previous year. Most of these were hourly workers within the Manufacturing function. The significant increase in hourly agency workers in the Bus BU was partially offset by a decrease in the Powertrain BU, both driven by the trend in production volumes. The reduction in hourly agency workers in the Truck BU was mainly due to the conversion of about 200 agency contracts into permanent employment contracts. Temporary agency contracts are entered into or renewed according to business needs, as per applicable legislation and collective labour agreement (CLA) provisions, and are thus ultimately subject to variations based on specific market requirements.

There were also 3,793 contractors⁽⁸⁷⁾ throughout the year, providing mainly general services such as canteen work, cleaning, waste management, and maintenance.

EMPLOYEE HEADCOUNT BY GENDER

Iveco Group worldwide (number)

Gender	Number of employees (headcount)
Male	28,899
Female	7,147
Other ^(a)	—
Not reported	—
Total employees	36,046

^(a) Gender as specified by the employees themselves.

EMPLOYEE HEADCOUNT IN COUNTRIES WHERE IVECO GROUP HAS AT LEAST 50 EMPLOYEES REPRESENTING AT LEAST 10% OF ITS TOTAL NUMBER OF EMPLOYEES

Iveco Group worldwide (number)

Country	Number of employees (headcount)
Italy	14,513
Spain	4,224
France	3,914
Czech Republic	3,696

⁽⁸⁶⁾ Agency personnel are defined as working for, rather than employed by, Iveco Group, and are contracted and paid through an external third-party company. They are coordinated and overseen by the Group's internal supervisors, and are usually temporary and conduct the same type of activities within the same business scope as Iveco Group employees.

⁽⁸⁷⁾ This figure is expressed as full-time equivalent (FTE) and calculated based on total hours worked. Contractors are defined as external companies or freelance/self-employed workers who have a contract with an Iveco Group company to provide services of interest within the Group perimeter.

EMPLOYEES BY CONTRACT TYPE, BROKEN DOWN BY GENDER

Iveco Group worldwide (number)

	Female	Male	Other ^(a)	Not disclosed	2024 Total
Number of employees (headcount)					
	7,147	28,899	—	—	36,046
Number of permanent employees (headcount)					
	6,896	28,173	—	—	35,069
Number of temporary employees (headcount)					
	251	726	—	—	977
Number of non-guaranteed hours employees (headcount)					
	1	37	—	—	38
Number of full-time employees (headcount)					
	6,675	28,606	—	—	35,281
Number of part-time employees (headcount)					
	472	293	—	—	765

^(a) Gender as specified by the employees themselves.

EMPLOYEES BY CONTRACT TYPE, BROKEN DOWN BY REGION

Iveco Group worldwide (number)

	Europe	South America	North America	Rest of World	2024 Total
Number of employees (headcount)					
	30,968	4,010	77	991	36,046
Number of permanent employees (headcount)					
	30,721	3,737	77	984	35,069
Number of temporary employees (headcount)					
	697	273	—	7	977
Number of non-guaranteed hours employees (headcount)					
	38	—	—	—	38
Number of full-time employees (headcount)					
	30,204	4,010	77	990	35,281
Number of part-time employees (headcount)					
	764	—	—	1	765

EMPLOYEE TURNOVER

Iveco Group worldwide (number)

	2024
Employees at 1 January	36,037
New hires	3,036
Departures	(2,715)
Δ scope of operations	(312)
Employees at 31 December	36,046
Turnover (%)	7.5
of which voluntary turnover (%)	2.7
New hires (%)	8.4

EMPLOYEE TURNOVER BY AGE GROUP^(a)

Iveco Group worldwide (number)

	2024		
	Under 30 years	30 to 50 years	Over 50 years
Employees at 1 January	4,192	21,347	10,498
New hires	1,328	1,489	219
Departures	(630)	(1,278)	(807)
Δ age range	(657)	(582)	1,239
Δ scope of operations	(59)	(148)	(105)
Employees at 31 December	4,174	20,828	11,044
Turnover (%)	15.1	6.1	7.3
New hires (%)	31.8	7.1	2.0

^(a) Information disclosed according to the KPI calculation methodology defined by the GRI Standards.EMPLOYEE TURNOVER BY GENDER^(a)

Iveco Group worldwide (number)

	2024	
	Male	Female
Employees at 1 January	29,168	6,869
New hires	2,207	829
Departures	(2,169)	(546)
Δ gender	(24)	24
Δ scope of operations	(283)	(29)
Employees at 31 December	28,899	7,147
Turnover (%)	7.5	7.6
New hires (%)	7.6	11.6

^(a) Information disclosed according to the KPI calculation methodology defined by the GRI Standards.

7.8 DIVERSITY, EQUITY, AND INCLUSION (S1-4, S1-5, S1-9, S1-12)

Iveco Group implements a series of measures to address the negative and positive material impacts related to diversity, equity, and inclusion (DEI) identified through the materiality assessment. These measures, outlined below, are designed to prevent, mitigate, and/or remediate the material negative impacts on the workforce while maximising positive impacts. Where applicable, outcomes are monitored through specific quantitative KPIs.

In October 2023, the Board of Directors adopted a Policy on Diversity, Equity and Inclusion (DEI Policy), applicable to the Group's Board, management and entire workforce, acknowledging that DEI is business-critical, and not just a matter of compliance: Iveco Group's stance is that its people are the foundation that drives its business, offering diverse perspectives and thinking that help it develop as an organisation. People act as a stimulus for continuous improvement and contribute to the advancement of a more sustainable society. As such, the Group lists contributing diverse strengths among its core values and considers an inclusive and diverse environment to be beneficial to sustainable long-term value creation, as the basis of an effective, attractive and resilient organisation. The DEI Policy (to be read and construed in conjunction with the Organisation's remaining governance documents, namely its Code of Conduct and the Human Rights Policy) is available in seven languages on the Governance section of the Group's website. Completing the training on this policy is mandatory for all the Organisation's employees.

Provided that the composition of the Company's Board and workforce at large is based on competence, merit and talent, and the underlying rationale of the Group's entire remuneration approach is competitive rewarding of performance, in the framework of its overall strategic planning remit, the Board sets a range of targets addressing relevant DEI aspects with reference to the same Board, the members of the Senior Leadership Team (SLT) and the overall workforce. These targets (that are short-, medium- or long-term, depending on the aspect to tackle) are intended to direct decision-making and operations and ensure focus. Their annual re-assessment (and possible fine-tuning) is meant to ensure ongoing consistency with the Organisation's evolving strategic priorities and actual capacities. The goals (that are listed in full in the DEI Policy) span from fostering awareness on the topic, to counteracting (unconscious) bias through appropriate training and dialogue, to integrating DEI elements into the Group's performance, recruitment and talent development processes, whilst working for the progressive elimination of gender pay gap (that already is within EU Directive thresholds) and pursuing gender balance. With reference to the required setting of gender diversity targets for the senior management (that the Group identifies in the SLT), according to applicable Dutch law, the Group believes that women and men should each represent at least one-third of the members of the SLT. This goal is presently achieved (thus the goal here is maintaining this gender diversity

rate while managing retirement and vacancies). In addition, to strengthen the Organisation's DEI efforts and outcomes, a strategic sustainability **target** was incorporated into its Strategic Business Plan: to ensure that 30% of office positions overall are held by female office workers by year-end 2028⁽⁸⁸⁾.

Apart from target setting, the Board of Directors is responsible for ensuring adherence to the DEI Policy at strategic level, as well as monitoring its outcome and progress throughout time and providing proper disclosure.

Fostering a culture of DEI is part of the Group's sustainability priorities. In 2024 Iveco Group's DEI Council (made up of the SLT and a diverse selection of managers) continued to develop and deliver a range of initiatives to support diversity and promote inclusion, focusing on six key workstreams: Employer Branding; Talent Mobility, Succession & Hiring; Career Development Programmes; Gender Pay Gap; Wellbeing at Work; and Structured Awareness Campaign.

Examples of the **numerous initiatives** are the roll-out of unconscious bias training (*Hidden Bias of Good People*) to over 11,000 people and the design and roll-out of inclusive language training to the SLT and key leaders in the Organisation. In addition, the Group initiated various mentoring programmes affecting over 300 diverse colleagues (between mentors and mentees) to advance the development of its key diverse talent (eg., *I-Talks*).

Coming to the tools to implement the Group's DEI priorities, within the Human Resources Department, an ad hoc office is responsible for creating DEI programmes and initiatives and for promoting such a culture at all corporate levels in coordination with the HR heads of each business unit/function and the Heads of Communication and Sustainability. This ensures that, in every aspect of the employment relationship – be it recruitment, training, compensation, development, promotion, or relocation – employees are treated based on their ability to meet the requirements of the job, and all decisions are free from any form of discrimination. The DEI strategy is to integrate the principles and behaviours into the employee life cycle process to ensure the sustainability of the approach.

Given the Organisation's global presence, there may be differences in legislation among the countries where the Group operates, as well as different levels of awareness, concern, and ability among employees in applying the principles of non-discrimination. The Code of Conduct and specific policies ensure that the same standards are applied worldwide. Indeed, as stated in the Code of Conduct itself, Group standards supersede in jurisdictions where legislation is more lenient.

An assessment to monitor the employment of **people with disabilities** was carried out in 2024 in 17 countries⁽⁸⁹⁾ (where the law requires companies to employ a minimum percentage of employees with disabilities), covering more than 92% of Group employees worldwide. The assessment showed that differently abled employees in these countries make up 4% of the global employee headcount. It also showed that differently abled women account for 19% of the total assessed, while men account for 81%. In all other countries of operation, there is no legislation establishing minimum quotas for the employment of people with disabilities, although in some cases other forms of protection exist (i.e., related to working hours or workplace environments). In these countries, there are objective limitations to reporting the number of differently abled employees, as the information is sensitive and often subject to data protection legislation. As a result, the Group is only aware of employees' personal status if they choose to disclose it.

In 2024, the Organisation also carried out an employee **nationality** assessment at Iveco Group legal entities in 9 countries, covering 84% of Group employees worldwide, which evidenced that 7.4% of them were of a nationality other than the country assessed. It should be noted that this percentage remains higher for female employees (8.8%) than for male employees (7.1%). Germany, the USA, and Italy were the countries where Iveco Group legal entities employed the highest percentage of employees of a nationality other than that of the host country (16% in Germany, 12% in the USA, and 10% in Italy).

⁽⁸⁸⁾ Targets are developed and set by the relevant functions in collaboration with other departments and affected stakeholders, with final approval from senior management. Targets are further shaped by the insights gathered through continuous engagement and dialogue with the workforce and workers' representatives and from their feedback. This ongoing exchange helps identify key focus areas and ensures target alignment with Group priorities. The responsibility for managing and achieving these targets lies with specific designated functions. Progress on targets is regularly disclosed through public reporting.

⁽⁸⁹⁾ Data collected in Austria, Brazil, China, Czech Republic, France, Germany, Italy, Poland, Romania, Spain, Türkiye, and Ukraine, as well as in 5 additional countries (Indonesia, Russia, Serbia, Slovakia, and South Korea) where, despite regulations requiring a minimum percentage of employees with disabilities, Iveco Group does not meet the minimum headcount threshold for these requirements to apply.

EMPLOYEES AT TOP MANAGEMENT LEVEL BY GENDER

Iveco Group worldwide

2024

	Male		Female	
	(number)	(%)	(number)	(%)
Top management level	121	76.6	37	23.4

EMPLOYEES BY CATEGORY BY AGE

Iveco Group worldwide (number)

2024

	Under 30 years	30 to 50 years	Over 50 years
Hourly	3,253	13,106	6,990
Salaried	687	2,743	1,433
Professional	232	3,680	1,721
Manager	2	1,299	900
Total	4,174	20,828	11,044

EMPLOYEES BY CATEGORY BY AGE

Iveco Group worldwide (%)

2024

	Under 30 years	30 to 50 years	Over 50 years
Hourly	14.0	56.1	29.9
Salaried	14.1	56.4	29.5
Professional	4.1	65.3	30.6
Manager	0.1	59.0	40.9
Global	11.6	57.8	30.6

EMPLOYEE GENDER DISTRIBUTION BY CATEGORY^(a)

Iveco Group worldwide

2024

	Male		Female	
	(number)	(%)	(number)	(%)
Hourly	19,711	84.4	3,638	15.6
Salaried	3,266	67.2	1,597	32.8
Professional	4,267	75.8	1,366	24.2
Manager	1,655	75.2	546	24.8
Global	28,899	80.2	7,147	19.8

^(a) Information disclosed according to the KPI calculation methodology defined by the GRI Standards.EMPLOYEE GENDER DIVERSITY INDICATORS^(a)

Iveco Group worldwide (%)

2024

Women as a share of total employees	19.8
Women in all management positions	24.8
Women in junior management positions	20.8
Women in top management positions	23.4
Women in management positions in revenue-generating functions	26.2
Women in STEM positions	15.5

^(a) Information disclosed according to sustainability rating agency requirements.

EMPLOYEE NATIONALITY^(a)

Iveco Group worldwide (%)

2024

	Share of employees ^(b)	Share of management positions ^(c)
Italian	43.8	66.4
Spanish	13.8	4.0
French	12.5	7.1
Brazilian	10.8	8.2
German	8.4	5.6
Argentinian	2.7	2.2
Chinese	1.4	1.2
Others	6.6	5.3

^(a) Information disclosed according to sustainability rating agency requirements. Assessment covering 84% of Iveco Group employees.^(b) As a percentage of total employees.^(c) As a percentage of total managers.

Data Calculation Methodology

DEI data and information were collected through dedicated IT management and control systems (the SAP HR or ESGeo platforms), where available, to ensure the reliability of information flows and data accuracy, or through spreadsheets populated directly by the representatives of each thematic area worldwide and verified by their supervisors.

7.9 COMPENSATION AND BENEFITS (S1-4)

Iveco Group implements a series of measures to address the negative and positive material impacts related to employee compensation and benefits identified through the materiality assessment.

These measures, outlined below, are designed to prevent, mitigate, and/or remediate the material negative impacts on the workforce while maximising positive impacts. Where applicable, outcomes are monitored through specific quantitative KPIs.

Iveco Group's approach to compensation is based on equitable criteria to ensure that all employees benefit from an inclusive work environment and equal opportunities. The Group is committed to offering a base salary that is compliant with local regulations, competitive with the local market, sustainable from a business perspective, and in line with its corporate *achieve and earn* philosophy. The compensation strategy includes various components, providing a comprehensive package that rewards employees for their contribution to the Group's results allowing them to share in the business success they helped to create.

Base salary, benefits, and short- and long-term incentives are determined by market-driven benchmarks; this ensures that all Iveco Group employees across different global markets are treated fairly and objectively. The specific criteria for adjustments focus on closing gaps with respect to market position, giving priority to top performers. Variable compensation, on the other hand, is based on individual employee contributions, assessed annually through a rigorous evaluation applied consistently to all eligible employees worldwide. Additionally, a formal, monitored process is in place to ensure the Group's core principles of equity and fairness are applied to compensation levels, annual salary reviews, and promotions alike, in line with its *reward* philosophy. Thanks to the combination of the above measures, Iveco Group's overall compensation approach guarantees equal treatment for all individuals regardless of age, gender, ethnicity, religious belief, disability, sexual orientation, or other such factors or attributes.

7.9.1 COMPENSATION METRICS (S1-5, S1-16)

Recognising the importance of a fair and unbiased approach to pay, Iveco Group is committed to ensuring pay equity as a good business practice. The Group also acknowledges the possibility of acceptable differences in pay for similar work, provided they are based on fair and objective criteria such as performance, education, or other measurable job-related characteristics.

Iveco Group upholds and maintains pay equity throughout the organisation by:

- reviewing and adjusting pay ranges each year to ensure their compliance with local statutory requirements, which vary by country and reflect the prevailing local market pay rates for the roles in question

- monitoring the starting salaries of new employees to ensure they are fairly aligned with Iveco Group's predefined pay ranges. To this end, before any employment offer is made, the HR team verifies that the salary being offered falls within such ranges (regardless of the candidate's salary history), to reduce the likelihood of importing pay inequities from previous employers
- monitoring salaries following internal promotions, with the HR team ensuring (as for new hires) that the starting salary for any promotion complies with local statutory requirements
- consistently reviewing and adjusting pay ranges to ensure their continued relevance throughout the year.

In 2024, the annual total remuneration ratio of Iveco Group's highest paid individual (i.e., the CEO) to the median annual total remuneration for all employees (excluding the highest-paid individual) was equal to 59.1⁽⁹⁰⁾.

For information on the CEO pay ratio disclosure as established by the Dutch Corporate Governance Code, please refer to the 'Remuneration Report' in this Report. Based on the methodology of this disclosure, the CEO pay ratio was 31.5.

Iveco Group is committed to conducting an annual review of base salaries for nearly all employees in most of its countries of operation (around 99% of Group employees worldwide) and to using statistical analysis (specifically multilinear regression) to identify and promptly address any unexplained gender pay gaps. The gender pay gap is defined as the difference in average pay levels between male and female employees, expressed as a percentage of the average pay level of male employees. The analysis performed in 2024 revealed a gender pay gap of -3.6%⁽⁹¹⁾.

Iveco Group has prioritised gender pay equity by setting specific targets for gender equality and by achieving third-party certification from EDGE in November 2024, reflecting the Group's compliance with rigorous standards for diversity, equity, and inclusion (DEI) in the workplace. EDGE certification is the leading and globally recognised standard for DEI, integrated into key indices and implemented by ESG and DEI think tanks and thought leaders worldwide.

When analysing its gender pay gap, the Group considered specific variables (such as age, tenure, and position within the Organisation) to identify factors that could potentially influence pay differences, performing a multilinear regression analysis to establish any pay gap between male and female employees that was not explained by or attributed to the specific variables. The number of variables used was intentionally limited to those that statistically demonstrated a meaningful impact on results. The analysis consistently showed that Iveco Group's unexplained pay gap was within an accepted threshold of +/-5%. Meanwhile, the Group continues to take proactive steps to address pay disparities where they exist, as part of its broader commitment on rewards and workplace diversity, equality, and inclusion.

Iveco Group's commitment to equal pay is also reflected in the voluntary strategic sustainability **target** incorporated into its Strategic Business Plan: to maintain gender pay equity⁽⁹²⁾ across the Organisation, and have it certified by a third party by year-end 2026 (as mentioned earlier, certification was achieved in 2024, well ahead of schedule). Targets are developed and set by the relevant functions in collaboration with other departments and affected stakeholders, with final approval from senior management. Targets are further shaped by the insights gathered through continuous engagement and dialogue with the workforce and workers' representatives and from their feedback. This ongoing exchange helps identify key focus areas and ensures target alignment with Group priorities. The responsibility for managing and achieving these targets lies with specific designated functions. Progress on targets is regularly disclosed through public reporting. For further details on:

- the target definition process
- stakeholder involvement in target setting
- target base year and applicable period
- target monitoring and progress during the year

please refer to the Sustainability Plan in 1.6 Strategy, Business Model, and Value Chain.

⁽⁹⁰⁾ This calculation includes all employees, considering the following total remuneration components: base salary (i.e., the sum of guaranteed, short-term, and non-variable cash compensation); benefits in cash (i.e., the sum of the base salary and cash allowances, bonuses, commissions, cash profit-sharing, and other forms of variable cash payments); benefits in kind (e.g., cars, private health insurance, life insurance, wellness programmes); and direct remuneration (i.e., the sum of benefits in cash, benefits in kind, and the total fair value of all annual long-term incentives – for example, stock option awards, restricted stock shares or units, performance stock shares or units, phantom stock shares, stock appreciation rights, and long-term cash awards).

⁽⁹¹⁾ Calculated for each country as the average male full-time equivalent (FTE) base salary minus the average female FTE base salary, divided by the average male FTE base salary. The overall figure is a weighted average based on the headcount in each country.

⁽⁹²⁾ Iveco Group assesses gaps in gender pay equity using multilinear regression. This analysis is performed in the countries of operation with a headcount of 100 or more.

7.9.2 LOCAL MINIMUM WAGES (S1-10)

In many countries, minimum wage levels are established by law (although in some countries there may be regional, state or other internal variations). Where no specific law exists, a minimum wage may be established by collective bargaining agreements between employer associations and trade union representatives. This, for example, is the case in Italy, Germany, and Belgium, where pay and employment conditions are negotiated at regional or national level, with the possibility of further agreements on their application or supplementary terms and conditions at company level. There are other instances in which minimum wage levels are established based on specific economic, social, and political circumstances and therefore do not allow for cross border comparisons. In 2024, Iveco Group assessed the adequacy of entry-level wages in each country of operation. The findings confirmed that employees were compensated appropriately, aligning with country benchmarks (at or above the statutory minimum or collective labour agreement levels).

7.9.3 EMPLOYEE BENEFITS (S1-11)

Benefits often make up a meaningful part of the employees' total compensation package, with a value that goes beyond their salaries and cash incentives. For this reason, Iveco Group offers a competitive range of benefits normally available to all full-time employees, and in many countries also to part-time or temporary employees. Benefits may differ according to an individual's position or country of employment.

Iveco Group conducted an assessment involving all its major sites, representing approximately 98% of its employees worldwide, to monitor the availability and adoption of various Group benefits (e.g., pension plans, supplemental health plans, financial support for those with accident-related permanent disabilities, life insurance, employee cafeterias or meal vouchers, etc.). The findings are shown in the following table.

EMPLOYEES ENTITLED TO BENEFITS^(a)

Iveco Group worldwide (%)

2024

Financial benefits	
Supplementary pension plans	76.5
Supplemental health plans	67.6
Financial support for accident/death/disability	87.8
Employee cafeterias or meal vouchers	87.3
Transportation ^(b)	19.8
Social benefits	
Childcare ^(c)	59.2
Sports facilities ^(d)	28.3
Wellness and nutrition programmes ^(e)	86.1

^(a) Information disclosed according to sustainability rating agency requirements.

^(b) Includes benefits such as Group cars, fuel reimbursement, and transportation allowance.

^(c) Includes kindergartens, summer camps/holidays, and other childcare services or educational assistance.

^(d) Includes free gym access, gym/fitness courses, and other sports initiatives.

^(e) Includes nutrition coaching, smoking cessation support, medical check-ups and screenings, vaccinations, and other wellness programmes.

In 2024, approximately 77% of employees were eligible for a supplementary pension plan, and 66% of those eligible had joined one (representing 50% of the total population assessed).

In addition, nearly all of Iveco Group's legal entities participate in supplemental health care plans, the majority being insurance-based. Levels of coverage vary by country, depending on the public health care system, tax and regulatory restrictions, and local market conditions. The data collected showed that approximately 68% of employees were also eligible for a supplemental health plan, and about 98% of those eligible had joined one.

Iveco Group complies with all legal requirements regarding benefits, insurance, and leave provisions in every country of operation. It should be noted that, in a limited number of countries, certain benefits are not provided if not mandated by local laws. This is the case in Ethiopia, Tunisia, India, and the United Arab Emirates (collectively accounting for approximately 0.3% of Iveco Group's global headcount), where social protection does not cover unemployment benefits.

Data Calculation Methodology

Data and information related to employee benefits were collected through a dedicated IT management and control system (the ESGeo platform) to ensure the reliability of information flows and data accuracy.

7.10 OCCUPATIONAL HEALTH AND SAFETY (S1-4, S1-5)

Iveco Group implements a series of measures to address the negative and positive material impacts related to occupational health and safety identified through the materiality assessment.

These measures, outlined below, are designed to prevent, mitigate, and/or remediate the material negative impacts on the workforce while maximising positive impacts.

The measures and management approaches in place are also aimed at mitigating the identified risks, and their effectiveness is monitored through health and safety KPIs and the achievement of relevant targets.

Iveco Group's occupational health and safety strategy leverages effective preventive and protective measures, implemented both collectively and individually, to minimise risk of injury in the workplace. The Group applies principles of industrial hygiene and ergonomics to its organisational and operational management processes to ensure optimal working conditions, and adheres to the highest standards (even in countries with less stringent regulations), believing this to be the best way to achieve excellence.

Under the safety management system, employees are integral to creating a culture of accident prevention and risk awareness, and are actively involved in identifying and reporting any actual or potential work-related hazards (e.g., by using the appropriate forms). This proactive approach, combined with other tools such as training and awareness-raising campaigns, allows sharing ethical occupational health and safety principles across the Organisation, and achieving improvement targets more effectively.

In 2024, the Group delivered 243,321 hours of occupational health and safety **training** (of which 154,071 on the job). This covered both general topics and specific work-related hazards (e.g., working at heights or in confined spaces, and safely handling hazardous substances), as well as other topics such as personal protective equipment (PPE). The training's aim is to raise awareness and minimise operational health and safety incidents. On-the-job training involved 21,649 employees (representing 60% of total Group employees), 78% of whom were hourly. Specific refresher courses on safety rules and procedures are also delivered each year to contractors and agency workers.

Iveco Group requires its suppliers and partners to comply with worker health and safety regulations, promoting high standards across the value chain to achieve continuous improvement. These principles are outlined in the Health and Safety Policy, adopted by the Group at its foundation, available on the corporate website in 7 languages to all employees and stakeholders. The policy applies to all workers, including contractors and agency workers.

Iveco Group involves all employees and their representatives in the development, implementation, and evaluation of the occupational health and safety management system by:

- arranging periodic meetings
- consulting with them to identify hazards, assess risks, define controls and preventive measures, and analyse incidents (presenting any such items at the above-mentioned meetings)
- engaging them in the development and review of occupational health and safety objectives and policies
- collecting their feedback on the preventive measures adopted, on the organisation of the occupational health and safety management system, and on working methods and procedures.

Safety is a priority across the Organisation, as evidenced by the compliance of its management systems with the ISO 45001 international standard.

Consolidated monitoring and reporting systems – such as the Sustainability, Performance, Analysis, Reporting, and Compliance (SPARC) system – are used to track health and safety performance, measure the effectiveness of actions taken to achieve targets, and plan new improvement initiatives, all through the management of appropriate key performance indicators (KPIs). These indicators can be analysed at different levels (site, Business Unit, geographic region, or Organisation), thus enabling the simultaneous engagement of different corporate functions at various levels to meet the targets set. The Group also performs periodic benchmarking, which helps drive the continuous improvement of its health and safety performance.

Health and safety hazard identification and risk assessments are carried out consistently for both routine and non-routine activities at 100% of Iveco Group's plants, and issues are addressed with specific action plans, including quantified targets. These action plans are prioritised according to risk assessment results, and the short-, medium-, and long-term countermeasures thus identified may include the modification or replacement of activities, materials, or processes, particularly regarding the design (or redesign) of work areas, processes, and work organisation. The effectiveness of these activities is verified via periodic internal audits and management reviews.

Risk assessments are conducted for normal, abnormal, and emergency conditions – as emergencies also require action plans to ensure they are dealt with promptly and effectively.

In addition, newly acquired assets are assessed based on existing processes and activities, to determine what interventions are necessary to achieve health and safety management compliance with Iveco Group's standards.

Iveco Group has set ambitious annual voluntary targets for occupational health and safety, taking into account the particular work, experience, and technical advancement involved, while safeguarding employee health and the surrounding work environment. These targets are pursued by implementing the continuous improvement processes of the safety management systems and are in line with the Group's Health and Safety Policy. Furthermore, a specific strategic sustainability **target** was included in the Strategic Business Plan: to reduce the injury frequency rate of employees and agency workers by 40% by year-end 2026 (compared to 2019⁽⁹³⁾). In 2024, the rate decreased by 50.6% compared to 2019.

INJURY FREQUENCY RATE – EMPLOYEES AND AGENCY WORKERS

Iveco Group worldwide

	2024
Injury frequency rate ^(a) (injuries per 1,000,000 hours worked)	1.362
Lost time injuries (number)	85
Hours worked (number)	62,389,086

^(a) The injury frequency rate is the number of injuries (work-related and non-work related, for employees and agency workers, resulting in at least 1 day of absence, excluding the day on which the event occurred) divided by the number of hours worked, multiplied by 1,000,000. The base year (2019) injury frequency rate is equal to 2.758 injuries per 1,000,000 hours worked. For information on the rationale for choosing 2019 as the base year, see 1.1 General Basis for the Preparation of the Sustainability Statement. Data for previous years are: 2023: 1.775, 2022: 2.424.

Targets are developed and set by the relevant functions in collaboration with other departments and affected stakeholders, with final approval from senior management. Targets are further shaped by the insights gathered through continuous engagement and dialogue with the workforce and workers' representatives and from their feedback. This ongoing exchange helps identify key focus areas and ensures target alignment with Group priorities. The responsibility for managing and achieving these targets lies with specific designated functions. Progress on targets is regularly disclosed through public reporting.

For further details on:

- the target definition process
- stakeholder involvement in target setting
- target base year and applicable period
- target monitoring and progress during the year

please refer to the Sustainability Plan in 1.6 Strategy, Business Model, and Value Chain.

7.10.1 RESPONSIBILITY AND ORGANISATION

Iveco Group has established a consistent global organisational structure to safeguard and promote occupational health and safety across its activities in all countries of operation.

Specific health and safety responsibilities are defined in compliance with national regulations, and assigned by employers with clearly identified areas of accountability. Management at plants and in the workplace rests with local employers. Employee health management (e.g., health monitoring, medical appointments, preventive consultations, vaccinations) is provided through in-house occupational health services delivered by specially hired professionals, and through external services regulated by ad hoc consulting agreements.

The ultimate responsibility for initiatives focusing on occupational health and safety at Iveco Group lies with the Senior Leadership Team (SLT).

The central Energy, Environment, Health and Safety (EEHS) function (which serves as a reference point for sustainability) coordinates and manages health and safety issues as per Iveco Group's Health and Safety Policy. It periodically verifies performance against targets, proposes new initiatives, and defines health and safety policies. Each plant's EEHS unit is responsible for dealing with occupational health and safety issues, as well as for providing specialised technical assistance to production managers and to those in charge of other processes at site level. Moreover, each plant manager is responsible for realising specific projects to manage the occupational health and safety impact of manufacturing processes. Lastly, the Board of Directors' ESG Committee is regularly informed of health and safety results, and comments where appropriate.

⁽⁹³⁾ The base year (2019) injury frequency rate is equal to 2.758 injuries per 1,000,000 hours worked.

7.10.2 CERTIFICATION PROCESS (S1-14)

Iveco Group has voluntarily certified its occupational health and safety management systems as per the ISO 45001 international standard, covering 30 Group sites worldwide (both manufacturing and non-manufacturing) and accounting for 25,363 employees (about 71% of the employees within the reporting scope) as well as 2,750 contractors and 3,006 agency workers (representing 73% and 90% of the respective populations within the reporting scope).

Certifications are awarded by accredited international bodies that are, in turn, continuously and rigorously monitored by other international organisations; they are issued following thorough checks, attesting to the high levels of reliability of Iveco Group's systems and the effectiveness of its operational and procedural standards.

The Group regularly verifies the effectiveness of its management systems through documented and substantiated audits; these are performed either by qualified internal auditors, or by external industry-specific auditors or independent certification bodies (second and third-party external audits).

In 2024, the Organisation carried out 347 internal audits of its management systems, covering 25,228 employees (about 70% of the employees within the reporting scope), as well as 2,649 contractors and 3,105 agency workers (representing 70% and 93% of the respective populations within the reporting scope). Additionally, 30 external audits covered 25,363 employees (about 71% of the employees within the reporting scope), as well as 2,750 contractors and 3,006 agency workers (representing 73% and 90% of the respective populations within the reporting scope).

7.10.3 SAFETY CULTURE AND ACTIONS (S1-4)

Iveco Group's Health and Safety Policy promotes individual participation through communication and awareness activities designed to stimulate and motivate staff to play an active role in the overall improvement process. This approach is particularly important in a multinational and interdisciplinary environment involving many cultures, multiple legal frameworks, and large numbers of people.

In 2024, **several initiatives** were implemented to promote a culture of safety and shared standards across the Organisation, including specific training and awareness-raising activities to create a safer workplace. A few examples follow.

A *Safety Leadership and Coaching* pilot course was held for managers and supervisors at the Brescia and Turin plants (Italy), aimed at improving workplace safety by adopting a forward-thinking approach to fostering a culture of awareness, open communication, and accountability. Training was delivered by expert coaches in order to develop the essential skills needed to identify and mitigate potential hazards and unsafe behaviours. The course was delivered in stages through monthly sessions, and included basic skills training (both classroom and workshop-based) followed by on-the-job mentoring, providing ongoing support to create an enduring safety mindset.

Additionally, for the first time, the Group launched a simplified *Lean Manufacturing* project based on its internal *Driving Operations Together* (DOT) programme at selected dealers of property (DOPs) across Europe. The initiative focused on improving safety performance through a systematic approach incorporating specific standards and targeted shop floor activities.

Iveco Group monitors workstation **ergonomics** at all plants in each geographic region, so as to prevent potential problems before they arise and identify and contain any critical situations. The following are a few examples of the initiatives implemented during the year to improve ergonomics at various sites, not only through technical solutions but also with the support of external professionals.

The Rorthais plant (France) launched a project aimed at reducing musculoskeletal disorders (MSDs) with the support of professional ergonomists and sports coaches. Over a period of 12 weeks, these experts observed the workers performing their tasks in the real work environment, analysing their movements and routines (in terms of posture and displacement) for 5-10 minutes at a time throughout the workday, and then provided personalised recommendations documented in individual logbooks.

The Madrid plant (Spain) installed a specialised gripper designed to securely handle tyres weighing up to 180 kilos each. It allows them to be rotated 90° as they are moved from a storage to a mounting position, thanks to an integrated factory electric stacker dedicated to this task, which eliminates the need for manual tyre handling during truck wheel changes in the delivery area.

The recent increase in **e-vehicle production**, coupled with the increasing involvement of operators in the management of high voltage systems, required formal guidelines to be drawn up to consolidate and standardise the existing procedures previously developed independently by different departments within the Group. To address this need, a dedicated Technical Working Group – led by the Health and Safety function, comprising all relevant departments and with a significant contribution from Engineering – was set up to prepare the official Iveco Group High Voltage Safety Guidelines. The Guidelines cover all stages of the management of e-vehicles and electrical components, including: battery management, personal protective equipment (PPE), safety compliance of battery electric vehicle (BEV) projects, high-level manufacturing, testing and tools, training, risk assessments, and evaluation and subsequent decommissioning of defective lithium-ion batteries.

7.10.4 HEALTH AND SAFETY PERFORMANCE (S1-14)

In 2024, the Group spent approximately €63.5 million on improving health and safety protection, of which almost €58.3 million on improvements to occupational safety and working conditions (worker protection, structural improvements, and inspections of plants and working environments), and approximately €5.3 million on employee healthcare costs.

Accident rates are a clear indicator of how successful a company is at preventing occupational accidents. Owing to Iveco Group's many initiatives, the overall injury frequency rate (for employees and agency workers) in 2024 was 1.362 injuries per 1,000,000 hours worked, a 23% drop compared to the result achieved the previous year. Safety data relates to approximately 99.9% of employees within the reporting scope⁽⁹⁴⁾.

In the event of a work-related incident, a team is set up to conduct a field investigation and draw up a report to describe the event, analyse the root cause, and identify necessary countermeasures. In the subsequent follow-up, the team verifies the effectiveness of the countermeasures adopted, standardises them, and extends them to other areas subject to similar risks to prevent future incidents.

In 2024, 1,187 **near misses**⁽⁹⁵⁾ were reported and analysed, leading to the implementation of remedial actions that strengthened preventive measures and contributed to further improvement. In addition, to better manage events such as injuries, incidents requiring first aid, near misses, unsafe acts, and unsafe conditions, several initiatives were carried out across the Group to develop and disseminate tools for collecting, analysing, and tracking data on such occurrences, thereby enhancing the effectiveness of the preventive measures in place.

Specific occupational disease indicators reflect a company's success in ensuring a healthy work environment for its employees. Occupational diseases are typically the result of prolonged, gradual, and progressive exposure to harmful chemical, physical or biological agents during work.

The Organisation continually monitors and investigates such cases in order to identify persistent working conditions that may have caused their onset, assess any residual risks, and implement any corrective and improvement measures needed to prevent recurrence.

In 2024, 5 cases of occupational diseases involving employees were ascertained by the relevant insurance authorities in the countries of reference, while no cases were reported among contractors or agency workers operating at Iveco Group facilities worldwide.

Hazards with the potential to cause occupational illnesses are identified through risk assessments conducted at each site.

7.10.5 SAFEGUARDING HEALTH

At Iveco Group, safeguarding employee health means more than reducing accidents and illnesses by identifying and eliminating hazards and minimising risks. The Group is equally committed to promoting the psychological and physical wellbeing of its people through targeted disease and disorder prevention programmes, backed up by assistance and support services (see 7.12 Welfare and Wellbeing).

Specific safety culture training was delivered in Sete Lagoas (Brazil) to raise employee awareness of psychosocial risks, the most common work-related health problem affecting workers. The local Energy, Environment, Health and Safety (EEHS) team, in collaboration with external experts, gave lectures at the plant to help employees understand the causes, symptoms, and prevention of this type of health disorder, providing examples and guidance in identifying and managing such risks.

At the plant in Valladolid (Spain), a rehabilitation therapy service is now available to improve employees' health and to help reduce working days lost due to illness. The in-house physiotherapy service has been equipped with a radiofrequency treatment machine to accelerate recovery from sprains or tissue injuries and a body composition analyser for preventive health monitoring. The Group also strives to ensure industry-leading working conditions through the implementation of hygiene principles (including fully functioning WASH⁽⁹⁶⁾ services), industrial ergonomics, tailored organisational and operational processes (including preventive measures for noise exposure), and protocols in response to pandemics.

⁽⁹⁴⁾ The non-manufacturing data refers only to sites with more than 30 employees.

⁽⁹⁵⁾ Near miss: an unplanned event that did not result in injury, illness, or damage, but had the potential to do so.

⁽⁹⁶⁾ Water, Sanitation, and Hygiene. Acronym broadly adopted in the international development context and in the emergency sector with reference to access to adequate water supplies, sanitation facilities, and hygiene services.

7.10.6 WORK-RELATED STRESS

Iveco Group has implemented several initiatives to assess work-related stress, including the adoption of a structured risk analysis process focusing specifically on health and safety data. This risk analysis is tailored to the specific nature, aspects, and characteristics of each workplace and working environment, and complies with the specific regulations in each country of operation. Since risk assessments for work-related stress are influenced by environmental, cultural, and psychosocial factors, the Group has also developed a training programme for employees at all levels to ensure the objectivity of risk assessments within any given region. Consequently, assessment outcomes may differ from country to country. The systematic assessment of this type of risk helps to identify the most appropriate mitigation tools and promote employee wellbeing at all Group plants. The outcomes of this process are continually monitored to assess the effectiveness of the measures in place (e.g., through opinion surveys) and to implement new tools.

7.10.7 OCCUPATIONAL HEALTH AND SAFETY IN NUMBERS (S1-14)

With regard to quantitative KPIs and metrics, the main data and indicators are provided in the following tables.

HEALTH AND SAFETY PERFORMANCE – EMPLOYEES

Iveco Group worldwide

	2024
Fatalities as a result of work-related injury (number)	—
Fatalities as a result of work-related ill health (number)	—
Recordable work-related injuries (number)	76
Cases of recordable work-related ill health (number)	5
Days lost to work-related injuries and fatalities from work-related accidents, and days lost to work-related ill health and fatalities from ill health (number)	2,644
Injury frequency rate ^(a) (recordable work-related injuries per 1,000,000 hours worked)	1.332
Injury severity rate ^(b) (days lost per 1,000 hours worked)	0.046
Occupational illness frequency rate (OIFR) (cases of recordable work-related ill health per 1,000,000 hours worked)	0.088
Hours worked (number)	57,072,859

^(a) The injury frequency rate is the number of work-related injuries (resulting in at least 1 day of absence, excluding the day on which the event occurred) divided by the number of hours worked, multiplied by 1,000,000. Data for previous years are: 2023: 1.460, 2022: 2.199.

^(b) The injury severity rate is the number of days lost (of at least 1 day, due to work-related injuries and fatalities from work-related accidents, and days lost to work-related ill health and fatalities from ill health) divided by the number of hours worked, multiplied by 1,000. Data for previous years are: 2023: 0.062, 2022: 0.061.

HEALTH AND SAFETY PERFORMANCE – CONTRACTORS

Iveco Group worldwide

	2024
Fatalities as a result of work-related injury (number)	—
Fatalities as a result of work-related ill health (number)	—
Recordable work-related injuries (number)	9
Cases of recordable work-related ill health (number)	—
Days lost to work-related injuries and fatalities from work-related accidents, and days lost to work-related ill health and fatalities from ill health (number)	167
Injury frequency rate ^(a) (recordable work-related injuries per 1,000,000 hours worked)	1.348
Injury severity rate ^(b) (days lost per 1,000 hours worked)	0.025
Occupational illness frequency rate (OIFR) (cases of recordable work-related ill health per 1,000,000 hours worked)	—
Hours worked (number)	6,674,877

^(a) The injury frequency rate is the number of work-related injuries (resulting in at least 1 day of absence, excluding the day on which the event occurred) divided by the number of hours worked, multiplied by 1,000,000. Data for previous years are: 2023: 4.813, 2022: 1.612.

^(b) The injury severity rate is the number of days lost (of at least 1 day, due to work-related injuries and fatalities from work-related accidents, and days lost to work-related ill health and fatalities from ill health) divided by the number of hours worked, multiplied by 1,000. Data for previous years are: 2023: 0.046, 2022: 0.031.

HEALTH AND SAFETY PERFORMANCE – AGENCY WORKERS

Iveco Group worldwide

2024

Fatalities as a result of work-related injury (number)	—
Fatalities as a result of work-related ill health (number)	—
Recordable work-related injuries (number)	5
Cases of recordable work-related ill health (number)	—
Days lost to work-related injuries and fatalities from work-related accidents, and days lost to work-related ill health and fatalities from ill health (number)	425
Injury frequency rate ^(a) (recordable work-related injuries per 1,000,000 hours worked)	0.941
Injury severity rate ^(b) (days lost per 1,000 hours worked)	0.080
Occupational illness frequency rate (OIFR) (cases of recordable work-related ill health per 1,000,000 hours worked)	—
Hours worked (number)	5,316,227

^(a) The injury frequency rate is the number of work-related injuries (resulting in at least 1 day of absence, excluding the day on which the event occurred) divided by the number of hours worked, multiplied by 1,000,000. Data for previous years are: 2023: 1.649, 2022: 2.635.

^(b) The injury severity rate is the number of days lost (of at least 1 day, due to work-related injuries and fatalities from work-related accidents, and days lost to work-related ill health and fatalities from ill health) divided by the number of hours worked, multiplied by 1,000. Data for previous years are: 2023: 0.057, 2022: 0.051.

Data Calculation Methodology

Occupational health and safety data refers to both manufacturing and non-manufacturing sites and includes employees, contractors, and agency workers. Data on senior managers is not included. Given the variability during the year of reference in the use of contractors and agency workers at Iveco Group sites worldwide, their total numbers are based on basic mathematical calculations: figures are full-time equivalent (FTE) and calculated based on respective total hours worked. Injury rates were calculated excluding commuting accidents, i.e., those involving employees during normal commutes between place of residence and work. When calculating injury rates for contractors, hours worked may have been estimated. In calculating days lost, days refer to calendar days.

7.11 PEOPLE DEVELOPMENT (S1-4)

Iveco Group implements a series of measures to address the negative and positive material impacts related to people development identified through the materiality assessment. These measures, outlined below, are designed to prevent, mitigate, and/or remediate the material negative impacts on the workforce while maximising positive impacts. Where applicable, outcomes are monitored through specific quantitative KPIs.

7.11.1 PERFORMANCE DEVELOPMENT PROCESS (S1-13)

Iveco Group's Performance Development Process (PDP), launched in 2023, is based on the concept of using dialogue for development and of setting goals and objectives through both a top-down and bottom-up approach. The main goal is to ensure a talent assessment process where development is given as much weight as performance, and where the overall evaluation is transparent. The process is hence designed to be more human-centric. To ensure it is both effective and engaging, it includes regular checkpoints between managers and employees throughout the year to provide frequent feedback on performance and development. This continuous and ongoing two-way feedback is meant to align individual objectives with Group goals, and the development dialogue focuses as much on goal achievement and adherence to Group-endorsed Behaviours as on each person's aspirations, needs, and potential. Employees are evaluated not only on what they have done, but also on how they have done it, with feedback driving motivation and ensuring alignment with the Group's Values and culture.

The outcomes and areas identified for improvement are openly discussed between manager and employee, paving the way for continuous performance improvement. Upon completion, employees can access their respective evaluations online. Furthermore, at any point in the process, they can enter details on their professional aspirations and request specific training (such as coaching, exposure to senior management, etc.) on the areas they need to address. This unique skills mapping and appraisal process is supported by IT systems that give managers full access to up-to-date information on the people within their organisational units, and on those indirectly in their reporting line. Individual employee evaluations are therefore also accessible to and can be examined by senior management within the organisational structure.

The assessment phase of the process also entails bottom-up sharing and alignment between teams to ensure appraisals are consistent both with achieved results and among comparable roles and teams. The main point is that the PDP provides a cohesive, transparent, and above all individual-focused management framework for employee development.

Each employee is assessed through the PDP according to eligibility guidelines (for example, the employee must have worked at the Organisation for more than 3 months), with all eligible employees taking part in the process.

In 2024, 11,690 employees (representing 100% of those eligible and 33% of the global employee headcount) participated in the PDP. Of these, 27% were female and 73% male, reflecting the same gender distribution as among Group employees at salaried-and-above levels.

In line with the Group's *achieve and earn* philosophy, designed to promote a culture of excellence and rewards, performance development assessment results determine the individual contribution component of eligible employees' variable compensation. This demonstrates the extent to which Iveco Group values a results-driven culture and rewards both achievements and behaviours.

In 2024, the Group set key sustainability targets related to its social, environmental, and climate change efforts (with the social ones also focusing on diversity, equity, and inclusion). These targets (the achievement of which affects variable compensation) were incorporated into the PDP, and duly assessed for relevant employees at different levels, including Sustainability project leaders, Energy, Environment, Health and Safety managers, and other staff at plant level.

7.11.2 TALENT MANAGEMENT AND SUCCESSION PLANNING

Universities, social media platforms, career events, and job fairs are a focal point of Iveco Group's recruiting efforts around the world. The Group supports several universities, which affords it privileged relationships, a strong presence on campus, and regular student internships. In some cases, it directly sponsors individual postgraduate students to carry out research projects at its sites. In others, university scholarships are awarded to students studying in fields aligned with its recruitment priorities.

Iveco Group operates in a dynamic, highly competitive industry where success is achieved by identifying talented individuals within the Organisation and appointing the right people to key positions. These objectives are at the core of the talent review process, which aims to identify those individuals with growth potential and to support and accelerate their development.

In 2022, the Organisation established its **Leadership Framework**, which defines what leadership means at Iveco Group. It is built around 9 specific competencies and, to help managers and leaders improve in each of them, new learning modules are continually being developed. The Framework is applied consistently to ensure Group-Wide alignment, providing a common language that everyone understands and that facilitates open discussion around leadership competencies.

The talent review process begins with managers assessing their team members, followed by roundtable discussions on talent involving leadership teams at all levels to align and validate the assessments. These roundtables ensure that decisions on talents are made collectively, transparently, and objectively, which minimises bias and further supports the Group's DEI commitment.

After the talent assessment and validation process, managers and employees engage in a two-way Dialogue for Development to ensure alignment with the Leadership Framework assessment, to identify clear areas for development, and to define a development plan to foster the employee's growth.

The individuals identified as talent are offered development opportunities (formal training combined with exposure to senior management, mentoring, coaching, and on-the-job training), which allow them to gain experience and skills while enabling the Organisation to develop effective succession plans that give priority to candidates from within Iveco Group. Indeed, in 2024, 44% of open positions across the Group were filled by internal candidates⁽⁹⁷⁾.

In all countries of operation, the Group's preference is to appoint local managers. However, it may opt for international appointments if considered to be development opportunities for talented individuals, or to ensure that specific skills and expertise are transferred between countries. In such cases, the appointed manager is required to contribute to and invest in the selection and development of a local successor.

7.11.3 LEARNING AND DEVELOPMENT

Iveco Group believes that **employee development** is key to engagement and retention, both of which are in turn crucial to the Organisation's health, growth, and sustainability. To this end, the Group deploys several forms of training to help employees fulfil their potential, sharing its operational and business know-how as well as its strategy and Values. A specific policy on employee training and development has not yet been implemented but is planned for future reporting cycles.

In 2024, Iveco Group invested approximately €17.9 million in learning and development initiatives at global level, demonstrating a strong commitment to the growth of its people at all levels. This figure includes not only the pure cost of training within the ON LEARN learning management system (LMS), which was approximately €4.1 million (see Training in Numbers), but all the other costs of people development initiatives, including those managed outside the ON LEARN LMS platform (which cover, but are not limited to: training materials, MBA and masters programmes, coaching, and costs related to the design of customised learning journeys, particularly under the functional and technical academies).

⁽⁹⁷⁾ Calculated by dividing the number of positions filled by internal candidates in 2024 by the total number of positions filled in the same year.

In line with the human-centric approach of its *Voice* journey, Iveco Group views development as a multifaceted process encompassing far more than conventional training, involving areas such as coaching, mentoring, knowledge sharing and, most importantly, on-the-job training. For this reason, the Group refers to it as a 'learning' process, or model, within its development approach. The **learning model** is designed to adapt more effectively and flexibly to evolving training needs arising from changes within the Group and in the economic environment. This business-oriented learning strategy is built around key content areas such as:

- the fundamentals (covering essential topics such as soft skills, IT and software tools, language training, compliance)
- the Leadership Lab (aimed at building and strengthening the 9 competencies of the Leadership Framework)
- technical, functional, and job-specific skills (based on roles and areas of expertise).

All of the aforementioned learning opportunities are accessible to all employees and deployed consistently throughout the Group.

Learning at Iveco Group entails a 4-step process: training needs identification, content development, programme delivery, and reporting. Ownership of each lies with different functions and Business Units, depending on which areas of content or expertise need to be improved.

The overall learning process is managed through the ON LEARN platform, the online global learning management system for defining and managing the most effective and comprehensive learning processes for each employee based on business, location, and/or particular individual needs. It builds upon the Group's academies and training programmes specific to each Business Unit and function.

More than 1,500 e-learning courses (offered in multiple languages) are available to Iveco Group employees worldwide, enabling them to learn at their own pace. This approach ensures a consistent and inclusive learning experience for everyone, regardless of geographic location.

The **Dialogue for Development** (integrated into both the Performance Development Process and the talent review process) offers employees the opportunity to reflect on their strong points, development areas, and professional aspirations and to discuss them with their managers. Together, they define the most appropriate development actions to support personal growth over the year and beyond. Each development plan is therefore unique and requires employees to play an active role in identifying their needs, determining appropriate development actions, and taking responsibility for their own progress. The identified actions are then shared with the relevant HR Department, evaluated, and implemented according to organisational needs and priorities. The role of the manager is to help individuals see how their aspirations, goals, and passions align with the Group's mission, goals, and strategies, and to support them in realising their potential.

The Leadership Lab

The Leadership Lab, one of the pillars of the learning model, was established in 2023 as part of Iveco Group's cultural transformation journey to build and strengthen its people's leadership skills at all organisational levels.

Leadership Lab contents are designed in line with the Leadership Framework, and currently include:

- the **Group Leadership Programme** (GLP): a learning journey for people identified as high potential talents (see 7.11.4 Employee Development Programmes and Talent Retention)
- **Leadership Essentials**: a series of 9 courses, each covering a different Leadership Framework competency. The live, online or classroom-based sessions are available in 7 languages to all office-based employees, regardless of their role or level. The contents have been designed to ensure consistency and alignment with Iveco Group's Values and culture. In 2024, more than 70 sessions were delivered globally to approximately 1,400 participants
- **Moments That Matter**: a set of resources (live or recorded webinars, manuals, etc.) to support managers at specific points on the employee's journey (Performance Development, Leadership Framework Assessment, Voice Dialogue & Action). 5 Group-Wide livestreams were held during the year, averaging 1,000 participants each and with high engagement throughout.

Training in Numbers (S1-13)

In 2024, the training that Iveco Group provided exclusively under the ON LEARN LMS platform (and covered by the circa €4.1 million investment) totalled 450,619 training hours, delivered to 26,481 employees. For details on the specific training modules delivered, refer to the following sections:

- Code of Conduct (see 11.4 Corruption and Bribery)
- anti-corruption and bribery (see 11.4 Corruption and Bribery)
- antitrust and competition (see 11.3 Business Conduct and Corporate Culture)
- energy resource conservation (see 3.4.1 Scope 1 and 2 Emissions Actions and Targets)
- diversity, equity, and inclusion (see 7.8 Diversity, Equity, and Inclusion)
- occupational health and safety (see 7.10 Occupational Health and Safety).

TRAINING IN NUMBERS^(a)

Iveco Group worldwide

2024

Training hours (number)	450,619
Average hours of training per employee (number)	12.5
Average amount spent per employee (€)	122.9

^(a) Information disclosed according to sustainability rating agency requirements.HOURS OF TRAINING BY TYPE OF TRAINING^(a)

Iveco Group worldwide (number)

2024

	Job-specific expertise	Management & Soft skills	Languages & ICT tools
Training hours	307,813	96,993	45,813
Average hours of training per employee	8.5	2.7	1.3

^(a) Information disclosed according to sustainability rating agency requirements.

DETAILS OF TRAINING PER EMPLOYEE BY GENDER

Iveco Group worldwide (number)

2024

	Male	Female
Training hours	345,382	105,237
Average hours of training per employee	12.0	14.7

DETAILS OF TRAINING PER EMPLOYEE BY CATEGORY

Iveco Group worldwide (number)

2024

	Hourly	Salaried	Professional	Manager
Training hours	159,554	84,852	131,621	74,592
Average hours of training per employee	6.8	17.4	23.4	33.9

DETAILS OF TRAINING PER EMPLOYEE BY AGE GROUP^(a)

Iveco Group worldwide (number)

2024

	Under 30 years	30 to 50 years	Over 50 years
Training hours	55,382	285,376	109,861
Average hours of training per employee	13.3	13.7	9.9

^(a) Information disclosed according to sustainability rating agency requirements.

Data Calculation Methodology

Data and information related to people development were collected through dedicated IT management and control systems (such as the ON LEARN platform for data on training), where available, to ensure the reliability of information flows and data accuracy, or through spreadsheets populated directly by the representatives of each thematic area worldwide and verified by their supervisors.

7.11.4 EMPLOYEE DEVELOPMENT PROGRAMMES AND TALENT RETENTION

Iveco Group firmly believes that a skilled, engaged, and knowledgeable workforce is not only closely correlated with improved performance but also with the long-term sustainability of the business.

Development programmes are designed to foster a culture of continuous learning and growth. Integral to overall strategy, these programmes empower employees to acquire new skills, adapt to evolving business environments, and make innovative contributions to achieving Iveco Group's goals. Moreover, they are a means to enhance employees' sense of belonging, while reducing turnover and increasing retention.

In 2023, as part of its Leadership Lab offer, the Group launched the **Group Leadership Programme** (GLP), a structured learning journey targeted at employees identified as high-potential talents. The programme explores the 3 dimensions of the Leadership Framework, providing

people with new tools and knowledge, along with opportunities for networking, reflection, and interaction among colleagues from different departments and geographies. Spanning a 5-month period, the GLP is structured into 4 workshops (2 webinars and 2 in-person sessions) and 3 action-learning opportunities, during which participants are engaged in individual activities, group coaching, and peer coaching.

The programme's main objectives are:

- to provide a clear understanding of what leadership is at Iveco Group
- to equip leaders with the right mindset and tools to grow into strong leaders (based on the 9 competencies of the Leadership Framework)
- to increase the engagement of participants, enabling them in turn to further engage their teams and enhance their people's development (which translates into business benefits in terms of productivity, innovation, and inclusion)
- to build a network that can be leveraged to encourage ongoing interaction and collaboration beyond the programme itself.

In 2024, 176 people (comprising 3 cohorts) graduated from the GLP, while an additional cohort of 60 people joined the programme. 41% of those who graduated (73 people in total) advanced to new positions during the year, accelerating their development within the Organisation.

Outplacement

Iveco Group has specific programmes in place to manage career transitions, helping employees move on to new jobs and to find their bearings in the job market. In some countries, it also offers outplacement services that are outsourced to carefully selected external partners. Based on specific needs, and at the Organisation's discretion, outplacement services are also offered to managers.

7.12 WELFARE AND WELLBEING (S1-4)

Iveco Group implements a series of measures to address the negative and positive material impacts related to employee welfare and wellbeing identified through the materiality assessment. These measures, outlined below, are designed to prevent, mitigate, and/or remediate the material negative impacts on the workforce while maximising positive impacts. Where applicable, outcomes are monitored through specific quantitative KPIs. It is common practice for Iveco Group to offer wellbeing initiatives to its people in addition to traditional benefits (such as healthcare), going beyond legal obligations in the countries where it operates. Time- and money-saving initiatives and flexible working arrangements help employees balance their personal commitments, while family initiatives, community engagement activities, and involvement in Group life enhance employee motivation, pride, and sense of belonging in the workplace.

The Group recognises that its **people's wellbeing** is directly linked to their ability to balance professional and personal commitments, which is why it offers several programmes and services to support them. Stress management training, access to the Unmind⁽⁹⁸⁾ platform, and counselling services were offered in France and Italy, benefitting hundreds of employees by improving mental resilience and emotional wellbeing. Flu vaccination campaigns were rolled out in Austria, Germany, and Spain, reaching thousands of employees and improving health, while free or subsidised flu vaccines were offered in Belgium, Italy, and Sweden.

These initiatives focused on **prevention and health protection** and on reducing absenteeism, reflecting a global effort to prioritise employee health. Cancer prevention, smoking cessation, and health awareness initiatives were conducted in several countries. In France, campaigns focused on breast cancer, colorectal screening, sleep health, and organ donation. A mobile breast cancer screening service was offered in Italy, while large-scale annual campaigns for breast and prostate cancer prevention were deployed in Spain, benefitting thousands of employees.

Childcare is an area where managing costs and time is crucial. The Group provides various types of assistance to employees, including childcare nurseries, discounts at local day care centres, direct subsidies, school kits, and the flexible use of benefit funds for childcare expenses. In support of new mothers, designated lactation/breastfeeding spaces ensuring hygiene and privacy continued to be made available at several sites worldwide.

7.12.1 FLEXIBLE WORKING

Iveco Group believes in improving employee wellbeing through flexible work arrangements, as permitted by local customs and regulations, by the organisational requirements in place, and by the job requirements of each position. Flexible working hours, including part-time employment, help employees balance work demands with family responsibilities, enabling them to manage their time to suit their needs (such as those related to childcare, care for the elderly, or other personal matters). These measures help the Group establish and maintain a positive working environment for all employees.

⁽⁹⁸⁾ Workplace mental health and wellbeing platform.

In 2024, the Organisation analysed the flexible working arrangements offered to its people, focusing on flexible working hours and parental and other forms of leave. The wide-ranging analysis helped identify appropriate action for improving employee work-life balance, and revealed that approximately 93.7% of the employees involved⁽⁹⁹⁾ made use of a flexible work schedule that allows them to choose the time they clock in and out (within limits set by local policies).

Several schemes were further expanded to provide employees with greater flexibility to work from different locations. The *Work from Home* scheme, which allows people to work from home for up to 12 days per month (subject to local policies), is now available in 26 countries, benefitting over 9,000 employees globally. These programmes enhance work-life balance, employee flexibility, and engagement, aligning with modern workplace trends.

In Italy, the Group offers the *Venerdì Breve* (Short Friday) scheme that allows people to vary the number of hours worked per day, provided they work their set contractual hours per week (e.g., 8.5 hours from Monday to Thursday and 6 hours on Friday).

7.12.2 FAMILY LEAVES (S1-15)

The equal opportunities offered by Iveco Group extend to family leaves and are evidence of its commitment to encouraging both female and male employees to balance parental responsibilities with their careers. Family leaves are granted to all employees, in compliance with local regulations (labour law requirements may vary from country to country), collective labour agreements, and Group policies.

In 2024⁽¹⁰⁰⁾, 53% of Group employees were eligible for maternity leave, with 5% of those eligible taking it. 55% of the overall leave was taken by female employees, 45% by male employees⁽¹⁰¹⁾.

Meanwhile, 90% of employees were eligible for paternity leave, with 2% of those eligible taking it. 95% of overall leave was taken by male employees, 5% by female employees.

Carers' leave⁽¹⁰²⁾ was available to 98% of Group employees, with 9% of eligible employees taking it. 80% of the overall leave was taken by male employees, 20% by female employees.

In Italy and Spain (which collectively represent 52% of the global employee headcount), employees are entitled to at least 11 weeks of paid maternity or paternity leave. In some cases, the family leave conditions offered by the Organisation (defined according to corporate policy or agreements with trade unions or employee representatives) were more favourable than those required by law. In the Czech Republic and Argentina, for instance, additional leaves were granted for significant life events, such as childbirth, weddings, and bereavement, so providing support to employees during critical times in their lives.

7.12.3 SENSE OF BELONGING AND PRIDE

Various initiatives are in place to foster employees' sense of belonging and pride in the Group. Entertainment and social activities were offered and gifts distributed to **young children** of Iveco Group employees. In December 2024, the Iveco Group Industrial Village in Turin (Italy) was transformed into a Winter Circus hosting more than 6,700 employees with their families and friends over the two-day event. Christmas gifts were distributed in Brazil, Switzerland, and Belgium to children up to 11 years old. *Family Days* were organised in Brazil, France, and Italy, where employees brought their families to visit the workplace, celebrate achievements, and enjoy entertainment. In Brazil, the *Big People for a Day* initiative gave employees' children an experience of their parents' workplace.

During the year, about 2,900 employees at various Iveco Group sites donated 26,711 hours to **volunteering activities**, with numerous initiatives aimed at supporting people, society, and the environment. To kick off the Group's *Sustainability and DEI Week*, several activities were realised to help local communities, focusing on inclusion and engagement. These included *Volunteering Day* initiatives, with more than 1,300 employees participating at Group sites worldwide. During the Volunteering Day held in Turin (Italy), in collaboration with Rise Against Hunger, 700 food kits were assembled and distributed to 350 local families in need. In its second year, the event brought together over 200 people, a strong turnout reflecting the active engagement of Group employees, whose contribution was key to the event's success. Similarly, hundreds of employees worked side-by-side with NGOs in various cities, including: Bolzano, Foggia, and Piacenza (Italy); Annonay, Bourbon-Lancy, and Rorthais (France); Arbon (Switzerland); Ulm (Germany); Prague and Vysoke Myto (Czech Republic); Bangkok (Thailand); Cordoba (Argentina); Dandenong (Australia); and Shanghai (China). In Sete Lagoas (Brazil), the Group provided humanitarian aid to support the people in Rio Grande do Sul affected by flooding, offering assistance to local communities during this challenging time. In the Sichuan Province (China), IVECO donated a drinking water purifier system to two primary schools, with the Brand's volunteers teaching a class in order to raise students' awareness of safe drinking practices and to share knowledge on water conservation.

⁽⁹⁹⁾ Data collected for all Group employees, excluding hourlyies.

⁽¹⁰⁰⁾ As family leave KPIs are subject to a phase-in period, they were reported voluntarily based on data collected over a limited timeframe (January-October), with plans to gradually extend data collection in future reporting cycles.

⁽¹⁰¹⁾ Data on maternity leave includes any optional parental leave taken by male employees.

⁽¹⁰²⁾ Leave granted to employees to provide personal care or support to a relative or a household member in need of significant assistance due to a serious medical condition.

The Group also focused on promoting **sport and recreational activities** to encourage a healthy and active lifestyle while fostering team spirit and social connections. Initiatives such as marathons, cycling races, football tournaments, yoga classes, and wellness challenges engaged employees and their families across various regions. Examples include the *Ardéchoise* cycling race in France, the *Pigiama Run* charity race in Italy, and wellness challenges at multiple sites, inspiring employees to stay active while contributing to meaningful causes. Programmes such as *Wellhub* and *IDV FIT* provided access to sports facilities and discounted wellness services, benefitting thousands of employees. In total, over 7,000 employees globally took part in these sports and wellness activities.

7.13 INDUSTRIAL RELATIONS (S1-8)

Iveco Group qualifies as an EU-scale group of undertakings, and is therefore subject to regulatory provisions designed to improve workers' rights to information and consultation through the establishment of a European Works Council (EWC). Requests to begin negotiations on the establishment of an EWC were received by the Group from the trade unions in two different countries in July and October 2023, respectively. Procedures were subsequently initiated, in accordance with applicable legislation, to enable employee representatives to establish a Special Negotiating Body (SNB) responsible for negotiating with management on the establishment of the EWC and for determining, among other things: the scope of the EWC's duties and powers, its size and composition, the powers and length of the EWC members' mandate, and the information and consultation process. The procedures for the election or appointment of workers' representatives to establish the SNB were completed in October 2024, with negotiations on the EWC set to begin in 2025 after SNB members have completed specific training organised with the support of the European Trade Unions Institute (ETUI).

7.13.1 FREEDOM OF ASSOCIATION

As stated in its Code of Conduct, Iveco Group recognises and respects the right of its employees to be represented by trade unions or other representatives established or appointed as per local applicable law.

An analysis of unionisation was carried out during the year in most of the Group's countries of operation, each of which has its own specific legislation regulating freedom of association. In certain countries, the level of trade union representation cannot be verified because an employee's union membership is considered a private matter and, as such, is not communicated to the employer.

At the time of the analysis, 10 countries were excluded due to data privacy protection (accounting for 21.9% of Iveco Group employees), whilst 21 countries (accounting for 3.4% of the population mapped) had no employees affiliated with a trade union.

It should be noted that the absence of employee affiliations with trade unions does not prevent employees from establishing representation bodies with information, consultation, and negotiation rights. This is the case in Romania and Poland, for instance, where around 200 Iveco Group employees (representing 17.4% of the total employee headcount of the 21 countries with no employee affiliations to trade unions) elected just such a representative body.

The results of the analysis on unionisation, conducted in 9 countries (accounting for 74.7% of total Group employees), are reported below.

UNION MEMBERSHIP

Iveco Group worldwide (%)

Country	2024	
	Union membership	Non-union membership
Lithuania	80.0	20.0
Ethiopia	77.5	22.5
China	75.8	24.2
Argentina	68.1	31.9
Spain	61.4	38.6
Italy	41.4	58.6
Czech Republic	31.7	68.3
South Korea	2.4	97.6
Brazil	0.4	99.6

7.13.2 REPRESENTATIVE BODIES (S1-2)

Representative bodies, normally elected by workers at their respective plants, have the right to be informed and/or consulted and/or to enter negotiations on issues that, as defined by law or applicable collective agreements, may regard health and safety in the workplace, wages and benefits, operational issues (working hours, shifts, collective vacations, etc.), training, equal opportunities, company restructuring, collective redundancies, and so on. In the countries of the European Union, the establishment of employee representative bodies is envisaged for companies and/or sites where employee numbers exceed the minimum limits specified by national laws or procedures.

An assessment carried out in 2024 in all of Iveco Group's countries of operation revealed the absence of any employee representative bodies in 23 of those countries (accounting for approximately 4.8% of the employees analysed). Worldwide, more than 90% of Iveco Group employees are covered by representative bodies.

7.13.3 JOINT COMMITTEES (S1-2)

In 2024, data showed that 70.2% of Iveco Group employees worldwide were represented by occupational health and safety joint committees (i.e., committees made up of both Organisation and worker representatives). Globally, joint committees addressing equal opportunities, training, and pay were found to represent 10.6%, 11.3%, and 9.7%, respectively, of the employees analysed, while more than 56% of them were represented by joint committees that deal with other issues.

7.13.4 COLLECTIVE BARGAINING AGREEMENTS (S1-8)

As at 31 December 2024, collective bargaining agreements (CBAs) covered about 94.7% of Group employees. This is an average figure, the actual percentage per region or country depending on local practices and regulations. It should be noted that about 53% of the agreements reached in 2024 at company level were signed with unions or employee representatives collectively representing more than 50% of Iveco Group's employees. Meanwhile, 5.3% of the employees assessed are located in countries or at legal entities or sites where CBAs are unavailable; for almost 15% of these employees, employment terms and conditions are determined based on the CBAs covering other Group employees in other countries, or on the CBAs in force at other organisations.

COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

Iveco Group worldwide

Coverage rate	Collective bargaining coverage		Social dialogue
	Employees – EEA ^(a) (for countries with >50 employees representing >10% total employees)	Employees – Non-EEA ^(a) (estimate for regions with >50 employees representing >10% total employees)	Workplace representation (EEA ^(a) only) (for countries with >50 employees representing >10% total employees)
0 - 19 %	—	—	—
20 - 39 %	—	—	—
40 - 59 %	—	—	—
60 - 79 %	—	—	—
80 - 100 %	Czech Republic, France, Italy, Spain	South America	Czech Republic, France, Italy, Spain

^(a) European Economic Area.

It should be noted that the employees in the Czech Republic, France, Italy, and Spain represent 73.1% of Iveco Group's global headcount, while those in South America account for 11.1%.

In 2024, Iveco Group signed a total of 144 collective labour agreements (CLAs) at either Group, legal entity or plant level, 7.7% of which included provisions on health and safety matters.

European Directive 104/2008 stipulates the principle of equal treatment for temporary agency workers. In particular, it specifies that the basic working and employment conditions that apply to a company's employees must also apply to the hired temporary workers performing the same job, for the duration of their assignment. Basic working and employment conditions are those established by legislation, regulations, administrative provisions, collective agreements, and/or other binding general provisions in force at a company that relate to pay, working hours, overtime, breaks, rest periods, night shifts, personal time off, and public holidays.

As at 31 December 2024, all of the temporary agency workers with active assignments at Iveco Group's legal entities in European Union countries, representing more than 99% of the Group's active temporary agency workers globally, were covered by the equal treatment provisions outlined above.

MAIN ISSUES COVERED UNDER THE AGREEMENTS^(a)

Iveco Group worldwide (%)

	2024
Training	34.2
Wages/pay issues	28.8
Other	10.4
Operating issues	9.9
Health & safety	7.7
Restructuring	3.6
Equal opportunities and/or diversity, equity, and inclusion (DEI)	2.7
Stress management	0.9
Employability and life-long learning	0.9
Career development	0.9

^(a) Information disclosed according to sustainability rating agency requirements. There is no correlation between the number of agreements and the number of issues covered, as each agreement may deal with several issues.

7.13.5 RESTRUCTURING AND REORGANISATION

Iveco Group's best practice, in part derived from past experience under the corporate structure in place until 31 December 2021, is to make every effort to minimise the social impacts of any restructuring or reorganisation. In fact, this is customary practice in all countries where the law requires consultations or negotiations with workers' representatives or trade unions in the event of either. Where permitted by the regulations in force⁽¹⁰³⁾, the Group minimises the social impacts of restructuring and reorganisation by adopting a series of measures, either individually or in combination, such as: retraining, internal mobility programs, individual follow-up consultations with employees, reduced working hours, outplacement services, early retirement, and/or compensation more favourable than required by law.

In 2024, despite the general decline in market demand, especially in Europe and Argentina, any major restructuring was avoided by resorting to temporary layoffs. These measures were applied at most Iveco Group plants in Italy and Spain, based on agreements or consultations with trade unions as per local legislation.

In **Germany**, the collective dismissal process initiated following the reconciliation of interest agreement reached in December 2023 with the Iveco Magirus AG works council was completed. This was part of a strategic restructuring aimed at increasing the profitability of the pre-owned vehicles business. The measures agreed with the works council to minimise social impacts included severance pay, outplacement support, and early retirement.

In **Switzerland**, reorganisation was undertaken at FPT Industrial's R&D centre in Arbon to strengthen the focus on research, advanced engineering, and new technology domains. This has allowed (i) offering early retirement through individual agreements, accepted by 10 employees; and (ii) managing, with the involvement of the workers council as required by law, 8 redundancies, most of which on a voluntary basis through individual mutual agreements, with incentives exceeding legal requirements.

In **Argentina**, the restructuring plan launched in late 2023 in response to early indications of a notable fall in demand was completed in 2024 by terminating the employment contracts of approximately 40 additional permanent employees. This was done by mutual consent, with individually agreed incentives. As always, there were discussions with the trade union to minimise the impact of redundancies on the corporate climate. Meanwhile, temporary measures were implemented at the IVECO and FPT Industrial plants in Cordoba to align workforce levels with the reduced production demand; these included temporary layoffs (with reduced salary payments) and reductions in working hours, in agreement with trade unions. By the last quarter of 2024 these measures were no longer necessary, thanks to the gradual economic recovery and respective production increase at both plants.

7.13.6 LABOUR UNREST

In **France**, the level of labour unrest in 2024 declined substantially compared to the previous year. Most of the strikes were related to annual wage negotiations and to the implementation of the new metallurgy sector job classification system.

In **Italy**, the overall level of labour unrest in 2024 led to a 20% increase in hours lost due to strikes compared to the previous year. It should be noted that almost 83% of the total strike hours were due to external factors unrelated to Iveco Group (such as solidarity strikes for workplace accidents at other companies or strikes against government measures), an increase of 26% compared to the previous year.

⁽¹⁰³⁾ For example, early retirement is applicable only if provided for by the law of the country in question. Furthermore, unless supported by an adequate scheme formally recognised by the relevant public pension system, any solution mandating early retirement risks harming rather than helping employees.

In **Spain**, during negotiations for the renewal of the collective bargaining agreement covering Iveco Espana's sites in Madrid and Valladolid, a strike was held at the Madrid site only, lasting 3 days and affecting 3 Saturday overtime shifts.

In the Group's other countries of operation, there were no episodes of labour unrest during the year.

7.14 HUMAN AND LABOUR RIGHTS MANAGEMENT (S1-17)

7.14.1 HUMAN RIGHTS ASSESSMENT

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

The Group's voluntary commitment to its material sustainability matter *Working conditions and human rights of own workforce* is reflected by the sustainability **target** included in the Sustainability Plan: to complete a human rights assessment cycle (for the 2025-2027 period) by year-end 2027, covering 100% of employees working in internal operations. This target, consistent with Iveco Group's Human Rights Policy, aims to ensure processes are continuously updated to reflect best human rights practices and applies to all its activities. In 2024, the Group completed its first human rights assessment cycle (for the 2022-2024 period), covering 100% of its employees. For further details on:

- the target definition process
- stakeholder involvement in target setting
- target base year and applicable period
- target monitoring and progress during the year

please refer to the Sustainability Plan in 1.6 Strategy, Business Model, and Value Chain.

To monitor human rights across its internal operations, the Group has a structured process to identify potential risk or non-compliance areas in need of further assessment and to implement mitigation measures where necessary. The initial self-assessment phase of this process, overseen by the HR Department of the country of reference, evaluates compliance with the Human Rights Policy and with international human rights standards. This is followed by a second phase of on-site audits to address any critical issues identified through the self-assessments and to define any remedial actions needed for continuous improvement. The Group also conducts detailed human and labour rights risk assessments when acquiring significant new businesses, operations, or projects, typically as part of the due diligence process and often with the assistance of specialised external law firms or advisors.

Self-Assessments

To monitor respect for human rights within its internal operations⁽¹⁰⁴⁾, the Group conducts an annual impact assessment survey that involves several countries selected in rotation, so as to cover 100% of internal operations over the course of 3 years. The aim of the survey, involving self-assessment questionnaires filled out by Iveco Group's HR country managers, is to identify and prevent any adverse corporate impacts on key human rights aspects, including:

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

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

⁽¹⁰⁴⁾ Joint ventures in which Iveco Group holds at least a 51% interest are included in the perimeter.

INTERNAL HUMAN RIGHTS ASSESSMENT

Iveco Group worldwide

	Countries involved	Employees involved (%)	Employees involved (number)
2022	Austria, France, Germany, Italy, Portugal, Spain, Switzerland	72	25,768
2023	Argentina, Brazil	11	3,854
2024	Algeria, Australia, Belgium, Bulgaria, China, Czech Republic, Denmark, Ethiopia, Finland, India, Indonesia, Lithuania, Morocco, Netherlands, New Zealand, Norway, Poland, Romania, Russia, Serbia, Slovakia, South Africa, South Korea, Sweden, Thailand, Tunisia, Türkiye, Ukraine, United Arab Emirates, UK, USA	17	5,555

Over the past 3 years, and in each geographic region evaluated – covering 100% of the Group's employees and sites – the assessments have consistently confirmed the presence of policies and controls that ensure respect for human rights in line with local legal requirements. Furthermore, they have not identified any severe human rights violations, including in relation to child labour, forced labour or freedom of association. The assessments complied with Art. 17 and 18 of the Guiding Principles on Business and Human Rights, 2011⁽¹⁰⁵⁾ (the Ruggie Framework). It should be noted that mitigation plans for more than 200 Group sites are in place in the event that negative impacts related to human rights are identified.

Every year, a specific assessment of Iveco Group's employees worldwide is conducted to monitor the presence of child labour across its legal entities, as well as the level of compliance with the Code of Conduct's child labour principles.

In 2024, data collected on 100% of the employees confirmed that none of the Group's legal entities employed individuals under the statutory minimum age for employment or apprenticeship set by local laws. It also showed that no minor under the age of 18 employed by Iveco Group under a regular employment or apprenticeship contract was exposed to hazardous working conditions⁽¹⁰⁶⁾.

On-Site Audits

As per Iveco Group's risk management and internal control process, the self-assessments submitted by HR country managers regarding the performance of legal entities and internal operations in upholding human rights may be verified by the Internal Audit Department through specific audits. These are conducted either on-site or remotely, depending on the need and suitability of in-person verification. The areas posing a potential risk to human rights are identified based on the outcomes of the specific self-assessments, or those of the periodic Risk Assessment (RA) performed by Internal Audit.

The RA examines and evaluates the risks associated with each of the Group's auditable legal entities, units, functions, processes, and cross-functional projects or activities. It also considers significant risk information that may emerge from aligned assurance⁽¹⁰⁷⁾ activities carried out with Iveco Group's Senior Management and relevant functions, such as Enterprise Risk Management (ERM), Energy, Environment, Health and Safety (EEHS), Compliance, and Sustainability. Risks to human rights may also be identified through complaints or whistleblowing reports mainly received via the Compliance Helpline, with on-site audits then planned accordingly.

On-site audits check the accuracy and completeness of the information provided by Iveco Group's HR country managers, and involve reviewing any documentation and interviewing the managers of the areas under audit. A report is compiled to keep track of all relevant information on human rights issues and of any improvement measures identified during the audits. The report is subsequently shared with the relevant corporate functions, along with any mitigation measures required.

The assessment conducted in 2024 by the HR Department did not highlight the need for a dedicated audit by the Internal Audit Department.

7.14.2 INCIDENTS OF DISCRIMINATION AND HARASSMENT

For detailed information on any incidents or reported matters regarding discrimination (which also covers harassment) during the reporting period, see 11.5 Violations of Business Conduct.

In 2024, 50 incidents of discrimination (which also covers harassment) were reported during the year, and 236 complaints were received through Iveco Group's whistleblowing channels, none of which led to fines, penalties or compensation for damages. However, two prior incidents, both related to discrimination, led to fines issued against Iveco Group, resulting, respectively, in €21,600 in non-pecuniary damages and approximately €600 in penalties.

⁽¹⁰⁵⁾ United Nations' Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework 2011.

⁽¹⁰⁶⁾ For the purposes of the assessment, hazardous working conditions include: work with dangerous machinery, equipment or tools; the manual handling or transport of heavy loads; exposure to hazardous substances, agents or processes; exposure to health-damaging temperatures, noise levels, or vibrations; and work under particularly difficult conditions (long hours or night shifts).

⁽¹⁰⁷⁾ A coordinated and collaborative approach to evaluating and ensuring the effectiveness of risk management and control processes across various functions or units within an organisation.

8. WORKERS IN THE VALUE CHAIN (S2)

8.1 OUR APPROACH TO THE SUSTAINABILITY MATTER (SBM-2, SBM-3)

The Iveco Group materiality assessment identified *Workers in the value chain* as a material sustainability matter, linked to the ESRS S2 sub-topic and sub-sub-topics:

- 'Working conditions' (including 'Secure employment', 'Working time', 'Adequate wages', 'Social dialogue', 'Freedom of association', 'Collective bargaining', 'Work-life balance' and 'Health and safety')
- 'Equal treatment and opportunities for all' (including 'Training and skills development')
- Other work-related rights' (including 'Child labour' and 'Forced labour').

The expected short-term impacts related to *Workers in the value chain* were identified as negative and described by stakeholders in the following ways: "An ineffective supplier selection and monitoring system jeopardises satisfactory working conditions (i.e., secure employment, working time, adequate wages, social dialogue, freedom of association, collective bargaining, work-life balance) and leads to human rights violations (e.g., child labour, forced labour), affecting workers in the supply chain"; and "Inadequate engagement with Iveco Group's suppliers leads to failure to comply with safety standards, causing critical incidents and injuries involving workers in the supply chain".

Meanwhile, the expected short-term impacts related to *Workers in the value chain* were also identified as positive and described by stakeholders as follows: "Engagement activities and training programmes involving workers in the supply chain and downstream value chain contribute to the development of specific competencies, and enhance people engagement and satisfaction".

For more information, see 1.9 Identifying and Assessing Material Impacts, Risks, and Opportunities in this Sustainability Statement.

To identify its material impacts, Iveco Group conducted its materiality assessment considering its entire value chain, encompassing the workers involved in both upstream and downstream economic activities as well as those involved in resource extraction and transformation, even though the Group does not purchase raw materials directly. During the assessment of risks and opportunities related to its value chain workers, the Group also focused on those arising from external impacts and dependencies, which were duly considered during the evaluation process.

Based on the assessment, the workers identified as relevant to Iveco Group are those employed at:

- component suppliers
- logistics suppliers
- the Group's dealerships and service network.

The workers who drive Iveco Group vehicles are also considered end users.

8.2 POLICIES RELATED TO VALUE CHAIN WORKERS (S2-1)

Iveco Group strongly supports the responsible management of its entire value chain, as further described in 11.7 Sustainable Supply Chain, and is committed to socially responsible business practices as reflected in its Code of Conduct and corporate policies.

No significant changes to the policies were made during the reporting year.

8.2.1 SUPPLIER CODE OF CONDUCT

The Supplier Code of Conduct requires suppliers to treat their workers in a fair and non-discriminatory manner. This includes ensuring equal opportunities and prohibiting any policy that, either directly or indirectly, results in discrimination against them on any prohibited grounds, including but not limited to: ethnicity, gender, sexual orientation, social or personal status, health, physical condition, disability, age, nationality, religious or personal beliefs, political opinion, or any other legally protected characteristics. Iveco Group will not establish or continue a relationship with any counterpart that refuses to respect the principles of its Code of Conduct, which explicitly endorses the protection of human rights.

The Supplier Code of Conduct stipulates suppliers' compliance with local legislation and their respect for:

- labour and human rights
- environmental protection
- trade restrictions/export controls
- business ethics.

The Supplier Code of Conduct applies to Iveco Group's entire supply chain, including all persons and entities (each referred to as a 'Supplier') that provide goods or services to the Group or its subsidiaries, outlining the standards to be upheld in their daily business activities. Iveco Group's Board of Directors is responsible for overseeing the implementation of the Supplier Code of Conduct, ensuring compliance while conveying the Group's values and expectations as clearly and explicitly as possible. Suppliers are required to work with Iveco Group to enforce the Code itself, and to pass on its principles to their respective employees, subsidiaries, affiliates, and subcontractors. To ensure the consistent alignment of the supply chain and purchasing practices with the Supplier Code of Conduct, suppliers undergo an Ethical Check every 3 years. This assessment is conducted by an external third party, using a dedicated reporting system that allows the monitoring of any potential issues that may require further clarification or investigation. This periodic monitoring is regulated by corporate policies and procedures designed to ensure supplier compliance. The Supplier Code of Conduct is aligned with the United Nations' (UN) Universal Declaration of Human Rights, the International Labour Organization (ILO) Standards, and the UN Convention against Transnational Organized Crime. The Supplier Code of Conduct is available in 7 languages (Czech, English, French, German, Italian, Portuguese, and Spanish) on both the Group's website and Supplier Portal.

8.2.2 HUMAN RIGHTS POLICY

Iveco Group's commitment to safeguarding workers' rights is also reflected in its Human Rights Policy, which outlines the principles that every counterpart, from suppliers and service providers to dealers and distributors, must adhere to in conducting business for or on behalf of the Group. These principles include all fundamental human and labour rights, such as fair working conditions, the prohibition of child labour, non-discrimination, freedom of association, and occupational health and safety. Specifically, the policy explicitly states that Iveco Group does not tolerate, and strictly prohibits, the use of forced or compulsory labour, all forms of involuntary servitude or slavery, any form of human trafficking (whether by force, fraud or coercion), sex trafficking, and commercial sex activities by any person covered by the policy. In alignment with the policy, these practices are also strictly prohibited by Iveco Group's Supplier Code of Conduct. The human rights principles included in the aforementioned documents are consistent with the spirit and intent of the United Nations' (UN) Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, and the relevant Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO). Iveco Group seeks to promote respect for these principles by its contractors, suppliers, and all other entities and individuals with whom it has a business relationship. To this end, the Group engages suppliers throughout the year to promote their continuous improvement in preventing and mitigating social impacts. The Human Rights Policy applies to Iveco Group N.V. and its subsidiaries, to the directors, officers and employees of such entities, to those acting for or on behalf of such entities, and to all parties with which the Group conducts business, including but not limited to suppliers, service providers, sales representatives, agents, consultants, dealers, distributors, importers, resellers, and joint venture partners. While it is the responsibility of all persons covered by the policy to ensure respect for human rights, the Senior Leadership Team (SLT) retains executive oversight and responsibility for its implementation. At Group level, the Board of Directors is responsible for overseeing the policy's implementation and ensuring adherence to its commitments, while managers are responsible for overseeing its application at local level. The Human Rights Policy is available on the corporate website in 7 languages (Czech, English, French, German, Italian, Portuguese, and Spanish).

Another demonstration of Iveco Group's respect for human rights is its stand against the use of natural resources extracted in conflict zones. In this regard, the Group has adopted both a compliance programme and a **Conflict Minerals Policy** intended to promote the responsible sourcing of tin, tantalum, tungsten, and gold (referred to as conflict minerals or 3TG) from the Democratic Republic of Congo (DRC) and other countries or areas considered at high risk of conflict, where revenues from their extraction have historically funded armed conflict and human rights abuses. In 2024, there were no reported cases of non-compliance with human rights principles involving value chain workers.

8.3 ENGAGING VALUE CHAIN WORKERS (S2-2)

Firmly convinced that suppliers are key to sustainable growth, Iveco Group endeavours to keep them engaged and informed at all times. This continuous dialogue and exchange helps strengthen supplier relationships, providing fertile ground for shared goals and strategies, for thriving collaborations and joint projects, and for preventing and mitigating potential negative impacts.

Engagement activities are carried out through several ongoing channels:

- the **Supplier Portal**, which represents the main collaboration and communication platform used by the Group to interact with its supply chain. It contains the forms, documents, and tools used to exchange information and manage any operations involving suppliers
- the **Open-es platform**, an initiative for increasing supplier engagement with and awareness of sustainability matters, including social issues and human rights. The platform's approach revolves around creating a sense of community and providing a space where experiences can be shared. The opportunity for comparison with other industry companies helps suppliers become more aware of their strengths and more mindful of any areas for improvement and possible action priorities
- ongoing **initiatives** promoting the exchange of ideas and information with suppliers, such as workshops and webinars
- the **Responsible Trucking platform**, a project coordinated by CSR Europe⁽¹⁰⁸⁾ to improve the working conditions of road transport workers as well as compliance with legislation.

These initiatives are overseen by a dedicated Governance, Performance, and Sustainability Management Team (established within the Supply Chain Leadership Team), which is also responsible for monitoring the suppliers' compliance with the Supplier Code of Conduct and their sustainability assessment process.

8.4 ADDRESSING NEGATIVE IMPACTS AND VALUE CHAIN WORKER CONCERNS (S2-3)

In 2022, Iveco Group established a **Compliance Helpline** to provide suppliers, customers, and other third parties with a dedicated means to report potential violations of applicable laws and corporate policies. This global reporting tool is available in 15 languages and managed by an independent third party. Reports can be submitted in several ways, including anonymously where permitted by law. Available channels include in-person reporting to a manager or other company representative, dedicated phone lines, the relevant section of the corporate website, and a dedicated app for Android and iOS. Additionally, the Group expects its suppliers and business partners to make grievance mechanisms available to their employees. Group policy protects anyone reporting a concern in good faith from retaliation of any kind, as further described in 11.3 Business Conduct and Corporate Culture.

A global case management system, implemented in conjunction with the Compliance Helpline, helps ensure the accurate tracking and timely resolution of any investigations, which are primarily conducted by the Internal Audit, Human Resources, Legal, and/or Compliance functions. The process for providing remedies, where needed, is consistent with specific corporate policies and procedures designed to address any form of violation, applicable to all stakeholders within the value chain.

8.5 ADDRESSING IMPACTS, RISKS, AND OPPORTUNITIES FOR VALUE CHAIN WORKERS (S2-4)

8.5.1 UPSTREAM SUPPLY CHAIN WORKERS

Iveco Group's approach to preventing potentially negative impacts on workers within the upstream value chain is integrated into its overall supplier management system, which monitors, among other aspects, adherence to social standards. Suppliers are selected based on their observance of the Group's social and ethical principles. In this regard, new suppliers are specifically required to sign a formal Commitment Declaration of compliance with both Iveco Group's Code of Conduct and Supplier Code of Conduct. Furthermore, specific contractual clauses require them to demonstrate their commitment to various issues, including promoting workplace health and safety, ensuring non-discrimination, prohibiting forced and/or child labour, and recognising employees' freedom of association. If a supplier fails to adhere to any of the above principles, Iveco Group reserves the right to terminate the business relationship or instruct the supplier to implement a corrective action plan. Supplier performance is regularly monitored, including through sustainability risk assessments meant to identify critical suppliers requiring additional measures, follow-ups, and/or auditing.

⁽¹⁰⁸⁾ Leading European business network for corporate sustainability and responsibility.

In 2024, sustainability audits were conducted by external auditors at 84 supplier plants worldwide, involving 84 suppliers. Corrective action plans were later formulated for 66 of these to address 331 findings related to environmental, social, and governance (ESG) aspects. These plans focused on topics such as promoting internal communication and engagement, as well as formalising processes and/or procedures for managing the risk of child labour and human rights violations. Action plans are then monitored via follow-up meetings between each supplier and a Group auditor. In the event of defaulting suppliers, further corrective actions are defined and implemented in agreement with the competent internal departments. In 2024, no suppliers were found to be at risk in terms of child labour, forced/compulsory labour, or violation of either freedom of association or collective bargaining, and no severe human rights issues involving value chain workers were reported. Iveco Group's commitment to the workers within its value chain goes beyond mitigating negative impacts, with efforts made to foster dialogue, collaboration, and the continuous improvement of business partners' performance. In 2024, several initiatives were promoted to disseminate sustainability practices across the value chain (see 11.7 Sustainable Supply Chain).

Conflict Minerals

Another demonstration of Iveco Group's respect for human rights is its stand against the use of natural resources extracted in conflict zones. To this end, the Organisation has adopted a compliance programme and a Conflict Minerals Policy intended to promote the responsible sourcing of tin, tantalum, tungsten, and gold (referred to as conflict minerals or 3TG) from the Democratic Republic of the Congo (DRC) and other countries or areas considered at high risk of conflict⁽¹⁰⁹⁾, where revenues from their extraction have historically funded armed conflict and human rights abuses. The Conflict Minerals Policy, as well as the General Purchasing Terms and Conditions (GPTC), requires affected suppliers to conduct a reasonably comprehensive enquiry into the existence and origins of any 3TG in their respective supply chains, and to provide written evidence of due diligence by completing the Conflict Minerals Reporting Template (CMRT), in line with Regulation (EU) 2017/821 and subsequent amendments. Iveco Group's due diligence process and measures have been designed to conform, in all material respects, with the due diligence framework presented by the Organisation for Economic Co-operation and Development (OECD) in its 2016 publication *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*⁽¹¹⁰⁾ (third edition, OECD Publishing), including its Supplements on gold, tin, tantalum, and tungsten. This due diligence framework is also known as the OECD Guidance. Iveco Group is committed to making every reasonable effort to establish, and require affected suppliers to disclose, whether the products purchased contain 3TG obtained from sources that fund armed conflict or support inhumane treatment in the DRC or other countries or areas considered at high risk of conflict⁽¹¹¹⁾.

The Group has processes in place to record and act on concerns expressed by employees and others about possible improper or unethical business practices or violations of corporate policies (including the Code of Conduct, Supplier Code of Conduct, and Conflict Minerals Policy) or applicable laws. This grievance mechanism is described in the Conflict Minerals Policy. Globally recognised Compliance Data Exchange (CDX) software is used for conflict mineral management, selected for its ability to interface directly with the International Material Data System (IMDS) that the Organisation has used for years to manage substances of concern (SoC) in its vehicles. Through the CDX software, the Group is able to evaluate the Conflict Minerals Report Templates (CMRT) submitted by about 300 suppliers for a sample of products, and to automatically verify and file the subsequent reports. This setup also enables the suppliers' direct involvement in a qualitative cross check analysis of CMRTs against the chemical compositions stated in the respective Material Data Sheets (MDS). More than 210 of the suppliers that were asked to complete the CMRT in 2024 did so as per OECD guidelines, and the Procurement Department will chase up the remainder. If the products sold to Iveco Group are found to contain 3TG, suppliers must identify their sources and discontinue procurement, as soon as commercially feasible, of those containing 3TG obtained from sources that fund or support inhumane treatment in the DRC or other countries or areas considered at high risk of conflict⁽¹¹²⁾. Iveco Group reserves the right to reassess future business dealings with suppliers that fail to comply with this policy.

Responsible Use of Cobalt

Cobalt is becoming an important material for Iveco Group, being a key element in the lithium-ion rechargeable batteries used in electric vehicles that play a significant role in reducing greenhouse gas (GHG) and polluting emissions. Cobalt is also used in the production of magnetic, wear-resistant, and high-strength engineering alloys, properties that are all critical in efficient vehicle design. The world's largest producer of cobalt is the Democratic Republic of the Congo (DRC), holding more than 50% of global cobalt reserves. In recent years, annual cobalt consumption globally has trended upwards and is expected to rise significantly over the medium term. However, many reports have highlighted concerns over the social and environmental impacts of cobalt extraction, including the use of child labour and unsafe working conditions in artisanal cobalt mining operations. Having previously benchmarked various companies' best practices under the Group's former corporate structure, in 2024, key lithium-ion battery suppliers were surveyed on their sourcing information in light of Iveco Group's plan to implement a wider due diligence process on the responsible sourcing of cobalt throughout its supply chain. Furthermore, in light of the recently published EU Regulation 2023/1542 on batteries and waste batteries that introduced a new due

⁽¹⁰⁹⁾ See the Conflict-Affected and High-Risk Areas (CAHRAs) list of the European Commission.

⁽¹¹⁰⁾ See the 'OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas'.

⁽¹¹¹⁾ See the 'OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas'.

⁽¹¹²⁾ See the Conflict-Affected and High-Risk Areas (CAHRAs) list of the European Commission.

diligence policy for several raw materials contained in batteries – cobalt, natural graphite, lithium, and nickel – the Organisation readied itself to work with its supply chain and all other stakeholders to evaluate the social and environmental risks of using them.

8.5.2 DOWNSTREAM SUPPLY CHAIN WORKERS

As regards downstream value chain activities, Iveco Group recognises the central role that the dealer and service network plays in its interaction with end users. For this reason, the Group believes it is essential to develop the skills and know-how of all dealership personnel, which is why it created a training department to address dealer network training needs and enhance staff knowledge and expertise. Special training programmes are run every year for approximately 20,000 dealership personnel (technicians, salespeople, and after-sales staff), designed according to the strategies and needs of each Business Unit, brand, and geographic region. The training approach is to build on the dealer network's expertise and ability to meet customer requirements, from tailoring product offerings to individual needs to performing timely repairs to minimise product downtime. The Group offers customised training courses and solutions consistent with current market conditions, as well as a wide range of activities delivered, where possible, in the native languages of dealers and customers. Courses are delivered in many forms, be it face-to-face at company training centres, in virtual classrooms (VCR), or via web-based training (WBT). WBT courses are delivered through Iveco Group's Web Academy platform, which extends their availability and cuts costs by minimising the need to travel. Delivery methods are chosen by course users according to the certification level required. Coaching sessions with expert trainers are also available to provide in-depth knowledge of innovation and technology within the Group's dealer processes.

Before engaging in a commercial transaction with a customer, Iveco Group conducts a due diligence screening and risk assessment. Companies, shareholders, and owners are screened against a number of lists – issued, among others, by the UN, the EU, and the USA – intended to counter any specific concerns, including human rights violations. As an additional measure, when appropriate, the Group ensures that its sales agreements include specific end-user contract clauses, or end-user statements and/or undertakings, for certain transactions or locations identified as high risk by the risk assessment. In AMEA (Asia, Middle East, and Africa), a more robust clause was introduced in sales agreements, explicitly requiring all dealers and other third-party distributors to comply with various human rights requirements when reselling Group products.

As regards end users, Iveco Group joined the Responsible Trucking project, a collaborative platform launched by CSR Europe (a leading European business network promoting corporate sustainability and responsibility). The project enables companies to work together on evaluating the impact of their operations on logistics and to seek ideas for improving drivers' working conditions. The first step of the initiative involved the Group's plants in Suzzara (Italy) and Valladolid (Spain), as well as 6 of its carriers. An anonymous survey was made available to all drivers via a QR code posted at the two plants and at the carriers' premises. The questionnaire covered the following topics: respect for people's rights (working hours, fair and equal pay, the right to join a trade union), the adequacy of the employer's training provision, and quality and safety standards in loading/unloading bays. Based on the initial wave of responses received from 149 of the plant drivers and 98 of the carrier drivers, the Group was able to identify its plants' strengths and pinpoint areas for improvement, which will be addressed over the coming years.

8.6 TARGETS RELATED TO VALUE CHAIN WORKERS (S2-5)

Iveco Group's commitment to upholding human rights and fair working conditions within the supply chain is reflected in the following **targets** included in the Sustainability Plan, which focus on engagement and training programmes for workers in the value chain:

- 100%⁽¹¹³⁾ of Tier 1 suppliers to be involved in sustainability assessments by year-end 2026
- 80 supplier sustainability audits to be executed in 2025
- 100% of dealership staff to be involved in safety training on Iveco Group's electric product portfolio by year-end 2026
- collaborations with 100% of key partners to improve the working conditions and work-life balance of drivers by year-end 2026.

For further details on:

- the target definition process
- stakeholder involvement in target setting
- target base year and applicable period
- target monitoring and progress during the year

please refer to the Sustainability Plan in 1.6 Strategy, Business Model, and Value Chain.

⁽¹¹³⁾ Target progress is calculated as a percentage of Iveco Group's annual purchase value (APV).

9. AFFECTED COMMUNITIES (S3)

9.1 APPROACH TO THE SUSTAINABILITY MATTER (SBM-2, SBM-3)

Iveco Group's materiality assessment identified *Local communities* as a material sustainability matter, linked to ESRS S3. The expected short-term impacts related to this sustainability matter were found to be positive, summarised by stakeholders as follows: "Community engagement initiatives promote development and value creation within local communities". During the assessment of risks and opportunities related to affected communities, the Group also focused on those arising from external impacts and dependencies, which were duly considered during the evaluation process. It should be noted that no negative impacts were identified (in terms of being exposed to greater harm) for any specific group of affected communities. The Group's approach is to support projects that deliver measurable business and investment benefits to the countries of operation, while fostering high-value, long-term partnerships.

The main pillars of the governance model for local initiatives include:

- ESG and local community strategies
- specific decision-making bodies, each with an approval threshold, supported by the Legal and Finance functions
- dedicated control mechanisms, such as a structured approval workflow and budget registers.

9.2 POLICIES AND ENGAGEMENT RELATED TO AFFECTED COMMUNITIES (S3-1, S3-2)

As set forth in its Code of Conduct (see 11.2.1), Iveco Group is committed to community engagement by playing an active role wherever it operates, contributing to local social, economic, and institutional development through specific programmes. The Group considers the material sustainability matter *Local communities* of paramount importance, recognising that engaging them in initiatives fosters both their development and value creation.

9.2.1 COMMUNITY INVESTMENT POLICY

The Community Investment Policy governs Iveco Group's actions in relation to local communities, addressing key impacts and potential risks while supporting the Organisation in achieving its sustainability targets and ambitions. It establishes a framework – at both corporate and site levels – for the development and implementation of community initiatives, ensuring a coherent and consistent approach across Iveco Group worldwide. A Group-Wide strategy has also been developed to identify focus areas for initiatives aligned with the expectations of the Organisation's businesses and stakeholders. The Community Investment Policy applies to Iveco Group N.V. and its subsidiaries, to the directors, officers and employees of such entities, and to those acting for or on behalf of such entities. The Senior Leadership Team (SLT) is responsible for monitoring compliance with the policy, updating it as necessary, and reporting on progress. The policy, available on the corporate website, has been shared with all Group employees and senior management worldwide.

9.2.2 HUMAN RIGHTS POLICY

As outlined in its Human Rights Policy (see 7.2.1), Iveco Group recognises that its decisions can have significant direct and indirect impacts on the local communities in which it operates. As such, it places particular emphasis on supporting the most vulnerable communities, while upholding their rights to a healthy environment, property and land ownership, an adequate standard of living, and access to natural resources. Accordingly, the Group is committed to taking all reasonable measures to inform these communities about relevant actions and projects, fostering open dialogue to ensure their legitimate expectations are considered. All stakeholders are expected to act in a socially responsible manner by respecting local cultures and traditions and upholding integrity and good faith to maintain the trust of the community.

9.3 ADDRESSING NEGATIVE IMPACTS AND AFFECTED COMMUNITY CONCERNS (S3-3)

Iveco Group established a Compliance Helpline to provide all stakeholders, including affected communities, with a dedicated means to report potential violations of applicable laws and corporate policies. This global reporting tool, managed by an independent third party, is available in 15 languages. Reports can be submitted in several ways (including anonymously, where permitted by law):

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

Iveco Group policy protects anyone reporting a concern in good faith from retaliation of any kind, as further described in 11.3 Business Conduct and Corporate Culture. A global case management system, implemented in conjunction with the Compliance Helpline, helps ensure the accurate tracking and timely resolution of any investigations, which are primarily conducted by the Internal Audit, Human Resources, Legal, and/or Compliance functions. The process for providing remedies, where needed, is consistent with specific corporate policies and procedures designed to address any form of violation, applicable to all stakeholders within the value chain.

9.4 AFFECTED COMMUNITY ACTIONS (S3-4)

Iveco Group believes in making a positive contribution to society in the countries where it operates. It seeks to share its Purpose, Values, knowledge, and resources with its communities in order to foster development, unlock opportunities, and reduce inequalities for people who have fewer prospects due to limited resources. Against this background, the Group has also identified risks and opportunities. For example, local communities' opposition to its activities may cause reputational damage and/or affect business continuity. Furthermore, Iveco Group's credibility and pursuit of long-term equitable social development would be at risk if it supported projects that did not align with community priorities or lacked social impact, or if it collaborated with organisations whose actions were not consistent with its ethical values. Given the scale of challenges facing both planet and people, the Organisation addresses such risks by prioritising projects that deliver measurable benefits to the countries where it operates in terms of business and investments, while establishing high-value, long-term partnerships.

The aspects that could significantly impact local communities, and that Iveco Group is committed to improving, concern:

- the impact on the health of workers and their families
- improvements in the welfare of workers and their families
- the impact of atmospheric emissions
- air quality protection
- water management
- waste management and soil/subsoil protection
- biodiversity protection
- adoption of logistics solutions with lower environmental impact.

The Group monitors all of the above, along with other aspects, initiating targeted projects (directly impacting local communities) at those plants where biodiversity protection and water management and monitoring are deemed necessary. When monitoring the impact of its operations on the environment and on local communities, the Group also considers the suppliers that it relies on and has partnered with, and to whom it transfers best practices. In this regard, these suppliers are required to abide by the Organisation's principles on human rights and working conditions (e.g., to reject all forms of forced and/or child labour), environmental protection, and business ethics.

As part of its strategy, Iveco Group has identified 3 main action priorities to reflect its business role in connecting people with other people, with goods, and with services across various locations worldwide:

- **Preserve Biodiversity:** the Group aims to strengthen connections between people and nature by building mutually respectful relationships that recognise nature's intrinsic value (the planet), its instrumental role in economic growth (the economy), and its relational benefits (to human health and cultural identity)
- **Reduce Inequality and Protect Diversity and Vulnerable Groups:** the Group aims to promote the advancement of people, culture, and ideas, and to enhance socio-economic inclusion and technological development, by empowering vulnerable groups and migrants
- **Foster Health and Wellbeing:** the Group aims to play an active role in fostering health and wellbeing, equity, and fairness, so as to deliver improvements in education, income, and individual living and working conditions.

Driven by its commitment to social development, Iveco Group empowers its local communities through 5 pillars of action:

- **Awareness:** raising awareness of a cause or issue that reflects people's lived experience
- **Education:** empowering people and building resilient communities, generating positive repercussions that can potentially extend generations into the future (i.e., developing the skills of tomorrow's workforce by promoting STEM disciplines, literacy, improved education, and problem-solving from childhood to university)
- **Mentorship:** building the community and fostering closer ties to the Group
- **Partnership:** working in community-based partnerships to identify specific needs, assets, and priorities
- **Tailored Projects:** designing and implementing tailored projects aimed at specific outcomes that bridge societal divisions and advocate for a shift 'from stockholder to stakeholder'.

9.5 AFFECTED COMMUNITY METRICS AND TARGETS (S3-5)

The Organisation's voluntary commitment to local communities is reflected by the strategic sustainability **target** incorporated into the Strategic Business Plan: a 50% increase in the number of students involved in educational activities by year-end 2026 (compared to 2019), focusing on the jobs of the future. This target, which is in line with the Community Investment Policy, aims at promoting equity, inclusion, and engagement by focusing on community educational activities and the empowerment of vulnerable groups.

In 2024, the resources allocated by Iveco Group to local communities totalled €3.88 million.

For further details on:

- the target definition process
- stakeholder involvement in target setting
- target base year and applicable period
- target monitoring and progress during the year

please refer to the Sustainability Plan in 1.6 Strategy, Business Model, and Value Chain.

Data Calculation Methodology

Investment data for local communities is categorised as per the principles set out in the Business for Societal Impact (B4SI) Framework. Data is based on accounting data and methods, and also includes estimates. With regard to local community projects, the Group monitors both initiative costs and management costs. The initiative cost may be a cash contribution or in-kind donation by Iveco Group, or volunteer work (the latter is estimated based on the number of hours Group employees spend volunteering for the initiative during paid working hours). Management costs can be internal (i.e., the cost of employee time to manage and organise humanitarian initiatives promoted by the Organisation) or external (i.e., any external expenditure intended to maximise interactions with the community, including the costs of travel, research, and communication).

Time contributions represent the monetary value of hours of volunteer work carried out by employees during working hours (it also includes initiatives where legal entities are fully or partially reimbursed through public funds). The hourly rate is calculated by dividing total employee costs by the number of employees, then dividing the result by the number of working days per year (240), and again by the standard number of working hours per day (8). Figures do not include brand promotion initiatives.

The Group measures the impact of its local community investments according to the B4SI Framework, generating an impact report that is submitted and certified by the B4SI itself. The Corporate Community Investment Form, developed in line with the B4SI Framework, is used to evaluate the types of benefits gained in the 4 major areas potentially affected by any project: people, organisation, environment, and business. Based on this methodology, the 4 areas are weighted and the project's impact on specific aspects within each is rated on a scale from 1 (no impact) to 5 (very high impact). An average rating is then calculated for each area, representing the indicators (KPIs) to assess the project's overall impact on people, organisation, environment, and business, respectively. The KPIs in detail are:

- benefit to people – positive change in people's attitude or behaviour; skills and personal development; direct impact on people's quality of life
- benefit to organisation – capacity building
- benefit to environment – direct environmental impact; impact on human activities and behaviour
- benefit to business – benefits of volunteering for employees (job-related skills, personal impact, behavioural change); improvement in stakeholder relations/perceptions; business generated; brand awareness.

10. CONSUMERS AND END USERS (S4)

10.1 APPROACH TO THE SUSTAINABILITY MATTER (SBM-2, SBM-3)

Customer centricity is the core principle driving Iveco Group's strategy, shaping everything it does, which is why an open line of communication is crucial with those who use the Group's products in their work. Iveco Group's materiality assessment identified *Product quality, safety, and accessibility* as a material sustainability matter, linked to the ESRS S4 sub-sub-topic 'Health and safety'. Meanwhile, both *Dealer and customer management* and *Digitalisation and connectivity* emerged as entity-specific material sustainability matters.

The expected short-term impacts related to *Product quality, safety, and accessibility* were identified as negative and described by stakeholders as follows: "The ineffective management of design and production processes affects product quality, reducing the safety and/or satisfaction of drivers and passengers".

The expected medium-term impacts related to *Dealer and customer management* were identified as positive and defined by stakeholders as follows: "Developing and maintaining strong relations with dealers and customers contributes to improving their satisfaction levels".

The expected medium-term impacts related to *Digitalisation and connectivity* were found to be positive, described by stakeholders as follows: "The digitalisation and connectivity of Iveco Group's products contribute to enhancing the customer experience, improving driver satisfaction and safety on the road".

During the assessment of risks and opportunities related to its consumers and end users, the Group also focused on those arising from external impacts and dependencies, which were duly considered during the evaluation process. Meanwhile, with regard to the aforementioned sustainability matters, no material risks and/or opportunities were identified by the stakeholders involved in the assessment. For more information, see 1.9 Identifying and Assessing Material Impacts, Risks, and Opportunities in this Sustainability Statement.

End Users

For Iveco Group, end users represent the final link in the value chain and include vehicle drivers – whether private owners, fleet operators, or logistics companies – as well as bus drivers and passengers. They rely on accurate and accessible product and service information, such as manuals and product labels, to prevent improper (and potentially damaging) product use. Indeed, any potential negative impacts are associated with product defects or misuse. Designing products that meet rigorous safety standards to protect drivers, passengers, and all other road users is a daily undertaking for Iveco Group, reflecting not only its commitment but also its responsibility to the community. The Group makes every effort to deliver safe, secure, and high-quality vehicles by researching, developing, and adopting ergonomic, functional, and technical solutions that enhance product safety and security. Safety-critical product components are identified right from the design phase in specific technical drawings and undergo detailed assessments (e.g., dynamic calculations, structural analysis, laboratory testing, static and dynamic vehicle testing, and type approval testing). In compliance with the Group's quality standards and internal procedures, workstations that manage safety components during production are clearly marked, and the personnel tasked with handling or inspecting these components are suitably trained. Safety components are also labelled to ensure traceability if corrective actions are needed.

As regards **road safety**, research and development into product safety systems focuses on 3 key areas:

- active safety – aimed at collision avoidance through solutions such as Advanced Driver Assistance Systems (ADAS), Electronic Stability Control (ESC), and Anti-Lock Braking System (ABS)
- passive safety – aimed at damage mitigation
- tertiary safety – aimed at post-crash safety management.

ADAS technologies assist drivers in the safe operation of vehicles. Leveraging digitalisation and connectivity, these systems use advanced sensor technologies, such as radar and cameras, to detect nearby obstacles or driver errors and respond accordingly.

The main ADAS solutions on the market and currently offered by Iveco Group include:

- Advanced Emergency Braking System (AEBS), which alerts the driver to a potential collision and automatically activates the brakes to avoid or reduce the speed of impact
- Lane Departure Warning (LDW), which alerts the driver when the vehicle inadvertently veers into adjacent road lanes or moves too close to road edges
- Adaptive Cruise Control (ACC), which maintains a safe cruising speed and distance from the vehicle ahead while on the road
- Moving Off Information System (MOIS), which alerts the driver to obstacles directly in front of the vehicle before the latter moves off from a stationary position

- Blind Spot Information System (BSIS), which warns the driver of any obstacles on either side of the vehicle
- Lane Keeping Assist (LKA), which helps prevent inadvertent lane drifting by automatically steering the vehicle
- Intelligent Speed Assist (ISA), which provides the driver with continual warnings about the current speed limit
- Driver Drowsiness and Attention Warning (DDAW), which assesses the driver's alertness through vehicle systems analysis and generates a warning if needed
- Passive Lane Change Assist (PLCA), which warns the driver of unsafe lane changes that could cause a collision.

All of the above are active safety systems and tools designed to help prevent road accidents caused by human error, poor driving skills, fatigue, or simple lack of judgment.

However, ensuring driver and passenger safety in the event of an accident requires more than just active safety solutions. The vehicle's construction, especially the chassis, plays a crucial role in absorbing the energy of the impact and in protecting the occupants from subsequent damage to the cabin and from rapid deceleration. Equipped with crash beams and with driver and passenger airbag systems, the Group's N1 and M1 vehicles, part of the IVECO Daily range, are type-approved in compliance with current European occupant safety regulations. Following several studies on passive safety and biomechanics, Iveco Group's light and medium commercial vehicles can optionally be fitted with Advanced Occupant Restraint Systems (AORS) for enhanced protection in the event of frontal impact. Light vehicles also come with the additional option of installing window airbags to protect occupants in the event of a side impact. Manufacturers tend to focus mainly on primary and secondary safety to help drivers avoid accidents, limit their consequences, and reduce the effects of any impacts (kinetic energy dissipation).

However, as underlined by Euro NCAP⁽¹¹⁴⁾, road safety is not only about protecting occupants and promoting driver assistance systems. It also concerns better post-crash safety management, a sphere known as tertiary safety. It is crucial that first responders know what they should and should not do at the scene of an accident. Intervention within the so-called 'golden hour' is critical, and rescuers need quick and easy access to clear information on a vehicle's construction to safely remove individuals from a crash site. For this reason, Brand IVECO has developed specific rescue sheets and emergency response guides, which are available in the Rescue Material section of its website. Compliant with the ISO 17840 standard (defining information for first and second responders) and available in multiple languages, rescue sheets are standardised summary documents containing crucial information to help rescuers extract occupants quickly and safely. Rescue guides, on the other hand, provide more detailed information that is used to train first responders, with a particular focus on alternative fuel vehicles.

When designing new products, Iveco Group's brands pay close attention to vehicle ergonomics to enhance usability for all end users, including drivers as well as passengers. This is even more important when it comes to bus passengers, with every effort made to ensure accessibility, especially for those who are vulnerable (such as the elderly, people with disabilities, and children).

Customers

A key factor in managing customer expectations is the effective handling of customer relations across the board, which includes responding promptly and clearly and ensuring accessible channels for information requests and problem reporting. This is crucial for achieving long-term success, as it directly impacts customer satisfaction levels. Equally important is enabling customer feedback and suggestions, which help identify necessary changes to enhance existing product ranges and guide the development of new product lines to meet future market needs. This fosters trust and is viewed by stakeholders as an opportunity to promote efficient equipment use while minimising disruptions in case of issues.

Dealers

Dealers act as the customers' first point of contact, offering advice on the best purchasing options and helping them invest the right amount of capital, time, and resources in products that best meet their business needs. This relationship must be one of mutual trust, whereby customers can depend on prompt assistance and minimum downtime. This is why the Group invests in, and works hard at, continuously improving the customer experience (CX), redefining the customer journey as needed within each of its brand networks through targeted projects: these include the *Retail Excellence Programme*, aimed at improving the sales process, and the *Digital Job Card* initiative, related to service delivery. Always seeking to enhance their productivity, customers need practical advice on the best solutions to address their business needs. With this in mind, Iveco Group's product distribution network is structured to suit customer priorities, with its brands' websites helping customers identify the most appropriate vehicles and equipment to buy. The dealer and service network of brands IVECO, IVECO BUS, and ASTRA is made up of about 1,585 sales points and 3,550 service points. The Network Department is responsible for implementing specific dealership development programmes, which enable the Group's partners to offer customers the best possible service. This contributes to the network's growth while making it stronger and more competitive.

⁽¹¹⁴⁾ The European New Car Assessment Programme, which provides European consumers with information on the safety of passenger vehicles.

10.2 POLICIES RELATED TO CONSUMERS AND END USERS (S4-1)

As stated in Iveco Group's Code of Conduct, ensuring product safety for customers is one of the Group's fundamental objectives and key responsibilities, which is why every effort is made to deliver extremely safe, reliable, and high-quality products and services. Furthermore, since the safety of end users is a top priority, Iveco Group is also fully committed to ensuring automotive cybersecurity for all its vehicles, given that active safety systems are increasingly reliant on telematics and are therefore at risk of exposure to cyberattacks. For these reasons, the Group has adopted a Product Safety, Security, and Technical Compliance Policy (PSSC), which underscores its commitment to product safety and cybersecurity, as part of a broader approach designed to create, maintain, and continuously support a corporate culture of product safety, security, and technical compliance that goes beyond regulations.

No significant changes to the policies were made during the reporting year.

10.2.1 HEALTH AND SAFETY POLICY

The Iveco Group Health and Safety Policy regulates those activities that generate the greatest impact and/or potential risk with regard to the ESRS S4 sub-sub-topic 'Health and safety', and supports the Group in reaching its sustainability targets and ambitions.

One of Iveco Group's core commitments is to protect and promote the health and safety of its employees and customers. This commitment extends to its products, with each Group brand striving to achieve the highest standards in preventive, active, and passive product safety to safeguard the health and safety of drivers, operators, passengers, and all other road users. These objectives are pursued by:

- researching, developing, and adopting functional and technical solutions that enhance product safety performance, including ergonomic improvements
- conducting studies and research to explore and develop safer and more sustainable materials and compounds
- providing information on safe use through Owner and Maintenance Manuals and offering training programmes focused on the safe and correct use of products.

The Health and Safety Policy applies to Iveco Group N.V. and its subsidiaries, to the directors, officers, and employees of such entities, and to those acting for or on behalf of such entities. Iveco Group's Board of Directors endorses the principles of this policy and oversees its implementation, the responsibility for which lies with the Senior Leadership Team (SLT), tasked with developing appropriate operational procedures and ensuring adequate allocation of resources and professional expertise. The policy is available on the corporate website in 7 languages (Czech, English, French, German, Italian, Portuguese, and Spanish).

10.2.2 PRODUCT SAFETY, SECURITY, AND TECHNICAL COMPLIANCE POLICY

Iveco Group's Product Safety, Security, and Technical Compliance Policy (PSSC) regulates those activities that generate the greatest impact and/or potential risk, and supports the Group in reaching its sustainability targets and ambitions. Iveco Group considers the personal safety of end users to be of the utmost importance, and recognises that the ineffective management of design and production processes could affect product quality and risk compromising the safety and/or satisfaction of drivers and passengers. The PSSC Policy underscores the Group's commitment to designing, validating, manufacturing, selling, and supporting safe and secure products that comply with or exceed the requirements of all applicable laws, and to safeguarding end users against cyberattacks by mitigating related risks. Iveco Group considers this approach a prerequisite for conducting responsible and sustainable business, and essential to building and maintaining public trust in both its products and the Group itself. The PSSC Policy was approved by the Product Safety, Security, and Compliance function. It applies to Iveco Group N.V. and its subsidiaries, and to the directors, officers, and employees of such entities. The Senior Leadership Team (SLT) is responsible for monitoring compliance with the policy, updating it when necessary, and reporting on relevant progress.

10.3 ENGAGING END USERS ON IMPACTS (S4-2)

The Operator's Manual (OM) represents a direct communication channel between Iveco Group's brands and end users. It contains key product information, making it an integral part of the product itself. These manuals provide extensive details on safe product use and guidance to minimise environmental impacts, including proper disposal practices for lubricating oils and additives, as well as strategies to reduce fuel and energy consumption and pollution through efficient product use.

Each manual contains comprehensive information on:

- product identification data
- product start-up and operation
- correct vehicle manoeuvring
- correct use of the vehicle equipment provided – e.g., fixed-body trucks, tail lifts
- correct use of advanced driver assistance systems (ADAS) – e.g., lane departure warning systems (LDWS)
- safe product use – to avoid risk of injury and/or of serious damage to the vehicle and to safeguard the environment
- human-machine interaction (controls and devices)
- on-board equipment
- telematics features
- technical features
- periodic checks and scheduled maintenance
- refuelling.

Brand IVECO offers fleet managers services such as fuel consumption monitoring, mission assignment and planning, route optimisation, and the monitoring of parameters for safe driving. Additionally, the on-board systems generate specific reports on fuel consumption, tyre pressure, and driving style, which help optimise vehicle performance and on-board safety.

Understanding that the human factor plays a critical role in accident prevention, IVECO's portfolio of digital services includes the unique Safe Driving suite, with features designed to help customers develop a safer driving style. This on-board system monitors a set of key performance indicators (KPIs) and generates regular reports to assist both drivers and fleet managers by providing feedback on driving performance. This enables fleet managers to analyse trends at fleet level and identify driving style improvement areas, fostering a culture of safe driving among fleet drivers to enhance road safety. The Safe Driving suite is designed to increase the driver's risk awareness, improving safety by reducing accidents and, consequently, injuries to people and damage to transported goods and vehicles. Safe Driving Reports summarise fleet KPIs in 3 categories:

- Dynamics – which focuses on harsh steering, acceleration, stability control, and handbrake use while driving
- Collision Risk – which looks at behaviours potentially contributing to accidents, such as harsh braking or insufficient safety distance between vehicles
- Compliance – which covers regulations on speed, driving hours, and maximum legal weight limits for vehicles.

The Safe Driving suite is currently available on Group vehicle models that are equipped with a Connectivity Box, and information on the system's features is easily accessible through the IVECO portal.

10.4 CONSUMER AND END USER ACTIONS (S4-3, S4-4)

End Users

Each Iveco Group brand is responsible for managing customer relations and for setting its own guidelines, while contributing to fulfilling the Group's core objective and key responsibility of delivering extremely safe, reliable, and high-quality products to end users. For this reason, everyone at Iveco Group is expected to comply with the safety standards in place, taking appropriate steps to identify, correct, and prevent any non-compliance. This means that any vehicle safety issues must be immediately reported to a supervisor, the Compliance or Legal departments, or via the Compliance Helpline.

Iveco Group's quality control process includes a reporting procedure for **product safety problems** that allows Group employees as well as the service network to notify any product safety issues found. Employees can report events involving products via a dedicated section on the corporate Intranet, with all reports reviewed and duly processed by the Current Product Management (CPM) team. In addition, to speed up the reporting of potential quality problems, the service network is provided with specific Incident Reporting Guidelines.

If deemed necessary, the decision to launch a corrective action – known as a Product Improvement Deployment (PID) – is made by the CPM team, taking technical factors into account as well as the PID's impact on customers. The CPM team works with the Vehicle Conformance Team to evaluate the safety aspects of each PID using state-of-the-art tools and methodologies, such as safety risk assessments, and determines whether a

safety recall campaign is necessary based on the index obtained. If a PID is launched, Iveco Group ensures full transparency by notifying customers and the relevant authorities. Once approved, the recall campaign is launched and released to the service network, ensuring swift execution to minimise customer impact and vehicle downtime.

Recall campaigns fall under the Group's product quality control process and involve all customer-facing functions, including brand organisations and dealers. If a campaign involves vehicle repairs, customers are informed about the work involved through various programmes and communication channels. The Customer Uptime Centre is responsible for overseeing this process for the countries within its remit⁽¹¹⁵⁾ and for reaching out to affected customers. Each market concerned sends the Centre notifications about impacted vehicles, type of recall campaign, and launch dates, as well as certified translations of recall letters. The affected customers are contacted via a dedicated portal or by letter and email. Countries outside the remit of the Customer Uptime Centre are handled by local partners and dealers.

As regards the PIDs launched in 2024, 14 were related to safety and regulatory matters.

As per its Product Safety, Security, and Technical Compliance (PSSC) Policy, Iveco Group has established its own **Cybersecurity Management System** (CSMS), which ensures security is built into the design of vehicles to provide protection throughout their entire lifespan, thus minimising their exposure to the risk of cyberattacks. The CSMS is certified according to UN Regulation No. 155, which defines uniform provisions for the approval of vehicles with regards to cybersecurity and the associated management systems. Additionally, the most innovative cybersecurity technologies are integrated into new vehicles, with structured processes implemented across the entire development chain, as well as from production to post-production.

Customers

Customer experience management (CXM) begins with the customer journey, which consists of a series of key touchpoints reflecting every interaction between customers and the Group before and after the purchase of Iveco Group products and services – from initial awareness to use, loyalty, and advocacy. The CXM process is overseen by a central team, responsible for standardising the criteria and procedures for managing customer satisfaction while respecting specific business needs, and for ensuring that any reported issue is duly addressed by those responsible for the relevant touchpoints on the customer journey.

Customers can count on Iveco Group's Customer Uptime Centre, which provides support in 55 countries across Europe and South Africa, in 34 languages, handling approximately 4.1 million contacts per year via the many channels available to each brands' customers (phone, email, mobile apps, and websites). Over time, the Customer Uptime Centre has expanded its approach to meeting customer needs, going from being simply reactive to issues when reported (e.g., via the Assistance Non-Stop service), to offering proactive and predictive services. Proactive support entails using telematics systems to detect vehicle issues, notifying customers and promptly providing assistance and solutions. Predictive support leverages fault code alerts to foresee potential issues, and notifies customers accordingly to avoid any unscheduled vehicle downtime.

Assistance Non-Stop (ANS) is a round-the-clock, 365 days a year service available to all Iveco Group customers in Europe and South America, providing immediate technical support with vehicle issues. Upon identifying customer and vehicle location, the operator handling the assistance request will pre-diagnose the problem and, once the fault has been verified, contact the nearest mechanic, who is directed to the breakdown location. The operator continues to monitor proceedings until the repair is complete, assisting the mechanic, if needed, and keeping the customer updated until the vehicle is released (be it on the roadside or at the workshop). The Customer Uptime Centre shares its database with relevant departments, listing faults by number, type, and breakdown duration and matching them with faulty models. The ANS service can be requested via a universal toll-free number or through the on-board infotainment system or mobile apps designed for drivers. In the event of a breakdown, the system serves as a gateway for the driver to send a breakdown assistance request directly from the vehicle to the Customer Uptime Centre, which in turn can send the driver regular updates on the status of the request and the estimated assistance arrival time.

Dealers

Every Iveco Group dealer is required to meet precise **qualitative standards** specific to each brand, which are an integral part of the contract that each dealership signs when joining the Group's network. Compliance with these standards is verified over time through regular dealership visits and periodic audits conducted by Iveco Group representatives in their area of competence or by third-party companies. Any non-conformities identified are addressed through action plans defined and agreed upon with the relevant dealer, with the respective schedules established as needed by the department overseeing the IVECO network. Updates on compliance status are provided to dealership owners through periodic ad hoc meetings or events.

⁽¹¹⁵⁾ Belgium, Bulgaria, Czech Republic, France, Ireland, Italy, Luxembourg, the Netherlands, Poland, Portugal, Romania, Slovakia, Spain, and the UK.

New dealers receive guidelines on dealership facilities, appearance and visual identity, exterior and interior layouts, furnishings, posters, and staff uniforms. Detailed indications are also provided on other aspects such as sales, service, and spare parts, to help dealers define outlet size, optimise workflows, deliver the desired brand experience, acquire necessary equipment (IT and special workshop tools), and ensure appropriate staffing levels. The guidelines define key performance indicators (KPIs) for each line of business (such as downtime response times and management procedures for Product Improvement), while also applying international best practices. They also outline training requirements for dealership personnel, specifying the number of hours and types of courses provided by Iveco Group. Induction training and support are delivered to new dealerships by Group experts in areas such as network development, sales, after-sales, and financial services. In addition, dealers may also request support from their market-specific Training function, and access many online training courses tailored to each role.

Each Group brand implements **incentive programmes** to reward, among other things, best-in-class performance across a wide range of operational and performance criteria. Developed in line with global market strategies, their main objective is to drive business growth and help contribute to the continuous improvement in quality standards to ensure outstanding customer service. One of these incentive programmes is the *Annual Dealer Performance Bonus*, which sets priorities for dealerships and rewards those that excel in:

- customer experience (CX) management and customer satisfaction
- use of customer relationship management (CRM) tools
- improvement in sales and after-sales processes and services
- expansion of maintenance and response (M&R) contracts and connectivity services to enhance predictive assistance.

10.5 CONSUMER AND END USER METRICS AND TARGETS (S4-5)

End Users

Iveco Group's voluntary commitment to the material sustainability matters *Product quality, safety, and accessibility* and *Digitalisation and connectivity* (the latter being entity-specific) is reflected by the strategic sustainability **target** incorporated into the Strategic Business Plan: to ensure that 100% of new vehicles manufactured in Europe are equipped with Level 2 ADAS by year-end 2026, and with additional advanced functions such as Adaptive Cruise Control (ACC) with Stop & Go, Corrective Steering Function (CSF), and Lane Centring (LC). This target is in line with the Product Safety, Security, and Technical Compliance (PSSC) Policy. Its main objective is to maintain high standards in the prevention of road accidents, reflecting Iveco Group's broader commitment to offering customers a range of products that ensure the safety of end users and road users alike. Given the intrinsic nature of this target, establishing a base year is not feasible.

For further details on:

- the target definition process
- stakeholder involvement in target setting
- target base year and applicable period
- target monitoring and progress during the year

please refer to the Sustainability Plan in 1.6 Strategy, Business Model, and Value Chain.

Customers

To better understand the overall customer experience, the Group also uses the Net Promoter Score (NPS), which is the most commonly used methodology for tracking and enhancing customer satisfaction due to its simplicity, scalability, and adaptability across industries. Its use of a single question – how likely a customer is to recommend a given brand or product to a friend or relative (on a scale of 0 to 10) – makes the NPS the most effective predictor of revenue growth. The NPS is the main indicator within Brand IVECO's Customer Experience Management (CXM) programme. Customer feedback is collected and circulated within the company as quickly, effectively, and widely as possible, along with the status of KPIs, to obtain a clear picture of customer satisfaction at all times. Beyond this, the CXM programme encourages customer inclusion and engagement, as the single NPS question elicits emotion-based customer assessments, indicative of their loyalty and sense of belonging to the Brand. The feedback collected through the NPS survey is also used to improve products and services, serving as a valuable tool for involving customers indirectly in the company's decisional processes. The importance of the NPS is underscored by the strategic sustainability **target** incorporated into the Strategic Business Plan in 2021 for IVECO Trucks: to achieve a 25% increase in NPS by year-end 2026 (compared to 2021). 2024's results were in line with the expected progress, and the Group remains highly committed to leveraging customer feedback to shift from a reactive approach to a proactive one. For further details on:

- the target definition process
- stakeholder involvement in target setting
- target base year and applicable period
- target monitoring and progress during the year

please refer to the Sustainability Plan in 1.6 Strategy, Business Model, and Value Chain.

Dealers

The qualitative standards outlined in dealership contracts are monitored through the IVECO Dealer Network Assessment (IDNA) system, which provides for periodic audits to verify the compliance of IVECO dealers, sub-dealers, and authorised workshops. The system collects all audit data, enabling compliance analysis and the definition and implementation of action plans to address any non-conformities. In Europe, in 2024, 20% of IVECO dealerships were audited by either internal brand auditors or third parties. The Group's voluntary commitment to dealership management is reflected in its target to audit 20% of dealerships within the current perimeter each year, ensuring that 100% of them are audited for quality standards by year-end 2028. Furthermore, since the aim is to extend the audit perimeter in 2025 to Africa and Middle East (AME), the total number of dealers audited annually will increase accordingly as the perimeter continues to expand. This target is designed to ensure that dealerships comply with IVECO's contractual qualitative standards, so as to deliver a consistent level of service to customers.

11. BUSINESS CONDUCT (G1)

11.1 APPROACH TO THE SUSTAINABILITY MATTER (ESRS 2, IRO-1)

Iveco Group's materiality assessment identified *Business conduct* and *Sustainable supply chain* as material sustainability matters, both linked to ESRS G1.

Business conduct is linked to the following ESRS G1 sub-topics:

- 'Corporate culture'
- 'Protection of whistleblowers'
- 'Corruption and bribery' (including the sub-sub-topics 'Prevention and detection including training' and 'Incidents')
- 'Political engagement and lobbying activities'.

The expected medium-term impacts related to *Business conduct* were identified as positive and described by stakeholders as follows: "The development of a corporate culture based on principles of ethics and integrity contributes to improving employees' sense of purpose and motivation".

Meanwhile, *Sustainable supply chain* is linked to the ESRS G1 sub-topic 'Management of relationships with suppliers including payment practices'. The expected medium-term impacts related to this sustainability matter were identified as positive and described by stakeholders as follows: "An ongoing dialogue with suppliers and the dissemination of sustainability principles contribute to improving the supply chain's ESG performance, thus reducing negative environmental and social impacts". The expected short-term impacts, on the other hand, were found to be negative, described by stakeholders as follows: "The inadequate management of supplier relationships, especially with regard to payment practices, affects suppliers' business performance, welfare, and growth".

The ultimate responsibility for business conduct at Iveco Group lies with the Board of Directors (for information on the role of the Board of Directors and its Committees, see 1.2 The Board of Directors and its Committees).

11.2 POLICIES RELATED TO BUSINESS CONDUCT (G1-1)

Iveco Group considers corporate culture to be of the utmost importance, as its development based on principles of ethics and integrity enhances employees' sense of purpose and motivation. The Group strongly believes that long-term success depends on its ability to do business that is socially responsible, ethical, and compliant with the laws of each country of operation, which is why all its actions are guided by specific compliance and ethics policies. This robust framework of policies is also a reflection of the Organisation's broader commitment to creating sustainable long-term value for all stakeholders, which is only attainable by ensuring full respect for fundamental human and labour rights and by addressing key operational aspects assessable under the ESRS G1 standard, as further explored in the following sections.

11.2.1 CODE OF CONDUCT

The Iveco Group Code of Conduct regulates those activities that generate the greatest impact and/or potential risk with regard to the ESRS G1 sub-topic 'Corporate culture', and supports the Group in reaching its sustainability targets and ambitions. The Code of Conduct is one of the pillars of Iveco Group's Corporate Governance, which regulates decision-making processes and the approach used by Organisation and employees alike in their interactions with all stakeholders. It outlines the values of fairness and integrity that Iveco Group upholds and promotes, deemed essential drivers of long-term value creation and social and economic development. Reflecting its commitment to the highest standards across all operations at all times, the Code also underscores Iveco Group's commitment to fair employment practices, workplace safety, environmental stewardship, and respect for the communities in which it operates, in full compliance with applicable legislation. The Board of Directors is responsible for overseeing the implementation of Iveco Group's Code of Conduct and other corporate policies, ensuring compliance while conveying the Group's values and expectations as clearly and explicitly as possible. The Code of Conduct applies to all members of Iveco Group's Board of Directors, to all employees of Iveco Group N.V., to all of its subsidiaries and joint ventures in which it holds a controlling interest, and, in principle, to anyone acting for or on behalf of the Organisation. Additionally, Iveco Group makes every effort to circulate the Code's principles to each of its suppliers, consultants, and any external third party with whom it has a business relationship. The Code of Conduct addresses topics such as the environment, health and safety, antitrust/competition law, anti-corruption measures, data privacy, internal controls, human resources management, local communities, and respect for human rights – setting out the principles and ethical values that guide the Group's Behaviours and shape its culture in the conduct of its business, as well as the standards of quality and integrity expected from anyone collaborating with the Organisation. For

information on Iveco Group's system for monitoring the Code of Conduct and compliance policies, see 11.3 Business Conduct and Corporate Culture. The Code of Conduct, available in 7 languages (Czech, English, French, German, Italian, Portuguese, and Spanish), can be viewed and downloaded from Iveco Group's corporate website and Intranet, with hard copies circulated internally as needed. Among other things, the Code addresses the ethical aspects of economic, social, and environmental issues, with explicit reference to the UN's Declaration of Human Rights, the relevant International Labour Organization (ILO) Conventions, and the OECD Guidelines for Multinational Enterprises. The Code also underscores Iveco Group's commitment to tax compliance through the implementation of a Tax Control Framework and a cooperative, transparent approach to tax authorities, as well as its commitment to fostering diversity, equity, and inclusion (DEI) in the workplace, with great care taken to use inclusive language, consistent with the Group's DEI Playbook.

11.2.2 ANTI-CORRUPTION POLICY: PREVENTING AND DETECTING CORRUPTION AND BRIBERY

The Iveco Group Anti-Corruption Policy regulates those activities that generate the greatest impact and/or potential risk with regard to the ESRS G1 sub-topic 'Corruption and bribery', and supports the Group in reaching its sustainability targets and ambitions by promoting transparency and accountability. The policy defines clear responsibilities and procedures to ensure full compliance with applicable anti-corruption laws and regulations worldwide. It guides employees' conduct to prevent unethical and illegal acts, while raising awareness of potential risks that could impact both individuals and the Group. Improper payments, gifts, discounts, or inducements to government officials or other third parties – and/or the inaccurate recording of such transactions in the Group's books and records – not only violate anti-corruption laws and corporate policies, but also jeopardise Iveco Group's reputation. The Organisation's culture of integrity requires all employees to actively collaborate in monitoring the policy's enforcement, and to set an example of ethical conduct by reporting any potential violations. These can be reported by employees to their managers, to the Human Resources or the Legal, Compliance & Corporate Governance departments, or via the Compliance Helpline. As stated in the Anti-Corruption Policy, Iveco Group adopts a zero tolerance approach to all forms of corruption, including influence peddling. This encompasses paying, offering, promising, requesting, or accepting anything of value to obtain or retain an improper business advantage or to improperly influence someone's actions in their business or official capacity. Particular emphasis is placed on bribery involving public officials, representatives of international organisations, and any other parties associated with public officials, private entities or individuals as provided for by applicable laws. The Anti-Corruption Policy adheres to the United Nations Convention against Corruption (UNCAC). It applies to Iveco Group N.V., its subsidiaries, and joint ventures in which it holds a controlling interest, to the directors, officers, and employees of such entities, and to those acting for or on behalf of such entities. The ultimate responsibility for compliance at Iveco Group lies with the Senior Leadership Team (SLT), specifically the Chief Legal & Compliance Officer and Head of Corporate Governance, accountable for monitoring compliance with the policy, updating it as necessary, and reporting on progress. The Compliance function is tasked with the daily implementation of the policy, ensuring that the Group's standards are consistently upheld. Furthermore, every Iveco Group manager is responsible for ensuring that employees are aware of the policy and that the latter is enforced across operations within the manager's area of responsibility. For information on Iveco Group's system for monitoring the Code of Conduct and compliance policies, see 11.3 Business Conduct and Corporate Culture. The policy, available on the corporate website in 7 languages (Czech, English, French, German, Italian, Portuguese, and Spanish), has been shared with all Group employees and senior management worldwide.

11.2.3 SPEAK UP POLICY

The Iveco Group Speak Up Policy regulates those activities that generate the greatest impact and/or potential risk with regard to the ESRS G1 sub-topic 'Protection of whistleblowers', and supports the Group in reaching its sustainability targets and ambitions. The policy underscores the importance of speaking up, outlining the Organisation's reporting channels and the measures in place to protect from retaliation those who speak up in good faith (whether employees or stakeholders) as well as those assisting in investigations. The Speak Up Policy applies to Iveco Group N.V. and its subsidiaries, to the directors, officers, and employees of such entities, to stakeholders or external third parties entering into a relationship with the Organisation (such as customers or suppliers), and to all those engaged in activities on behalf of, or in the interest of, the Group (such as contractors or temporary workers). The ultimate responsibility for compliance at Iveco Group lies with the Senior Leadership Team (SLT), specifically the Chief Legal & Compliance Officer and Head of Corporate Governance. The Compliance function is tasked with the daily implementation of the policy, ensuring that the Group's standards are consistently upheld. The policy, available on the corporate website in 7 languages (Czech, English, French, German, Italian, Portuguese, and Spanish), has been shared with all Group employees and senior management worldwide. All managers and supervisors are responsible for encouraging the reporting of potential compliance violations by training their teams and maintaining an 'open door' policy. They are expected to lead by example to foster a culture that addresses whistleblower concerns and any potential compliance violations. They are also required to promptly report any act of retaliation against whistleblowers, reflecting the Group's commitment to their protection. Similarly, all employees are responsible for promptly reporting any such violations of the law, the Code of Conduct, or corporate policies through the designated channels. They are also required to report any acts of retaliation they become aware of against themselves, other whistleblowers, or anyone cooperating in an investigation. To this end, Iveco Group has established a Compliance Helpline – a global reporting tool available in 15 languages managed by an independent third party – providing employees, customers, suppliers, and other external third

parties with a dedicated means to report potential violations of applicable laws, the Code of Conduct, or corporate policies. For information on Iveco Group's system for monitoring over the Code of Conduct and compliance policies, see 11.3 Business Conduct and Corporate Culture.

11.2.4 ANTI-RETALIATION POLICY

The Iveco Group Anti-Retaliation Policy regulates those activities that generate the greatest impact and/or potential risk with regard to the ESRS G1 sub-topic 'Protection of whistleblowers', and supports the Group in reaching its sustainability targets and ambitions. The policy underscores the Organisation's commitment to protecting whistleblowers and anyone cooperating in an investigation by creating a safe and supportive environment that encourages and enables them to raise potential issues or concerns without fear of retaliation. The Anti-Retaliation Policy applies to Iveco Group N.V. and its subsidiaries, to the directors, officers, and employees of such entities, to stakeholders or external third parties entering into a relationship with the Group (such as customers or suppliers), and to all those engaged in activities on behalf of, or in the interest of, the Group (such as contractors or temporary workers). All employees are responsible for promptly reporting any such violations of the law, the Code of Conduct, or corporate policies through the designated channels. They are also required to report any acts of retaliation they become aware of against themselves, other whistleblowers, or anyone cooperating in an investigation. The Group protects from retaliation those who speak up in good faith (whether employees or stakeholders) as well as anyone cooperating in investigations. In Europe, Iveco Group protects whistleblowers in accordance with the applicable law implementing Directive (EU) 2019/1937 of the European Parliament and of the Council of the European Union. For information on Iveco Group's system for monitoring the Code of Conduct and compliance policies, see 11.3 Business Conduct and Corporate Culture. The policy, available on the corporate website in 7 languages (Czech, English, French, German, Italian, Portuguese, and Spanish), has been shared with all Group employees and senior management worldwide.

11.2.5 RESPONSIBLE LOBBYING POLICY

The Iveco Group Responsible Lobbying Policy regulates those activities that generate the greatest impact and/or potential risk with regard to the ESRS G1 sub-topic 'Political influence and lobbying activities', and supports the Group in reaching its sustainability targets and ambitions. It sets out the main principles, standards, and rules to ensure that Public Affairs activities are fully compliant with applicable laws and with the Iveco Group Code of Conduct. It also defines key roles and responsibilities to ensure effective policy implementation. The Group is committed to contributing to the development of industry policies, regulations, and standards by transparently participating in the public debate on key issues. By addressing key aspects such as authorised representation and compliance, integrity and ethical standards, and political neutrality and restrictions, the policy ensures all interactions with public authorities are guided by transparency, integrity, fairness, and neutrality. The Responsible Lobbying Policy applies to Iveco Group N.V. and its subsidiaries, to the directors, officers and employees of such entities, and to those acting for or on behalf of such entities. The Senior Leadership Team (SLT) is responsible for monitoring compliance with the policy, updating it as necessary, and reporting on progress. The policy is aligned with the OECD Recommendation of the Council on Transparency and Integrity in Lobbying and Influence. For information on Iveco Group's system for monitoring the Code of Conduct and compliance policies, see 11.3 Business Conduct and Corporate Culture. The policy, available on the corporate website, has been shared with all Group employees and senior management worldwide.

11.2.6 SUPPLIER CODE OF CONDUCT

The Supplier Code of Conduct regulates those activities that generate the greatest impact and/or potential risk with regard to the ESRS G1 sub-topic 'Management of relationships with suppliers including payment practices', and supports the Group in reaching its sustainability targets and ambitions. The management of supplier relationships is of paramount importance at Iveco Group, since ongoing dialogue and the dissemination of sustainability principles improve ESG performance across the supply chain (thereby reducing negative environmental and social impacts), while the unsatisfactory management of such relationships, especially with regard to payment practices, can hinder suppliers' business performance, welfare, and growth. The Supplier Code of Conduct stipulates suppliers' compliance with local legislation and their respect for:

- labour and human rights
 - rejecting any form of forced or child labour
 - guaranteeing fair working conditions, working hours, and wages
 - recognising the right to freedom of association in line with applicable laws
 - safeguarding employee health and safety
 - guaranteeing equal opportunities and the absence of potentially discriminatory policies

- environmental protection
 - optimising the use of resources (including energy and water) and minimising polluting and greenhouse gas emissions
 - designing and developing products while mindful of their environmental impact and potential for reuse or recycling
 - responsibly managing waste treatment and disposal
 - eliminating the use of potentially hazardous substances
 - adopting logistics procedures while mindful of their environmental impact
- trade restrictions/export controls
 - sourcing minerals responsibly
- business ethics
 - complying with regulations on improper payments
 - ensuring accurate and complete bookkeeping
 - respecting intellectual property rights
 - disclosing conflicts of interest
 - respecting principles of fair competition and antitrust regulations
 - respecting anti-money laundering legislation.

The Supplier Code of Conduct applies to Iveco Group's entire supply chain, including all persons and entities (each referred to as a 'Supplier') that sell any goods or services to the Organisation or its subsidiaries, outlining the standards to be upheld in their daily business activities. Iveco Group's Board of Directors is responsible for overseeing the implementation of the Supplier Code of Conduct, ensuring compliance while conveying the Group's values and expectations as clearly and explicitly as possible. Suppliers are required to work with Iveco Group to enforce the Code itself, and to pass on its principles to their respective employees, subsidiaries, affiliates, and subcontractors. To ensure the consistent alignment of the supply chain and purchasing practices with the Supplier Code of Conduct, suppliers undergo an Ethical Check every 3 years. This assessment is conducted by an external third party, using a dedicated reporting system that allows the monitoring of any potential issues that may require further clarification or investigation. This periodic monitoring is regulated by corporate policies and procedures designed to ensure supplier compliance. The Organisation reserves the right to terminate its business relationship with any Supplier that is unwilling or unable to ensure compliance with the Group's performance standards. The Supplier Code of Conduct is aligned with the United Nations' (UN) Universal Declaration of Human Rights, the International Labour Organization (ILO) Standards, and the UN Convention against Transnational Organized Crime. The Supplier Code of Conduct is available in 7 languages (Czech, English, French, German, Italian, Portuguese, and Spanish) on both the corporate website and Supplier Portal.

11.3 BUSINESS CONDUCT AND CORPORATE CULTURE (G1-1)

Integrity and ethics are the principles on which Iveco Group is founded, and are intrinsic to all its business practices. One of the Group's 5 Values, *We do what is right*, is a perfect example of such principles, recognising that acting with integrity requires vigilance and commitment. Iveco Group also believes these principles boost its competitiveness, serving as a stepping stone to its sustainable growth and to building a reputation that customers, employees, and other stakeholders can trust and rely on. Furthermore, Iveco Group's robust culture of integrity and ethics is key to preventing ethics violations. While the Group strives to implement these principles in everything it does, they are particularly important when it comes to compliance with regulations and standards that promote sustainable development (such as those related to value distribution, progressive taxation, cash transfers, and investments in its people), or that support inclusive growth. To further strengthen its integrity, the Organisation has adopted the following control tools, implemented by the appropriate departments:

- whistleblowing procedures, overseen by the Compliance function
- periodic auditing, overseen by the Internal Audit function
- monitoring of potential and actual disputes, overseen by the Legal Department.

Whistleblowing Procedures

At Iveco Group, employees are encouraged to actively engage in the detection and prevention of misconduct by reporting any activity that violates applicable laws, the Code of Conduct, or corporate policies. Reporting potential violations gives the Group the opportunity to investigate matters and take corrective action, reducing the risk of potential harm to the employee in question, co-workers, the Group itself, or the communities in which it operates. To this end, the Group has established a Compliance Helpline, a global reporting tool available in 15 languages managed by an independent third party. It was set up following consultation with representatives from many different functions, including Human Resources, Internal Audit, Legal, and Compliance. This platform provides employees, customers, suppliers, and other third parties with a dedicated means to report potential violations of applicable laws, the Code of Conduct, or corporate policies.

As indicated in the Iveco Group Speak Up Policy and on the corporate website, reports can be submitted in several ways (including anonymously, where permitted by law):

- in person to a manager or other Group representative
- through the corporate website's Compliance Helpline section
- through the dedicated app, available for Android and iOS
- through dedicated phone lines (calls are directed to a voice mailbox managed by a third party; messages are then transcribed and sent to the Organisation).

Iveco Group employees have an obligation to report misconduct. The Compliance Helpline is an important tool meant to encourage reporting and foster a culture of individual and collective responsibility for compliance and ethics. This culture is also promoted via the Group's *Speaking Up* global communication campaigns, rolled-out in 2022 and targeting employees worldwide.

In 2024, a Group-Wide communication was circulated to celebrate World Whistleblowers Day, emphasising the importance of a speak-up culture and of the Compliance Helpline. Additionally, the Organisation held a live stream event, open to all employees, called *Conversations with Legal and Compliance on Whistleblowing and Speak Up Culture*. Group policy strictly prohibits any form of retaliation against anyone reporting a concern in good faith. As a company incorporated under Dutch law, Iveco Group workers within the European Union acting as whistleblowers are protected against retaliation in accordance with the applicable law transposing Directive (EU) 2019/1937 of the European Parliament and of the Council and in compliance with the Group's Anti-Retaliation and Speak Up policies (see 11.2.4 and 11.2.3). The Group responds to every report submitted through the Compliance Helpline. Training on the Compliance Helpline is included in the Code of Conduct training course.

A global case management system, implemented in conjunction with the Compliance Helpline, helps ensure the accurate tracking and timely resolution of investigations, which are primarily conducted by the Internal Audit, Human Resources, Legal, and/or Compliance functions. The materiality of all reported matters is evaluated according to criteria approved by the Ethics & Compliance Committee. Matters defined as material are escalated to the Investigation Oversight Sub-Committee (IOS), comprising the Chief Legal & Compliance Officer and Head of Corporate Governance, the Chief Human Resources Officer, and the Chief Risk and Internal Audit Officer, which oversees the investigation process and agrees on the necessary corrective actions and disciplinary measures. In general, matters with the potential to incur penalties or monetary losses in excess of €100,000, or that involve allegations against a director or above, or that relate to bribery, fraud, trade compliance, accounting or internal controls, are all considered material. Summaries of all such material matters, which are collected by geographic region, are regularly reported to the Ethics & Compliance Committee and the Audit Committee.

In 2024, 31 cases were classified as material and reported to the IOS, the Ethics & Compliance Committee, and the Audit Committee. During the year, the Chief Compliance Officer provided the Audit Committee with a quarterly update on the Group's compliance and ethics activities. Information regularly communicated to the Audit Committee relates to: training activities, risk assessment results, emerging compliance risks, updates on material compliance and ethics projects, Compliance Helpline reports and related statistics, the status of closed and ongoing investigations, and a summary of material matters. If a reported matter is substantiated, the Group implements appropriate disciplinary action, up to and including termination of employment.

Periodic Auditing

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

In 2024, the Group disclosed the results of 17 internal audits conducted at its main manufacturing and non-manufacturing sites, regarding: compliance with regulatory requirements for the Financial Services French credit institution, with anti-corruption policies, tax obligations, energy, environmental, health and safety standards, and with other regulations, as well as the results of investigations into matters reported through the

Compliance Helpline. The audits revealed substantial compliance with the main standards in force. Any violations relating to aspects included in the Code of Conduct were managed either through appropriate disciplinary action or through action plans to improve internal control procedures. The Internal Audit Department also implemented a programme to verify the adherence of Iveco Group's dealers and authorised workshops to vehicle Warranty Manuals, performing 90 third-party dealer audits.

PERIODIC AUDITS BY TYPE

Iveco Group worldwide (number)

	2024
Regulatory compliance	15
Whistleblowing	2
Dealers	90
Total	107

Antitrust and Competition

As stated in its Code of Conduct, Iveco Group recognises the critical importance of an open and competitive market, which is why it is fully committed to complying with all applicable competition and antitrust laws and to scrupulously refraining from business practices that could violate them (such as the establishment of cartels, price fixing, market divisions, production or sales limitations, tying arrangements, or the exchange of commercial information or business views). The Code of Conduct expressly indicates that confidential information – such as know-how, trade secrets, intellectual property, and/or other proprietary information developed by Iveco Group – is a fundamental and critical resource that every employee is required to protect. This obligation is particularly crucial in the highly competitive markets in which Iveco Group operates, requiring all Group employees and agents to handle competitively sensitive information with the utmost care to protect it and to adhere to all applicable competition and antitrust laws. The Group and its subsidiaries are also required to protect the confidentiality of any information they may receive from external third parties.

Every year, Iveco Group's Compliance and Ethics function collects a statement from a selected number of employees declaring they understand and adhere to the Code of Conduct (including the antitrust requirements contained therein), and that they have no knowledge of any Code violation nor of any conflicts of interest that have not already been disclosed to the Organisation.

Iveco Group's **Competition Compliance Programme** promotes compliance with competition and antitrust laws, raises awareness within the Organisation of competition law implications for its businesses, and helps identify and minimise the risk of any violations. This programme encompasses a specific Competition Policy, overseen by the Antitrust Unit of the Legal, Compliance & Corporate Governance (LC&CG) Department and available on the corporate website. The policy was updated in 2023 to include a set of relevant practical guidelines by subject matter, and applies to all directors, officers, and employees, as well as to those acting for or on behalf of all Iveco Group companies worldwide. It sets detailed and stringent rules for dealing with competitors, trade associations, suppliers, and customers, as well as rules for responding to competition authority investigations, emphasising the need for full cooperation in the event of antitrust or competition investigations or of any requests for information regarding alleged anti-competitive conduct. The Competition Policy also emphasises the importance of promptly reporting any actual or suspected policy violations, either to a member of the LC&CG Department or anonymously using the Group's Compliance Helpline.

In 2024, specific **training** on Antitrust and Competition Law was made accessible to 12,158 employees worldwide (salaried and above). Additionally, a dedicated in-person training module on antitrust and competition aspects was delivered to the Senior Leadership Team (SLT) members. Ad hoc in-person training initiatives were also deployed in selected jurisdictions to maintain a high level of understanding of competition law compliance, with training sessions and workshops tailored to the specific needs of the BUs and markets involved – including three *Clean Team* workshops centred on strategic business priorities. In total, 15 training sessions and workshops were held worldwide (both virtually and in person), involving 452 participants.

The Compliance Policy also sets out rules and principles for managing **M&A transactions** and dealings with antitrust authorities. In 2024, Iveco Group was involved in two clearance decisions (i.e., approvals) by the European Commission. Finally, the Antitrust Unit, in coordination with the LC&CG Department, conducts ongoing compliance risk assessments in line with business strategy and needs, working alongside Enterprise Risk Management & Internal Audit Department. The Group plans to maintain this approach in 2025 and beyond, focusing on selected jurisdictions each year for targeted, business-specific training initiatives, which will supplement the general Antitrust and Competition Law course available online.

Trade Compliance

Iveco Group is a material participant in international trade, an area of increasing focus where laws are complex and dynamic. The Organisation addresses these challenges by implementing its International Trade Policy, the contents of which also form an important part of the Supplier Code of Conduct. In accordance with this policy, Iveco Group is committed to complying with all applicable international trade laws and regulations

(including import and export control laws, anti-corruption laws, and sanction programmes). The dedicated Trade Compliance function is responsible for expanding and diversifying the Group's existing processes (by building on current compliance tools), to address and adapt to such a dynamic trade environment and any regulatory changes. The function is also tasked with implementing awareness initiatives across the Organisation to ensure new regulations are properly understood and integrated into business practices.

11.4 CORRUPTION AND BRIBERY (G1-3)

The Anti-Corruption Policy (see 11.2.2) defines clear responsibilities and procedures to ensure full compliance with applicable anti-corruption laws and regulations worldwide. Iveco Group's good reputation for integrity and honesty, carefully established over many years, is critical to its market competitiveness. Improper payments, gifts, discounts, or inducements to government officials or other third parties – and/or the inaccurate recording of such transactions in the Organisation's books and records – not only violate anti-corruption laws and corporate policies, but also jeopardise Iveco Group's reputation. The Group's culture of integrity requires all employees to actively collaborate in monitoring the policy's enforcement, and to set an example of ethical conduct by reporting any potential violations. These can be reported by employees to their managers, to the Human Resources, Legal, Compliance, and Corporate Governance departments, or via the Compliance Helpline.

As stated in the Anti-Corruption Policy, Iveco Group has zero tolerance for all forms of corruption, including influence peddling. This includes paying, offering, promising, requesting, or accepting anything of value to obtain or retain an improper business advantage or to improperly influence someone's actions in their business or official capacity. Particular emphasis is placed on bribery involving public officials, representatives of international organisations, and any other parties associated with public officials, private entities or individuals as provided for by applicable laws.

In order to prevent and respond to allegations or incidents related to corruption or bribery, a global case management system, implemented in conjunction with the Compliance Helpline, helps to ensure the accurate tracking and timely resolution of investigations, which are primarily conducted by the Internal Audit, Human Resources, Legal, and/or Compliance functions. The materiality of all reported matters is evaluated according to criteria approved by the Ethics & Compliance Committee. Matters defined as material are escalated to the Investigation Oversight Sub-Committee (IOS), comprising the Chief Legal & Compliance Officer and Head of Corporate Governance, the Chief Human Resources Officer, and the Chief Risk and Internal Audit Officer, which oversees the investigation process and agrees on the necessary corrective actions and disciplinary measures. Summaries of all such material matters, which are collected by geographic region, are regularly reported to the Ethics & Compliance Committee and the Audit Committee. All of Iveco Group's compliance policies related to the aforementioned topics are available in 7 languages (Czech, English, French, German, Italian, Portuguese, and Spanish), and can be viewed and downloaded from the corporate website and Intranet. The principles and values of good corporate governance established in the Code of Conduct are conveyed to all Group employees irrespective of their level or role, through periodic training and other communication channels.

Iveco Group advocates its Code of Conduct and Supplier Code of Conduct as best practice standards in business ethics among its partners, suppliers, consultants, agents, dealers, and other third parties with whom it has long-term relationships. Contracts with third parties include specific clauses requiring recognition of, and adherence to, the fundamental principles outlined in the Code of Conduct and related policies, as well as strict compliance with applicable laws, particularly those related to bribery and corruption, money laundering, antitrust/competition law, and other corporate criminal liability laws.

Although Iveco Group does not yet have a specific policy on employee training and development (this will be implemented in future reporting cycles), it still considers training as fundamental and has a platform dedicated to delivering it, called ON LEARN (for more information, see 7.11.3 Learning and development).

The 2024 **Code of Conduct training** course included 2 modules – *Anti-Bribery and Anti-Corruption* and *The Importance of Reporting Harassment and Preventing Retaliation* (which regards the Compliance Helpline) – made available to 12,205 employees worldwide.

The Group also delivered several targeted compliance training sessions on the main issues identified via risk assessments, with a focus on:

- Anti-Bribery and Anti-Corruption⁽¹¹⁶⁾
- Antitrust and Competition Law
- Legislative Decree 231/01: Corporate Administrative Liability Management System (training for Italy only)
- Compliance Helpline⁽¹¹⁷⁾ (The Importance of Reporting Harassment and Preventing Retaliation).

⁽¹¹⁶⁾ Module included in the Code of Conduct training course.

⁽¹¹⁷⁾ Module included in the Code of Conduct training course.

Every year, the members of the Board of Directors, Senior Leadership Team (SLT), and certain categories of employees are asked to **formally acknowledge**, in writing, that they have read both the Iveco Group Code of Conduct and the Conflict of Interest Policy and understand their contents. They are also asked to declare any personal interests that might violate the Conflict of Interest Policy. The employee categories involved in 2024 were managers (all functions), all Procurement employees, and all Sales employees (eligible for the Sales Incentive Plan, or SIP). Although the specific functions most at risk for corruption and bribery are in the process of being defined, the aforementioned employee categories are considered to be at higher risk and, as a result, are required to formally acknowledge the Code of Conduct.

Anti-corruption training is a cornerstone of Iveco Group's compliance framework, ensuring employees are informed about applicable laws, the Anti-Corruption Policy, and the importance of adhering to them. This training ensures they are aware of the various offences and understand the relevant risks, personal and corporate obligations, preventive measures, and potential sanctions for both individuals and legal entities in the event of violations. To this end, mandatory anti-corruption training and periodic updates are a contractual requirement for all employees. In 2024, an online anti-corruption course was delivered globally as part of the Group's Code of Conduct training, targeting all employees (salaried and above), as detailed in the following table.

2024 ANTI-CORRUPTION TRAINING

Iveco Group worldwide (number)

	Managers	All other employees
Training coverage		
Total employees with access to training	2,187	10,018
Total employees who completed training	2,094	9,391
Delivery method and duration		
Online training (minutes)	15	15
Frequency		
How often training is required	Annually	Annually
Topics covered		
Definition of bribery	Yes	Yes
'Things of value' that may be construed as attempts to corrupt	Yes	Yes
Facilitating payments	Yes	Yes
International anti-bribery and anti-corruption laws	Yes	Yes
Third-party due diligence	Yes	Yes

11.5 VIOLATIONS OF BUSINESS CONDUCT (G1-4)

In 2024, the Group responded to and/or investigated 236 new matters, reported through the Compliance Helpline (56% of which anonymously).

COMPLIANCE HELPLINE REPORTED MATTERS

Iveco Group worldwide (number)

Matters by category	2024
Questions related to specific business activities and/or Group policies	10
HR issues, including but not limited to general workplace conflicts	106
Discrimination and harassment (including sexual harassment)	50
Business conduct	42
Corruption and bribery	6
Health, safety, and environment	9
Conflict of interest	10
Customer data privacy	—
Money laundering and/or insider trading	—
Accounting and internal controls	1
Other ^(a)	2
Total	236

^(a) From the reports received, it was not possible to determine to which category these cases belong.

Of the 236 reported matters, 41 were duplicates. Of the remaining 195 matters, Iveco Group closed investigations⁽¹¹⁸⁾ for 152, of which 49 were substantiated as breaches of the Code of Conduct or of corporate policies (a 32% substantiation rate).

Of the 6 reported cases relating to **corruption and bribery**, 2 were still under investigation at year end, 1 was unsubstantiated, 1 was partially substantiated, and 2 were substantiated. Of the 2 substantiated cases, 1 resulted in termination of employment and 1 in remedial training, while the partially substantiated case led to a policy and process review.

DISCIPLINARY APPROACH TO SUBSTANTIATED BREACHES OF THE CODE OF CONDUCT OR CORPORATE POLICIES

Iveco Group worldwide (number)

Type of disciplinary action	2024
Termination of employment	9
Disciplinary action	27
Coaching, remedial training or review of the relevant policy/process	12
No action necessary ^(a)	1
Total	49

^(a) The implicated employee voluntarily left the Group.

In 2024, there were no reported legal cases related to **bribery or corruption**, and no convictions or fines were issued for violations of anti-corruption and anti-bribery laws.

No anti-corruption or anti-bribery targets have been set because the issue is context-dependent; however, necessary processes have been put in place to prevent such incidents from occurring.

Third-Party Due Diligence Process

Iveco Group implements a Third-Party Due Diligence process using specific web-based third-party screening tools. This process gives the Organisation more insight into the specific risks posed by the various third parties with whom it does business, based on attributes such as: location, type of interaction between the third party and Iveco Group, and possible interaction between the third party and government officials in connection with work it does on behalf of the Group. The process provides a ranking of high-risk third parties representing the Group in the marketplace (including sales commission agents, trading companies, etc.). Third parties identified as high risk are subject to variable levels of additional due diligence based on their specific risk profile. The due diligence process ranges from the basic screening of relevant watch lists to obtaining in-depth corporate intelligence reports from external diligence sources. Within the scope of this process, Iveco Group's Ethics & Compliance Committee oversees the results of the screenings.

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

11.6 POLITICAL INFLUENCE AND LOBBYING ACTIVITIES (G1-5)

Iveco Group's participation in shaping public policy and regulations on issues that affect its business and the communities in which it operates is essential for developing workable international standards and guidelines, thereby safeguarding the value of its investments. Indeed, this type of engagement, combined with the promotion of public-private partnerships, is crucial to identifying innovative, shared sustainability solutions built on high-level standards and guidelines. In its dialogue with governments, international organisations, local authorities, sector and industry associations, and other stakeholders, the Group contributes its technical expertise and knowledge on policies related to the automotive industry and other sectors involving the transport of people and goods, with a focus on products, processes, sustainable mobility, and innovation. Moreover, firmly believing in contributing to society's technological advancement, it collaborates with public institutions, universities, and other organisations on research and development into innovative solutions in the fields in which it operates. This proactive approach to external institutions enables the Organisation to focus on new product development and business opportunities early on, and create competitive business conditions that are sustainable over the long term.

⁽¹¹⁸⁾ For more details on the investigation process and the actions taken to address substantiated cases, see 11.4 Corruption and Bribery.

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

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

Interest representation is conducted only where permitted by and in strict compliance with applicable laws, including anti-corruption and antitrust laws, and in full compliance with the Group's Code of Conduct and related policies and procedures. Iveco Group is registered with the European Transparency Register (ID number 266675445160-69), which is operated jointly by the European Parliament, the Council of the European Union, and the European Commission and provides information about interest representatives that seek to contribute to the European Union's decision-making processes; the register also provides a code of conduct to regulate their activities.

In Italy, the Group is also registered with the Italian Transparency Register, set up by the Italian Ministry of Economic Development and adopted by drawing upon the same model applied across other European institutions, and with the Register of Interest Representatives of the Italian Chamber of Deputies. In France, Iveco Group brands are also registered with the High Authority for Transparency in Public Life; in Spain, with the Transparency Register of the Community of Madrid; and in Germany, with the Lobby Register for interest representation in the German Bundestag and Federal Government. The Organisation abides by the Iveco Group Responsible Lobbying Policy and Policy for US Lobbying Activities, which are compliance policies⁽¹¹⁹⁾ implemented in relation to the Code of Conduct that regulate relations with public institutions.

The Organisation's relationships with public and private organisations (including universities and research centres) also fall under the purview of the corporate Environmental Policy – as such organisations are considered stakeholders and therefore play a key role in supporting the Group's climate change commitments, in accordance with the objectives of the Paris Agreement. To report potential violations of the Code of Conduct, corporate policies, or applicable laws, the Group has established a dedicated grievance mechanism, the Compliance Helpline, which can also be used to report violations specifically related to interactions with public institutions.

The Group is a member of many industry and other associations, and of national and international advocacy organisations, in which it plays a significant role. In 2024, Iveco Group's membership fees for trade associations, lobbying activities (including climate-related), etc. totalled €1.6 million globally.

MEMBERSHIPS, CONTRIBUTIONS, AND OTHER EXPENDITURES

Iveco Group worldwide (€ million)

	2024
Trade associations or tax-exempt groups ^(a)	1.6
Lobbying, interest representation ^(b)	—
Political parties (campaigns/candidates)	—
Total	1.6

^(a) A trade association consists of companies within the same industry or region that voluntarily collaborate to strengthen advocacy efforts and promote and protect key interests with relevant institutions and stakeholders. As part of these efforts, various trade associations engage in public affairs activities such as lobbying, in compliance with local legislation and respective institutional frameworks.

^(b) Excluding management overheads related to lobbying activities.

⁽¹¹⁹⁾ Compliance policies are available in the 'Compliance and Ethics' section of the Group's Intranet portal.

The three largest fees were paid to the European Automobile Manufacturers' Association (ACEA), for approximately €825,000 (of which €120,000 for technical studies), the American Engine Manufacturers Association (EMA), for approximately €162,000, and the *Asociación Española de Fabricantes de Automóviles y Camiones* (ANFAC), for approximately €80,000.

Partnering with Trade Associations to Fight Climate Change

As a member of various sector associations, Iveco Group is committed to shaping climate change policies, regulations, and standards for the capital goods industry, mainly by promoting the use of innovative solutions and vehicles to support the decarbonisation of the transport sector, and by participating in the institutional and public debate around mitigating climate change and improving air quality. In particular, the Public Affairs function focuses on increasing the awareness and active participation of institutional stakeholders, the public, and international organisations with regards to:

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

In 2024, to foster public debate and policy making on the most material sustainability matters, particularly on tackling climate change, the Group organised and actively participated in several institutional webinars, conferences, working groups, roundtables, initiatives, and virtual and in-person meetings. Its efforts to combat climate change at national and global level also included playing an active role as a member of various industry and multi-stakeholder associations, organisations, business networks, and think tanks, ensuring they operate in accordance with the objectives of the Paris Agreement and with its decarbonisation roadmap. Indeed, the alignment of such entities with Iveco Group's strategy is reviewed annually to address, among other things, any inconsistencies between their climate change policies and the Group's own climate position.

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

Trade Association: European Automobile Manufacturers Association (ACEA)

The Group shares ACEA's vision for a sustainable future for the transport sector, supporting a multi-energy approach to decarbonisation that focuses on carbon-neutral and zero-emission technologies to meet EU goals, while also addressing safety, circularity, materials and substances, as well as advancements in automated driving, artificial intelligence, connectivity, and smart mobility. Iveco Group is represented both on ACEA's Board of Directors (BoD) and on its Commercial Vehicle Board of Directors (CV BoD), which are composed, respectively, of the CEOs of the member companies and the CEOs of the commercial vehicle member companies. The Organisation also participates in ACEA's technical working groups and task forces, comprising experts from member companies who work directly on tackling safety, materials and substances, trade, alternative fuels, climate change (focusing on emissions, circularity, alternative fuels, batteries, sustainability), and other key areas. Climate change is a global challenge that demands collective action and international cooperation, to which the automotive industry will make a key contribution by pursuing net-zero emissions and carbon neutrality. The European automobile industry, which includes passenger cars, vans, trucks, and buses, is a world leader in technology and clean vehicles – with regard to both production and use – and Europe's number one investor in R&D, responsible for 33% of total EU spending on innovation. Much of this goes towards developing fuel-efficient and low- and zero-carbon technologies, and towards reducing the environmental impact of products and processes. ACEA considers the revision and adaptation of vehicle regulations (such as those regarding CO₂ emissions from cars, vans, and heavy-duty vehicles, Euro 7 standards, circularity, and product sustainability) as a crucial step in decarbonising road transport and advancing sustainability, circularity, and innovation. It also advocates the importance of supportive measures and enabling conditions, and of a consistent policy framework, as essential drivers of the energy transition in road transport.

Trade Association: Hydrogen Europe

As a member of Hydrogen Europe, Iveco Group actively participates in several of the association's working groups (such as Mobility, Heavy Duty, Sustainability, Funding and Finance, Advocacy) and in its Technical Committee. The Group also participates in the European Clean Hydrogen Alliance⁽¹²⁰⁾ and its Mobility Roundtable, representing the road transport industry and contributing to the development of a sustainable and competitive industrial-hydrogen economy in the EU. Moreover, it actively contributes to the association's H2ero Net Zero strategy, aimed at removing barriers to investments in hydrogen, influencing policy making, advancing clean hydrogen technologies, and scaling their deployment to achieve net zero by 2050. Hydrogen Europe brings together various industry players, large companies, and SMEs committed to delivering hydrogen and fuel-cell technologies. To achieve this objective, the association collaborates with public authorities through its partnership with Iveco Group

⁽¹²⁰⁾ Initiative of the European Commission and Hydrogen Europe.

and its involvement in both the EU Clean Hydrogen Alliance and Important Projects of Common European Interest (IPCEI). The association is also actively involved in public-private partnerships (PPP) that support research, technological development, and practical demos of fuel-cell and hydrogen technologies in Europe. Its main policies underscore the critical role of hydrogen technology in decarbonising the EU's economy, prioritising timely investments in hydrogen applications and projects to meet the 2030 climate targets. Hydrogen Europe and Iveco Group are both members of the DG Move Sub-Group of the EU Commission's Sustainable Transport Forum (STF), focused on developing a hydrogen refuelling infrastructure for light- and heavy-duty vehicles across Europe.

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

Iveco Group is a member of ANFAVEA, an association comprising 26 members from the passenger car, commercial vehicle, and agricultural machinery industries. The Group is an active member of ANFAVEA's Board of Directors and of several of its committees (including Heavy Duty, Environment, Safety, Legislative). The association advocates for decarbonisation in the transport sector, supporting the introduction of a diverse range of carbon-neutral solutions including biomethane and other biofuels, hydrogen, and electrification. ANFAVEA has taken a leading role in discussions with the Brazilian government on the development of policies to reduce carbon emissions, and of support measures for the deployment of biofuels and for advancing the sector's priorities in relation to the ongoing tax reform, particularly focusing on creating a framework to incentivise the local development of new technologies in collaboration with public institutions, universities, and research centres. As part of this effort, the Brazilian government launched the MOVER Green Mobility and Innovation Program that, among other things, establishes requirements for fuel efficiency, recyclability, and safety. ANFAVEA has also taken a prominent stance on supporting fleet renewal initiatives, given that Brazil is estimated to have over 500,000 trucks and buses that are more than 20 years old. Beyond the considerable environmental repercussions, vehicles approaching their end of life contribute significantly to accidents and traffic congestion. For this reason, the association has advocated for national and state-level fleet renewal programmes to assist truck and bus owners in replacing older models with newer ones and to ensure the proper disposal of end-of-life vehicles.

Political Parties

Iveco Group is committed to employing the highest standards of transparency and integrity in any and all relationships it has with political parties, as well as with their representatives or candidates (collectively referred to as Political Parties). Financial contributions to Political Parties are only allowed where permitted by law and must be authorised at the appropriate level within each legal entity. An employee's political affiliation or financial contribution is considered a personal matter and is completely voluntary, including contributions made through a Political Action Committee (PAC).

In 2024, **no contributions** were made to Political Parties.

Furthermore, no Board member held a comparable position in public administration (including regulatory bodies) in the 2 years prior to their appointment.

11.7 SUSTAINABLE SUPPLY CHAIN (G1-2, G1-6)

In keeping with previous years, Iveco Group continued to take a responsible approach to the management of its entire supply chain. From small local companies to large multinational organisations, the Group remained focused on forging relationships that go beyond commercial transactions, working hard to build long-lasting and mutually beneficial collaborations with eminent and qualified partners that share its principles. For Iveco Group, supply chain sustainability means strategically and effectively promoting a sense of shared responsibility beyond corporate boundaries. This means that, in addition to the established priorities at the heart of supply chain management – quality, price, and lead times – the Organisation is fundamentally committed to advocating socially and environmentally responsible practices across its entire supply chain, while spreading a culture of sustainability among those employees who work with the suppliers every day. Relationships based on open dialogue and collaboration foster efficiency, quality, innovation and, above all, a shared commitment to achieving sustainability targets, creating undeniable mutual benefits for both Group and suppliers. Furthermore, all parties involved stand to gain from long-term relationships centred on the implementation and monitoring of high standards of sustainability, because this reduces potential risks, ensures continuity of supply, and improves overall sustainability along the entire supply chain, mitigating reputational risks that could affect the Organisation's credibility.

Iveco Group's purchases are managed by its Group Procurement function and by the Business Unit Procurement teams within the Supply Chain function, operating globally through dedicated structures, by product line and sourcing areas. These Procurement teams define strategies and guidelines to build and strengthen alliances with suppliers, offering them stability and development opportunities by leveraging the Group's broad product portfolio. The ultimate responsibility for sustainability in supply chain management lies with Iveco Group's Senior Leadership

Team (SLT). Meanwhile, a dedicated Supply Chain Excellence and Sustainability Team (established within the Supply Chain Leadership Team) is responsible for monitoring suppliers' compliance with the Supplier Code of Conduct and their sustainability assessment process. Two strategic sustainability **targets** for suppliers were incorporated into the Strategic Business Plan:

- 100%⁽¹²¹⁾ of Tier 1 suppliers to be involved in sustainability assessments by year-end 2026
- a 100% increase in the number of collaboration projects with suppliers to improve products' sustainability performance by year-end 2026 (compared to 2021).

For further details on:

- the target definition process
- stakeholder involvement in target setting
- target base year and applicable period
- target monitoring and progress during the year

please refer to the Sustainability Plan in 1.6 Strategy, Business Model, and Value Chain.

To ensure the consistent alignment of the Group's supply chain and purchasing practices with the Supplier Code of Conduct, suppliers undergo an Ethical Check every 3 years. This assessment is conducted by an external third party, using a dedicated reporting system that allows the monitoring of any potential issues that may require further clarification or investigation. This periodic monitoring is regulated by Iveco Group policies and procedures designed to ensure supplier compliance.

In 2024, a **training** module on the corporate Supplier Code of Conduct was developed and delivered to both the supplier base and employees. All suppliers must comply with applicable laws (including, but not limited to, anti-corruption and antitrust regulations) and with the Supplier Code of Conduct, and are obliged to report any suspected violations thereof to the Organisation. To this end, they have access to an operational grievance mechanism, the Compliance Helpline (details of which are available in the Supplier Code of Conduct), to report potential violations of corporate policies, the Code of Conduct, or applicable laws. Any violations by suppliers may result in the termination of their business relationship with Iveco Group.

Moreover, in keeping with previous years, Iveco Group continued to implement a number of well-established initiatives targeting those employees responsible for supplier relationships, i.e., those tasked with raising awareness of sustainability and good governance among suppliers through open and ongoing dialogue. These initiatives included the development of a training module for supply chain employees (mainly buyers), focusing on their roles within the supplier ESG programme.

Supplier Profile

Iveco Group manages purchases worth above €9.09 billion and a network of 1,966 direct material suppliers. In 2024, 77 new eligible suppliers were assessed to be added to this network, while there were no significant changes to supply chain structure and no additional outsourcing of activities. The top 150 suppliers are considered strategic suppliers, not only because they generate 77% of the total value of purchases, but also because of the length of each relationship and the extent of each supplier's production capacity and capability for handling spare parts.

SUPPLIERS IN NUMBERS

Iveco Group worldwide

	2024
Direct and indirect material purchases (% of the total volume of Iveco Group purchases)	90
Direct material suppliers (number)	1,966
Value of purchases from direct material suppliers (€ billion)	7.15
Value of purchases from indirect material suppliers (€ billion)	1.03
Local suppliers (%)	96

⁽¹²¹⁾ Target progress is calculated as a percentage of Iveco Group's annual purchase value (APV).

The targets the Group has set itself include developing local skills, transferring technical and managerial expertise, and strengthening local businesses. The Organisation strives to build strong long-term relationships with local suppliers as this presents fewer risks associated with business operations and optimises costs.

Significant amounts are spent on local suppliers⁽¹²²⁾: in 2024, the contracts signed with them by Iveco Group accounted for 96% of its procurement costs. Furthermore, 91% of these contracts were signed in Europe, which is the primary location of operation⁽¹²³⁾.

Still in 2024, the Group performed a detailed financial assessment of its supplier base (which will be conducted regularly) to monitor and mitigate financial risk. It involved 1,343 suppliers (accounting for approximately 68% of direct material purchases) in the following categories:

- casting and machining: 8%
- cabs: 16.6%
- electrical and electronics: 16.7%
- engines and after-treatment systems: 15.5%
- steel: 17.3%
- vehicle dynamics: 25.6%
- other: 0.3%.

Of the suppliers involved in the analysis, 98% were in Europe, 2% in South America, and 1% in the Rest of the World.

The Organisation recognises that the continuous monitoring of economic factors is essential to good supply chain management. The tool used for financial risk assessments (called TIGRAN) gives supply chain managers access to the suppliers' financial assessments. The tool is continually updated with confidential information provided by the suppliers themselves and with information contained in any financial reports. Based on the results of this evaluation, which are generated automatically and checked by an analyst, suppliers are classified according to their category of financial risk. Suppliers in particular difficulty are monitored weekly to prevent or minimise the risk of any interruptions to the supply chain.

Supplier Selection

Considerable effort went into ensuring the full integration of environmental and social sustainability standards into the supplier management system. Selecting and codifying new suppliers is an operational phase of the procurement process that is regulated by specific internal procedures. Selection is based not only on the quality and competitiveness of supplier products and services, but also on supplier compliance with the Group's social, ethical, and environmental principles.

New suppliers are required to sign a formal Commitment Declaration through which they agree to comply with both the corporate Code of Conduct and Supplier Code of Conduct. Specific contractual clauses require them to provide references and demonstrate abilities in relation to: fighting corruption, safeguarding the environment, promoting health and safety at work, ensuring non-discrimination, prohibiting forced and/or child labour, and recognising employees' freedom of association. Supplier agreements contain these and other clauses, as well as best practices and the General Purchasing Terms and Conditions, all of which are shared and applied consistently across Iveco Group.

If a supplier fails to adhere to any of the above principles, the Organisation reserves the right to terminate the business relationship or instruct the supplier to implement a corrective action plan.

A company's potential to join the Group's supply chain is evaluated through the **Potential Suppliers Assessment (PSA) process**, which allows identifying a supplier's strengths and weaknesses, as well as its ability to manufacture according to the defined quality standards using best practices; it also allows systems and processes to be assessed directly at supplier plants. The PSA process is carried out not only to evaluate companies that do not currently provide direct materials to Iveco Group, but also suppliers that have undergone reorganisation or whose plants were relocated. PSAs are performed prior to the procurement phase to allow potential new suppliers to participate in tenders. PSA criteria involve key sustainability aspects, with explicit reference to both environmental and occupational health and safety management. Indeed, one of the requirements is to have environmental and health and safety systems in working areas, preferably certified by a third party. A dedicated section of the PSA also allows verification of suppliers' compliance with the restrictions on the use of hazardous substances. A suitable management system

⁽¹²²⁾ Local suppliers are those operating in the same country as the Iveco Group plant in question.

⁽¹²³⁾ The significant locations of operation are defined by total direct material purchases. Europe represents the Group's primary location of operation as its direct material purchases account for 88% of the total value of purchases.

is a key factor in the Group's decision to do business with suppliers, as it reflects their efforts to monitor and manage environmental aspects, labour practices, human rights, and their impacts on society.

In 2024, 77 new suppliers were evaluated according to the above criteria and deemed ready to be added to the Group's network. Supplier sustainability is then assessed regularly based on indicators included in an assessment questionnaire, with results verified by audit for a number of suppliers determined each year.

Supplier Performance Monitoring

Iveco Group monitors supplier performance via the EVA KPI dashboard, which tracks the most relevant KPIs, targets, and trends for each supply chain area. Meanwhile, a new Holistic Supplier Dashboard, developed to drive continuous improvement, is set to launch, with a pilot phase scheduled for 2025. This new dashboard is designed to provide a comprehensive overview of suppliers, structured around two main categories – performance and maturity – with KPIs grouped into 5 clusters⁽¹²⁴⁾, then normalised and weighted. The dashboard will facilitate the prompt identification of trends, potential issues across different sectors and/or product families, and areas for improvement, enabling proactive management and the swift implementation of corrective measures where needed. It will also enable the comparative analysis of supplier performance within the same category of materials, thus providing valuable insights into each supplier's strengths and weaknesses, contributing to the optimisation of Iveco Group's sourcing strategies.

The dashboard will also feature a dedicated 'ESG & Compliance' cluster, containing KPIs related to sustainability and compliance. This will monitor suppliers' adherence to the highest environmental, social, and governance (ESG) standards, further strengthening the Group's commitment to sustainability. Additionally, it will enhance the Group's risk management capabilities by providing more granular insights into potential vulnerabilities and compliance issues, allowing for more proactive and effective mitigation strategies.

Supplier ESG Assessment

Undoubtedly, suppliers are central to supply continuity and can influence the way public opinion perceives Iveco Group's social and environmental responsibility. The Group has therefore developed a process to assess its suppliers on sustainability issues, which helps prevent or minimise the environmental or social impact of the supply chain. This process is also a means to engage suppliers while promoting high sustainability standards and continuous improvement and development. To this end, Iveco Group provides an email address exclusively for suppliers to address sustainability matters, so as to enhance communication and ensure it is effective and transparent.

The supplier assessment process is performed annually, managed by the Supply Chain Sustainability function and overseen by the Supply Chain Leadership Team. It involves 3 consecutive steps over the year:

- step 1: sustainability assessment and screening (via the Open-es platform)
- step 2: sustainability risk assessment
- step 3: sustainability audits.

During the **first step** of the evaluation process, suppliers are asked to fill out a sustainability assessment questionnaire on Open-es, a digital platform designed to engage companies in a shared journey towards sustainability performance improvement. The platform is an interactive ecosystem in which Iveco Group serves as a Value Chain Partner, playing an active role together with its suppliers. All companies within this ecosystem collaborate and compete on sustainability matters with a sense of purpose, so as to create tangible, long-term value across the entire production chain. In order to monitor the ESG performance of its suppliers, Iveco Group asks them to register on the Open-es platform, access their ESG profile, and fill out the Open-es questionnaire, which is structured around the three Environmental, Social, and Governance (ESG) pillars. After the assessment, suppliers can access their ESG reports via the platform, along with suggestions regarding the implementation of corrective or improvement actions based on any gaps identified. Meanwhile, the data they entered into the Open-es platform allows Iveco Group to screen them on sustainability topics. To support the suppliers' continuous improvement and development, Open-es also offers in-depth technical support programmes to build their capacity and improve their ESG performance, as well as validation, auditing, comparison/ESG benchmarks, and consultancy services.

During the **second step** of the evaluation process, the outcomes of the Open-es assessment questionnaires are analysed and used in-house by the Group to perform a sustainability risk assessment, which enables the identification of critical suppliers⁽¹²⁵⁾ whose compliance with sustainability requirements needs to be addressed. These suppliers are identified based on specific criteria, such as whether or not they have disclosed their

⁽¹²⁴⁾ Competitiveness, time readiness, quality, time delivery, and ESG & compliance.

⁽¹²⁵⁾ Suppliers posing a substantial risk in terms of negative ESG impacts and/or identified as being of significant business relevance to Iveco Group.

Open-es ESG score and relevant evaluation to Iveco Group. Based on risk assessment outcomes, suppliers are selected for additional actions, follow-ups, and/or auditing.

Sustainability performance, along with each supplier's financial, technical, and logistics data, makes up the Summary by Plan document used by Iveco Group to assign new orders. The Group also tracks Open-es memberships via the platform itself. While the sustainability score is not a determining factor for supplier qualification as of yet, the aim is to make it a mandatory prerequisite for new product sourcing. Throughout the year, the Group continued to encourage its direct material suppliers to join the Open-es platform, bringing the total number of registered suppliers to 805, representing approximately 89% of Iveco Group's direct material purchases.

2024 ANALYSIS OF SUPPLIER ASSESSMENT QUESTIONNAIRES

Iveco Group worldwide

	Number of suppliers identified as having significant actual and/or potential negative impacts ^(a)	Significant actual and/or potential negative impacts
Environmental aspects	3	Lack of information regarding: • climate change strategy • water management • monitoring of pollution • circular economy
Social aspects	2	Lack of information regarding: • materiality assessment and social impacts • ESG strategy in the value chain

^(a) Out of 52 suppliers that had completed over 50% of the Open-es questionnaire.

Sustainability audits represent the **third step** of the evaluation process. They are organised in agreement with the suppliers, and performed on site at their plants by independent external auditors. The aim is to check the information submitted via the Open-es assessment questionnaires and define possible improvement plans where necessary. Each supplier selects a manager and other representatives within its organisation (usually from Human Resources, Safety, Environment, and Quality) to take part in the audits. Should these reveal critical issues to be addressed, joint action plans are drawn up with the suppliers to define:

- improvement areas (e.g., implementation of internal procedures in line with sustainability principles)
- responsibilities (which could entail organisational changes)
- corrective measures (e.g., targeted training programmes)
- timeframes for action plans.

In 2024, the sustainability audits conducted by external auditors took place at 84 supplier plants worldwide, involving 84 suppliers (of which 81 were new).

AUDITS BY GEOGRAPHIC REGION

Iveco Group worldwide (number)

	2024
Europe	59
South America	13
Rest of World	12
Total	84

Globally, the total audits performed covered approximately 19.3% of Iveco Group's total purchase value.

In 2024, 66 suppliers were required to address areas in need of improvement with the formulation of corrective action plans (against 331 findings, of which 40 related to the failure to complete Open-es registrations). No critical issues emerged from the audits, and therefore no contracts were suspended or terminated.

Action plans are then monitored via follow-ups between supplier and auditor, under the supervision of Iveco Group's Supply Chain Sustainability function. At the end of the follow-up period, action plan results are collected and analysed for compliance according to a dedicated operational procedure. In the event of defaulting suppliers, further corrective actions are defined and implemented in agreement with the Group's relevant internal departments.

2024 ANALYSIS OF CORRECTIVE ACTION PLANS

	% of suppliers identified as having significant actual and/or potential negative impacts, with which action plans were agreed ^(a)	Number of action plans identified	Main action plan topics
Environmental	37	90	• measurement and monitoring of GHG emissions • policy or guidelines for managing climate-related aspects • increasing awareness of own environmental impact
Social	49	95	• overtime management • whistleblowing procedures • code of ethics • risk assessment related to human resources and to child labour violations
Governance	40	106	• awareness across the supply chain • integration of ESG aspects into supplier selection • measurement of ESG performance based on appropriate standards • anti-corruption policies and procedures

^(a) The percentage is calculated based on the number of suppliers audited.

Building Strong Supplier Relationships

Iveco Group is firmly convinced that suppliers are key to its sustainable growth, which is why it does its best to keep them engaged and informed at all times. This continuous dialogue and exchange allows the Group to strengthen supplier relationships, providing fertile ground for shared goals and strategies and for thriving collaborations and joint projects – as evidenced by the Group's many long-standing and mutually beneficial alliances. The Supplier Portal represents the main collaboration and communication platform used by Iveco Group to interact with its supply chain. It contains the forms, documents, and tools used to exchange information and manage any operations involving suppliers. Encouraging Open-es platform membership is Iveco Group's primary means of increasing supplier engagement and sustainability awareness. The platform's approach revolves around creating a sense of community and providing a space where experiences can be shared. The opportunity for comparison with other industry companies makes suppliers more aware of their areas of strength and more mindful of any areas for improvement and action priorities.

In 2024, several initiatives promoting the **exchange of ideas** and information with suppliers continued as in previous years. The first half of the year saw 4 major Supplier Day events organised in the EMEA Region. Selected suppliers participated in dedicated workshops held at company premises, working alongside the Procurement, Product Engineering, and Supplier Quality teams to explore product optimisations and deliverables aimed at reaching Iveco Group's project milestones. Additionally, a webinar was held for the supplier base of Brand IVECO BUS to provide insights into procurement, manufacturing, and quality, sharing key information while raising awareness of the Bus Business Unit's growth. Another key initiative rolled out across regions, known as Technology Days, offered suppliers a platform to showcase their latest innovations and technological advancements while addressing specific topics and recent developments, with 6 events held in EMEA and 2 in South America. As part of its journey to reduce the environmental impact of its supply chain, the Group held a two-day workshop in July 2024 for an initial group of suppliers to present its decarbonisation strategy and explore it through focused discussions. It involved some Organisation's major suppliers and focused on identifying and measuring emissions associated with their activities and products that can have a positive impact in reducing the Group emissions. The outcomes of this assessment will serve as the foundation for a structured decarbonisation plan, outlining key actions, timelines, and indicators to track progress. The plan will be integrated into the Group's broader sustainability strategy and reporting framework, reinforcing its commitment to reducing emissions across the supply chain.

Numerous initiatives were also promoted to foster innovation among suppliers, advocating a proactive approach to business. In this regard, one of the Group's key initiatives is to act on supplier suggestions; indeed, through the Suppliers' Proposals section, accessible via the Supplier Portal, suppliers can submit both cost reduction and quality improvement ideas, which are then evaluated by a dedicated cross-functional team at Iveco Group.

In the LATAM Region, several initiatives were implemented to strengthen relationships and engagement with local suppliers, with a focus on building strategic and sustainable partnerships. Supplier Webinars LATAM exemplifies this approach, with 5 online meetings held during the year to provide clarifications, strategic alignment, and engagement opportunities while sharing best practices. These sessions were well received by the local supplier network, as reflected in the positive feedback.

The 2024 *Supplier Meeting LATAM*, held in September, marked a milestone for Iveco Group, bringing together its senior management and local suppliers for the first time. The event was a reflection of the Group's robust growth plan, highlighting its strategic vision and objectives while underscoring the crucial role of suppliers in achieving them, emphasising how supplier success is integral to the Group's success. In addition to the main 2023 *Supplier of the Year* award presented during the event, 6 suppliers were recognised across different categories: Customer Services, Indirect Materials, Business Relationships, Technology and Innovation, Quality, and Sustainability. These winners were selected from a pool of over 250 suppliers evaluated by 60 professionals from various areas within Iveco Group. As regards the award's Sustainability category, a webinar was held to present Iveco Group's ESG pillars and emphasise the importance of the Open-es platform. Suppliers were encouraged to submit projects aligned with the Group's sustainability priorities, competing for recognition in this category. The initiative set a new record, with 44 projects submitted by 37 suppliers in four key areas: Inclusion and Engagement (11 projects), Zero Carbon (12), Life Cycle Perspective (14), and Workplace Safety (7). The success of this initiative was a reflection of Iveco Group's commitment to strategic and sustainable partnerships, in line with its objectives for growth and responsible innovation.

Iveco Group also participated in FENATRAN, the largest innovation fair in Latin America's road transport and cargo sector. During the fair's Supplier Experience event, 40 of the Group's main suppliers were welcomed at the stands of brands IVECO and FPT Industrial, where they took part in a guided experience to explore products and services in greater depth. This initiative reinforced Iveco Group's commitment to growth and collaboration with its partners while highlighting product innovations and the fast-evolving market landscape.

The above efforts reflect the Group's dedication to establishing solid, sustainable, and innovative partnerships, in line with its vision of building a more responsible future while strengthening its leadership in the sector.

Collaboration Projects with Suppliers

In order to enhance supplier engagement and promote initiatives focused on cost reductions and localisation, Iveco Group launched two key initiatives in LATAM: the *Supplier Journey* in Argentina and the *G-Drive Workshop* in Brazil.

- **Supplier Journey**

In Argentina, the *Supplier Journey* brought together the top 50 local partners for a strategic meeting focused on exploring cost reduction opportunities for both existing products and new projects. The event also addressed crucial topics such as NexPro aftermarket solutions, sustainability, and localisation. During the meeting, suppliers were presented with a challenge, resulting in the submission of 125 proposals aligned with the event's objectives.

- **G-Drive Workshop**

In Brazil, the *G-Drive Workshop* was held at the FPT Industrial plant in Sete Lagoas, bringing together more than 80 suppliers, including existing and potential new partners. During the event, participants had the opportunity to engage in hands-on discussions with the Engineering, Purchasing, and Quality teams over a disassembled engine, used as a focal point for the exchange of detailed technical information. The initiative led to the identification of 370 cost reduction and localisation opportunities, highlighting the potential for innovation and synergy between Iveco Group and its partners in Brazil.

Both initiatives reflect the Group's commitment to strengthening relationships with its suppliers and to seeking solutions that drive competitiveness, sustainability, and efficiency across LATAM.

Supporting the Supply Chain

In light of today's global context, it is ever more important to closely monitor and manage any critical situations arising along the supply chain. To this end, Iveco Group has further strengthened its structures and mechanisms for managing suppliers in financial difficulty, focusing on promptly identifying high-risk situations and on stabilising them through appropriate measures to ensure supply continuity. These measures include a recently implemented supplier monitoring tool.

The Group's contractual payment terms are designed to be consistent across all supplier categories and in line with mandatory regulations.

Worldwide, Iveco Group's average standard contractual payment term is 70 days starting from the invoice date; this average includes agreements with some long-term business partners or to regulate specific situations to which different payment terms may apply (the details of payment terms by category and the percentage of payments aligned with the standard terms are currently unavailable).

In the reporting period, the average time taken to pay an invoice from the date when the contractual payment term starts to be calculated was 81 days. This average reflects the Group's performance across all supplier categories, including small- and medium-sized enterprises (SMEs).

In 2024, no material legal proceedings were initiated concerning claims for late payments to suppliers.

Supply Chain Risk Management

Any company managing risk proactively should focus not just on its own risk, but also on any risk within its supply chain. This dual approach makes supply chain risk management a priority. To date, the Organisation has developed 2 tools to support this effort: EVA, which provides key supplier base information and related KPIs, providing insights into supplier performance from multiple perspectives (including economic factors, service levels, DPO, etc.); and TIGRAN, which ensures the timely updating of financial evaluations.

To further strengthen this framework, the Group is currently developing a new Holistic Supplier Dashboard that will be ready for a pilot phase in 2025. For further details, see 'Supplier Performance Monitoring' in this section.

COMPLEMENTARY INFORMATION

1. PLANT IMPACT MANAGEMENT

1.1 ADDITIONAL ENVIRONMENTAL INFORMATION ON PLANTS

1.1.1 ENVIRONMENTAL PROTECTION MANAGEMENT

Iveco Group makes every effort to enhance the effectiveness, efficiency, economic viability, and environmental sustainability of its manufacturing processes. This entails streamlining systems and technologies, improving existing materials, processes, and techniques, and developing new ones, striving to ensure they are all technologically appropriate, technically feasible, and eco-friendly. New plants are built in compliance with environmental protection criteria, taking into account specific local needs and the impact of construction. Newly acquired plants, on the other hand, are assessed based on existing processes and operations to determine the measures necessary to comply with the Organisation's environmental management standards.

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

Iveco Group uses well-established monitoring and reporting systems and effective key performance indicators (KPIs) to track its environmental performance, measure the effectiveness of actions taken to achieve targets, and plan new improvement initiatives. The KPIs in place can be analysed at different levels (plant, business unit, geographic region, or Group-Wide), which enables the simultaneous and parallel engagement of multiple corporate functions at various levels in meeting targets. The Group also performs periodic internal and external benchmarking activities to help drive the continuous improvement of its plants' environmental performance.

1.1.2 RESPONSIBILITY AND ORGANISATION

The ultimate responsibility for Iveco Group's environmental protection initiatives lies with the Senior Leadership Team (SLT), while the specific projects to reduce the environmental impact of manufacturing processes are the responsibility of plant managers.

Environmental issues are coordinated and managed by the central Energy, Environment, Health and Safety (EEHS) function, in line with the Group's Environmental and Energy policies. Serving as a reference point for sustainability, the EEHS implements improvement actions at local level, periodically assesses performance against targets, proposes new initiatives, and defines environmental policies. An important role is also played by plant employees from other functions/units (production lines, logistics, manufacturing engineering, etc.) involved in addressing environmental issues in various capacities.

1.1.3 ENVIRONMENTAL AND ENERGY-RELATED INVESTMENTS

In 2024, the Group's environmental protection initiatives accounted for €2.48 million in investments in capital expenditures (CapEx) and €847,000 in operational expenditures (OpEx), with part of these investments linked to projects from previous years.

Similarly, investments in energy efficiency totalled €3.12 million in CapEx and €197,000 in OpEx, including allocations for ongoing projects. Notably, the efficiency initiatives introduced during the year generated annual cost savings of approximately €550,000, with an estimated simple payback period of around 1.8 years.

1.1.4 PROCESS CERTIFICATION

To enhance its environmental management and performance, Iveco Group has committed to certifying its plants' environmental management systems as per the **ISO 14001** international standard, and to maintaining such certifications. At year-end 2024, all 22 plants within the scope of the Focus Area⁽¹²⁶⁾ were ISO 14001 certified. An ISO 14001 certified environmental management system enables the systematic management of environmental aspects under normal and abnormal operating conditions, as well as in emergencies. In the latter case, it requires the adoption and regular verification of emergency plans and procedures, along with related staff training. These procedures define roles, responsibilities, and the appropriate response for tackling anomalous and/or emergency situations, to protect both people and the environment.

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

With regard to energy certifications, at the end of the year, all 22 plants included in the scope of the Focus Area were **ISO 50001** certified, evidence of Iveco 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, leading to a more efficient and rational use of energy. This translates into economic benefits and fewer greenhouse gas (GHG) emissions.

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

1.1.5 ENGAGEMENT AND AWARENESS ACTIVITIES

In its effort to promote and disseminate the principles of continuous improvement and environmental management both within and beyond corporate boundaries, Iveco Group has implemented specific communication and training tools for employees and business partners, and has organised targeted events to engage employees' family members and local communities. The Group also delivered awareness training to its people, focusing on water efficiency management programmes, wastewater and chemical product management, waste sorting, and waste reduction. In 2024, a total of 17,527 hours of environmental **training** was delivered to employees, including 13,302 hours of on-the-job training for 11,035 individuals (93% of whom were hourly) representing 31% of the global employee headcount. With regard to energy efficiency, approximately 1,700 hours of training were provided (mainly by in-house professionals) to more than 2,450 people across different plants, focusing on proper energy performance monitoring and management, the Group's decarbonisation strategy, and the best and latest technologies available. Several employee initiatives were introduced to raise energy awareness and promote a more sustainable lifestyle, such as energy workshops covering a range of topics of interest to the many Iveco Group energy specialists attending from plants worldwide. As might be expected, the Group's commitment to raising awareness of environmental issues also extends to its suppliers and dealers.

⁽¹²⁶⁾ For the complete list of plants, see 1.1 General Basis for the Preparation of the Sustainability Statement.

1.1.6 PROTECTING THE SOIL AND SUBSOIL

Iveco Group strives to minimise the risk of environmental impact on the soil and subsoil around its sites. In Europe, for example, following the circulation of specific guidelines for monitoring existing underground structures, plants periodically carry out the monitoring and inspection of tanks, vats, and underground pipes. In 2024, no significant releases of potentially contaminating substances were recorded.

1.1.7 PROTECTING BIODIVERSITY

Iveco Group recognises the importance of protecting and enhancing biodiversity in the areas surrounding its plants, in line with its corporate policies. To assess some of its manufacturing sites near protected areas of particular environmental interest, the Group employs the biodiversity value index (BVI) methodology. It provides for an in-depth analysis of ecosystems within a 5-kilometre radius of these sites, determining biodiversity levels and identifying improvement measures accordingly. The Organisation's approach to biodiversity also encompasses a second methodology, known as biodiversity risk evaluation (BRE), which focuses on the activities and impact of the plants and on the significant risks they may pose to biodiversity and natural resources, regardless of their contribution to the overall activities and impacts reported in the surrounding areas. The BRE assesses the following 3 main aspects:

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

The BRE generates a risk map for each plant, indicating its potential to damage biodiversity. These maps are used to determine improvement measures (which are implemented according to the scores assigned to each risk) and to identify standardised indicators (which enable a consistent comparison between different plants' risk maps). The BRE and BVI methodologies are used to establish a mitigation hierarchy for plant operations within areas of high biodiversity value. After an initial screening assessment to identify high-priority plants located near sensitive areas, the two methods are applied using a multi-criteria scoring system to measure the risks to and impacts on biodiversity of such operations. Mitigation and restoration measures are then implemented according to the main risks identified and the potential involvement of local stakeholders. Both BRE and BVI measure the potential environmental impact of plant operations on biodiversity based on their biodiversity footprint, which is quantified using the ReCiPe 2016 life cycle impact assessment method. This translates material and energy inputs and outputs into potential environmental impact scores, which are further aggregated so that the potential damage to biodiversity is expressed in time-integrated species loss (TISL, i.e., potential species loss per year). The application of both methods often involves external partners and stakeholders; their engagement is important both in the risk assessment phase, to measure their level of awareness of biodiversity conservation, and in the follow-up phase, when specific mitigation measures are implemented. In both cases, partnerships are encouraged with authorities, NGOs, and public or private third parties managing protected areas. The methods themselves were developed with the support of external partners. The BVI and BRE methodologies have shown that biodiversity and the ecosystem services at all plants assessed to date are generally exposed to insignificant levels of risk and impact overall. Although no specific improvement measures were required following the adoption of these methodologies, a number of initiatives are being implemented to protect biodiversity within and around the plants that have adopted them. The two methodologies have been implemented at about 92% of plants within the scope of the Focus Area that are near, bordering, or within protected or high-biodiversity areas. The extension of these methodologies to other potentially suitable plants will be assessed over the coming years.

2024 PLANTS NEAR, BORDERING OR WITHIN PROTECTED^(a) OR HIGH-BIODIVERSITY AREAS

Iveco Group worldwide

Plant (Country)	Primary functions	Plant's total surface area (m ²)	Location with respect to protected area	Species on IUCN Red List of threatened species and on national lists (number)
Bolzano (Italy)^(b)	Defence vehicles	120,000	Adjacent to the protected area (5,000 m)	387 species listed, of which: 0 critically endangered 6 endangered 17 vulnerable 27 near threatened 337 of least concern
Bourbon-Lancy (France)^(c)	Engines (heavy)	210,000	Adjacent to the protected area (500 m)	193 species listed, of which: 0 critically endangered 2 endangered 1 vulnerable 1 near threatened 189 of least concern
Foggia (Italy)^(c)	Engines (light), drive shafts	601,680	Adjacent to the protected area (3,500 m)	168 species listed, of which: 0 critically endangered 0 endangered 2 vulnerable 6 near threatened 160 of least concern
Madrid (Spain)^(c)	Heavy vehicles	347,200	Adjacent to the protected area (1,500 m)	64 species listed, of which: 0 critically endangered 0 endangered 0 vulnerable 1 near threatened 63 of least concern
Piacenza (Italy)^(b)	Heavy vehicles	175,000	Adjacent to the protected area (5,000 m)	241 species listed, of which: 2 critically endangered 6 endangered 11 vulnerable 13 near threatened 209 of least concern
Sete Lagoas (Brazil)^(c)	Light, medium, and heavy vehicles	2,111,608	Adjacent to the protected area (1,500 m)	79 species listed, of which: 0 critically endangered 0 endangered 0 vulnerable 0 near threatened 79 of least concern
Suzzara (Italy)^(c)	Light vehicles	539,000	Adjacent to the protected area (4,000 m)	110 species listed, of which: 0 critically endangered 2 endangered 0 vulnerable 0 near threatened 108 of least concern
Torino Driveline (Italy)^(b)	Transmissions, axles	248,310	Adjacent to the protected area (included in a 5 km radius)	299 species listed, of which: 7 critically endangered 10 endangered 21 vulnerable 19 near threatened 242 of least concern
Torino Motori (Italy)^(b)	Engines (heavy)	230,000		
Ulm (Germany)^(c)	Firefighting vehicles	679,000	Adjacent to the protected area (2,000 m)	153 species listed, of which: 0 critically endangered 2 endangered 1 vulnerable 3 near threatened 147 of least concern

^(a) Protected areas (national, regional, of EU-level importance, special protection zones, oases, etc.) are geographically defined areas designated, regulated, or managed to achieve specific conservation objectives. Areas of high biodiversity value are not subject to legal protection, but are recognised by governmental and non-governmental organisations as having significant biodiversity.

^(b) Plant implementing the BRE methodology that is near, bordering or within protected or high-biodiversity areas.

^(c) Plant implementing the BVI methodology that is near, bordering or within protected or high-biodiversity areas.

1.1.8 OTHER ENVIRONMENTAL INDICATORS

Iveco Group is also concerned with reducing other environmental indicators, most notably hazardous substances and noise emissions to the external environment generated by its equipment and manufacturing processes. As regards hazardous substances, no PCBs⁽¹²⁷⁾ or PCTs⁽¹²⁸⁾ are present in the operations carried out across the Organisation. In 2024, no fines or sanctions for non-compliance related to ecological or environmental issues (including water) were imposed on Iveco Group's plants.

1.1.9 SUBSTANCES OF PARTICULAR CONCERN FOR HEALTH AND THE ENVIRONMENT

Iveco Group is strongly committed to adopting alternatives to certain substances identified as of particular concern for human health and the environment, and especially to studying and implementing alternatives to heavy metal-containing products used in painting processes. More broadly, the Group is committed to the sustainable and reduced use of chemicals, with a view to environmental protection, waste reduction, and cost savings. At each site that handles hazardous substances, the latter are labelled, stored, handled, and transported as per all applicable local regulations.

1.2 DRIVING OPERATIONS TOGETHER

The *Driving Operations Together* (DOT) programme is Iveco Group's results-oriented approach for continuous improvement, designed to optimise its operations worldwide and incorporate sustainability into its processes. The programme brings a new managerial focus to drive accountability and a more entrepreneurial mindset across all business areas. The DOT holistic model aims to deliver this vision by sustaining a culture of operational excellence in all corporate processes. It is targeted at reducing waste, increasing margins, and improving performance across all value streams, and ultimately at adapting rapidly to change. The DOT approach ensures all personnel are working towards the same goals, contributing to the achievement of operational excellence in all business practices. The DOT programme is built on competitiveness, engagement, and recognition. Through effective skills management and information sharing on technical performance and on the programme's implementation across the Organisation, expertise is further developed and new opportunities are embraced, thereby driving growth. This innovative framework guides the Group's strategy in terms of performance, digitalisation, and competitiveness, ensuring common goals for everyone involved in the pursuit of operational excellence. Its effective governance and project management are fundamental for programme implementation and key to sustaining its momentum, steering actions, increasing accountability, and promoting teamwork.

1.2.1 PEOPLE DEVELOPMENT THROUGH THE DOT PROGRAMME

The DOT holistic model supports a culture of operational excellence across Iveco Group, paving the way for a consistent and shared approach applied by everyone to achieve best-in-class standards. As at 31 December 2024, 20 plants were participating in the programme, accounting for 56% of employees worldwide.

The DOT programme is designed to enrich the Group's ecosystem by introducing a new managerial focus that encourages a more proactive mindset. This is why employees play a pivotal role in the programme, as reflected by one of its 11 commitments explicitly centred on people, recognising their critical role in driving excellence. The aim of this commitment is to shape the teams of the future by advancing knowledge and skills, while promoting and building a strong culture around improvements in safety, sustainability, quality, products, processes, and logistics. The programme therefore helps the Organisation establish a robust competency development system within each plant, centred on continuous skills gap analysis and evaluation, on the design of targeted training to fill those gaps, and on the development of tailored learning paths.

⁽¹²⁷⁾ Polychlorinated biphenyls (PCBs) are a group of extremely stable chemical compounds with excellent dielectric and heat transfer properties, widely used in the past in both industry and commerce (e.g., in capacitors and transformers). Because of their toxicity to humans and to the environment, PCBs are among the most dangerous pollutants.

⁽¹²⁸⁾ Polychlorinated terphenyls (PCTs) have physical and chemical properties similar to PCBs, and may contain up to 10% PCBs within the product matrix. They have been used as plasticisers, fire retardants, and in various types of coating.

Personnel development entails addressing some important challenges:

- zero accidents – creating a safety culture
- zero human errors – ensuring seamless interaction between people and systems, so as to improve process competencies
- developing outstanding technical professionals who can assess any facility's current status, develop action plans to reach the desired status, and implement efficient and effective maintenance systems
- developing employees' skills and competencies
- achieving excellent process control through the correct implementation of quality procedures
- involving and motivating people to assume responsibilities within a continuous improvement environment.

Iveco Group's leadership approach to employee engagement prioritises its people's wellbeing and input, driven by the belief that the more passionate and engaged people are, the more productive they are, and the more their suggestions are heard, the more they become involved and feel valued by the Organisation. Indeed, the DOT programme's framework enables personnel to share their contributions and suggest improvement projects (known as *kaizen*) to optimise processes, which boosts their engagement while contributing to the Group's growth. Through their suggestions and the direct role they play in projects, employees drive and contribute the most to continuous improvement. The use of tools to share information and collect suggestions is well established at Iveco Group.

In 2024, more than 44,000 employee suggestions were collected across the plants where DOT principles are applied. Furthermore, more than 2,000 DOT projects were implemented throughout the year, generating more than €59 million in savings.

2. DRIVING INNOVATION ACROSS THE PRODUCT LIFE CYCLE

Iveco Group's core business is the design, manufacture, and sale of trucks, commercial vehicles, buses, special vehicles, and powertrain applications. The ongoing research into cutting-edge solutions and collaboration with innovative partners enable the Group's brands to manufacture high-performance vehicles that not only have a reduced environmental impact, but also meet customer demand for quality, reliability, safety, comfort, and cost-efficiency, thereby enhancing overall profitability. The Group's approach is to meet market demand by delivering products closely aligned with customer requirements, with a particular focus on minimising the total cost of ownership (TCO).

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

In 2024, Iveco Group's R&D expenditure was €802 million, or 5.8% of net revenues from industrial activities, which totalled €14,948 million. R&D involved approximately 3,700 employees at 30 sites worldwide, with approximately 260 of them located at 6 sites in Emerging Markets.

For more information on R&D, see the 'Research and Development' section in this Report.

As regards specific investments in low-carbon opportunities, Iveco Group complies with the requirements of the EU taxonomy classification system, which provides a list of environmentally sustainable economic activities that support the EU Green Deal objectives (see 2. EU Taxonomy on Sustainable Activities in this Sustainability Statement).

2.1 COLLABORATING WITH EXTERNAL PARTNERS

Iveco Group's brands have a long-standing tradition of delegating basic research to dedicated partners, and of relying on a number of successful collaborations with a broad and well-established network of universities across the globe.

In Europe, academic partnerships include those with the following universities: Politecnico di Torino, Politecnico di Milano, Università degli Studi di Torino, and Università Tor Vergata di Roma (Italy); Univerza V Ljubljani (Slovenia); Technische Universiteit Eindhoven (the Netherlands); Vrije Universiteit Brussel (Belgium); and the Luxembourg Institute of Science and Technology (LIST). The latter is the latest addition to the Group's network, following the announcement of this new R&D partnership in 2024. The collaboration will revolve around LIST's Sustainable Composite Materials & Manufacturing Innovation Centre (SCMM-IC), an initiative co-funded by the Luxembourg Ministry of the Economy and the European Regional Development Fund (ERDF). Its aim is to develop composite materials with a very low carbon footprint for transport applications and to demonstrate their role as key enablers of net zero-emission mobility. In Brazil, academic partnerships include those with the universities Universidade Federal de Minas Gerais (UFMG) and Pontifícia Universidade Católica de Minas Gerais (PUC-MG). In Australia, the Group collaborates with the Swinburne University of Technology.

Open Innovation

In recent years, to further strengthen its R&D efforts, Iveco Group has embraced a much broader approach to innovation by taking on the challenge of playing an active role in the open innovation arena. This has involved expanding the network beyond universities to include new, innovative entities, as well as the active engagement of the Group's brands in open innovation, creating value for the Organisation and its stakeholders through successful collaborations with high-tech startups. These partnerships serve a dual purpose: to accelerate the technological evolution of the Group's products while enhancing their sustainability, and to support the development of startup ecosystems in the local communities in which it operates, generating benefits and prosperity for all.

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

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

2.2 ECO-DESIGN

One of the most challenging aspects of the design phase is determining and adopting adequate sustainability (i.e., eco-design) criteria to evaluate a product's impact at each stage of its life cycle, from conception and component sourcing to production, use, and end of life.

Iveco Group has a dedicated Eco-Design working group tasked with identifying new design criteria to help the Group achieve the strategic sustainability **target** included in its Strategic Business Plan: to ensure that 100% of new products are developed using sustainability and/or recyclability design criteria by year-end 2026. This cross-functional team comprises members from different areas of expertise, such as Technology, Compliance, Procurement, After-Sales Services, and Sustainability. Throughout the year, the team explored several life cycle assessment (LCA) approaches to define a consistent and standardised eco-design strategy and methodology across all product platforms. The goal is to ensure that the Group's portfolio features a substantial proportion of products with either an eco-label or an Environmental Product Declaration (EPD).

As the process of fine-tuning and incorporating eco-design criteria progresses, Iveco Group continues to work on other fronts to reduce the environmental impact (and total cost of ownership) of its products. These efforts include promoting the development of more eco-friendly products right from the design phase, aiming at:

- optimising fuel consumption and energy efficiency
- reducing CO₂ and other polluting emissions
- selecting components that:
 - have a lower environmental footprint
 - are easy to dismantle
 - can be repaired or remanufactured
 - can be recycled at product end-of-life
 - do not contain regulated substances
- enhancing efficiency during use
- ensuring longer intervals between maintenance cycles
- reducing noise emissions.

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

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

Iveco Group is committed to reducing or eliminating **regulated substances** that pose a potential risk to human health and the environment from its products and manufacturing operations. To this end, the Group collects detailed information from the supply chain on the individual substances contained in both parts and whole goods. It is a challenging task, given that obtaining the necessary data requires the cooperation of the entire

supply chain, which may be as many as ten layers deep. Efforts are also being made to eliminate restricted substances right from the design phase and to register products that fall within the scope of recycling laws.

Iveco Group uses life cycle assessments (LCAs) in response to the growing need to measure and reduce the environmental impacts of its products, and has performed LCA studies on several of its vehicles and engines to date. Given the lack of an official regulatory framework of reference, a dedicated cross-functional working group has been established to develop a formal, standardised LCA methodology based on data granularity and comparability criteria, so as to improve the quality of assessment results and define a more systematic and structured approach to product ecolabelling. The LCA of the IVECO Daily covers approximately 68% of the total products of the Truck Business Unit.

LCA ASSESSMENT AND OTHER CERTIFICATIONS

Description of products	Type of certification
• IVECO BUS E-WAY 12m • HEULIEZ GX337 Electric • IVECO BUS E-WAY 18m • HEULIEZ GX437 Electric	• EPD (ISO 14025:2006) • EPD (ISO 14025:2006) • EPD (ISO 14025:2006) • EPD (ISO 14025:2006)
• F1C diesel engine (light range) • F1C natural gas engine (light range)	• ISO 14067:2018
• Cursor 13 diesel engine (heavy range)	• ISO 14067:2018
• IVECO Daily diesel	• ISO 14040:2006; ISO 14044:2021

2.2.1 RESOURCE CIRCULARITY

Life cycle thinking is one of Iveco Group's strategic sustainability priorities, driving the implementation of a circular product life cycle approach that ensures resources are used fully and for as long as possible. The main objectives in this area are:

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

Remanufacturing worn components (i.e., cores) reduces waste, promotes material reuse, and supports recycling. Additionally, by avoiding the extraction of new raw materials, it also reduces both energy use and greenhouse gas emissions. Remanufacturing cores is an industrial process that ensures the same operational performance standards as new, original equipment components, triggering a virtuous cycle of both savings in raw materials and reductions in materials going to landfill. It also ensures reliability and reduced vehicle downtime for customers at competitive prices. Indeed, remanufactured FPT Industrial engines and transmissions include a 36-month warranty, which is three times the warranty period of genuine parts.

Iveco Group manages the overall remanufacturing process, from collecting cores from dealerships to stocking remanufactured products and selling them to end customers. As a result, the Group's portfolio includes a full range of original spare parts to cover the entire life cycle of many of its products, as well as a broad selection of remanufactured components. This allows offering like-new quality products, extended warranties, and good value, since remanufactured parts save customers an average 30% on list price. Two strategic sustainability **targets** related to remanufacturing were incorporated into the Group's Strategic Business Plan: to ensure that 100% of recoverable cores from spare parts sold are returned to the Organisation by year-end 2030 and that 15% of net sales from spare parts are generated by remanufactured components by year-end 2026. In 2024, the net sales from remanufactured components were 6.8% at global level and 8.4% at European level.

REPORT ON OPERATIONS

SELECTED FINANCIAL DATA

(€ million)	2024 ^(*)	2023 ^(*)	2022 ^(**)	2021 ^(***)	2020 ^(***)
Net revenues	15,289	15,978	14,357	12,651	10,411
EBIT	819	866	466	295	(376)
Profit/(loss) before taxes	608	423	260	180	(488)
Profit/(loss)	538	268	159	76	(372)
Attributable to:					
Owners of the parent	535	248	147	52	(408)
Non-controlling interests	3	20	12	24	36
Basic earnings/(loss) per common share (€) ⁽¹⁾	2.00	0.92	0.54	0.19	(1.50)
Diluted earnings/(loss) per common share (€) ⁽¹⁾	1.97	0.91	0.54	0.19	(1.50)
Investments in tangible and intangible assets	939	961	777	563	401
of which: capitalised R&D costs	462	480	390	271	178
R&D expenditure ⁽²⁾	802	867	634	509	393
Total Assets	19,437	18,385	16,013	16,560	15,631
Total Equity	2,769	2,390	2,391	2,311	2,336
Equity attributable to owners of the parent	2,699	2,354	2,354	2,289	2,268

(*) 2024 and 2023 Income Statement data, investments, and R&D expenditure refer to Continuing Operations only (excluding the contribution of Fire Fighting business, classified as Discontinued Operations together with the impact of the loss from the disposal of the Fire Fighting business recognised in 2024).

(**) Data as previously reported.

(***) Data as reported in the Report on Combined Financial Statements at 31 December 2021 issued on 24 April 2022.

(1) For the years 2021 and 2020, basic and diluted earnings per share calculation is based on the number of Common Shares at the Effective date of the Demerger.

(2) Includes capitalised development costs and research and development (R&D) costs charged directly to the income statement.

RISK FACTORS

The following risks should be considered in conjunction with the risks described in the Disclaimer, the Risk Management and Control System section and the Notes to the Consolidated Financial Statements. All these risks may affect Iveco Group business results and, individually or in the aggregate, could cause actual results to materially differ from past and projected future results. Although the risks are organised by headings, and each risk is discussed separately, many are interrelated. It is impossible to predict or identify all risk factors and, consequently, the following factors shall not be considered a complete list of the risks and uncertainties that may affect the Company. According to the Company's opinion, there are no material uncertainties (as defined in paragraph 25 of IAS 1 - Presentation of Financial Statements) about its ability to continue as a going concern. However, the occurrence of external disruptive events that would impact indistinctly the automotive industry and/or specifically Iveco Group and beyond the direct control of Iveco Group could jeopardize the ability of Iveco Group to operate in the market.

The present section describes risks that could have a significant impact on the operating results and financial position of Iveco Group. Major risks events that emerged during the risk assessment process are grouped in four main categories:

- a. Strategic risks;
- b. Operational risks;
- c. Legal & Compliance risks;
- d. Financial & Taxation risks.

Iveco Group's main risk factors identified for each of the above-mentioned risk categories are described below. The order in which they are listed does not imply ranking in terms of likelihood of occurrence or potential impact.

The below mentioned risk factors are not to be considered comprehensive of all risks identified and evaluated within the annual risk management process: business-as-usual risks which are considered adequately managed and controlled such that residual risk is considered minor, even if monitored, are not detailed in this report. Nevertheless, there can be no assurance that any mitigation action will be sufficient to successfully counter or mitigate potential risks.

Although the Company believes that the risks and uncertainties described below are material risks and uncertainties concerning the Group's business and industry, they are not the only risks and uncertainties relating to the Group. Other risks, events, facts or circumstances not presently known to the Group, or that the Group currently deems to be immaterial could, individually or cumulatively, alone or in combination with other events or circumstances, prove to be important and may have a significant negative impact on the Group's business, financial condition, results of operations and prospects.

STRATEGIC RISKS

Global economic conditions impact Company businesses

Iveco Group results of operations and financial position are and will continue to be influenced by macroeconomic factors – including the level of consumer and business confidence, changes in interest rates, the availability of credit, inflation and deflation, energy, commodities or other raw materials prices – which exist in the countries and regions in which Iveco Group operates. Such macroeconomic factors vary from time to time and their effect on operating results and financial position cannot be specifically and singularly assessed and/or isolated.

Economic conditions vary across regions and countries, and demand for products and services generally increases in those regions and countries experiencing economic growth and investment. Slower economic growth could have an adverse impact on business, results of operations and financial conditions. In a weaker economic environment, dealers and customers may delay or cancel plans to purchase Iveco Group products and services and may not be able to fulfil their obligation to the Group in a timely fashion or at all. In addition, suppliers may be impacted by economic pressures which may adversely affect their ability to fulfil their obligations, as well as the price or availability of supplies required. In addition, deterioration of key macroeconomic indicators (such as rising inflation and local currency devaluation) as well as a strengthening of governments' protectionist policies in some countries, could impact the Group's financial results and business operations particularly in those countries where macroeconomic conditions remain volatile. If there is continued deterioration in the global economy or the economies of key countries or regions, the demand for Iveco Group products and services may decrease and may materially and adversely affect results of operations, financial position and cash flow.

Iveco Group is committed to constantly and closely monitor political, social, economic, and market developments in the countries of interest, both through specialised internal resources and through providers of analyses. The Group periodically assesses these political, social and economic risks

in the countries it operates in or intends to invest in, also through specific set of defined measures to deal with a potential demand reduction, and through a strong commitment in investigating and scouting potential alternatives for critical supplies based on risky countries, even if there can be no assurance these measures prove to be effective.

Risks related to the evolution of geopolitical expectations, also in consideration of global consequential elections

Given the global nature of its activities, the Group is exposed to risks associated with international business activities that may increase costs, impact its ability to manufacture and sell products and require significant management attention.

These risks include changes in laws, regulations and policies that affect, among other things: (i) import and export duties and quotas; (ii) currency restrictions; (iii) interest rates; and (iv) taxes; (v) labour disruptions; (vi) civil unrest and (vii) acts of terrorism.

Further, increasing geopolitical tensions, also driven by transformative shifts in the global geopolitical dynamics, and conflicts continue to adversely affect macroeconomic conditions, giving rise to regional instability and, if such tensions persist, further uncertainty, which may in turn affect, directly or indirectly, countries in which the Group operates (such as through logistics, procurement, production or sales). In this regard, main consequences may include oil and gas price volatility, terrorist attacks (including cyberattacks), lower sales due to economic sanctions or tariffs and trade restrictions, reputational damage and significant supply chain disruptions. The mitigant actions against such external risks include establishing institutional relations with Local Authorities in main countries of interest, analysis of the preventive measures and implementation of emergency plans if needed, safety of people and the management of activities and assets, on top of avoiding operation in countries under sanctions.

Competition risk, considering both actual players and new entrants

The Group operates in global and regional markets which are highly competitive in terms of product quality, innovation, pricing, fuel economy, reliability, safety, customer service, and financial services offered. Depending on the particular country and product, the Group competes with other international, regional and local manufacturers and distributors of commercial and specialty vehicles and powertrains. The Group competes primarily on the basis of product performance, innovation, quality, distribution, customer service and price. Aggressive pricing or other strategies pursued by competitors, unanticipated product or manufacturing delays, quality issues, or failure to price products competitively, could adversely affect the Iveco Group's business, operating results, and financial position. Additionally, there has been a trend toward consolidation in the truck industry that has resulted in larger and potentially stronger competitors in this industry.

The Group's ability to compete successfully in the longer-term will depend, in part, on its ability to keep pace with changes in vehicle technology, including regarding emissions. Despite Iveco Group efforts in its decarbonisation strategy, there is a risk that some competitors will use their substantial resources to develop relevant technology and products more rapidly, in larger quantities or at a lower cost, and may therefore have the ability to achieve economies of scale.

The Group's competitiveness also relies on its ability to keep pace with all types of technological advancements, including the widespread development of artificial intelligence. This involves not only adopting new technologies but also carefully balancing the associated risks (such as increasing and more sophisticated cyber-attacks, data privacy and information leakage concerns, intellectual property issues, assisted misinformation and talent profiles management) to ensure sustainable growth and innovation.

Failure to develop and offer innovative products that compare favorably to those of Iveco Group's principal competitors in terms of price, quality, functionality, features, mobility and connected services, vehicle electrification and autonomy, or delays in bringing strategic new products to market, or the inability to adequately protect the Group's intellectual property rights or supply products that meet regulatory requirements, including engine emissions requirements, could result in reduced revenue and market share.

Iveco Group continuously investigates new potential areas of interest for the future development of the ecosystem of transport and logistics, which also potentially includes the implementation of partnership agreements. Research and development projects are also revised continuously, based on each project's technological and commercial relevance. To mitigate the effect of increasing competition from both actual and new, more innovative and price-aggressive players, the Group constantly monitors demand elasticity and competitors' actions while implementing some innovation activities or cost optimization actions with the aim to increase its competitiveness. Furthermore, Iveco Group can rely on an extensive distribution service that provides a competitive advantage. Nevertheless, should the Group be unable to adapt effectively to market conditions, this could have an adverse effect on its business, results of operations, and financial condition.

Risks related to investments and partnerships

Iveco Group has engaged in the past, and may engage in the future, in investments or merger and acquisition transactions or enter into, expand or exit from strategic alliances and joint ventures that could involve risks which might prevent the Group from realising the expected benefits of the transactions or the achievement of strategic objectives or could divert management's time and attention.

Cooperation with partners in shareholdings and partnerships is of key importance to Iveco Group, both in the transformation towards electric mobility and comprehensive digitisation, and in connection with mobility solutions. Especially with new technologies, these solutions of cooperation may help to leverage on synergies and improve cost structures in order to respond successfully to the competitive situation in the automotive industry.

For example, Iveco Group is exploring possible areas of mutual interest, such as electric powertrains, vehicle automation and connectivity technology for commercial vehicles with potential partners.

The potential unreliability of key business partners in fulfilling their obligations and promptly delivering the expected volumes, the potential deterioration in relations with such key partners as well as the challenges of selecting new business partners could impact the ability to promptly develop innovative products and meet its strategic objectives.

With a view to mitigate such risks, Iveco Group is committed to maintaining a positive trust and long-term relations with strategic partners, sharing risks as well as opportunities. Before the implementation of a collaboration agreement, the Group performs a series of activities geared at identifying suitable business partners; moreover, after the stipulation of the relevant agreements, Iveco Group puts in place intensive controls over the partnership execution and all the necessary actions aimed at resolving any emerging disputes regarding business activities.

The challenges and uncertainties in selecting trustworthy business partners, their potential unreliability in fulfilling their obligations and promptly delivering the volumes expected, as well as the potential for deterioration in relations with key partners may impact Iveco Group's ability to develop innovative products and meet its objectives.

Transition to zero emission products related risks

Changes in environmental and climate change laws, including laws relating to engine and vehicle emissions, safety regulations, fuel requirements, restricted substances, or greenhouse gas (GHG) emissions, require significant investments in product designs and increased environmental compliance expenditures. Emissions regulations are particularly demanding in the European Union (the EU), where the Group conducts most of its business. For example, the EU fleet targets for 2025, 2030 and 2035 impose significant reductions in vehicle emissions that can only be achieved using new technologies (such as battery-electric drive systems), which require large capital investments. Failure to comply with the relevant regulations may result in considerable penalties and reputational damage, potentially leading to the inability to market Iveco Group products in those regions where regulations are more onerous.

Furthermore, phases of political uncertainty and vulnerabilities in the global economy may generally have negative effects on consumption and investment decisions by households and companies. The higher costs of low-emission vehicles may represent an obstacle to the rapid shifting towards a new paradigm of mobility. A lower demand for innovative products due to their higher costs could negatively impact the Group's business results and competitive position.

In addition, there is a risk that some of the Group's competitors will have greater resources than the Group and will be able to respond to such laws or regulations more rapidly or at a lower cost. (See also "Competition risk, considering both actual players and new entrants").

To comply with current and future environmental rules in all markets in which its vehicles are sold, Iveco Group must incur substantial capital expenditure and research and development expenditure to upgrade products and manufacturing facilities.

OPERATIONAL RISKS

Public tender management related risk

Iveco Group supplies complex products with advanced technology and sustainable features, often sold through long-term contracts, with strict requirements and deadlines, via public tenders. Unexpected cost increases can reduce profits, especially where price renegotiation is not allowed. Furthermore, in case of Iveco Group does not meet sustainability standards, it may struggle to participate in tenders, especially in countries with strict regulations. Changes in terms, costs, or sustainability requirements could negatively impact the Group's business if it cannot adapt quickly. To address these challenges, Iveco Group is improving its ability to meet customer needs by constantly monitoring regulatory changes in sustainability to anticipate new demands, indexing contracts to raw material or energy prices, implementing an internal Human Rights policy, and providing whistleblowing channels for employees and third parties.

Risk related to the supply of utilities, raw materials, parts and components

Iveco Group relies upon many suppliers for raw materials, parts and components that are required for product manufacturing. The Group cannot guarantee that it will be able to maintain access to raw materials, parts, and components, and in some cases, access may be affected by factors outside of Iveco Group's and its direct suppliers' control. Certain components and parts used in Iveco Group products are available from a single

supplier and cannot be quickly sourced from other suppliers. Significant disruptions to the supply chain resulting from shortages of raw materials, components, and whole goods may adversely affect the ability to meet customer demand. Furthermore, global logistic network challenges (including ocean freight capacity constraints, international port delays, railway and air freight capacity, and labour availability constraints) may result in delays, shortages of key manufacturing components, increase of order backlogs, and increase on transportation costs. While Iveco Group diligently monitors supply chain risk and seeks to respond promptly to address supply chain and logistical challenges, there can be no assurance that mitigation plans will be effective to prevent disruptions that may arise from shortages of materials used in production due to unpredictable external factors. Uncertainties related to the magnitude and duration of global supply chain disruptions may adversely affect the Group's business and outlook.

Furthermore, the price volatility of raw materials, utilities and components, particularly during times of economic and volumes volatility or regulatory instability or in response to changes in tariffs, significantly increases costs of production, which could have a material adverse effect on the Group's business, results of operations and financial condition.

Spot purchases in case of favorable market opportunities, or activation of hedging strategies (after assessing their cost-effectiveness) are considered. In addition to monitoring materials availability, Iveco Group increased the frequency of Suppliers Risk Management to bi-weekly meetings to analyse critical suppliers and to put in place potential countermeasures.

Operational risks, including process design and production

Production risks include all those factors which could impact production planning and capacity, such as:

- the incorrect estimation of demand causing under or over production capacity utilisation (which could in turn result in increased costs, delivery delays, and quality issues due to excessive work stress), and;
- unforeseen disruptions to a production facility which could be caused by several different incidents.

The success of Iveco Group products depends on its ability to maintain or increase market share in existing markets and to expand into new markets through the development of innovative, high-quality products that provide adequate profitability. The achievement of these objectives is dependent on several factors, including the ability to design and produce products that meet customers' quality requirements, and through the increased collaboration and synergies between engineering and manufacturing as well as the ability to develop connected and digital solutions.

The Group already carried out significant investments aimed at optimizing production capacity. Moreover, Iveco Group strategic plan covers investments in innovation designed to further develop existing and create new product and service offerings responsive to customer needs, including developing and delivering connected and digital solutions, automation and electrification.

In order to guarantee a high-quality level of existing and new products, Iveco Group implemented a continuous monitoring system of technical KPIs (key performance indicators) and KAIIs (key activity indicators), as well as additional quality checks on reworks related activities.

Information technology (IT) risks, including cybercrimes

Iveco Group relies upon IT systems and networks, some of which are managed by third parties, in connection with a variety of business activities. These systems include supply chain, manufacturing, distribution, invoicing, collection of payments from dealers and customers of the Group's financial services business, and connectivity services. The Group uses IT systems to record, process and summarise financial information for internal reporting purposes and to comply with regulatory financial reporting, legal and tax requirements. Additionally, Iveco Group collects and stores sensitive data, including Intellectual Property (IP), proprietary business information as well as customers, suppliers and dealers' proprietary information and personally identifiable information in data centres and on IT networks. Operating these IT systems and networks, and processing and maintaining data in a secure manner is critical to the Group's business operations and strategy.

The Group's IT systems may be subject to damage and/or interruption from, amongst other things, power outages or computer, network, and telecommunications failures and usage errors by its employees, which may result in process inefficiencies and potential business interruptions. If the Iveco Group's IT systems are damaged or cease to function properly, the Group may have to make a significant investment to fix or replace them. Moreover, the IT network could also be disrupted by the unavailability of the Group's data centres due to force majeure events as well as the discontinuation of services by cloud providers, with consequent impacts on business continuity.

Increased IT security threats (such as worms, viruses, malware, phishing attacks, ransomware, and other malicious threats) and sophisticated computer crimes pose a significant risk to the security of Iveco Group's systems and networks and the confidentiality, availability and integrity of data. The foregoing risks are heightened by the Group's hybrid working model which allows employees to work from home, and use networks other than that of the Group, with a consequent potential increase of the scope for attacks.

In addition, the rising presence of more connected vehicles, including autonomous driving features, has exposed automotive manufacturers to an increasing number of cyberattacks. Attackers work to get access to vehicles' internal networks potentially to steal personal data, compromise information or navigation global positioning system.

Finally, the current situation related to the geopolitical escalations has led to a sharp increase in cyberattacks to critical systems and services (including intelligence, military, manufacturing, financial, and energy).

While Iveco Group actively manages IT security risks within its control through security measures, business continuity plans and employee training around phishing and other cyber risks, these attacks have nonetheless increased and there can be no assurance that mitigation actions will be sufficient to successfully prevent attacks or to mitigate potential risks to systems, networks, data, and products. Furthermore, third parties, including internet, mobile communications technology and cloud service providers, pose their own IT risks to the Group.

Security breaches could also result in litigation, regulatory action, unauthorised release of confidential or otherwise protected information and corruption of data, as well as remediation costs and higher operational and other costs aimed at implementing further data protection measures.

To ensure effective, reliable, and relevant operations Iveco Group needs to constantly improve its IT ecosystem, including the latest hardware and software technologies and effective IT organisational mechanisms, as well as how to utilise the potential of data in day-to-day business. In this regard, Iveco Group is implementing a series of strategic initiatives covering key business areas to progressively eliminate obsolescence and optimize the number and complexity of IT systems.

Moreover, Iveco Group has implemented measures of governance, response, and monitoring of cyber-attacks, as well as compliance processes carried out through the involvement of specialised personnel and an advanced use of IT security technologies. Iveco Group applies procedures and protocols based on the sector best practices and on consolidated, tested international standards with the goal of preventing and mitigating its exposure to cyber risk, as well as security additions to meet clients' requirements. Specifically, the Group records many attempts (main external sources of attacks are malware, phishing, internet applications), but they are mitigated by the multifactor authentication system in place (including dealers and third parties) and the adoption of the latest available technologies to block and detect anomalous behavior.

The mitigation of this risk is also guaranteed by the presence of Security Operations Centers (SOC) and the Cybersecurity Incident Response Team (CSIRT) as well as by the implementation of a Cyber Crisis Management Framework. In addition, cyber awareness activities are periodically carried out with the aim of increasing the employees' level of training and knowledge. Despite the opportunity to transfer risk, the amount or scope of insurance coverage may be inadequate to cover claims or liabilities relating to a cybersecurity attack. For additional information on IT Risks refer to the section "Risk Management and Internal Control System" of this annual report.

Risks related to people and culture

Iveco Group's ability to (i) compete successfully, (ii) manage its business effectively, (iii) expand its business and (iv) execute its growth strategy, depends, in part, on the Group's ability to attract, motivate and retain qualified personnel in key functions and markets with the requisite education, skills, background, talents, and industry experience. Failure to attract and retain qualified personnel, whether as a result of an insufficient number of qualified applicants, difficulty in recruiting new personnel, or the inability to integrate and retain qualified personnel, could impair the Group's ability to execute its business strategy and could adversely affect its business.

Furthermore, in many countries where the Group operates, employees are protected by laws and/or collective labour agreements that guarantee them, through local and national representatives, the right of consultation on specific matters, including repurposing, downsizing or closure of production facilities and reductions in personnel. Strategically repositioning business activities requires flexibility in respect of laws and/or collective labour agreements. The ability to efficiently deploy personnel or implement permanent or temporary redundancy measures is subject to government approvals and/or the agreement of labour unions where such laws and agreements are applicable. Furthermore, the Group is at risk of work interruptions or stoppages that could impact the volume of production, with potential material adverse effects on the Group's results of operations and financial condition. To reduce such potential risk, the Group put in place continuous communication with all internal stakeholders and unions to monitor the situation and negotiation for the renewal workers' collective agreement in many countries.

Labour relations might also be affected by high inflation rates in certain of the countries in which the Group operates, leading to strikes and additional costs which in turn may have a material adverse effect on the Group's sales, operating results, and financial condition.

To keep up with new technical skills required by the current market environment, the Group is putting in place a strong re-skilling campaign as well as a definition of salary packages in line with the market with the aim of attracting the best talents.

Iveco Group is committed in implementing a trusted and healthy work environment, through a strong commitment to safety and health and high standards for rights at work, social dialogue and diversity and inclusion. In particular, the Group developed challenging Diversity, Equity and Inclusion (DEI) plan, which includes an increase in the number of office positions held by female office workers.

Risks related to product distribution methods

The Group sells most of its vehicles through independent dealers, which comes with certain risks. These dealers might make poor inventory decisions, have financial problems, or need support from the Group, leading to higher costs.

Rising costs and challenges for small dealers can lead to fewer dealers and less market coverage, affecting the Group's competitive edge. Additionally, if dealers misuse product warranties, it could result in extra costs for the Group.

To reduce these risks, Iveco Group is taking steps to monitor dealer performance, stock levels, and financial health. They are also conducting audits to prevent warranty misuse. These actions aim to protect the Group's sales, operating results, and financial condition.

Risks related to health, safety, and the environment

Despite the Group's adverse appetite to HSE risks, the possibility that incidents are detrimental to people's health and to the environment cannot be completely ruled out, also taking into consideration the fact that the risks connected with ordinary operations is mainly related to human behaviors. Even though Iveco Group (i) has specific know-how and competencies constantly kept up to date, (ii) has implemented internal procedures and relevant controls for the execution of its operations, and (iii) regularly carries out maintenance work on its assets in order to monitor their quality and level of reliability, it is not possible to fully exclude the occurrence of incidents on assets or facilities during the execution of works, which may cause:

- Serious injuries to employees, including long-term disabilities and fatalities, caused by work-related accidents
- Environmental pollution generated by an improper execution of Group's activities

In order to reduce the risk exposure, Iveco Group put in place many actions and controls starting from the set-up of a Health, Safety & Environment Central organization and an Occupational Health, Safety & Environment Management Systems implemented and certified according to ISO45001. Relevant reporting is constantly updated and monitored, and personnel relevant training is periodically supplied.

Extreme natural events exacerbated by ongoing climate change

The analysis of climate related risks has been carried out by a detailed internal task force reported to the management. As a result, risks related to climate change, to which Iveco Group's activities are intrinsically exposed, have been classified into the following categories:

- physical risks, i.e., risks arising from physically observable climatic phenomena
- transition risks, i.e., risks arising from the transition phase that aims to reduce emissions and thus mitigate the effects of climate change.

Although most plants are located in areas which do not present particularly high-risk exposures, extreme natural events still pose a risk to the Group given the significant damages they can generate. Overall, considering the mitigators in place and the nature of the risks, most relevant economic exposures for Iveco Group sites are related to river flood and hailstorm.

In particular, such events, exacerbated by ongoing climate change, can result in damage to a Group production site/critical asset and/or interruption of production.

In order to reduce risk exposure, Iveco Group already put in place mitigation actions such as (but not limited to) insurance premium increase, presence of an Internal Emergency Team managed by Industrial Security, installation of additional equipment able to mitigate impacts in case of risk occurrence and strengthening of the fire department and training of teams and volunteer firefighters.

To comply with current and future environmental rules in all markets in which its vehicles are sold, Iveco Group must incur substantial capital expenditure and research and development expenditure to upgrade products and manufacturing facilities.

For further details, refer to section "Sustainability Statement", paragraph "3.2 Managing Climate Related Risks and Opportunities".

LEGAL & COMPLIANCE RISKS

Risk related to compliance with product, process and supply chain regulations

Given stakeholders' expectations, the increasingly demanding regulatory requirements (in terms of complexity and/or country-specific provisions), and the intricacy of managing product-specific sustainability aspects to meet requirements along the entire value chain (such as accountability and clear time-sensitive targets, among others), Iveco Group must devote a significant level of effort to avoid the risk of non-compliance with product, process and supply chain regulations.

Failure to comply with such regulations or to meet stakeholders' expectations with regards to compliance and product sustainability could impact the Group's reputation or could impede the production, distribution, marketing and sale of the Group's products, which could materially adversely impact the Group's business, financial condition or results of operations.

Besides continuous monitoring of regulations (including gap analysis on the actions to be implemented to ensure compliance with any upcoming directive and on-site audits at Group production sites) and the presence of a whistleblowing channel open to both employees and third parties, Iveco Group confirmed the participation in the Open-ES platform, to encourage suppliers' awareness about ESG issues (including Human Rights), supporting suppliers' qualification and monitoring and including sustainability scores as a criterion for suppliers' selection. Furthermore, in order to mitigate and prevent to the extent possible risk of Human Rights violation by Vendors, Iveco Group provides for mandatory signature of the Supplier Code of Conduct by each supplier.

Risks related to legal proceedings involving the Group

Iveco Group is party to judicial, tax and administrative legal proceedings. For a summary of the most significant cases, see Note 27 "Commitments and contingencies" to the Consolidated Financial Statements at 31 December 2024. Given the intrinsic and ineliminable risk that characterises legal proceedings, while the Group regularly conducts the necessary assessments, including on the basis of applicable accounting standards, it is not possible to exclude the possibility that Iveco Group might in future face payment obligations for damages either not covered by the legal fund, in whole or in part, which either are uninsured or exceed the maximum sum available under applicable insurance policies. Furthermore, in relation to legal proceedings brought by Iveco Group or in which Iveco Group is a defendant, Iveco Group may have to bear further costs associated with potentially prolonged court proceedings or out of court negotiations and settlements.

To mitigate these risks, Iveco Group implements actions aiming at constantly strengthening its internal control system and also avails itself of in-house professionals and external consultants who are committed to support Iveco Group in its risk anticipation and mitigation efforts, and represent the Group in legal proceedings.

Risk related to non-compliance with laws and regulations or with compliance policies

Although the Group aims to be fully compliant with applicable laws and regulations, these laws and regulations may change over time and/or be subject to different interpretations and the Group's compliance controls, policies, and procedures in place may not in every instance protect the Group from acts committed by its employees, agents, contractors, or collaborators, that violate the laws or regulations of the jurisdictions in which Iveco Group operates, including in employment matters, corrupt practices or breaching environmental, competition and other applicable laws and regulations. Such misconduct could expose the Group to investigations, and monetary and injunctive penalties. Furthermore, Iveco Group operates in some countries characterised by a high level of fraud and corruption. In the context of risks related to possible fraud or wrongdoing by employees or third parties, Iveco Group is also exposed to risks related to the protection of information and know-how. The Group relies on sensitive information, data and know-how, which is processed and contained in documents and/or electronic format. The unauthorised use and/or disclosure of such information, data and know-how by employees or third parties may amount to a breach of applicable laws and regulations, and might cause damage to the Group's reputation. Finally non-compliance issues or the incorrect application of the Regulation (EU) 2016/679 (General Data Protection Regulation) (GDPR) or other data protection laws may occur within the Group which in turn could result in the application of sanctions to the detriment of Iveco Group. Actual or alleged violations of any of these laws and regulations could adversely impact the operating results and financial condition of the Group and could damage its reputation, as well as its ability to conduct business.

Among the various initiatives that Iveco Group has put in place to mitigate these risks, a "Group Integrated Compliance Program" has been developed, that provides, among other, for a) compliance guidelines for the benefit of all the Group's affiliates, b) for an update of the "Organisational Models" of affiliates in scope along the provisions of the Italian Legislative Decree 231/2001 and c) for a regular review of the fundamental Group policies. Moreover, a structured framework is in place, in line with applicable legislation and with the legal systems of the countries in which Iveco Group operates. Iveco Group's Code of Conduct provides that "Anti-corruption laws prohibit directly or indirectly paying, or promise to pay, of anything of value to any governmental employee/official, political party, party employee/official, or candidate for political office for the purpose of influencing an official act or decision to obtain business for the company". Iveco Group provides employees periodic trainings to increase awareness about the importance of compliance topics; it has appointed a manager in charge, among other, of monitoring prevention and education on Anti-corruption, a dedicated compliance officer in some countries (e.g. France) and a "lead" professional as a point of reference to contribute to awareness and prevention of competition law issues. Iveco Group periodically performs general audits, in addition to specific ones for suspected offences, also using external consultants and considering objective fraud indicators and red flags. A whistleblowing channel open to both employees and third parties is in place and the Compliance Department includes a dedicated function (Investigation Governance) that manages whistleblowing reports and analysis of facts relating to misconduct. Notwithstanding all the above, it is not possible to exclude the possible occurrence of fraudulent or unlawful conducts.

FINANCIAL AND TAXATION RISKS

Risks related to exchange rate fluctuations, interest rate changes and other market risks

Iveco Group may face risks from currency devaluations (which is a downward adjustment of a country's official exchange rate) in specific markets. Such currency devaluations could result in a diminished value of the liquidity funds denominated in the local currency of the country experiencing the devaluation.

Iveco Group's counterparties could default, be unable to pay the amounts owed to it in a timely manner or meet their performance obligations under contractual arrangements with the Group.

In the event of a rating downgrade or severe macroeconomic downturn, Iveco Group might have difficulties to raise funds and might have to pay higher spreads. In terms of interest rate risk, the Group is actively managing it keeping around 50% exposure vs floating rate with a defined tolerance around that threshold.

Risks related to fluctuations in interest rates and exchange rates of foreign currency are mitigated by hedging strategies. Also, Financial Services implements an ALM (Asset and Liability Management) matching policy to offset the impact of differences in interest rates on the financed portfolio and the related liabilities.

Although Iveco Group seeks to manage its currency risk and interest rate risk, including through hedging activities, there can be no assurance that it will be able to do so successfully, and the Group's business, results of operations and financial position could be adversely affected. In addition, by utilising hedging strategies, Iveco Group potentially foregoes the benefits that may result from favourable fluctuations in currency exchange and interest rates.

In addition to the above, Iveco Group also faces the risks related to financial planning uncertainty and relevant impacts on cash flow.

The volatility of market conditions and the subsequent possible deterioration of the customers' financial position can cause delays in placing orders or receiving payments from clients. Such events, combined with the seasonality which characterises the industry in which the Group operates, are the main causes of the Company cash flow fluctuations, which may occur despite the mitigation plans implemented by the Group.

Therefore, Iveco Group is exposed to the risk of deterioration of working capital, which could lead to economic and financial impacts, as well as a deterioration of the reputation of the Group in the industry and in the financial markets.

Risks related to difficulties in obtaining financing or refinancing existing debt

Iveco Group's performance depends on, among other things, its ability to finance debt repayment obligations and planned investments from operating cash flow, available liquidity, the renewal or refinancing of existing bank loans and/or facilities and access to bank lending or other sources of financing such as asset-backed securitisation transactions. In addition, the Group's investment strategies may at times require funds in excess of those generated by the Group's operations. Consequently, Iveco Group could find itself in the position of having to seek additional financing and/or having to refinance existing debt, including in unfavourable market conditions with limited availability of funding and a general increase in funding costs. Instability in global capital markets, including market disruptions, limited liquidity and interest rate and exchange rate volatility, could affect the Group's access to sources of financing or increase the cost of the Group's short and medium and long-term financing. Any difficulty in obtaining financing on acceptable terms or at all could have a material adverse effect on the Group's business, results of operations and financial position. In order to mitigate its exposure to funding risk, Iveco Group monitors on periodical basis inventory and funding evolution.

Risk related to the Group's leverage and debt service obligations

The Group relies in part on external debt financing and is therefore subject to potential risks to its operations and financial results, which may include (i) the inability to secure additional funds for capital expenditures, debt service requirements or general corporate purposes; (ii) the inability to invest in the development or introduction of new products or new business opportunities; and (iii) the Group being unable to adjust rapidly to changing market conditions.

These risks may be exacerbated by volatility in the financial markets, which may be caused by strains on the finances and creditworthiness of several governments and financial institutions and from concerns about global economic growth, particularly in emerging markets. See also "Global economic conditions may impact the Group's businesses" above.

See "Risks related to exchange rate fluctuations, interest rate changes and other market risks" above.

Risks related to restrictive covenants in the Group's debt agreements

Iveco Group has established its own centralised treasury. In order to fund its own treasury facilities, from time to time it enters into agreements governing the Group's financing instruments, including bank debt. According to standard market practice, the agreements governing debt instruments, depending on the rating status of the debtor and market conditions at the time of the execution of such financing instruments, could contain covenants restricting the Group's ability to, among other things: (i) incur additional indebtedness by certain subsidiaries; (ii) make certain investments; (iii) enter into certain types of transactions with affiliates; (iv) sell or acquire certain assets or merge with or into other companies; and/or (v) pledge assets as security for other obligations. A breach of one or more of the covenants could result in adverse consequences that could negatively impact the Group's business, results of operations, and financial position. These adverse consequences may include the triggering of cross-default clauses whereby other outstanding debt under other credit facilities of Iveco Group existing at the time of such cross-acceleration, ultimately resulting in an obligation to redeem such indebtedness, termination of existing unused commitments by the Group's lenders, refusal by the Group's lenders to extend further credit under one or more of the facilities or to enter into new facilities or the lowering or modification of the Issuer's credit ratings or those of one or more of its subsidiaries.

Risk related to Financial Services activities

As Financial Services provides financing for a significant portion of Iveco Group's sales worldwide, the Group's operations and financial results could be impacted materially should negative economic conditions affect the financial services industry.

Negative economic conditions can have an adverse effect on the financial services industry in which Financial Services operates. Financial Services, through wholly owned financial services companies, joint ventures and third-party commercial agreements, provides financing for material portion of Iveco Group's sales worldwide. Financial Services may experience credit losses that exceed its expectations and adversely affect its financial condition and results of operations. Financial Services' inability to access funds at cost-effective rates to support its financing activities could have a material adverse effect on Iveco Group's business. Financial Services' liquidity and ongoing profitability depends largely on timely access to capital in order to meet future cash flow requirements and to fund operations and costs associated with engaging in diversified funding activities.

Iveco Group's operations and financial results could be impacted materially should new regulations or changes to existing regulations affect the financial services industry. In addition, an increase in delinquencies or repossessions could adversely affect the results of Financial Services.

Further information on Iveco Group's financial risks is provided in Note 18 "Derivative assets and derivative liabilities" and in Note 30 "Information on financial risks" to the Consolidated Financial Statements.

The Group may incur additional tax expense or become subject to additional tax exposure

Iveco Group is subject to income taxes in many jurisdictions. The Group's tax liabilities are dependent upon the location of earnings among these different jurisdictions. Iveco Group's future results of operations could be adversely affected by changes in the consolidated effective tax rate as a result of a change in the mix of earnings in countries with differing statutory tax rates, changes in the Group's overall profitability, changes in tax legislation and rates, changes in generally accepted accounting principles and changes in the valuation of deferred tax assets and liabilities. If the Group's effective tax rate were to increase, or if the ultimate determination of Iveco Group's taxes owed is for an amount in excess of amounts previously accrued or paid, Iveco Group's operating results, cash flows, and financial position could be adversely affected. For further information, see Note 9 "Income tax (expense) benefit" to the Consolidated Financial Statements.

In addition, tax laws are complex and subject to varied and subjective interpretive decisions. As Iveco Group will periodically be subject to tax audits aimed at assessing the Group's compliance with direct and indirect taxes, the tax authorities may not agree with the Group's interpretations of, or the positions that the Group has taken or intends to take on, tax laws applicable to Iveco Group's ordinary activities and extraordinary transactions. In case of challenges by the tax authorities to the Group's interpretations, Iveco Group could face prolonged tax proceedings that could result in the payment of additional tax, interest and penalties, which could have a material adverse effect on the Group's operating results, business and financial condition.

In order to reduce its exposure to taxation risks, Iveco Group put in place several mitigation actions aimed at preventing risk or reducing its impact in case of occurrence, such as the implementation of a Tax Control Framework (integrated within the Group's Internal Control System), the adherence to the Italian Cooperative Compliance Regime, and the use of other available regulatory tools for preventive dialogue with Tax Authorities (such as Advance Pricing Agreements on transfer pricing matter).

BUSINESS OVERVIEW

GENERAL

Iveco Group is the holding company of a leading automotive group engaged in the design, production, marketing, sale, servicing, and financing of trucks, commercial vehicles, buses and specialty vehicles for defense and other uses, as well as combustion engines, alternative propulsion systems, transmissions and axles for those vehicles and engines and alternative propulsion systems for agricultural and construction equipment, marine and power generation applications. The Group has manufacturing, commercial and financial services companies located in 34 countries and a commercial presence in approximately 158 countries.

On 13 March 2024, Iveco Group and Mutares SE & Co. KGaA announced the signing of a definitive agreement for the transfer of ownership of Magirus GmbH and its affiliates performing Fire Fighting business. The transaction was completed on 3 January 2025.

According to IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*, as the sale became highly probable in March 2024, the Fire Fighting business met the criteria to be classified as a disposal group held for sale; it also met the criteria to be classified as Discontinued Operations. In accordance with applicable accounting standards, the figures in the Income Statement and Statement of Cash Flows for 2023 comparative periods have been represented consistently. Refer to the Notes to the Consolidated Financial Statements, paragraph “Discontinued Operations - Fire Fighting Business”, for additional details.

On 14 March 2024, during its Capital Markets Day, Iveco Group released a new segment reporting structure for its Continuing Operations, expanding its reportable segments from three segments (Commercial & Specialty Vehicles, Powertrain and Financial Services) to five reportable segments (Truck, Bus, Defence, Powertrain and Financial Services). The Truck, Bus and Defence business units, along with the Fire Fighting business unit (reported as Discontinued Operations from the first quarter of 2024), were previously part of the Commercial and Specialty Vehicles segment. As of 31 December 2024, Iveco Group had therefore the following five operating segments:

- **Truck** designs, manufactures and distributes a full range of light, medium, and heavy vehicles for the transportation and distribution of goods under the IVECO brand;
- **Bus** designs, manufactures and distributes minibuses, city-buses, intercity buses and coaches under the IVECO BUS and HEULIEZ brands;
- **Defence** designs, manufactures and distributes vehicles for civil defense and civil protection under the IDV brand, and vocational heavy-duty trucks for heavy haulage and off-road missions under the ASTRA brand;
- **Powertrain** designs, manufactures and distributes, under the FPT Industrial brand, a range of combustion engines, alternative propulsion systems, transmission systems and axles for on- and off-road applications, as well as for marine and power generation; and
- **Financial Services** offers a range of financial products and services to dealers and customers. Financial Services provides and administers retail financing to customers for the purchase or lease of new and used vehicles sold by brand dealers and distributors of the Group or directly by subsidiaries of the Group. In addition, Financial Services provides wholesale financing to brand dealers and distributors of the Group. Wholesale financing consists primarily of floor plan financing and allows the dealers to purchase and maintain a representative inventory of products. Financial Services also provides discounting of non-dealer trade receivables from legal entities of the Group. Additionally, Financial Services grants support to CNH Industrial Group (CNH), by providing financial services for its European brands, dealers and customers under a vendor and service agreement, receiving a fee for the services rendered.

Net revenues by segment in the years ended 31 December 2024 and 2023 were as follows:

(€ million)	2024	2023
Truck	9,960	10,617
Bus	2,561	2,260
Defence	1,133	984
Powertrain	3,546	4,258
Eliminations and Other	(2,252)	(2,479)
Total of Industrial Activities	14,948	15,640
Financial Services	558	494
Eliminations and Other	(217)	(156)
Total for the Group	15,289	15,978

Net revenues by region in the years ended 31 December 2024 and 2023 were as follows:

(€ million)	2024	2023
Europe	11,482	12,178
South America	1,692	1,435
North America	294	337
Rest of World	1,821	2,028
Total	15,289	15,978

INDUSTRY OVERVIEW

Trucks

The world truck market is generally divided into two segments: Light Commercial Vehicles (LCV) (gross vehicle weight (GVW) 3.5-7.49 metric tons), and Medium and Heavy (M&H) (GVW above 7.5 metric tons). The M&H segment is characterised by a higher level of engineering specialization due to the technologies and production systems utilised, while the LCV segment has many engineering and design characteristics in common with the automobile industry. In addition, operators of M&H trucks often require vehicles with a higher degree of customization than the more standardized products that serve the LCV market. Customers generally purchase heavy trucks for three primary uses: long distance haulage, construction haulage, and/or distribution.

The regional variation in demand for trucks and commercial vehicles is influenced by differing economic conditions, levels of infrastructure development, and geographic region, all of which lead to differing transport requirements.

M&H truck demand tends to be closely aligned with the general economic cycle and the capital investment cycle including the general level of interest rates and, in certain countries, governmental subsidy programs, particularly in more developed markets such as Europe, North America and Japan, as economic growth provides increased demand for haulage services and an incentive for transporters to invest in more efficient, less polluting, higher capacity vehicles and renew vehicle fleets. The product life cycle for M&H trucks typically covers a seven to ten-year period.

Although economic cycles have a significant influence on demand for M&H trucks in emerging economies, the processes of industrialization and infrastructure development have generally driven long-term growth trends in these countries. As a country's economy becomes more industrialized and its infrastructure develops, transport needs tend to grow in response to increases in production and consumption. Developing economies, however, tend to display volatility in short-term demand resulting from government intervention, changes in the availability of financial resources and protectionist trade policies. In developing markets, demand for M&H trucks increases when it becomes more cost-effective to transport heavier loads, especially as the infrastructure, primarily roads and bridges, becomes capable of supporting heavier trucks. At the same time, the need to transport goods tends to increase in these markets, resulting in increased demand for LCV.

Industry forecasts indicate that transportation of goods by road, currently the predominant mode of transport, will remain so for the foreseeable future. Furthermore, the Group also offers personalised aftersales customer assistance programs that provide a wide range of modular and flexible maintenance and repair contracts, as well as warranty extension services, to meet a variety of customers' needs and to support the vehicle's value over time: demand for those services, as well as for parts, is a function of the number of vehicles in use. Although demand for new commercial vehicles tends to decrease during periods of economic stagnation or recession, the demand for those services is historically less volatile than the new vehicle market and, therefore, helps limit the impact of declines in new vehicle sales on the operating results.

Commercial vehicles markets are subject to intense competition based on initial sales price, cost and performance of vehicles over their life cycle (i.e., purchase price, operating and maintenance costs and residual value of the vehicle at the end of its useful life), services and service-related products and the availability of financing options. High reliability and low variable costs contribute to customer profitability over the life of the vehicle and are usually important factors in an operator's purchase decision. Additional competitive factors include the manufacturer's ability to address customer transport requirements, driver safety, comfort, and brand loyalty through vehicle design.

Demand for trucks varies seasonally by region and by product class. In Europe, the peak retail demand occurs in the second and fourth quarters due to key fleet customer demands and customer budgetary cycles. In South America, demand is relatively stable throughout the year except for increased demand for heavy trucks in the first and fourth quarters from customers who transport foodstuffs. In Rest of World, sales tend to be higher in the second and fourth quarters due to local holiday periods.

The commercial vehicle industry is undergoing a significant energy transition, driven by technological advancements, regulatory frameworks, and growing market demand for sustainable transport solutions. Alternative and renewable fuels such as compressed natural gas (CNG), liquefied natural gas (LNG), hydrogen, and full electric vehicles are gaining momentum as viable solutions to reduce emissions and improve energy efficiency. The Group is actively investing in these technologies, supporting the industry's shift towards a more sustainable and decarbonized future.

The car industry is leading autonomous vehicle development, but commercial vehicles are also making advances in platooning and autonomous technologies. The Group expects this development to intensify. The Group believes that the growing automation in transportation and infrastructure solutions through the use of Level 2+ autonomous vehicles will also allow the industry to provide greater safety, emission reductions, fuel savings, and logistics efficiency.

Buses

The global bus business is organised by mission, from city and intercity transport to tourism purposes, with a capacity ranging from 10 to 150 seated/standing passengers. IVECO BUS (previously Iveco Irisbus) and HEULIEZ target markets include urban and intercity buses. Operators in this industry include three types of manufacturers: those specialised in providing chassis to bodybuilders, those that build bodies on chassis produced by third parties, and those, like IVECO BUS, that produce the entire vehicle.

The primary customers of the Intercity bus segment are tour- and intercity bus service operators, while the principal customers of the urban bus segment are the transport authorities in urban areas.

Deregulation and privatization of transport services in many markets have favoured concentration towards large private companies operating in one country, in more than one neighbouring country, or at an international level. Demand has increased for highly standardized, high-use products for large fleets, with financing and maintenance agreements or kilometric pricing. Deregulation and privatization have also increased competition between large transport service companies, raising the level of vehicle use and increasing the choice of brands for operators in the market.

Sales for urban and intercity buses are generally higher in the second half of the year, due to public entities budgeting processes, tender rules, and bus production lead-time.

Defence

The defence and security sectors are a cornerstone of national security, focused on the development, production, and maintenance of technologies and systems used by military and security forces. The sector is responsible for equipping and maintaining military and security forces worldwide, enabling them to respond to national security threats, safeguard borders, and ensure political stability. This sector is highly influenced by geopolitical factors, technological advancements, and defense budgets, and it plays a critical role in shaping global military dynamics.

Advanced technology is a major driver in the defence and security sectors. Innovative technologies surface with increasing speed, setting new standards for both operational safety and on-field performance. The uncrewed and autonomous technologies will play a key role in the future, together with the survivability solutions and innovative propulsions. New technologies such as augmented reality, training and simulation, 3D printing, fleet management, advanced data analysis for diagnostics and predictive maintenance will substantially evolve the service level.

Powertrain

The dynamics of the industrial powertrain business vary across the different market segments in which the various propulsion systems are used. For vehicle and equipment applications, product development is driven by regulatory requirements (i.e., legislation on pollutant emissions and, increasingly, CO₂ emissions), as well as the need to reduce total operating costs: customers are seeking more efficient propulsion systems that enable lower total cost of ownership and higher productivity.

For on-road applications in developed markets, where economy and infrastructure drive demand for local and haulage transportation, demand for engines is driven by general economic conditions, capital investment, industrialization, and infrastructure developments.

In the bus market, engine demand is increasingly influenced by the environmental policies of governments and local authorities (i.e., requirements for natural gas, hybrid, and electric solutions).

Demand for off-road applications in the agricultural industry is influenced by many factors, including the price of agricultural commodities and the relative level of new and used inventories, the profitability of agricultural enterprises, net farm income, the demand for food products, agricultural policies, as well as climatic conditions. At the same time, the construction equipment business is driven by general economic factors and the level of public investment in infrastructure, which affects the need for replacement of old equipment and investment in more innovative solutions to boost productivity.

Increasingly stringent emission regulations in Europe, the U.S. and Asia represent an opportunity for Powertrain to gain a competitive advantage through technological solutions developed for engines and after-treatment systems (such as High Efficiency SCR technology). Alternative fuels represent a viable alternative to diesel for transport vehicles, as they are more environment-friendly and offer better fuel economy than diesel while performing comparably to diesel engines (e.g. LNG for buses and commercial vehicles). Increasing demand for alternative propulsion systems (such as electrified powertrain or fuel cell) is expected to continue, as related technologies are growing quickly and will offer business opportunities in the industrial sector. The increasing trend among mid-sized Original Equipment Manufacturers (OEMs) to outsource engine development, due to the significant research and development expenditures required to meet the new emission requirements, presents an opportunity for Powertrain to increase sales to third party customers.

The Company believes that FPT Industrial provides the Group, as a whole, with strategic independence in a key area where competition is particularly intense and further challenges, driven by increasingly stringent regulations, are expected.

The electrification demand of industrial applications follows passenger cars trends and growth. After a first generation of industrial product designed to easily replace the traditional combustion engines, key-players are moving on a second generation of products, designed to increase performance, efficiency and sustainability standards.

FPT Industrial is committed to continuous innovation, developing also on electrification side cutting-edge products, also thanks to the continuous scouting in the open innovation emerging technologies.

COMPETITION

The industries in which the Group operates are highly competitive. The Group believes that it has many competitive strengths that will enable it to improve its position in markets where it is already well established while it directs additional resources to markets and products with high growth potential.

For Truck, Bus and Defence vehicles, the Group competes with: (i) large global full-line equipment manufacturers with a presence in every market and a broad range of products that cover most customer needs, (ii) manufacturers who are product specialists focused on particular industry segments on either a global or regional basis, (iii) regional full-line manufacturers, some of which are expanding worldwide to build a global presence, (iv) local, low-cost manufacturers in individual markets, particularly in emerging markets such as Eastern Europe and China. For Powertrain, the Group competes with (i) pure non-captive players (i.e., powertrain manufacturers selling their products to third parties) and (ii) OEMs producing powertrains by themselves.

The Group's competitive strengths include well-recognised brands, a full range of competitive products and features, a strong global presence, and distribution and customer service network. There are multiple factors that influence a buyer's choice of industrial equipment. These factors include the strength and quality of the distribution network, brand loyalty, product features, quality and performance, availability of a full product range, pricing, technological innovations, product availability, financing terms, parts and warranty programs, resale value and customer service and satisfaction. The ability to meet or exceed applicable engine emissions standards as they take effect is also a key competitive factor, particularly in those markets where such standards are the subject of frequent legislative or regulatory scrutiny and change, such as Europe and North America. The Group continually seeks to improve in each of these areas but focuses primarily on providing high-quality and high-value products and supporting those products through the Group's dealer networks. Customers' perceptions of product value in terms of productivity, reliability, resale value and dealer support are formed over many years. Buyers tend to favour brands based on experience with the product and the dealer.

The efficiency of the Group's manufacturing, logistic and scheduling systems are dependent on forecasts of industry volumes and the Group's anticipated share of industry sales, which is predicated on the Group's ability to compete successfully with others in the marketplace. The Group competes based on product performance, customer service, quality, innovation and price. The environment remains competitive from a pricing standpoint, and actions taken to maintain the Group's competitive position in the current challenging economic environment could result in lower than anticipated price realization. The ability of the Group supply chain and manufacturing system to timely deliver finished goods is also critical to meeting customer expectations. Failure to do so might imply losses of market share and competitiveness.

The Group's principal competitors in the Truck market are Daimler Truck, the Traton Group, the Stellantis Group, Paccar Inc., the Volvo Group and Oshkosh Corporation.

The Group's principal competitors in the Bus market are Daimler Truck, the Traton Group and the Volvo Group.

The Group's principal competitors in the Defence market are Rheinmetall AG, Oshkosh Corporation, Arquus, KNDS Group, General Dynamics, Hanwha and Patria.

The principal competitors of Powertrain include Cummins Inc., Daimler Group, Deere & Company, Deutz AG, Traton Group, Volvo Group, Yanmar Co., Ltd, Caterpillar/Perkins and Weichai Power Co. Ltd.

PRODUCTS

Trucks (IVECO)

Under the IVECO brand, the Group produces a range of light, medium, and heavy trucks and commercial vehicles for both on-road and off-road use, with approximately 3,700 different models available. The Group's key products include the Daily, a vehicle that covers the 3.5 – 7.5 ton vehicle weight range, the Eurocargo, a vehicle that covers the 7.5 – 19 ton range, and the Way Range, the heavy product offers above 18 ton that was completely renewed starting from 2019. The heavy vehicles portfolio includes the S-Way (for long haulage and distribution), the X-Way (dedicated to construction logistics and municipalities), and the T-Way for off-road applications. The product offering is complemented by a series of aftersales and used vehicle assistance services.

Light vehicles include on-road vans and chassis cabs used for short and medium distance transportation and distribution of goods, and off-road trucks for use in quarries and other work sites. The Group has an estimated 30.6% (was 30.9% in 2023) market share in Europe (w/o UK & Ireland) in professional heavy cab-chassis (in 3.5- 7.49 ton GVW). The Group also offers shuttle vehicles used by public transportation authorities, tourist operators, hotels and sports clubs and campers for recreational travel.

The M&H vehicle product lines include On-road articulated and rigid trucks designed for medium and long-distance hauling and distribution and Off-road trucks that are designed to operate in any condition and terrain and offered in a wide variety of GVW and axle configurations for all applications, from construction to roads building and maintenance, concrete mixer, mining and quarrying, construction plant materials and extra-heavy loads transport.

The Group offers ecological diesel and natural gas engines on its entire range of vehicles. The Group continues to develop engines with specific components and configurations optimised for use with CNG and LNG. The Group has developed a comprehensive roadmap for the introduction in the market of a complete range of zero emission vehicles (from Light to Heavy).

During 2024 the Group launched and started to produce the fully renewed truck portfolio with the Model Year 2024 version of Daily, Eurocargo and Way Range including the Battery Electric version of eDaily and the S-eWay 4x2 artic for regional haulage.

Bus (IVECO BUS and HEULIEZ)

Under the IVECO BUS and HEULIEZ brands, the Group offers city buses and inter-city commuter buses, minibuses, school buses and coaches. The Group is an EU leader in inter-city buses, and is a leader in inter-city buses as well as in low and zero emissions solutions. IVECO BUS is one of the major European manufacturers in the passenger transport sector and is expanding its activities at the European level. IVECO BUS is a leader in city buses in France under the HEULIEZ brand and in particular on the electric urban bus market. The Group has a competitive footprint in Europe and Latin America and is looking to grow in the AMEA region through portfolio expansion.

Defence (IDV and ASTRA)

Under the IDV brand, the Group develops and manufactures specialised vehicles for defense and civil protection.

IDV's cutting-edge Amphibious Range consists of 6x6 and 8x8 platforms. The 8x8 platform, successfully developed in partnership with BAE Systems, is the leading platform designed for ship-to-shore missions and can operate both on land and in open-ocean waters. In addition, IDV manufactures the 6x6 Guarani platform in Brazil which was jointly developed with the Brazilian Army. In the Multirole segment IDV has developed the second generation of the LMV (Light Multirole Vehicle) and the newly introduced MTV (Medium Tactical Vehicle). Both are setting new standards for light and medium 4x4 armoured vehicles and are currently adopted by NATO Customers and covered by long-term running contracts. The extremely versatile MUV (Military Utility Vehicle), specifically designed to meet military requirements and undertake a variety of roles in low-intensity operational scenarios, completes IDV's range of multirole vehicles.

Over the years IDV has also gained a leading position in the Military Truck segment. The newly launched Modular Military Range is a customer-driven evolution of two product lines – the High Mobility Trucks and Military Logistic Trucks. With regards to the light truck segment, IDV's highly versatile Daily for Homeland Security, derived from the civil IVECO Daily, is currently in service with several Law Enforcement agencies, covering missions ranging from defence to public order, civil protection, and disaster relief applications.

IDV has recently entered the Uncrewed Ground Platforms business as well. With the acquisition of Horiba Mira's uncrewed division in 2023, IDV has expanded its capabilities within the field of artificial intelligence and software technologies. This latest addition to the Company's portfolio leads the way for innovative standards for both operational safety and on-field performance.

Under the ASTRA brand, the Business Unit engineers and manufactures special vehicles for heavy duty applications in heavy haulage transport and off-highway mining missions. These trucks are specifically designed to satisfy mining, oil and gas, exceptional transport, as well as construction applications where payloads, duty cycles, and climatic conditions are far above the standard use for heavy commercial vehicles.

The HD9 range is available in a wide range of axles configurations, from 4x2 to 8x8 and features heavy-duty components designed to provide robustness and reliability for the most demanding off-road use, allowing for a total GVW up to over 60 tons.

In 2024, the new HDX range has been launched. HDX combines the traditional characteristics of robustness, reliability, high load capacity, and ease of maintenance with technology, safety, and efficiency. The aim is to ensure advanced driver assistance systems and the protection of other road users introduced by the new General Safety Regulation (GSR).

Powertrain

Powertrain is dedicated to the design, manufacture and sale of combustion engines, alternative propulsion systems, transmissions, and axles under the FPT Industrial brand.

Its extensive product offering includes six engine ranges with power outputs from 30 hp to over 1,000 hp, transmissions with torque up to 500 Nm, and front and rear axles from 2.45 to 32 tonne GAW (Gross Axle Weight). FPT Industrial offers the most complete line-up of natural gas engines for industrial applications on the market, with power outputs ranging from 50 to 520 hp. A dedicated ePowertrain division is accelerating the path towards net zero-emissions mobility, with electric drivelines, battery packs, and battery management systems. This extensive offering, and its strong focus on R&D, makes FPT Industrial a world leader in industrial powertrains and solutions.

Launches: Throughout 2024, FPT Industrial continued to lead in the development of sustainable and high-performance engine solutions across various segments, reinforcing its commitment to sustainability, technological innovation, and global expansion. The year began with a major return to POWERGEN International, held in New Orleans, USA, in January, where the Company showcased its full range of Tier 3 and Tier 4 Final / Stage V, 3.4 to 16-liter engines for power generation. The exhibition highlighted the high performance and the excellent reliability of FPT Industrial engines, serving of all markets and customers. The engines on display included F34, F36, N45 G-Drive, N67, CURSOR 9, and CURSOR 16. A dedicated Customer Service area, featuring the MyFPT app for real-time engine diagnostics, completed the booth.

In April, FPT Industrial expanded its already extensive engine line-up for power generation with the launch of the 4-cylinder G-Drive R24. The unveiling of the R24 was planned for Middle East Energy in Dubai, the region's most comprehensive energy exhibition. However, the event was canceled due to exceptionally inclement weather. The G-Drive R24 provides an effective solution for all emergency and prime power applications in the 20 to 40 kVA range. This engine comes as a compact four-cylinder G-Drive, complete with engine, radiator, and air filter designed for a limited footprint. Single-side servicing facilitates and speeds up maintenance activities. Featuring a simple and reliable mechanical pump, the R24 engine platform is available in both naturally aspirated and turbocharged models. The R24 delivers excellent transient load response for any stand-by and prime application. The flexibility to switch between 50 Hz and 60 Hz offers efficient stock management for customers.

In April, FPT Industrial and LONGEN POWER, a professional manufacturer of gensets and industrial power equipment integrating R&D, design, manufacturing, sales and service, entered into a comprehensive cooperation agreement to expand into global power equipment markets. This cooperation was signed not only as a strong combination of technical excellence and market influence, but also to positively respond to the ever-increasing needs of global green power development. In this partnership agreement, FPT Industrial leverages its considerable resources in terms of R&D, advanced manufacturing, and leadership in sustainable solutions to provide LONGEN POWER with top-quality, high-efficiency engines to guarantee both energy security and respect for the environment worldwide.

As part of its efforts to enhance customer support and service quality, FPT Industrial launched its Customer Service Academy in April 2024. This state-of-the-art Engine Teardown Area has been designed to equip service professionals around the world with the skills and knowledge required to maintain and repair FPT Industrial product line-up. A modern and multimedia space, dedicated to hands-on learning of all the secrets for maintaining and repairing – even remotely – industrial engines, as well as eAxles and batteries. The Engine Teardown Area is a global project which involves not only the Turin plant, but also those in Sete Lagoas (Brazil), York (USA) and Pune (India). The scope of this project is, in fact, of great importance with over 300 technicians enrolled for Advanced Technical Training, more than 4,900 Advanced Training Modules delivered either face to face or online, over 28 countries involved, from Europe to Middle East and Africa and five levels of training to ensure smooth and effective onboarding.

In May, FPT Industrial showcased its sustainable and innovative electric solutions at ACT Expo 2024 in Las Vegas, USA. During the tradeshow, the Brand put into practice its flexible approach to the energy transition by showcasing both ePowertrain solutions and multifuel ICE powertrains. In keeping with its 360-degree approach towards carbon neutrality, FPT Industrial offset the emissions generated by its stand at ACT Expo. All the factors and actions involved in the stand's construction, dismantling, power, and transportation have been taken into consideration, and the total carbon footprint has been offset through the purchase of certified carbon credits. Visitors had the chance to see up close the eAX 375-R, a first-time for the North American market and the first model of FPT Industrial's second generation eAxles; the eAX 840-R, the first HDT eAxe on the market; the LCV Central Drive eCD140 as well as the XCURSOR 13, FPT Industrial's first single-base multi-fuel engine, shown with its three different engine heads for diesel, natural gas and hydrogen versions.

Sustainability remained a core pillar of FPT Industrial's strategy in 2024, as the Company launched a series of new sustainability projects aimed at reducing its environmental impact. Conscious of the responsibilities deriving from being a leading manufacturer of engines, the brand has decided to take the path of sustainability in vehicle and marine propulsion, as well as in power generation, in a global and factual manner. In line with its strategy which involves the parallel development of new and more environmentally friendly ICEs, with a wider array of alternative fuels currently used or being tested, together with hybrid and 100% electrified products, FPT Industrial is moving steadily towards the net-zero carbon emissions target with a comprehensive approach that not only includes its plants, products and processes, but also other potentially carbon-emitting activities, such as its attendance at major international fairs.

The 2024 also saw FPT Industrial's presence at SMM 2024, the world's leading trade fair and conference event for the maritime industry, held from the 3 to 6 September at the Hamburg Messe und Congress GmbH, in Hamburg. Capitalizing on its very successful debut as independent exhibitor in 2022, the brand showcased its latest marine engine technologies for this market, focusing on its fixed speed G-drive engines line up, including the launch of the brand new CURSOR 16 fixed speed auxiliary for G-drive use for IMO Tier 2, EPA Tier 3, China GB2 markets, the N67 G-Drive 129 kW Stage V and CURSOR 9 G-Drive. The FPT Industrial marine fixed speed G-Drive range offers a reliable set of solutions for on-board power generators to power and satisfy hotel loads for pleasure and commercial applications, while helping the maritime industry reducing its environmental footprint.

In September, FPT Industrial participated in another prestigious marine tradeshow, the Cannes Yachting Festival, an important occasion in the French Riviera during which the brand gave visitors a significant glimpse of its extensive marine range, showcasing two relevant products from its renowned NEF range, the N40 250 E and the N67 570 EVO.

Furthermore, the brand was one of the leading exhibitors announced for IAA TRANSPORTATION 2024, the major global trade show for logistics, commercial vehicles, buses, and the transportation industry, which took place from 17 to 22 September 2024, at Deutsche Messe AG in Hanover (Germany). During an important press conference, FPT Industrial announced new products in both the sustainable ICE and ePowertrain segments, perfectly in keeping with its multi-energy path, presenting itself as the right partner to support customers in their transition towards new, sustainable technologies for both passenger and goods transport. As in other recent shows, the brand's booth in Hanover was carbon neutral. In other words, all the factors involved in its set-up, use and dismantling, including materials, passenger and goods transport, and the energy consumed during the event, to name just some, were taken into consideration to minimize emissions. In particular, all the components of the FPT Industrial booth were transported on board a fleet of IVECO S-Way Natural Gas trucks powered by FPT Industrial CURSOR 13 NG engines, fueled with bio-LNG supplied by Shell. This initiative resulted in a 99% reduction in lifecycle CO₂eq emissions, compared to B7 diesel. The new products unveiled were, for ICE line-up, the CURSOR 9 H2 and the N67 Hythane, and for ePowertrain line-up, the eAX 200-R, a 3-in-1 solution with cutting-edge internal design for commercial vehicles up to 11 tonnes. All the values, services and benefits of Customer Service were showcased in a dedicated area in the brand's booth, including the MyFPT App and the Control Room, the Company's Original Reman remanufactured parts, and an unveiled range of engine oils created in close partnership with PLI (Petronas Lubricants International). The array of services FPT Industrial offers to customers who rely on its powertrains is not only intended to deliver maximum uptime and to minimize potential problems and issues, but also to limit the environmental impact of any maintenance activity.

In November, FPT Industrial showcased sustainable and efficient solutions for the agriculture industry at EIMA International 2024, held in Bologna (Italy) from 6 to 10 November. Visitors of the brand's booth - a carbon-neutral one, like with all the global events it has exhibited at in 2024 - were spoilt for choice, with compact yet powerful engines for specialized equipment, natural gas-fueled solutions for a smooth energy transition, new industrial power units, and ePowertrain products extending the scope of electricity in modern farming. Besides a complete multi-energy line-up to meet customer needs with progressively sustainable solutions in the agricultural field, whose applications often require a low environmental impact and emissions, the brand introduced the R38, a 3.8 l turbocharged engine that aims to offer a cost-effective solution for unregulated applications. It offers full compliance with EU standards, and seamless integration with the rest of FPT Industrial's ecosystem. It covers the 50 kVA and 60 kVA outputs in the power generation line-up, and 55 kW and 65 kW in the industrial power unit version, making it ideal for a wide range of applications.

In November, FPT Industrial exhibited at METSTRADE 2024, the world's leading platform for professionals in the leisure marine equipment industry, alongside the dealer Marant Motortechnik, its authorized distributor for Benelux. The showcased engines included the N67 450 N, the CURSOR 9 650 EVO Hybrid Configuration and the CURSOR 16 600. An area at the booth was dedicated to FPT Industrial Customer Service, where visitors were able to discover the MyFPT offering – its Connected Solutions, Extended Warranty, and fluids.

At the end of November in Shanghai, FPT Industrial attended bauma CHINA, the international trade fair for construction machinery, building material machines, mining machines and construction vehicles. The brand presented its latest offerings for off-road applications in both internal combustion and ePowertrain variants, which are the core of the brand's vision of the future of construction vehicles and machinery, focused on providing ever-more efficient, reliable and sustainable products.

This is not intended to serve as a comprehensive enumeration of all launches throughout the year, but rather those for which a global press release was issued.

Deliveries: Among the main deliveries in 2024, in January, FPT Industrial announced its involvement in the construction of the Fehmarnbelt tunnel between Denmark and Germany, the world's longest immersed tunnel with a length of 11 miles, which will be the fastest route between Scandinavia and Central Europe. Through its distributor Bimotor, FPT Industrial provided its F36 Stage V engines for power generation to CGM, a leading producer of gensets. CGM gensets powered by FPT Industrial engines started operating at the immense worksite that also includes the largest concrete factory in the world.

In September, the brand joined forces with its longtime partner and distributor Bimotor to power the new High Tech Marine HTM 440 Fireman fireboat for the Principality of Monaco. The vessel features two FPT Industrial N67 550 marine engines for propulsion, delivering total 1,100 hp that allow to quickly react in case of urgency (36 Kn at medium load – 33 Kn at full load). A FPT Industrial N40 250 E variable speed auxiliary powers the 5,000 litres @ 10 BAR firefighting pump and a specific system for high pressure drilling of ships or boats in distress. The new fireboat also features a number of other advanced equipment, and its introduction marks a significant enhancement of the firefighters' operational capabilities, improving their ability to safeguard the safety in the waters off the coast of the Principality of Monaco.

Furthermore, FPT Industrial, along with its distributor AS Labruna, has been chosen by the Wider shipyard as preferred powertrain suppliers for the new WiderCat 92 hybrid catamaran, whose third hull was launched at the Wider Vision Hub in Fano, Italy. Two FPT Industrial N67 570 EVO 349 kW variable-speed engines are combined with twin electric motors – each delivering 500 kW – in an innovative serial hybrid propulsion system, completed with an LFP (Lithium Iron Phosphate) battery pack for energy storage. The entire propulsion system provides a cruising speed of 12 knots thanks to the Electric Boost. The compact and high-performance N67 570 EVO engines at the heart of this serial hybrid system feature advanced electronic common rail systems and provide high, constant power and torque delivery, reliability, and low fuel consumption. Layout and specific settings are focused on marine duties. Both engine and turbocharging cooling systems are specifically optimized for high-power missions.

This is not intended to serve as a comprehensive enumeration of all deliveries throughout the year, but rather those for which a global press release was issued.

Prizes and achievements: 2024 was yet another year full of awards and achievements for FPT Industrial. In March, the brand reached another significant milestone at its plant in Cordoba (Argentina) with the production of engine number 200,000, less than two years after reaching the milestone of 150,000 in September 2022. Its two assembly lines produce the medium-sized NEF range together with the CURSOR 9, 10, 11 and 13 heavy engine versions, with engine number 200,000 being a powerful CURSOR 13 Euro VI headed to Brazil. In fact, the plant is not only an important production center in the country, but also distinguishes itself as an exporter: in the case of the Cursor, 100% of the engines produced are shipped to Brazil.

In September, another impressive milestone was celebrated: the production of its 100,000th natural gas (NG) engine. This landmark achievement took place at the brand's state-of-the-art manufacturing plant in Bourbon-Lancy, France, home of its large engine manufacturing operations. The 100,000th NG engine was an XCURSOR 13 NG model for the truck market.

In the same month, FPT Industrial and Tata Daewoo Commercial Vehicles celebrated 20 years of partnership. As a global engine manufacturer, FPT Industrial supports a major commercial vehicle builder like Tata Daewoo to achieve competitive gain and grow its market share. Over the past two decades, FPT Industrial has remained committed to providing this high-profile customer with optimal engine solutions. Since 2015, this pledge has involved supplying Tata Daewoo's full line up of light, medium and heavy commercial vehicles with Euro VI compliant engines. Since the start of the collaboration, approximately 90,000 engines have been supplied to the partner.

In November, during EIMA International, as FPT Industrial won the Tractor of the Year (TotY) 2025 award in the HighPower category to the CASE IH Quadtrac 715 tractor, powered by FPT Industrial's CURSOR 16 TST engine, and the Tractor of the Year (TotY) 2025 award in the Utility category to the STEYR 4120 Plus tractor, powered by FPT Industrial's F36 engine. Launched in 1998 by Italian magazine 'Trattori', the prestigious annual TotY awards recognize the latest innovations throughout the international tractor sector. The jury comprised 25 journalists, representing the most influential agricultural magazines, websites, TV programs and social networks across Europe. Out of the 21 finalists with ICE engines across the five categories of the TotY 2025 awards, no fewer than six were powered by FPT Industrial, confirming it as one of the most favored brands of the top tractor manufacturers represented.

Another outstanding achievement during EIMA was the winning of the first Alternative Engine Award: the brand's XCURSOR 13 was chosen by the jury for the new award – organized by Powertrain International magazine – as the best expression of a holistic vision of the future of mobility, acknowledging the importance of internal combustion engines in the path to decarbonization. In its first edition, the award aimed to recognize the value of a "multitasking vocation", meaning versatility and adaptability to the use of different fuels, essential characteristics for internal combustion engines in order to play an important role in the future and for the emissions challenges to come. All these elements were identified by the jury of the Alternative Engine Award as being offered by the XCURSOR 13.

This is not intended to serve as a comprehensive enumeration of all prizes and achievements throughout the year, but rather those for which a global press release was issued.

SALES AND DISTRIBUTION

Truck

Truck's worldwide distribution strategy is based on a network of independent dealers, in addition to its own dealerships and branches. As of 31 December 2024, Truck had approximately 430 dealers globally (of which 14 were directly owned by the Group and 6 were branches). All dealers sell spare parts for the relevant vehicles. Truck bolsters its distribution strategy by offering incentives to its dealers based on target achievements for sales of new vehicles and parts and providing high quality aftersales services.

As of 31 December 2024, Truck had approximately 1,130 sales and 2,340 service network points. In addition to Truck' standard one-year full vehicle warranty and two-year powertrain warranty, Truck offers personalised aftersales customer assistance programmes.

A key element of Truck's growth strategy is its distribution network. In Western and Eastern Europe, Türkiye, Australia and Latin America, continued consolidation of the distribution network is aimed at improving service to customers. In Africa and the Middle East, the distribution network is being expanded to fully exploit growth in these markets.

In the UK, Truck is one of the OEMs that sells trucks and other commercial vehicles to companies which offer commercial vehicle rental solutions.

Bus

Bus worldwide distribution strategy is based on a network of dealers that are complementing the direct sales channel which is addressing in many markets typically the public and private accounts, such as Arriva, RATP Dev, Keolis, Ile-de-France-Mobilités, Transdev or Deutsche Bahn. As of 31 December 2024, Bus had 180 dealers globally (of which 3 were directly owned by the Group and 18 were branches). Dealers are comprising some that are dedicated Bus dealerships, while the majority is as well sharing the Iveco Truck distribution mandate. Service network points are mostly common with Iveco Truck business, leveraging on the processes.

Bus is enjoying a consolidated position in Europe as second player, while expanding its presence in Latin America and in a selective way as well within the AMEA region and Central Asia. As of 31 December 2024, Bus had approximately 370 sales and 970 service network points.

Defence

IDV's distribution strategy is based on direct sales to Interior and Defence Ministries, leveraging on a network of local sales agents if needed. IDV has an extensive worldwide network of service partners in territories with a running vehicle park. It is also able to provide direct on-site maintenance and repair activities alongside the Customer.

ASTRA's worldwide distribution strategy is based on a network of independent dealers. As of 31 December 2024, ASTRA had approximately 67 dealers globally. All dealers sell spare parts for the relevant vehicles. As of 31 December 2024, ASTRA had approximately 389 sales and/or service network points.

In 2024, IDV and Astra have delivered approximately 3,600 vehicles all over the world. The order book forecast is promising and once again demonstrates the capability to develop, manufacture, and service on time and with quality.

Powertrain

Powertrain specializes in delivering propulsion solution products to the Truck, Bus and Defence segments within the Iveco Group. The Company extends its services to the agriculture and construction equipment businesses, catering to various third-party customers. Furthermore, Powertrain strategically aligns its commercial approach and business model towards cultivating a diverse portfolio of medium-to-large OEM clientele. The Company has successfully engaged in establishing long-term supply agreements with an expanding number of third-party customers. Powertrain has a network of dealers and service points that cover its entire product range and related market sectors. Large OEMs use their own internal networks to obtain parts and services for purchased equipment, while small OEMs frequently rely on us for delivery of parts and services through Powertrain's worldwide network.

PRICING AND PROMOTION

The retail price of any particular piece of equipment or vehicle is determined by the individual dealer or distributor and generally depends on market conditions, features, options, and potentially regulatory requirements. Retail sale prices may differ from the manufacturer-suggested list prices, as a result of different factors (markets' demand; customers' specific requirements; local market conditions; general economic conditions; access to financing; etc.). The Group sells most of the Group's portfolio to its dealers and distributors at wholesale prices that reflect a discount from the manufacturer-suggested list price.

In the ordinary course of business, the Group engages in promotional campaigns that may include price incentives or preferential financing terms with respect to the purchase of certain products. The Group regularly advertises its products to transporters, distributors and dealers in each of its major markets. To reach the Group's target audience, the Group uses a combination of general media, specialised design and trade magazines, Internet and direct mail. The Group also regularly participates in major international and national trade shows and engage in co-operative advertising programs with distributors and dealers. The promotion strategy for each brand varies according to the target customers for that brand.

Referring to Bus, the majority of sales are administered through standardized procurement processes both for public and for private customers. While the tender award criteria are widely different, the process aims at achieving the best product fit combined with best cost of ownership over a certain holding period of the asset. Bus has developed extensive expertise over the years to price its products and services profitably in this competitive bidding process. Typically, customers ask long term warranties on quality and product behavior, through maintenance and repair contracts and uptime guarantees, that require high quality standards on the product side and strong technical support in proximity to customer operations. Promotional activities include participation to trade fairs as well as dedicated customer events with test drive and marketing campaigns, complementing the direct contact between Bus sales organization and customer.

Referring to Defence, IDV promotes its products in response to public tenders as well as by following up on requests for direct offerings in the various territories. IDV regularly participates in prominent international and national fairs to promote the brand's entire product portfolio and to boost brand awareness. In addition to that, IDV frequently launches communication activities with both national and international media. To further grow the relationship with the customers, IDV actively organises and takes part in a series of events that also see the participation of members of the respective Armed Forces.

Concerning ASTRA, the retail pricing of specific equipment or vehicles is determined by individual dealers or distributors, contingent upon various factors such as market conditions, features, options, and potential regulatory requirements. Deviations from the manufacturer-suggested list prices can arise due to factors like market demand, customer preferences, local economic conditions, access to financing, and other relevant considerations. The Group primarily sells its portfolio to dealers and distributors at wholesale prices, reflecting a discount from the manufacturer-suggested list price. ASTRA actively promotes its products to its worldwide dealer network in line with its marketing strategy encompassing specialised design and trade publications, online platforms, and direct mail. Furthermore, ASTRA participates in prominent international and national trade shows and collaborates on cooperative advertising initiatives with distributors and dealers. The promotional approach for each brand is tailored to align with the distinctive characteristics of the target customers associated with that brand.

PARTS AND SERVICES

The quality and timely availability of parts and services are important competitive factors for each of the Group's businesses, as they are significant elements in overall dealer and customer satisfaction and important considerations in a customer's original equipment purchase decision. The Group supplies parts, many of which are proprietary, to support items in the current product line as well as for products the Group has sold in the past. The Group also offers personalised aftersales customer assistance programs that provide a wide range of modular and flexible maintenance and repair contracts, as well as warranty extension services, to meet a variety of customers' needs and to support the vehicle's value over time. Many of the Group's products can have economically productive lives of up to 10 years when properly maintained, and each unit has the potential to produce a long-term parts and services revenue stream for the Group and its dealers. For these old engines FPT Industrial Customer Service has developed the "Original Reman" line: cost-efficient parts that are exactly as efficient as a brand-new unit. The remanufactured products, which are also a sustainable alternative, get tested and provided with a full warranty.

Connectivity and digitalisation play an important part in the Company strategy, supporting both sustainability goals and to pursuing service excellence. More than 267,000 assets are monitored 24/7 in FPT Industrial's Control Room in Turin headquarters, where aftersales experts and engineers work side by side to develop and release in field algorithms that increase customer uptime and reduce fuel consumption and emissions through FPT Industrial Proactive Assistance Service, part of FPT Industrial Connected portfolio of services. After an intensive and tough validation this service has been also adopted to support de Rooy's team at Dakar 2025. From Turin, the Control Room team can now constantly monitor the engine's performance, utilizing a cutting-edge tool tailored to meet the stringent rules of the Dakar and the specific needs of the team. Stage after stage, the team will be provided with detailed reports and timely alerts in case of anomalies, allowing the team to optimize strategies and interventions.

In the unlikely event of a breakdown related to one of brand products, FPT Industrial and its network increasingly intervene in field through virtual field visits, saving time and fuel as the goal of re-starting customer operations is reached guiding the field technician through a tested Remote Support platform, now operating since 2019.

As of 31 December 2024, the Group operated and administered 17 parts depots worldwide either directly, through a joint venture, or through arrangements with warehouse service providers. This network includes 7 in Europe, 2 in South America, 1 in North America, and 7 in Rest of World supporting Truck, Bus, Defence and Powertrain, respectively. These depots supply parts to dealers and distributors, which are responsible for sales to retail customers. The Group's parts depots and parts delivery systems provide customers with access to substantially all the parts required to support Group's products.

Referring to Bus, its operators are transporting people and as such the level of expectation in terms of product reliability and safety is very high. The service points network is an important asset as it ensures customer proximity and ability to solve any technical issue in the field within short delay. Bus has a specific organization managing vehicle uptime through a control room in Venissieux site and a task force of experts specially trained on Bus products to intervene directly on customer operation in case this should be required.

Referring to Defence, IDV and ASTRA offer customised management by tailoring services to their customers' requirements. Fleet management services, on-site service, help desk, configuration management and obsolescence management allow the brands to assist the customer throughout the life of the product, which can be over 20 years when properly maintained.

COMMERCIAL AND/OR MANUFACTURING COLLABORATIONS

As part of a strategy to enter and expand in new markets, the Group is involved in several commercial and/or manufacturing collaborations relating to Industrial Activities businesses. In particular, in China, the Group has a 60.0% interest in SAIC Fiat Powertrain Hongyan Ltd (SFH), a manufacturing company located in Chongqing, which produces diesel engines under license from the Group to be sold in the Chinese market and to be exported to Europe, the U.S. and Latin America.

FINANCIAL SERVICES

Financial Services offers a range of financial products and services to dealers, importers, customers and suppliers in the various regions in which the Group's Industrial Activities segments operate. The principal products offered directly or through joint ventures with banks are retail loan, lease financing and operating lease for the purchase or lease of new and used vehicles, wholesale financing to dealers and discount of non-dealer trade receivables from legal entities of the Group. Wholesale financing consists primarily of dealer floor plan financing and gives the dealers the ability to maintain a representative inventory of new products. In addition, Financial Services directly or through joint ventures with banks provides financing to dealers for used vehicles taken in trade-in, vehicles utilised in dealer-owned rental yards, parts inventory, working capital and other financing needs. As a captive finance business, Financial Services is reliant on and supports the operations of commercial and specialty vehicles, and powertrain, their dealers and customers.

Financial Services supports the growth of Industrial Activities by developing and structuring financial products with the objective of increasing vehicle sales as well as profitability and customer loyalty. Financial Services' strategy is to grow a core financing business to support the sale of the Group's vehicles while at the same time maintaining its portfolio credit quality, service levels, operational effectiveness and customer satisfaction. Financial Services also offers products to finance third party vehicles sold through the Group's dealer network or within the Group's core businesses. Financed third party vehicles include used vehicles taken in trade-in on the Group's products used in conjunction with or attached to the Group's products.

In Europe, there are two joint ventures that provide retail financing to customers for the purchase or lease of new and used vehicles sold directly by the Group or through brand dealers, depending on the country of origin. CNH Industrial Capital Europe S.a.S., a joint venture accounted for under the equity method, owned by BNP Paribas Group (50.1%), and by Iveco Group and CNH Industrial N.V., together retaining the 49.9% of the shares through a jointly controlled sub-holding. Transolver Finance Establecimiento Financiero de Credito S.A. (Transolver Finance), a joint venture with the Santander Group, operating in Spain, owned by Iveco Group N.V. (49%) and accounted for under the equity method. Transolver Finance also provides dealer financing. Additionally, there are vendor programs with banking partners that provide customer financing of new and used vehicles sold by brand dealers of the Group in different countries.

In Europe, the Middle East and Africa (EMEA), the Iveco Group Financial Services organisation provides services to the CNH Industrial Financial Services segment on customer financing and factoring deeply described and regulated in a specific Master Service Agreement (Financial Services Master Service Agreement). In this context in Europe, IC Financial Services S.A., a French specialised credit institution with passporting to operate in main European countries, wholly-owned by the Group, manages CNH dealer financing through a dedicated securitisation.

For South America, customer and dealer financing activities in Brazil are managed through the CNH wholly-owned financial services company, Banco CNH Industrial Capital S.A. ("Banco CNH Industrial Capital"), which supports the sales of Iveco Group vehicles with a "Vendor Program". In Argentina, customer and dealer financing activities, which support the sales of Iveco Group vehicles, are supported and served through a wholly-owned CNH Financial Services company, with a "Vendor Program". In addition, other vendor programs with banking partners are also in place in Argentina and other South America countries.

For Rest of World (Australia), customer and dealer financing activities for Iveco Group vehicles are managed through a "Vendor Program" with CNH wholly-owned financial services companies.

Customer Financing

Financial Services - also through the joint ventures - operates in the frame of retail underwriting and portfolio management policies and procedures. This allows Financial Services to reduce risk by deploying specific expertise in each of these businesses. The Group provides retail financial products primarily through the Group's dealers, who are trained in the offer of the various financial products. Dedicated credit underwriting teams perform retail credit analysis. The ownership of the vehicles for financial or operating leasing products is held by Financial Services or joint ventures.

Financial Services guidelines do not specify a minimum down payment for leased vehicles, but a range of 1 installment to 20% of the actual sales price generally applies, depending on the type of equipment, repayment terms, and customer credit worthiness.

GATE - Green & Advanced Transport Ecosystem – started operations in Italy in 2023 and expanded business through branches in France and Germany opened at the end of 2024. GATE is a company dedicated to rental business of Iveco Group green commercial vehicles. The mission of the company is to simplify the transition to electric mobility, with long term pay per use full-service rental provided in collaboration with premium partners.

Dealer Financing

Financial Services provides wholesale floor plan financing for nearly all the Group's dealers. This allows them to acquire and maintain a representative inventory of products. Financial Services also provides financing to dealers for used vehicle taken in trade-in, vehicle utilised in dealer-owned rental yards, parts inventory, working capital, and other financing needs. For floor plan financing, Financial Services generally provides a fixed period of "interest free" financing to the dealers. This practice helps to level fluctuations in factory demand and provides a buffer from the impact of sales seasonality. For the "interest-free" period, the applicable Industrial Activities segment compensates Financial Services based on Financial Services' estimated costs and a targeted return on equity. The cost is recognised as a reduction in net sales for the applicable Industrial Activities segment. After the expiration of any "interest-free" period, interest is charged to dealers on outstanding balances until Financial Services receives payment in full.

A wholesale underwriting team reviews dealer financial information and payment performance to establish credit lines for each dealer. In setting these credit lines, Financial Services aims to meet the reasonable requirements of each dealer while managing its exposure. In most of the countries the credit lines are secured by retention of title of the vehicles financed. Dealer credit agreements generally include a requirement to repay the financing at the time of the retail sale of the unit. Financial Services leverages employees, third party contractors, and new digital technologies like "geo-fencing" to conduct periodic stock audits at each dealership to confirm that the financed vehicle is maintained in inventory. These audits are unannounced, and their frequency varies by dealer and depends on the dealer's financial strength, payment history, and prior performance.

Discount on Non Dealer Trade Receivables

Financial Services also provides intragroup discount of trade and other receivables. This activity involves the purchase (without recourse) of receivables from legal entities of the Group, originating from the different Industrial Activities segments, and due from third or related parties.

Sources of Funding

The long-term profitability of Financial Services' activities largely depends on the cyclical nature of the industries in which the Group operates, interest rate volatility, and the ability to access funding on competitive terms. Financial Services funds its on book operations and lending activity through a combination of financing sources including receivable securitisations, committed secured and unsecured facilities, uncommitted lines of credit, unsecured commercial paper, affiliated financing, equity and retained earnings. Financial Services' current funding strategy is to maintain sufficient liquidity and flexible access to a wide variety of financial instruments and funding options.

LEGAL PROCEEDINGS

As a global company with a diverse business portfolio, Iveco Group in the ordinary course of business is exposed to numerous legal risks, including, without limitation, dealers and suppliers litigation, intellectual property rights disputes, product warranty and defective product claims, product performance liability, asbestos, personal injury, regulatory and contractual issues, competition law, anti-corruption and other investigations, environmental claims. All significant matters are described below.

The outcome of any current or future proceedings, claims, or investigations cannot be predicted with certainty. Adverse decisions in some of these proceedings, claims or investigations could require Iveco Group to pay substantial damages or fines or undertake service actions, recall campaigns or other costly actions. It is therefore possible that legal judgments could give rise to expenses that are not covered, or not fully covered, by insurers' compensation payments and could affect Iveco Group's financial position and results.

When it is probable that an outflow of resources embodying economic benefits will be required to settle obligations and this amount can be reliably estimated, Iveco Group recognises specific provisions for this purpose. Contingent liabilities estimated by the Group, for which no provisions have been recognised since an outflow of resources is not considered probable at the present time, were not material at 31 December 2024 and 2023.

Although the ultimate outcome of legal matters pending against Iveco Group cannot be predicted, Iveco Group believes the reasonable possible range of losses for these unresolved legal matters in addition to the amounts accrued would not have a material effect on its Consolidated Financial Statements, except for the following cases.

Follow on Damages Claims: in 2011 Iveco S.p.A. and Iveco Magirus AG (together "Iveco"), which, following the Demerger, are now part of Iveco Group N.V., and their competitors in the European Union were subject to an investigation by the European Commission (the "Commission") into certain business practices in the European Union in the period 1997-2011, in relation to Medium & Heavy trucks. On 19 July 2016, the Commission announced a settlement with CNH Industrial ("the Decision") including a settlement with Iveco. In particular, Iveco received a reduction in its fine for cooperating with the European Commission throughout the investigation, and received a fine of €494.6 million. Similar decisions were taken, by the Commission, with reference to the other competitors. Following the Decision, Iveco S.p.A. and Iveco Magirus AG have been named as defendants in many proceedings across Europe and Israel. These damage claims could result in substantial liabilities for the

Group as well as incurring in significant defense costs, which may have a material adverse effect on its operations and financial condition. The extent and outcome of these claims cannot be reliably predicted at this time and, therefore, the Group did not recognise any specific provision for these claims. In 2024 and 2023, Iveco Group recognised a cost of €20 million and €12 million, respectively, related to certain claims for which it was possible to make a reliable estimate. This current position will be reassessed on a regular basis and updated as necessary, based on cases' evolution. In accordance with IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets* (paragraph 92), no further information is disclosed so as not to prejudice the Group's position.

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

Iveco Poland Antitrust Case: in August 2024, the President of the Office of Competition and Consumer Protection of Poland ("UOKIK") issued a decision regarding alleged violations of competition law by Iveco Poland Sp. z o.o. ("IPL"), a subsidiary of Iveco Group N.V., and its distributors in the local truck market, envisaging a fine of PLN 155 million (approximately €36 million as of 31 December 2024). The UOKIK decision was served on IPL in September. Iveco Group disagrees with the allegations and findings presented by the UOKIK and intends to defend its case in every possible instance and the decision of UOKIK is not yet final or binding. As a consequence, in October 2024, IPL has appealed the UOKIK decision before the Polish court (the "Court"). Only a final judgment of the Court will determine whether a breach of competition law took place and the amount of the fine, if any, that should be paid. In light of the above, Iveco Group did not recognise any specific provision in relation to this case.

INSURANCE

Iveco Group covers with third party insurers the various risks arising from its business activities including, but not limited to, risk of loss or damage to its assets or facilities, business interruption, general liability, product liability and directors' and officers' liability. The Group believes it maintains insurance coverage that is customary in its industry. Until the end of September 2022, the Group used a broker that was a subsidiary of Stellantis N.V. ("Stellantis", formerly Fiat Chrysler Automobiles N.V. which, effective 16 January 2021, merged with Peugeot S.A. by means of a cross-border legal merger). Starting from October 2022, Iveco Group relies on international brokers to place its insurance coverage.

PLANTS AND MANUFACTURING PROCESSES

As of 31 December 2024, the Group owned 30 manufacturing facilities (of which 3 manufacturing facilities belong to the Discontinued Operations, whose transfer was completed on 3 January 2025). The Group also owns other significant properties including spare parts depots, research laboratories, test tracks, warehouses, and office buildings.

The Group makes capital expenditures in the regions in which it operates principally related to initiatives to introduce new products, enhance manufacturing efficiency and improve capacity, and for maintenance and engineering. In 2024, the Group's total capital expenditures in long-lived assets, excluding assets sold with buy-back commitments and equipment on operating leases, were €939 million, of which 95% was spent in Europe, 4% in South America and 1% in Rest of World, respectively. These capital expenditures were funded through a combination of cash generated from operating activities and borrowings under short-term facilities. In 2023, the Group's total capital expenditures were €961 million. In 2024, capital expenditures were lower than in 2023.

The following table provides information about our main manufacturing and engineering facilities of Continuing Operations as of 31 December 2024:

Location	Primary Functions	Approximate Covered Area (Sqm/000)
Italy		
Brescia	Medium vehicles, cabs, chassis; R&D centre	276
Bolzano	Defense vehicles; R&D centre	83
Foggia	Engines; drive shafts; R&D centre	151
Foggia	Buses	5
Piacenza	Quarry and construction vehicles; R&D centre	64
Suzzara	Light vehicles; R&D centre	170
Torino	Transmissions and axles	222
Torino	Engines	142
Torino	R&D centre (Truck)	41
Torino	R&D centre (Powertrain)	28
Torino	Powertrain generation	18
France		
Annonay	Buses (Coaches & City); R&D centre	114
Bourbon Lancy	Engines; R&D centre	107
Fourchambault	Engines (remanufacturing)	24
Rorthais	Buses (City); R&D centre	34
Venissieux	R&D centre (Buses)	14
Brazil		
Sete Lagoas	Heavy, medium and light vehicles; R&D centre	184
Sete Lagoas	Defense vehicles; R&D centre	19
Sete Lagoas	Engines; R&D centre	25
Germany		
Ulm	R&D centre (Truck)	45
Ulm	Electric and hydrogen-powered heavy-duty trucks; R&D centre	29
China		
Chongqing	Engine; R&D centre	76
Shanghai	R&D centre (Powertrain)	—
Argentina		
Cordoba	(Medium/Heavy) Trucks and buses; R&D centre	58
Cordoba	Engines	32
Spain		
Madrid	Heavy vehicles; R&D centre	134
Valladolid	Light vehicles, heavy cab components	118
United Kingdom		
Coventry	R&D centre (Powertrain)	1
Nuneaton	R&D centre (Defence)	1
Others		
Vysoke Myto (Czech Republic)	Buses (City & Intercity); R&D centre	133
Arbon (Switzerland)	R&D centre (Powertrain)	6
Burr Ridge (United States)	R&D centre (Powertrain)	8

RESEARCH AND DEVELOPMENT

Iveco Group continued to make significant strides in sustainable mobility and technological advancement. The Company's research and development (R&D) efforts focused on zero-emission vehicles, electrification, multi-fuel energy solutions, and digitalisation. These initiatives underscore Iveco Group's commitment to environmental responsibility and meeting evolving market demands. Additionally, Iveco Group successfully launched its Model Year 2024 vehicles.

The introduction of a zero-emission vehicle tailored for light commercial use and the development of heavy and medium-duty electric vehicles were significant milestones. Investments in gas, hydrogen, and diesel solutions provided versatile and sustainable options for customers. The prioritization of Advanced Driver Assistance Systems (ADAS) enhanced vehicle safety and operational efficiency, while the transformation of internal processes with new work methodologies and advanced tools was a key focus.

In 2024, the expenditure in research and development (including capitalised development costs and costs charged directly to operations during the year) totalled €802 million, or 5.8% of net revenues from Industrial Activities.

At 31 December 2024 approximately 3,700 employees at 30 sites around the world were involved in the research and development activities (of which approximately 3,600 employees at 27 sites refer to Continuing Operations). Approximately 260 employees were located at 6 sites in emerging countries⁽¹⁾.

The following table shows our total research and development expenditures, including capitalised development costs and costs charged directly to operations during the year, by segment for the years ended 31 December 2024 and 2023:

(€ million)	2024	2023
Truck	558	582
Bus	75	72
Defence	24	21
Powertrain	145	192
Eliminations and Other	—	—
Total of Industrial Activities	802	867
Financial Services	—	—
Eliminations	—	—
Total Continuing Operations	802	867
Discontinued Operations	19	21
Total	821	888

The Group owns a significant number of patents, trade secrets, and trademarks related to its products and services, and that number is expected to grow as its research and development activities continue. With reference to Continuing Operations, at 31 December 2024, Iveco Group owned 1,025 patent families, totalling 5,529 active patents, which includes 88 new patents registered during the year. Additionally, there were 677 patents applications pending at that time. The Group's patents predominantly pertain to its product line, with 75% related to heavy, medium and light commercial vehicles, special vehicles, buses, and spare parts. The remaining 25% of patents are associated with engines and driveline systems. These patents encompass products, industrial processes, and both internal and external aesthetics of the Group's products. To elaborate, 451 to buses, over 419 to heavy trucks, around 92 to medium trucks, 47 to defence vehicles and more than 313 to light trucks and vans. Around 474 patents safeguard the Group's vehicle spare parts, and over 960 patents pertain to innovative technologies intended for implementation in the Group's vehicles. These technologies include alternative propulsion, battery management systems, and autonomous driving solutions. The remaining patents, approximately 1,370, are related to engines, with 140 associated with drivetrain systems. Other patents pertain to electronic systems, chassis, hydraulic components, and manufacturing processes. In recent years, the Group's patent portfolio has strategically focused on key technological areas such as alternative propulsion, including fuel cell and battery electric vehicles, liquid and compressed natural gas engines, and innovative solutions for autonomous driving for both short and long international goods transport. At 31 December 2024, over 53% of the Group's patent portfolio serves to protect its current vehicles and engines. The entire patent portfolio is designed to defend the Group against potential patent infringements. With reference to Fire Fighting business, at 31 December 2024, Iveco Group owned 74 patent families, totalling 563 active patents, which included 4 new patents registered during the year. On 3 January 2025, the transfer of the Fire Fighting business was completed and these patents were transferred as well.

⁽¹⁾ Emerging Markets are defined as low, lower-middle or upper-middle income countries as per the World Bank list of economies as at 31 December 2024.

The development of products that reduce polluting and CO₂ emissions, optimization of energy consumption and efficiency, and the use of alternative fuels and adoption of alternative traction systems were key areas of focus. The incorporation of advanced telematics systems to ensure safe use, along with a focus on automated driving and connectivity and data management, were also prioritized.

Looking ahead, Iveco Group is committed to enhancing customer satisfaction and ensuring the highest quality in all its products and services. The focus will be on delivering innovative solutions that meet the needs of customers while maintaining a strong emphasis on sustainability and technological advancement. By prioritizing customer satisfaction and quality, Iveco Group aims to build long-lasting relationships with its customers and continue to lead the commercial vehicle sector in innovation and excellence.

HUMAN RESOURCES

EMPLOYEES

The ability to attract, retain, and further develop qualified employees is crucial to the success of Iveco Group's businesses and its ability to create value over the long-term. The Group's business is, by its nature, labour intensive and this is reflected in the high number of the Group hourly employees.

The following tables show the breakdown of the number of employees by segment and by region at 31 December 2024 and 2023:

(number)	2024	2023
Truck	18,326	18,476
Bus	5,874	5,570
Defence	1,955	1,763
Powertrain	7,817	8,167
Other Activities	219	222
Total Industrial Activities	34,191	34,198
Financial Services	538	527
Total Continuing Operations	34,729	34,725
Discontinued Operations	1,317	1,312
Total	36,046	36,037

(number)	2024	2023
Europe	29,651	29,700
South America	4,010	3,854
North America	77	84
Rest of World	991	1,087
Total Continuing Operations	34,729	34,725

As of 31 December 2024, Iveco Group had 36,046 employees, an increase of 9 from the 36,037 employees at year-end 2023. The change was mainly attributable to the difference between new hires (approximately 3,030) and departures (approximately 2,710) during the year. A further decrease of approximately 300 employees was mainly due to changes in the scope of operations related to the sale of Truck distribution and retail operation on Nordics countries and to the sale of two dealers of property in France, partially offset by the last step of personnel insourcing from Stellantis initiated last year.

Excluding the changes in the scope of operations, the workforce increase compared to year-end 2023 was attributable mainly to the workforce growth in Bus, driven by the production and sales of vehicles meeting the energy transition requirements and the demand for sustainable mobility, in Defence, whose business growing in terms of both turnover and results has led to an upward adjustment of the personnel involving all departments, in Truck's manufacturing plants primarily in Brazil and, to a lower extent in Italy, partially offset by a decrease in Powertrain due to lower production volumes.

For 2025, Iveco Group does not expect any significant change in its overall workforce compared to 2024.

COLLECTIVE BARGAINING

At global level more than 94.7% of the Iveco Group employees are covered by collective labour agreements (CLAs) stipulated either by an Iveco Group subsidiary or by the employer association for the specific industry which the Iveco Group subsidiary belongs to.

In Italy, approximately 14,100 Iveco Group employees, except Managers, are covered by the CLA that was renewed in March 2023 and in force until 31 December 2026 for the regulatory part. In December the negotiations for the renewal of the economic part of the CLA, due to expire on 31 December 2024, have begun.

The approximately 350 Iveco Group Managers in Italy are covered by the CLA that, renewed in April 2023, continues until 31 December 2026.

OPERATING AND FINANCIAL REVIEW

OVERVIEW

The Group is a leading automotive company engaged in the design, production, marketing, sale, servicing, and financing of trucks, commercial vehicles, buses and specialty vehicles for firefighting, defense and civil protection, as well as combustion engines, alternative propulsion systems, transmissions and axles for those vehicles and engines and alternative propulsion systems for agricultural and construction equipment and for marine and power generation applications. The Group has manufacturing, commercial and financial services companies located in 34 countries.

The Group's reportable segments consist of: (i) Truck, (ii) Bus, (iii) Defence, (iv) Powertrain, and (v) Financial Services. The Group's Industrial Activities include the Group's entire enterprise without Financial Services (i.e., Truck, Bus, Defence, Powertrain, and Iveco Group N.V., including the treasury operations). The Group generates revenues and cash flows principally from the sale of vehicles to dealers and distributors and engines to third parties. Financial Services provides a range of financial products and services focused on financing the sale and lease of vehicles to the Group's dealers and their customers. These operations are reported as Continuing Operations. As previously mentioned, Fire Fighting business is now reported as Discontinued Operations

Revenues of Industrial Activities are presented net of discounts, allowances, settlement discounts and rebates, as well as costs for sales incentive programs, determined on the basis of historical costs, country by country, and charged against profit for the period in which the corresponding sales are recognised. The Group's sales incentive programs may include the granting of retail financing at discounts to market interest rates. The corresponding cost to Industrial Activities is recognised at the time of the initial sale and the revenues of Financial Services are recognised on a pro rata basis in order to match the cost of funding.

The results presented in this report are prepared in accordance with EU-IFRS and use the euro as the presentation currency.

ALTERNATIVE PERFORMANCE MEASURES (OR "NON-EU-IFRS FINANCIAL MEASURES")

Iveco Group monitors its operations through the use of several non-EU-IFRS financial measures. Iveco Group's management believes that these non-EU-IFRS financial measures provide useful and relevant information regarding its operating results and enhance the readers' ability to assess Iveco Group's financial performance and financial position. Management uses these non-EU-IFRS measures to identify operational trends, as well as make decisions regarding future spending, resource allocations and other operational decisions as they provide additional transparency with respect to our core operations. These non-EU-IFRS financial measures have no standardized meaning under EU-IFRS and are unlikely to be comparable to other similarly titled measures used by other companies and are not intended to be substitutes for measures of financial performance and financial position as prepared in accordance with EU-IFRS.

As of 31 December 2024, Iveco Group's non-EU-IFRS financial measures are defined as follows:

- **Adjusted EBIT:** is defined as EBIT before restructuring costs and non-recurring items. In particular, non-recurring items are specifically disclosed items that management considers rare or discrete events that are infrequent in nature and not reflective of on-going operational activities.
- **Adjusted Net Income/(Loss):** is defined as profit/(loss) for the period, less restructuring costs and non-recurring items, after tax.
- **Adjusted Diluted EPS:** is computed by dividing Adjusted Net Income (Loss) attributable to Iveco Group N.V. by a weighted-average number of Common Shares outstanding during the period that takes into consideration potential Common Shares outstanding deriving from the Iveco Group share-based payment awards, when inclusion is not anti-dilutive. When Iveco Group provides guidance for adjusted diluted EPS, the Group does not provide guidance on an earnings per share basis because the EU-IFRS measure will include potentially significant items that have not yet occurred and are difficult to predict with reasonable certainty prior to year-end.
- **Adjusted Income Taxes:** is defined as income taxes less the tax effect of restructuring expenses and non-recurring items, and non-recurring tax charges or benefits.
- **Adjusted Effective Tax Rate (Adjusted ETR):** is computed by dividing a) adjusted income taxes by b) profit (loss) before income taxes, less restructuring expenses and non-recurring items.

- Free Cash Flow of Industrial Activities (or Industrial Free Cash Flow): refers to Industrial Activities, only, and is computed as consolidated cash flow from operating activities less: cash flow from operating activities of Financial Services; investments of Industrial Activities in property, plant and equipment and intangible assets; as well as other changes and intersegment eliminations.
- Net Cash (Debt) and Net Cash (Debt) of Industrial Activities: Net Cash (Debt) is defined as total Debt (including debt payable to CNH deriving from financing activities and sale of trade receivables) plus Derivative liabilities, net of Cash and cash equivalents, Derivative assets and other current financial assets (primarily current securities, short-term deposits and investments towards high-credit rating counterparties) and financial receivables from CNH deriving from financing activities and sale of trade receivables. Iveco Group provides the reconciliation of Net Cash (Debt) to Total (Debt), which is the most directly comparable EU-IFRS financial measure included in the Group's consolidated statement of financial position. Due to different sources of cash flows used for the repayment of the debt between Industrial Activities and Financial Services (by cash from operations for Industrial Activities and by collection of financing receivables for Financial Services), management separately evaluates the cash flow performance of Industrial Activities using Net Cash (Debt) of Industrial Activities.
- Available Liquidity: is defined as cash and cash equivalents, including restricted cash, undrawn medium-term unsecured committed facilities, other current financial assets (primarily current securities, short-term deposits and investments towards high-credit rating counterparties), and financial receivables from CNH deriving from financing activities and sale of trade receivables.

RESULTS OF OPERATIONS

The operations, and key financial measures and financial analysis, differ significantly for manufacturing and distribution businesses and financial services business; therefore, for a better understanding of its operations and financial results, the Company presents the following tables providing the Consolidated Income Statement of Iveco Group split between Industrial Activities and Financial Services. Industrial Activities represents the activities carried out by Truck, Bus, Defence and Powertrain business units, as well as the holding company Iveco Group N.V., that also provides centralized treasury services, and Fire Fighting business unit (classified as Discontinued Operations).

Data included in this section reflects the new reporting structures as released by Iveco Group during its 2024 Capital Markets Day. Comparative data has been represented to conform to the current year's presentation.

Discontinued Operations - Fire Fighting Business

On 13 March 2024, Iveco Group and Mutares SE & Co. KGaA announced the signing of a definitive agreement for the transfer of ownership of Magirus GmbH and its affiliates performing Fire Fighting business. The transaction was completed on 3 January 2025.

According to IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*, as the sale became highly probable in March 2024, the Fire Fighting business met the criteria to be classified as a disposal group held for sale; it also met the criteria to be classified as Discontinued Operations, according to the assessment made by Iveco Group. This assessment required judgement and was primarily based on the fact that the Fire Fighting business was managed as a separate Business Unit, having its own President who, until the transfer of the Business Unit on 3 January 2025, was a member of the Senior Leadership Team like any other Business Units' Presidents. The classification of the Fire Fighting business as Discontinued Operations gave the readers a clear picture of the past financial performance of the remaining Group (Continuing Operations), concurrently with the presentation of the new Strategic Business Plan for the remaining Group during the Capital Markets Day held on 14 March 2024, the day after the announcement of the agreement for the transfer. That presentation of the Fire Fighting business has resulted in the following:

- the operating results of the Fire Fighting business have been excluded from the Group's Continuing Operations and are presented as a single line item "Profit/(Loss) from Discontinued Operations, net of tax" within the Consolidated Income Statement for the years ended 31 December 2024 and 2023 (the latter presented for comparative purposes). In order to present the financial effects of the Discontinued Operations, revenues and expenses arising from intercompany transactions were eliminated except for those revenues and expenses that are considered to continue after the disposal of the Discontinued Operations. Eliminations from transactions between Continuing and Discontinued Operations have been allocated in full to Discontinued Operations. However, no profit or loss has been recognised for intercompany transactions within the Consolidated Income Statement
- the assets and liabilities of the Fire Fighting business have been classified as Assets held for sale and Liabilities held for sale within the Consolidated Statement of Financial Position at 31 December 2024, while the comparative amounts at 31 December 2023 have not been reclassified
- all cash flows arising from the Fire Fighting business have been presented separately in the appropriate items as Cash flows from operating, investing and financing activities, respectively, from Discontinued Operations within the Consolidated Statement of Cash Flows for the years ended 31 December 2024 and 2023 (the latter presented for comparative purposes). These cash flows represent those arising from transactions with third parties.

According to IFRS 5, when non-current assets and disposal groups are classified as held for sale, they are required to be measured at the lower of their carrying amount and fair value less costs to sell. This measurement treatment resulted in the recognition of a post-tax loss of €144 million (€145 million before tax) in the 2024 Consolidated Income Statement, included in the item "Post-tax loss on the measurement to fair value less costs to sell of Discontinued Operations".

See the Notes to the Consolidated Financial Statements, paragraph "Discontinued Operations - Fire Fighting Business" for additional details.

Unless otherwise stated, the figures and comments included in this section exclude results from Discontinued Operations.

CONSOLIDATED INCOME STATEMENT BY ACTIVITY^(*)

	2024				2023			
(€ million)	Industrial Activities ⁽¹⁾	Financial Services	Eliminations	Consolidated	Industrial Activities ⁽¹⁾	Financial Services	Eliminations	Consolidated
Net revenues	14,948	558	(217) ⁽²⁾	15,289	15,640	494	(156) ⁽²⁾	15,978
Cost of sales	12,501	353	(217) ⁽³⁾	12,637	13,156	295	(156) ⁽³⁾	13,295
Selling, general and administrative costs	908	92	—	1,000	910	86	—	996
Research and development costs	617	—	—	617	611	—	—	611
Result from investments	(2)	20	—	18	(5)	19	—	14
Gains/(losses) on the disposal of investments	1	—	—	1	—	—	—	—
Restructuring costs	22	2	—	24	36	—	—	36
Other income	39	4	(2)	41	48	4	—	52
Other expenses	248	6	(2)	252	240	—	—	240
EBIT	690	129	—	819	730	136	—	866
Net financial income/(expenses)	(211)	—	—	(211)	(443)	—	—	(443)
Financial income	108	—	—	108	93	—	—	93
Financial expenses	319	—	—	319	536	—	—	536
PROFIT/(LOSS) BEFORE TAXES	479	129	—	608	287	136	—	423
Income tax (expense) benefit	(36)	(34)	—	(70)	(118)	(37)	—	(155)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	443	95	—	538	169	99	—	268
Post-tax loss of Discontinued Operations	(42)	—	—	(42)	(34)	—	—	(34)
Post-tax loss on the measurement to fair value less costs to sell of Discontinued Operations	(144)	—	—	(144)	—	—	—	—
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS NET OF TAX	(186)	—	—	(186)	(34)	—	—	(34)
PROFIT/(LOSS) FOR THE PERIOD	257	95	—	352	135	99	—	234

(*) On 13 March 2024, Iveco Group and Mutares SE & Co. KGaA announced the signing of a definitive agreement for the transfer of ownership of Magirus GmbH and its affiliates performing Fire Fighting business. The transfer was completed on 3 January 2025. According to IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations, as the sale became highly probable in March 2024, the Fire Fighting business met the criteria to be classified as a disposal group held for sale and discontinued operations. In accordance with applicable accounting standards, 2023 figures have been represented consistently. In particular, in accordance with IFRS 5:33, Profit/(loss) from Continuing Operations does not include the post-tax loss of €144 million (€145 million before tax) on the measurement to fair value less costs to sell of Discontinued Operations deriving from the disposal of Fire Fighting business, which is included in the total Profit/(loss) from Discontinued Operations, net of tax in addition to the post-tax loss of Discontinued Operations of €42 million. This classification of the above-mentioned post-tax loss of €144 million from the disposal of the Fire Fighting business differs from the one adopted so far in the previous earnings releases and Interim Reports, in which it was included in the line item "Other expenses" within Profit/(loss) from Continuing Operations.

Furthermore, for the sake of clarity and to enhance the presentation of the information reported, certain items previously presented on a net basis are presented on a gross basis in 2024. 2023 figures have been reclassified to conform with the current presentation.

(1) Industrial Activities represents the enterprise without Financial Services. Industrial Activities includes Truck, Bus, Defence and Powertrain business units, as well as the holding company Iveco Group N.V. and the Fire Fighting business unit (classified as Discontinued Operations).

(2) Elimination of Financial Services' interest income earned from Industrial Activities.

(3) Elimination of Industrial Activities' interest expense to Financial Services.

Net revenues

Net revenues were €15,289 million in 2024 (€15,978 million in 2023). Net revenues of Industrial Activities were €14,948 million in 2024, compared to €15,640 million in 2023, with positive price realisation partially offsetting lower volumes in Truck and Powertrain.

Cost of sales

Cost of sales was €12,637 million in 2024 compared to €13,295 million in 2023. As a percentage of net revenues, cost of sales of Industrial Activities was 83.6% in 2024 (84.1% in 2023).

Selling, general and administrative costs

Selling, general and administrative costs amounted to €1,000 million in 2024 (6.5% of net revenues), in line with 2023 (6.2% of net revenues).

Research and development costs

In 2024, R&D costs were €617 million (compared to €611 million in 2023) and included all R&D costs not recognised as assets in the year amounting to €340 million (€387 million in 2023), and the amortisation of capitalised development cost of €277 million (€224 million in 2023). During 2024, the Group capitalised new expenditures for development costs for €462 million (€480 million in 2023). The costs in both periods were primarily attributable to spending on engine development associated with emission requirements and continued investment in new products.

Result from investments

Result from investments was a gain of €18 million in 2024 and a gain of €14 million in 2023.

Gains/(losses) on the disposal of investments

Gains/(losses) on the disposal of investments was a gain of €1 million in 2024 (nil in 2023).

Restructuring costs

Restructuring costs were €24 million and €36 million in 2024 and 2023, respectively.

Other income

Other income totalled €41 million in 2024 compared to €52 million in 2023.

Other expenses

Other expenses were €252 million in 2024 compared to €240 million in 2023. In 2024, Other expenses primarily included €96 million for actions related to EPA/CARB newly-introduced post-sale in field verification program on North American market. In 2023, this item also included the negative impact of €43 million from the acquisition of full ownership of Nikola Iveco Europe GmbH, now renamed EVCO GmbH.

Net financial income/(expenses)

Net financial expenses were €211 million in 2024 (€443 million in 2023). The improvement was mainly due to a more contained cost of hedge impact in Argentina, resulting from the implemented hedging strategy, and an improvement in the Argentinian hyperinflation accounting impact.

Income tax (expense) benefit

(€ million, except percentages)	2024	2023
Profit/(loss) before taxes	608	423
Income tax (expense) benefit	(70)	(155)
Effective tax rate	11.5 %	36.6 %

In 2024, income tax expenses were €70 million, based on a profit before taxes of €608 million, compared to tax expenses of €155 million in 2023, based on a profit before taxes of €423 million. The effective tax rates for 2024 and 2023 were 11.5% and 36.6%, respectively. Excluding €96 million costs for actions related to EPA/CARB newly-introduced post-sale in field verification program on North American market, €20 million related to the Chinese reorganisation of operations, €20 million cost related to certain claims arising from the EU Commission's 2016 antitrust settlement, €94 million income related to the recognition of German deferred tax assets, restructuring costs, separation costs, as well as other minor items, the effective tax rate was 26% in 2024. Excluding the negative impact of €43 million (€27 million after tax) from the acquisition of the full ownership Nikola Iveco Europe GmbH, €41 million valuation allowance on Argentinian deferred tax assets, the pre-tax and corresponding tax impact of cost related to certain claims arising from the EU Commission's 2016 antitrust settlement decision and FPT emissions investigation closure, the positive impact from the release of provisions related to the Russia and Ukraine conflict, restructuring costs, separation costs, as well as other minor items, the effective tax rate was 27% in 2023.

Profit/(loss) from Continuing Operations

Profit from Continuing Operations was €538 million in 2024 compared to a net profit of €268 million in 2023, due to the positive performance.

Profit/(loss) from Discontinued Operations net of tax

Net loss generated by Discontinued Operations was €42 million in 2024, compared to a net loss of €34 million in 2023. Furthermore, the item Profit/(loss) from Discontinued Operations also includes the post-tax loss of €144 million (€145 million before tax) on the measurement to fair value less costs to sell deriving from the disposal of the Fire Fighting business.

Profit/(loss) for the period

Profit for the period was €352 million in 2024, an increase of €118 million compared to 2023.

Reconciliation of Profit/(Loss) from Continuing Operations to Adjusted net profit/(loss) from Continuing Operations

The following tables summarize the reconciliation of Adjusted net profit/(loss), a non-IFRS financial measure, to Profit/(loss), the most comparable EU-IFRS financial measure, for 2024 and 2023.

(€ million)	2024	2023
Profit/(loss) from Continuing Operations	538	268
Adjustments impacting Profit/(loss) before income tax (expense) benefit from Continuing Operations (a)	163	105
Adjustments impacting Income tax (expense) benefit from Continuing Operations (b)	(132)	15
Adjusted net profit/(loss) from Continuing Operations	569	388
Adjusted net profit/(loss) attributable to Iveco Group N.V. from Continuing Operations	566	368
Weighted average shares outstanding – diluted (million)	271	273
Adjusted diluted EPS from Continuing Operations (€)	2.09	1.35
Profit/(loss) before income tax (expense) benefit from Continuing Operations	608	423
Adjustments impacting Profit/(loss) before income tax (expense) benefit from Continuing Operations (a)	163	105
Adjusted profit/(loss) before income tax (expense) benefit from Continuing Operations (A)	771	528
Income tax (expense) benefit from Continuing Operations	(70)	(155)
Adjustments impacting Income tax (expense) benefit from Continuing Operations (b)	(132)	15
Adjusted Income tax (expense) benefit from Continuing Operations (B)	(202)	(140)
Adjusted Effective Tax Rate (Adjusted ETR) (C=A/B) from Continuing Operations	26%	27%
a) Adjustments impacting Profit/(loss) before income tax (expense) benefit from Continuing Operations		
Restructuring costs	24	36
Costs for actions related to EPA/CARB newly-introduced post-sale in field verification program on North American market	96	—
Costs related to certain claims arising from the EU Commission's 2016 antitrust settlement and FPT emissions investigation closure	20	19
Chinese operations reorganisation	20	—
Spin-off costs	5	12
Acquisition of full ownership of Nikola Iveco Europe GmbH	—	43
Impacts from Russia and Ukraine conflict	—	(8)
Other	(2)	3
Total	163	105
b) Adjustments impacting Income tax (expense) benefit from Continuing Operations		
Tax effect of adjustments impacting Profit/(loss) before income tax (expense) benefit	(38)	(26)
Release of valuation allowance on German deferred tax assets	(94)	—
Valuation allowance on Argentinian deferred tax assets	—	41
Total	(132)	15

INDUSTRIAL ACTIVITIES AND BUSINESS SEGMENTS - CONTINUING OPERATIONS

The following tables show total Net Revenues and Adjusted EBIT of Industrial Activities by segment. Also is included a discussion of the results of Industrial Activities and each of its business segments.

Net revenues by business segment

(€ million, except percentages)	2024	2023	% Change
Net revenues:			
Truck	9,960	10,617	-6.2
Bus	2,561	2,260	13.3
Defence	1,133	984	15.1
Powertrain	3,546	4,258	-16.7
Eliminations and other	(2,252)	(2,479)	—
Total Net revenues of Industrial Activities	14,948	15,640	-4.4
Financial Services	558	494	13.0
Eliminations and other	(217)	(156)	—
Total Net revenues	15,289	15,978	-4.3

Adjusted EBIT by business segment

(€ million, except percentages)	2024	2023	Change	2024 Adj. EBIT Margin	2023 Adj. EBIT Margin
Adjusted EBIT:					
Truck	556	618	-62	5.6 %	5.8 %
Bus	140	108	32	5.5 %	4.8 %
Defence	113	76	37	10.0 %	7.7 %
Powertrain	221	252	-31	6.2 %	5.9 %
Unallocated items, eliminations and other	(179)	(205)	26	—	—
Adjusted EBIT of Industrial Activities	851	849	2	5.7 %	5.4 %
Financial Services	131	122	9	23.5 %	24.7 %
Eliminations and Other	—	—	—	—	—
Total Adjusted EBIT	982	971	11	6.4 %	6.1 %

Net revenues of Industrial Activities were €14,948 million in 2024, compared to €15,640 million in 2023, with positive price realisation partially offsetting lower volumes in Truck and Powertrain.

Adjusted EBIT of Industrial Activities was €851 million, compared to €849 million in 2023, representing an Adjusted EBIT margin of 5.7%, up 30 basis points (bps) compared to 2023, with margin improvement in Bus, Defence and Powertrain.

Reconciliation of EBIT to Adjusted EBIT

The following tables summarize the reconciliation of Adjusted EBIT, a non-EU-IFRS financial measure, to EBIT, the most comparable EU-IFRS financial measure, for 2024 and 2023.

2024

(€ million)	Truck	Bus	Defence	Powertrain	Unallocated items, eliminations and other	Total Industrial Activities	Financial Services	Eliminations	Total
EBIT	542	138	113	216	(319)	690	129	—	819
Adjustments									
Restructuring costs	14	2	—	5	1	22	2	—	24
Other discrete items ⁽¹⁾	—	—	—	—	139	139	—	—	139
Adjusted EBIT	556	140	113	221	(179)	851	131	—	982

(1) This item mainly includes €96 million costs for actions related to EPA/CARB newly-introduced post-sale in field verification program on North America market, €20 million costs related to certain claims arising from the EU Commission's 2016 antitrust settlement, €20 million related to the reorganisation of the Chinese operations, as well as €5 million separation costs related to the spin-off of the Iveco Group business.

2023

(€ million)	Truck	Bus	Defence	Powertrain	Unallocated items, eliminations and other	Total Industrial Activities	Financial Services	Eliminations	Total
EBIT	594	108	75	241	(288)	730	136	—	866
Adjustments									
Restructuring costs	24	—	1	11	—	36	—	—	36
Other discrete items ⁽¹⁾	—	—	—	—	83	83	(14)	—	69
Adjusted EBIT	618	108	76	252	(205)	849	122	—	971

(1) This item mainly includes €43 million loss from the acquisition of full ownership of Nikola Iveco Europe GmbH (now renamed EVCO GmbH), €19 million costs related to certain claims arising from the EU Commission's 2016 antitrust settlement decision and FPT emissions investigation closure, as well as €8 million positive impact from the release of provisions related to the Russia and Ukraine conflict, and €12 million separation costs related to the spin-off of the Iveco Group business.

INDUSTRIAL ACTIVITIES PERFORMANCE - CONTINUING OPERATIONS**Truck***Net revenues*

The following table shows Truck's net revenues by geographic region in 2024 compared to 2023:

(€ million)	2024	2023	% change
Europe	7,409	8,101	-8.5
South America	1,273	1,091	16.7
Rest of World	1,278	1,425	-10.3
Total	9,960	10,617	-6.2

Truck's net revenues were €9,960 million in 2024, down 6.2% compared to 2023, with positive price realisation partially offsetting lower volumes and an adverse foreign exchange rate impact.

In 2024, the European truck market (GVW ≥3.5 tons), excluding UK and Ireland, increased 5% compared to 2023. The light-duty trucks (LCV) market increased 12%, and the medium and heavy trucks (M&H) market decreased by 6%. In South America, new truck registrations (GVW ≥3.5 tons) increased 14% compared to 2023, with an increase of 17% in Brazil and a decrease of 8% in Argentina. In Rest of World, new truck registrations decreased 1% compared with 2023.

Iveco Group's estimated market share in the European truck market (GVW ≥3.5 tons), excluding UK and Ireland, was 11.8%, in line with 2023. The European market share decreased 0.4 p.p. to 13.3% in LCV and increased 0.2 p.p. to 8.9% in M&H segment. In South America, in 2024, Iveco Group's market share decreased 1.8 p.p. to 10.8%.

During 2024, Truck delivered approximately 146,100 vehicles, representing a 9% decrease from 2023. Volumes were 2% and 22% lower in LCV and M&H truck segments, respectively. Truck deliveries decreased 13% in Europe and 2% in Rest of World, and increased 13% in South America.

Truck deliveries

(units in thousands)	2024	2023	% Change
France	16.6	20.8	-20.2%
Germany & Switzerland	16.7	18.4	-9.2%
UK	9.5	11.6	-18.1%
Italy	25.9	28.9	-10.4%
Iberia (Spain & Portugal)	13.0	16.3	-20.2%
Rest of Europe	28.1	30.3	-7.3%
Europe	109.8	126.3	-13.1%
South America	17.8	15.8	12.7%
Rest of World	18.5	18.8	-1.6%
Total	146.1	160.9	-9.2%

Truck deliveries—by product:

(units in thousands)	2024	2023	% Change
Medium & Heavy	44.5	57.2	-22.2%
Light	101.6	103.7	-2.0%
Total	146.1	160.9	-9.2%

Adjusted EBIT

Adjusted EBIT was €556 million in 2024 compared to €618 million in 2023, with positive price realisation and a reduction in product costs partially offsetting lower volumes and the adverse foreign exchange rate impact. The Adjusted EBIT margin was 5.6% in 2024 (5.8% in 2023).

Bus*Net revenues*

The following table shows Bus' net revenues by geographic region in 2024 compared to 2023:

(€ million)	2024	2023	% change
Europe	2,296	2,107	9.0
South America	225	69	226.1
Rest of World	40	84	-52.4
Total	2,561	2,260	13.3

Bus' net revenues were €2,561 million in 2024, up 13% compared to 2023, driven by higher volumes, a better mix and positive price realisation.

Bus registrations increased 10% in Europe and 8% in South America.

During 2024, Bus delivered approximately 13,400 vehicles, representing an 8% increase from 2023. Bus deliveries decreased 7% in Europe and 32% in Rest of World, and increased 134% in South America.

Bus deliveries

(units in thousands)	2024	2023	% Change
France	2.9	2.9	—%
Germany & Switzerland	0.5	0.9	-44.4%
UK	0.1	0.3	-66.7%
Italy	2.5	3.4	-26.5%
Iberia (Spain & Portugal)	0.9	0.7	28.6%
Rest of Europe	2.6	2.0	26.9%
Europe	9.5	10.2	-7.4%
South America	3.5	1.5	134.3%
Rest of World	0.5	0.7	-32.3%
Total	13.4	12.4	8.1%

Adjusted EBIT

Adjusted EBIT was €140 million in 2024, an increase of €32 million compared to 2023, resulting from positive price realisation, higher volumes and better mix. The Adjusted EBIT margin was 5.5% in 2024 (4.8% in 2023).

Defence*Net revenues*

The following table shows Defence's net revenues by geographic region in 2024 compared to 2023:

(€ million)	2024	2023	% change
Europe	817	651	25.5
South America	80	81	-1.2
North America	139	125	11.2
Rest of World	97	127	-23.6
Total	1,133	984	15.1

Defence' net revenues were €1,133 million in 2024, up 15.1% compared to 2023, driven higher volumes and a better mix.

Defence delivered approximately 3,600 vehicles, representing a 6% decrease from 2023. Defence deliveries increased 3% in Europe and 15% in North America, and decreased 5% and 29% in South America and Rest of World, respectively.

Adjusted EBIT

Adjusted EBIT was €113 million in 2024, an increase of €37 million compared to 2023, due to higher volumes and a better mix. The Adjusted EBIT margin was 10.0% in 2024 (7.7% in 2023).

Powertrain*Net revenues*

Powertrain's net revenues were €3,546 million in 2024, compared to €4,258 million in 2023 due to lower volumes. Sales to external customers accounted for 47% of total net revenues (52% in 2023).

During 2024, Powertrain sold approximately 364,100 engines, a decrease of 21% compared to 2023. In terms of customers, 45% of engines were supplied to Iveco Group industrial business units and 55% to external customers. Additionally, Powertrain delivered approximately 57,400 transmissions, down 11% compared to 2023, and approximately 201,400 axles (of which 3,000 E-axles and 9,900 batteries) a decrease of 14% compared to 2023.

Adjusted EBIT

Adjusted EBIT was €221 million in 2024, compared to €252 million in 2023, with the reduction in product costs partially offsetting the impact of lower volumes. Adjusted EBIT margin was 6.2% in 2024 (5.9% in 2023).

FINANCIAL SERVICES PERFORMANCE

(€ million, except percentages)	2024	2023	Change
Net revenues	558	494	13%
Adjusted EBIT	131	122	9

Net revenues

Financial Services reported net revenues of €558 million in 2024, an increase of €64 million compared to 2023, mainly driven by higher average receivables portfolio.

Adjusted EBIT

Adjusted EBIT was €131 million in 2024, a €9 million increase compared to 2023, primarily resulting from a higher average receivables portfolio.

In 2024, retail loan originations (including unconsolidated joint ventures) were €846 million, in line with 2023.

The Iveco Group managed portfolio (including unconsolidated joint ventures) was €8,343 million at the end of the year (of which retail was 40% and wholesale 60%).

At 31 December 2024, the receivable balance greater than 30 days past-due as a percentage of on-book portfolio was 1.9% (2.0% as of 31 December 2023).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION BY ACTIVITY

The operations, and key financial measures and financial analysis, differ significantly for manufacturing and distribution businesses and Financial Services business; therefore, for a better understanding of the financial position of Iveco Group, and in particular of the net cash/debt position, the Company presents the following tables providing the Consolidated Statement of Financial Position of the Group, split between Industrial Activities and Financial Services. Specific comments on the net cash/debt position of Iveco Group split by Industrial Activities and Financial Services are included in section "Liquidity and Capital Resources".

(€ million)	At 31 December 2024				At 31 December 2023			
	Industrial Activities ⁽¹⁾	Financial Services	Eliminations	Consolidated	Industrial Activities ⁽¹⁾	Financial Services	Eliminations	Consolidated
ASSETS								
Intangible assets	2,018	21	—	2,039	1,824	17	—	1,841
Property, plant and equipment	3,145	2	—	3,147	3,184	2	—	3,186
Investments and other non-current financial assets:	71	152	—	223	49	161	—	210
Investments accounted for using the equity method	19	152	—	171	18	148	—	166
Equity investments measured at fair value through other comprehensive income	10	—	—	10	15	—	—	15
Other investments and non-current financial assets	42	—	—	42	16	13	—	29
Leased assets	14	79	—	93	16	59	—	75
Defined benefit plan assets	36	—	—	36	—	—	—	—
Deferred tax assets	700	75	(1) ⁽⁶⁾	774	588	71	(1) ⁽⁶⁾	658
Total Non-current assets	5,984	329	(1)	6,312	5,661	310	(1)	5,970
Inventories	2,870	1	—	2,871	2,864	4	—	2,868
Trade receivables	406	23	(24) ⁽³⁾	405	317	33	(24) ⁽³⁾	326
Receivables from financing activities	778	5,842	(1,435) ⁽³⁾	5,185	1,041	6,183	(1,422) ⁽³⁾	5,802
Current tax receivables	159	7	(33) ⁽⁴⁾	133	167	4	(29) ⁽⁴⁾	142
Other current receivables and financial assets	372	113	(15) ⁽²⁾	470	245	140	(22) ⁽²⁾	363
Prepaid expenses and other assets	119	2	—	121	109	21	—	130
Derivative assets	25	2	(4) ⁽⁵⁾	23	30	1	(4) ⁽⁵⁾	27
Cash and cash equivalents	3,326	187	—	3,513	2,447	251	—	2,698
Total Current assets	8,055	6,177	(1,511)	12,721	7,220	6,637	(1,501)	12,356
Assets held for sale	404	—	—	404	59	—	—	59
TOTAL ASSETS	14,443	6,506	(1,512)	19,437	12,940	6,947	(1,502)	18,385
EQUITY AND LIABILITIES								
Total Equity	1,923	846	—	2,769	1,548	842	—	2,390
Provisions:	2,414	101	—	2,515	2,265	115	—	2,380
Employee benefits	451	15	—	466	528	16	—	544
Other provisions	1,963	86	—	2,049	1,737	99	—	1,836
Debt:	2,271	5,470	(1,435) ⁽³⁾	6,306	1,624	5,898	(1,422) ⁽³⁾	6,100
Asset-backed financing	—	3,558	—	3,558	—	3,860	—	3,860
Other debt	2,271	1,912	(1,435) ⁽³⁾	2,748	1,624	2,038	(1,422) ⁽³⁾	2,240
Derivative liabilities	63	2	(4) ⁽⁵⁾	61	42	3	(4) ⁽⁵⁾	41
Trade payables	3,945	34	(23) ⁽³⁾	3,956	3,918	34	(25) ⁽³⁾	3,927
Tax liabilities	95	23	(33) ⁽⁴⁾	85	122	27	(29) ⁽⁴⁾	120
Deferred tax liabilities	49	—	(1) ⁽⁶⁾	48	29	—	(1) ⁽⁶⁾	28
Other liabilities	3,420	30	(16) ⁽²⁾	3,434	3,333	28	(21) ⁽²⁾	3,340
Liabilities held for sale	263	—	—	263	59	—	—	59
Total Liabilities	12,520	5,660	(1,512)	16,668	11,392	6,105	(1,502)	15,995
TOTAL EQUITY AND LIABILITIES	14,443	6,506	(1,512)	19,437	12,940	6,947	(1,502)	18,385

(1) Industrial Activities represents the enterprise without Financial Services. Industrial Activities includes Truck, Bus, Defence and Powertrain business units, as well as the holding company Iveco Group N.V. and the Fire Fighting business unit (classified as Discontinued Operations at 31 December 2024).

(2) This item includes the elimination of intercompany activity between Industrial Activities and Financial Services.

(3) This item includes the elimination of receivables/payables between Industrial Activities and Financial Services.

(4) This item includes the elimination of tax receivables/payables between Industrial Activities and Financial Services and reclassifications needed for appropriate consolidated presentation.

(5) This item includes the elimination of derivative assets/liabilities between Industrial Activities and Financial Services.

(6) This item includes the reclassification of deferred tax assets/liabilities in the same jurisdiction and reclassifications needed for appropriate consolidated presentation.

LIQUIDITY AND CAPITAL RESOURCES

The following discussion of liquidity and capital resources primarily focuses on the Group's Consolidated Statement of Cash Flows and the Group's Consolidated Statement of Financial Position. The Group's operations are capital intensive and subject to seasonal variations in financing requirements for dealer receivables and dealer and company inventories. Whenever necessary, funds from operating activities are supplemented from external sources. Iveco Group, focusing on cash preservation and leveraging its good access to funding, continues to maintain solid financial strength and liquidity. See sections "Risk Factors" and "Industry Overview", for additional information concerning risks related to the Group's business, strategy and operations.

Cash Flow Analysis

The following tables present the cash flows from operating, investing and financing activities by activity for the years ended 31 December 2024 and 2023.

As previously disclosed, on 13 March 2024, Iveco Group and Mutares SE & Co. KGaA announced the signing of a definitive agreement for the transfer of ownership of Magirus GmbH and its affiliates performing Fire Fighting business. The transfer was completed on 3 January 2025. According to IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*, as the sale became highly probable in March 2024, the Fire Fighting business met the criteria to be classified as a disposal group held for sale and discontinued operations. In accordance with applicable accounting standards, 2023 figures have been represented consistently. In particular, in accordance with IFRS 5:33, Profit/(loss) from Continuing Operations does not include the post-tax loss of €144 million (€145 million before tax) on the measurement to fair value less costs to sell deriving from the disposal of the Fire Fighting business.

2024

(€ million)	Industrial Activities ⁽¹⁾	Financial Services	Eliminations	Consolidated
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	2,447	251	—	2,698
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:				
Profit/(loss) from Continuing Operations for the year	443	95	—	538
Amortisation and depreciation (excluding assets sold under buy-back commitments and operating leases) ^{(a)(b)}	674	4	—	678
(Gains)/losses on disposal of non-current assets (excluding assets sold under buy-back commitments) ^(a)	(20)	—	—	(20)
Other non-cash items	7	(8)	—	(1)
Dividends received	136	—	(116) ⁽²⁾	20
Change in provisions	242	(14)	—	228
Change in deferred income taxes	(92)	(4)	—	(96)
Change in items due to buy-back commitments ^(a)	(15)	1	—	(14)
Change in operating lease items ^(b)	(1)	(28)	—	(29)
Change in working capital ^(c)	(49)	51	—	2
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES FROM CONTINUING OPERATIONS	1,325	97	(116)	1,306
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES FROM DISCONTINUED OPERATIONS	(108)	—	—	(108)
TOTAL	1,217	97	(116)	1,198
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES:				
Investments in:				
Property, plant and equipment and intangible assets (excluding assets sold under buy-back commitments and operating leases) ^{(a)(b)}	(932)	(7)	—	(939)
Consolidated subsidiaries and other equity investments	(7)	—	7 ⁽³⁾	—
Proceeds from the sale of non-current assets (excluding assets sold under buy-back commitments) ^(a)	(8)	(3)	—	(11)
Net (cash used in)/proceeds from receivables from financing activities ^(d)	(64)	527	—	463
Net (cash used in)/proceeds from other current financial assets	43	—	—	43
Other changes	659	(534)	—	125
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES FROM CONTINUING OPERATIONS	(309)	(17)	7	(319)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES FROM DISCONTINUED OPERATIONS	35	—	—	35
TOTAL	(274)	(17)	7	(284)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES:				
Change in debt and derivative assets/liabilities	256	(35)	—	221
Capital contributions	(168)	7	(7) ⁽³⁾	(168)
Dividends paid	(91)	(116)	116 ⁽⁴⁾	(91)
Purchase of treasury shares	(60)	—	—	(60)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES FROM CONTINUING OPERATIONS	(63)	(144)	109	(98)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES FROM DISCONTINUED OPERATIONS	166	—	—	166
TOTAL	103	(144)	109	68
Translation exchange differences	(58)	—	—	(58)
TOTAL CHANGE IN CASH AND CASH EQUIVALENTS	988	(64)	—	924
Less: Cash and cash equivalent at end of the year - included within Assets held for sale at end of the year	109	—	—	109
CASH AND CASH EQUIVALENTS OF CONTINUING OPERATIONS AT END OF THE YEAR	3,326	187	—	3,513

(a) Cash generated from the sale of vehicles under buy-back commitments, net of amounts included in Profit/(loss), is recognised under operating activities in a single line item, which includes changes in working capital, capital expenditure, depreciation and impairment losses.

(b) Cash from operating lease is recognised under operating activities in a single line item, which includes capital expenditure, depreciation, write-downs and changes in inventory.

(c) It should be noted that Cash flows from/(used in) operating activities refer to the flows generated or used by the core business of Industrial Activities, only. The Group believes that this approach provides more focus and transparency to the reader of the Financial Statements on its principal revenue/producing activities. Furthermore, cash flows generated or used by the core business of Financial Services are included in Cash flows from/(used in) investing activities. The Group assessed that this approach better reflects the role of Financial Services as a support function to Industrial Activities, offering financing products to wholesale and retail customers.

In particular, the item "Net (cash used in)/proceeds from receivables from financing activities" primarily includes the transactions where Financial Services support the core business of Industrial Activities. These financing transactions relate to wholesale financing granted to Industrial Activities dealers for the settling of related trade receivables, net of the cash received by Financial Services from the dealers' repayment of financing transactions.

(1) Industrial Activities represents the enterprise without Financial Services. Industrial Activities includes Truck, Bus, Defence and Powertrain business units, as well as the holding company Iveco Group N.V. and the Fire Fighting business unit (classified as Discontinued Operations).

(2) This item includes the elimination of dividend from Financial Services to Industrial Activities.

(3) This item includes the elimination of paid capital from Industrial Activities to Financial Services.

(4) This item includes the elimination of dividends from Financial Services to Industrial Activities, which are included in Industrial Activities net cash provided by operating activities.

2023

(€ million)	Industrial Activities ⁽¹⁾	Financial Services	Eliminations	Consolidated
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	2,100	188	—	2,288
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:				
Profit/(loss) from Continuing Operations for the year	169	99	—	268
Amortisation and depreciation (excluding assets sold under buy-back commitments and operating leases) ^{(a)(b)}	591	3	—	594
(Gains)/losses on disposal of non-current assets (excluding assets sold under buy-back commitments) ^(a)	(11)	—	—	(11)
Other non-cash items	5	(31)	—	(26)
Dividends received	55	—	(41) ⁽²⁾	14
Change in provisions	259	6	—	265
Change in deferred income taxes	24	7	—	31
Change in items due to buy-back commitments ^(a)	(28)	(4)	—	(32)
Change in operating lease items ^(b)	(4)	(26)	—	(30)
Change in working capital ^(c)	357	(64)	—	293
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES FROM CONTINUING OPERATIONS	1,417	(10)	(41)	1,366
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES FROM DISCONTINUED OPERATIONS	(30)	—	—	(30)
TOTAL	1,387	(10)	(41)	1,336
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES:				
Investments in:				
Property, plant and equipment and intangible assets (excluding assets sold under buy-back commitments and operating leases) ^{(a)(b)}	(958)	(3)	—	(961)
Consolidated subsidiaries and other equity investments	(27)	—	6 ⁽³⁾	(21)
Proceeds from the sale of non-current assets (excluding assets sold under buy-back commitments) ^(a)	17	—	—	17
Net (cash used in)/proceeds from receivables from financing activities ^(c)	(19)	(1,384)	—	(1,403)
Net (cash used in)/proceeds from other current financial assets	(19)	—	—	(19)
Other changes	(161)	332	—	171
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES FROM CONTINUING OPERATIONS	(1,167)	(1,055)	6	(2,216)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES FROM DISCONTINUED OPERATIONS	(8)	—	—	(8)
TOTAL	(1,175)	(1,055)	6	(2,224)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES:				
Change in debt and derivative assets/liabilities	386	1,163	—	1,549
Capital contributions	(38)	6	(6) ⁽³⁾	(38)
Dividends paid	—	(41)	41 ⁽⁴⁾	—
Purchase of treasury shares	(55)	—	—	(55)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES FROM CONTINUING OPERATIONS	293	1,128	35	1,456
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES FROM DISCONTINUED OPERATIONS	33	—	—	33
TOTAL	326	1,128	35	1,489
Translation exchange differences	(191)	—	—	(191)
TOTAL CHANGE IN CASH AND CASH EQUIVALENTS	347	63	—	410
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	2,447	251	—	2,698

(a) Cash generated from the sale of vehicles under buy-back commitments, net of amounts included in Profit/(loss), is recognised under operating activities in a single line item, which includes changes in working capital, capital expenditure, depreciation and impairment losses.

(b) Cash from operating lease is recognised under operating activities in a single line item, which includes capital expenditure, depreciation, write-downs and changes in inventory.

(c) It should be noted that Cash flows from/(used in) operating activities refer to the flows generated or used by the core business of Industrial Activities, only. The Group believes that this approach provides more focus and transparency to the reader of the Financial Statements on its principal revenue-producing activities. Furthermore, cash flows generated or used by the core business of Financial Services are included in Cash flows from/(used in) investing activities. The Group assessed that this approach better reflects the role of Financial Services as a support function to Industrial Activities, offering financing products to wholesale and retail customers.

In particular, the item "Net (cash used in)/proceeds from receivables from financing activities" primarily includes the transactions where Financial Services support the core business of Industrial Activities. These financing transactions relate to wholesale financing granted to Industrial Activities dealers for the settling of related trade receivables, net of the cash received by Financial Services from the dealers' repayment of financing transactions.

(1) Industrial Activities represents the enterprise without Financial Services. Industrial Activities includes Truck, Bus, Defence and Powertrain business units, as well as the holding company Iveco Group N.V. and the Fire Fighting business unit (classified as Discontinued Operations).

(2) This item includes the elimination of dividend from Financial Services to Industrial Activities.

(3) This item includes the elimination of paid capital from Industrial Activities to Financial Services.

(4) This item includes the elimination of dividends from Financial Services to Industrial Activities, which are included in Industrial Activities net cash provided by operating activities.

Unless otherwise indicated, the following information and comments exclude cash flows from Discontinued Operations.

At 31 December 2024, the Group had cash and cash equivalents of €3,513 million, an increase of €815 million, or 30.2%, from €2,698 million at 31 December 2023. Cash and cash equivalents at 31 December 2024 included €96 million (€104 million at 31 December 2023) of restricted cash that mainly consists of Central Bank deposits established for regulatory purposes by a subsidiary benefitting from a banking license. At 31 December 2024, undrawn medium-term unsecured committed facilities were €1,900 million (€2,000 million at 31 December 2023) and other current financial assets were €59 million at 31 December 2024 (€43 million at 31 December 2023).

At 31 December 2024, the aggregate of cash and cash equivalents, undrawn medium-term unsecured committed facilities and other current financial assets, which the Group considers to constitute the Group's principal liquid assets (or "Available liquidity", a non-EU-IFRS financial measure as defined in the section "Alternative performance measures (or "Non-EU-IFRS financial measures")" above), totalled €5,474 million at 31 December 2024 (€4,748 million at 31 December 2023). At 31 December 2024 this amount also included €2 million financial receivables (€7 million at 31 December 2023) from CNH deriving from financing activities and the sale of trade receivables.

A reconciliation of Iveco Group's consolidated Cash and cash equivalents to Available liquidity is provided as follows:

(€ million)	At 31 December 2024	At 31 December 2023
Cash and cash equivalents	3,513	2,698
Undrawn committed facilities	1,900	2,000
Other current financial assets ⁽¹⁾	59	43
Financial receivables from CNH ⁽²⁾	2	7
Available liquidity	5,474	4,748

(1) This item includes short-term deposits and investments towards high-credit rating counterparties.

(2) This item includes financial receivables from CNH deriving from financing activities and sale of trade receivables.

Net Cash from Operating Activities from Continuing Operations

Cash provided by operating activities in 2024 totalled €1,306 million and primarily comprised the following elements:

- €538 million in profit
- plus €678 million in non-cash charges for depreciation and amortisation (net of assets sold under buy-back commitments and operating leases)
- plus €228 million change in provisions
- minus €96 million change in deferred income taxes
- minus €29 million for changes in operating lease items

In 2023, cash generated by operating activities during the year totalled €1,366 million as a result of cash generated from income-related inflows (calculated as profit plus amortisation and depreciation, dividends, changes in provisions and deferred income taxes, net of various items related to sales with buy-back commitments and operating leases, net of gains/losses on disposals and other non-cash items) for a total amount of €1,073 million, and of €293 million increase in cash resulting from changes in working capital.

Net Cash from Investing Activities from Continuing Operations

In 2024, cash used by investing activities totalled €319 million. The negative flows were primarily generated by:

- investments in tangible and intangible assets that used €939 million in cash (including €462 million in capitalised development costs). Investments in tangible and intangible assets are net of investments in commercial vehicles for the Group's long-term rental operations and of investments relating to assets sold under buy-back commitments, which are reflected in cash flows relating to operating activities
- net proceeds from receivables from financing activities, which generated €463 million in cash primarily due to the wholesale portfolio
- cash generated by "Other changes" of €125 million.

In 2023, cash used by investing activities totalled €2,216 million. Expenditures in tangible and intangible assets (including €480 million in capitalised development costs) totalled €961 million. Net cash used in receivables from financing activities totalled €1,403 million, primarily due to changes in the wholesale portfolio.

The following table summarises our investments in tangible assets (excluding assets sold with buy-back commitments and assets leased on operating leases) by segment and investments in intangible assets for the years ended 31 December 2024 and 2023:

(€ million)	Years ended 31 December	
	2024	2023
Truck	210	217
Bus	49	44
Defence	21	18
Powertrain	98	124
Total Industrial Activities investments in tangible assets	378	403
Industrial Activities investments in intangible assets	554	555
Total Industrial Activities capital expenditures	932	958
Financial Services investments in tangible assets	—	—
Financial Services investments in intangible assets	7	3
Total Capital expenditures	939	961

The Group incurred these capital expenditures in the regions in which the Group operates and principally related to initiatives to introduce new products, enhance manufacturing efficiency and increase capacity, and for maintenance and engineering.

Net Cash from Financing Activities from Continuing Operations

In 2024, cash absorbed by financing activities totalled €98 million, primarily due to a €168 million capital contribution to subsidiaries classified as Discontinued Operations, €91 million dividends paid and €60 million repurchase of Common Shares under the buyback program, partially offset by a €221 million increase in Debt (mainly related to Industrial Activities).

In 2023, cash generated by financing activities totalled €1,456 million, primarily due to an increase in asset-backed financing and in bank debt deriving from the higher portfolio of Financial Services, and to the signing of €450 million loan with the European Investment Bank.

Capital Resources

The cash flows, funding requirements and liquidity of Iveco Group are managed on a standard and centralized basis, in order to optimize the efficiency and effectiveness of the Group's management of capital resources.

The Group's subsidiaries participate in a company-wide cash management system, which the Group operates in a number of jurisdictions. Under this system, the cash balances of the Group's subsidiaries are aggregated at the end of each business day to central pooling accounts. The centralized treasury management offers financial and systems expertise in managing these accounts, as well as providing related services and consulting to the Group's business segments.

The Group's policy is to keep a high degree of flexibility with its funding and investment options in order to maintain the Group's desired level of liquidity to improve the Company's capital structure over time.

A summary of the Group's strategy is set forth below:

- Industrial Activities usually sells its receivables to Financial Services and relies on internal cash flows including managing working capital to fund its near-term financing requirements. The Group will also supplement its short-term financing by drawing on existing or new facilities with banks
- to the extent funding needs of Industrial Activities are determined to be of a longer-term nature, the Group will access public debt markets as well as private investors and banks, as appropriate, to refinance borrowings and replenish the Group's liquidity
- Financial Services' funding strategy is to maintain a sufficient level of liquidity and flexible access to a wide variety of financial instruments. While the Company expects factoring and securitisation to continue to represent a material portion of the Group's capital structure and intersegment borrowings to remain a marginal source of funding, the Group will continue to diversify its funding sources including committed asset-backed facilities, unsecured notes, bank facilities and commercial paper programs.

On a global level, the Group will continue to evaluate alternatives to ensure that Financial Services has access to capital on favourable terms to support its business, including agreements with global or regional partners, new funding arrangements or a combination of the foregoing.

Financial Services, leveraging on its specific expertise, grants support to CNH financial services, by providing business process services to their European activities, and receiving a fee for the services rendered.

As of 31 December 2024, the credit rating assigned by Fitch Ratings to Iveco Group N.V. is a Long-Term Issuer Default Rating (IDR) of 'BBB-'. The outlook is stable.

The Group believes that the current investment grade rating allows it to access funding at better rates. A credit rating is not a recommendation to buy, sell or hold securities. Ratings may be subject to revision or withdrawal at any time by the assigning rating organisation, and each rating should be evaluated independently of any other rating. A deterioration in our ratings could impair our ability to obtain debt financing and would increase the cost of such financing. Ratings are influenced by a number of factors, including, among others: financial leverage on an absolute basis or relative to peers, the composition of the balance sheet and/or capital structure, material changes in earnings trends and volatility, ability to dividend monies from subsidiaries and our competitive position. Material deterioration in any single, or a combination, of these factors could result in a downgrade of our rating, thus increasing the cost, and limiting the availability, of financing.

Consolidated Debt

The Group's consolidated Debt at 31 December 2024 and 2023 is as detailed in the following table:

(€ million)	At 31 December 2024			At 31 December 2023		
	Consolidated	Industrial Activities	Financial Services	Consolidated	Industrial Activities	Financial Services
Total Debt	6,306	2,271	5,470	6,100	1,624	5,898

Iveco Group believes that Net Cash (Debt), a non-EU-IFRS financial measure as defined in the section "Alternative performance measures (or "Non-EU-IFRS financial measures")" above, is a useful analytical metric for measuring the Group's effective borrowing requirements. The Group provides a separate analysis of Net Cash (Debt) of Industrial Activities and Net Cash (Debt) of Financial Services to reflect the different cash flow management practices in the two activities. Industrial Activities reflects the consolidation of all majority-owned subsidiaries, except for Financial Services. Financial Services reflects the consolidation of the Financial Services' legal entities.

The calculation of Net Cash (Debt) at 31 December 2024 and 2023, and the reconciliation of Total (Debt), the EU-IFRS financial measure that the Group believes to be most directly comparable, to Net Cash (Debt), are shown below:

(€ million)	At 31 December 2024			At 31 December 2023 ⁽⁶⁾		
	Consolidated	Industrial Activities	Financial Services	Consolidated	Industrial Activities	Financial Services
Third party (debt)	(6,155)	(1,584)	(4,571)	(5,768)	(1,191)	(4,577)
Intersegment notes (payable) ⁽¹⁾	—	(687)	(748)	—	(431)	(991)
(Debt) payable to CNH ⁽²⁾	(151)	—	(151)	(332)	(2)	(330)
Total (Debt)	(6,306)	(2,271)	(5,470)	(6,100)	(1,624)	(5,898)
Cash and cash equivalents	3,513	3,326	187	2,698	2,447	251
Intersegment financial receivables ⁽¹⁾	24	772	687	—	991	431
Financial receivables from CNH ⁽³⁾	61	2	59	133	7	126
Other current financial assets ⁽⁴⁾	59	59	—	43	43	—
Derivative assets ⁽⁵⁾	23	25	2	27	30	1
Derivative (liabilities) ⁽⁵⁾	(61)	(63)	(2)	(41)	(42)	(3)
Net Cash (Debt) of Continuing Operations	(2,687)	1,850	(4,537)			
Net Cash (Debt) of Discontinued Operations	20	20	—			
Total Net Cash (Debt)	(2,667)	1,870	(4,537)	(3,240)	1,852	(5,092)

(1) As a result of the role played by the central treasury, debt for Industrial Activities also includes funding raised by the central treasury on behalf of Financial Services (included under Intersegment financial receivables). Intersegment financial receivables for Financial Services, on the other hand, represent loans or advances to Industrial Activities – for receivables sold to Financial Services that do not meet the derecognition requirements – as well as cash deposited temporarily with the central treasury. At 31 December 2024, Intersegment notes payable and Intersegment financial receivables of Industrial Activities and Financial Services also include the balance towards Discontinued Operations.

(2) This item includes payables related to purchases of receivables or collections with settlement in the following days.

(3) This item includes receivables related to sales of receivables or collections with settlement in the following days.

(4) This item includes short-term deposits and investments towards high-credit rating counterparties.

(5) Derivative assets and Derivative liabilities include, respectively, the positive and negative fair values of derivative financial instruments.

(6) Balances at 31 December 2023 include the Fire Fighting business.

Net Debt at 31 December 2024 improved by €573 million compared to 31 December 2023, mainly due to Free Cash Flow generation from Industrial Activities of €402 million during 2024.

The following table shows the change in Net Cash (Debt) of Industrial Activities for the years ended 31 December 2024 and 2023:

(€ million)	Years ended 31 December	
	2024	2023
Net Cash (Debt) of Industrial Activities at beginning of period⁽¹⁾	1,852	1,727
Less: Net Cash (Debt) of Industrial Activities from Discontinued Operations at beginning of the period	(34)	(38)
Net Cash (Debt) of Industrial Activities from Continuing Operations at beginning of the period	1,886	1,765
Adjusted EBIT of Industrial Activities	851	849
Depreciation and amortisation	674	591
Depreciation of assets under operating leases and assets sold with buy-back commitments	231	234
Cash interest and taxes	(273)	(226)
Changes in provisions and similar ⁽²⁾	(109)	(388)
Change in working capital	(49)	357
Operating cash flow of Industrial Activities from Continuing Operations	1,325	1,417
Investments in property, plant and equipment, and intangible assets ⁽³⁾	(932)	(958)
Other changes	9	(9)
Free Cash Flow of Industrial Activities from Continuing Operations	402	450
Capital increases, dividends and share buy-backs	(179)	(97)
Currency translation differences and other	(259)	(232)
Change in Net Cash (Debt) of Industrial Activities from Continuing Operations	(36)	121
Net Cash (Debt) of Industrial Activities from Continuing Operations at end of the period	1,850	1,886
Net Cash (Debt) of Industrial Activities from Discontinued Operations at beginning of the period	(34)	(38)
Free Cash Flow of Industrial Activities from Discontinued Operations	(114)	(34)
Other from Discontinued Operations	168	38
Change in Net Cash (Debt) of Industrial Activities from Discontinued Operations	54	4
Net Cash (Debt) of Industrial Activities from Discontinued Operations at end of the period	20	(34)
Net Cash (Debt) of Industrial Activities at end of the period⁽¹⁾	1,870	1,852

(1) The balances at 1 January 2024 and 2023, 31 December 2024 and 2023 shown in this item include the Fire Fighting business.

(2) Including other cash flow items related to operating lease and buy-back activities.

(3) Excluding assets sold under buy-back commitments and assets under operating leases.

Iveco Group believes that Free Cash Flow of Industrial Activities, a non-EU-IFRS financial measure as defined in the section “Alternative performance measures (or “Non-EU-IFRS financial measures”)” above, is a useful analytical metric for measuring the cash generation ability of the Group’s Industrial Activities. In 2024, Free Cash Flow of Industrial Activities was positive for €402 million, as a result of an optimised management of production levels to adapt to a lower industry demand, and an effective hedging strategy to reduce the Argentinian foreign exchange exposure.

The reconciliation of Free Cash Flow of Industrial Activities to Net cash provided by (used in) Operating Activities, the EU-IFRS financial measure that Iveco Group believes to be most directly comparable, for the years ended 31 December 2024 and 2023, is shown below:

(€ million)	Years ended 31 December	
	2024	2023
Net cash provided by (used in) Operating Activities from Continuing Operations	1,306	1,366
Less: Cash flows from Operating Activities of Financial Services net of eliminations	19	51
Operating cash flow of Industrial Activities from Continuing Operations	1,325	1,417
Investments in property, plant and equipment, and intangible assets of Industrial Activities	(932)	(958)
Other changes ⁽¹⁾	9	(9)
Free Cash Flow of Industrial Activities from Continuing Operations	402	450

(1) This item primarily includes change in intersegment financial receivables and capital increases in intersegment investments.

The non-EU-IFRS financial measures (Available liquidity, Net Cash (Debt) and Free Cash Flow of Industrial Activities), used in this section, should neither be considered as a substitute for, nor superior to, measures of financial performance prepared in accordance with EU-IFRS. In addition, these non-EU-IFRS financial measures may not be computed in the same manner as similarly titled measures used by other companies.

INDUSTRIAL ACTIVITIES

Third-party debt of Industrial Activities was €1.6 billion at 31 December 2024 and €1.2 billion at 31 December 2023 and primarily consisted of bank debt and lease liabilities.

Bank Debt

At 31 December 2024, Industrial Activities available committed unsecured facilities expiring after twelve months amounted to €1.6 billion (€1.7 billion at 31 December 2023).

On 4 January 2022, Iveco Group signed a €1.9 billion syndicated facility, which included a €1.4 billion committed revolving credit facility with a 5-year tenor with two extension options of 1-year each (subject to the bank's approval), as well as a €0.5 billion committed term facility with a 12-months tenor, extendable for up to an additional 12 months at the Company's sole option. In October 2022, Iveco Group signed a new €400 million syndicated term facility with a 2-year tenor extendable for up to an additional 12 months at the Company's sole option. The proceeds have been used to refinance the existing term facility. The €1.4 billion revolving credit facility has been extended for two additional years with all lenders, by exercising the first and the second one-year extension option. The facility is now due to mature in January 2029.

On 27 November 2023, Iveco Group signed a €450 million term loan facility with the European Investment Bank (EIB) with an 8-year amortisation profile, which represented the first tranche of the €500 million total approved by the European Investment Bank. The proceeds of the loan facility, which have been drawdown in full in December 2023, will be applied, over a period of three years, to enable Iveco Group to develop innovative technologies and architectures in the field of electric propulsion and to increase efficiency, safety, driving comfort and productivity by further developing solutions for autonomous driving, digitalisation and vehicle connectivity. In July 2024, the second and last €50 million tranche has been executed with full drawing in October 2024.

The facilities above include the following covenants:

- customary covenants (including a negative pledge, a status (or *pari passu*) covenant and restrictions on the incurrence of indebtedness by certain subsidiaries)
- customary events of default (some of which are subject to minimum thresholds and customary mitigants), including cross-default provisions, failure to pay amounts due or to comply with certain provisions under the loan agreement and the occurrence of certain bankruptcy-related events
- mandatory prepayment obligations upon a change in control of Iveco Group N.V.
- a financial covenant (Net debt/EBITDA ratio relating to Industrial Activities), not applicable in case of rating equal or higher than BBB/Baa2.

At 31 December 2024, Iveco Group was in compliance with the covenants of the above facilities.

In June 2024, Iveco Group N.V. signed a term loan facility of €150 million with Cassa Depositi e Prestiti (CDP) for the creation of new projects in Italy dedicated to research, development and innovation. Furthermore, in July 2024 Iveco Group N.V. successfully raised a *Schuldschein* loan (a private placement governed by German law) for €290 million and between July 2024 and October 2024 Iveco Group N.V. executed new bilateral term loan facilities for a total amount of €300 million.

Financial Services

Total third-party debt of Financial Services was €4.6 billion at 31 December 2024 (€4.6 billion at 31 December 2023), and included the following.

Bank Debt

Bank Debt of €971 million at 31 December 2024 (€660 million at 31 December 2023) mainly consisted of bank loans; it also included €115 million (€115 million at 31 December 2023) *Schuldschein* loan with a 3-year tenor. At 31 December 2024, Financial Services available committed, unsecured facilities expiring after twelve months amounted to €300 million (€300 million at 31 December 2023).

Asset-Backed Financing

At 31 December 2024, Financial Services' asset-backed facilities amounted to €1,031 million (€1,025 million at 31 December 2023), committed and expiring after twelve months.

The sale of financial receivables is executed primarily through asset-backed securitisation transactions and involves mainly accounts receivable from wholesale customers and from the network of dealers (wholesale) previously sold from Industrial Activities subsidiaries to the Group's Financial Services subsidiaries.

At 31 December 2024, the Group's receivables from financing activities included receivables sold and financed through both asset-backed securitisation transactions and factoring transactions of €4.3 billion (€4.7 billion at 31 December 2023), which did not meet derecognition requirements and therefore were recorded on the Group's Consolidated Statement of Financial Position. These receivables are recognised as such in the Group's financial statements even though they have been legally sold; a corresponding financial liability is recorded in the Consolidated Statement of Financial position as Debt (see Note 24 "Debt" to the Group's Consolidated Financial Statements for the year ended 31 December 2024).

Commercial Paper Programs

With the purpose of further diversifying its funding structure, Iveco Group has established a commercial paper program. In Europe, IC Financial Services S.A. issued commercial paper under the program which had an amount of €35 million outstanding at 31 December 2024 (€38 million at 31 December 2023).

FUTURE LIQUIDITY

The Group has adopted formal policies and decision-making processes designed to optimize the allocation of funds, cash management processes and financial risk management. The Group's liquidity needs could increase in the event of an extended economic slowdown or recession that would reduce the Group's cash flow from operations and impair the ability of the Group's dealers and retail customers to meet their payment obligations.

The Company believes that funds available under its current liquidity facilities, those realised under existing and planned asset-backed securitisation programs and possible issuances of debt securities and those expected from ordinary course refinancing of existing credit facilities, together with cash provided by operating activities, will allow the Group to satisfy its debt service requirements for the coming year. At 31 December 2024, the Group had available committed, unsecured facilities expiring after twelve months of €1,900 million (€2,000 million at 31 December 2023).

Financial Services securitized debt is repaid with the cash generated by the underlying amortizing receivables. Accordingly, additional liquidity is not normally necessary for the repayment of such debt. Financial Services has traditionally relied upon the asset-backed securitisation and committed asset-backed facilities as a primary source of funding and liquidity. At 31 December 2024, Financial Services' asset-backed facilities amounted to €1,031 million (€1,025 million at 31 December 2023).

Iveco Group continues to closely monitor its liquidity and capital resources for any potential impact that the challenging environment in which it operates, including current macroeconomic and geopolitical issues, supply chain issues and global logistic constraints, energy and material availability and relevant price variability, may have on its operations. Iveco Group believes that its cash and cash equivalents, access to credit facilities and cash flows from future operations will be adequate to fund its known cash needs also in the context of that challenging environment.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Effective risk management is a key factor in maintaining the Group's value over time. In this regard, Iveco Group (hereafter also referred as "IVG") Risk management and Internal Control System is consistent and compliant with the provisions of Principle 1.2 of the Dutch Corporate Governance Code (2022 edition) and, more generally, with international best practices.

The Board of Directors is tasked with defining the general guidelines of the Risk management and Internal Control System, so that the main risks pertaining to IVG are properly identified and managed, associated with the Company's strategy activities. The Board of Directors is aware that the control processes cannot provide absolute assurance that the Company objectives will be achieved, and the intrinsic risks of business prevented. However, it believes that the Risk management and Internal Control System shall reduce and mitigate the likelihood and impact of risk events associated with wrong decisions, human errors, frauds, violations of laws, regulations and Company procedures, as well as unexpected events.

The Risk management and Internal Control System is therefore subject to regular monitoring and update, taking account of developments in the Company's operations and reference context, as well as international best practices.

The Board of Directors has identified the main corporate committees/functions relevant for risk management purposes, by defining their respective duties and responsibilities within the Risk management and Internal Control System scope. More specifically:

- the Audit Committee, the ESG Committee, the Human Capital and Compensation Committee, tasked with supporting the Board of Directors on, among others, internal control, risk management, remuneration and sustainability matters
- the Enterprise Risk Management (ERM) Committee, which may coincide with other committees that include the presence of Senior Leadership Team (SLT) members (e.g., IVG Executive Meetings), is responsible for supervising and reviewing risk assessment results, reviewing reports for the Audit Committee and Board of Directors, supporting in the identification of risk owners that will be accountable for executing risk mitigation plans and advocating for risk management at all levels of the organisation, including the Senior Leadership Team
- IVG Chief Executive Officer (CEO) deploys the risk management guidelines based on principles of prevention, cost effectiveness and ongoing improvement, as monitored by the Board of Directors, in order to provide the organisation with the instruments for defining the risk categories to which attention should be drawn
- the Head/Chief of Risk Management, tasked with spreading an effective risk-based organisational culture, defining, implementing, and maintaining appropriate guidelines, processes and tools as well as supporting the management with a methodological approach, in the risks identification, adequate measurement and monitoring as well as proposing the Risk Appetite Framework's content and ensuring the integration of Risk Management process within a governance system consistent with strategic objectives.

Risks are monitored at managerial meetings held on periodical basis, where results, opportunities and risks are analysed also considering business unit and/or geographical area impacted. The meetings also focus on determining the actions required to mitigate any risks.

IVECO GROUP INTERNAL AUDIT AND INTERNAL CONTROL SYSTEM

The Internal Control System is made up of the set of organisational functions, committees, IT support, administrative and management systems, policies, regulations, operating procedures and practices, and managerial behaviour as well, which exercise various types of control on business management, and on the risks that could compromise the shareholder's objective of long-term sustainable value creation.

Direct permanent controls are carried out by the people who manage and coordinate the operational activities (e.g.: purchases, logistics, production, sales), governed by the principles of separation of duties and delegation of authority. Monitoring controls are ensured by corporate functions – such as Finance, IT and HR, Legal and Compliance, ERM, among others – also through accounting and reporting systems, personnel development, proxies and authorization profiles, policies and procedures updating. The Internal Audit function carries out a further level of control, which operates independently of the previous ones. The task of the internal audit function is to assess the design and operation of the internal risk management and Internal Control System, to ensure the Board of Directors that the overall set of the aforementioned controls works effectively.

The Internal Audit function evaluates the effectiveness and efficiency of the overall Internal Control and Risk Management System on a regular basis and reports the results to the CEO, the Audit Committee and the Supervisory Bodies of Iveco Group N.V. and its Italian subsidiaries, with reference to specific risks connected with compliance with Legislative Decree No. 231/2001. At least on an annual basis, it also reports to the Board of Directors.

The IVG Internal Audit (IA) performs its duties - specified within a Charter, approved by the Board of Directors - with the independence required, in accordance with the Dutch Corporate Governance Code, the Company's corporate governance, the International Standards for the Professional Practice of Internal Auditing, and best practices.

The IA mission is to protect and enhance the IVG long-term value creation by providing independent risk-based and objective assurance, and advice. The aim of IA is to improve the effectiveness and the efficiency of operations, assisting management in accomplishing its strategy and goals through a systematic professional approach oriented to verify, evaluate, and improve the governance, risk management, and control processes.

The IA objective is to evaluate the internal control and risk management system adequacy, encouraging effective controls at reasonable costs, referred to:

- compliance with laws, regulations, policies, plans, and internal procedures
- efficiency and effectiveness of the operations
- tangible and intangible asset value safeguarding
- reliability, timeliness, transparency, and integrity of the financial and non-financial reporting.

The Chief Risk and Internal Audit Officer (CRIAIO) directly reports to the CEO and functionally to the Audit Committee. The Audit Committee oversees their activities and reviews their responsibilities, budget, organisation, and operations.

IA is authorised to:

- have full, free, and unconditional access to all documents, contracts, records, transactions, files, data, physical properties, including access to management information systems and records, and the IVG personnel relevant to carrying out any audit engagement. IA will be accountable for the confidentiality and safeguarding of such information
- consult, meet, request information, and obtain assistance from the necessary IVG personnel, as well as other collaborators, third parties, and specialised services, to complete the audit engagements.

The CRIAIO will report to the CEO and the Audit Committee on a regular basis:

- the audit activities and results of the period, compared to the approved audit plan and reporting scope limitations, if any, and
- significant risks exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the Audit Committee.

Based on the audit activities executed for the year 2024, Internal Audit believes that the Company's Internal Control and Risk Management system was effective.

PRINCIPAL CHARACTERISTICS OF THE INTERNAL CONTROL SYSTEM AND INTERNAL CONTROL OVER FINANCIAL REPORTING

IVG has in place a system of risk management and internal control over financial reporting based on the model provided by the Committee of Sponsoring Organisations of the Treadway Commission (COSO), according to which the internal control system is defined as a set of rules, procedures and tools designed to provide reasonable assurance of the achievement of corporate objectives. In relation to the financial reporting process, reliability, accuracy, completeness and timeliness of the information contribute to the achievement of such corporate objectives. Risk management is an integral part of the internal control system. A periodic evaluation of the system of internal control over financial reporting is designed to ensure the overall effectiveness of the components of the COSO Framework in achieving those objectives.

Identification and evaluation of the risk of misstatements which could have material effects on financial reporting is carried out through a risk assessment process that uses a top-down approach to identify the organisational entities, processes and the related accounts, in addition to specific activities, which could potentially generate significant errors. Under the methodology adopted by IVG, risks and related controls are associated with the accounting and business processes upon which accounting information is based.

Management assessed the effectiveness of the Company's internal control over financial reporting as of 31 December 2024, using the criteria set forth in Internal Control - Integrated Framework (2013) issued by COSO. Based on that assessment, management believes that, as of 31 December 2024, the Company's internal control over financial reporting was effective.

IVECO GROUP RISK MANAGEMENT

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

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

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

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

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

Although risk assessment is a process that is ongoing throughout the year, a dedicated report on Group current risk exposure is submitted at least twice per year to the Audit Committee, which in turn is required to provide a review of the report. Furthermore, all organisation levels involved in ERM receive periodic updates and training during the year on ERM activities and processes. For example, in 2024, management and control bodies received regular information on so-called 'black swan' analysis, cyber risks, the impacts of climate change and Risk Appetite Framework.

The 2024 ERM process identified 78 risks, several of which related to significant risk areas such as business strategies and operations, competitive factors, social responsibility, environmental issues, and regulatory compliance (better detailed in the "Risk Factors" section of the 2024 Annual Report).

According to their likelihood of occurrence and the evaluation of their potential impacts, risks are categorised as Top 1, Top 2, or Other Risks, as illustrated in the following matrix:

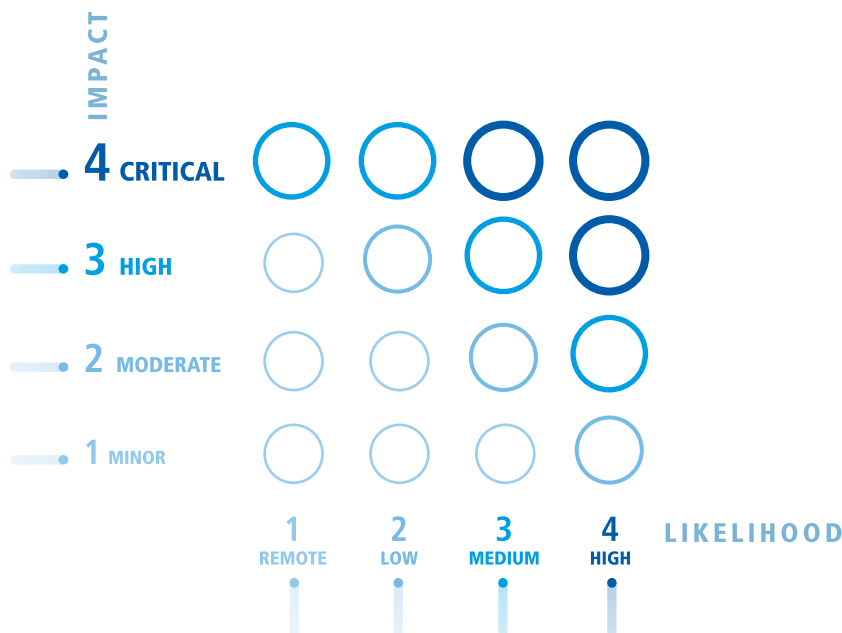
RISK MANAGEMENT

ACCORDING TO ITS CATEGORY (TOP 1, TOP 2 OR OTHER), EACH RISK IS THEN PRIORITISED IN TERMS OF:

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

KEY

- TOP 1 risks
- TOP 2 risks
- Other risks



Direct feedback received from each organisation level, up to and including the Board of Directors, is then used to identify and develop risk mitigation activities as necessary within the business or functional area in question, activities that are subsequently executed by management. These activities are designed to mitigate adverse impacts on IVG's strategic goals and financial and operational performance.

Despite the risk management process and internal control system in place, it is not possible to predict, identify or eliminate all risks and uncertainties that could impact IVG business.

EMERGING RISKS

The ERM process also monitors emerging risks, defined as new risks or risks for which the impacts are unknown or evolving, and which may therefore be incorporated into risk assessment and mitigation activities when appropriate. In 2024, the key emerging risk with the potential for significant impact on Iveco Group over the long term (more than 3 years) is the risk related to the evolving of geopolitical expectations, also in consideration of 2024 global consequential elections (as described in the "Risk Factors" section of the 2024 Annual Report).

The year 2025 will be pivotal for global geopolitical dynamics, with transformative shifts potentially reshaping the world as a consequence of the record number of major elections which took place globally in 2024. Such development might induce high volatility into economies and societies, widening existing instabilities due to increased polarization inside countries and across key regions. Volatility in the economic environment will require organizations to prepare for multiple or more extreme scenarios in affected locations, resulting in potential supply chain disruptions, reallocation of resources that may affect growth, higher investment risk and regulatory uncertainty from potential changes in projected legislative paths.

RISK APPETITE

In 2024, IVG strengthened the governance of the Risk Appetite Framework adopted as a comprehensive and structured approach to proactively managing risks while pursuing its strategic objectives. The framework clearly and concisely outlines the Group's approach to risk, supporting the Company in navigating uncertainties and opportunities with confidence, fostering sustainable growth, and ensuring the protection of stakeholders' interests.

IVG's risk appetite is set within risk taking and risk acceptance parameters driven by its Strategic Business Plan, Code of Conduct, core principles and Values, policies, and applicable laws. To protect the interest of IVG's stakeholders, the Group has defined the following levels of risk appetite:

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

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

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

Other main risks dimensions are classified with a risk appetite from moderately adverse to moderately tolerant.

ENHANCEMENTS TO THE RISK MANAGEMENT PROCESS

The development and implementation of an effective and robust Enterprise Risk Management (ERM) process requires ongoing evaluation and improvement. For this reason, IVG continuously enhance its risk management process in compliance with Company principles and international best practices. In 2024 the evolving ERM model comprised the following spheres:

- process: which covers all groups of activities implemented by the various actors involved to identify, measure, manage, and monitor the main risks that could affect IVG's ability to achieve its objectives. When required, the Enterprise Risk Management process supports sensitivity analysis on financial and non-financial risks;
- integration with existing processes: the Enterprise Risk Management process also supports the identification and evaluation of sustainability related risks through the involvement in the Double Materiality Assessment and Climate Change Risk Assessment (further details report in the "Sustainable Statement" section of this report).

RISK TRANSFER

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

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

INFORMATION SECURITY

In today's digital age, new cyber risks are emerging with such frequency that simply being connected to the internet leaves organisations susceptible to potential hacker attacks and constantly exposed. Cybercrime is big business, prompting organisations and governments worldwide to increase the resources allocated to addressing cyber threats, since the lack of an appropriate cybersecurity plan would present significant financial and reputational risks. Because Iveco Group considers information security and the proper handling of personal data as core tenets, it implements a number of dedicated controls and protection measures that are continuously monitored. Additionally, in line with Internal Control over Financial Reporting (ICFR) principles, the security controls for the Company's IT infrastructure and information security management system are audited and certified annually by an external auditor.

Governance

Information security refers to all the practices and processes adopted to prevent access to or use, modification or deletion of data by unauthorised individuals or parties. It covers more than just personal data, protecting all information and data assets managed by or for Iveco Group. To regulate information security, the Company has adopted a set of operational procedures at global level, known as Information Security Policies. Reviewed at least once a year, these policies can be accessed by all employees via the corporate website (www.ivecogroup.com).

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

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

Iveco Group's security governance is based on the 5 functions of the National Institute of Standards and Technology (NIST) Cybersecurity Framework – Identify, Protect, Detect, Respond, and Recover – designed to build an effective security culture and environment involving all those in security management. The Company's Cybersecurity Roadmap incorporates several initiatives aimed at ensuring effective information security governance. Every year, the roadmap is reviewed and defined according to the outcomes of an annual NIST maturity assessment (performed by a third party) that ranks Iveco Group's position within the NIST framework. This assessment also identifies any gaps and improvements needed to consolidate the Cybersecurity Roadmap and posture. The main 2024 initiatives are outlined below, grouped according to the aforementioned NIST functions.

Identify

Under the NIST Identify function, the following initiatives were implemented in 2024 to enhance the understanding of managing cybersecurity risks to systems, people, assets, data, and capabilities:

- extension of the existing Privileged Access Management (PAM) solution, which enables secure access to servers for maintenance purposes without using privileged accounts. In addition to the servers running most of the applications that fall under the Company's Internal Control over Financial Reporting (ICFR) scope, the PAM was extended to include the most critical applications related to Brand IDV and the Financial Services Business Unit
- development and execution of an action plan based on the previous year's assessment of IT risk resilience, performed as per the Digital Operational Resilience Act (DORA) for a number of Iveco Group brands, so as to address any gaps or weaknesses identified.

Protect

The Protect function outlines appropriate safeguards to ensure delivery of critical infrastructure services. Initiatives deployed in 2024 focused on improvements to the security of data related to cloud platforms and intellectual property (IP) through a data loss prevention solution combined with a strengthened password policy. Such initiatives included:

- extension of Multi Factor Authentication (MFA) to all systems exposed to the Internet
- implementation of all type-B controls as per the requirements of Italy's national cybersecurity perimeter (the PSNC⁽¹⁾) for the IDV Brand
- launch of a pilot project to implement encryption of emails and attached documents for all IT employees, with full deployment to all Microsoft Office users scheduled for the first quarter of 2025. The tool being used, Microsoft Purview Information Protection, is already available to all office employees for data classification purposes
- improvement of cloud security through the adoption of Palo Alto Prisma Cloud, a cloud-native application protection platform (CNAPP) delivering a unified security solution covering the entire life cycle of cloud-native applications.

Detect

The Detect function's main aim is to identify the likelihood/occurrence of a cybersecurity event.

Two IT partners, NPO Sistemi and Kyndryl, provide support for 90% of Iveco Group's IT infrastructure. NPO Sistemi's services are compliant with ISO 27001:2013 and ISO 9001:2015 standards. Kyndryl's IT security, networking, cloud, system, and resiliency services are ISO 22301:2012-certified, while its IT security services are also ISO 27002:2013-compliant.

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

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

In 2024, a new monitoring process was implemented to duly verify all critical activities performed using privileged accounts (i.e., those requiring elevated permissions, or SUIDs⁽²⁾) on SAP systems. A SAP-based dashboard was developed to record all changes made during the execution of 'privileged commands', with all actions now requiring justification via a two-step process involving the executor and the IT owner of the respective SAP process. These actions are reviewed monthly by the IT Cybersecurity Risk and Compliance team.

Additionally, to ensure the security of its connected vehicles (see '9. Customers and End Users' in the "Sustainability Statement" section), the Company has set up a dedicated Information Security Competence Centre, which is regularly updated on relevant advancements in cybersecurity.

⁽¹⁾ Perimetro di Sicurezza Nazionale Cibernetica

⁽²⁾ Set User IDs.

The following table includes data on connected vehicle events.

INFORMATION/CYBERSECURITY INCIDENTS & BREACHES

Iveco Group worldwide

(number)		2024	2023	2022
Total number of information security breaches or other cybersecurity incidents ^(a)	P0	—	—	—
	P1	1	1	3
	P2	12	2	31
	P3	1,433	865	2,521
Total number of information security breaches involving customers' personally identifiable information		—	—	—
Number of customers affected by the Company's data breaches		—	—	—
Total amount of fines/penalties paid in relation to information security breaches or other cybersecurity incidents (€)		—	—	—

(a) An incident's priority, from high (P0) to low (P3), is determined according to the level of impact and urgency assigned to it. In 2024, all incidents were resolved with zero impact on business activities.

Vulnerability analysis and management are essential to ensure the confidentiality, integrity, and availability of sensitive information, and to maintain Iveco Group's business continuity, protect its reputation, and prevent financial losses. Every effort is made to effectively identify, report, prioritise, and remediate vulnerabilities that pose a significant risk to the Company, through a 24/7 process that continuously checks for potential security weaknesses. This process was further strengthened in 2024 with the introduction of advanced tools for improved identification and prioritisation.

Risk assessments, vulnerability scanning, and penetration tests are conducted annually to ensure the security of IT infrastructure and information security management systems. These tests include the analysis of the external attack surface – performed using a recently acquired cloud-based tool – and simulated hacker attacks.

Each new initiative or project undergoes a dedicated IT security risk assessment of the respective technical solution being launched, starting with a preliminary classification of macro data to identify, among other things, potential criticalities associated with the type of data being processed by the systems. This process aims to ensure that all running systems comply with security policies and guidelines. In 2024, 150 new projects were subjected to such risk assessment.

Additionally, Iveco Group's ICT Security conducts an annual information security risk assessment to evaluate the Company's cybersecurity maturity and to identify ICT risks and assess their likelihood and impact. This assessment is based on the NIST⁽³⁾ Cybersecurity Framework and performed with assistance from external third parties. It is then followed up with continuous risk management and improvement measures. In 2024, 26 risks were downgraded to a lower risk level due to the implementation of new mitigation measures.

A number of assessments were also performed specifically for Brand IDV and the Financial Services Business Unit, considering the unique nature of these businesses, to ensure compliance with relevant regulations.

Before the disposal of any IT asset, the IT asset management process removes all confidential data via a data erasure procedure. The partner in charge of fleet management oversees the data-sanitisation of such assets, and the activity is tracked via an asset management tool.

Iveco Group's Information Security Incident Management Policy stipulates how to respond appropriately to any actual or suspected security incident relating to information and/or information systems. The Security Incident Response Plan, which is tested at least annually, provides a framework of procedures, roles, responsibilities, and accountability for incident handling, while enabling breach detection, analysis, containment, eradication, recovery, and follow-up in response to incidents. The Security Operations Centre (SOC) is active 24/7 in preventing, detecting, and remediating security threats across the corporate network before any impact on business activities occurs. Additionally, should there be a computer security breach or incident, the Company has a dedicated Cyber Security Incident Response Team (CSIRT) that coordinates and provides support accordingly.

In 2024, the Panorays Security Ratings platform, adopted to measurably reduce cyber risk across the Company, was extended to approximately 100 of the most critical IT vendors of Brand IDV and of the Financial Services, Supply Chain, and Technology and Digital business units, all of which were onboarded to enable the continuous monitoring of their cybersecurity posture. In 2025, the platform's use will be further extended to assess and monitor risks for business-critical non-IT vendors.

⁽³⁾ National Institute of Standards and Technology.

Respond and Recover

One of the main aims of these specific NIST functions is to develop Iveco Group's ability to take action on a detected cybersecurity incident and resume normal operations in a timely manner to minimise any impact.

Accordingly, in 2024, as part of the ongoing development of and investment in IT security, the Company engaged external third parties – IBM and PricewaterhouseCoopers (PWC) – to conduct Tabletop exercises⁽⁴⁾. The aim was to identify and set up, as per the NIST Cybersecurity Framework (NIST CSF) and the Digital Operational Resilience Act (DORA), the appropriate structured processes, tools, and skills required to effectively manage any crisis caused by potential disruptions to the Financial Services Business Unit. Two simulations were performed under the guidance of IT management: the first involving Iveco Group's Senior Leadership Team (SLT), the second involving Financial Services' management.

Communication, Training, and Awareness

Every employee using Iveco Group's information systems receives online training on information security at least once every three years, while new hires receive it as part of the onboarding process.

The Company offers a Cybersecurity Awareness programme consisting of three mandatory training modules:

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

In 2024, all three online modules were delivered to about 1,500 employees worldwide, for a total of about 1,350 hours of security training.

The training programme also included simulations (five campaigns on phishing and five on smishing) to raise employee awareness of real-world phishing attacks and how to recognise them, as well as ad hoc communications on specific cybersecurity topics published periodically on the corporate Intranet.

To mark Cybersecurity Awareness Month, a number of 60-second videos were released on the Intranet portal, addressing security topics such as AI and chatbots, QR-codes, deepfakes, and reporting suspicious emails.

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

⁽⁴⁾ Discussion-based group exercises designed to identify roles, responsibilities, and potential responses in the event of an unfolding cyber incident.

DATA PROTECTION AND PRIVACY

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

The Privacy Management framework includes:

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

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

In 2024, a 1-hour classroom training session on the appropriate handling of personal information was delivered to 100 IT application owners worldwide. Moreover, in line with Company policy, online data privacy training is provided to all employees at least once every 3 years, and specific Guidelines on Data Privacy are publicly available on the Intranet portal (www.ivecogroup.com).

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

GOVERNANCE STATEMENT

INTRODUCTION

Iveco Group's governance is built on a set of rules and practices that the Company has adopted (and intends to improve throughout time) to manage its operations in an ethical and transparent way, according to its purpose and values, that are the groundwork of its culture. The Company believes that a robust governance model is pivotal to doing business in the pursuit of true sustainable long-term value creation, duly balancing the interests of all its stakeholders. In this governance statement, Iveco Group summarises its overall corporate governance structure as it applied to the Company as of 31 December 2024, providing the information required by Dutch law and the Dutch Corporate Governance Code (the DCGC), which applies, on a comply or explain basis, to Dutch companies whose shares have been admitted to trading on a regulated market or comparable system; deviations from the DCGC are described here, too. Other parts of the Board Report complement the description of how Iveco Group complies with the principles and best practice provisions recommended by the DCGC, by addressing the strategy, values and culture of Iveco Group in furtherance of sustainable long-term value creation (see section "Sustainability Statement"), the remuneration of the Company's Board members and management (see section "Remuneration Report"), the Company's approach to risk management, its risk assessment, and the design and operation of the internal risk management and control system (see sections "Risk Factors" and "Risk Management and Internal Control System").

The Company is aware of the invitation the Italian Corporate Governance Committee has addressed to issuers with a non-Italian home country, but listed in Italy, to evaluate and consider the adoption of the corporate governance code sponsored by Borsa Italiana S.p.A. (which manages Euronext Milan, where the Company's Common Shares are listed) and compliance with its recommendations. For the time being, Iveco Group believes that compliance with the recommendations of the DCGC (including in terms of disclosure) enables Iveco Group to fully respond to investors' demands for high corporate governance standards, consistency with international best practice, and transparency. On the other hand, the DCGC addresses substantially the same concerns as the Italian corporate governance code, whilst better fitting with the Company's Dutch legal structure and corporate operation.

GENERAL MEETING OF SHAREHOLDERS

Consistently with the DCGC, shareholders through their general meeting (the "General Meeting") play a fully-fledged role in the governance of the Company and its system of checks and balances. In addition, Iveco Group is committed to maintaining an open and constructive dialogue with its shareholders (and potential shareholders) also outside the context of formal General Meetings, and an ad-hoc policy (available on the Company website at www.ivecogroup.com) has been adopted to this end.

At least one General Meeting shall be held every year, within six months after the close of the prior financial year. General Meetings shall also be held in the situations referred to in Dutch law (including at the request of shareholders solely or jointly representing at least 10% of the Company's issued share capital) and as often as the Board of Directors, the Chairperson, the Senior Non-Executive Director or the Chief Executive Officer deems it necessary to hold them. General Meetings shall be held in Amsterdam or Haarlemmermeer (Schiphol Airport) and shall be called in such manner as is required to comply with applicable regulations, not later than on the forty-second day prior to the meeting. All convocations of meetings of shareholders and all announcements, notifications, and communications to Company shareholders shall be made by means of an announcement on the Company's website and such announcement shall remain accessible until the relevant meeting of shareholders. The notice shall state the place, date, and hour of the meeting and the agenda of the meeting as well as the other information required by law. Any communication to be addressed to the General Meeting by virtue of law or the Articles of Association may be either included in the notice or, to the extent provided for in such notice, on the Company's website and/or in a document made available for inspection at the office of the Company and such other place(s) as the Board of Directors shall determine.

The agenda of the General Meeting shall contain, inter alia, the following items:

- a. the adoption of the Company's annual accounts;
- b. the policy of the Company on additions to reserves and on dividends, if any;
- c. if applicable, the proposal to pay a dividend;
- d. the granting of discharge to the members of the Board of Directors in respect of the performance of their duties in the relevant financial year;
- e. the annual appointment of Directors and the external auditors;

- f. an advisory vote in respect of the remuneration report;
- g. every four years, the Company's Remuneration Policy;
- h. discussion of any substantial change in the corporate governance structure of the Company;
- i. any matters decided upon by the person(s) convening the meeting and any matters placed on the agenda with due observance of applicable Dutch laws.

An item proposed in writing by one or more shareholders representing solely or jointly at least 3% of the Company's share capital shall be included in the agenda, provided that the Company has received the request, including the reasons for putting the relevant item on the agenda, no later than the sixtieth day before the day of the General Meeting.

Persons with the right to vote or attend General Meetings shall be considered those persons who have these rights at the twenty-eighth day prior to the day of the meeting (the "Record Date"), irrespective of whether they will have these rights at the date of the meeting. In addition to the Record Date, the notice of the meeting shall state how Company shareholders and other parties with voting rights may have themselves registered and how those rights can be exercised, either directly or through a proxy duly authorised in writing. For the avoidance of doubt, such an attorney is also authorised in writing if the proxy is documented electronically.

Each share (whether common or special voting) shall confer the right to cast one vote. Votes can be cast at the meeting in person or through proxies or in advance of the meeting via the web procedure made available on the Company's website. All resolutions shall be passed with an absolute majority of the votes validly cast unless otherwise specified; blank votes shall not be counted as votes cast. Shares in respect of which the law determines that no votes may be cast shall be disregarded for the purposes of determining the proportion of shareholders voting, present or represented, or the proportion of the share capital present or represented. No voting rights shall be exercised in the General Meeting for shares owned by the Company or by a subsidiary of the Company.

The General Meeting shall be presided over by the Senior Non-Executive Director or, in their absence, by the person chosen by the Board of Directors to act as chair for such meeting. The chair of the meeting shall decide on the admittance of persons other than those who are entitled to attend and may determine the time for which those who are permitted to attend may speak, if they consider this desirable with a view to the orderly conduct of the meeting. The Board shall provide the General Meeting with all requested information, unless this would be contrary to an overriding interest of the Company; in case, the Board must provide shareholders with details of the relevant interest.

One of the persons present and designated for that purpose by the chair of the meeting shall act as secretary and take minutes of the business transacted. The minutes shall be made available to the shareholders no later than three months after the end of the meeting, after which the shareholders shall have the opportunity to react in the following three months. The minutes shall then be adopted and confirmed by the chair of the meeting and the secretary and signed by them in witness thereof. If an official notarial record is made of the business transacted at the shareholders' meeting, then minutes need not be drawn up and it shall suffice that the official notarial record is signed by the notary.

BOARD OF DIRECTORS

Responsibilities and composition

The Company has a one-tier board structure comprising Executive Directors (in charge of overseeing the Company's day-to-day operations) and Non-Executive Directors (who supervise the Executive Directors' performance of duties and the Company's general affairs and business, rendering advice and directions to the Executive Directors). The Board as a whole is accountable for the performance of its duties to the General Meeting, that appoints all its members for a period of approximately one year, such period expiring on the day the first annual general meeting (AGM) is held in the following calendar year. The General Meeting has the power to suspend or dismiss any member of the Board at any time.

The Board may perform all acts necessary or useful for achieving the Company's objectives, with the exception of those acts that are prohibited by law or by the Articles of Association; Dutch law provides that resolutions of the Board involving major changes in the Company's identity or character are subject to the approval of the General Meeting. The Board's responsibilities include, among other things, developing a view on long-term value creation by the Company, determining the Company's strategy and risk management policy, ensuring compliance with legislation and regulations and the corporate governance structure of the Company, as well as publishing the information required under applicable law and the DCGC. Pursuant to the Articles of Association, the Board may allocate its duties and powers among the Directors pursuant to the Board Regulations (see below), provided that the following duties and powers may not be allocated to the Executive Directors: (i) supervising the performance of the Executive Directors, (ii) making a nomination for the appointment of Directors, (iii) determining an Executive Director's remuneration and (iv) recommending to the General Meeting the appointment of an auditor to audit the financial statements. Regardless of any allocation of tasks, all members of the Board remain collectively responsible for the proper management and strategy of the Company (including supervision thereof in case of Non-Executive Directors).

The chair of the Board of Directors as referred to by law and the DCGC is a Non-Executive Director, with the title of Senior Non-Executive Director, while the title of Chairperson as referred to by the Articles of Association is reserved to an Executive Director. The general authority to represent the Company is vested in the Board, as well as in each of the Executive Directors to whom the title Chairperson or Chief Executive Officer has been granted. Accordingly, the Board initially appointed Lorenzo Simonelli as Senior Non-Executive Director, Suzanne Heywood as Chairperson, and Gerrit Marx as Chief Executive Officer. As Mr. Marx subsequently left the Company, Mr. Persson (who had been appointed a Non-Executive Director by the AGM on 17 April 2024) replaced him as acting CEO starting from 1 July 2024.

The Board shall consist of three or more Directors, appointed individually and on an annual basis, and the number of Executive and Non-Executive Directors shall be determined by the Board, ensuring an appropriate balance between their respective numbers. The composition of the Non-Executive Directors is such that they will be able to operate independently and critically with respect to one another, the Executive Directors, and any other particular interest involved. Moreover, out of the Non-Executive Directors independent ones have an essential role in protecting the interests of all stakeholders: in the assessment of its members' independence, the Board abides by the criteria set forth by the DCGC. The independent Directors' contribution is welcome and necessary for the proper composition and functioning of the Board committees, too, whose advisory functions include preliminary examination and formulation of proposals and recommendations relating to areas of potential risk.

According to the guidelines on its composition (available on the Company website at www.ivecogroup.com), and in full consistency with the Company's overall Policy on Diversity, Equity and Inclusion (see below), the Board of Directors is composed of individuals who bring the appropriate skills and experience needed for a company of Iveco Group (IVG) size, geographic distribution and business focus, as the Company believes that bringing different perspectives into the Boardroom creates more effective discussions. Considering the specific characteristics, cultural background, experience, and skillset of its members, the Board of Directors believes it has the appropriate diversity mix, independence and judgment to fulfil its responsibilities, execute its duties appropriately and have a good understanding of the current affairs and long-term risks and opportunities related to the Company's business. The Company also believes that women and men should each represent at least one-third of the members of the Board of Directors. As of 31 December 2024 this goal was achieved (the goal here is maintaining this gender diversity rate while managing retirement and vacancies). On 31 December 2024, no member of the Board exceeded the maximum number of positions allowed by Dutch law for Dutch large companies.

DIRECTORS' BIOS

• SUZANNE HEYWOOD

Chairperson

Date of first appointment: 1 January 2022.

Born in 1969, British citizenship.

Suzanne Heywood became a Managing Director of Exor N.V. (the diversified investment holding company listed on Euronext Amsterdam and qualifying as IVG's major shareholder) in 2016 and was appointed as its Chief Operating Officer in November 2022.

Prior to that she worked at McKinsey & Company which she joined as an associate in 1997 and left as a Senior Partner (Director) in 2016. She co-led McKinsey's global service line on organisation design for several years and also worked extensively on strategic issues with clients across different sectors. She started her career in the UK Government as a Civil Servant in the UK Treasury. At the Treasury she worked as Private Secretary to the Financial Secretary (who is responsible for all direct taxation issues) as well as leading thinking on the Government's privatization policy and supporting the Chancellor in his negotiations at ECOFIN (the meeting of European Finance Ministers) in Brussels.

Lady Heywood is Chair of CNH Industrial N.V. (the world-class agriculture, construction and services company listed on NYSE), of Shang Xia (a Chinese private luxury company) and of Quartz Associates (a small, private consulting group). She is also a non-executive Director of Christian Louboutin (one of the leading names in global luxury), The Economist (a leading source of analysis on international business and world affairs) and Clarivate Plc. (a leading global provider of transformative intelligence listed on NYSE) and a member of the UK Investment Council. She has published several books and grew up sailing around the world for ten years with her family on the schooner Wavewalker.

She studied science at Oxford University (BA) and then at Cambridge University (PhD). In 2023 she achieved a specialization certificate in Google Cybersecurity.

External directorships in publicly listed companies (as of 31 December 2024):

- CNH Industrial N.V.
- Clarivate Plc.

• OLOF PERSSON

Chief Executive Officer

Date of first appointment: 1 January 2022.

Born in 1964, Swedish citizenship.

Olof Persson started his career at ABB, a global technology leader in electrification and automation, where he held various positions. In 2014 he was appointed Division President of Bombardier Transportation, one of the world's largest rail transport companies. In 2006, he joined Volvo Group as President first of Volvo Aero and subsequently of Volvo Construction Equipment (2008). In 2011 he was named President and CEO of the Volvo Group, a role that he held for four years. In 2015 he was appointed Senior Operating Executive at Cerberus Capital Management.

Mr. Persson is currently Chairman of the Board of New Wave Group AB, a Swedish growth company that designs, acquires and develops brands and products in the corporate, sports, gifts and home furnishings sectors, listed on the Nasdaq Stockholm Large Cap Index.

In 2022 he joined the Board of Iveco Group as an Independent Director when the Group listed on Euronext Milan. In April 2024 the Company announced that Olof Persson would succeed Gerrit Marx as Group CEO, effective 1 July 2024.

Mr. Persson holds a Bachelor of Business Administration, BBA – Ekonomi 1988, from Karlstad's University.

External directorships in publicly listed companies (as of 31 December 2024):

- New Wave Group AB.

• LORENZO SIMONELLI

Senior Non-Executive Director

Date of first appointment: 1 January 2022.

Born in 1973, Italian, British, Swiss and American citizenship.

Lorenzo Simonelli is the Chairman, President and CEO of Baker Hughes Company, an energy technology company that combines innovation, expertise and scale to provide solutions for energy and industrial customers worldwide. In October 2017 he was named Chairman of the Board of Baker Hughes, and has been President and CEO since the Company's creation in 2017, where he oversaw the successful merger of GE Oil & Gas with Baker Hughes Inc. In 2013 he was appointed President and CEO of GE Oil & Gas.

Previously, Mr. Simonelli served as President and CEO of GE Transportation, a global transportation leader in the rail, mining, marine and energy storage industries. During his five-year tenure, he expanded and diversified GE Transportation by focusing on advanced technology manufacturing, intelligent control systems and a diverse approach to new propulsion solutions. He served as Chief Financial Officer for the Americas for GE Consumer & Industrial, as well as General Manager, Product Management for GE Appliances, Lighting, Electrical Distribution and Motors. Lorenzo Simonelli joined GE's Financial Management Program in 1994, where he worked on assignments in GE International, GE Shared Services, GE Oil & Gas and Consolidated Financial Insurance. He also served on the Board of C3.ai, Inc. (2020 - 2021) and on the Board of CNH Industrial N.V. (2019 - 2021).

He qualifies as independent under the Dutch Corporate Governance Code.

Mr. Simonelli graduated in Business & Economics from Cardiff University, Wales and received a master's degree *honoris causa* in Chemical Sciences from the University of Florence, Italy.

External directorships in publicly listed companies (as of 31 December 2024):

- Baker Hughes Company.

• JUDY CURRAN

Non-Executive Director

Date of first appointment: 17 April 2024.

Born in 1961, American citizenship.

Judy Curran is an accomplished senior automotive executive with 35 years of experience and leadership within the automotive / mobility / engineering / technology fields. She has an in-depth understanding of the Transportation industry and is familiar with Tech and Software topics.

Currently, she is responsible for the Automotive Strategy at ANSYS Inc., probably the largest engineering simulation company worldwide. Before joining ANSYS as Chief Technologist Automotive, Ms. Curran held several executive positions at Ford Motor Company, with growing responsibilities up to the role of Director of Technology Strategy (2014-2018). Her career at Ford started in 1986 after an initial experience at United Technologies as an Engineer on engine fuel control systems.

She has served on several boards and presently sits in the board of Forvia SE (an automotive technology group based in France and listed on Euronext Paris), where she is a member of the Audit Committee.

She qualifies as independent under the Dutch Corporate Governance Code.

Ms. Curran holds a Bachelor of Science, Electrical Engineering/Computer Software from Lawrence Technological University (USA) and a Master of Science, Electrical Engineering from the University of Michigan (USA).

External directorships in publicly listed companies (as of 31 December 2024):

- Forvia SE

• TUFAN ERGINBILGIC

Non-Executive Director

Date of first appointment: 1 January 2022.

Born in 1959, British and Turkish citizenship.

Tufan Erginbilgic has a background in engineering and has built his career in international business with over 20 years with BP, five years as part of its executive team. He held a number of senior roles at BP, including CEO of Lubricants, BP and Castrol; Chief of Staff to the Group CEO; and Chief Operating Officer of the downstream business, becoming its CEO in 2014 until 2020.

Since 1 January 2023, he has been Group Chief Executive Officer of Rolls-Royce plc, that develops and delivers complex power and propulsion solutions for safety-critical applications in the air, at sea and on land.

Mr. Erginbilgic held several non-executive directorships in heavy industry and manufacturing. These include aerospace technology group GKN; energy, healthcare technology group DCC plc; and energy company Türkiye Petrol Rafinerileri A.Ş (Tupras). He was also partner in Global Infrastructure Partners, a private equity firm focused on large-scale investments in infrastructure businesses.

He qualifies as independent under the Dutch Corporate Governance Code.

Mr. Erginbilgic has a BSc in engineering, a Master of Business Administration degree and an MA in economics.

External directorships in publicly listed companies (as of 31 December 2024):

- Rolls-Royce plc.

● ESSIMARI KAIRISTO

Non-Executive Director

Date of first appointment: 1 January 2022.

Born in 1966, Finnish and German citizenship.

Essimari Kairisto was the Chief Financial Officer and a Board Director for Hochtief Solutions AG (an engineering-led global infrastructure solutions provider, listed in Germany) until 2016 after which she has taken on independent consulting roles. Prior to her move to Hochtief Solutions in 2013, Ms. Kairisto had several highprofile roles in finance and general management including at Sasol, RWE and Schlumberger. Until June 2024, she was member of the Supervisory Board as well as member of Audit Committee of Applus Services S.A.

Essimari Kairisto is Vice Chair of TenneT Holding B.V. (a Dutch state-owned leading European electricity transmission system operator with its main activities in the Netherlands and Germany) and Chair of its Audit Committee, Vice Chair of Fortum Oyj (a clean energy generation and distribution company listed on the Helsinki stock exchange, with the Finnish State as majority shareholder) and Chair of its Audit and Risk Committee, Supervisory Board Member and member of the Audit Committee of Freudenberg SE (the privately owned German technology company), member of the Supervisory Board and Chair of the Audit Committee of Fugro N.V. (a world leading Geo-data specialist that supports clients in mitigating risks during design, construction and operation of their assets), member of the Supervisory Board of MCF Corporate Finance GmbH (a German privately owned M&A and debt advisory).

She qualifies as independent under the Dutch Corporate Governance Code.

Ms. Kairisto holds a diploma in Business Administration from the University of Fachhochschule Bielefeld (Germany).

External directorships in publicly listed companies (as of 31 December 2024):

- Fortum Oyj.
- Fugro N.V.

● LINDA KNOLL

Non-Executive Director

Date of first appointment: 1 January 2022.

Born in 1960, American citizenship.

After a decade of supply chain and program management experience in the land systems division of General Dynamics, Linda Knoll honed her career in the predecessor companies of CNH Industrial, which she joined in 1994.

There she accumulated a wealth of industrial experience in agricultural operations with a variety of leadership roles (including Vice-President and General Manager of the Crop Production Global Product Line, Vice President North America Agricultural Industrial Operations, Executive Vice-President Agricultural Product Development, President Parts and Service - ad interim - and Executive Vice-President Worldwide Agricultural Manufacturing). Starting in 2007 Ms. Knoll then served as Chief Human Resources Officer and member of the Group Executive Council until her retirement in 2019. Since 2011 she held these same positions in the car manufacturer Fiat then FCA too, finally serving in FCA only up to the company's merger with PSA and formation of Stellantis (2021).

Linda Knoll currently (since 2014) serves as director at Schneider Electric SE (global specialist in energy management and automation), and Astec Industries Inc. (a leading manufacturer of equipment for asphalt road building, aggregate processing, and concrete production). She chairs the Human Capital and Compensation Committee at both companies.

She qualifies as independent under the Dutch Corporate Governance Code.

Ms. Knoll holds a Bachelor of Science Degree in Business Administration from Central Michigan University.

External directorships in publicly listed companies (as of 31 December 2024):

- Astec Industries Inc.
- Schneider Electric SE.

• ALESSANDRO NASI

Non-Executive Director

Date of first appointment: 1 January 2022.

Born in 1974, Italian citizenship.

Alessandro Nasi started his career as a financial analyst in several banks, gaining experience at Europlus Asset Management, a division of Unicredit in Dublin, Ireland, PricewaterhouseCoopers in Turin, Italy, Merrill Lynch and JP Morgan in New York, U.S. He also worked as an Associate in the Private Equity Division of JP Morgan Partners in New York, U.S.

In 2005 Mr. Nasi joined Fiat Group as manager of Corporate and Business Development, heading the APAC division and supporting Fiat Group sectors in Asia Pacific. In 2007, he was appointed Vice President of Business Development and a member of the Steering Committee of Fiat Powertrain Technologies. In 2008, he joined CNH in the role of Senior Vice President of Business Development and he also served as Senior Vice President of Network Development (2009 - 2011). In January 2011, he was appointed Secretary of the Industrial Executive Council of Fiat Industrial, continuing in the role of Executive Coordinator to the successor Group Executive Council of CNH Industrial until January 2019. In 2013 he was appointed President Specialty Vehicles, a role he held until January 2019.

Currently, he is a Director of Exor N.V. (the diversified investment holding company listed on Euronext Amsterdam and qualifying as IVG's major shareholder and of CNH Industrial N.V. (the world-class agriculture, construction and services company listed on NYSE), Chairman of Comau Group S.p.A. (formerly Comau S.p.A. a worldwide leader in delivering advanced industrial automation products and systems), Chairman of Iveco Defence Vehicles S.p.A. and of Astra Veicoli Industriali S.p.A. (affiliates of Iveco Group) and Chairman of GVS S.p.A. (a global Group that produces highly technological diversified filtration solutions). He is a member of the Lego 4G Advisory Board and, since May 2024, Director of KIRKBI A/S (the holding and investment company owner of the Lego Group). He is a member of the Board of Istituto Italiano di Tecnologia and of the Strategic Advisory Board of 3 Boomerang Capital LLC. Mr. Nasi holds a degree in Economics from the University of Turin.

External directorships in publicly listed companies (as of 31 December 2024):

- Exor N.V.
- CNH Industrial N.V.
- GVS S.p.A.

Meetings

Regular meetings shall be held according to the long-term calendar determined by the Board annually, based on the standard scheduling of activities and including consistent meetings of the Board's committees. In addition, special meetings of the Board shall be held whenever it is deemed convenient, including by direction of a majority of the Directors then in office. The Board of Directors can only transact business if a majority of the Directors in office and not disqualified from voting shall be present or represented by a co-member at such meeting. If at any meeting a quorum is not present, a majority of the Directors present may adjourn the meeting from time to time, without notice other than adjournment at the meeting, until a quorum shall be present. The vote of the majority of the Directors present at any quorate meeting shall be the act of the Board; if there is a tie in a vote, the relevant resolution shall be deemed rejected. The Board is authorised to adopt resolutions without convening a meeting if all Directors have expressed their opinions in writing, and none has objected to the resolution being adopted in this way.

In additions to actions without meeting, the Board met six times during 2024. The following chart shows the Board members in charge at year-end and their attendance at Board meetings.

Board member	Heywood	Persson	Curran*	Erginbilgic	Kairisto	Knoll	Nasi	Simonelli
Attendance	6/6	6/6	4/4	4/6	6/6	5/6	5/6	6/6

* Judy Curran was appointed as a Director by the AGM on 17 April 2024

In these meetings, the Board addressed a number of topics, including the Company's general affairs and business, its results and expectations, its overall strategy, plans and specific risks/opportunities, the most relevant transactions, risk management, ESG-related and compensation issues, Iveco Group funding and its capital market performance. At all meetings of the full Board, the Non-Executive Directors separately met too, to discuss the functioning of the Board and its Committees, the Executive Directors' performance of their duties, the Company's strategy and general affairs.

Board practice

As recommended by the DCGC, the Board adopted internal regulations governing its (and its Committees') operations, including the decision-making process. The current version of the document (approved in November 2024 and available at the Company's website at www.ivecogroup.com) addresses composition, roles and responsibilities, calling, organization, quorum and minuting of meetings, action at and without meeting, information flows, determination of independence according to the DCGC, and conflicts of interest.

In this connection, the Regulations of the Board of Directors stipulate that a Director shall not participate in discussions and decision making with respect to a matter in relation to which they have a direct or indirect personal interest that is in conflict with the interests of the Company and the business associated with the Company (Conflict of Interest). In case, they shall immediately report the situation, so that the Non-Executive Directors can assess it, and – if they deem it appropriate – exclude the conflicted Director from the discussion and decision-making process with respect to the relevant matter or transaction; all conflicted transactions require the approval of the Non-Executive Directors. In addition, as – in compliance with the DCGC – the Company pursues the prevention of conflict of interest in general, the Board as a whole may, on an ad hoc basis, resolve that there is such a strong appearance of a Conflict of Interest of an individual Director in relation to a specific matter that it is in the best interest of a proper decision-making process that such individual Director be excused from participation, even though they may not have an actual Conflict of Interest. Finally, as a precautionary measure, in the event, based on the information available to the Company, there is a strong appearance of a Conflict of Interest of an individual member of the Board in relation to a specific matter, the Chairperson will exclude such a Director from the relevant information flow, pending a decision by the full Board. As per the DCGC's recommendation, all transactions in which there are conflicts of interest with Board members shall be agreed on terms that are customary in the market. No decisions to enter into material transactions in which there are conflicts of interest with members of the Board were taken during the financial year 2024.

At least annually, each Director shall assess in good faith whether (i) they are independent under the best practice provisions of the DCGC; and (ii) they would have a Conflict of Interest in connection with any transactions between the Company and a significant shareholder or related party of the Company, including affiliates of a significant shareholder (such conflict, a "Related-Party Conflict"), it being understood that currently Exor N.V. is considered a significant shareholder. Based on this self-assessment (part of the annual D&O questionnaire administered to all Board members), and any subsequent update provided by the individual Directors, the Board of Directors shall make its determinations regarding the individual Director's independence and Related-Party Conflict, such (at least annual) determinations being conclusive absent a change in circumstances.

Suzanne Heywood, who is the Chairperson, is also executive director and chairperson of CNH Industrial N.V., as well as Chief Operating Officer of Exor N.V.. Alessandro Nasi, who is a Non-Executive Director of the Company, is also a non-executive director of Exor N.V. and CNH Industrial N.V.. As a result, Suzanne Heywood and Alessandro Nasi owe duties both to Iveco Group and to CNH Industrial N.V. and Exor N.V., which may raise potential conflicts of interest should the Company have to enter into new transactions (or amend existing transactions as the case may be) with CNH Industrial N.V., Exor N.V. or their affiliates.

Pursuant to the Articles of Association, the Company is committed to indemnify all of its Directors, officers, former Directors, former officers (as well as any person who may have served at its request as a director or officer of another company in which it owns shares or of which it is a creditor), against expenses actually and necessarily incurred by any of them in connection with the defense of any action, suit or proceeding in which they are made parties, by reason of being or having been Director or officer, except in relation to matters as to which any such indemnified person shall be adjudged to be liable for negligence or misconduct in the performance of their duty.

In addition, IVG has purchased Directors' and officers' liability insurance for the members of the Board of Directors and certain other officers, in line with international best practice.

By the end of 2024, in addition to a survey to verify due compliance with applicable corporate governance rules (the outcome of which was satisfactory), the Board undertook an evaluation of the Board, its Committees and individual members, in terms of composition, effectiveness and performance.

Under the oversight of the ESG Committee, the evaluation consisted of a self-assessment, performed through the same written questionnaire as the questionnaire administered at the end of 2023 and 2024, for the sake of comparison, covering Profile, Responsibilities and Functioning of the Board (and its Committees), with an invitation to comment on the various relevant topics. The response rate was 100%. The replies were aggregated and tabulated by the Board Secretary and represented the basis for subsequent one-to-one conversations with the Chairperson (focused on the overall functioning of the corporate collective bodies, as well as the individual Director and the Executive Directors) and collective discussion. Collation with previous years evidenced overall consistency in results.

As it already happened in previous years, the conclusions from the evaluations will be considered in the ongoing furtherance of an ever more mature approach and practice of corporate governance at Board level. Overall the Board of Directors confirmed it believes the skill mix and combination of diversity factors are appropriate to enable the Board as a whole to manage its responsibilities and exercise its role effectively and considers its present composition well-suited to fulfil the Board's duties, vis-à-vis the existing and prospective Company's challenges. It has a good understanding of the

business and the relevant competitive and regulatory scenarios, is aware of the impacts of the Company's operations, including beyond financials, is in a position to effectively direct, monitor, overview, and challenge the different aspects of the Company's business and operations, according to the capacities and responsibilities entrusted to the Board as such, as well as separately to Executive and Non-Executive Directors. It was further concluded that each of the Directors in charge demonstrate due commitment to their respective role in the Company.

BOARD COMMITTEES

As per the Articles of Association and the Regulations of the Board, the Board appointed among its Non-Executive Directors three committees to assist it to discharge its duties: an Audit Committee, an ESG Committee, and a Human Capital and Compensation Committee. The Board may appoint additional committees from time to time, as it deems necessary and appropriate to carry out its responsibilities and oversight function.

The terms of reference, tasks and relevant procedures for the proper functioning of the committees are set forth in the Regulations of the Board and their specific charters, as adopted by the full Board. The current version of the charters (approved in November 2024) is available at the Company's website at www.ivecogroup.com. The same rules applicable to the operations of the Board govern the committees, except that:

- attendance by proxy at a meeting of a committee is not allowed. If a quorum is not present, as an alternative to adjournment, the member(s) present and not disqualified from voting may unanimously appoint one or more Non-Executive Directors who are not regular members of the committee to act at the meeting in the place of any absent or disqualified member(s);
- a quorum of the committee consists of a majority (and if the committee consists of an even number of members, at least one-half) of the members thereof. If there is a tie in a vote, the chair of the committee shall have a casting vote.

As a rule, Directors who are not members of the specific committee are invited to attend its meeting, unless the committee decides otherwise.

Notwithstanding the establishment of committees to assist the Board on certain specified matters, the Board remains accountable for the work carried out by its committees and the performance and affairs of the Company. According to their terms of reference as presently in force, each of the Audit Committee, the ESG Committee and the Human Capital and Compensation Committee shall (i) assist and advise the Board in ensuring the Company's due compliance with the DCGC, with reference to the aspects in each committee's remit; (ii) collaborate and liaise with each other with reference to issues and topics of common interest; (iii) perform any specific task assigned by the Board from time to time; (iv) report regularly to the Board, making proposals and recommendations where they deem it appropriate, according to their remit in supporting the Board's decision-making. They are entitled to utilise the services of the appropriate personnel of the Company and its subsidiaries, and, if they deem it fit, without the Board's approval and at the Company's expense, to appoint, compensate and oversee the work of any outside advisor to assist them in connection with their responsibilities.

Audit Committee

The tasks, functions and organisation of the Audit Committee are described in detail in the Audit Committee charter, which is published on the Company website at www.ivecogroup.com.

The Audit Committee consists of at least three Non-Executive Directors and is chaired by a member who meets the independence requirements as set forth by the DCGC (as the majority of the members are required to do). All of them must be financially literate and have accounting or financial management expertise qualification, and at least one shall have competence in accounting and/or auditing. As a rule, no Director may serve as a member of the Company's Audit Committee if they already have the same role in more than four other public companies.

The Audit Committee shall assist and advise the Board by performing, inter alia, the following duties and responsibilities: (i) overseeing the integrity and quality of the Company's financial and sustainability disclosure, and the relevant reporting processes (including internal controls over financial and sustainability reporting); (ii) supervising the effectiveness of the design and operation of the Company's internal risk management and control system; (iii) supervising and handling relations between the Company and its independent auditors for financial as well as sustainability reporting; (iv) supervising the Company's compliance with legal and regulatory requirements, in terms of overall business conduct as well as design, implementation and effectiveness of the Company's ethics and compliance programs; (v) overseeing the Company's tax policy, financing and funding; (vi) monitoring the application of information and communication technology, cybersecurity measures and personal data protection matters, and associated risks.

The Audit Committee shall meet at least four times every year, and whenever the Chair deems it appropriate, including vis-à-vis the recommendation or request by the Executive Directors, the Chief Financial Officer, the Chief Risk and Internal Audit Officer, the General Counsel or the Company's independent auditors. At present, the annual standard Audit Committee calendar foresees a total number of five meetings per year. The Audit Committee shall meet with the external auditor as often as it considers necessary, but at least once a year, outside the presence of the Executive

Directors. If the independent auditors believe an issue should be raised with the Committee, the Committee will hear it in a timely manner. The independent auditors, the Chief Financial Officer, the Chief Risk and Internal Audit Officer and the General Counsel will attend the meetings of the Committee, unless the Committee determines otherwise. The Chief Public Affairs & Sustainability Officer will attend whenever the Committee discusses topics in their remit. The Executive Directors are entitled to attend the meetings of the Committee, unless the Committee determines otherwise, and shall attend them if the Audit Committee so requires. Where the chair deems it appropriate, they may invite and/or require other Company officers and/or employees to attend.

The Audit Committee is currently composed of: Essimari Kairisto as chair and Judy Curran and Lorenzo Simonelli as members. The Board acknowledged its members meet the relevant accounting and/or auditing competence requirements; all of them qualify as independent. The expertise and experience available in the Committee, in conjunction with the possibility to take advice from internal and external experts and advisors, are sufficient for the fulfillment of the tasks and responsibilities of the Audit Committee.

The Audit Committee met five times during 2024, duly and timely reporting its activities to the Board and the Non-Executive Directors. In preparation for the meetings, the Committee chair met one-on-one with management members and the external auditor, when she considered it appropriate. The following chart shows the attendance by the Audit Committee members in charge at year-end.

Committee member	Kairisto	Curran*	Simonelli
Attendance	5/5	3/3	5/5

*Judy Curran was appointed as a member of the Audit Committee by the Board on 17 April 2024

In these meetings the Committee inter alia reviewed and discussed the annual and quarterly financial statements (and the independent auditors' review or audit thereof), the Group's tax strategy and tax report (in connection with the Company's admission to the Italian co-operative compliance regime), the Company's funding plan, the finetuning of the Company's internal control and risk management systems, the Company's risk assessment and risk appetite, the Company's key risks and controls relating to cybersecurity, performance and plans of the Company's internal audit function (including the adequacy of the remediation actions agreed with management vis-à-vis internal audit's findings and the appropriate follow-on activities) and the Company's external auditor, and – based on this performance review – the proposal for Deloitte Accountants B.V.'s re-appointment, the quality of the control environment and the evaluation of the internal audit function, major legal matters facing the Company (in terms of both compliance and litigation), and the implementation and effectiveness of the Company's ethics and compliance programs (including whistleblowing and anti-corruption policies).

ESG Committee

The tasks, functions and organisation of the ESG Committee are described in detail in the ESG Committee charter, which is published on the Company website at www.ivecogroup.com.

The ESG Committee consists of at least three Non-Executive Directors; at least one will be independent.

While fulfilling the role of the selection and appointment committee according to the DCGC, the ESG Committee is responsible for, among other things, assisting and advising the Board of Directors with respect to: (i) reviewing, assessing and recommending the size and composition of the Board and making proposals for its composition profile; (ii) drawing up (and reviewing) the selection criteria, nomination procedures and succession planning for the Company's directors; (iii) reviewing and assessing the performance and functioning of the Board collectively, its Committees, and the individual directors; (iv) making proposals for the nomination of candidates to be (re)appointed by the shareholders, taking into account the profile for the Board and the Company's Diversity, Equity and Inclusion (DEI) Policy, and consulting as appropriate with the Company's shareholders as to their views on suitable qualifications for, and identity of candidates to serve as directors; (v) monitoring and making recommendations for the composition, size, purpose, structure, and operations of the committees of the Board; (vi) overseeing the Company's ESG priorities, commitments, goals, risks, and opportunities and their integration in the overall Company's strategy and business model (including in terms of materiality analysis); (vii) overseeing the Company's relations and dialogue with its stakeholders on ESG and sustainability aspects; (viii) overseeing ESG policies, programs, and practices with a view to further the Company's business purpose, strategy, culture, values, and reputation; (ix) monitoring the Company's ESG performance, providing guidance on key ESG matters, and reviewing the Company's materiality analysis in preparation for its sustainability reporting; (x) reviewing the approach and overseeing the structure and contents of the Company's sustainability disclosure; (xi) overseeing the Company's inclusion in sustainability indexes and the evaluation of the Company by sustainability rating organizations.

According to its charter, the Committee shall meet at least once every year, and whenever the chair deems it appropriate, including vis-à-vis the recommendation or request by the Executive Directors, the Chief Public Affairs & Sustainability Officer, or the General Counsel. At present, the

annual standard ESG Committee calendar foresees a total number of four meetings per year. The Chief Public Affairs & Sustainability Officer and the General Counsel will generally attend the meetings of the ESG Committee, unless the Committee on an ad hoc basis decides otherwise, while the Chief Human Resources Officer, Chief Manufacturing Officer, Chief Supply Chain Officer, Chief Risk and Internal Audit Officer, and Chief Financial Officer will attend whenever the Committee discusses topics in their respective remits. The chair may invite and/or require the Executive Directors, other Company officers and/or employees to attend the meetings, as they deem appropriate.

The Committee is currently composed of: Alessandro Nasi as chair, Tufan Erginbilgic and Linda Knoll as members (both qualify as independent).

In addition to informal working sessions, in 2024 the ESG Committee met four times, duly and timely reporting its activities to the Board and the Non-Executive Directors. The following chart shows the attendance by the ESG Committee members at its meetings.

Committee member	Nasi	Erginbilgic	Knoll
Attendance	4/4	3/4	4/4

In these meetings, the Committee inter alia addressed the Company's ESG strategy, targets, industry benchmarks, and engagement activities, making this the object of continuous monitoring (with a specific focus on health & safety, CO₂ performance, energy and water consumption); managed the nomination process in preparation for the (re)appointment of Board members (with due consideration of the existing guidelines on the Board composition and the Company's DEI Policy: see above and below); approved the evaluation process of the Board and its Committees; overviewed the Company's progress on alignment vs CSRD requirements and the preparation of the sustainability statement.

Human Capital and Compensation Committee

The tasks, functions and organisation of the Human Capital and Compensation Committee are described in detail in the Human Capital and Compensation Committee charter, which is published on the Company website at www.ivecogroup.com.

The Human Capital and Compensation Committee consists of at least three Non-Executive Directors; at least one will be independent.

While fulfilling the role of the remuneration committee according to the DCGC, the Human Capital and Compensation Committee is responsible for, among other things, assisting and advising the Board of Directors with respect to: (i) drafting the Company's remuneration policy; (ii) making proposals for the compensation of individual Executive Directors and administering its variable remuneration component; (iii) implementing and overseeing the remuneration policy as it applies to the Company's Non-Executive Directors and the Senior Leadership Teams (SLT); (iv) making proposals for and administering the equity incentive plans; (v) discussing with management the Company's policies and practices related to compensation items for employees; (vi) preparing the annual remuneration report; (vii) overseeing the development and succession plan for the Company's SLT, the Company's policies and initiatives related to equal employment opportunity, as well as employee diversity, equity, and inclusion, and the Company's initiatives designed to measure and improve overall employee engagement.

The Committee shall meet at least once every year, and whenever its chair deems it appropriate, including vis-à-vis the recommendation or request by the Executive Directors, the Chief Human Resources Officer, or the General Counsel. At present, the annual standard Human Capital and Compensation Committee calendar foresees a total number of five meetings per year. The Chief Human Resources Officer and the General Counsel will generally attend the meetings of the Committee, unless the Committee on an ad hoc basis decides otherwise. The chair may invite and/or require the Executive Directors, other Company officers and/or employees to attend the meetings, as they deem appropriate.

The Committee is currently composed of: Linda Knoll (who qualifies as independent) as chair, and Tufan Erginbilgic (independent) and Alessandro Nasi as members. In addition to actions taken without meetings, in 2024 it met five times, duly and timely reporting its activities to the Board and the Non-Executive Directors. In preparation for the meetings, the Committee chair met separately with management members and/or the Committee's external advisor, when she considered it appropriate. The following chart shows attendance by its members.

Committee member	Knoll	Erginbilgic	Nasi
Attendance	5/5	4/5	5/5

In these meetings the Committee inter alia addressed the Executive Directors' compensation (submitting the relevant proposals to the Non-Executive Directors, as a result of internal analyses and external benchmarks), reviewed and discussed short-term and long-term variable pay initiatives (preparing the Board's relevant decision-making, as appropriate), the Company's DEI initiatives, as well as the Company's programs designed to enhance employee value proposition and improve overall employee engagement; it overviewed the senior management succession planning, the preparation of the annual compensation report (and the feedback from the AGM on April 2024), as well as the review of the Company's remuneration policy and the 2025-2029 long term incentive plan, to be submitted to the AGM.

SENIOR LEADERSHIP TEAM

On certain key industrial matters, the Board is advised by the Company's Senior Leadership Team (the SLT), that serves to strengthen the quality of the Company's decision-making and the implementation of its strategy. As of 31 December 2024 it comprised 15 members.

The SLT does not qualify as an executive committee according to the DCGC. The Board remains accountable for the decisions of the SLT which is supervised by the Non-Executive Directors. For this purpose, the SLT members, either directly or through the Chief Executive Director, provide the Non-Executive Directors with all information the Non-Executive Directors require to fulfil their responsibilities.

During 2024, in addition to the reporting by and through the CEO, the leaders of the various departments and business units (all SLT members) presented to the Board (in its full meetings or through its Committees) their operating results, defining and discussing the relevant indicators, business plans, long-term value creation strategies as well as their top risks, and specific projects and initiatives. The presentations and subsequent discussions allowed management to articulate their strategies for the achievement of the Company's strategic (business and ESG) objectives and the mitigation of risks, while giving the Board of Directors the opportunity to challenge and give feedback on the management's plans and overall approach.

DIVERSITY, EQUITY AND INCLUSION

In October 2023, the Board of Directors adopted a Policy on Diversity, Equity and Inclusion (DEI Policy), applicable to the Group's Board, management and entire workforce, acknowledging that DEI is business-critical, and not just a matter of compliance: Iveco Group's stance is that its people are the foundation that drives its business, offering diverse perspectives and thinking that help it develop as an organisation. People act as a stimulus for continuous improvement and contribute to the advancement of a more sustainable society. As such, the Group lists contributing diverse strengths among its core values and considers an inclusive and diverse environment to be beneficial to sustainable long-term value creation, as the basis of an effective, attractive and resilient organisation. The DEI Policy (to be read and construed in conjunction with the Organisation's remaining governance documents, namely its Code of Conduct and the Human Rights Policy) is available in seven languages on the Governance section of the Group's website. Completing the training on this policy is mandatory for all the Organisation's employees.

Provided that the composition of the Company's Board and workforce at large is based on competence, merit and talent, and the underlying rationale of the Group's entire remuneration approach is competitive rewarding of performance, in the framework of its overall strategic planning remit, the Board sets a range of targets addressing relevant DEI aspects with reference to the same Board, the members of the SLT and the overall workforce. These targets (that are short-, medium- or long-term, depending on the aspect to tackle) are intended to direct decision-making and operations and ensure focus. Their annual re-assessment (and possible fine-tuning) is meant to ensure ongoing consistency with the Organisation's evolving strategic priorities and actual capacities.

The goals (that are listed in full in the DEI Policy) span from fostering awareness on the topic, to counteracting (unconscious) bias through appropriate training and dialogue, to integrating DEI elements into the Group's performance, recruitment and talent development processes, whilst working for the progressive elimination of gender pay gap (that already is within EU Directive thresholds) and pursuing gender balance. With reference to the required setting of gender diversity targets for the senior management (that the Group identifies in the SLT), according to applicable Dutch law, the Group believes that women and men should each represent at least one-third of the members of the SLT. This goal is presently achieved (thus the goal here is maintaining this gender diversity rate while managing retirement and vacancies). In addition, to strengthen the Organisation's DEI efforts and outcomes, a strategic sustainability target was incorporated into its Strategic Business Plan: to ensure that 30% of office positions overall are held by female office workers by year-end 2028⁽¹⁾.

Apart from target setting, the Board of Directors is responsible for ensuring adherence to the DEI Policy at strategic level, as well as monitoring its outcome and progress throughout time and providing proper disclosure.

Fostering a culture of DEI is part of the Group's sustainability priorities. In 2024 Iveco Group's DEI Council (made up of the SLT and a diverse selection of managers) continued to develop and deliver a range of initiatives to support diversity and promote inclusion, focusing on six key workstreams: Employer Branding; Talent Mobility, Succession & Hiring; Career Development Programmes; Gender Pay Gap; Wellbeing at Work; and Structured Awareness Campaign. Examples of the numerous initiatives are the roll-out of unconscious bias training (Hidden Bias of Good People) to over 11,000 people and the design and roll-out of our inclusive language training to the SLT and key leaders in the Organisation.

⁽¹⁾ Targets are developed and set by the relevant functions in collaboration with other departments and affected stakeholders, with final approval from senior management. Targets are further shaped by the insights gathered through continuous engagement and dialogue with the workforce and workers' representatives and from their feedback. This ongoing exchange helps identify key focus areas and ensures target alignment with Group priorities. The responsibility for managing and achieving these targets lies with specific designated functions. Progress on targets is regularly disclosed through public reporting.

In addition, the Group initiated various mentoring programmes affecting over 300 diverse colleagues (between mentors and mentees) to advance the development of its key diverse talent (eg., I-Talks).

Coming to the tools to implement the Group's DEI priorities, within the Human Resources Department, an ad-hoc office is responsible for creating DEI programmes and initiatives and for promoting such a culture at all corporate levels in coordination with the HR heads of each business unit/function and the Heads of Communication and Sustainability. This ensures that, in every aspect of the employment relationship – be it recruitment, training, compensation, development, promotion, or relocation – employees are treated based on their ability to meet the requirements of the job, and all decisions are free from any form of discrimination. The DEI strategy is to integrate the principles and behaviours in our employee lifecycle process to ensure the sustainability of the approach.

Given the Organisation's global presence, there may be differences in legislation among the countries where the Group operates, as well as different levels of awareness, concern, and ability among employees in applying the principles of non-discrimination. The Code of Conduct (please see below, under "Ethics and culture") and specific policies ensure that the same standards are applied worldwide. Indeed, as stated in the Code of Conduct itself, Group standards supersede in jurisdictions where legislation is more lenient.

In 2024, the Group achieved global EDGE Assess Certification after an assessment which covered 90% of its workforce, validating its commitment to workplace gender equity. This independent, third-party assessment confirms the progress in creating an inclusive environment through rigorous analysis of pay equity, gender representation, and organisational policies. By attaining this certification two years ahead of the Strategic Business Plan, Iveco Group demonstrates its ongoing dedication to foster diversity and equity within its global organisation.

Gender equity is a focal point for the Group. Women at Iveco Group constitute 19.8% of the global workforce and 26.8% of the temporary contracts.

An assessment to monitor the employment of people with disabilities was carried out in 2024 in 17 countries⁽²⁾ (where the law requires companies to employ a minimum percentage of employees with disabilities), covering more than 92% of Group employees worldwide. The assessment showed that differently abled employees in these countries make up 4% of the global employee headcount. It also showed that differently abled women account for 19% of the total assessed, while men account for 81%. In all other countries of operation, there is no legislation establishing minimum quotas for the employment of people with disabilities, although in some cases other forms of protection exist (i.e., related to working hours or workplace environments). In these countries, there are objective limitations to reporting the number of differently abled employees, as the information is sensitive and often subject to data protection legislation. As a result, the Group is only aware of employees' personal status if they choose to disclose it.

In 2024, the Organisation also carried out an employee nationality assessment at Iveco Group legal entities in 9 countries, covering 84% of Group employees worldwide, which evidenced that 7.4% of them were of a nationality other than the country assessed. It should be noted that this percentage remains higher for female employees (8.8%) than for male employees (7.1%). Germany, the USA, and Italy were the countries where Iveco Group legal entities employed the highest percentage of employees of a nationality other than that of the host country (16% in Germany, 12% in the USA, and 10% in Italy).

⁽²⁾ Data collected on 31 October 2024 in Austria, Brazil, China, Czech Republic, France, Germany, Italy, Poland, Romania, Spain, Türkiye, and Ukraine, as well as in 5 additional countries (Indonesia, Russia, Serbia, Slovakia, and South Korea) where, despite regulations requiring a minimum percentage of employees with disabilities, Iveco Group does not meet the minimum headcount threshold for these requirements to apply.

ETHICS AND CULTURE

The Company shares the definition of culture adopted by the DCGC and in this respect, since the very inception of its activities as a fully independent entity (IVG is the result of the Demerger, effective as of the beginning of 2022) it has immediately worked for the definition of a set of values that may inform its employees' actions and resulting behaviours. The effort was towards making explicit the values already embedded in the Company's DNA, so as to ensure the engagement of its people in actively pursuing them, and through them the Company's sustainable success. Culture is not a given and cannot be imposed, but needs continuous fostering and nurturing (as well as guidance) and develops throughout time, jointly with the organization it belongs to. For the time being, we believe our culture responds to the Company's needs and priorities and is correctly represented:

- by our purpose: "Home of unique people and brands, that power your business and mission to advance a more sustainable society". This is the cornerstone of our business: it reflects the reason why our Company exists and illustrates how our products and services positively impact our customers, stakeholders and the communities where we operate.

- by our values:

"We go beyond the obvious". All of us at Iveco Group are determined to do more than what is expected or predictable. We encourage each other to set bold personal objectives and drive positive change and innovation while taking into consideration our impact on our local communities, the people and nature around us, and society as a whole.

"We contribute diverse strengths". We value the unique skills and points of views of all our people and we actively foster an inclusive environment where everyone is able to express their full potential. Our Diversity, Equity & Inclusion Council sets the framework and develops opportunities for all of us to contribute towards a truly equitable workplace.

"We take ownership". We work proactively and take full responsibility to meet the needs of our customers and stakeholders, holding ourselves accountable for the impact of our actions. Our aim is to do high-quality work with integrity and make a unique contribution to the company's offering of products and services for the mobility of today and tomorrow.

"We do what is right". Our Company acts with integrity always and everywhere, a commitment that makes our business stronger and more sustainable over time. We care passionately about respecting human rights and the environment, working systematically to uphold them within our internal operations and across our entire value chain.

"We collaborate to win". Iveco Group is home to unique people committed to reaching ambitious objectives – together. In addition to our strong collaborative culture within the Company, we also prioritise partnering with likeminded organisations that share our principles and join us enthusiastically to find innovative solutions.

No changes are presently foreseen, while ongoing initiatives are aimed at enhancing awareness, engagement, and pride in being part of the organization, based on the belief in the link between culture, accountability, sustainability and performance.

Consistently with all of the above, the Company has adopted a Code of Conduct that describes the Company's values that contribute to a culture focused on long-term value creation for the Group and all of its stakeholders, which is the Board's responsibility to create and foster. The Company periodically reviews and updates the Code of Conduct to ensure it is consistent with applicable laws and best practices. In this connection, in 2023 the document underwent a "re-shaping" to include and reinforce messages related to the Company's Purpose and Values: this was meant to help the Company stay focused on its goals and objectives and stakeholders be aware of the Company's priorities, whilst supporting its vision and contributing to its living culture. The review focused on substantive contents (namely to ensure adherence to current policies), but on language as well, as an instrument of engagement of people, the true foundation of the Company's success in pursuing "Integrity Always Everywhere", the motto of this new edition.

The Code of Conduct covers topics such as environment, health and safety, antitrust/competition, anti-corruption, data privacy, internal control, management of human resources, communities and respect of human rights. In a nutshell, it sets out the principles and the ethical values that contribute to the culture which the Company follows in the conduct of its activities and the quality and integrity which it requires of all its collaborators.

The Code of Conduct forms an integral part of the internal control system and sets out the principles of business ethics to which Iveco Group adheres and which Directors, officers, employees, consultants and all business partners are required to observe. Iveco Group uses its best endeavours to ensure that suppliers, consultants and any third party with whom Iveco Group has a business relationship be informed of the principles set forth in the Code of Conduct. In addition, the Company issued a Supplier Code of Conduct, which includes the Company's guidelines and expectations for suppliers with regard to such areas as labour and human rights, the environment, trade restrictions and export controls, business ethics and anti-corruption, and reporting matters to the Company.

The Code of Conduct is available in eight languages on the Governance section of the Company's website (www.ivecogroup.com), and on the Company's Intranet site. The Supplier Code of Conduct is available on the Governance section of the Company's website and on the Company's Intranet site and is available in six languages.

The Company has established dedicated channels of communication to enable Iveco Group's employees, customers, suppliers, and other third parties to report suspected general, operational and financial wrongdoing within the Company. The Company's Compliance Helpline is managed by an independent third party. Reports may be submitted through a dedicated web portal (www.ivecogroupcompliancehelpline.com), by app, by phone (to a call centre managed by a third party), or in person to an authorised manager. In those countries where the law establishes that each Legal Entity meeting certain dimensional thresholds must have its own reporting channel, reports can be made either to the Group Compliance Helpline or to the relevant Legal Entity Compliance Helpline. In this case reports will be handled by the appointed persons for the Legal Entity concerned. Where legally permissible, reports may be submitted on an anonymous basis. Company employees are required to report compliance issues and can rely on the Company's prohibiting any form of retaliation against whistleblowers even if their concerns are ultimately found to be unsubstantiated after investigation. Iveco Group is committed to ensure a secure reporting environment that encourages whistleblowers to speak-up and raise issues and concerns without fear. The Company investigates reports submitted and, in appropriate cases, implements corrective and/or disciplinary actions. Matters assessed as material (based on the extent of the potential penalties or monetary losses involved, the seniority of the implicated person, or the nature of the alleged violation) are properly escalated and reported up to the Audit Committee. In 2024, out of 236 reports 31 cases were classified as material and reported as such.

The Group's ethics and compliance program is managed by the Chief Legal & Compliance Officer (the CLCO). The Company's CLCO reports to the Company's Chief Executive Officer. As a rule, the CLCO reports on (at least) a quarterly basis to the Audit Committee. The CLCO's reports to the Audit Committee include such things as compliance training and communications activities, material compliance and ethics trends and topics, matters reported to the Compliance Helpline, the status of investigations, and the effectiveness of the compliance and ethics program. The CLCO is responsible for, among other things, maintaining awareness across the organisation about the Code of Conduct, and amending the same if and as determined by the Executive Directors or by the Board, creating and deploying compliance training, managing the Compliance Helpline (including investigating reported matters), assessing legal and compliance risks and working with the relevant stakeholders to develop compliance related policies, procedures and controls to effectively manage such risks.

Actual implementation of the Code of Conduct is primarily ensured by training. The 2024 Code of Conduct training course included two modules – Anti-Bribery and Anti-Corruption and The Importance of Reporting Harassment and Preventing Retaliation (which regards the Compliance Helpline) – made available to approximately 12,200 employees worldwide (salaried and above). Additionally, targeted compliance training was provided on the following topics: Antitrust and Competition Law, Legislative Decree 231/01: Corporate Administrative Liability Management System (launched only in Italy).

The Group's Code of Conduct is supplemented by additional corporate policies, guidelines and procedures. These cover specific areas of higher risk given the nature and extent of the Company's business such as: conflicts of interest, bribery and corruption, antitrust/competition law, international trade compliance, and data privacy. Each year certain categories of employees (i.e. those deemed to have responsibilities presenting potentially greater risk to the Company), as well as all Board members, are required to formally acknowledge, in writing, that they have read both the Iveco Group Code of Conduct and the Conflict of Interest Policy and understand their contents and to declare the presence of any personal interests that might violate the Conflict of Interest Policy.

RELATED PARTY TRANSACTIONS POLICY

The Board has a related party transaction policy in accordance with Dutch law and the DCGC, for the purpose of providing a procedure that prevents related parties from unduly taking advantage of their position and provides adequate protection for the interests of the Company and its stakeholders. The policy stipulates that transactions with related parties within the meaning of International Accounting Standard 24 are relevant to the extent either (i) the information concerning the transaction qualifies as inside information (pursuant to the European Market Abuse Regulation), or (ii) the counterparty is a Director or a qualified (over 10%) shareholder, and the transaction is of material significance (such transaction to be agreed on terms that are customary to the market).

In particular, the related party transaction policy provides procedures for members of the Board to notify any potential related party transaction, and specific disclosure requirements. The assessment whether the transaction actually qualifies as a relevant related party transaction is up to the Board, and no transaction duly qualified as such shall be undertaken without approval of the Board (and a majority of the votes cast by Non-Executive Directors being in favour), subject to previous review by the Audit Committee and without interested Directors (if any) participating in the decision-making process.

The current version of the Company's Related Party Transactions Policy is available at the Company's website at www.ivecogroup.com.

Agreements with CNH

Prior to the completion of the Demerger, the Company was a wholly-owned subsidiary of CNH. In the context of the Demerger, CNH and the Company entered into agreements, primarily of commercial nature, but also covering general administrative and specific technical matters as well as services provided by CNH and vice versa.

Master Service Agreement

In relation to lease of premises and several corporate services provided by the Company to CNH or vice versa, a Master Services Agreement (MSA) is in place whereby each party (and its subsidiaries) may provide services to the other (and its subsidiaries), in substantial continuity with previous practice.

The MSA is intended as an umbrella agreement, while the identification of each of the services and their specific terms and conditions is governed by ad hoc opt-in arrangements. Upon termination of the service, the receiving party may be required either to purchase the line of business providing such services at fair market value or to indemnify the service provider from any direct cost incurred as a result of such termination.

Engine Supply Agreement

In relation to the design and supply of off-road engines from the Company to CNH, a ten-year Engine Supply Agreement (ESA) was entered into whereby the Company (through FPT Industrial) will sell to CNH diesel, CNG and LNG engines and provide post-sale services. Prices of the current engines have been agreed in consistency with past practices and will be subject to revision for raw material cost fluctuations, while the price of future engines will be agreed between the parties. The ESA provides for mechanisms incentivizing both parties to maximize efficiencies and quality improvements.

Financial Service Agreement

In relation to financial services activities to be carried out post-Demerger, the Company and CNH entered into a Master Services Agreement (FS MSA), whereby each party (and its subsidiaries) has agreed to provide services to the other (and its subsidiaries) and/or financial services activities to their customers, distribution networks, and suppliers, substantially at the same terms and conditions in place before the Demerger. Under the terms of the FS MSA, the servicing of the receivable portfolios originated by captive activities will be performed by Iveco Group's Financial Services segment insofar as it relates to the European operations of both groups, whereas CNH will provide financial services to Iveco Group companies in the rest of the world. The FS MSA initial term was three years and at the end of 2024 it was renewed for an additional three-year period. Upon termination the party receiving services may be required either to purchase the line of business providing such services at fair market value or to indemnify the service provider from any direct cost incurred as a result of such termination.

TAX TRANSPARENCY

Our Approach to Tax Matters

Everything we do, both within and outside the Company, is according to the highest ethical standards as outlined in our Code of Conduct, which applies to every aspect of our business, all levels of our organisation, and every geographic area in which we operate.

The same applies to how we approach tax matters. For this reason, in 2022, the Board of Directors of Iveco Group N.V. (hereinafter Iveco Group) – which has collective responsibility for the strategy of the Company and its consolidated subsidiaries, including all joint ventures in which the Company holds a controlling interest – approved the Iveco Group Tax Strategy, which guarantees that our tax behaviour is consistent with our ethical principles. The Tax Strategy, publicly available on our corporate website, reflects the set of values recognised as the underlying principles of Iveco Group's tax approach, and provides the relevant guidelines to ensure the Company's integrity and reputation over time, as well as consistency when conducting business affairs and when dealing with tax risks across our entities.

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

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

Our Tax Guidelines

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

- transfer pricing: Iveco Group's cross-border intercompany transactions are regulated, for tax purposes, on the basis of the arm's length principle, as outlined by the OECD⁽³⁾ (in the Model Tax Convention and in the Transfer Pricing Guidelines), with the aim of aligning, as fairly as possible, the transfer pricing outcomes to value creation. Iveco Group also complies with the provisions of OECD Guidelines on transfer pricing documentation
- aggressive tax planning: Iveco Group does not engage in conduct and/or operations, whether domestic or cross-border, that result in purely artificial arrangements devoid of economic reality, and from which improper tax advantages can reasonably be expected to the extent that they are contrary to the purpose or spirit of the relevant tax provisions or regulations
- low tax jurisdictions and economic substance: Iveco Group is committed to having a tax presence only where it carries out substantial economic activity, and therefore does not make artificial use of tax havens for the sole purpose of reducing the Company's tax burden
- tax whistleblowing: in compliance with the provisions of our Code of Conduct, Iveco Group is committed to fully implementing and maintaining a procedure that allows its employees and third parties to report alleged irregularities or suspicious conduct in tax matters
- agree to disagree: in the interests of the Company and its stakeholders, Iveco Group supports – even through dispute resolution processes – interpretative positions that are considered sound and reasonable, even if not shared by tax authorities, including within the framework of cooperative compliance regimes.

Tax Governance, Control, and Risk Management

Governance

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

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

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

Tax Risks and Control Management

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

The TCF is part of a broader system of internal controls and corporate risk management, in which the various components (including the TCF) work in synergy to ensure maximum effectiveness and efficiency in protecting Iveco Group from business risks. This synergy is achieved through the efficient integration of the various control tools, and by establishing specific information flows between the different internal control departments, so that each can benefit from the results of checks carried out by the others according to their respective spheres of competence.

⁽³⁾ Organisation for Economic Co-operation and Development.

In accordance with applicable international best practices, Iveco Group's TCF provides for three levels of control against risk. Specifically, the Tax Risk Office is in charge of second-level controls and for the implementation of adequate monitoring to ensure that our internal tax risk control system is up-to-date and fit for the mitigation purpose for which it is designed. The Tax Risk Office is placed under the hierarchical structure of the Tax Department but does not perform operational tax compliance activities or interpret tax regulations, as per the principle of segregation of duties. Meanwhile, the third-level controls are overseen by the Enterprise Risk Management and Internal Audit Department, which verifies the effectiveness of the TCF and its compliance with the guidelines provided for by Iveco Group's Tax Strategy.

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

Stakeholder Engagement and Concerns Over Tax Matters

Tax Authority Engagement

In accordance with the principles of our Tax Strategy, and in order to enhance our relationships of trust with tax authorities, Iveco Group promotes adherence to cooperative compliance regimes in those countries where these regimes are available. In this regard, Iveco Group and its main Italian subsidiaries have been admitted to the Italian cooperative compliance regime. Our aim is to gain more tax certainty by encouraging our entities that meet the requirements of similar regimes in their respective countries to gradually follow suit.

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

Creating Value for Stakeholders

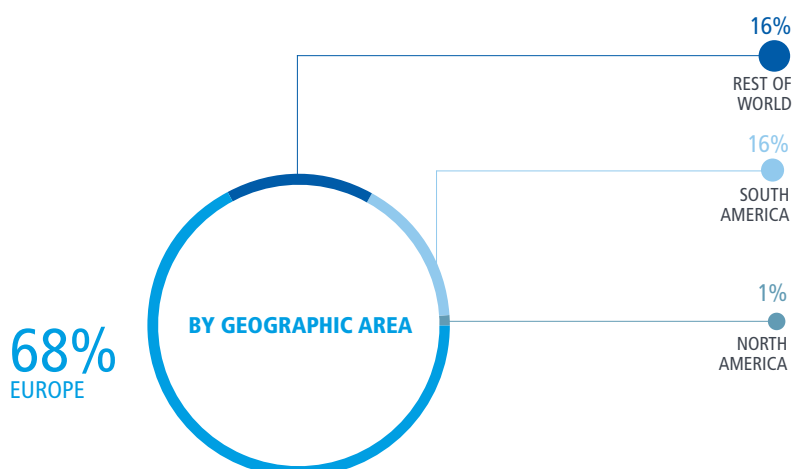
Iveco Group manages its taxes in part through available incentives and provisions that allow for the optimisation of its tax burden. Moreover, taxes are managed in compliance with the principle of legality, and with the aim of safeguarding the Company's assets while pursuing its main goal to create sustainable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

Reporting

We firmly believe that taxes are a key contributor to the economies of the jurisdictions in which we operate. Our business activities generate tax revenues for the governments of our countries of operation. We therefore intend to provide a timely disclosure of the allocation of income taxes paid for fiscal year 2024, reporting the total income taxes paid by Iveco Group's companies by geographic area, including: income tax advance payments; income taxes related to the previous fiscal year (i.e., income tax balances related to 2023); taxes paid in reference to the tax assessments of previous fiscal years; and withholding taxes applied on cross-border payments.

2024 Income Tax Paid

Iveco Group worldwide



SHARE CAPITAL

Amount

The Company's authorised share capital amounts to €8,000,000, divided into 400,000,000 Common Shares and 400,000,000 Special Voting Shares, each having a par value of one euro cent (€0.01) and carrying the same voting rights. All Shares are in registered form and no certificates were issued. As of 31 December 2024, the Company's issued share capital amounted to €3,454,589.70 and was divided into 271,215,400 Common Shares and 74,243,570 Special Voting Shares, respectively representing 78.51% and 21.49% of the aggregate issued share capital.

Loyalty Voting Program

According to the loyalty voting program the Company has in place, at any time, subject to meeting certain conditions, the Common Shares can be registered in the Company's Loyalty Register and all such Common Shares qualify as Qualifying Common Shares if held in such register for an uninterrupted period of at least three years after registration. The holder of Qualifying Common Shares is entitled to receive without consideration one Special Voting Share in respect of each such Qualifying Common Share. Pursuant to the Terms and Conditions of the Special Voting Shares, and for so long as the Common Shares remain in the Loyalty Register, such Common Shares shall not be sold, disposed of, transferred, except in very limited circumstances (i.e. transfers to affiliates or to relatives through succession, donation or other transfers (defined in the Terms and Conditions of the Special Voting Shares as Loyalty Transferee)), but a Shareholder may create or permit to exist any pledge, lien, fixed or floating charge or other encumbrance over such Common Shares, provided that the voting rights in respect of such Common Shares and any corresponding Special Voting Shares remain with such Shareholder at all times. Shareholders who want to directly or indirectly sell, dispose of, trade or transfer their Common Shares that are registered in the Company's Loyalty Register to anyone other than a Loyalty Transferee, or otherwise grant any right or interest therein, or create or permit to exist any pledge, lien, fixed or floating charge or other encumbrance over such Common Shares with a potential transfer of voting rights relating to such encumbrances will need to submit a de-registration request. After de-registration from the Loyalty Register, the holder of such Common Shares is required to offer and transfer the Special Voting Shares associated with such Common Shares (if any) to the Company for no consideration (om niet). As a result, any transfer of Common Shares that are registered on the Loyalty Register, other than to a Loyalty Transferee, will trigger the de-registration of such Common Shares from that register and any associated Special Voting Shares will automatically be surrendered to the Company for no consideration and any voting rights attached to the corresponding Special Voting Shares will be suspended with immediate effect. The Special Voting Shares will not entitle the long-term Shareholder to any material additional economic entitlement. The entitlement to dividend and other distribution will effectively be calculated on the basis of the number of Common Shares held by a Shareholder, irrespective of the number of Special Voting Shares such a Shareholder may also hold. Nevertheless, outstanding Special Voting Shares will be entitled to a minimal dividend per Special Voting Share of 1% of the nominal value of such Special Voting Share, which is then allocated to the Special Voting Shares Dividend Reserve. Only the holders of Special Voting Shares hold entitlement to the balance of the Special Voting Shares Dividend Reserve. The distribution of any amounts from the Special Voting Shares Dividend Reserve can only be authorised with the approval of the General Meeting of the holders of Special Voting Shares upon proposal of the Board. The power to vote upon the distribution from the Special Voting Shares Dividend Reserve will be the only power that is granted to that meeting. The Special Voting Shares will not have any other economic entitlement.

Further, pursuant to the Articles of Association, the Company shall maintain a special capital reserve to be credited against the share premium exclusively for the purpose of facilitating any issuance or cancellation of Special Voting Shares. The obligation to pay up the Special Voting Shares upon their issuance will be fully settled against the special capital reserve. There will not be any additional payments required from those being issued the Special Voting Shares.

Pursuant to the Terms and Conditions, any amendment to the Terms and Conditions of the Special Voting Shares (other than merely technical, non-material amendments and unless such amendment is required to ensure compliance with applicable law or regulations or the listing rules of any securities exchange on which the Common Shares are listed) may only be made with the approval of the General Meeting.

Upon completion of the Demerger, on the Settlement Date, Monte Titoli credited the accounts of the financial intermediaries participating with Monte Titoli with respect to the Common Shares distributed to beneficiaries holding CNH Industrial common shares pursuant to the Allotment Ratio and Computershare registered the Special Voting Shares in the Loyalty Register in the name of the holders of CNH Industrial special voting shares. In this regard, each CNH Industrial Shareholder that was registered in the CNH Industrial Loyalty Register immediately prior to the Demerger becoming effective was registered in the Loyalty Register, for the corresponding number of Common Shares such CNH Industrial Shareholder received pursuant to the Allotment Ratio. If such CNH Industrial Shareholder also held CNH Industrial special voting shares, by operation of law they received a number of Special Voting Shares equal to the number of Common Shares for which it was registered in the Loyalty Register. If such CNH Industrial Shareholder was registered in the CNH Industrial Loyalty Register electing to receive CNH Industrial special voting shares upon completion of the required holding period, it also was registered in the Company's Loyalty Register electing to receive Special Voting Shares upon completion of the required holding period, whereby the holding period to receive Special Voting Shares was shortened with the period for which such holder of Common Shares had already been registered in the CNH Industrial Loyalty Register.

Issue and repurchase of shares

For a period of five years from 3 January 2022 up to and including 3 January 2027, the Board of Directors has been irrevocably authorised through article 5, paragraph 8 of the Articles of Association to issue Special Voting Shares up to the maximum aggregate amount of Special Voting Shares as provided for in the Company's authorised share capital. For a period of five years from 1 January 2022 and therefore ending 1 January 2027, the Board of Directors has been authorised by the General Meeting by way of written resolution adopted on 30 December 2021 as authorised body to issue Common Shares and to grant rights to acquire Common Shares in the capital of the Company, which authorization is limited to the issuance of 15% of the total number of Common Shares issued in the capital of the Company as of 1 January 2022. By way of a written resolution adopted by shareholders on 30 December 2021 for a period of five years starting from 1 January 2022 and therefore ending 1 January 2027, the Board of Directors has been also authorised by the shareholders as authorised body to limit or exclude the statutory preemptive rights of shareholders in connection with the issuance of Common Shares or rights to acquire shares in the capital of the Company, pursuant the share issuance authorization described above.

The Board of Directors is authorised to acquire Special Voting Shares in the capital of the Company for no consideration. In addition, on 17 April 2024 the AGM authorised the Board to decide upon the acquisition of the Company's own Common Shares through purchases on the stock exchange and/or multilateral trading facilities, directly and/or otherwise, for a period of 18 months from the date of the AGM, i.e. up to and including 16 October 2025, in one or more transactions, subject to market and business conditions and in compliance with applicable rules and regulations. Such authorisation replaced the pre-existing one granted by the AGM on 14 April 2023. The Board's authority is limited to a maximum of up to 10,000,000 Common Shares with a maximum total allocation to this end of €130,000,000. An initial tranche of the share buy-back program announced on 21 June 2024 was completed on 18 September 2024: for additional details please see Note 21 "Equity" to the Consolidated Financial Statements.

DISCLOSURES PURSUANT TO EU-DIRECTIVE ON TAKEOVERS

In accordance with Dutch rules implementing the EU Takeover Directive, the Company makes the following disclosures:

- a. For information on the rights attached to the Common Shares, please refer to the Articles of Association which are posted on the Company's website. To summarize, the rights attached to Common Shares comprise pre-emptive rights upon issue of Common Shares, the entitlement to attend the General Meeting and to speak and vote at that meeting and the entitlement to distributions of such amount of the Company's profit as remains after allocation to reserves. For information on the rights attached to the Special Voting Shares, refer to the Articles of Association and the Terms and Conditions for the Special Voting Shares which can both be found on the Company's website and more in particular to the paragraph "Loyalty Voting Program" of this Report. As at 31 December 2024, the issued share capital of the Company consisted of 271,215,400 Common Shares, representing 78.51% of the aggregate issued share capital, and 74,243,570 Special Voting Shares, representing 21.49% of the aggregate issued share capital.
- b. The Company has imposed no limitations on the transfer of Common Shares. The Articles of Association provide in Article 11 for transfer restrictions for Special Voting Shares. The Company is not aware of any depository receipts having been issued for shares in its capital.
- c. For information on participations in the Company's capital in respect of which pursuant to the Dutch Financial Supervision Acts (Wet op het financieel toezicht) notification requirements apply, refer to the chapter "Major Shareholders" of this Report. There you will find a list of shareholders who are known to the Company to have holdings of 3% or more.
- d. No special control rights or other rights accrue to shares in the capital of the Company.
- e. Current equity incentive plans adopted by the Company are administered by the Human Capital and Compensation Committee.
- f. No restrictions apply to voting rights attached to shares in the capital of the Company, nor are there any deadlines for exercising voting rights. The Articles of Association do not allow the Company to cooperate with the issue of depository receipts for shares.
- g. The Company is not aware of the existence of any agreements with shareholders which may result in restrictions on the transfer of shares or limitation of voting rights.
- h. The rules governing the appointment and dismissal of members of the Board of Directors of the Company are stated in the Articles of Association of the Company. All members of the Board of Directors are appointed by the General Meeting. The term of office of all members of the Board of Directors is for a period expiring on the day the first AGM is held in the following calendar year. The General Meeting has the power to dismiss any member of the Board of Directors at any time. The rules governing an amendment of the Articles of Association are stated in the Articles of Association and require a resolution of the General Meeting which can only be passed pursuant to a prior proposal of the Board of Directors of the Company.

- i. The general powers of the Board of Directors are stated in the Articles of Association of the Company. For a period of five years from 3 January 2022 up to and including 3 January 2027, the Board of Directors has been irrevocably authorised through article 5, paragraph 8 of the Articles of Association to issue Special Voting Shares up to the maximum aggregate amount of Special Voting Shares as provided for in the Company's authorised share capital as set forth in Article 3, paragraph 1 of the Articles of Association. For a period of five years from 1 January 2022 and therefore ending 1 January 2027, the Board of Directors has been authorised by the General Meeting by way of written resolution adopted on 30 December 2021 as authorised body to issue Common Shares and to grant rights to acquire Common Shares in the capital of the Company, which authorization is limited to the issuance of 15% of the total number of Common Shares issued in the capital of the Company as of 1 January 2022. By way of a written resolution adopted by shareholders on 30 December 2021 for a period of five years starting from 1 January 2022 and therefore ending 1 January 2027, the Board of Directors has been also authorised by the shareholders as authorised body to limit or exclude the statutory preemptive rights of shareholders in connection with the issuance of Common Shares or rights to acquire shares in the capital of the Company, pursuant the share issuance authorization described above. The Board of Directors is authorised to acquire Special Voting Shares in the capital of the Company for no consideration. Further rules governing the acquisition of shares by the Company in its own share capital are set out in article 7 of the Articles of Association of the Company. According to its provisions, the shareholders' meeting on 17 April 2024 authorised the Board to decide upon the acquisition of the Company's own Common Shares through purchases on the stock exchange and/or multilateral trading facilities, directly and/or otherwise, for a period of 18 months from the date of the AGM, i.e. up to and including 16 October 2025, in one or more transactions, subject to market and business conditions and in compliance with applicable rules and regulations. Such authorization replaced the pre-existing one granted by the AGM on 14 April 2023. The Board's authority was limited to a maximum of up to 10,000,000 Common Shares with a maximum total allocation to this end of €130,000,000. An initial tranche of the share buy-back program announced on 21 June 2024 was completed on 18 September 2024: for additional details please see Note 21 "Equity" to the Consolidated Financial Statements.
- j. The Company is not a party to any significant agreements which will take effect, will be altered or will be terminated upon a change of control of the Company as a result of a public offer within the meaning of the Dutch Financial Supervision Act (Wet op het financieel toezicht), provided that some of the loan agreements entered into by the Company contain clauses that, as it is customary for such financial transactions, may require early repayment or termination in the event of a change of control of the guarantor or the borrower. In certain cases, that requirement may only be triggered if the change of control event coincides with other conditions, such as a credit rating downgrade.
- k. Under the terms of the Iveco Group Equity Incentive Plan (Iveco Group EIP) and the terms of engagement entered into with certain executive officers, executives may be entitled to receive severance payments of up to one (1) times their annual cash compensation and accelerated vesting of awards under plans issued under the Iveco Group EIP if, within twenty-four months of a Change of Control (as defined therein), the executive's employment is involuntarily terminated (other than for Cause, as defined therein) by the relevant entity of the Iveco Group or is terminated by the participant for Good Reason (as defined therein).

COMPLIANCE WITH DUTCH CORPORATE GOVERNANCE CODE

While the Company endorses the principles and best practice provisions of the DCGC, its current corporate governance structure deviates from the following best practice provisions as follows:

- The Board has not appointed a vice-chairman in the sense of best practice provision 2.3.7 of the DCGC. Nevertheless, the Board Regulations provide that in the absence of the Non-Executive Director entrusted with the duties attributed by the DCGC to the chair of the management board in one-tier companies a majority of the Non-Executive Directors present at a meeting shall choose the director to preside at the Board proceedings. The Company considers the above sufficient to ensure that the role and function assigned by the DCGC to the vice-chairman is properly discharged.
- Pursuant to best practice provision 4.1.8 of the DCGC, Executive and Non-Executive Directors nominated for appointment should attend the AGM at which votes will be cast on their nomination. Since, pursuant to the Articles of Association, the term of office of Directors is approximately one year, such period expiring on the day the first AGM is held in the following calendar year, all members of the Board of Directors are nominated for (re)appointment each year. By publishing the relevant biographical details and curriculum vitae of each nominee for (re)appointment, the Company ensures that the Company's General Meeting is well informed in respect of the nominees for (re)appointment and in practice only the Executive Directors will therefore – as a rule – attend the AGM.
- The Company does not have a retirement schedule as referred to in paragraph 2.2.4 of the DCGC. On the other hand, pursuant to the Articles of Association, the term of office of Directors is approximately one year, such period expiring on the day the first AGM is held in the following calendar year.

- Under best practice provision 5.1.3, the chairperson of the board should be an independent Non-Executive Director. In accordance with section 14(2) of the Articles of Association, the Board entrusted to an independent Non-Executive Director the duties attributed by the DCGC to the chair of the board in one-tier companies (or to the chair of the supervisory board in two-tier companies) and granted to such independent Non-Executive Director the title of 'Senior Non-Executive Director' (so as to distinguish such Director from the Chairperson of the Company, who is an Executive Director). As a consequence, despite the difference in corporate titles, the Company believes it complies with best practice provision 5.1.3, as the current Senior Non-Executive Director satisfies the requirements described in best practice provision 5.1.3 of the DCGC.

COMPLIANCE WITH BESLUIT VAN 23 DECEMBER 2004

In accordance with the Dutch Decree on establishing further rules regarding the content of the annual report (Besluit van 23 december 2004 tot vaststelling van nadere voorschriften omtrent de inhoud van het jaarverslag: the Decree), the Company states as follows:

- the statement relating to the compliance with the principles and best practices of the DCGC, including the motivated deviation of the compliance of the Code, can be found in the section "Compliance with Dutch Corporate Governance Code" of this Governance Statement;
- the statement concerning the most important characteristics of the control and risk management systems in relation to the process of the financial accounting of the Company and the Group, can be found in the section "Principal Characteristics of the Internal Control System and Internal Control over Financial Reporting" of the chapter "Risk Management and Internal Control System";
- the statement about the functioning of the general meeting of shareholders and the most important powers thereof as well as the rights of shareholders and how these may be executed, can be found in the section "General Meeting of Shareholders" of this Governance Statement;
- the statement regarding the composition and functioning of the board of directors can be found in the section "Board of Directors" of this Governance Statement;
- the statement regarding the diversity policy in relation to the composition of the board of directors, the policy's objectives, the implementation of the policy as well as the results thereof during the past financial year can be found in the sections "Board of Directors/Responsibilities and Composition" and "Diversity, Equity and Inclusion" of this Governance Statement;
- the statement in accordance with Decree implementing Article 10 EU Directive on Takeovers (Besluit artikel 10 overnamerichtlijn) can be found in the section "Disclosures Pursuant to EU-Directive on Takeovers" of this Governance Statement.

REPORT OF THE NON-EXECUTIVE DIRECTORS

Supervision

The Board of the Company is structured as a one-tier board, made up of Executive Directors and Non-Executive Directors. Details of the current composition and the actual functioning of the Board in 2024 (including the participation by individual members to the meetings) are set forth in the section "Board of Directors".

The Non-Executive Directors are responsible for the supervision of the policy and the general course of affairs of the Company and its affiliated enterprise, including the implementation of the Company's long-term value creation strategy, as carried out on a day-by-day basis by the Executive Directors. The Non-Executive Directors perform this task independently and critically vis-à-vis one another, the Executive Directors, and any particular interest involved.

With a view of exercising their supervisory role, in 2024 the Non-Executive Directors regularly discussed the Company's business plans and strategy, their implementation and evolution, and the risks associated with them with the Executive Directors and the SLT. In so doing, they focused on performance and strategy of the single Business Units, cash flow and debt management, tax, ESG related matters, Company's culture and policies, compliance matters and regulatory developments, investment opportunities and relevant transactions, executive compensation, major litigations, the effectiveness of the Company's internal risk management and control system, the performance of Deloitte in conducting the external audit activity, also in preparation for its nomination for re-appointment, as well as the integrity and quality of the financial reporting, reviewing the Company's periodic disclosure. In this connection, as a rule a portion of each meeting of the full Board is organised as an executive session of the Non-Executive Directors, which gives them opportunity of unbiased analysis of the Company's general affairs. Moreover, in 2024 Non-Executive Directors collectively and individually interacted with Executive Directors and SLT members and/or other representatives of the Company's senior management outside of formal meetings, particularly during in person events where plants or other corporate premises were visited.

According to the Articles of Association, the Board of Directors has allocated certain specific responsibilities to the Audit Committee, the ESG Committee and the Human Capital and Compensation Committee, which are entirely made up of Non-Executive Directors and report to the full Board in the latter's first available meeting, for information, acknowledgment, endorsement, or action by the Board (and/or its Non-Executive Directors), as the situation requires. Details on the manner in which these Committees have carried out their duties, their composition, the numbers of meetings which took place in 2024 and the main topics discussed are set forth in the corresponding sections of this Report.

Independence

The non-executive directors are required by Dutch law to act solely in the interest of the issuer. The Dutch Corporate Governance Code further recommends that its requirements for independence of the supervisory board apply to the non-executive members of a one-tier board.

The Non-Executive Directors of the Company have determined that five (Ms. Curran, Mr. Erginbilgic, Ms. Kairisto, Ms. Knoll and Mr. Simonelli) out of the six Non-Executive Directors in charge as of 31 December 2024 qualify as independent in accordance with the Dutch Corporate Governance Code. In addition, one Non-Executive Director (Mr. Nasi) can be considered to be affiliated with Exor, which owns over 10% of the Company's outstanding shares, while Mr. Persson (that the AGM on 17 April 2024 appointed as a Non-Executive Director) starting from 1 July 2024 replaced the former CEO, Gerrit Marx, who left the Company.

The aforementioned situation meets the independence requirements set forth in best practice provision 2.1.10 of the DCGC.

Evaluation

In 2024 the evaluation of the Board, its Committees and individual members (Executive Directors and Non-Executive Directors alike), consisted of a self-assessment, performed through a written questionnaire, addressing an array of items (under the captions Profile, Responsibilities and Functioning), with an invitation to comment on the various topics. The response rate was 100%. The replies were tabulated by the Board Secretary and represented the basis for subsequent one-to-one conversations with the Chairperson and collective discussion.

For a more comprehensive overview of the evaluation process (how it was carried out and what its conclusions have been), reference is made to the ad hoc paragraph included in the section "Board practice".

RESPONSIBILITY STATEMENT UNDER THE DUTCH CORPORATE GOVERNANCE CODE

Based on the assessment performed, the Board of Directors believes that, as of 31 December 2024, the Group's and the Company's Internal Control over Financial Reporting is considered effective and that (i) the Board Report provides sufficient insights into any material weaknesses in the effectiveness of the internal risk management and control systems (please refer to section "Risk Management and Internal Control System" of this Annual Report), (ii) the internal risk management and control systems are designed to provide reasonable assurance that the financial reporting does not contain any material inaccuracies (please refer to section "Iveco Group Internal Audit and Internal Control System" of this Annual Report), (iii) based on the current state of affairs, it is justified that the Group's and the Company's financial reporting is prepared on a going concern basis (refer to the Notes to the Consolidated Financial Statements of this Annual Report and the Notes to the Company Financial Statements of this Annual Report for additional information on the basis of preparation), and (iv) the Board Report states those material risks and uncertainties that are, in the Board of Director's judgment, relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of the Board Report (please see to the chapter "Risk Factors" of this Annual Report).

The above, however, does not imply that Iveco Group can provide certainty as to the realisation of strategic business and financial objectives, nor can the Company's Internal Control over Financial Reporting be expected to prevent or detect all misstatements, errors, fraud or violation of laws or regulations.

5 March 2025

Suzanne Heywood

Chairperson

Olof Persson

Chief Executive Officer

RESPONSIBILITY STATEMENT UNDER THE DUTCH FINANCIAL MARKETS SUPERVISION ACT

The Board of Directors is responsible for preparing the Annual Report, inclusive of the Consolidated and Company Financial Statements and Board Report, in accordance with Dutch law and International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the European Union (EU-IFRS).

In accordance with Section 5:25c, paragraph 2 of the Dutch Financial Markets Supervision Act, the Board of Directors states that, to the best of its knowledge, the Consolidated and Company Financial Statements prepared in accordance with EU-IFRS provide a true and fair view of the assets, liabilities, financial position and profit or loss for the year of the Company and its subsidiaries and that the Board Report provides a true and fair view of the performance of the business during the financial year and the position at balance sheet date of the Company and its subsidiaries, together with a description of the principal risks and uncertainties that the Company and the Group face.

5 March 2025

The Board of Directors

Suzanne Heywood

Olof Persson

Lorenzo Simonelli

Judy Curran

Tufan Erginbilgic

Essimari Kairisto

Linda Knoll

Alessandro Nasi

REMUNERATION REPORT

LETTER FROM THE HUMAN CAPITAL AND COMPENSATION COMMITTEE CHAIR

Dear Stakeholders,

Introduction

With this annual Remuneration Report, our aim is to provide you with a clear and comprehensive disclosure of the Company's executive compensation policies and practices with respect to our Executive and Non-Executive Directors. This year's report explains the events during 2024. We highly suggest that you read this in accompaniment with the proposed 2025 Remuneration Policy so that you can see which provisions have been updated compared to our 2021 Remuneration Policy (which this report is currently subject to).

Company Highlights

The year ending 31 December 2024 was the year of acceleration for Iveco Group and as such, it was marked by major changes.

At its Capital Markets Day in March, the Group unveiled its new Strategic Business Plan to 2028, just two years after its first Investor Day in November 2021, a decision driven by the Group having achieved its key 2026 targets already at the end of 2023. On this occasion, the guidance for 2024 was updated and the financial targets were presented for the duration of the Plan.

Capital Markets Day was also the first time the Group disclosed performance and plans for its five Business Units: Truck, Bus, Defence, Powertrain and Financial Services. This new structure took into account the previously announced transfer of ownership of the MAGIRUS Firefighting Business Unit to Mutares by end of January 2025.

There were also numerous recognitions for the Group's Sustainability efforts. First, it received EDGE Certification for workplace gender equality and earned the Platinum Medal from the EcoVadis Sustainability Rating, ranking among the top 1% of the more than 150,000 companies assessed. Once again, Iveco Group was included in the Dow Jones Sustainability Indices for World and Europe following the S&P Global Corporate Sustainability Assessment and it continued taking responsible business action as a signatory of the UN Global Compact.

During the year under review, we have been able to create sustainable value creation. From a financial perspective⁽¹⁾, this included achieving an Adjusted EBIT of €982 million (an increase of €11 million compared to €971 million in 2023) and a Free Cash Flow (FCF) of Industrial Activities of €402 million, in line with the Company guidance. Meanwhile, we observed a 0.95% increase of females in office roles demonstrating Iveco Group's continued commitment to improving gender diversity in the workplace.

Executive Changes during 2024

On 21 April 2024, the Board of Iveco Group announced that Olof Persson would succeed Gerrit Marx as Group CEO as the latter left the Group to take up his appointment as the CEO of CNH Industrial N.V. on 1 July 2024. As a result, Mr. Marx's base salary was paid for the first half of 2024 and his outstanding variable pay awards were forfeited. Mr. Persson took up the Group CEO role from 1 July 2024. Therefore, he was provided a base salary for the second half of 2024 as well as a pro-rated variable pay award related to 2024. His salary remained similar to that of his predecessor of €750,000 and his STI opportunity was time pro-rated 6 months during 2024. However, unlike his predecessor, the Board decided to reduce the CEO LTI target opportunity for full year 2024 to 100% to better align the CEO's remuneration profile with that of European practice. Mr. Persson is eligible to the same benefits as outlined in our Remuneration Policy. This includes company paid life insurance, short-term and long-term disability coverage, health insurance, eligibility for participation in the mandatory retirement system (no additional retirement plans), car benefit, housing up to €5,000 per month, tax assistance, a non-compete and non-solicit agreement of 24 months and a severance pay package for 12 months. Mr. Persson's share ownership guidelines remain the same as per the Remuneration Policy.

Fixed Salary

As disclosed in the 2023 remuneration report, the Committee conducted a fixed pay review for the Executive Chairperson (the "Executive Chair" or the "Chair") and decided to increase it to €375,000. This was based on the competitive positioning review versus the appropriate peer group for an Executive Chair role that was conducted in 2023.

⁽¹⁾ 2024 and 2023 data reported in this paragraph refers to Continuing Operations only (excluding the Fire Fighting business).

Variable Pay Performance relevant to full year 2024

i) Short-Term Incentive Plan (STI) outcome: the metrics set for full year 2024 were “Adjusted EBIT” (50%), “FCF of Industrial Activities” (35%) and “% increase of women in office roles and above” (15%). The overall STI earned in 2024 was 88,6% of target: out of a target 110% of base salary (maximum 220%), the CEO achieved 97.35%. Notably, the CEO delivered results between the at-target and maximum target, between threshold and at target, and between threshold and at-target for “Adjusted EBIT”, “FCF of Industrial Activities” and “% increase of women in office roles”, respectively. The Compensation Committee believes the CEO has performed well against the targets that were set and this is reflected in each of his performance outcomes.

ii) Long Term Incentive Plan (“LTI”) outcome: the LTI award that vested in full year 2024 was assessed upon “Adjusted EBIT Margin %” (40%) and “Relative TSR” (40%) and “CO₂ reduction” (20%). The overall LTIP earned in 2024 based on the performance period 2022-2024 was 110.8% of target (55.4% of maximum LTIP): out of a target 300% of base salary (maximum 600%) opportunity, the Executive Chair achieved 332.4%. Notably, the delivered results were between target and maximum and above maximum for the “Adjusted EBIT Margin %” and “CO₂ reduction” metrics, respectively, and achieved position 7th which equates to below target for the Relative TSR metric. This achievement resulted in the Executive Chair’s LTI payout of 143,700 shares, which vested on 28 February 2025. When assessing the LTI outcomes, the Compensation Committee remains satisfied that the Executive Chair has performed well against the targets set and this is reflected in each of her performance outcomes.

Stakeholder Engagement

In April 2024, the Company submitted its 2023 Remuneration Report to the General Meeting of Iveco Group Shareholders for an advisory vote and 99.1% of the share capital represented at the meeting voted in favour. Compared to the prior year, we are pleased that a larger majority of our shareholders were supportive of our approach to executive compensation. We continue to listen to and attempt to address key matters from various stakeholders to align executives and shareholder interests when developing pay packages.

The Company has initiated in 2024 and early 2025 direct stakeholder outreach that aims to solicit specific feedback on our remuneration framework and proposed remuneration policy for shareholder vote at the 2025 AGM. The initiative included engagement with ISS and Glass Lewis for investor perspective on the Company’s executive pay practices. Any stakeholder valuable feedback has been incorporated in this report and proposed policy and is instrumental in the development and determination of any 2025 pay programs. We hope that we can receive our shareholders support on these proposals at the 2025 AGM.

With the further clarifications of our compensation practices that are detailed in this report, we, the Human Capital and Compensation Committee (the Committee), believe the Executive Directors’ remuneration in 2024 was consistent with the Company’s shareholder-approved Remuneration Policy and reflects a clear link with performance that creates sustainable long-term value for all stakeholders. On behalf of my fellow members on the Committee, Tufan Erginbilgic and Alessandro Nasi, I would like to express our appreciation for both Gerrit’s, Olof’s and Suzanne’s leadership and the accomplishments delivered by the entire Iveco Group team in 2024.

With this, I present to you the following two sections of the 2024 Remuneration Report:

- i) **Current Remuneration Policy:** reflects a summary of the remuneration policy provisions that guide the Committee’s decisions on Executive Director and Non-Executive Director pay matters. To be noted, the Remuneration Policy is submitted for review and amendment to the 2025 AGM; therefore investors are invited to read the new Remuneration Policy in conjunction with this report at the 2025 AGM.
- ii) **Implementation of the Remuneration Policy in 2024:** includes the disclosure of the decisions and rationale supporting the Executive Director’s compensation earned in 2024.

Sincerely,

Linda Knoll

Chair of the Human Capital and Compensation Committee

CURRENT REMUNERATION POLICY

Purpose and Values

The businesses are driven by Iveco Group's purpose that reflects the reason why the Company exists and illustrates how the products and services positively impact customers, stakeholders and the communities where it operates: "Home of unique people and brands that power your business and mission to advance a more sustainable society".

The Group's corporate values express the way the more than 35,000 employees around the world work: 1) We go beyond the obvious 2) We contribute diverse strengths 3) We take ownership 4) We do what is right 5) We collaborate to win. These values help us to fulfill our purpose and are integral components of the 2024 Performance Development Process (PDP), guiding behavioral expectations while forming the basis for how our employees are evaluated (in addition to the achievement of individual and team performance objectives) and in turn are rewarded.

The Group's purpose and values call for taking courageous steps to innovate product and service offerings, advance promising emerging technologies and business models and collaborate with like-minded partners to better meet the current and future needs of customers.

A key element of our compensation philosophy is to drive organisation-wide alignment of shared Company goals and values, by rewarding the achievement of those goals in a manner consistent with our purpose and values. This principle is reinforced through the Company's Remuneration Policy, performance management and pay programmes.

Compensation Peer Group

A key principle of the compensation philosophy is to provide a competitive compensation structure that will attract, motivate, and retain highly qualified senior executives.

The Company periodically benchmarks its executive compensation programme and the compensation offered to Executive Directors against peer companies, and it monitors compensation levels and trends in the market. The Committee strives to develop a compensation peer group that best reflects all aspects of Iveco Group's business and considers, among other things, public listing, related industries, geographic reach, and revenue proximity. Given the structure of Iveco Group's Executive Director roles, two separate peer groups were identified for the most relevant talent market and best compensation comparison of each role.

CEO Peer Group

During 2024, for the CEO role, Faurecia and Plastic Omnium were updated to Forvia and OPmobility to reflect the companies' new names. The selected peers remain predominately based in Europe with the exception of direct competitors who are U.S. based, as shown in the table below:

CEO PEER GROUP

Company	Country
Cummins	USA
Daimler Truck Holding	Germany
Forvia	France
Knorr-Bremse	Germany
OPmobility	France
Oshkosh	USA
Paccar	USA
Rheinmetall	Germany
Schaeffler	Germany
Traton	Germany
Valeo	France
Volvo	Sweden

Executive Chair Peer Group

For the Executive Chair role, no changes to the relevant peer group were made in 2024:

CHAIR PEER GROUP

Company	Country	Role
Acciona	Spain	Executive Chair
ACS - Actividades de Construcción y Servicios	Spain	Executive Chair
Ariston Group	Italy/Netherlands	Executive Chair
Brembo	Italy/Netherlands	Executive Chair
CIR	Italy	Executive Chair
Datalogic	Italy	Executive Chair
De'Longhi	Italy	Executive Chair
Dufry	Switzerland	Executive Chair
ERG	Italy	Executive Chair
Forvia	France	Non-Executive Chair
Fincantieri	Italy	Executive Chair
Knorr-Bremse	Germany	Non-Executive Chair
Maire Tecnimont	Italy	Executive Chair
Oshkosh	USA	Non-Executive Chair
OPmobility	France	Non-Executive Chair
Schaeffler	Germany	Non-Executive Chair
Traton	Germany	Non-Executive Chair
Valeo	France	Non-Executive Chair

Overview of Remuneration Elements

The following table summarises the primary remuneration elements for the Executive Directors, as specified in the Remuneration Policy. A full copy of the current Remuneration Policy is available on the Company's website, https://www.ivecogroup.com/group/governance/remuneration_policy.

Remuneration Element	Terms & Conditions
Base Salary	Base salary takes into consideration the Executive Director's skills, experience, scope of responsibilities, and the competitive market. Subject to the achievement of annually pre-established, challenging financial and other designated performance objectives.
Short Term Variable	CEO: annual bonus, with a target equal to 110% of base salary, linked to the following objectives - Adjusted EBIT € million, Free Cash Flow of Industrial Activities € million and YOY % increase of women in office roles. Maximum payout is capped at 200% of target. For FY 2025 the Short-Term Variable will be linked to Adjusted EBIT and Free Cash Flow of Industrial Activities. Chair: does not participate in the short-term incentive plan, given long-term strategy- focus of the role.
Long Term Variable	CEO: annual target PSU award valued at 1x annual base salary. Chair: annual target PSU award valued at 3x annual base salary. Both: maximum payout is capped at 200% of target. To align Executive Directors' interests with Company strategic goals and reward for sustained long-term value creation. The Company performance component is subject to the achievement of predetermined challenging goals and market objectives, covering a 3-year performance period. Equity holding period of five years from grant aligns with Dutch Corporate Governance Code (DCGC).
Post-Employment Benefits	Benefits for CEO and Chair are described in the remuneration policy and are provided in line with market practice. Severance protection is limited to 12 months' base salary, consistent with DCGC and best practice.
Other Benefits	Benefits for CEO and Chair are described in the remuneration policy and are provided in line with market practice.
Share Ownership Guidelines	Iveco Group's share ownership guidelines require Executive Directors to own Iveco Group N.V. common shares with a value of 5-times base salary within five years of appointment to the Board.

IMPLEMENTATION OF THE REMUNERATION POLICY: 2024 REALISED PAY

The following is intended to expand on the general implementation of the Remuneration Policy in 2024 and provide additional context for understanding the actual compensation paid in 2024.

FIXED PAY

Base Salary

The base salary for the Executive Directors takes into consideration the executive's skills, scope of job responsibilities, experience, competitive market, and compensation peer group pay comparisons.

For 2024, Mr. Marx's and Mr. Persson's fully annualised base salaries remained at the unchanged level at €750,000. It is currently positioned below the first quartile of our compensation peer group.

The Chair's base salary increased to €375,000 annually, effective 1 January 2024, as announced in last year's remuneration report. This was based on the competitive positioning review versus the appropriate peer group for an Executive Chair role that was conducted in 2023.

Post-Employment Benefits

No post-employment benefits are available to the Executive Directors.

Pension and Retirement Savings

The former CEO participated in the same Company-sponsored retirement savings programmes available to all German salaried employees. Mr. Persson only participates in the statutory pension scheme in Italy.

Other Benefits

For the CEO, the Group offers customary perquisites and fringe benefits, such as a company car, medical insurance, accident insurance, tax preparation assistance, relocation, and limited personal usage of aircraft but the CEO did not use this benefit in 2024.

Furthermore, in the event of an involuntary termination of employment other than for Cause, the CEO is entitled to twelve months' base salary, while remaining subject to restrictive covenants, such as non-competition and non-solicitation for a period of two years.

The Chair does not have severance protection nor participates in Iveco Group benefit programmes. The Chair does have limited personal usage of corporate-provided aircraft but did not use this benefit in 2024.

For any personal use of corporate aircraft, the Executive Directors are responsible for taxes on the benefit.

Tax Equalisation

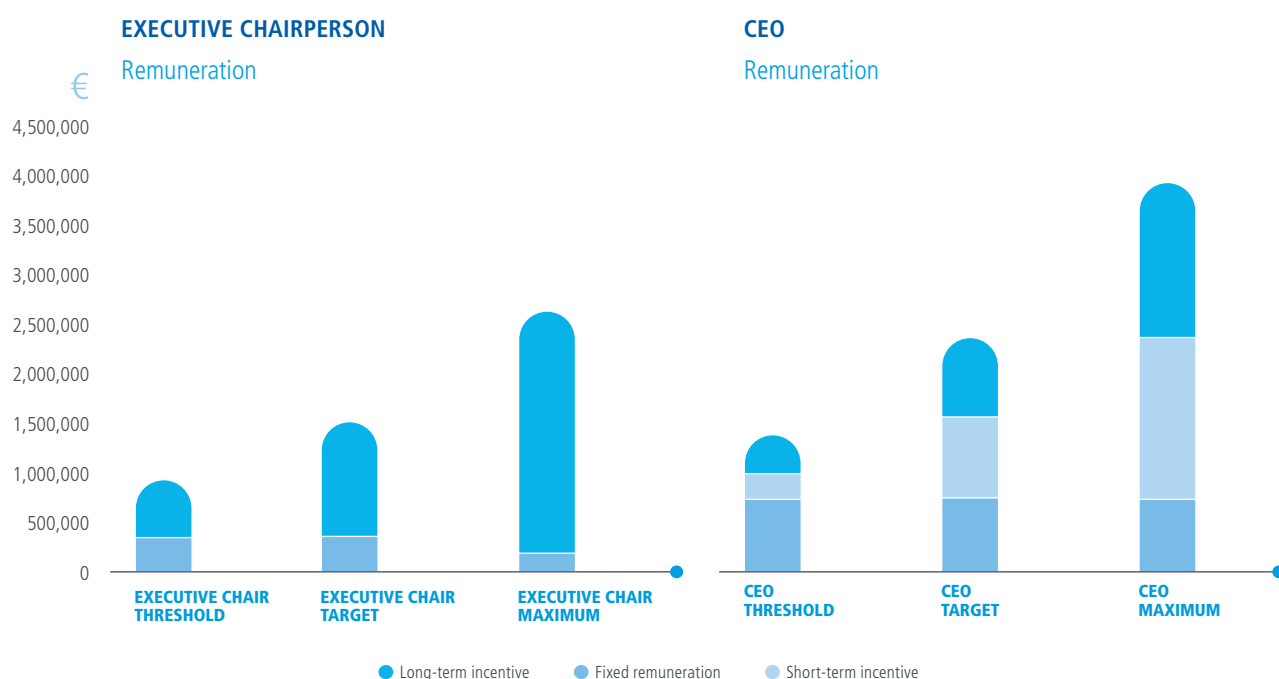
The CEO, as a function of the global nature of the role in the Company, may be subject to tax on employment income in multiple countries and will be subject to the Company's tax equalisation policy on all employment earnings. For the Chair, no tax equalisation is applicable.

VARIABLE PAY

Scenario Analyses

Scenario analyses are carried out annually to examine the relationship between the performance criteria chosen and the possible outcomes of variable remuneration of the Executive Directors to ensure incentives encourage the right behaviours and promote goal alignment. Such analyses review the link of pay for performance for the full range of outcomes and upon determining the final payout. For the 2024 financial year, the Company found a strong link between remuneration and performance and concluded that the chosen performance criteria supported the Company's strategic objectives. The resulting awards under both the short-term and long-term incentive components were appropriate.

The following chart describe compensation levels that the Executive Chair and the CEO could receive under the approved Remuneration Policy and different scenarios in a calendar year, assuming a constant share price (i.e., no appreciation).



In the event of performance below the set threshold, both in the short- and long-term, the Chair and CEO will be recognised with fixed remuneration only.

Short-Term Incentives

The CEO is eligible for participation in the cash annual incentive plan with weighting of overall compensation that appropriately balances managerial focus between short-term and long-term goals. The Chair does not participate in the short-term variable incentives given the more long-term focus of the Chair role. The CEO's selected metrics are the same as the prior year and they are aligned with the Company's overarching strategy.

For performance below the threshold level no pay-out will occur.

- Achieving threshold performance earns 40% of target incentive equal to 44% of base salary.
- The target incentive for the CEO's annual bonus programme is 110% of base salary, linked to approved targets each year.
- Maximum payout is 200% of target incentive, equal to 220% of base salary.
- No individual performance adjustment factor applies to the CEO's annual bonus.

In cases where the Company performance falls between the Threshold, Target, and Maximum levels, linear interpolation will be used to calculate the award.

CEO's 2024 company bonus plan performance factor calculations:

Corporate Measures ⁽¹⁾		Weight	Threshold	Target	Upper Limit	Results	Performance	Payout Factor % of Target Bonus	
							% of Target Achieved	Unweighted	Weighted
Adjusted EBIT € million	a)	50%	876	973	1,460	982	100.9%	101.7%	50.9%
2024 Bonus €	b)		165,000	412,500	825,000	419,000			
FCF of Industrial Activities € million	a)	35%	360	450	675	402	91.2%	67.7%	23.7%
2024 Bonus €	b)		115,500	288,750	577,500	195,500			
% increase of women in office roles	a)	15%	0.5%	1.0%	2.0%	0.95%	95.0%	93.4%	14.0%
2024 Bonus €	b)		49,500	123,750	247,500	115,500			
TOTAL %	a)	100%							
2024 Full Year Bonus €	b)		330,000	825,000	1,650,000	730,000			88.6%

Notes:

(1) Adjusted EBIT and FCF of Industrial Activities are non-EU-IFRS metrics derived from financial information prepared in accordance with EU-IFRS. Refer to the "Annex" at the end of the Remuneration Report for the definition of these non-EU-IFRS financial measures.

For the full year 2024, the Company decided to allocate the same key performance indicators and weightings to the CEO's short-term incentive as these continue to align with our wider corporate strategy. The reasons for this is that with our financial objectives, Adjusted EBIT, continues to allow us to measure Company revenue through our continued market expansion and strengthening profit margins across all business segments and FCF of Industrial Activities continues to allow us to assess how much Iveco Group meets debt obligations and strengthen's Iveco Group's liquidity to fund growth opportunity. Also, from a non-financial perspective, we still believe that Diversity, Equity and Inclusion in managerial positions is a key indicator of demonstrating strong leadership throughout the organisation.

Per the Company Bonus Plan (CBP) design and the predetermined goals, the overall Company performance payout factor earned in 2024 was 88.6% of target bonus for a payout of €730,000 for the CEO, to be pro-rated for 6 months to account when Mr. Persson took up the role of Executive Director. In April 2025 the CEO will receive the bonus payment equal to €365,000. The overall performance achievement paid was 44.2% of the maximum bonus opportunity under the CBP.

Notably, Iveco Group delivered a third positive year of results in its three-year history as a stand-alone enterprise. Specific to the annual bonus plan, the key metrics performed overall well against challenging objectives, of which our financial measures were made even more rigorous compared to the 2023 CBP. After a satisfactory review, the Board feels the targets set and the CEO's outcome were challenging and pay-for-performance is warranted.

Long-Term Incentives

On 25 February 2022, the Board of Directors approved an equity incentive plan in which employees and Executive Directors may participate. This Iveco Group N.V. Equity Incentive Plan (the EIP) is an umbrella programme defining the terms and conditions for any subsequent long-term incentive programme. A copy of the EIP is available on the Company's website (www.ivecogroup.com). Further information related to the Company buy-back program are available in the Note 21 "Equity" to the Consolidated Financial Statements at 31 December 2024.

The Board of Directors also approved a Long-Term Incentive Programme (LTIP) tied to the Company's five-year Strategic Business Plan which spans in total over a five-year performance period, 2022 through 2026, consistent with the Company's strategic time horizon presented at the Company's Investors' Day event on 18 November 2021. At its Capital Markets Day in March 2024, the Group unveiled its new Strategic Business Plan to 2028, just two years after its first Investor Day in November 2021, a decision driven by the Group having achieved its key 2026 targets already at the end of 2023. On this occasion, the guidance for 2024 was updated and the financial targets were presented for the duration of the Plan.

1) 2024 -2026 LTIP Granted Awards

On 27 May 2024 and on 2 July 2024, respectively, the Company awarded to the Chair and to the CEO the third annual cycle of awards under the LTIP for the 2024-2026 performance period, following the same framework as the 2022-2024 and 2023-2025 LTIP awards, aligning the targets to the new Strategic Business Plan.

- The Executive Directors have only been awarded PSUs, so entirely on achieving Company performance objectives.
- All awards vest subject to meeting the Company performance conditions, as applicable, after the end of the 3-year performance period.

The following was granted to the Executive Directors under the LTIP in 2024:

	Number of Share Units Granted	
	CEO (Olof Persson)	Chair
2024-2026 LTIP PSUs	68,680	97,120
Average Annual Target		
• of Salary	100%	300%
• € (€10.92 and €11.58/unit FV@ Grant respectively)*	€750,000	€1,125,000
Maximum Award (2X target)		
• % of Salary	200%	600%
• € (€10.92 and €11.58/unit FV@ Grant respectively)*	€1,500,000	€2,250,000

* The Fair Value (FV) indicated in the above table reflects a 30-day average share price at the time of grant which was used to determine the number of shares set at target performance. Relative TSR, which is weighted 40% overall for the PSUs (see the table below on Company Performance Metrics). The Relative TSR is considered as not achieved in case of positioning below the 4th position in rank of the Peer Group.

The PSU awards vest subject to achievement of Company performance goals for the performance period. The Board decided to set the CEO LTI target opportunity for the full year 2024 to 100% at target to better align to European practice.

Awards forfeit in full upon any type of termination, except in the case of a termination by the Company (other than for Cause) within 24 months of a change of control as defined in the EIP.

The Executive Directors are subject to a holding period of five years from grant date for all awards granted to them which aligns with Dutch Corporate Governance Code (DCGC).

2024-2026 LTIP Performance Metrics

The LTIP will be measured against pre-defined performance goals, reinforcing sustainable long-term value creation, and linked to our new Strategic Business Plan (SBP). The chosen metrics and the payout ranges remained the same as the ones of the prior years, 2022-2024 and 2023-2025 awards.

For the three-year period, 2024-2026, the three independent metrics, weighting, target goals and pay-out are shown in the table below:

KPIs	Weight	Measurement	Performance / Payout	Threshold	Target	Outstanding
Adjusted EBIT Margin %	40%	3-year average	Performance	5.9%	6.6%	8.6%
			Payout	50%	100%	200%
Relative TSR ^{(1) (2)}	40%	3-year cumulative	Performance	below 4 th place	4 th place ranking	1 st place ranking
			Payout	—%	100%	200%
CO ₂ reduction %	20%	3-year cumulative	Performance	25%	28%	31%
			Payout	50%	100%	200%

Note: Refer to the "Annex" at the end of the Remuneration Report for the definition of these non-EU-IFRS financial measures mentioned in this report.

(1) The Relative TSR peer group remains the same as the 2022-2024 and 2023-2025 PSU awards, excluding Nikola in consideration of its financial and liquidity position, and includes Iveco Group N.V. and the following companies: AB Volvo, Cummins Inc., Daimler Truck Holding AG, Deutz AG, Paccar, Inc., Rheinmetall AG, Traton SE. The Relative TSR peer group may be adjusted by the Compensation Committee in its sole discretion during the Performance Period as a result of mergers and acquisitions, de-listings, takeover offers, etc. In this event, an appropriate benchmark peer would be identified and proposed for inclusion in the peer group.

(2) The Relative TSR payout per ranking.

Stretch objectives have been set for each of the metrics reflecting the Company's long-term priorities to deliver strong, profitable growth, increase shareholder value and contribute to a more sustainable environment. The payout ranges from 50% of target award to a cap of 200% of target award with the exception of Relative TSR where no payout is foreseen in case of relative positioning below the 4th place ranking in the Peer Group. The Adjusted EBIT Margin % and CO₂ reduction % metrics payout is 50% of target award at threshold, 100% at target achievement and capped at 200% of target award for outstanding performance, and in cases where the Company performance falls between the Threshold, Target, and Outstanding levels, linear interpolation will be used to calculate the award. For performance below the threshold level, no pay-out will occur.

Whilst the Committee considered other non-financial measures, ultimately, they felt using CO₂ reduction % is a best fit performance indicator since it best aligns with the Company's ESG strategy; this is 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.

The Relative TSR metric only pays out at or above target (4th place ranking) and is also capped at 200% of target award for 1st place ranking among the comparator companies, as shown in the following table:

RANK	PERCENTILE	PAYOUT
1	100.0%	200.0%
2	85.7%	167.0%
3	71.4%	133.0%
4	57.1%	100.0%
5	42.9%	—%
6	28.6%	—%
7	14.3%	—%
8	—%	—%

Vesting period

The PSUs vest on 28 February 2027 after the end of the Performance Period and subject to the level of achievement of the performance criteria of each metric.

2) 2022-2024 LTIP Vested Awards

The 2022-2024 LTIP awards vested at the end of the three-year performance period on 28 February 2025.

KPIs	Weight	Performance / Payout	Threshold	Target	Outstanding	Measurement	Results
Adjusted EBIT Margin %	40%	Performance	3.8%	4.2%	5.5%	5.2%	123.8%
		Payout	50.0%	100.0%	200.0%		176.9%
Relative TSR(1)	40%	Performance	—	median rank	1 st in rank	7 th in rank	—
		Payout	—	100.0%	200.0%		—
CO ₂ reduction %	20%	Performance	18.0%	20.0%	22.0%	25.2%	126.0%
		Payout	50.0%	100.0%	200.0%		200.0%

(1) The peer group includes Iveco Group N.V. and the following companies: AB Volvo, Cummins Inc., Daimler Truck Holding AG, Deutz AG, Nikola, PACCAR, Inc., Rheinmetall AG, Traton SE. The Relative TSR peer group may be adjusted by the Committee in its sole discretion during the Performance Period as a result of mergers and acquisitions, de-listings, takeover offers, etc. In this event, an appropriate benchmark peer would be identified and proposed for inclusion in the peer group. For the 2022 LTIP, no adjustments were made.

Note: Refer to the "Annex" at the end of the Remuneration Report for the definition of the non-EU-IFRS financial measures mentioned in this report.

Per the Strategic Business Plan and the predetermined goals, the overall LTIP earned in 2024 was 110.8% of target LTIP (55.4% of maximum LTIP) for a payout for the Executive Chair equal to 143,700 shares which vested on 28 February 2025.

After review, the Board feels the targets set and the Company outcome were challenging and pay-for-performance is warranted. The Compensation Committee did not feel it was necessary to make any adjustments to the LTIP and its outcomes show that the LTI ran as normally intended.

Other Remuneration Provisions

Stock Ownership

Our Board recognises the critical role that Executive Director stock ownership has in aligning the interests of management with those of shareholders. Accordingly, the Executive Directors are subject to share ownership guidelines which require each Executive Director to own Iveco Group N.V. shares with an aggregate value of at least 5x base salary within five (5) years from the start of their respective assignments. The Committee assesses on an annual basis the Executive Directors' progress toward meeting this objective. As of 31 December 2024, the CEO owned 30,500 shares and the Chair owned 85,838 shares. With a closing share price of €9.34 on 31 December 2024, the fair market value at year-end 2024 was €284,874 and €801,727, respectively. The CEO's shareholdings represent 0.38 times his annual base salary, and the Chair's represents 2.14 times her annual base salary.

In addition, the Executive Directors are subject to a holding period of five years from grant date for all awards granted to them which aligns with Dutch Corporate Governance Code (DCGC).

Recoupment of Incentive Compensation (Clawback)

The Board is dedicated to maintaining and enhancing a culture focused on integrity and accountability. The Recoupment Policy in the Company's Equity Incentive Plan, which defines the terms and conditions for any subsequent long-term incentive programme, and the Company Bonus Plan, which defines the short-term incentive programme, as well as in any executive employment agreements, authorises the Company to recover, or "claw back" incentive compensation with the ability to retroactively make adjustments if any cash or equity incentive award is predicated upon achieving financial results and the financial results are subject to an accounting restatement.

No recoupment of incentive compensation was warranted under any incentive plan during 2024.

Terms of engagement

Each of the Executive Directors is engaged by the Company pursuant to a written agreement for an indefinite period of time and are employed at will, meaning either party can terminate the engagement at any time.

Loans and guarantees

In line with the Remuneration Policy, no loans, advances or guarantees have been provided to any of the Executive Directors or Non-Executive Directors.

Remuneration for non-executive directors

The remuneration of Non-Executive Directors is governed by the Iveco Group N.V. Remuneration Policy. The current remuneration structure for the Non- Executive Directors is consistent with the Remuneration Policy, as shown in the table below.

Non-Executive Director Compensation		Annual Fees
Annual Cash Retainer	EUR	110,000
Additional retainer for Audit Committee member	EUR	22,000
Additional retainer for Audit Committee Chair	EUR	30,000
Additional retainer for member of other Board committees	EUR	18,000
Additional retainer for Chair of other Board committees	EUR	22,000

The Non-Executive Directors receive their annual retainer fee, committee membership, and committee chair fee payments (collectively, "Fees") only in cash. Remuneration of Non-Executive Directors is fixed and not dependent on the Company's financial results. Non-Executive Directors are not eligible for variable compensation and do not participate in any Company incentive plans. Consistent with the Remuneration Policy, Non-Executive Directors do not receive benefits upon termination of their service as Directors.

According to the Remuneration Policy Non-Executive Directors are expected to own Company shares in an aggregate amount of not less than 1x their annual retainer fee, which is €110,000, within 24 months of appointment to the Board. The Non-Executive Directors are expected to hold Company shares as a long-term investment and, as such, are expected to hold their Company shares while on the Board and for an additional three months after their Board service terminates.

IMPLEMENTATION OF REMUNERATION POLICY IN 2024 FOR BOARD OF DIRECTORS

Board of Directors	Position	Year	Fixed Remuneration		Variable Remuneration		Extraordinary Items	Pension & Similar Benefits ⁽⁴⁾	Total	Proportion of fixed to variable remuneration ⁽⁵⁾
			Base Salary or Fees	Fringe Benefits ⁽¹⁾	One-year Variable ⁽²⁾	Multi-year Variable ⁽³⁾				
HEYWOOD, Suzanne	Chair	01/01/2024	375,000	—	—	956,708	—	60,772	1,392,480	46%
		31/12/2024								
		01/01/2023	250,000	—	—	476,911	—	32,398	759,309	59%
		31/12/2023								
MARX, Gerrit	Former CEO	01/01/2022	250,000	—	—	118,431	—	44,033	412,464	248%
		31/12/2022								
		01/01/2024	375,000	63,906	—	527,689	—	26,916	993,511	88%
		30/06/2024								
MARX, Gerrit	Former CEO	01/01/2023	750,000	84,265	1,276,000	4,237,217	—	58,760	6,406,242	16%
		31/12/2023								
		01/01/2022	750,000	57,882	1,452,000	3,466,936	—	57,960	5,784,778	18%
		31/12/2022								
PERSSON, Olof	CEO	07/01/2024	375,000	7,813	365,000	145,567	—	27,942	921,322	80%
		31/12/2024								
	Director	01/01/2024	66,000	—	—	—	—	10,642	76,642	n/a
		30/06/2024								
PERSSON, Olof	Director	01/01/2023	132,000	—	—	—	—	17,880	149,880	n/a
		31/12/2023								
	Director	01/01/2022	132,000	—	—	—	—	22,776	154,776	n/a
		31/12/2022								
ERGINBILGIC, Tufan	Director	01/01/2024	146,000	—	—	—	—	23,042	169,042	n/a
		31/12/2024								
	Director	01/01/2023	146,000	—	—	—	—	19,781	165,781	n/a
		31/12/2023								
ERGINBILGIC, Tufan	Director	01/01/2022	146,000	—	—	—	—	25,136	171,136	n/a
		31/12/2022								
KAIRISTO, Essimari	Director	01/01/2024	140,000	—	—	—	—	—	140,000	n/a
		31/12/2024								
	Director	01/01/2023	140,000	—	—	—	—	—	140,000	n/a
		31/12/2023								
KAIRISTO, Essimari	Director	01/01/2022	140,000	—	—	—	—	—	140,000	n/a
		31/12/2022								
KNOLL, Linda	Director	01/01/2024	150,000	—	—	—	—	—	150,000	n/a
		31/12/2024								
	Director	01/01/2023	150,000	—	—	—	—	—	150,000	n/a
		31/12/2023								
KNOLL, Linda	Director	01/01/2022	150,000	—	—	—	—	—	150,000	n/a
		31/12/2022								
NASI, Alessandro	Director	01/01/2024	150,000	—	—	—	—	8,758	158,758	n/a
		31/12/2024								
	Director	01/01/2023	150,000	—	—	—	—	238	150,238	n/a
		31/12/2023								
NASI, Alessandro	Director	01/01/2022	150,000	—	—	—	—	—	150,000	n/a
		31/12/2022								
CURRAN, Judy	Director	17/04/2024	93,077	—	—	—	—	—	93,077	n/a
		31/12/2024								
	Former Director	01/01/2024	32,436	—	—	—	—	—	32,436	n/a
		17/04/2024								
RIBADEAU-DUMAS, Benoit ⁽⁶⁾	Former Director	01/01/2023	110,000	—	—	—	—	—	110,000	n/a
		31/12/2023								
	Former Director	13/04/2022	79,260	—	—	—	—	—	79,260	n/a
		31/12/2022								
SIMONELLI, Lorenzo	Senior Non-Executive Director	01/01/2024	132,000	—	—	—	—	—	132,000	n/a
		31/12/2024								
	Senior Non-Executive Director	01/01/2023	132,000	—	—	—	—	—	132,000	n/a
		31/12/2023								
SIMONELLI, Lorenzo	Senior Non-Executive Director	01/01/2022	132,000	—	—	—	—	—	132,000	n/a
		31/12/2022								

Notes

(1) The amount includes the use of transportation (company car) and company cost of life and health insurance benefits.

(2) The amounts represent the bonus approved for the respective performance years 2024, 2023 and 2022, paid in 2025, 2024 and 2023 respectively.

(3) The amounts represent the Company's share-based compensation (SBC) expense under applicable accounting standards relating to grants issued to the Executive Directors.

(4) For the Former CEO, the amount includes Company contributions to company and national social security (retirement) programmes.

(5) Ratio of the percentage of fixed pay elements over the percentage of variable pay elements. Variable elements include variable incentives, extraordinary items. The Non-Executive Directors have no variable compensation elements, so this ratio is not applicable.

(6) Beginning in 2023, Mr. Ribadeau-Dumas' fees were paid to Exor N.V.

The following table summarises remuneration paid or awarded (in Euro) to Directors of Iveco Group N.V. for roles held in subsidiaries of Iveco Group N.V. for the years ended 31 December 2024, 2023 and 2022:

Board of Directors	Position	Year	Fixed Remuneration		Variable Remuneration		Extraordinary Items	Pension & Similar Benefits	Total Remuneration	Proportion of fixed to variable remuneration
			Fees	Fringe Benefits	One-year Variable	Multi-year Variable				
NASI, Alessandro	Chairman Iveco Defence Vehicles S.p.A.	2024	187,500	2,295	—	—	—	1,477	191,272	n/a
		2023	150,000	—	—	—	—	8,760	158,760	n/a
		2022	150,000	—	—	—	—	3,321	153,321	n/a

Year-over-year remuneration

2024 is the third year of operations for Iveco Group, and the following table shows the year-over-year change in remuneration (in Euro) of all Board of Directors:

Board of Directors	Position	2024	2023	2022	2024 % change from 2022
HEYWOOD, Suzanne ⁽¹⁾	Chair	1,392,480	759,309	412,464	237.6%
MARX, Gerrit ⁽¹⁾	Former CEO	993,511	6,406,242	5,784,778	⁽³⁾
PERSSON, Olof	Director / incoming CEO	997,965	149,880	154,776	⁽³⁾
ERGINBILGIC, Tufan	Director	169,042	165,781	171,136	-1.2%
KAIRISTO, Essimari	Director	140,000	140,000	140,000	—%
KNOLL, Linda	Director	150,000	150,000	150,000	—%
NASI, Alessandro	Director	158,758	150,238	150,000	5.8%
RIBADEAU-DUMAS, Benoit ⁽²⁾	Former Director	32,436	110,000	79,260	—%
CURRAN Judy	Director	93,077	—	—	—%
SIMONELLI, Lorenzo	Director and Senior Non- Executive Director	132,000	132,000	132,000	—%

(1) The year-over-year change is due to additional SBC expense with the addition of the 2023-2025 LTI and 2024-2026 cycle awards.

(2) Beginning in 2023, Mr. Ribadeau-Dumas' fees were paid to Exor N.V. Year-over-year increase change reflects full year board membership over the period.

(3) Mr. Marx left the Group on 30 June 2024 and Mr. Persson took up the Group CEO role from 1 July 2024.

For perspective, the year-over-year performance of the Company's key metrics for 2024 and 2023 are shown below:

Selected Performance Data ⁽¹⁾	2024	2023	Year-over-Year % Change 2023 and 2024
Adjusted EBIT (€ million)	982	971	1.1%
Free Cash Flow of Industrial Activities (€ million)	402	450	-10.7%
Adjusted Net Income (€ million)	569	388	46.6%
Adjusted Diluted Earnings/(Loss) per share (€)	2.09	1.35	54.8%

Notes:

(1) Includes non-EU-IFRS metrics derived from financial information prepared in accordance with EU-IFRS. Refer to the "Annex" at the end of the Remuneration Report for the definition of these non-EU-IFRS financial measures. 2024 and 2023 results refer to Continuing Operations only, and 2023 results were represented accordingly.

Share ownership

Collectively, the Executive Directors and Non-Executive Directors own less than one percent of Iveco Group N.V. outstanding Common Shares. The Company has established share ownership guidelines for both the Executive Directors and Non-Executive Directors. The following table summarises the number of Iveco Group N.V. Common Shares owned by Directors as of 31 December 2024.

Directors	Common Shares	Memo: Share ownership ratio ⁽¹⁾	Special Voting Shares
Olof Persson	30,500	0.38	—
Suzanne Heywood	85,838	2.14	—
Tufan Erginbilgic	13,600	1.15	—
Alessandro Nasi	69,798	5.93	—
Essimari Kairisto	12,523	1.06	—
Linda Knoll	29,522	2.51	—
Judy Curran	—	—	—
Lorenzo Simonelli	35,410	3.01	—

Note:

(1) The Executive Directors, Mr. Persson and Ms. Heywood, are required to own five times their fixed base salary 5 years from their initial appointment to the Board. The Non-Executive Directors are required to own one times their retainer fee within 2 years of their initial appointment to the Board. The closing price as of 31 December 2024, €9.34 was used for the valuation.

SHARE AWARDS

The following table summarises unvested share units held by Executive Directors as of 31 December 2024 with reference to the 2024-2026, 2023-2025 and 2022-2024 LTI plans:

Table - Shares awarded or due to the Directors for the reported financial year

The main conditions of share option plans						Information regarding the reported financial year							
						Opening Balance ⁽³⁾	During the year			Closing Balance ⁽³⁾			Accounting Expense ⁽¹⁾⁽³⁾
Name of Director, position	Award Name	Performance Period	Award Date	Vesting Date	End of Holding Period	Shares Awarded at the Beginning of the Period	Shares Awarded FMV at Grant (€000)	Shares Forfeited	Shares Vested FMV at Grant (€000)	Shares Subject to a Performance Condition	Shares Unvested	Shares Subject to a Holding Period ⁽¹⁾	€000s
PERSSON Olof, CEO	2024-2026 PSU ⁽²⁾	01/01/2024	02/07/2024	28/02/2027	02/07/2029	—	68,680	—	—	68,680	68,680	68,680	
		31/12/2026					770		—				146
MARX Gerrit, Former CEO	2023-2025 PSU ⁽²⁾	01/01/2023	15/05/2023	28/02/2026	15/05/2028	371,490	—	371,490	—	—	—	—	
		31/12/2025					—		—				(802)
	2022-2024 PSU ⁽²⁾	01/01/2022	05/05/2022	28/02/2025	05/05/2027	518,850	—	518,850	—				
		31/12/2024					—		—	—	—	—	(1,580)
HEYWOOD Suzanne, Chair	2024-2026 PSU ⁽²⁾	01/01/2024	27/05/2024	28/02/2027	27/05/2029		97,120	—	—	97,120	97,120	97,120	
		31/12/2026					1,089		—				236
	2023-2025 PSU ⁽²⁾	01/01/2023	15/05/2023	28/02/2026	15/05/2028	92,870	—	—	—	92,870	92,870	92,870	
		31/12/2025					—		—				382
	2022-2024 PSU ⁽²⁾	01/01/2022	05/05/2022	28/02/2025	05/05/2027	129,710	—	—	—	129,710	129,710	129,710	
		31/12/2024					—		—				338
Total Shares:							165,800	890,340	—	388,380	388,380	388,380	—
Total FMV (€000s)							1,859	—	—	—	—	—	(1,280)

Notes:

(1) Share-based compensation (SBC) expense recorded in 2024 under applicable accounting standards relating to grants awarded to the Executive Directors under the 2022-2024 LTI, 2023-2025 LTI and 2024-2026 LTI Plans.

(2) Three consecutive annual 3-year LTIP performance cycle awards as solely Iveco Group were granted. The Executive Directors have only PSU awards, so all is subject to performance conditions.

(3) Under the CNH Industrial Legacy EIP and LTI plan, the 2021-2023 performance cycle began pre-Demerger as CNH Industrial, and awards were converted to Iveco Group N.V. share unit awards at time of Demerger. The awards consisted of a Company performance component and an individual performance component. The PSUs vested at the end of the performance cycle and the RSUs vested in two annual installments in 2023 and 2024. For the Former CEO, in 2024, 1,277,368 PSUs vested in February 2024 and 83,856 RSUs vested in April 2024.

OTHER INFORMATION

Compensation Consultant

The Committee was occasionally advised by representatives of Mercer, Freshfields Bruckhaus Deringer LLP, Legance, and Georgeson on executive compensation matters. The Committee found that the information provided by such advisors provided important perspectives about market practices for executive compensation, the levels and structure of the compensation programme, and compensation governance.

INTERNAL PAY RATIOS

When setting the Executive Directors' compensation, the Committee considers both the appropriate external benchmark as well as the internal pay ratios within the Company. Although the primary consideration is market competitiveness to attract and retain highly qualified senior executives in a large, global, complex organisation, a baseline internal comparison is set for tracking future year pay trends between executives' compensation and employees' compensation.

In line with the DCGC and the Dutch Civil Code, the pay ratio and trend are disclosed in the annual Remuneration Report. The basis of the pay ratio comparison uses the prevalent Dutch methodology of determining the ratio between the total annual remuneration of the CEO, including all remuneration components, and the average employee compensation (including all labour costs, using the accounting value of equity awards).

The average employee compensation corresponds to the total personnel costs reported in the Annual Report, which excludes Executive Director compensation, divided by the average year Full-Time Equivalent (FTE), less the CEO who is included in the total average year FTE.

The first three years of Iveco Group's history is shown in the table, which will set the trend for future years' reports.

Internal Pay Ratio	2024	2023	2022
CEO Compensation € ⁽¹⁾	1,914,834	6,406,242	5,784,778
Average Employee Compensation €	60,711	60,507	56,252
CEO Pay Ratio ⁽²⁾	31.5	105.9	102.8

Notes:

(1) The compensation is as reported including the total former CEO and the Current CEO.

(2) Included in the CEO's compensation is the amortization of the share-based compensation expense.

EXECUTIVE OFFICER'S COMPENSATION

The following table summarises remuneration paid or awarded (in Euro) to Executive Officers for the years ended 31 December 2024, 2023 and 2022:

	Year	Number of Executive Officers ⁽¹⁾	Fixed Remuneration		Variable Remuneration		Extra-ordinary Items ⁽⁵⁾	Pension & Similar Benefits ⁽⁶⁾	Total Remuneration
			Base Salary	Fringe Benefits ⁽²⁾	One-year Variable ⁽³⁾	Multi-year Variable ⁽⁴⁾			
Executive Officers	2024	15	4,582,350	328,513	2,215,567	2,691,631	1,737,386	2,362,243	13,917,690
	2023	12	4,066,351	352,661	3,268,295	2,749,282	1,291,205	2,365,004	14,092,798
	2022	13	3,817,984	283,253	3,297,700	2,136,374	3,524,620	1,797,223	14,857,154

Notes:

(1) The number of Executive Officers at the end of the 2024, 2023 and 2022, respectively.

(2) The amounts include the use of transportation (company car) and Company cost of life and health insurance benefits.

(3) The amounts represent the bonus approved for the respective performance years 2024, 2023 and 2022, paid in 2025, 2024 and 2023, respectively.

(4) The amounts represent the Company's share-based compensation (SBC) expense under applicable accounting standards.

(5) The extraordinary amounts include hiring one-off payments, unused vacation paid, tax equalization settlements, termination payments.

(6) The amounts include Company contributions to company and national social security (retirement) programmes.

ANNEX

Adjusted EBIT is defined as EBIT before restructuring costs and non-recurring items. In particular, non-recurring items are specifically disclosed items that management considers rare or discrete events that are infrequent in nature and not reflective of on-going operational activities.

Adjusted Net Income/(Loss): is defined as profit/(loss) for the period, less restructuring charges and non-recurring items, after tax.

Adjusted Diluted EPS: is computed by dividing Adjusted Net Income/(Loss) attributable to Iveco Group N.V. by a weighted-average number of Common Shares outstanding during the period that takes into consideration potential Common Shares outstanding deriving from the Iveco Group share-based payment awards, when inclusion is not anti-dilutive. When we provide guidance for adjusted diluted EPS, we do not provide guidance on an earnings per share basis because the EU-IFRS measure will include potentially significant items that have not yet occurred and are difficult to predict with reasonable certainty prior to year-end.

Adjusted EBIT Margin % is Adjusted EBIT divided by Net Revenue.

Free Cash Flow of Industrial Activities (or Industrial Free Cash Flow): refers to Industrial Activities, only, and is computed as consolidated cash flow from operating activities less: cash flow from operating activities of Financial Services; investments of Industrial Activities in property, plant and equipment and intangible assets; as well as other changes and intersegment eliminations.

CO₂ Emissions Reduction % ("CO₂ Reduction %"): The CO₂ emissions reduction will measure the percentage change of the CO₂ Emissions levels at the end of the respective performance periods versus the baseline at the end of 2019. The absolute CO₂ emissions is measured in tons of CO₂eq emissions in the manufacturing processes from Scope 1 and Scope 2 sources as defined:

- Scope 1 emissions are direct emissions from owned or controlled sources
- Scope 2 emissions are indirect emissions from the generation of purchased energy

Gender Balance: Year over Year % improvement of women in office roles and above.

Relative Total Shareholder Return (Relative TSR): is the annualised rate of return, reflecting stock price performance (adjusted for dividends paid) over the cumulative performance period of the respective annual grants, using a 30-day average. Iveco Group N.V.'s Total Shareholder Return (TSR) is compared to the TSR of the comparator group, to determine the percentile ranking over the Performance Period.

MAJOR SHAREHOLDERS

As of 31 December 2024, the Company's issued share capital amounted to €3,454,589.70 and was divided into 271,215,400 Common Shares (264,333,778 Common Shares outstanding, net of 6,881,622 Common Shares held in treasury by the Company) and 74,243,570 Special Voting Shares (74,172,390 Special Voting Shares outstanding, net of 71,180 Special Voting Shares surrendered to the Company following the de-registration of the corresponding Qualifying Common Shares from the Loyalty Register and which are held as treasury shares by the Company) as described in Note 21 "Equity" of the Consolidated Financial Statements.

The following table sets forth information with respect to ownership of the Company's share capital of 3% or more as of 31 December 2024 based on public regulatory filings by direct and indirect shareholders and other sources available to the Company.

Holder	Number of Common Shares held	Number of Special Voting Shares held	Percentage of overall issued shares held ⁽¹⁾	Percentage of total voting rights ⁽²⁾
Giovanni Agnelli B.V. ⁽³⁾	73,385,580.00	73,385,580.00	42.49%	43.36%
Norges Bank	21,980,948.00 ⁽⁴⁾	—	6.36%	6.49%

(1) For the purpose of this column of the table, the percentages refer to both the Iveco Group Common Shares and the Iveco Group Special Voting Shares

(2) For the purpose of this column of the table, the percentages refer to both the Iveco Group Common Shares and the Iveco Group Special Voting Shares. The percentages of the total voting rights are calculated based on the number of issued shares excluding treasury shares, since no voting rights may be exercised for any share held by the Company.

(3) Held via Exor N.V.

(4) Based on regulatory filings with the AFM, on 19 July 2022, Norges Bank held (i) directly (actual) 19,567,544 Common Shares and (ii) directly (potential) 2,413,404 Common Shares. No change was filed thereafter.

The Company's Common Shares are listed on the Euronext Milan. They are accepted for clearance through the book-entry facilities of Monte Titoli S.p.A. which has its offices at Piazza degli Affari 6, Milan, Italy.

The Special Voting Shares are neither listed nor tradable and are transferable only in very limited circumstances and only together with the Common Shares to which they are associated (see section "Governance Statement" of the present Report).

SUBSEQUENT EVENTS AND FINANCIAL GUIDANCE

SUBSEQUENT EVENTS

Iveco Group has evaluated subsequent events through 5 March 2025, which is the date the Consolidated Financial Statements were authorised for issuance, and noted the following:

- on 3 January 2025, Iveco Group transferred the full ownership of Magirus GmbH and its affiliates performing firefighting business ("MAGIRUS") to Mutares SE & Co. KGaA, as per the terms of the agreement signed on 13 March 2024, subject to contractual price adjustments primarily reflecting MAGIRUS's actual business performance during 2024
- on 7 February 2025, the Board of Directors of Iveco Group N.V. announced that, in view of the different trends in the commercial vehicles and defence markets, and the increasingly different requirements for the long-term success of both businesses, the Board is considering separating Iveco Group's Defence business, comprising the IDV and ASTRA brands and related activities, during 2025 through a spin-off. The Board will provide an update on the outcome of this assessment in the coming months. Any steps post the assessment remain subject to the required internal and regulatory approvals.

2025 PRELIMINARY FINANCIAL GUIDANCE

- Consolidated Adjusted EBIT between €980 million and €1,030 million
- Net revenues of Industrial Activities^(*) flat versus Full Year 2024
- Adjusted EBIT of Industrial Activities between €850 million and €900 million
- Free cash flow of Industrial Activities between €400 million and €450 million

with investments^(**) expected to decrease compared to 2024.

^(*) Including currency translation effects.

^(**) Investments in property, plant and equipment, and intangible assets (excluding assets sold under buy-back commitments and assets under operating leases).

5 March 2025

The Board of Directors

Suzanne Heywood

Olof Persson

Lorenzo Simonelli

Judy Curran

Tufan Erginbilgic

Essimari Kairisto

Linda Knoll

Alessandro Nasi





IVECO GROUP CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2024

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CONSOLIDATED INCOME STATEMENT^(*)

(€ million)	Note	2024	2023
Net revenues	(1)	15,289	15,978
Cost of sales	(2)	12,637	13,295
Selling, general and administrative costs	(3)	1,000	996
Research and development costs	(4)	617	611
Result from investments:	(5)	18	14
Share of the profit/(loss) of investees accounted for using the equity method	(5)	26	14
Other income/(expense) from investments	(5)	(8)	—
Gains/(losses) on the disposal of investments	(14)	1	—
Restructuring costs	(6)	24	36
Other income	(7)	41	52
Other expenses	(7)	252	240
EBIT		819	866
Net financial income/(expenses):	(8)	(211)	(443)
Financial income	(8)	108	93
Financial expenses	(8)	319	536
PROFIT/(LOSS) BEFORE TAXES		608	423
Income tax (expense) benefit	(9)	(70)	(155)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		538	268
Post-tax loss of Discontinued Operations		(42)	(34)
Post-tax loss on the measurement to fair value less costs to sell of Discontinued Operations		(144)	—
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAX^(**)		(186)	(34)
PROFIT/(LOSS) FOR THE PERIOD		352	234
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the parent		349	218
Non-controlling interests		3	16
(in €)			
Basic earnings/(loss) per Common Share from Continuing Operations	(11)	2.00	0.92
BASIC EARNINGS/(LOSS) PER COMMON SHARE	(11)	1.31	0.81
Diluted earnings/(loss) per Common Share from Continuing Operations	(11)	1.97	0.91
DILUTED EARNINGS/(LOSS) PER COMMON SHARE	(11)	1.29	0.80

(*) On 13 March 2024, Iveco Group and Mutares SE & Co. KGaA announced the signing of a definitive agreement for the transfer of ownership of Magirus GmbH and its affiliates performing Fire Fighting business. The transfer was completed on 3 January 2025. According to IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations, as the sale became highly probable in March 2024, the Fire Fighting business met the criteria to be classified as a disposal group held for sale and discontinued operations. In accordance with applicable accounting standards, 2023 figures have been represented consistently. In particular, in accordance with IFRS 5:33, Profit/(loss) from Continuing Operations does not include the post-tax loss of €144 million (€145 million before tax) on the measurement to fair value less costs to sell of Discontinued Operations deriving from the disposal of Fire Fighting business, which is included in the total Profit/(loss) from Discontinued Operations, net of tax in addition to the post-tax loss of Discontinued Operations of €42 million. This classification of the above-mentioned post-tax loss of €144 million from the disposal of the Fire Fighting business differs from the one adopted so far in the previous earnings releases and Interim Reports, in which it was included in the line item "Other expenses" within Profit/(loss) from Continuing Operations.

Furthermore, for the sake of clarity and to enhance the presentation of the information reported, certain items previously presented on a net basis are presented on a gross basis in 2024. 2023 figures have been reclassified to conform with the current presentation.

(**) See paragraph "Discontinued Operations - Fire Fighting Business" for additional details.

The accompanying notes are an integral part of the Consolidated Financial Statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ million)	Note	2024	2023
PROFIT/(LOSS) (A)		352	234
Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss:			
Gains/(losses) on the remeasurement of defined benefit plans	(21)	42	(24)
Fair value gain/(loss) on equity investments measured at fair value through other comprehensive income	(21)	(4)	(33)
Tax effect of Other comprehensive income/(loss)/income that will not be reclassified subsequently to profit or loss	(21)	(5)	1
Items relating to Discontinued Operations, net of tax		1	(3)
Total Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss, net of tax (B1)		34	(59)
Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss:			
Gains/(losses) on cash flow hedging instruments	(21)	(20)	1
Foreign exchange gains/(losses) on translation of foreign operations	(21)	(81)	(212)
Tax effect of Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss	(21)	9	—
Total Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss, net of tax (B2)		(92)	(211)
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX (B) = (B1) + (B2)		(58)	(270)
TOTAL COMPREHENSIVE INCOME/(LOSS) (A)+(B)		294	(36)
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:			
Owners of the parent		286	(50)
Non-controlling interests		8	14
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:			
Continuing Operations		479	1
Discontinued Operations		(185)	(37)

The accompanying notes are an integral part of the Consolidated Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ million)	Note	At 31 December 2024	At 31 December 2023
ASSETS			
Intangible assets	(12)	2,039	1,841
Property, plant and equipment	(13)	3,147	3,186
Investments and other non-current financial assets:	(14)	223	210
Investments accounted for using the equity method		171	166
Equity investments measured at fair value through other comprehensive income		10	15
Other investments and non-current financial assets		42	29
Leased assets	(15)	93	75
Defined benefit plan assets	(22)	36	—
Deferred tax assets	(9)	774	658
Total Non-current assets		6,312	5,970
Inventories	(16)	2,871	2,868
Trade receivables	(17)	405	326
Receivables from financing activities	(17)	5,185	5,802
Current tax receivables	(17)	133	142
Other current receivables and financial assets	(17)	470	363
Prepaid expenses and other assets		121	130
Derivative assets	(18)	23	27
Cash and cash equivalents	(19)	3,513	2,698
Total Current assets		12,721	12,356
Assets held for sale	(20)	404	59
TOTAL ASSETS		19,437	18,385

The accompanying notes are an integral part of the Consolidated Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(CONTINUED)

(€ million)	Note	At 31 December 2024	At 31 December 2023
EQUITY AND LIABILITIES			
Issued capital and reserves attributable to owners of the parent		2,699	2,354
Non-controlling interests		70	36
Total Equity	(21)	2,769	2,390
Provisions:		2,515	2,380
Employee benefits	(22)	466	544
Other provisions	(23)	2,049	1,836
Debt:	(24)	6,306	6,100
Asset-backed financing	(24)	3,558	3,860
Other debt	(24)	2,748	2,240
Derivative liabilities	(18)	61	41
Trade payables	(25)	3,956	3,927
Tax liabilities	(9)	85	120
Deferred tax liabilities	(9)	48	28
Other liabilities	(26)	3,434	3,340
Liabilities held for sale	(20)	263	59
Total Liabilities		16,668	15,995
TOTAL EQUITY AND LIABILITIES		19,437	18,385

The accompanying notes are an integral part of the Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS ^(*)

(€ million)	Note	2024	2023
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(19)	2,698	2,288
B) CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:			
Profit/(loss) from Continuing Operations for the year		538	268
Amortisation and depreciation (excluding assets sold under buy-back commitments and operating leases) ^{(a)(b)}		678	594
(Gains)/losses on disposal of non-current assets (excluding assets sold under buy-back commitments) ^(a)		(20)	(11)
Other non-cash items		(1)	(26)
Dividends received		20	14
Change in provisions		228	265
Change in deferred income taxes		(96)	31
Change in items due to buy-back commitments ^(a)		(14)	(32)
Change in operating lease items ^(b)		(29)	(30)
Change in working capital ^(c)	(33)	2	293
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES FROM CONTINUING OPERATIONS		1,306	1,366
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES FROM DISCONTINUED OPERATIONS		(108)	(30)
TOTAL		1,198	1,336
C) CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES:			
Investments in:			
Property, plant and equipment and intangible assets (excluding assets sold under buy-back commitments and operating leases) ^{(a)(b)}		(939)	(961)
Consolidated subsidiaries and other equity investments		—	(21)
Proceeds from the sale of non-current assets (excluding assets sold under buy-back commitments) ^(a)		(11)	17
Net (cash used in)/proceeds from receivables from financing activities ^(c)	(33)	463	(1,403)
Cash used in other current financial assets		(26)	(100)
Proceeds from other current financial assets		69	81
Other changes		125	171
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES FROM CONTINUING OPERATIONS		(319)	(2,216)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES FROM DISCONTINUED OPERATIONS		35	(8)
TOTAL		(284)	(2,224)
D) CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES:			
Cash receipts from long-term financing liabilities		1,364	996
Repayment of long-term financing liabilities		(741)	(212)
Net cash receipts from/(repayment of) short-term financing liabilities		(411)	748
Change in derivative assets/liabilities		9	17
Capital contributions to Discontinued Operations		(168)	(38)
Dividends paid		(91)	—
Purchase of treasury shares		(60)	(55)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES FROM CONTINUING OPERATIONS		(98)	1,456
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES FROM DISCONTINUED OPERATIONS		166	33
TOTAL		68	1,489
Translation exchange differences		(58)	(191)
E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS		924	410
Less: Cash and cash equivalent included within Assets held for sale at end of the year		109	—
F) CASH AND CASH EQUIVALENTS OF CONTINUING OPERATIONS AT END OF YEAR	(19)	3,513	2,698

(a) Cash generated from the sale of vehicles under buy-back commitments, net of amounts included in Profit/(loss), is recognised under operating activities in a single line item, which includes changes in working capital, capital expenditure, depreciation and impairment losses.

(b) Cash from operating lease is recognised under operating activities in a single line item, which includes capital expenditure, depreciation, write-downs and changes in inventory.

(c) It should be noted that Cash flows from/(used in) operating activities refer to the flows generated or used by the core business of Industrial Activities, only. The Group believes that this approach provides more focus and transparency to the reader of the Financial Statements on its principal revenue/producing activities. Furthermore, cash flows generated or used by the core business of Financial Services are included in Cash flows from/(used in) investing activities. The Group assessed that this approach better reflects the role of Financial Services as a support function to Industrial Activities, offering financing products to wholesale and retail customers.

In particular, the item "Net (cash used in)/proceeds from receivables from financing activities" primarily includes the transactions where Financial Services support the core business of Industrial Activities. These financing transactions relate to wholesale financing granted to Industrial Activities dealers for the settling of related trade receivables, net of the cash received by Financial Services from the dealers' repayment of financing transactions.

(*) On 13 March 2024, Iveco Group and Mutares SE & Co. KGaA announced the signing of a definitive agreement for the transfer of ownership of Magirus GmbH and its affiliates performing Fire Fighting business. The transfer was completed on 3 January 2025. According to IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations, as the sale became highly probable in March 2024, the Fire Fighting business met the criteria to be classified as a disposal group held for sale and discontinued operations. In accordance with applicable accounting standards, 2023 figures have been represented consistently. In particular, in accordance with IFRS 5:33, Profit/(loss) from Continuing Operations does not include the post-tax loss of €144 million (€145 million before tax) on the measurement to fair value less costs to sell deriving from the disposal of the Fire Fighting business.

Furthermore, for the sake of clarity and to enhance the presentation of the information reported, certain items previously presented on a net basis are presented on a gross basis in 2024. 2023 figures have been reclassified to conform with the current presentation. See Note 33 for the reconciliation of amounts previously presented on a net basis to those currently presented on a gross basis.

The accompanying notes are an integral part of the Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY^(*)

(€ million)	Attributable to the owners of the parent										Total equity
	Share capital	Treasury shares	Capital reserves	Earnings reserves	Cash flow hedge reserve	Cumulative translation adjustment reserve	Defined benefit plans remeasurement reserve	Equity investments at FVTOCI	Cumulative share of OCI of entities consolidated under the equity method	Non-controlling interests	
AT 31 DECEMBER 2022	3	—	2,311	566	(3)	(255)	(89)	(179)	—	37	2,391
Dividends distributed	—	—	—	—	—	—	—	—	—	(32)	(32)
Purchase of treasury shares	—	(55)	—	—	—	—	—	—	—	—	(55)
Common shares issued from treasury shares for share-based compensation	—	6	(6)	—	—	—	—	—	—	—	—
Share-based compensation expense	—	—	19	—	—	—	—	—	—	—	19
Profit/(loss)	—	—	—	218	—	—	—	—	—	16	234
Other comprehensive income/(loss)	—	—	—	—	1	(211)	(25)	(33)	—	(2)	(270)
Total Comprehensive income/(loss)	—	—	—	218	1	(211)	(25)	(33)	—	14	(36)
Transfer of fair value of equity investments designated at FVTOCI	—	—	—	(170)	—	—	—	170	—	—	—
Other changes ⁽¹⁾	—	—	—	86	—	—	—	—	—	17	103
AT 31 DECEMBER 2023	3	(49)	2,324	700	(2)	(466)	(114)	(42)	—	36	2,390
Dividends distributed	—	—	—	(59)	—	—	—	—	—	—	(59)
Purchase of treasury shares	—	(60)	—	—	—	—	—	—	—	—	(60)
Common shares issued from treasury shares for share-based compensation	—	45	(45)	—	—	—	—	—	—	—	—
Share-based compensation expense	—	—	13	—	—	—	—	—	—	—	13
Profit/(loss)	—	—	—	349	—	—	—	—	—	3	352
Other comprehensive income/(loss)	—	—	—	—	(11)	(82)	34	(4)	—	5	(58)
Total Comprehensive income/(loss)	—	—	—	349	(11)	(82)	34	(4)	—	8	294
Other changes ⁽¹⁾	—	—	—	165	—	—	—	—	—	26	191
AT 31 DECEMBER 2024	3	(64)	2,292	1,155	(13)	(548)	(80)	(46)	—	70	2,769

(*) Figures disclosed in this table refer to total Iveco Group equity (including both Continuing and Discontinued Operations).

(1) Other changes of "Earnings reserves" includes the impact of IAS 29 - Financial reporting in hyperinflationary economies applied for subsidiaries that prepare their financial statements in a functional currency of a hyperinflationary economy. In 2024, it also includes the equity attributable to the Fire Fighting business, classified as Discontinued Operations at 31 December 2024, amounting to €136 million.

The accompanying notes are an integral part of the Consolidated Financial Statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

BACKGROUND

Iveco Group N.V. (the “Company” and, together with its subsidiaries, the “Iveco Group” or the “Group”) was incorporated as a public limited company (*naamloze vennootschap*) under the laws of the Netherlands on 16 June 2021. The Company’s corporate seat is in Amsterdam, the Netherlands, and its principal office and business address is Via Puglia n. 35, Turin, Italy. The Company is registered with the trade register of the Chamber of Commerce of the Netherlands (*Kamer van Koophandel*) under number 83102701. The Netherlands is the Company’s home member state for the purposes of the EU Transparency Directive (Directive 2004/109/EC, as amended by Directive 2013/50/EU). Unless otherwise indicated or the context otherwise requires, the terms “we”, “us” and “our” refer to Iveco Group N.V. together with its subsidiaries.

The Company was formed in the context of the separation (“the Demerger”) of the Commercial and Specialty Vehicles business, the Powertrain business as well as the related Financial Services business from CNH Industrial N.V. The Demerger became effective on 1 January 2022 (the “Effective Date”), and the Company ultimately began to act as a holding for the Iveco Group, also providing for central treasury activity in the interest of Group’s subsidiaries.

On 3 January 2022, the Company’s Common Shares started trading on Euronext Milan (previously named the Mercato Telematico Azionario), a regulated market operated by Borsa Italiana S.p.A. in Milan, Italy. As a result of the listing, the Company became a Dutch Public Interest Entity (OOB) on 3 January 2022.

Iveco Group N.V. is a global automotive leader that, through its various businesses, designs, produces and sells trucks, commercial vehicles, buses and defence vehicles, in addition to a broad portfolio of powertrain applications. In addition, Iveco Group’s Financial Services segment offers a range of financial products and services to dealers and customers. See Note 28 “Segment reporting” for additional information on Iveco Group’s segments.

BASIS OF PREPARATION

These consolidated financial statements together with the notes thereto of Iveco Group at 31 December 2024 (the “Consolidated Financial Statements”) were authorised for issuance by the Board of Directors of Iveco Group N.V. on 5 March 2025 and have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code. The designation IFRS also includes International Accounting Standards (IAS), as well as all interpretations of the IFRS Interpretations Committee (IFRIC).

The financial statements are prepared under the historical cost convention, modified as required for the measurement of certain financial instruments, as well as on a going concern basis. Despite operating in a continuously difficult economic and financial environment negatively impacted by the effects of current macroeconomic and geopolitical issues, supply chain issues and global logistic constraints, energy and material availability and relevant price variability, the Group’s assessment is that no material uncertainties (as defined in paragraph 25 of IAS 1) exist about its ability to continue as a going concern, in view also of the measures undertaken by the Group to preserve cash and contain costs and to preserve its industrial and financial flexibility and its strong liquidity position. These Consolidated Financial Statements are prepared using the euro as the presentation currency.

ACCOUNTING POLICIES

Format of the financial statements

Iveco Group presents an income statement using a classification based on the function of expenses (otherwise known as the “cost of sales” method), rather than one based on their nature, as this is believed to provide information that is more relevant.

For the statement of financial position, a mixed format has been selected to present current and non-current assets and liabilities, as permitted by IAS 1 – *Presentation of Financial Statements*. The Consolidated Financial Statements include both industrial activities companies and financial services companies. The investment portfolios of the financial services companies are included in current assets, as the investments will be realised in their normal operating cycle. However, financial services companies obtain only a portion of their funding from the market; the remainder is obtained from the parent company (included in the Industrial Activities) through its treasury activity, which lends funds both to industrial activities companies and to financial services companies as the need arises. This financial services structure within the Iveco Group does not allow the

separation of financial liabilities funding the financial services operations (whose assets are reported within current assets) and those funding the industrial activities operations. Presentation of financial liabilities as current or non-current based on their date of maturity would not facilitate a meaningful comparison with financial assets, which are categorised on the basis of their normal operating cycle. Disclosure of the due dates of financial liabilities is however provided in the notes.

The Consolidated Statement of Cash Flows is presented using the indirect method. It should be noted that Cash flows from/(used in) operating activities refer to the flows generated or used by the core business of Industrial Activities, only. The Group believes that this approach provides more focus and transparency to the reader of the Financial Statements on its principal revenue/producing activities. Furthermore, cash flows generated or used by the core business of Financial Services are included in Cash flows from/(used in) investing activities. The Group assessed that this approach better reflects the role of Financial Services as a support function to Industrial Activities, offering financing products to wholesale and retail customers. This is consistent with the overall approach adopted in the presentation of the key financial metrics, focusing on the performance of the Industrial Activities (including its operating segments/Business Units) separated from the supporting activities performed by Financial Services.

In particular, the item "Net (cash used in)/proceeds from receivables from financing activities" primarily includes the transactions where Financial Services support the core business of Industrial Activities. These financing transactions relate to wholesale financing granted to Industrial Activities dealers for the settling of related trade receivables, net of the cash received by Financial Services from the dealers' repayment of financing transactions.

Basis of consolidation

Subsidiaries

Subsidiaries are entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee
- rights arising from other contractual arrangements
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases. Non-controlling interests in the net assets of consolidated subsidiaries and non-controlling interests in the profit or loss of consolidated subsidiaries are presented separately from the interests of the owners of the parent in the consolidated statement of financial position and income statement respectively. Losses applicable to non-controlling interests which exceed the non-controlling interests in the subsidiary's equity are debited to non-controlling interests.

Changes in the Group's ownership interests in subsidiaries that do not result in the loss of control are accounted for as equity transactions. The carrying amounts of the equity attributable to owners of the parent and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the book value of the non-controlling interests and the fair value of the relevant consideration is recognised directly in the equity attributable to the owners of the parent.

If the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the relevant consideration and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. Any profits or losses recognised in other comprehensive income in respect of the subsidiary are accounted for as if the subsidiary had been sold (i.e. are reclassified to profit or loss or transferred directly to retained earnings depending on the applicable IFRS).

Subsidiaries that are either dormant or generate a negligible volume of business, are not consolidated. Their impact on the Group's assets, liabilities, financial position and profit/(loss) attributable to the owners of the parent is immaterial.

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Investments in joint ventures are accounted for using the equity method from the date that joint control commences until the date that joint control ceases.

Associates

Associates are enterprises over which the Group has significant influence. As defined in IAS 28 – *Investments in Associates and Joint Ventures*, significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. Investments in associates are accounted for using the equity method from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses of an associate, if any, exceeds the carrying amount of the associate in the Group's statement of financial position, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.

Investments in other companies

Investments in other companies are measured at fair value. With reference to equity investments for which there is no quoted market price in an active market and there is insufficient financial information in order to determine fair value, cost is used as an estimate of fair value, as permitted by IFRS 9 - *Financial Instruments*. The Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income upon the initial recognition of an equity investment that is not held to sell. This election is made on an investment-by-investment basis. Dividends received from these investments are included in Other income/(expenses) from investments unless they are basically a repayment of the initial investment (in case of investments measured at fair value through other comprehensive income).

Transactions eliminated on consolidation

All significant intragroup balances and transactions and any unrealised gains and losses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. Unrealised gains and losses arising from transactions with associates and joint ventures are eliminated to the extent of the Group's interest in those entities.

Foreign currency transactions

Transactions in foreign currencies are recorded at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements, are recognised in profit or loss.

Consolidation of foreign entities

All assets and liabilities of subsidiaries with a functional currency other than the euro are translated using the exchange rates in effect at the balance sheet date. Income and expenses are translated at the average exchange rate for the period. Translation differences resulting from the application of this method are classified as equity until the disposal of the investment. Average rates of exchange are used to translate the cash flows of foreign subsidiaries in preparing the consolidated statement of cash flows.

The goodwill, assets acquired and liabilities assumed arising from the acquisition of entities with a functional currency other than the euro are recognised in the functional currency and translated at the exchange rate at the acquisition date. These balances are subsequently retranslated at the exchange rate at the balance sheet date.

The Group applies IAS 29 - *Financial reporting in hyperinflationary economies* for its subsidiaries that prepare their financial statements in a functional currency of a hyperinflationary economy. According to this standard, at the reporting date, the amount of non-monetary assets and liabilities is redetermined using a general price index before being translated into euro. The financial statements of these subsidiaries are then translated at the closing spot rate.

The principal exchange rates used to translate into euros the financial statements prepared in currencies other than the euro were as follows:

	Average 2024	At 31 December 2024	Average 2023	At 31 December 2023
U.S. dollar	1.082	1.039	1.081	1.105
Pound sterling	0.847	0.829	0.870	0.869
Swiss franc	0.953	0.941	0.972	0.926
Brazilian real	5.830	6.435	5.401	5.350
Polish Zloty	4.307	4.273	4.543	4.348
Czech Koruna	25.120	25.185	24.004	24.724
Argentine peso ⁽¹⁾	1,070.806	1,070.806	892.924	892.924
Turkish lira ⁽²⁾	36.769	36.769	32.603	32.603

(1) From 1 July 2018, Argentina's economy was considered to be hyperinflationary. After the same date, transactions for entities with the Argentine peso as the functional currency were translated using the closing spot rate.

(2) As of 30 June 2022, the Company applied the hyperinflationary accounting in Türkiye, with effect from 1 January 2022. After 1 January 2022, transactions for entities with the Turkish lira as the functional currency were translated using the closing spot rate.

Business combinations

Business combinations are accounted for by applying the acquisition method. Under this method:

- the consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred and liabilities assumed by the Group and the equity interests issued in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred
- at the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at that date, except for deferred tax assets and liabilities, assets and liabilities relating to employee benefit arrangements, liabilities or equity instruments relating to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree, assets (or disposal groups) that are classified as held for sale, which are measured in accordance with the relevant standard
- goodwill is measured as the excess of the aggregate of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a gain from a bargain purchase
- non-controlling interest is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. The selection of the measurement method is made on a transaction-by-transaction basis
- any contingent consideration arrangement in the business combination is measured at its acquisition-date fair value and included as part of the consideration transferred in the business combination in order to determine goodwill. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are recognised retrospectively, with corresponding adjustments to goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which may not exceed one year from the acquisition date) about facts and circumstances that existed as of the acquisition date. Any changes in fair value after the measurement period are recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Changes in the equity interest in the acquiree that have been recognised in Other comprehensive income in prior reporting periods are reclassified to profit or loss as if the interest had been disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete in the Consolidated Financial Statements. Those provisional amounts are adjusted during the above-mentioned measurement period to reflect new information obtained about facts and circumstances that existed at the acquisition date which, if known, would have affected the amounts recognised at that date.

Fair value measurement

Some of the Group's assets and liabilities are measured at fair value at the balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In estimating the fair value of an asset or a liability, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Additional information about fair value, fair value hierarchy, valuation techniques and inputs used in determining the fair value of assets and liabilities is provided in Note 18, Note 31 and, where required, in the individual notes relating to the assets and liabilities whose fair value were determined.

In addition, fair value measurements are categorised within the fair value hierarchy, described as follows, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) on the market
- Level 3 — inputs that are not based on observable market data.

Intangible assets

Goodwill

Goodwill is not amortized but is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Development costs

Development costs for vehicle production project (trucks, buses, defence vehicles and engines) are recognised as an asset if and only if both of the following conditions are met: a) development costs can be measured reliably, b) the technical feasibility of the product, volumes and pricing support the view that the development expenditure will generate future economic benefits, and c) the intention to complete the intangible asset, as well as d) the availability of adequate technical, financial and other resources for this purpose. Capitalised development costs include all direct and indirect costs that may be directly attributed to the development process. Capitalised development costs are amortized on a systematic basis from the start of production of the related product over the product's estimated average life, as follows:

	N° of years
Trucks, buses and defence vehicles	4-10
Engines	2-10

All other development costs are expensed as incurred.

Intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives principally consist of acquired trademarks which have no legal, regulatory, contractual, competitive, economic, or other factor that limits their useful life. Intangible assets with an indefinite useful life are not amortized but are tested for impairment annually or more frequently whenever there is an indication that the asset may be impaired.

Other intangible assets

Other purchased and internally-generated intangible assets are recognised as assets in accordance with IAS 38 – *Intangible Assets*, where it is probable that the use of the asset will generate future economic benefits and where the costs of the asset can be determined reliably.

Such assets are measured at purchase or manufacturing cost and amortized on a straight-line basis over their estimated useful lives, if these assets have finite useful lives.

Other intangible assets acquired as part of the acquisition of a business are capitalised separately from goodwill if their fair value can be measured reliably.

Property, plant and equipment

Cost

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment.

Subsequent expenditures and the cost of replacing parts of an asset are capitalised only if they increase the future economic benefits embodied in that asset. All other expenditures are expensed as incurred. When such replacement costs are capitalised, the carrying amount of the parts that are replaced is recognised in profit or loss.

Property, plant and equipment also include assets sold with a buy-back commitment, which are recognised under the method described in the paragraph "Revenue recognition".

Depreciation

Depreciation is recorded on a straight-line basis over the estimated useful lives of the respective assets as follows:

	Depreciation rates
Buildings	3% - 10%
Plant, machinery and equipment	8% - 25%
Other assets	12% - 30%

Land is not depreciated.

Lease accounting policy

Lessee accounting

A lease is a contract that conveys the right to control the use of an identified asset (the leased asset) for a period of time in exchange for consideration. The lease term determined by the Group comprises the non-cancellable period of lease contract together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. For real estate leases, this assessment is based on an analysis by management of all relevant facts and circumstances including the leased asset's purpose, the economic and practical potential for replacing and any plans that the Group has in place for the future use of the asset. The Group combines lease and non-lease components.

For leases with terms not exceeding twelve months (short-term leases) and for leases of low-value assets, Iveco Group recognises the lease payments associated with those leases on a straight-line basis over the lease term as operating expense in the income statement.

For all other leases, at the commencement date (i.e., the date the underlying asset is available for use), Iveco Group recognises a right-of-use asset, classified within Property, plant and equipment, and a lease liability, classified within Other Debt.

At the commencement date, the right-of-use asset includes the amount of lease liability recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. At the same date, the lease liability is measured at the present value of lease payments to be made over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The incremental borrowing rate is determined considering macro-economic factors such as the specific interest rate curve based on the relevant currency and term, as well as specific factors contributing to Iveco Group's credit spread. The Group primarily uses the incremental borrowing rate as the discount rate for its lease liabilities.

After the commencement date, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated on a straight-line basis. If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, Iveco Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. After the commencement date, the lease liability is increased to reflect the accretion of interest, recognised within Financial expenses in the Income Statement, reduced for the lease payments made, and remeasured to reflect any reassessment or lease modifications.

Lessor accounting

Lease contracts where Iveco Group acts as a lessor, can be classified as either an operating lease or finance lease. Leases where a significant portion of the risks and rewards are retained by the lessor are classified as operating leases. Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are classified as a finance leases.

Where Iveco Group is the lessor in a finance lease, the future minimum lease payments from lessees are classified as Receivables from financing activities. Lease payments are recognised as repayment of the principal, and financial income remunerating the initial investment and the services provided.

Where Iveco Group is the lessor in an operating lease, income from operating leases is recognised over the term of the lease on a straight-line basis. Leased assets include vehicles leased to retail customers by the Group's leasing companies. They are stated at cost and depreciated at annual rates of between 20% and 33%.

When leased assets are no longer leased and become held for sale, the Group reclassifies their carrying amount to Inventories.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets (as defined under IAS 23 – *Borrowing Costs*), which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised and amortized over the useful life of the class of assets to which they refer.

All other borrowing costs are expensed when incurred.

Impairment of assets

The Group reviews, at least annually, the recoverability of the carrying amount of intangible assets (including capitalised development costs) and property, plant and equipment, in order to determine whether there is any indication that those assets have suffered an impairment loss. Goodwill and Intangible assets with indefinite useful lives are tested for impairment annually or more frequently, if there is an indication that an asset may be impaired.

If indicators of impairment are present, the carrying amount of the assets is reduced to its recoverable amount that is the higher of its fair value less disposal costs and its value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. In assessing its value in use, the pre-tax estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised when the recoverable amount is lower than the carrying amount.

Where a previous impairment loss for assets other than goodwill no longer exists or has decreased, the carrying amount of the asset or cash-generating unit is increased up to the revised estimate of its recoverable amount, but not in excess of the carrying amount that would have been recorded had no impairment loss been recognised. A reversal of an impairment loss is recognised in profit or loss immediately.

Financial instruments**Presentation**

Financial instruments held by the Group are presented and measured in the financial statements as described in the following paragraphs.

Investments and other non-current financial assets comprise investments in unconsolidated companies and other non-current financial assets (securities, and other non-current financial receivables).

Current financial assets include trade receivables, receivables from financing activities (retail financing, dealer financing, lease financing and other current loans to third parties), current securities and other current financial assets (which include derivative financial instruments stated at fair value as assets), as well as cash and cash equivalents.

Current securities include short-term or marketable securities which represent temporary investments of available funds and do not satisfy the requirements for being classified as cash equivalents.

Financial liabilities refer to debt, which includes asset-backed financing, and derivative liabilities (which include derivative financial instruments stated at fair value as liabilities), trade payables and other liabilities.

Measurement

Investments in unconsolidated companies classified as non-current financial assets are accounted for as described in the paragraph "Basis of consolidation".

In accordance with IFRS 9 - *Financial Instruments*, financial assets are classified as measured at either amortized cost ("AC"), fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL"), depending on the business model for managing such financial assets and the asset's contractual cash flow characteristics. Financial liabilities are classified as measured at amortized cost using the effective interest method.

Financial assets and current securities acquired through a regular way purchase are recognised on the basis of the settlement date and, on initial recognition, are measured at fair value, including transaction costs where applicable. Subsequent measurement depends on the business model for managing the asset and the cash flow characteristics of the asset.

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost using the effective interest method. Receivables with maturities of over one year which bear no interest or an interest rate significantly lower than market rates are discounted using market rates.

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely payments of principal and interests, are measured at fair value through other comprehensive income. Gains and losses on assets measured at fair value through other comprehensive income are recognised directly in other comprehensive income until the financial asset is disposed of or is determined to be impaired; when the asset is disposed of, the cumulative gains or losses, including those previously recognised in other comprehensive income, are reclassified to profit or loss; when the asset is impaired, impairment losses are recognised to profit or loss. Interest income from these financial assets is included in financial income.

As a result of the Group's business model, trade receivables and receivables from financing activities are subsequently measured at amortized cost. The recognition of an impairment is based on expected credit losses.

Cash and cash equivalents include cash at banks, units in liquidity funds, other money market securities and other cash equivalents. Cash and cash equivalents are subject to an insignificant risk of changes in value. Money market securities consist of investments in high-quality, short-term, diversified financial instruments that can generally be liquidated on demand and are measured at FVTPL. Cash at banks and Other cash equivalents are measured at amortized cost.

Derivatives financial assets and liabilities are measured either at fair value through other comprehensive income (when in a hedging relationship) or at fair value through profit or loss (refer to "Derivative financial instruments" below).

Financial assets and liabilities hedged by derivative instruments are measured in accordance with hedge accounting principles applicable to fair value hedges: gains and losses arising from remeasurement at fair value, due to changes in the respective hedged risk, are recognised in profit or loss and are offset by the effective portion of the loss or gain arising from remeasurement at fair value of the hedging instrument.

Derivative financial instruments

Derivative financial instruments are used for hedging purposes, in order to reduce currency, interest rate and market price risks. In accordance with IFRS 9 - *Financial Instruments*, derivative financial instruments qualify for hedge accounting only when, at the inception of the hedge, there is formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge, there is an economic relationship between the hedging instrument and the hedged item, credit risk does not dominate the value changes that result from the economic relationship, and the hedging ratio in the hedging relationship reflects the actual quantity of the hedging instruments and the hedged item. Further details on qualifying criteria are included in Note 18 "Derivative assets and derivative liabilities" and Note 30 "Information on financial risks".

When derivative financial instruments qualify for hedge accounting, the following accounting treatment applies:

- *fair value hedges* – where a derivative financial instrument is designated as a hedge of the exposure to changes in fair value of a recognised asset or liability that is attributable to a particular risk and could affect profit or loss, the gain or loss from remeasuring the hedging instrument at fair value is recognised in profit or loss. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognised in profit or loss
- *cash flow hedges* – where a derivative financial instrument is designated as a hedge of the exposure to variability in future cash flows of a recognised asset or liability or a highly probable forecasted transaction and could affect profit or loss, the effective portion of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income in the cash flow hedge reserve. The cumulative gain or loss is removed from other comprehensive income and recognised in profit or loss at the same time as the economic effect arising from the hedged item affects income.

The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognised in profit or loss immediately. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realised to the point of termination remains in other comprehensive income and is recognised in profit or loss at the same time as the underlying transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealised gain or loss held in other comprehensive income is recognised in profit or loss immediately.

If hedge accounting cannot be applied, the gains or losses from the fair value measurement of derivative financial instruments are recognised immediately in profit or loss.

Transfers of financial assets

The Group derecognises financial assets when the contractual rights to the cash flows arising from the assets are no longer held or if it transfers the financial activities, as follows:

- if the Group transfers substantially all the risks and rewards of ownership of the financial asset, it derecognises the financial asset and recognises separately as assets or liabilities any possible rights and obligations created or retained in the transfer
- if the Group retains substantially all the risks and rewards of ownership of the financial asset, it continues to recognise the financial asset
- if the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it determines whether it has retained control of the financial asset. In this case:
 - if the Group has not maintained control, it derecognises the financial asset and recognises separately as assets and liabilities any possible rights and obligations created or retained in the transfer
 - if the Group has retained control, it continues to recognise the financial asset to the extent of its continuing involvement in the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received or receivable for the transfer of the asset is recognised in profit or loss.

Inventories

Inventories of raw materials, semi-finished products and finished goods (including assets leased out under operating lease) are stated at the lower of cost or net realizable value. Cost is determined by the first-in-first-out (FIFO) method. Cost includes the direct costs of materials, labour and indirect costs (variable and fixed). Provision is made for obsolete and slow-moving raw materials, finished goods, spare parts and other supplies based on their expected future use and realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs for sale and distribution.

Assets and liabilities held for sale

Non-current assets are classified as held for sale if their carrying amounts will be principally recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, with the sale expected to be completed within one year from the date of classification, and the non-current asset (or the disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group). When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amounts and fair value less costs to sell.

Employee benefits

Pension plans

The present value of a defined benefit obligation and the related current service cost (and past service cost, where applicable) for defined benefit pension plans are determined on an actuarial basis using the projected unit credit method.

The net defined benefit liability that the Group recognises in the statement of financial position represents the present value of the defined benefit obligation reduced by the fair value of any plan assets (deficit). In case of a surplus, a net defined benefit asset is recognised at the lower of the surplus and the asset ceiling.

Remeasurements of the net defined benefit liability/asset (that comprise: a) actuarial gains and losses, b) return on plan assets, excluding amounts included in net interest on the net defined benefit liability/asset, and c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability/asset) are recognised directly in other comprehensive income without reclassification to profit or loss in subsequent years.

Past service cost resulting from a plan amendment (the introduction or withdrawal of, or changes to, a defined benefit plan) or a curtailment (a significant reduction in the number of employees covered by a plan) and gain or loss on settlements (a transaction that eliminates all further legal or constructive obligations for part or all of the benefits) are recognised in profit or loss in the period in which they occur (or, in case of past service costs, when the entity recognises related restructuring costs or termination benefits, if earlier).

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset and is recognised as Net financial income/(expenses) in profit or loss. Current service cost and all other costs and income arising from the measurement of pension plan provisions are allocated to costs by function in profit or loss.

Post-employment plans other than pensions

The Group provides other post-employment defined benefits. The method of accounting and the frequency of valuations are similar to those used for defined benefit pension plans.

Defined contribution plans

Costs arising from defined contribution plans are recognised as an expense in profit or loss as incurred.

Share-based compensation plans

The Group provides additional benefits to the key executive officers and select employees through equity compensation plans (stock grants). In accordance with IFRS 2 – *Share-based Payment*, these plans represent a component of recipient remuneration. The compensation expense, corresponding to the fair value of the instruments at the grant date, is recognised in profit or loss on a straight-line basis over the requisite service period for each separately vesting portion of an award, with the offsetting credit recognised directly in equity. Any subsequent changes to fair value do not have any effect on the initial measurement.

Provisions

The Group records provisions when it has an obligation, legal or constructive, to a third party, as a result from a past event, when it is probable that an outflow of Group resources will be required to satisfy the obligation and when a reliable estimate of the amount can be made.

Changes in estimates are reflected in profit or loss in the period in which the change occurs.

Revenue recognition

Revenue is recognised when control of the vehicles, services or parts has been transferred and the Group's performance obligations to the customers have been satisfied. Revenue is measured as the amount of consideration the Group expects to receive in exchange for transferring goods or providing services.

The timing of when the Group transfers the goods or services to the customer may differ from the timing of the customer's payment.

Revenues are stated net of discounts, allowances, settlement discounts and rebates, as well as costs for sales incentive programs, which are determined on the basis of historical costs, country by country, and charged against profit for the period in which the corresponding sales are recognised.

The Group also enters into contracts with multiple performance obligations. For these contracts, the Group allocates revenue from the transaction price to the distinct goods and services in the contract on a relative standalone selling price basis. To the extent the Group sells the goods or services separately in the same market, the standalone selling price is the observable price at which the Group sells the goods or services separately. For all other goods or services, the Group estimates the standalone selling price considering all information, reasonably available (including market conditions, entity-specific factors and information about the customer or class of customer).

Sales of goods

The Group has determined that the customers from the sale of vehicles and parts are generally dealers, distributors and retail customers.

Transfer of control, and thus related revenue recognition, generally corresponds to when the vehicles and parts are made available to the customer. Therefore, the Group recognises revenue at a point in time, when control is transferred to the customer at a sale price that the Group expects to receive.

For all sales, no significant uncertainty exists surrounding the purchaser's obligation to pay for vehicles and parts. The Group records appropriate allowance for credit losses and anticipated returns as required. Fixed payment schedules exist for all sales, but payment terms vary by geographic market and product line.

The cost of incentives, if any, are estimated at the inception of a contract at the amount that is expected to be paid and is recognised as a reduction to revenue at the time of the sale. If a vehicle contract transaction has multiple performance obligations, the cost of incentives is allocated entirely to vehicle as the intent of the incentives is to encourage sales of vehicles. If the estimate of the incentive changes following the sale to the customer, the change in estimate is recognised as an adjustment to revenue in the period of the change. Iveco Group grants sales incentives to support sales of its products to retail customers. At the later of the time of sale or the time an incentive is announced to dealers, Iveco Group records the estimated impact of sales allowances in the form of dealer and customer incentives as a reduction of revenue. Subsequent adjustments to sales incentive programs related to products/vehicles previously sold are recognised as an adjustment to revenues in the period the adjustment is determinable. The determination of sales allowances requires management to make estimates based upon historical data, estimated future market demand for products, field inventory levels, announced incentive programs, competitive pricing and interest rates, among other things.

With reference to the sales to dealers accompanied by "floor plan" agreements under which the Group offers wholesale financing including "interest-free" financing for a specified period of time (which also vary by geographic market and product line), two separate performance obligations exist. The first performance obligation consists of the sale of the vehicle from Industrial Activities to the dealer. Concurrent with the sale of the vehicle, Industrial Activities offers to the dealer wholesale financing through loans extended by Financial Services. Industrial Activities compensates Financial Services for the cost of the interest-free period. This cost has been determined to represent a cash sale incentive on the initial sale of the good, and therefore it should be recognised upfront as a reduction of net sales of Industrial Activities. The second performance obligation consists of a credit facility extended by Financial Services to the dealer. The remuneration for this performance obligation is represented by the compensation received from Industrial Activities for the period of the interest-free financing and by the interest charged to dealer for the remaining period. This remuneration is recognised by Financial Services over the period of the outstanding exposure.

For parts sales, when the Group provides its customers with a right to return a transferred product, revenue and corresponding cost of sales are recognised for parts that are not expected to be returned. The expected returns are estimated based on an analysis of historical experience. The portion of revenue (and corresponding cost of sales) related to the parts that are expected to be returned is recognised at the end of the return period. The amount received or receivable that is expected to be returned is recognised as a refund liability, representing the obligation to return the customer's consideration. Furthermore, at the time of the initial sale, Iveco Group recognises a return asset for the right to recover the goods returned by the customer. This asset is initially measured at the former carrying amount of the inventory. At each reporting date, both the refund liability and the return asset are remeasured to record for any revisions to the expected level of returns, as well as any decreases in the value of the returned products.

Rendering of services

Revenues from services provided are primarily comprised of extended warranties and maintenance and repair services and are recognised over the contract period when the costs are incurred, that is when the claims are charged by the dealer.

Amounts invoiced to customers for which Iveco Group receives consideration before the performance is satisfied are recognised as contract liability. These services are either separately-priced or included in the selling price of the vehicle. In the second case, revenue for the services is allocated based on the estimated stand-alone selling price. In the event that the costs expected to be incurred to satisfy the remaining performance obligations exceed the transaction price, an estimated contract loss is recognised.

Shipping and other transportation activities performed as an agent are recognised on a net basis, which is netting the related freight cost against the freight revenue.

Rents and other income on assets sold with a buy-back commitment

Truck and Bus business units enters into transactions for the sale of vehicles to some customers with an obligation to repurchase ("buy-back commitment") the vehicles at the end of a period ("buy-back period") at the customer's request. For these types of arrangements, at inception, Iveco Group assesses whether a significant economic incentive exists for the customer to exercise the option.

If Iveco Group determines that a significant economic incentive exists for the customer to exercise the buy-back option, the transaction is accounted for as an operating lease. In such case, vehicles are accounted for as Property, plant and equipment because the agreements typically have a long-term buy-back period. The difference between the carrying value (corresponding to the manufacturing cost) and the estimated resale value (net of refurbishing costs) at the end of the buy-back period is depreciated on a straight-line basis over the same period. The initial sale price received is recognised in "Other liabilities" and is comprised of the repurchase value of the vehicle, and the rents to be recognised in the future recorded as contract liability. These rents are determined at the inception of the contract as the difference between the initial sale price and the

repurchase price and are recognised as revenue on a straight-line basis over the term of the agreement. At the end of the agreement term, upon exercise of the option, the used vehicles are reclassified from Property, plant and equipment to Inventories. The proceeds from the sale of such vehicles are recognised as Revenues.

If Iveco Group determines that a significant economic incentive does not exist for the customer to exercise the buy-back option, the transaction is treated as a sale with a variable consideration whose variable component is the buy-back provision accrual. The buy-back provision accrual is the difference between the repurchase price and the estimated market value of the used vehicle at the end of the buy-back period and is recorded only when the repurchase price is greater than the estimated market value of the used vehicle. The buy-back provision accrual is estimated and recognised as a reduction of revenues at the time of the sale. Any subsequent change following such periodic reassessment is recognised as a reduction of revenues at that time.

Finance and interest income

Finance and interest income on retail and other notes receivables and finance leases is recorded using the effective yield method. Deferred costs on the origination of financing receivables are recognised as a reduction in finance revenue over the expected lives of the receivables using the effective yield method. When a financial asset becomes credit-impaired and is, therefore, regarded as "Stage 3", Iveco Group calculates interest income by applying the effective interest rate to the net amortized cost of the financial asset. If the financial asset cures and is no longer credit-impaired, Iveco Group reverts to calculating interest income on a gross basis. Receivables are considered past due if the required principal and interest payments have not been received as of the date such payments were due. Delinquency is reported on receivables greater than 30 days past due. Charge-offs of principal amounts of receivables outstanding are deducted from the allowance at the point when it is determined to be probable that all amounts due will not be collected.

Rents and other income on operating leases

Income from operating leases is recognised over the term of the lease on a straight-line basis.

Cost of sales

Cost of sales comprises the cost of manufacturing products and the acquisition cost of purchased merchandise which has been sold. It includes all directly attributable material and production costs and all production overheads. These include the depreciation of property, plant and equipment and the amortisation of intangible assets relating to production and write-downs of inventories. Cost of sales also includes freight and insurance costs relating to deliveries to dealers and agency fees in the case of direct sales.

Cost of sales also includes provisions made to cover the estimated cost of product warranties at the time of sale to dealer networks or to the end customer.

Expenses which are directly attributable to the Financial Services business, including the interest expense related to the financing of Financial Services business as a whole and charges for risk provisions and write-downs, are reported in cost of sales.

Research and development costs

This item includes research costs, development costs not eligible for capitalization and the amortisation of development costs recognised as assets in accordance with IAS 38.

Government grants

Government grants are recognised in the financial statements when there is reasonable assurance that the company concerned will comply with the conditions for receiving such grants and that the grants themselves will be received. Government grants are recognised as income over the periods necessary to match them with the related costs which they are intended to offset.

The benefit of a government loan at a below-market rate of interest is treated as a government grant. The benefit of the below-market rate of interest is measured as the difference between the initial carrying amount of the loan (fair value plus transaction costs) and the proceeds received, and is accounted for in accordance with the policies already used for the recognition of government grants.

Income taxes

Income taxes include all taxes based upon the taxable profits of the Group. Taxes on income are recognised in profit or loss except to the extent they relate to items recognised directly in equity or in other comprehensive income, in which case the related tax effects are recognised directly in equity or in other comprehensive income.

Provisions for income taxes arising on the future distribution of a subsidiary's undistributed profits are only made when there is a current intention to distribute such profits.

Deferred taxes are provided using the full liability method. They are calculated on all temporary differences between the tax bases of assets or liabilities and the corresponding carrying amounts in the Consolidated Financial Statements, except for those arising from non-tax-deductible goodwill and investments in subsidiaries where it is possible to control the reversal of the basis differences and reversal will not take place in the foreseeable future.

Deferred tax assets relating to the carry-forward of unused tax losses and tax credits, as well as those arising from temporary differences, are recognised to the extent it is probable future profits will be available against which they can be utilised. Current and deferred income tax assets and liabilities are offset when the income taxes are levied by the same taxation authority and where there is a legally enforceable right of offset. Deferred tax assets and liabilities are measured at the enacted or substantively enacted tax rates of the relevant tax jurisdictions that are expected to apply to taxable income during the period or periods in which the temporary differences reverse. The Group recognises tax liabilities for uncertain tax treatments when tax risks arising from positions taken by the Group are considered probable, assuming the tax authorities have full knowledge of all relevant information when making their examinations. In doing so, the Group evaluates whether to consider each uncertain tax treatment separately or jointly consider multiple uncertain tax treatments, using the approach that better predicts the resolution of the uncertainty. The liabilities recognised correspond to the amounts expected to be paid. Other taxes not based on taxable profits, such as property taxes and taxes on capital, are included in operating expenses.

Dividends

Dividends payable by the Group are reported as a change in equity in the period in which they are approved by the Company's shareholders at the Annual General Meeting of Shareholders (AGM).

Earnings per share

Basic earnings per share are calculated by dividing the Profit/(loss) attributable to owners of the parent by the weighted average number of Common Shares outstanding during the year. Special voting shares are not included in the earnings per share calculation as they are not eligible for dividends and have only limited economic rights. For diluted earnings per share, the weighted average number of Common Shares outstanding is adjusted assuming conversion of dilutive potential Common Shares.

Use of estimates

These Consolidated Financial Statements have been prepared in accordance with EU-IFRS which require Iveco Group to make judgments, estimates and assumptions affecting the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and reported amounts of income and expenses. The estimates and related assumptions are based on available information at the date of preparation of the financial statements, on historical experience and other relevant factors. Actual results may differ from the estimates.

Estimates and assumptions are reviewed periodically, and the effects of any changes are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no key sources of estimation uncertainty and no critical judgements.

The following are the main judgments and assumptions concerning the future that Iveco Group has made in the process of applying its accounting policies to prepare its Consolidated Financial Statements.

Allowance for doubtful accounts

The allowance for doubtful accounts for trade receivables and contract assets reflects Iveco Group's estimate of expected lifetime credit losses, and it is measured at an amount equal to the present value of the cash shortfalls over the expected life of the financial asset.

The allowance for doubtful accounts for receivables from financing activities reflects management's estimate of forward-looking expected credit losses ("ECL") in the wholesale and retail credit portfolio. This requires considerable judgement about how changes in economic factors affect ECLs, which is determined on a probability-weighted basis. The ECL model applies to financial assets accounted for at amortized cost and at fair value through other comprehensive income, lease receivables, and certain loan commitments and financial guarantee contracts. The loss allowances will be measured on either of the following bases:

- 12 months ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

See Note 17 "Current receivables and Other current financial assets" for additional details on the calculation of allowance for credit losses.

Allowance for obsolete and slow-moving inventory

The allowance for obsolete and slow-moving inventory reflects management's estimate of the expected loss in value and has been determined on the basis of past experience and historical and expected future trends in the used vehicle market. A worsening of the economic and financial situation could cause a further deterioration in conditions in the used vehicle market compared to that taken into consideration in calculating the allowances recognised in the financial statements.

Recoverability of non-current assets

Non-current assets include property, plant and equipment, intangible assets, investments and other non-current financial assets. The Group reviews the carrying value of non-current assets held and used and that of assets to be disposed of when events and circumstances warrant such a review.

The analysis of the recoverable amount of non-current assets is usually performed using estimates of future expected cash flows from the use or disposal of the asset and an appropriate discount rate in order to calculate present value. If the carrying amount is deemed to be impaired, the Group recognises an impairment loss for the amount by which the carrying amount of the asset exceeds its estimated recoverable amount from use or disposal determined by reference to the cash flows included in its most recent business forecasts.

In view of the present economic and financial situation, the Group made the following considerations in respect of its future prospects:

- when carrying out impairment testing of tangible and intangible assets, the Group took into account its expected performance in the upcoming years. Iveco Group extended such projections for subsequent years to appropriately cover the period of analysis
- should the assumptions underlying the forecast deteriorate further, the following is noted: the Group's tangible and intangible assets with a finite useful life (mostly development costs) relate to models or products with high technological content in line with the latest environmental laws and regulations, which consequently makes them competitive in the current economic environment, especially in the more mature economies in which particular attention is placed on the eco-sustainability of those types of products. Consequently, despite the fact that the capital goods sector is one of the markets which could be most affected by a potential crisis in the immediate term, management considers that it is highly probable that the life cycle of these products can be lengthened to extend over the period of time involved in a slower economic recovery, allowing the Group to achieve sufficient cash flows to cover the investments, although over a longer period of time.

Residual values of assets leased out under operating lease arrangements or sold with a buy-back commitment

Iveco Group records assets rented to customers or leased to them under operating lease as tangible assets. Furthermore, new vehicle sales with a buy-back commitment are not recognised as sales at the time of delivery but are accounted for as operating lease if it is probable that the vehicle will be bought back. Income from such operating lease is recognised on a straight-line basis over the term of the lease. Depreciation expense for assets subject to operating lease is recognised on a straight-line basis over the lease term in amounts necessary to reduce the cost of an asset to its estimated residual value at the end of the lease term. The estimated residual value of leased assets is calculated at the lease commencement date on the basis of published industry information and historical experience and are reviewed quarterly. Realization of the residual values is dependent on Iveco Group's future ability to market the assets under the then-prevailing market conditions. The Group continually evaluates whether events and circumstances have occurred which impact the estimated residual values of the assets on operating lease. The used vehicle market was carefully monitored to ensure that write-downs were properly determined. However, it cannot be excluded that additional write-downs may be required if market conditions should deteriorate further.

Sales allowances

Iveco Group grants sales incentives to support sales of its products to retail customers. At the later of the time of sale or the time an incentive is announced to dealers, Iveco Group records the estimated impact of sales allowances in the form of dealer and customer incentives as a reduction of revenue. The expense for new programs is accrued at the inception of the program. The amounts of incentives to be paid are estimated. The determination of sales allowances requires management to make estimates based upon historical data, estimated future market demand for products, field inventory levels, announced incentive programs, competitive pricing and interest rates, among other things.

Product warranties

Iveco Group makes provisions for estimated expenses related to product warranties at the time products are sold. Management establishes these estimates based on historical information on the nature, frequency and average cost of warranty claims. The Group seeks to improve vehicle quality and minimize warranty expenses arising from claims. Warranty costs may differ from those estimated if actual claim rates are higher or lower than historical rates.

Pension and other post-employment benefits

Group companies sponsor pension and other post-employment benefits in various countries, mainly in the United Kingdom, Germany, Italy, and Switzerland.

Employee benefit liabilities, related assets, costs and net interest connected with them are measured on an actuarial basis which requires the use of estimates and assumptions to determine the net defined benefit liability/asset for the Group. The actuarial method takes into consideration parameters of a financial nature such as the discount rate, the rate of salary increases and the healthcare costs trend rate and takes into consideration the likelihood of potential future events by using demographic parameters such as mortality rates and dismissal or retirement rates. The discount rates selected are based on yields or yield curves of high-quality corporate bonds in the relevant market. Trends in healthcare costs are developed on the basis of historical experience, the near-term outlook for costs and likely long-term trends. Rates of salary increases reflect the Group's long-term actual expectations in the reference market and inflation trends. Changes in any of these assumptions may have an effect on future contributions to the plans.

The effects resulting from revising the estimates for the above parameters ("re-measurements") are recognised directly in other comprehensive income without reclassification to profit or loss in subsequent years: refer to "Employee benefits" section above for further details.

Future changes in the yields of corporate bonds, other actuarial assumptions referred to above and returns on plan assets may impact the net liability/asset.

Recognition of deferred tax assets

At 31 December 2024, Iveco Group had net deferred tax assets, including tax loss carry forwards, of €895 million, of which €169 million are not recognised in the financial statements. The corresponding totals at 31 December 2023 were €927 million and €297 million. Management has recognised deferred tax assets it believes are probable to be recovered considering amounts from budgets and plans consistent with those used for other purposes within Iveco Group, for example impairment testing, as discussed in the paragraph "Recoverability of non-current assets" above. Iveco Group believes the amount of recognised deferred tax assets is appropriate, despite the risk of actual future results potentially being less than results included in these forecasts, considering many of the recognised net deferred tax assets relate to temporary differences and tax losses which, to a significant extent, may be recovered over an extended time period, but do not expire based on currently enacted tax law.

As in all financial reporting periods, Iveco Group assessed the realizability of its various deferred tax assets, which related to multiple tax jurisdictions in all regions of the world. Basically, considering all the jurisdictions in which Iveco Group operates, the only change in assessment occurred with respect to the recognition of deferred tax assets in Germany and it is primarily attributable to the sale of Fire Fighting business, which improved future scenario in terms of tax profitability. In respect to all other losses accumulated by Group in prior periods, they were largely driven by non-recurring events that impacted taxable income in the near-term, substantially all of Iveco Group's deferred tax assets have no expiry date. Further, Iveco Group has a history of producing pre-tax losses in the bottom-end of economic cycles followed by generating pre-tax profits during ensuing periods of economic expansion such that there is little history of its tax attributes expiring unutilised. Given the uncertainty on evolution of certain macroeconomic dynamics, however, it is possible assessment changes could occur within the next twelve months, with those changes potentially having an impact on Iveco Group's results of operations.

Contingent liabilities

Iveco Group is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against Iveco Group often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business management consults with legal counsel and other experts on matters related to litigation and taxes. The Group accrues a liability when it is determined that an adverse outcome is probable, and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible, or an estimate is not determinable, the matter is disclosed. See Note 27 "Commitments and contingencies" for additional details.

Climate related matters

The Company has established specific functions and structures within its respective business units to monitor the relevant emerging policies and regulatory developments at local and global level (especially in Europe, where regulatory pressure is greater). The resulting analyses are incorporated into the Company's strategy to ensure full compliance with applicable laws. The shifts in consumer preferences and demand towards sustainable transport solutions, driven by both an increase in climate-related awareness and more stringent regulations, may result in potential

risks for manufacturers that must adapt to the evolving market. To counter this, Iveco Group applies these shifts to the development of its product portfolio to steer R&D focus towards sustainable technologies (e.g., biofuels, electric and hydrogen propulsion technologies) and ensure the resilience of its business model. To ensure the timely delivery of its strategy, the Company has established specific targets linked to the environmental performance of its manufacturing processes, logistics, and product portfolio.

Based on the analysis of climate-related risks and opportunities, Iveco Group defined a decarbonization strategy, which in turn has been incorporated within, and regularly influences, the Group's Strategic Business Plan. 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 that aim to reduce the CO₂ emissions along the entire value chain (e.g., in manufacturing plants, in logistics processes, during the use of sold products).

There has been increasing interest in how climate change will impact the Group's business. Iveco Group recognises the importance of climate change risk and promotes a responsible use of resources and a reduction of the environmental impact of production to mitigate climate change. In this context, Iveco Group has adopted an environmental policy that applies to all Group locations and divisions and has set up a structure dedicated to control environmental pollution, waste, and water disposal as well as emission reduction.

The Group considers climate-related matters in estimates and assumptions, assessing the possible impacts due to both physical and transitional risks. The Group is closely monitoring relevant changes and developments, such as new climate-related legislation, even though climate-related risks might not currently have a significant impact on measurement. In particular, considering the financial statements information are presented through historical values which, by their nature, do not fully capture future events, all assumptions and estimates underlying the preparation of the following items, identified as most directly impacted by climate-related matters, were subject to an analysis in order to identify and address the new uncertainties related to climate changes which could affect the business:

- *going concern assessment*: the Group's assessment is that no material uncertainties exist about its ability to continue as a going concern, considering the uncertainties that may arise from climate-related factors related to introduction of legislation that could directly affect the Group's business model, or giving rise to increased compliance costs
- *useful lives of tangible and intangible assets*: the Group regularly reviews the expected useful lives of tangible and intangible assets, including capitalised development costs, considering in this assessment also the climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets. The analysis performed did not result in any adjustments of the useful lives in the current year. See sections "Accounting policies – Intangible assets; Property, plant and equipment"; and "Use of estimates - Recoverability of non-current assets" of these Notes for further details
- *impairment of non-current assets*: the Group reviews the carrying value of non-current assets when required by events and circumstances. For goodwill and intangible assets with indefinite useful lives such analysis is carried out at least annually. In assessing the recoverable amount of non-current assets, the Group also considered the impact of climate change risk on future cash flows. No financial impacts to the current year impairment assessment were identified. See section "Use of estimates - Recoverability of non-current assets" and Note 12 "Intangible assets" of these Notes for further details
- *provisions*: the Group assessed the impact of climate-related matters on provisions, for instance, additional levies or penalties related to environmental requirements, contracts that may become onerous, or restructurings to achieve climate-related targets. This assessment did not result in any further provisions to reflect in the Consolidated Financial Statements. See Note 23 "Other provisions" and Note 27 "Commitments and contingencies" for further details.

Furthermore, the Group provides additional benefits to key executive officers and select employees through equity incentive plans by means of performance awards ("PSUs") and non-performance awards ("RSUs"). The PSUs vest subject to achievement of Company performance goals for the performance period. One of the performance metrics foreseen in the equity incentive plan (2022-2024 LTIP Awards, 2023-2025 LTIP Awards and 2024-2026 LTIP Awards) is the CO₂ emissions reduction. This could impact the future amount of the recognition of share-based payment expense in the income statement. See Note 21 "Equity" for further details on the Group share-based compensation.

Referring to sustainable finance, in November 2023, Iveco Group signed a €450 million term loan facility with the European Investment Bank (the "EIB") with an 8-year amortisation profile, which represented the first tranche of the €500 million total approved by the EIB. In July 2024, the second and last €50 million tranche has been executed with full drawing in October 2024. The resources made available by the EIB will enable Iveco Group to develop innovative technologies and architectures in the field of electric propulsion. The Group will also increase efficiency, safety, driving comfort and productivity by further developing solutions for autonomous driving, digitalisation and vehicle connectivity. See Note 24 "Debt" for further details.

New standards and amendments effective from 1 January 2024

- On 23 January 2020, the IASB issued the *Amendments to IAS 1 — Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current* to clarify how to classify debt and other liabilities as current or non-current, and in particular how to classify liabilities with an uncertain settlement date and liabilities that may be settled by converting to equity. Furthermore, on 31 October 2022, the IASB issued the *Amendments to IAS 1 - Presentation of Financial Statements: Non-current Liabilities with Covenants*, that clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The 2020 and 2022 amendments are effective for annual reporting periods beginning on or after 1 January 2024. These amendments had no impact on these Consolidated Financial Statements
- on 22 September 2022, the IASB issued *Lease liability in a Sale and Leaseback (Amendments to IFRS 16)* specifying the requirements that, after the commencement date, a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendment applies retrospectively to annual reporting periods beginning on or after 1 January 2024, with early application permitted. These amendments had no impact on these Consolidated Financial Statements
- on 25 May 2023, the IASB issued the *Amendments to IAS 7 - Statement of Cash Flows and IFRS 7 - Financial Instruments: Disclosures Supplier Finance Arrangements*, requiring an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and include relief regarding comparative information and interim period information. These amendments had no impact on these Consolidated Financial Statements.

Accounting standards, amendments and interpretations not yet applicable and not early adopted by the Group

The main accounting standards, amendments, and interpretations not yet applicable and not early adopted by the Group are the following:

- on 15 August 2023, the IASB issued the *Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability*, clarifying how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as requiring an entity to provide the disclosure that enables to understand the impact of a currency not being exchangeable. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. The Group does not expect any material impact from the adoption of these amendments.

Furthermore, at the date of these Consolidated Financial Statements, the European Union has not yet completed its endorsement process for the amendments and improvements, reported below, for which the Group is currently evaluating the impact of the adoption on its Consolidated Financial Statements or disclosures:

- on 9 April 2024, the IASB issued IFRS 18 - *Presentation and Disclosure in Financial Statements* which replaces IAS 1 - *Presentation of Financial Statements*, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33. IFRS 18 introduces new requirements to the structure of the statement of profit or loss, requires disclosures on management-defined performance measures (MPMs) in the notes to the financial statements, and enhances principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 and the amendments to the other standards are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted. IFRS 18 requires a retrospective application
- on 9 May 2024, the IASB issued IFRS 19 - *Subsidiaries without Public Accountability: Disclosures*, which permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures better suited to the needs of the users of their financial statements, as well as to keep only one set of accounting records to meet the needs of both their parent company and the users of their financial statements. The standard is effective on or after 1 January 2027 and earlier application is permitted
- on 30 May 2024, the IASB issued the *Amendments to the Classification and Measurement of Financial Instruments* (Amendments to IFRS 9 and IFRS 7), to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 - *Financial Instruments*. In particular, these amendments clarify the classification of financial assets with environmental, social and corporate governance (ESG) and similar features, the settlement of liabilities through electronic payment systems and introduce additional disclosure requirements regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments will be effective for annual reporting periods beginning on or after 1 January 2026
- on 18 December 2024, the IASB issued the *Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity*, to clarify the application of the "own-use" requirements for in-scope contracts, permitting hedge accounting if these contracts are used as hedging instruments and adding new disclosure requirements. The amendments are effective for annual periods beginning on or after 1 January 2026, with earlier application permitted.

SCOPE OF CONSOLIDATION

The Consolidated Financial Statements of the Group as of 31 December 2024 include the Company and 86 consolidated subsidiaries (of which 4 classified as Discontinued Operations).

At 31 December 2024, excluded from consolidation are 4 subsidiaries that are either dormant or generate a negligible volume of business: their proportion of the Group's assets, liabilities, financial position, and earnings is immaterial. All such subsidiaries are accounted for using the cost method and represent in aggregate less than 0.01 percent of Group revenues, equity and total assets.

A list of the companies included in the scope of the Consolidated Financial Statements is included in Note 35.

BUSINESS COMBINATIONS

No significant business combinations occurred in 2024.

In the first quarter of 2023, IDV, the brand of Iveco Group specialised in defence and civil protection equipment, acquired a controlling stake in MIRA UGV, now renamed IDV ROBOTICS LIMITED, the Uncrewed Ground Vehicle division of HORIBA MIRA, a global provider of automotive engineering, research and test services, headquartered in the UK, for a total consideration of £36.3 million (€41 million), initially estimated to be of £41.5 million (€47 million), of which £26.6 million already paid. The accounting for this business combination was finalised in December 2023, during the measurement period as defined by IFRS 3 - *Business Combinations*, therefore the Group retrospectively adjusted the provisional amounts initially recognised and recorded a final goodwill of €23 million for this acquisition.

DISCONTINUED OPERATIONS - FIRE FIGHTING BUSINESS

On 13 March 2024, Iveco Group and Mutares SE & Co. KGaA announced the signing of a definitive agreement for the transfer of ownership of Magirus GmbH and its affiliates performing Fire Fighting business. The transaction was completed on 3 January 2025.

According to IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*, as the sale became highly probable in March 2024, the Fire Fighting business met the criteria to be classified as a disposal group held for sale; it also met the criteria to be classified as Discontinued Operations, according to the assessment made by Iveco Group. This assessment required judgement and was primarily based on the fact that the Fire Fighting business was managed as a separate Business Unit, having its own President who, until the transfer of the Business Unit on 3 January 2025, was a member of the Senior Leadership Team like any other Business Units' Presidents. The classification of the Fire Fighting business as Discontinued Operations gave the readers a clear picture of the past financial performance of the remaining Group (Continuing Operations), concurrently with the presentation of the new Strategic Business Plan for the remaining Group during the Capital Markets Day held on 14 March 2024, the day after the announcement of the agreement for the transfer. That presentation of the Fire Fighting business has resulted in the following:

- the operating results of the Fire Fighting business have been excluded from the Group's Continuing Operations and are presented as a single line item "Profit/(Loss) from Discontinued Operations, net of tax" within the Consolidated Income Statement for the years ended 31 December 2024 and 2023 (the latter presented for comparative purposes). In order to present the financial effects of the Discontinued Operations, revenues and expenses arising from intercompany transactions were eliminated except for those revenues and expenses that are considered to continue after the disposal of the Discontinued Operations. Eliminations from transactions between Continuing and Discontinued Operations have been allocated in full to Discontinued Operations. However, no profit or loss has been recognised for intercompany transactions within the Consolidated Income Statement
- the assets and liabilities of the Fire Fighting business have been classified as Assets held for sale and Liabilities held for sale within the Consolidated Statement of Financial Position at 31 December 2024, while the comparative amounts at 31 December 2023 have not been reclassified
- all cash flows arising from the Fire Fighting business have been presented separately in the appropriate items as Cash flows from operating, investing and financing activities, respectively, from Discontinued Operations within the Consolidated Statement of Cash Flows for the years ended 31 December 2024 and 2023 (the latter presented for comparative purposes). These cash flows represent those arising from transactions with third parties.

According to IFRS 5, when non-current assets and disposal groups are classified as held for sale, they are required to be measured at the lower of their carrying amount and fair value less costs to sell. This measurement treatment resulted in the recognition of a post-tax loss of €144 million (€145 million before tax) in the 2024 Consolidated Income Statement, included in the item "Post-tax loss on the measurement to fair value less costs to sell of Discontinued Operations".

The following table represents the assets and liabilities of Fire Fighting business classified as Discontinued Operations at 31 December 2024:

(€ million)	At 31 December 2024
Intangible assets	18
Deferred tax assets	6
Property, plant and equipment	19
Inventories	204
Cash and cash equivalents	109
Other assets	43
Total assets held for sale	399
Provisions	55
Debt	89
Trade payables	57
Other liabilities	62
Total liabilities held for sale	263

Details of income statement items included in Discontinued Operations, after the eliminations, for the years ended 31 December 2024 and 2023 are as follows:

(€ million)	2024	2023
Net revenues	296	300
Expenses	(330)	(329)
EBIT of Discontinued Operations	(34)	(29)
Profit/(loss) before taxes of Discontinued Operations	(43)	(36)
Income tax (expense) benefit	1	2
Post-tax loss of Discontinued Operations	(42)	(34)
Post-tax loss on the measurement to fair value less costs to sell of Discontinued Operations	(144)	—
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAX	(186)	(34)
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAX ATTRIBUTABLE TO:		
Owners of the parent	(186)	(30)
Non-controlling interests	—	(4)

Details of cash flows generated by (absorbed from) Discontinued Operations for the years ended 31 December 2024 and 2023 are as follows:

(€ million)	2024	2023
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES FROM DISCONTINUED OPERATIONS:		
Profit/(loss)	(186)	(34)
Amortisation and depreciation (excluding operating leases) ^(a)	6	5
(Gains)/losses on disposal of non-current assets	—	1
Other non-cash items	134	—
Change in provisions	(5)	5
Change in deferred income taxes	(1)	(1)
Change in operating lease items ^(a)	—	(1)
Change in working capital	(56)	(5)
TOTAL	(108)	(30)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES FROM DISCONTINUED OPERATIONS		
Investments in property, plant and equipment and intangible assets (excluding operating leases) ^(a)	(14)	(9)
Net (cash used in)/proceeds from other current financial assets	55	—
Other changes	(6)	1
TOTAL	35	(8)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES FROM DISCONTINUED OPERATIONS:		
Change in debt and derivative assets/liabilities	(2)	(5)
Capital increase	168	38
TOTAL	166	33
TOTAL CHANGE IN CASH AND CASH EQUIVALENTS FROM DISCONTINUED OPERATIONS	93	(5)

(a) Cash from operating lease is recognised under operating activities in a single line item, which includes capital expenditure, depreciation, write-downs and changes in inventory.

COMPOSITION AND PRINCIPAL CHANGES

Unless otherwise indicated, the information on the income statement in the following notes relates to Continuing Operations.

1. Net revenues

The following table summarises Net revenues for the years ended 31 December 2024 and 2023:

(€ million)	2024	2023
Truck	9,960	10,617
Bus	2,561	2,260
Defence	1,133	984
Powertrain	3,546	4,258
Eliminations and Other	(2,252)	(2,479)
Total Industrial Activities	14,948	15,640
Financial Services	558	494
Eliminations and Other	(217)	(156)
Total Net revenues	15,289	15,978

Eliminations and Other include the elimination of Financial Services' interest income earned from Industrial Activities.

The following table disaggregates Net revenues by major source for the years ended 31 December 2024 and 2023:

(€ million)	2024	2023
Revenues from:		
Sales of goods	13,963	14,711
Rendering of services and other revenues	707	646
Rents and other income on assets sold with a buy-back commitment	278	283
Revenues from sales of goods and services	14,948	15,640
Finance and interest income	304	305
Rents and other income on operating lease	37	33
Total Net revenues	15,289	15,978

During the years ended 31 December 2024 and 2023, revenues included €497 million and €468 million, respectively, related to the reversal of contract liabilities outstanding at the beginning of each period. See Note 26 "Other liabilities" for additional details on contract liabilities.

As of 31 December 2024, the aggregate amount of the transaction price allocated to remaining performance obligations related to extended warranties/maintenance and repair contracts, and transactions for the sale of vehicles with a buy-back commitment was approximately €2.9 billion (approximately €2.5 billion at 31 December 2023). As of 31 December 2024, Iveco Group expects to recognise revenue on approximately 27% and 66% of the remaining performance obligations over the next 12 and 36 months, respectively (approximately 29% and 68% as of 31 December 2023, respectively), with the remaining recognised thereafter.

2. Cost of sales

Cost of sales amounted to €12,637 million in 2024 and €13,295 million in 2023. Interest and other financial expenses from Financial Services activities included within Cost of sales amounted to €136 million in 2024 and to €139 million in 2023. Amount of inventories recognised as an expense in Cost of sales was €10,788 million and €11,377 million in 2024 and 2023, respectively.

3. Selling, general and administrative costs

Selling, general and administrative costs amounted to €1,000 million in 2024, in line with 2023.

4. Research and development costs

In 2024, Research and development costs of €617 million (€611 million in 2023) comprise all the research and development costs not recognised as assets in the year, amounting to €340 million (€387 million in 2023) and the amortisation of capitalised development costs of €277 million (€224 million in 2023). During 2024, the Group capitalised new development costs of €462 million (€480 million in 2023). The costs in both periods were primarily attributable to spending on engine development associated with emission requirements and continued investment in new products.

5. Result from investments

This item mainly includes Iveco Group's share in the net profit or loss of the investees accounted for using the equity method, as well as any impairment losses, reversal of impairment losses, accruals to the investment provision, and dividend income. In 2024 and 2023, Result from investments was a gain of €18 million and €14 million, respectively.

6. Restructuring costs

Iveco Group incurred restructuring costs of €24 million and €36 million in 2024 and 2023, respectively.

7. Other income and Other expenses

Other income include income arising from operations which is not attributable to the sale of goods and services, such as gains on disposals of tangible assets, and amounted to €41 million and €52 million in 2024 and 2023, respectively.

Other expenses consist of miscellaneous costs which cannot be allocated to specific functional areas, such as accruals for various provisions not attributable to other items of cost of sales or selling, general and administrative costs, and amounted to €252 million and €240 million in 2024 and 2023, respectively. In 2024, Other expenses primarily included €96 million for actions related to EPA/CARB newly-introduced post-sale in field verification program on North American market. In 2023, this item also included the negative impact of €43 million from the acquisition of full ownership of Nikola Iveco Europe GmbH, now renamed EVCO GmbH. In all periods presented, this item also included legal costs and indirect taxes.

8. Net financial income/(expenses)

The item "Net financial income/(expenses)" is detailed as follows:

(€ million)	2024	2023
Financial income	108	93
Financial expenses	319	536
Net financial income/(expenses)	(211)	(443)

In 2024, Net financial expenses improved €232 million compared to 2023, mainly due to a more contained cost of hedge impact in Argentina, resulting from the implemented hedging strategy, and an improvement in the Argentinian hyperinflation accounting impact.

Financial income may be analysed as follows:

(€ million)	2024	2023
Interest income from banks	92	80
Other interest and financial income	16	13
Total Financial income	108	93

Financial expenses may be analysed as follows:

(€ million)	2024	2023
Bank interest expenses	54	25
Interest expenses related to lease liabilities	10	7
Commission expenses	4	3
Net foreign exchange losses	25	216
Net losses from derivative financial instruments	54	47
Other interest and financial expenses	172	238
Total Financial expenses	319	536

Capitalised borrowing costs amounted to €23 million and €25 million in 2024 and 2023, respectively.

Other interest and financial expenses include, amongst other, interest cost on asset-backed financing and factoring cost.

9. Income tax (expense) benefit

The Company and its subsidiaries have substantial worldwide operations. The Company's subsidiaries incur tax obligations in the jurisdictions in which they operate. The Group's income tax expenses or benefits as reported in its consolidated income statement for the years ended 31 December 2024 and 2023 consist primarily of income tax expenses or benefits related to subsidiaries of the Company.

Income tax (expense) benefit for the years ended 31 December 2024 and 2023 consisted of the following:

(€ million)	2024	2023
Current taxes	(122)	(141)
Deferred taxes	91	(9)
Taxes relating to prior periods	(39)	(5)
Total Income tax (expense) benefit	(70)	(155)

The Company is incorporated in the Netherlands but is a tax resident of Italy. The reconciliation of the differences between the theoretical income taxes at the parent statutory rate and the total income taxes is presented based on the Italian national statutory corporation tax rate of 24% in force during each of Iveco Group's calendar year reporting periods presented in these Consolidated Financial Statements. A reconciliation of Iveco Group's income tax expense for the years ended 31 December 2024 and 2023 is as follows:

(€ million)	2024	2023
Theoretical Income tax (expense) at the parent statutory rate	(111)	(102)
Foreign income taxed at different rates	(5)	23
Deferred tax assets not recognised and write-down	(42)	(57)
Italian IRAP taxes	(26)	(20)
Taxes relating to prior years	(15)	(5)
Recognition or utilization of previously unrecognized deferred tax assets	94	—
Change in tax rate or law	—	1
Other	35	5
Total Income tax (expense) benefit	(70)	(155)

The effective tax rates for 2024 and 2023 were 11.5% and 36.6%, respectively. Reduction of 2024 effective tax rate is mainly arising from the recognition of deferred tax assets in Germany.

At 31 December 2024, undistributed earnings in certain subsidiaries totalled approximately €4.9 billion (€4.3 billion at 31 December 2023) for which no deferred tax liability has been recorded because the remittance of earnings from certain jurisdictions would incur no tax or such earnings are indefinitely reinvested. Iveco Group has determined the amount of unrecognized deferred tax liability relating to the €4.9 billion undistributed earnings is approximately €71 million and related to withholding taxes and incremental local country income taxes in certain jurisdictions. Dividend income in Italy is generally exempt at 95% from income taxes.

The Group recognises in its consolidated statement of financial position within Deferred tax assets, the amount of deferred tax assets less the deferred tax liabilities of the individual consolidated legal entities, where these may be offset.

The components of net deferred tax assets at 31 December 2024 and 2023 are as follows:

(€ million)	At 31 December 2023	Recognised in income statement	Charged to equity	Translation differences and other changes ⁽¹⁾	At 31 December 2024
Deferred tax assets arising from:					
Taxed provisions	575	56	—	(17)	614
Inventories	97	(29)	—	(5)	63
Taxed allowances for doubtful accounts	37	(9)	—	—	28
Provision for employee benefits	30	—	(5)	—	25
Intangible assets	8	3	—	(2)	9
Lease liabilities	20	(1)	—	(1)	18
Fixed assets	24	(2)	—	—	22
Measurement of derivative financial instruments	7	1	9	—	17
Other	70	9	—	1	80
Total	868	28	4	(24)	876
Deferred tax liabilities arising from:					
Right-of-use assets	(20)	—	—	—	(20)
Inventories	(4)	(7)	—	10	(1)
Provision from employee benefits	(2)	—	—	—	(2)
Capitalization of development costs	(58)	(8)	—	3	(63)
Other	(62)	(14)	—	(4)	(80)
Total	(146)	(29)	—	9	(166)
Theoretical tax benefit arising from tax loss carryforwards and tax credits	205	(18)	—	(2)	185
Adjustments for assets whose recoverability is not probable	(297)	110	—	18	(169)
Total net deferred tax assets	630	91	4	1	726

(1) Translation differences and other changes includes €6 million of deferred tax assets reclassified to assets held for sale.

(€ million)	At 31 December 2024	At 31 December 2023
Deferred tax assets	774	658
Deferred tax liabilities	(48)	(28)
Net deferred tax assets	726	630

The increase of €96 million in net deferred tax assets during 2024 was mainly due to the change in assessment occurred with respect to the recognition of deferred tax assets in Germany.

The decision to recognise deferred tax assets is made for each legal entity in the Group by critically assessing whether the conditions exist for the future recoverability of such assets on the basis of actual results, as well as updated strategic business plans and accompanying tax plans. For this reason, the total theoretical future tax benefits arising from deductible temporary differences of €876 million at 31 December 2024 and €868 million at 31 December 2023, and tax loss and credit carryforwards of €185 million at 31 December 2024 and €205 million at 31 December 2023, were reduced by €169 million at 31 December 2024 and €297 million at 31 December 2023.

Net recognised deferred tax assets and tax credits include €91 million at 31 December 2024 (€74 million at 31 December 2023) of tax benefits arising from tax loss carryforwards and tax credits. At 31 December 2024, a further tax benefit of €94 million (€131 million at 31 December 2023) arising from tax loss carryforwards and tax credits has not been recognised.

At 31 December 2024, tax liabilities primarily include uncertain income tax amounts of €45 million (€30 million at 31 December 2023) and other tax payables.

The totals of deductible and taxable temporary differences and accumulated tax losses at 31 December 2024, together with the amounts for which deferred tax assets have not been recognised, analysed by estimated year of reversal or expiry, are as follows:

(€ million)	Total at 31 December 2024	Year of expiry					
		2025	2026	2027	2028	Beyond 2028	Unlimited/ indeterminable
Temporary differences and tax losses:							
Deductible temporary differences	3,241	1,099	641	536	255	437	273
Taxable temporary differences	(676)	(101)	(95)	(96)	(86)	(157)	(141)
Tax losses and tax credits	700	69	90	48	48	101	344
Temporary differences and tax losses for which deferred tax assets have not been recognised	(526)	(104)	(40)	(37)	(22)	(39)	(284)
Temporary differences and tax losses	2,739	963	596	451	195	342	192

Iveco Group files income tax returns in multiple jurisdictions and is subject to examination by taxing authorities throughout the world. Iveco Group has open tax years from 2010 through 2023. Due to the global nature of Iveco Group's business, transfer pricing disputes may arise, and Iveco Group may seek correlative relief through competent authority processes. Further, as various ongoing audits are concluded, or as the applicable statutes of limitations expire, it is possible Iveco Group's amount of unrecognised tax benefits could change during the next twelve months. Iveco Group does not believe the resolution of any outstanding tax examinations will have a material effect on Iveco Group's results of operations, statement of financial position, or cash flows.

Effective from 1 January 2024, Iveco Group falls within the scope of the Pillar Two income taxes provided by Directive 2022/2523, aimed to ensuring a global minimum level of taxation for multinational enterprise groups and large scale domestic groups.

Pillar Two legislation was enacted in Italy by Legislative Decree 209/2023 ("the Legislative Decree") and came into effect from January 2024.

As provided for by paragraph 4.A of IAS 12, in derogation from the provisions of this principle, Iveco Group N.V. applies the exception to recognizing and disclosing information on deferred tax assets and liabilities related to Pillar Two income taxes.

Based on the information available to date, Iveco Group estimates no material impacts in terms of Pillar Two income taxes.

10. Other information by nature of expense

The income statement includes personnel costs for €2,173 million in 2024, of which €2,065 million related to Continuing Operations (€2,153 million in 2023, of which €2,048 million related to Continuing Operations).

An analysis of the average number of employees by category is as follows:

	2024		2023	
	Total Group	Continuing Operations	Total Group	Continuing Operations
Manager	2,177	2,130	2,125	2,080
Professional	5,610	5,542	5,340	5,269
Salaried	5,023	4,825	5,093	4,898
Hourly	23,244	22,249	23,337	22,346
Average number of employees	36,054	34,746	35,895	34,593

11. Earnings per share

A reconciliation of basic and diluted earnings/(loss) per share is as follows:

		2024	2023
Basic:			
Profit/(loss) attributable to the owners of the parent	€ million	349	218
Weighted average Common Shares outstanding – basic	million	267	269
Basic earnings/(loss) per Common Share	€	1.31	0.81
Basic:			
Profit/(loss) from Continuing Operations attributable to the owners of the parent	€ million	535	248
Weighted average Common Shares outstanding – basic	million	267	269
Basic earnings/(loss) per Common Share from Continuing Operations	€	2.00	0.92
Basic:			
Profit/(loss) from Discontinued Operations attributable to the owners of the parent	€ million	(186)	(30)
Weighted average Common Shares outstanding – basic	million	267	269
Basic earnings/(loss) per Common Share from Discontinued Operations	€	(0.69)	(0.11)
Diluted:			
Profit/(loss) attributable to the owners of the parent	€ million	349	218
Weighted average Common Shares outstanding – basic	million	267	269
Effect of dilutive potential Common Shares (when dilutive):			
Share compensation plans	million	4	4
Weighted average Common Shares outstanding – diluted	million	271	273
Diluted earnings/(loss) per Common Share	€	1.29	0.80
Diluted:			
Profit/(loss) from Continuing Operations attributable to the owners of the parent	€ million	535	248
Weighted average Common Shares outstanding – basic	million	267	269
Effect of dilutive potential Common Shares (when dilutive):			
Share compensation plans	million	4	4
Weighted average Common Shares outstanding – diluted	million	271	273
Diluted earnings/(loss) per Common Share from Continuing Operations	€	1.97	0.91
Diluted:			
Profit/(loss) from Discontinued Operations attributable to the owners of the parent	€ million	(186)	(30)
Weighted average Common Shares outstanding – basic	million	267	269
Effect of dilutive potential Common Shares (when dilutive):			
Share compensation plans	million	—	—
Weighted average Common Shares outstanding – diluted	million	267	269
Diluted earnings/(loss) per Common Share from Discontinued Operations	€	(0.69)	(0.11)

Basic earnings/(loss) per Common Share (EPS) is computed by dividing the Profit/(loss) for the period attributable to the owners of the parent by the weighted average number of Common Shares outstanding (after deduction of treasury shares) during the period.

Shares acquired under the buy-back program are included in treasury stock of the Company and, therefore, are deducted from the weighted average number of Common Shares outstanding when calculating earnings per share. For additional information on the buy-back program, see Note 21 "Equity".

Diluted EPS reflects the potential dilution that could occur on the conversion of all dilutive potential Common Shares into Common Shares. Restricted share units and performance share units deriving from the Iveco Group share-based payment awards are considered dilutive potential Common Shares.

For the year ended 31 December 2024, 0.8 million shares (1.3 million shares at 31 December 2023) consisting of share grants were outstanding but not included in the calculation of diluted earnings per share as the impact of these shares would have been anti-dilutive.

For additional information on the share-based payment awards, see Note 21 "Equity".

12. Intangible assets

In 2024 and 2023, changes in the carrying amount of Intangible assets were as follows:

(€ million)	Goodwill	Development costs externally acquired	Development costs internally generated	Patents, concessions and licenses	Other intangible assets externally acquired	Advances and intangible assets in progress externally acquired	Total
Gross carrying amount							
Balance at 31 December 2022	70	1,973	2,222	644	90	48	5,047
Additions	—	301	188	37	10	29	565
Acquisitions	23	—	—	—	—	—	23
Translation differences	—	(2)	4	(2)	(1)	—	(1)
Divestitures and other changes	(5)	(31)	(11)	62	5	(39)	(19)
Balance at 31 December 2023	88	2,241	2,403	741	104	38	5,615
Additions	—	285	183	34	12	56	570
Translation differences	—	1	(17)	1	(1)	—	(16)
Divestitures and other changes	—	(4)	(11)	(16)	6	(11)	(36)
Transfer to assets held for sale	—	(48)	(41)	(4)	(5)	—	(98)
Balance at 31 December 2024	88	2,475	2,517	756	116	83	6,035
Accumulated amortisation and impairment losses							
Balance at 31 December 2022	1	1,751	1,160	553	71	—	3,536
Amortisation	—	175	52	40	8	—	275
Translation differences	—	(1)	6	(2)	—	—	3
Divestitures and other changes	1	(29)	(11)	(1)	—	—	(40)
Balance at 31 December 2023	2	1,896	1,207	590	79	—	3,774
Amortisation	—	210	69	47	7	—	333
Translation differences	—	1	(8)	1	(1)	—	(7)
Divestitures and other changes	3	(2)	(10)	(10)	(5)	—	(24)
Transfer to assets held for sale	—	(42)	(33)	(1)	(4)	—	(80)
Balance at 31 December 2024	5	2,063	1,225	627	76	—	3,996
Carrying amount at 31 December 2023	86	345	1,196	151	25	38	1,841
Carrying amount at 31 December 2024	83	412	1,292	129	40	83	2,039

Goodwill and intangible assets with indefinite useful lives

Goodwill is allocated to the Group's cash-generating units identified as the Group's operating segments. As described in section "Introduction" of the Board Report above, until 31 December 2023 Iveco Group presented its Consolidated Financial Statements including three reportable segments, Commercial and Specialty Vehicles, Powertrain and Financial Services. On 14 March 2024, during its Capital Markets Day, Iveco Group released a new segment reporting structure for its Continuing Operations, expanding its reportable segments from three segments (Commercial & Specialty Vehicles, Powertrain and Financial Services) to five reportable segments (Truck, Bus, Defence, Powertrain and Financial Services). The Truck, Bus and Defence business units, along with the Fire Fighting business unit (reported as Discontinued Operations from the first quarter of 2024), were previously part of the Commercial and Specialty Vehicles segment. The following table presents the allocation of goodwill across the current reportable segments; comparative data has been represented to conform the current year's presentation:

(€ million)	At 31 December 2024	At 31 December 2023
Truck	5	5
Bus	46	46
Defence	20	23
Financial Services	12	12
Goodwill net carrying amount	83	86

Goodwill impairment test is performed at the cash generating unit level, the segment level, comparing the recoverable amount of the cash generating unit to the carrying amount to determine if there is an impairment loss. The results of the impairment tests obtained in 2024 and 2023 confirmed the absence of an impairment loss.

The vast majority of goodwill, representing approximately the 86% of the total, related to Industrial Activities business units (Truck, Bus, and Defence) and, as such, the following discussion relates to the impairment testing performed at year-end for these cash-generating units.

The recoverable amount of Truck, Bus and Defence cash-generating units is determined based on the value in use, that is the present value of estimated future cash flows. The calculation of value in use is dependent on several assumptions, primarily estimates of future sales in the discrete future period, and the weighted average cost of capital (discount rate), as well as other assumptions such as gross margins, operating costs, income tax rates, capital expenditures and changes in working capital requirements.

Discount rate assumptions include an assessment of the risk inherent in the future cash flows of the cash-generating unit. The discount rate before taxes selected was 12.8% at 31 December 2024 (at 31 December 2023, a discount rate before taxes of 15.6% was used for the impairment testing of Commercial and Specialty Vehicles under previous reporting structure).

Expected cash flows are developed in conjunction with budgeting and forecasting processes. Iveco Group used 5 years of expected cash flows for each cash-generating unit as the Company believes that this period reflects the underlying market cycle for each business. Furthermore, a terminal value has been included at the end of the projection period in order to reflect the remaining value that each cash-generating unit is expected to generate.

The results of the impairment test indicate that a reasonably possible change in key assumptions would not cause the carrying amount of any cash-generating unit to exceed its recoverable amount, however, circumstances and events which could potentially cause further impairment losses are constantly monitored by Iveco Group.

Development costs

The amortisation of development costs and impairment losses are reported in the income statement as Research and development costs.

Development costs are tested for impairment at the cash-generating unit level.

13. Property, plant and equipment

In 2024 and 2023, changes in the carrying amount of Property, plant and equipment were as follows:

(€ million)	Land	Industrial buildings	Plant, machinery and equipment	Right-of-use assets	Assets sold with a buy-back commitment	Other	Total
Gross carrying amount Balance at 31 December 2022	116	1,177	5,283	359	2,026	513	9,474
Additions	1	49	261	84	409	94	898
Translation differences	—	(17)	(22)	(1)	(1)	(23)	(64)
Divestitures and other changes	4	12	11	(48)	(425)	(38)	(484)
Transfer to Assets held for sale	—	(3)	—	(8)	(26)	—	(37)
Balance at 31 December 2023	121	1,218	5,533	386	1,983	546	9,787
Additions	—	36	301	83	393	46	859
Translation differences	(1)	(19)	(16)	(3)	(5)	(7)	(51)
Divestitures and other changes	(4)	3	(83)	(63)	(484)	(44)	(675)
Transfer to Assets held for sale	—	(6)	(41)	(12)	—	(3)	(62)
Balance at 31 December 2024	116	1,232	5,694	391	1,887	538	9,858
Accumulated depreciation and impairment losses Balance at 31 December 2022	(1)	799	4,405	176	671	327	6,377
Depreciation	—	30	211	69	228	14	552
Impairment losses	—	—	—	—	4	—	4
Translation differences	—	(9)	(19)	(1)	(1)	(6)	(36)
Divestitures and other changes	4	(4)	(20)	(45)	(207)	(9)	(281)
Transfer to Assets held for sale	—	(1)	—	(4)	(10)	—	(15)
Balance at 31 December 2023	3	815	4,577	195	685	326	6,601
Depreciation	—	32	228	73	226	18	577
Translation differences	—	(10)	(9)	(1)	(5)	(2)	(27)
Divestitures and other changes	(1)	(5)	(120)	(62)	(198)	(11)	(397)
Transfer to Assets held for sale	—	(3)	(33)	(6)	—	(1)	(43)
Balance at 31 December 2024	2	829	4,643	199	708	330	6,711
Carrying amount at 31 December 2023	118	403	956	191	1,298	220	3,186
Carrying amount at 31 December 2024	114	403	1,051	192	1,179	208	3,147

Other tangible assets also include advances and tangible assets in progress.

In 2023, an impairment loss of €4 million was recognised on Assets sold with a buy-back commitment. The loss was recognised in Cost of sales.

Other changes mainly include the reclassification of the prior year balances for Advances and tangible assets in progress to the appropriate categories when the assets were effectively acquired and put into operation, as well as the reclassification to Inventory of Assets sold with a buy-back commitment (€147 million in 2024 and €118 million in 2023) that are held for sale at the agreement expiry date.

At 31 December 2024, right-of-use assets refer primarily to the following lease contracts: industrial buildings for €119 million (€125 million at 31 December 2023), plant, machinery and equipment for €26 million (€18 million at 31 December 2023), and other assets for €47 million (€48 million at 31 December 2023). For a description of the related lease liabilities, see Note 24 "Debt".

Short-term and low-value leases are not recorded in the statement of financial position; for these leases, Iveco Group recognises a lease expense in the income statement on a straight-line basis over the lease term. In 2024 and 2023, €13 million and €11 million, respectively, were recognised in income statement.

Land and industrial buildings and plant, machinery and equipment pledged as security for debt and other commitments were immaterial at 31 December 2024 and 2023.

Iveco Group had contractual commitments of €131 million and €163 million for the acquisition of property, plant and equipment at 31 December 2024 and 2023, respectively.

14. Investments and other non-current financial assets

(€ million)	At 31 December 2024	At 31 December 2023
Investments accounted for using the equity method	171	166
Equity investments measured at fair value through other comprehensive income	10	15
Other investments	3	14
Total Investments	184	195
Non-current financial receivables and other non-current securities	39	15
Total Investments and other non-current financial assets	223	210

At 31 December 2024 and 2023, no Non-current financial receivables had been pledged as security.

Investments

Changes in Investments in 2024 and 2023 are set out below:

(€ million)	At 31 December 2023	Revaluations/ (Write-downs)	Acquisitions and capitalizations	Fair value remeasurements	Translation differences, disposals and other changes	At 31 December 2024
Investments in:						
Joint ventures	126	23	—	—	(18)	131
Associates	40	3	—	—	(3)	40
Equity investments measured at fair value through other comprehensive income	15	—	—	(4)	(1)	10
Unconsolidated subsidiaries and other	14	(8)	3	—	(6)	3
Total Investments	195	18	3	(4)	(28)	184

(€ million)	At 31 December 2022	Revaluations/ (Write-downs)	Acquisitions and capitalizations	Fair value remeasurements	Translation differences, disposals and other changes	At 31 December 2023
Investments in:						
Joint ventures	114	14	—	—	(2)	126
Associates	36	—	—	—	4	40
Equity investments measured at fair value through other comprehensive income	62	—	1	(33)	(15)	15
Unconsolidated subsidiaries and other	11	—	3	—	—	14
Total Investments	223	14	4	(33)	(13)	195

Revaluations and Write-downs mainly include the Group's share of the profit or loss for the year of investments accounted for using the equity method for a gain of €26 million and €14 million in 2024 and 2023, respectively.

Translation differences, disposals and other changes also included dividends by companies accounted for using the equity method.

At 31 December 2024, equity investments measured at fair value through other comprehensive income primarily include a minor investment in a non-listed company in India considered strategic in nature for €9 million. Furthermore, this item includes, for an immaterial amount, the residual value of the investment held by Iveco Group in Nikola Corporation; in this respect, during 2024, Iveco Group recorded in Other comprehensive income a pre- and after-tax loss of €4 million (a pre- and after-tax loss of €33 million during 2023) from the remeasurement at fair value of this investment.

Investments in joint ventures

Interests in joint ventures are accounted for using the equity method. A summary of investments in joint ventures at 31 December 2024 and 2023 is as follows:

	At 31 December 2024		At 31 December 2023	
	% of interest	(€ million)	% of interest	(€ million)
CIFINS S.p.A.	50.00%	112	50.00%	108
Other joint ventures		19		18
Total Investments in joint ventures		131		126

Interests in joint ventures consist of 3 companies at 31 December 2024 and 31 December 2023 and mainly include CIFINS S.p.A., legal entity jointly held by Iveco Group and CNH Industrial, which holds 49.9% of CNH Capital Europe S.a.S., a joint venture with the BNP Paribas Group providing financing solutions to customers of both Iveco Group and CNH Industrial Group in several European countries.

At 31 December 2024 and 2023, summarised financial information relating to CIFINS S.p.A., material joint venture of the Group, prepared in accordance with EU-IFRS, is as follows:

(€ million)	At 31 December 2024	At 31 December 2023
Cash and cash equivalents	3	1
Non-current assets	220	215
Current assets	1	1
Total Assets	224	217
Debt	—	—
Other liabilities	—	—
Total Liabilities	—	—
Total Equity	224	217

(€ million)	2024	2023
Result from investments	36	33
Profit/(loss) before taxes	36	33
Income tax (expenses)	(1)	(1)
Profit/(loss)	35	32
Total Other comprehensive income, net of tax	—	—
Total Comprehensive income	35	32

This summarised financial information may be reconciled to the carrying amount of the % interest held in the joint venture as follows:

(€ million)	At 31 December 2024	At 31 December 2023
Total Equity	224	217
Group's interest (%)	50	50
Pro-quota equity	112	108
Adjustments made by using the equity method	—	—
Carrying amount	112	108

Summarised financial information relating to CNH Industrial Capital Europe S.a.S., material associate of the Group held by CIFINS S.p.A., is as follows:

(€ million)	At 31 December 2024	At 31 December 2023
Non-current assets	—	—
Current assets	5,838	5,472
Total Assets	5,838	5,472
Debt	5,119	4,755
Other liabilities	276	286
Total Liabilities	5,395	5,041
Total Equity	443	431

(€ million)	2024	2023
Net revenues	172	154
Profit/(loss) before taxes	102	96
Profit/(loss)	72	66
Total Other comprehensive income, net of tax	—	—
Total Comprehensive income	72	66

Investments in associates

A summary of investments in associates at 31 December 2024 and 2023 is as follows:

	At 31 December 2024		At 31 December 2023	
	% of interest	(€ million)	% of interest	(€ million)
Transolver Finance Establecimiento Financiero de Credito S.A.	49.00%	40	49.00%	40
Total Investments in associates		40		40

Summarised financial information relating to Transolver Finance Establecimiento Financiero de Credito S.A., material associate of the Group, is as follows:

(€ million)	At 31 December 2024	At 31 December 2023
Non-current assets	675	597
Current assets	19	28
Total Assets	694	625
Debt	613	544
Other liabilities	—	—
Total Liabilities	613	544
Total Equity	81	81

(€ million)	2024	2023
Net revenues	35	21
Profit/(loss) before taxes	9	9
Profit/(loss)	6	6
Total Other comprehensive income, net of tax	—	—
Total Comprehensive income	6	6

This summarised financial information may be reconciled to the carrying amount of the % interest held in the associate as follows:

(€ million)	At 31 December 2024	At 31 December 2023
Total Equity	81	81
Group's interest (%)	49.00	49.00
Pro-quota equity	40	40
Adjustments made by using the equity method	—	—
Carrying amount	40	40

15. Leased assets

This item changed as follows in 2024 and 2023:

(€ million)	At 31 December 2023	Additions	Depreciation	Translation differences, disposals and other changes	At 31 December 2024
Gross carrying amount	138	63	—	(11)	190
Less: Depreciation and impairment	(63)	—	(34)	—	(97)
Net carrying amount of Leased assets	75	63	(34)	(11)	93

(€ million)	At 31 December 2022	Additions	Depreciation	Translation differences, disposals and other changes	At 31 December 2023
Gross carrying amount	126	62	—	(50)	138
Less: Depreciation and impairment	(56)	—	(31)	24	(63)
Net carrying amount of Leased assets	70	62	(31)	(26)	75

Leased assets include vehicles leased to retail customers by the Group's leasing companies.

At 31 December 2024, minimum lease payments receivable for assets under non-cancelable operating leases amount to €116 million (€100 million at 31 December 2023) and fall due as follows:

(€ million)	At 31 December 2024	At 31 December 2023
Less than one year	38	36
One to two years	27	26
Two to three years	22	17
Three to four years	17	11
Four to five years	9	8
More than five years	3	2
Total Undiscounted lease payments	116	100

No leased assets have been pledged as security at 31 December 2024 and 2023.

16. Inventories

At 31 December 2024 and 2023, Inventories consisted of the following:

(€ million)	At 31 December 2024	At 31 December 2023
Raw materials	609	579
Work-in-progress	452	340
Finished goods	1,810	1,949
Total Inventories	2,871	2,868

The amount of Inventories at 31 December 2024 was in line with 31 December 2023 and included €25 million (€19 million at 31 December 2023) of assets which are no longer subject to operating lease arrangements or buy-back commitments and were held for sale.

At 31 December 2024, total Inventories included €1,240 million (€1,176 million at 31 December 2023) of inventories measured at net realizable value (estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale).

There were no inventories pledged as security at 31 December 2024 and 2023.

17. Current receivables and Other current financial assets

A summary of Current receivables and Other current financial assets as of 31 December 2024 and 2023 is as follows:

(€ million)	At 31 December 2024	At 31 December 2023
Trade receivables	405	326
Receivables from financing activities	5,185	5,802
Current tax receivables	133	142
Other current receivables and financial assets:		
Other current receivables	411	320
Other current financial assets	59	43
Total Other current receivables and financial assets	470	363
Total Current receivables and Other current financial assets	6,193	6,633

An analysis of Current receivables and Other current financial assets by due date is as follows:

(€ million)	At 31 December 2024				At 31 December 2023			
	due within one year	due between one and five years	due beyond five years	Total	due within one year	due between one and five years	due beyond five years	Total
Trade receivables	405	—	—	405	322	1	3	326
Receivables from financing activities	4,774	57	354	5,185	5,424	74	304	5,802
Current tax receivables	126	7	—	133	115	27	—	142
Other current receivables	396	12	3	411	303	14	3	320
Other current financial assets	59	—	—	59	43	—	—	43
Total Current receivables and Other current financial assets	5,760	76	357	6,193	6,207	116	310	6,633

Trade receivables

As of 31 December 2024 and 2023, Iveco Group had trade receivables of €405 million and €326 million, respectively. Trade receivables are shown net of allowances for doubtful accounts of €25 million and €20 million at 31 December 2024 and 2023, respectively. The allowances are determined using the simplified approach as permitted by IFRS 9 for trade receivables, consisting in the use of lifetime expected loss.

Changes in the allowances for doubtful accounts during 2024 and 2023, were as follows:

(€ million)	At 31 December 2024	At 31 December 2023
Opening balance	20	21
Provision	4	5
Use and other changes	1	(6)
Ending balance	25	20

The allowances at 31 December 2024 and 2023 have been determined using the following expected loss rates:

		At 31 December 2024					At 31 December 2023				
		Current	31-60 days past due	61-90 days past due	Greater than 90 days past due	Total	Current	31-60 days past due	61-90 days past due	Greater than 90 days past due	Total
Expected loss rate (in %)	%	1%	—%	—%	29%	6%	1%	—%	—%	66%	6%
Gross carrying amount	€ million	320	22	16	72	430	313	3	1	29	346
Allowances for doubtful accounts	€ million	(4)	—	—	(21)	(25)	(1)	—	—	(19)	(20)

Trade receivables have significant concentrations of credit risk in Truck and Bus business units. There is not a disproportionate concentration of credit risk in any geographic region.

The Industrial Activities businesses sell a significant portion of their trade receivables to Financial Services and provide compensation to Financial Services at approximate market interest rates.

In 2024 and 2023, trade receivables for an amount of €3 million and €5 million, respectively, were written off by Iveco Group.

Charge-offs of principal amounts of trade receivables outstanding are deducted from the allowance at the point when it is estimated that amounts due are deemed uncollectible. Iveco Group continues to engage in collection efforts to attempt to recover the receivables. When recoveries are collected, these are recognised as income.

Receivables from financing activities

A summary of Receivables from financing activities as of 31 December 2024 and 2023 is as follows:

(€ million)	At 31 December 2024	At 31 December 2023
Retail:		
Retail financing	26	12
Finance leases	57	57
Total Retail	83	69
Wholesale:		
Dealer financing	5,007	5,541
Total Wholesale	5,007	5,541
Other	95	192
Total Receivables from financing activities	5,185	5,802

Iveco Group provides and administers financing for retail purchases of new and used vehicles sold through its dealer network. The terms of retail and other notes and finance leases generally range from two to six years, and interest rates vary depending on prevailing market interest rates and incentive programs offered by Industrial Activities.

Wholesale receivables arise primarily from the sale of goods to dealers, distributors and end customers and, to a lesser extent, the financing of dealer operations. Under the standard terms of the wholesale receivable agreements, during the "interest free" period, Financial Services is compensated by Industrial Activities based on market interest rates. After the expiration of any "interest-free" period, interest is charged to dealers on outstanding balances until Iveco Group receives payment in full. The "interest-free" periods are determined based on the type of vehicle sold and the time of year of the sale. Iveco Group evaluates and assesses dealers on an ongoing basis as to their credit worthiness. Iveco Group may be obliged to repurchase the dealer's vehicle upon cancellation or termination of the dealer's contract for such causes as change in ownership, closeout of the business, or default. There were no significant losses in 2024 and 2023 relating to the termination of dealer contracts.

Iveco Group assesses and monitors the credit quality of its financing receivables based on whether a receivable is classified as Performing or Non-Performing. Financing receivables are considered past due if the required principal and interest payments have not yet been received as of the date such payments were due. Delinquency is reported on financing receivables greater than 30 days past due. Non-performing financing receivables represent loans for which Iveco Group has ceased accruing finance income. These receivables are generally 90 days delinquent. Finance income for non-performing receivables is recognised on a cash basis. Interest accrual is resumed if the receivable becomes contractually current and collections becomes probable.

The ageing of Receivables from financing activities as of 31 December 2024 and 2023 is as follows (receivables are primarily related to Europe region):

At 31 December 2024

(€ million)	Total Current	31-60 Days Past Due	61-90 Days Past Due	Total Performing	Non-Performing	Total	Allowance	Total net of allowance
Total Retail	83	—	—	83	18	101	(18)	83
Total Wholesale	4,912	20	3	4,935	219	5,154	(147)	5,007

At 31 December 2023

(€ million)	Total Current	31-60 Days Past Due	61-90 Days Past Due	Total Performing	Non-Performing	Total	Allowance	Total net of allowance
Total Retail	82	—	—	82	23	105	(36)	69
Total Wholesale	5,489	13	1	5,503	157	5,660	(119)	5,541

Receivables from financing activities have significant concentrations of credit risk in the Truck business unit. On a geographic basis, the credit risk concentration is mainly located into Europe area. Iveco Group typically retains as collateral a security interest in the vehicles associated with retail notes, wholesale notes and finance leases.

A financial asset has experienced a significant increase in credit risk when the customer shows signs of operational or financial weakness including past dues, which requires significant collection effort and monitoring, and generally occurs when the customer becomes past due greater than 30 days. The assessment considers available information regarding the financial stability of the customer and other market/industry data; an account is typically considered in default when it is 90 days past due.

Iveco Group utilises three categories for receivables from financing activities that reflect their credit risk and how the loan provision is determined.

Internal risk grade	IFRS 9 classification	Definition	Basis for recognition of expected credit loss provision
Performing	Stage 1	Low risk of default; payments are generally less than 30 days past due	12 month expected credit losses
Performing	Stage 2	Significant increase in credit risk; payments generally between 31 and 90 days past due	Lifetime expected credit losses
Non-performing	Stage 3	Accounts are credit impaired and/or a legal action has been initiated; payments generally greater than 90 days past due	Lifetime expected credit losses

Charge-offs of principal amounts of receivables outstanding are deducted from the allowance at the point when it is estimated that amounts due are deemed uncollectible. Iveco Group continues to engage in collection efforts to attempt to recover the receivables. When recoveries are collected, these are recognised as income.

Allowance for Credit Losses of Receivables from financing activities

Iveco Group's allowance for credit losses is segregated into two portfolio segments: retail and wholesale. A portfolio segment is the level at which Iveco Group develops a systematic methodology for determining its allowance for credit losses. Typically, Iveco Group's receivables within a portfolio segment have similar risk profiles and methods for assessing and monitoring risk. These classes align with management reporting.

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, Iveco Group considers historical loss rates for each category of customer and adjusts for forward looking macroeconomic data.

In calculating the expected credit losses, Iveco Group's calculations depend on whether the receivable has been individually identified as being impaired. The first component of the allowance for credit losses covers the receivables specifically reviewed by management for which Iveco Group has determined it is probable that it will not collect all the contractual principal and interest. Receivables are individually reviewed for impairment based on, among other items, amounts outstanding, days past due and prior collection history. Expected credit losses are measured by considering: the unbiased and probability-weighted amount; the time value of money; and reasonable and supportable information (available without undue costs or effort) at the reporting date about past events, current conditions, and forecasts of future economic conditions. Expected credit losses are measured as the probability-weighted present value of all cash shortfalls over the expected life of each financial asset.

The second component of the allowance for credit losses covers all receivables that have not been individually reviewed for impairment. The allowance for these receivables is based on aggregated portfolio evaluations, generally by financial product. The allowance for wholesale and retail credit losses is based on loss forecast models that consider a variety of factors that include, but are not limited to, historical loss experience, collateral value, portfolio balance and delinquency. The loss forecast models are updated on a quarterly basis. The calculation is adjusted for forward looking macroeconomic factors. In addition, qualitative factors that are not fully captured in the loss forecast models are considered in the evaluation of the adequacy of the allowance for credit losses. These qualitative factors are subjective and require a degree of management judgement.

Allowance for credit losses activity for the years ended 31 December 2024 and 2023 is as follows:

(€ million)	Year ended 31 December 2024							
	Retail				Wholesale			
	Stage 1 12 months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12 months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Opening balance	2	14	20	36	38	1	80	119
Provision (benefit)	—	(14)	(2)	(16)	(1)	1	30	30
Charge-offs, net of recoveries	—	—	(2)	(2)	—	—	(2)	(2)
Ending balance	2	—	16	18	37	2	108	147
Receivables, net of allowance (ending balance)	81	—	2	83	4,701	200	106	5,007

At 31 December 2024, the change in allowance for credit losses mainly related to for credit losses for the Retail portfolio is mainly related to the release of stage 2 collective provisions for four large Italian customers upon their upgrade from stage 2 to stage 1.

For the Wholesale portfolio, the change in allowance is mainly due to the increase in specific reserves concentrated on a few customers, while the collective reserves remained flat compared to 2023. The accrual of provisions and the release of provisions for credit losses have been included in the cost of sales.

(€ million)	Year ended 31 December 2023							
	Retail				Wholesale			
	Stage 1 12 months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12 months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Opening balance	2	—	60	62	25	—	95	120
Provision (benefit)	—	14	(35)	(21)	13	1	(9)	5
Charge-offs, net of recoveries	—	—	(5)	(5)	—	—	(6)	(6)
Ending balance	2	14	20	36	38	1	80	119
Receivables, net of allowance (ending balance)	51	15	3	69	5,279	145	117	5,541

At 31 December 2023, the change in allowance for credit losses for the Retail portfolio mainly related to the release of specific provisions (stage 3) and concomitant accrual of collective provisions (stage 2) for 3 large Italian customers upon their upgrade from stage 3 to stage 2. For the Wholesale portfolio the increase of the collective provisions due to the increase of the receivables balance was partially compensated by releases of specific reserves and write-offs.

The accrual of provisions and the release of provisions for credit losses have been included in cost of sales.

Finance lease receivables mainly relate to vehicles leased out under finance lease arrangements. The interest rate implicit in the lease is determined at the commencement of the lease for the whole lease term. The average interest rate implicit in total finance lease receivables varies depending on prevailing market interest rates.

The item may be analysed as follows, stated gross of an allowance of €58 million at 31 December 2024 (€32 million at 31 December 2023):

(€ million)	At 31 December 2024	At 31 December 2023
Less than one year	38	32
One to two years	27	21
Two to three years	22	19
Three to four years	17	14
Four to five years	8	3
More than five years	3	—
Total Undiscounted receivables for future minimum lease payments	115	89
Unearned finance income	—	—
Present value of future minimum lease payments	115	89

Other current receivables

At 31 December 2024, Other current receivables mainly consisted of other tax receivables for VAT and other indirect taxes of €240 million (€224 million at 31 December 2023), and receivables from employees of €14 million (€14 million at 31 December 2023).

Other current financial assets

At 31 December 2024 and 2023, Other current financial assets primarily consist of current securities and short-term deposits and investments.

See Note 30 "Information on financial risks" for additional information on the credit risk to which Iveco Group is exposed and the way it is managed by the Group.

Transfers of financial receivables

The Group transfers a number of its financial receivables to securitisation programs or factoring transactions.

A securitisation transaction entails the sale of a portfolio of receivables to a securitisation vehicle. This structured entity finances the purchase of the receivables through asset-backed financing. Asset-backed financing are divided into classes according to their degree of seniority and rating: the most senior classes are placed with investors on the market; the junior class, whose repayment is subordinated to the senior classes, is normally subscribed for by the seller. The residual interest in the receivables retained by the seller is therefore limited to the junior securities it has subscribed for. In accordance with IFRS 10 – *Consolidated Financial Statements*, all securitisation vehicles are included in the scope of consolidation because the subscription of the junior note of the asset-backed securitisation by the seller implies its control in substance over the structured entity.

Furthermore, factoring transactions may be either with recourse or without recourse; without recourse transfers include deferred payment clauses (for example, when the payment by the factor of a minor part of the purchase price is dependent on the total amount collected from the receivables), requiring first loss cover, meaning that the transferor takes priority participation in the losses, or requires a significant exposure to the cash flows arising from the transferred receivables to be retained. These types of transactions do not comply with the requirements of IFRS 9 – *Financial Instruments* for the derecognition of the assets, since the risks and rewards connected with collection are not substantially transferred and, accordingly, the Group continues to recognise the receivables transferred by this means in its Consolidated Statement of Financial Position and recognises a financial liability of the same amount under Asset-backed financing (see Note 24 "Debt"). The gains and losses arising from the transfer of these assets are only recognised when the assets are derecognised.

At 31 December 2024, the carrying amounts of such transferred financial assets not derecognised (constituted entirely of Receivables from financing activities) amounted to €3,410 million (€3,649 million at 31 December 2023) and the related liability amounted to €3,410 million (€3,649 million at 31 December 2023). At 31 December 2024 and 2023, the carrying amount of assets and of the related liabilities were equal to their respective fair values.

Iveco Group has discounted receivables and bills without recourse having due dates beyond 31 December 2024 amounting to €325 million (€274 million at 31 December 2023, with due dates beyond that date), which refer to trade receivables.

18. Derivative assets and Derivative liabilities

These items consist of derivative financial instruments measured at fair value at the balance sheet date.

Iveco Group utilises derivative instruments to mitigate its exposure to interest rate and foreign currency exposures. Derivatives used as hedges are effective at reducing the risk associated with the exposure being hedged and are designated as a hedge at the inception of the derivative contract. Iveco Group does not hold or enter into derivative or other financial instruments for speculative purposes. The credit and market risk related to derivatives is reduced through diversification among various counterparties. Derivative instruments are generally classified as Level 2 in the fair value hierarchy.

The fair value of derivative financial instruments is based on valid market price, if available. The fair value of derivative financial instruments that are not traded in an active market is determined by using valuation techniques, based on observable market data. If all significant inputs required to determine the fair value of an instrument are based on observable market data, the instrument is included in Level 2. The basis for the interest is the zero-coupon-curve in each currency, which is used to calculate the present value of all the estimated future cash flows. For forward exchange contracts the basis is the forward premium based on current spot rate for each currency and future date. The fair value is then discounted based on the observable interest yield curves as per the balance sheet date.

In accordance with IFRS 9 - *Financial Instruments*, derivative financial instruments qualify for hedge accounting only when, at the inception of the hedge, there is formal designation and documentation of the hedging relationship, there is an economic relationship between the hedging instrument and the hedged item, credit risk does not dominate the value changes that result from the economic relationship, and the hedging relationship's hedging ratio reflects the actual quantity of the hedging instrument and the hedged item. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

Further description of the risk management exposures and strategies for interest rate and currency risk is presented in Note 30 "Information on financial risks", paragraph "Market risk" together with sensitivity analysis assessing the potential impact of changes in interest rates and foreign currencies.

With regard to hedge accounting, Iveco Group continues to monitor significant developments in order to assess the potential future impacts of current macroeconomic and geopolitical issues, supply chain issues and global logistic constraints, energy and material availability and relevant price variability, on the hedging relationships in place and to update its estimates concerning whether forecasted transactions can still be considered highly likely to occur.

Foreign Exchange Derivatives

Iveco Group has entered into foreign exchange forward contracts and swaps in order to manage and preserve the economic value of cash flows in a currency different from the functional currency of the relevant legal entity. Iveco Group conducts its business on a global basis in a wide variety of foreign currencies and hedges foreign currency exposures arising from various receivables, liabilities, and expected inventory purchases and sales. Derivative instruments utilised to hedge the foreign currency risk associated with anticipated inventory purchases and sales in foreign currencies are designated as cash flow hedges. Gains and losses on these instruments are deferred in accumulated other comprehensive income/(loss) and recognised in earnings when the related transaction occurs.

For hedging cash flows in a currency different from the functional currency, the hedge relationship reflects the hedge ratio of 1:1, which means that relationship is characterised by the value of the hedging instrument and the value of the hedged item moving in the opposite direction as a result of the common underlying of hedged risk.

The main sources of hedge ineffectiveness are:

- the effect of the counterparty and the Group's own credit risk on the fair value of the foreign exchange derivatives, which is not reflected in the change in the fair value of the hedged cash flow attributable to the change in the exchange rates
- changes in timing of the hedged transaction.

Ineffectiveness related to these hedge relationships is recognised in the Consolidated Income Statement in the line "Financial expenses" and was not significant for all periods presented. The maturity of these instruments does not exceed 24 months and the after-tax gains/(losses) deferred in other comprehensive income/(loss) that will be recognised in net revenues and cost of sales over the next twelve months, assuming foreign exchange rates remain unchanged, is €-23 million. If a derivative instrument is terminated because the hedge relationship is no longer effective or because the hedged item is a forecasted transaction that is no longer determined to be probable, the cumulative amount recorded in accumulated other comprehensive income/(loss) is recognised immediately in earnings. Such amounts were insignificant in all periods presented.

Iveco Group also uses forwards and swaps to hedge assets and liabilities denominated in foreign currencies. Such derivatives are considered economic hedges and not designated as hedging instruments. The changes in the fair values of these instruments are recognised directly in income statement as Financial income or Financial expenses and are expected to offset the foreign exchange gains or losses on the exposures being managed.

All of Iveco Group's foreign exchange derivatives are considered Level 2 as the fair value is calculated using market data input and can be compared to actively traded derivatives.

Interest Rate Derivatives

Iveco Group has entered into interest rate derivatives (swaps) in order to manage interest rate exposures arising in the normal course of business. Interest rate derivatives that have been designated as cash flow hedges are being used by Iveco Group to mitigate the risk of rising interest rates related to existing debt and anticipated issuance of fixed-rate debt in future periods. Gains and losses on these instruments, to the extent that the hedge relationship has been effective, are deferred in other comprehensive income/(loss) and recognised in Financial income or Financial expenses over the period in which Iveco Group recognises interest expense on the related debt. The after-tax gains (losses) deferred in other comprehensive income/(loss) that will be recognised in interest expense over the next twelve months were insignificant.

For hedging interest rate exposures, the hedge relationship reflects the hedge ratio 1:1, which means that relationship is characterised by the value of the hedging instrument and the value of the hedged item that move in the opposite direction as a result of the common underlying of hedged risk.

The main sources of hedge ineffectiveness are:

- the effect of the counterparty and the Group's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cash flow attributable to the change in the interest rates
- differences in repricing dates between the swaps and the borrowings.

Any ineffectiveness should be recorded in "Financial expenses" in the Consolidated Income Statement. Such amounts were insignificant in all periods presented.

All of Iveco Group's interest rate derivatives outstanding as of 31 December 2024 and 2023 are considered Level 2. The fair market value of these derivatives is calculated using market data input and can be compared to actively traded derivatives.

Financial statement impact of Iveco Group derivatives

The following table summarises the gross impact of changes in the fair value of derivatives recognised in Other comprehensive income and in the income statement during the years ended 31 December 2024 and 2023:

(€ million)	2024	2023
Cash flow hedges		
Recognised in Other comprehensive income (effective portion):		
Foreign exchange derivatives	(68)	(31)
Interest rate derivatives	(2)	—
Reclassified from Other comprehensive income (effective portion):		
Foreign exchange derivatives – Net revenues	(2)	7
Foreign exchange derivatives – Cost of sales	(33)	(53)
Foreign exchange derivatives – Net financial income/(expenses)	(15)	14
Not designated as hedges		
Foreign exchange derivatives – Net financial income/(expenses)	(39)	(61)

The fair values of Iveco Group's derivatives as of 31 December 2024 and 2023 in the Consolidated Statement of Financial Position are recorded as follows:

(€ million)	At 31 December 2024		At 31 December 2023	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Derivatives designated as hedging instruments				
Cash flow hedges:				
Foreign exchange derivatives	12	—	21	(34)
Interest rate derivatives	—	(2)	—	—
Total Cash flow hedges	12	(2)	21	(34)
Total Derivatives designated as hedging instruments	12	(2)	21	(34)
Derivatives not designated as hedging instruments				
Foreign exchange derivatives	9	(59)	6	(7)
Interest rate derivatives	2	—	—	—
Total Derivatives not designated as hedging instruments	11	(59)	6	(7)
Derivative assets/(liabilities)	23	(61)	27	(41)

Derivatives not designated as hedging instruments consist mainly of derivatives (mostly currency-based derivatives) acquired to hedge receivables and payables subject to currency risk and/or interest rate risk which are not formally designated as hedges at Group level. The following table provides, for derivatives designated as hedging instruments, the detail of notional amounts and of the fair value changes used as a basis to calculate hedge ineffectiveness, and for derivative not designated as hedging instruments, the detail of notional amounts:

(€ million)	At 31 December 2024		At 31 December 2023	
	Notional amount	Fair value changes used as a basis to calculate hedge ineffectiveness	Notional amount	Fair value changes used as a basis to calculate hedge ineffectiveness
Derivatives designated as hedging instruments				
Cash flow hedges:				
Foreign exchange derivatives	1,644	(61)	2,101	(60)
Interest rate derivatives	650	—	—	—
Total Cash flow hedges	2,294	(61)	2,101	(60)
Total Derivatives designated as hedging instruments	2,294	(61)	2,101	(60)
Total Derivatives not designated as hedging instruments	1,559	n/a	1,361	n/a
Total Derivatives	3,853	n/a	3,462	n/a

The following table provides the effects of hedged items designated in cash flow hedging relationships:

(€ million)	At 31 December 2024		At 31 December 2023	
	Cash flow hedge reserve (continuing hedges)	Fair value changes used as a basis to calculate hedge ineffectiveness	Cash flow hedge reserve (continuing hedges)	Fair value changes used as a basis to calculate hedge ineffectiveness
Cash flow hedges:				
Foreign exchange risk	(25)	(61)	(14)	(60)

The following table provides an analysis by due date of the notional amount of outstanding derivative financial instruments at 31 December 2024 and 2023:

(€ million)	At 31 December 2024			
	due within one year	due between one and five years	due beyond five years	Total
Currency risk	3,203	—	—	3,203
Interest rate risk	35	477	138	650
Total notional amount	3,238	477	138	3,853

(€ million)	At 31 December 2023			
	due within one year	due between one and five years	due beyond five years	Total
Currency risk	3,357	105	—	3,462
Interest rate risk	—	—	—	—
Total notional amount	3,357	105	—	3,462

19. Cash and cash equivalents

Cash and cash equivalents consist of:

(€ million)	At 31 December 2024	At 31 December 2023
Cash at banks	3,120	2,408
Restricted cash	96	104
Money market securities and other cash equivalents	297	186
Total Cash and cash equivalents	3,513	2,698

Amounts shown are readily convertible into cash and are subject to an insignificant risk of changes in value. Restricted cash mainly consists of Central Bank deposits established for regulatory purposes by a subsidiary benefitting from a banking license.

The credit risk associated with Cash and cash equivalents is considered not significant, because it mainly relates to deposits spread across primary national and international financial institutions.

20. Assets and liabilities held for sale

At 31 December 2024, assets and liabilities held for sale included the assets and liabilities relating the Fire Fighting business. See paragraph "Discontinued Operations – Fire Fighting Business" for additional details.

At 31 December 2023, assets and liabilities held for sale included the assets and liabilities relating the Nordic retail commercial operations for light, medium and heavy trucks and minibuses, as a consequence of the signing, on 30 March 2023, of a letter of intent for the transfer of these operations from Iveco Group to Hedin Mobility Group AB ("Hedin"). Following up on the letter of intent, in December 2023 Iveco Group and Hedin signed a Share Purchase Agreement. The transfer of these operations was completed on 4 November 2024 without any significant impact to profit or loss from the sale.

In addition to the above, Assets held for sale at 31 December 2024 and 2023 also included certain buildings.

21. Equity

Share capital

The Articles of Association of Iveco Group N.V. provide for authorised share capital of €8 million, divided into 400 million Common Shares and 400 million Special Voting Shares to be held with associated Common Shares, each having a par value of one euro cent (€0.01). As of 31 December 2024, the Company's share capital was €3,454,589.70, fully paid-in, and consisted of 271,215,400 Common Shares (264,333,778 Common Shares outstanding, net of 6,881,622 Common Shares held in treasury by the Company as described in the following section) and 74,243,570 Special Voting Shares (74,172,390 Special Voting Shares outstanding, net of 71,180 Special Voting Shares surrendered to the Company following the de-registration of the corresponding Qualifying Common Shares from the Loyalty Register and which are held as treasury shares by the Company).

Changes in the composition of the share capital of Iveco Group N.V. during 2024 are as follows:

(number of shares)	Iveco Group N.V. Common Shares issued	Less: Treasury shares	Iveco Group N.V. Common Shares outstanding	Iveco Group N.V. loyalty program Special Voting Shares issued	Less: Treasury shares	Iveco Group N.V. loyalty program Special Voting Shares outstanding	Total Shares issued by Iveco Group N.V.	Less: Treasury shares	Total Iveco Group N.V. outstanding shares
Total Iveco Group N.V. shares at 31 December 2022	271,215,400	—	271,215,400	74,243,570	(26,164)	74,217,406	345,458,970	(26,164)	345,432,806
(Purchases)/Sales of treasury shares	—	(6,001,715)	(6,001,715)	—	(44,445)	(44,445)	—	(6,046,160)	(6,046,160)
Total Iveco Group N.V. shares at 31 December 2023	271,215,400	(6,001,715)	265,213,685	74,243,570	(70,609)	74,172,961	345,458,970	(6,072,324)	339,386,646
(Purchases)/Sales of treasury shares	—	(879,907)	(879,907)	—	(571)	(571)	—	(880,478)	(880,478)
Total Iveco Group N.V. shares at 31 December 2024	271,215,400	(6,881,622)	264,333,778	74,243,570	(71,180)	74,172,390	345,458,970	(6,952,802)	338,506,168

During the year ended 31 December 2024:

- 571 Special Voting Shares were surrendered to the Company following the de-registration of the corresponding Qualifying Common Shares from the Loyalty Register and net of transfer and allocation of Special Voting Shares in accordance with the Special Voting Shares - Terms and Conditions
- the Company delivered 5,565,470 Common Shares following the vesting of share-based compensation plans. See paragraph below "Share-based compensation" for further discussion.

Policies and processes for managing capital

Pursuant to the Articles of Association, the Company is required to maintain a special capital reserve to be credited against the share premium exclusively for the purpose of facilitating any issuance or cancellation of Special Voting Shares. The Special Voting Shares do not carry any entitlement to the balance of the special capital reserve. The Board of Directors is authorised to resolve upon (i) any distribution out of the special capital reserve to pay up Special Voting Shares or (ii) re-allocation of amounts to credit or debit the special capital reserve against or in favour of the share premium reserve.

The Company is required to maintain a separate dividend reserve for the Special Voting Shares.

From the profits, shown in the annual accounts as adopted, such amounts shall be reserved as the Board of Directors may determine.

The profits remaining thereafter shall first be applied to allocate and add to the Special Voting Shares dividend reserve an amount equal to one percent (1%) of the aggregate nominal amount of all outstanding Special Voting Shares. The calculation of the amount to be allocated and added to the Special Voting Shares dividend reserve shall occur on a time-proportionate basis. If Special Voting Shares are issued during the financial year to which the allocation and addition pertains, then the amount to be allocated and added to the Special Voting Shares dividend reserve in respect of these newly issued Special Voting Shares shall be calculated as from the date on which such Special Voting Shares were issued until the last day of the financial year concerned. Any distribution out of the Special Voting Shares dividend reserve or the partial or full release of such reserve will require a prior proposal from the Board of Directors and a subsequent resolution of the general meeting of holders of Special Voting Shares. The Special Voting Shares shall not carry any other entitlement to the profits.

Any profits remaining thereafter shall be at the disposal of the General Meeting for distribution of dividend on the Common Shares only subject to the provision that the distribution of profits shall be made after the adoption of the annual accounts, from which it appears that the same is permitted.

Subject to the approval of the General Meeting and the Board of Directors having been designated as the body competent to pass a resolution for the issuance of shares in accordance with Article 5 of the Articles of Association, the Board of Directors may decide that a distribution shall be made in the form of shares or that shareholders shall be given the option to receive a distribution either in cash or in the form of shares.

On 5 March 2025 the Board of Directors recommended and proposed to the Company's shareholders the distribution of a dividend in cash of €0.33 per Common Share, totalling approximately €90 million.

The proposal is subject to the approval of the Company's shareholders at the AGM to be held on 16 April 2025. It was proposed that the dividend will be paid on 24 April 2025 on the outstanding Common Shares. The record date for the dividend will be 23 April 2025 and the Common Shares will be quoted ex dividend from 22 April 2025.

On 17 April 2024, at the AGM, shareholders of Iveco Group N.V. approved a dividend in cash of €0.22 per Common Share, as recommended by the Board of Directors. The cash dividend was paid on 24 April 2024 for a total amount of €59 million.

Distributions to shareholders and other persons entitled to distributable profits are allowed to the extent the Company's equity exceeds the sum of the paid-up portion of the share capital and the reserves that must be maintained in accordance with provision of law. No distribution of profits may be made to the Company itself for shares that the Company holds in its own share capital.

The Board of Directors has the power to declare one or more interim dividends, provided that the requirements of the Article 21 paragraph 5 of the Articles of Association are duly observed as evidenced by an interim statement of assets and liabilities as referred to in Article 2:105 paragraph 4 of the Dutch Civil Code and provided further that the policy of the Company on additions to reserves and dividends is duly observed. The provisions of the Article 21 paragraphs 2 and 3 of the Articles of Association shall apply *mutatis mutandis*.

The Board of Directors may determine that dividends or interim dividends, as the case may be, shall be paid, in whole or in part, from the Company's share premium reserve or from any other reserve, provided that payments from reserves may only be made to the shareholders that are entitled to the relevant reserve upon the dissolution of the Company.

Dividends and other distributions of profit shall be made payable in the manner and at such date(s) - within four weeks after declaration thereof - and notice thereof shall be given, as the General Meeting of Shareholders, or in the case of interim dividends, the Board of Directors shall determine, provided, however, that the Board of Directors shall have the right to determine that each payment of annual dividends in respect of shares be deferred for a period not exceeding five consecutive annual periods. Dividends and other distributions of profit, which have not been collected within five years and one day after the same have become payable, shall become the property of the Company.

Loyalty Voting Program

In order to reward long-term ownership of the Company's Common Shares and promote stability of its shareholder base, the Articles of Association of the Company provide for a loyalty voting program. This has been accomplished through the issuance of Special Voting Shares. For further details, see paragraph "Loyalty Voting Program" of the Governance Statement section.

Treasury shares

At 31 December 2024, the Company held 6,881,622 Common Shares in treasury, net of transfers of Common Shares to fulfil its obligations under its share-based compensation plans, at an aggregate cost of €63.5 million. During the year ended 31 December 2024, 571 Special Voting Shares were surrendered to the Company following the de-registration of the corresponding Qualifying Common Shares from the Loyalty Register and net of transfer and allocation of Special Voting Shares in accordance with the Special Voting Shares - Terms and Conditions. As of 31 December 2024, the Company held 71,180 Special Voting Shares in treasury.

On 17 April 2024, the AGM authorised the Board of Directors to decide upon the acquisition of the Company's own Common Shares through purchases on the stock exchange and/or multilateral trading facilities, directly and/or otherwise, for a period of 18 months from 17 April 2024, i.e. up to and including 16 October 2025, in one or more transactions, subject to market and business conditions and in compliance with applicable rules and regulations. The Board's authority was limited to a maximum of up to 10,000,000 Common Shares with a maximum total allocation to this end of €130 million. With due respect of applicable rules and regulations, purchases were required to take place for a price per Common Share (excluding expenses) no less than its nominal value (minimum price) and no more than 10% above the opening price as shown in the Official Price List of Euronext Milan on the day of acquisition (maximum price). Neither the authorization sought for, nor the subsequent launch of any share buyback program obligated the Company to buy back any Common Shares. The new authorisation replaced the pre-existing one granted by the AGM on 14 April 2023 and intended, inter alia, to allow the Board to cover the Company's obligations related to share-based remuneration, under existing and/or future equity incentive plans.

On 21 June 2024, implementing the authorisation granted by the AGM, the Company announced the launch of an initial tranche of buyback, up to €60 million. Such initial tranche was completed on 18 September 2024. The financial institution authorised to manage the purchase of Iveco Group Common Shares under the buyback program repurchased on Euronext Milan and delivered to the Company 6.4 million Common Shares. A comprehensive and detailed overview of the purchases accomplished is available on the Company's website, www.ivecogroup.com.

At the AGM to be held in 2025, the Board of Directors intends to recommend to the Company's shareholders the renewal of the authorization to repurchase Common Shares in the share capital of the Company.

Capital reserves

At 31 December 2024 capital reserves amounted to €2,292 million (€2,324 million at 31 December 2023).

Earnings reserves

Earnings reserves, amounting to €1,155 million at 31 December 2024 (€700 million at 31 December 2023), mainly consist of retained earnings and profits attributable to the owners of the parent.

Other comprehensive income/(loss)

Other comprehensive income/(loss) consisted of the following:

(€ million)	2024	2023
Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss:		
Gains/(losses) on the remeasurement of defined benefit plans	42	(24)
Fair value gain/(loss) on equity investments measured at fair value through other comprehensive income ⁽¹⁾	(4)	(33)
Items related to Discontinued Operations	1	(3)
Total Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss (A)	39	(60)
Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss:		
Gains/(losses) on cash flow hedging instruments arising during the period	(70)	(31)
(Gains)/losses on cash flow hedging instruments reclassified to profit or loss	50	32
Gains/(losses) on cash flow hedging instruments	(20)	1
Foreign exchange gains/(losses) on translation of foreign operations arising during the period	(81)	(212)
Foreign exchange (gains)/losses on translation of foreign operations reclassified to profit or loss	—	—
Foreign exchange gains/(losses) on translation of foreign operations	(81)	(212)
Total Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss (B)	(101)	(211)
Tax effect (C)	4	1
Total Other comprehensive income/(loss), net of tax (A) + (B) + (C)	(58)	(270)

(1) In the years ended 31 December 2024 and 2023, Fair value gain/(loss) on equity investments measured at fair value through other comprehensive income includes the remeasurement at fair value of the investment in Nikola Corporation. See Note 14 for additional information on this investment.

The income tax effect for each component of Other comprehensive income/(loss) consisted of the following:

	2024			2023		
(€ million)	Before tax amount	Tax (expense)/benefit	Net-of-tax amount	Before tax amount	Tax (expense)/benefit	Net-of-tax amount
Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss:						
Gains/(losses) on the remeasurement of defined benefit plans	42	(5)	37	(24)	1	(23)
Fair value gain/(loss) on equity investments measured at fair value through other comprehensive income ⁽¹⁾	(4)	—	(4)	(33)	—	(33)
Items related to Discontinued Operations	1	—	1	(3)	—	(3)
Total Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss	39	(5)	34	(60)	1	(59)
Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss:						
Gains/(losses) on cash flow hedging instruments	(20)	9	(11)	1	—	1
Foreign exchange gains/(losses) on translation of foreign operations	(81)	—	(81)	(212)	—	(212)
Total Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss	(101)	9	(92)	(211)	—	(211)
Total Other comprehensive income/(loss)	(62)	4	(58)	(271)	1	(270)

(1) In the years ended 31 December 2024 and 2023, Fair value gain/(loss) on equity investments measured at fair value through other comprehensive income includes the remeasurement at fair value of the investment in Nikola Corporation. See Note 14 for additional information on this investment.

Share-based compensation

In 2024, Iveco Group recognised total share-based compensation expense of €13 million (€19 million in 2023), including €3 million income, recorded in the second quarter, related to the reversal for forfeitures of certain previously granted share-based awards, and total tax benefit relating to share-based compensation expense of €1 million (€2 million in 2023).

As of 31 December 2024, Iveco Group had unrecognised share-based compensation expense related to non-vested awards of approximately €19 million (€22 million at 31 December 2023) based on current assumptions related to the achievement of specified performance objectives, when applicable. Unrecognised share-based compensation costs will be recognised over a weighted-average period of 1.7 years.

As part of the Demerger, any awards outstanding under the CNH Industrial Equity Incentive Plan ("CNH Industrial EIP") held by directors, officers and other employees vesting in 2022, were accelerated in December 2021 and the related equity incentives were issued by CNH Industrial in CNH Industrial N.V. stock. As a result of the Demerger, remaining outstanding awards vesting in 2023 and 2024 were converted to award on the shares of the entity the participant was employed with post spin. As such, for Iveco Group employees, the underlying stock awards under the CNH Industrial EIP vesting in 2023 and 2024 were converted at the effective date of the Demerger, subject to its terms, to Common Shares of Iveco Group N.V. The conversion of the CNH Industrial EIP included appropriate adjustment mechanisms to ensure that the value of the unvested awards granted to all the beneficiaries under such plan remained unchanged pre and post Demerger for employees in both Iveco Group and CNH Industrial. No incremental cost has been recognised as consequence of the conversion.

On 25 February 2022, the Board of Directors adopted the Iveco Group N.V. Equity Incentive Plan ("the EIP" or "the Plan"). The EIP relates to the grant of stock-based awards to eligible top performers and key leaders of the Company and its subsidiaries. The EIP is an umbrella programme defining the terms and conditions for any subsequent long term incentive programme.

The Board of Directors also approved a new long-term incentive programme ("LTIP"), tied to the Company's five-year Strategic Business Plan which spans in total over a five-year performance period, 2022 through 2026. Shareholders at the 13 April 2022 AGM voted in favour to allow up to a maximum of 16 million Common Shares which may be issued under the LTIP, of which 4 million (rights to subscribe for) Common Shares are reserved for issuance to the Executive Directors.

Under the LTIP, performance share rights ("PSUs") representing the right to receive one Common Share in the capital of the Company, will be awarded to the Chairman and to the Chief Executive Officer. A combination of PSUs and restricted share rights ("RSUs"), each representing the right to receive one Common Share in the capital of the Company, will be awarded to members of the Senior Leadership Team ("SLT") and other key members of the Group. The PSUs will be subject to the achievement of certain performance targets while the RSUs will be subject only to the participant's continuing service as officer, director or employee of the Company; both PSUs and RSUs are also subject to acceptable individual performance.

Performance Share Units*2021-2023 LTIP Awards from the Demerger*

Under the CNH Industrial EIP, 1.9 million of nonvested PSUs on CNH Industrial N.V.'s shares related to Iveco Group key executive officers and select employees were outstanding at 31 December 2021. As a result of the Demerger, such nonvested outstanding PSUs were converted to 3.0 million awards on Iveco Group N.V.'s shares.

The PSUs vested on 28 February 2024, based on the achievement of each target of Adjusted diluted EPS and Industrial ROIC (the ratio of Adjusted EBIT (after-tax) over Average Industrial Invested Capital), weighted 50% each, determined independently, and adjusted according to the TSR multiplier. The payout of the two independent metrics ranged from 50% at threshold results to a cap of 200% at or above outstanding results. These metrics were considered performance vesting conditions. The overall achievement factor under the plan terms including the TSR modifier was 183.33%. As a result, 4.8 million of shares were assigned, corresponding to 2.6 million of vested PSUs.

2022-2024 LTIP Awards

In February 2022, the Board of Directors approved the equity incentive plan in which employees and executive directors may participate. In May 2022, the Company issued approximately 2 million of PSUs to its key executive officers and select employees. The Executive Directors (Former CEO and Chairperson) have only been awarded PSUs.

The PSUs vested on 28 February 2025 after the end of the performance period, based on the achievement of each target determined independently related to: (i) 3 years average of the Adjusted EBIT Margin %, weighted 40%; (ii) Relative Total Shareholder Return ("Relative TSR" is the annualised rate of return, reflecting stock price performance, and compared to a pre-selected comparator group), weighted 40% and (iii) CO₂ reduction over the 3 years compared to 2019, weighted 20%. The payout ranges from 50% of target award to a cap of 200% of target award.

The Adjusted EBIT Margin % and CO₂ Reduction % metrics payout 50% of target award at threshold, 100% at target achievement and capped at 200% of target award for outstanding performance. No payout below threshold results. Relative TSR only pays out at or above target (median ranking) and is also capped at 200% of target award for 1st place ranking among the comparator companies.

The fair values of the awards are calculated using the Monte Carlo Simulation model. As almost all the awards of total awards issued during 2022 were issued on 5 May 2022, the key assumptions utilised to calculate the grant-date fair values for awards issued on this grant date are listed below:

**Key Assumptions for awards issued
on 5 May 2022**

Grant date stock price (in €)	5.4
Expected Volatility	42%
Dividend yield	3%
Risk-free rate	0.47%

The expected volatility is backed up by the comparator group average due to a limited historic volatility data prior to the grant date. Dividend yield was based on comparison between the management assumption and the external expected dividend yield. The risk-free interest rate was based on the ECB risk-free rate yield curve.

In October 2022, Iveco Group issued 19 thousand PSUs to select employees which vested on 28 February 2025.

On 30 June 2024, Mr. Marx (Former CEO) left the Group; therefore, approximately 0.5 million of PSUs were forfeited.

2023-2025 LTIP Awards

In May 2023, following the same framework of the 2022-2024 LTIP Awards, the Company issued approximately 1.3 million of PSUs to its key executive officers and select employees. The Executive Directors (Former CEO and Chairperson) have only been awarded PSUs.

The PSUs will vest on 28 February 2026 after the end of the performance period, based on the achievement of each target determined independently related to: (i) 3 years average of the Adjusted EBIT Margin %, weighted 40%; (ii) Relative Total Shareholder Return ("Relative TSR" is the annualised rate of return, reflecting stock price performance, and compared to a pre-selected comparator group), weighted 40% and (iii) CO₂ reduction over the 3 years compared to 2019, weighted 20%. The payout ranges from 50% of target award to a cap of 200% of target award. The Adjusted EBIT Margin % and CO₂ Reduction % metrics payout 50% of target award at threshold, 100% at target achievement and capped at 200% of target award for outstanding performance. No payout below threshold results. Relative TSR only pays out at or above target (median ranking) and is also capped at 200% of target award for 1st place ranking among the comparator companies.

The fair values of the awards are calculated using the Monte Carlo Simulation model. As almost all the awards of total awards issued during 2023 were issued on 15 May 2023, the key assumptions utilised to calculate the grant-date fair values for awards issued on this grant date are listed below:

**Key Assumptions for awards issued
on 15 May 2023**

Grant date stock price (in €)	7.33
Expected Volatility	38%
Dividend yield	3%
Risk-free rate	2.39%

The expected volatility is backed up by the comparator group average due to a limited historic volatility data prior to the grant date. Dividend yield was based on comparison between the management assumption and the external expected dividend yield. The risk-free interest rate was based on the ECB risk-free rate yield curve.

In September and December 2023, and in March 2024, Iveco Group issued total 38 thousand PSUs and 9 thousand PSUs, respectively, to select employees, set to vest on 28 February 2026.

On 30 June 2024, Mr. Marx (Former CEO) left the Group; therefore, approximately 0.4 million of PSUs were forfeited.

2024-2026 LTIP Awards

In May 2024 and July 2024, following the same framework of the 2022-2024 and 2023-2025 LTIP Awards, the Company issued approximately 0.8 million of PSUs to its key executive officers and select employees. The Executive Directors (CEO and Chairperson) have only been awarded PSUs.

The PSUs will vest on 28 February 2027 after the end of the performance period, based on the achievement of each target determined independently related to: (i) 3 years average of the Adjusted EBIT Margin %, weighted 40%; (ii) Relative Total Shareholder Return ("Relative TSR" is the annualised rate of return, reflecting stock price performance, and compared to a pre-selected comparator group), weighted 40% and (iii) CO₂ reduction over the 3 years compared to 2019, weighted 20%. The payout ranges from 50% of target award to a cap of 200% of target award. The Adjusted EBIT Margin % and CO₂ Reduction % metrics payout 50% of target award at threshold, 100% at target achievement and capped at 200% of target award for outstanding performance. No payout below threshold results. Relative TSR only pays out at or above target (median ranking) and is also capped at 200% of target award for 1st place ranking among the comparator companies.

The fair values of the awards are calculated using the Monte Carlo Simulation model. As almost all the awards of total awards issued during 2024 were issued on 27 May 2024, the key assumptions utilised to calculate the grant-date fair values for awards issued on this grant date are listed below:

Key Assumptions for awards issued on 27 May 2024

Grant date stock price (in €)	11.58
Expected Volatility	42%
Dividend yield	4%
Risk-free rate	2.90%

In September 2024, Iveco Group issued total 10 thousand PSUs to select employees, set to vest on 28 February 2027.

The following table reflects the activity of PSUs under the 2021-2023 LTIP Awards from the Demerger, the 2022-2024 LTIP Awards, the 2023-2025 LTIP Awards, and 2024-2026 LTIP Awards during the years ended 31 December 2024 and 2023:

	2024		2023	
	Performance Share Units	Weighted average grant date fair value (in €)	Performance Share Units	Weighted average grant date fair value (in €)
Nonvested at beginning of year	5,581,522	4.98	4,493,472	4.17
Granted	790,173	11.17	1,376,028	7.61
Forfeited/Cancelled	(1,045,920)	5.47	(287,978)	4.79
Vested	(2,631,832)	4.34	—	—
Nonvested at end of year	2,693,943	7.22	5,581,522	4.98

Restricted Share Units

2021-2023 LTIP Awards from the Demerger

Under the CNH Industrial EIP, 1.0 million of nonvested RSUs on CNH Industrial N.V.'s shares related to Iveco Group key executive officers and select employees were outstanding at 31 December 2021. As a result of the Demerger, such nonvested RSUs outstanding were converted to 1.6 million awards on Iveco Group N.V.'s shares.

The first tranche of RSUs (0.8 million) vested on 30 April 2023 and the second tranche vested on 30 April 2024 (0.7 million). The RSUs vested upon a time-based service requirement.

2022-2024 LTIP Awards

In February 2022, the Board of Directors approved the equity incentive plan in which employees and executive directors may participate. In May 2022, the Company issued 1 million of RSUs to its key executive officers and select employees.

The RSUs vested on 28 February 2025, subject only to the participant's continuing service as officer, director or employee of the Company. The fair value of the award is measured using the stock price on the grant date adjusted for the present value of future dividends that employees will not receive during the vesting period.

In October and November 2022, and in July 2024, Iveco Group issued total 80 thousand RSUs and 5 thousand RSUs, respectively, to select employees which vested on 28 February 2025.

2023-2025 LTIP Awards

In May 2023, following the same framework of the 2022-2024 LTIP Awards, the Company issued 0.7 million of RSUs to its key executive officers and select employees.

The RSUs will vest on 28 February 2026, subject only to the participant's continuing service as officer, director or employee of the Company. The fair value of the award is measured using the stock price on the grant date adjusted for the present value of future dividends that employees will not receive during the vesting period.

In September and December 2023, and in March and July 2024, Iveco Group issued total 87 thousand RSUs and 14 thousand RSUs, respectively, to select employees, set to vest on 28 February 2026.

2024-2026 LTIP Awards

In May 2024, following the same framework of the 2022-2024 and 2023-2025 LTIP Awards, the Company issued approximately 0.5 million of PSUs to its key executive officers and select employees.

The RSUs will vest on 28 February 2027, subject only to the participant's continuing service as officer, director or employee of the Company. The fair value of the award is measured using the stock price on the grant date adjusted for the present value of future dividends that employees will not receive during the vesting period.

In July and September 2024, Iveco Group issued total 61 thousand RSUs to select employees, set to vest on 28 February 2027.

The following table reflects the activity of RSUs under the 2021-2023 LTIP Awards from the Demerger, the 2022-2024 LTIP Awards, the 2023-2025 LTIP Awards and 2024-2026 LTIP Awards during the years ended 31 December 2024 and 2023:

	2024		2023	
	Restricted Share Units	Weighted average grant date fair value (in €)	Restricted Share Units	Weighted average grant date fair value (in €)
Nonvested at beginning of year	2,501,141	5.30	2,589,523	4.45
Granted	582,807	10.27	862,126	6.79
Forfeited/Cancelled	(131,936)	5.59	(162,232)	4.96
Vested	(740,571)	4.19	(788,276)	4.18
Nonvested at end of year	2,211,441	6.96	2,501,141	5.30

22. Provisions for employee benefits

Iveco Group provides pension, healthcare, and insurance plans and other post-employment benefits to their employees and retirees, either directly or by contributing to independently administered funds. The way these benefits are provided varies according to the legal, fiscal and economic conditions of each country in which the Group operates, the benefits generally being based on the employees' remuneration and years of service. Iveco Group provides post-employment benefits under defined contribution and defined benefit plans.

In the case of defined contribution plans, Iveco Group makes contributions to publicly or privately administered pension insurance plans on a mandatory, contractual, or voluntary basis. Once the contributions have been made, Iveco Group has no further payment obligations. Iveco Group recognises the contribution cost when the employees have rendered their service and includes this cost by function in Cost of sales, Selling, general and administrative costs and Research and development costs. During the years ended 31 December 2024 and 2023, Iveco Group's Continuing Operations recorded expenses of approximately €354 million and €326 million, respectively, for its defined contribution plans, inclusive of social security contributions.

Defined benefit plans may be unfunded, or they may be wholly or partly funded by contributions made by an entity, and sometimes by its employees, into an entity, or fund, that is legally separate from the employer from which the employee benefits are paid. Benefits are generally payable under these plans after the completion of employment. Defined benefit plans are classified by Iveco Group on the basis of the type of benefit provided as Pension plans and Other post-employment benefits.

Pension plans

Pension obligations primarily comprise the obligations of Iveco Group's pension plans in the UK, Germany and Switzerland.

Under these plans, contributions are made to a separate fund (trust) that independently administers the plan assets. Iveco Group's funding policy is to contribute amounts to the plan equal to the amounts required to meet the minimum funding requirements pursuant to the laws of the applicable jurisdictions. Iveco Group may also choose to make discretionary contributions in addition to the funding requirements. To the extent that a fund is overfunded, the Group is not required to make further contribution to the plan in respect of minimum performance requirements so long as the fund is in surplus. The significant pension plans that we are required to fund are in the UK.

Other post-employment benefits

Other post-employment benefits consist of obligations for Italian Employee Leaving Entitlements up to 31 December 2006, loyalty bonus in Italy and various other similar plans in France, Germany, and Belgium. Until 31 December 2006, Italian companies with more than 50 employees were required to accrue for benefits paid to employees upon them leaving Italian legal entities. The scheme has since changed to a defined contribution plan. The obligation on our consolidated balance sheet represents the residual reserve for years until 31 December 2006. Loyalty bonus is accrued for employees who have reached pre-defined service seniority and are generally settled when employees leave the company. These plans are not required to be funded and, therefore, have no plan assets. Other post-employment benefits also include plan obligations for healthcare and insurance plans granted to Iveco Group employees in France.

Provisions for employee benefits at 31 December 2024 and 2023 are as follows:

(€ million)	At 31 December 2024	At 31 December 2023
Post-employment benefits:		
Pension plans	123	156
Other	169	178
Total Post-employment benefits	292	334
Other provisions for employees	119	150
Other long-term employee benefits	55	60
Total Provision for employee benefits	466	544
Defined benefit plan assets	36	—
Total Defined benefit plan assets	36	—

The item Other provisions for employees consists of the best estimate at the balance sheet date of short-term employee benefits payable by the Group within twelve months from the end of the period in which the employees render the related service.

The item Other long-term employee benefits consists of the Group's obligation for those benefits generally payable during employment on reaching a pre-defined level of seniority in the company or when a specified event occurs, and reflects the probability of payment and the length of time over which this will be made.

In 2024 and 2023 changes in Other provisions for employees and in Other long-term employee benefits are as follows:

(€ million)	At 31 December 2023	Provision	Utilization	Transfer to liabilities held for sale	Change in the scope of consolidation and other changes	At 31 December 2024
Other provisions for employees	150	115	(142)	(5)	1	119
Other long-term employee benefits	60	5	(6)	(5)	1	55
Total	210	120	(148)	(10)	2	174

(€ million)	At 31 December 2022	Provision	Utilization	Change in the scope of consolidation and other changes	At 31 December 2023
Other provisions for employees	137	142	(129)	—	150
Other long-term employee benefits	58	9	(6)	(1)	60
Total	195	151	(135)	(1)	210

The amounts recognised in the consolidated income statement for pension plans and other post-employment benefits in the years ended 31 December 2024 and 2023 are as follows:

(€ million)	Pension plans		Other post-employment benefits	
	2024	2023	2024	2023
Current service cost	5	3	4	4
Interest expenses	12	14	5	6
Interest income	(8)	(9)	—	—
Past service cost	(3)	—	—	(2)
Other	—	—	—	—
Items related to Discontinued Operations	1	2	—	—
Component of defined benefit cost recognised in the Consolidated Income Statement	7	10	9	8

The amounts recognised in the consolidated statement of financial position for pension plans at 31 December 2024 and 2023 are as follows:

(€ million)	Defined benefit obligation		Fair value of plan assets		Effect of asset ceiling		Net defined benefit balance	
	2024	2023	2024	2023	2024	2023	2024	2023
Balance at the beginning of year	421	386	296	272	31	33	156	147
Current service cost	5	4	—	—	—	—	5	4
Interest expenses	13	14	—	—	—	1	13	15
Interest income	—	—	8	9	—	—	(8)	(9)
Past service cost	(3)	—	—	—	—	—	(3)	—
Component of defined benefit cost recognised in the Consolidated Income Statement	15	18	8	9	—	1	7	10
Return on plan assets	—	—	2	8	—	—	(2)	(8)
Remeasurements:								
Actuarial losses/(gains) from changes in demographic assumptions	—	(3)	—	—	—	—	—	(3)
Actuarial losses/(gains) from changes in financial assumptions	(9)	22	—	—	—	—	(9)	22
Other remeasurements	4	9	—	—	—	—	4	9
Total remeasurements	(5)	28	—	—	—	—	(5)	28
Changes in the effect of limiting a net defined benefit asset to the asset ceiling	—	—	—	—	(31)	(5)	(31)	(5)
Components recognised in the Consolidated Statement of Comprehensive Income	(5)	28	2	8	(31)	(5)	(38)	15
Contribution by employer	—	—	6	8	—	—	(6)	(8)
Contribution by plan participants	2	2	2	2	—	—	—	—
Benefits paid	(25)	(24)	(16)	(15)	—	—	(9)	(9)
Exchange rate differences	4	10	3	12	—	—	1	(2)
Transfer to liabilities held for sale	(24)	—	—	—	—	—	(24)	—
Other	1	1	1	—	—	2	—	3
Balance at end of year	389	421	302	296	—	31	87	156
Thereof:								
UK	125	133	121	125	—	—	4	8
Germany	117	146	—	—	—	—	117	146
Switzerland	134	130	170	161	—	31	(36)	—
Other countries	13	12	11	10	—	—	2	2
Total	389	421	302	296	—	31	87	156
Thereof:								
Net defined benefit liability							123	156
Net defined benefit asset							36	—

Other post-employment benefits at 31 December 2024 and 2023 do not have plan assets; therefore, the net liability at the end of each year considered corresponds to the defined benefit obligation at the same date.

The amounts recognised in the statement of financial position for Other post-employment benefits at 31 December 2024 and 2023 are as follows:

(€ million)	Defined benefit obligation	
	2024	2023
Balance at the beginning of year	178	168
Current service cost	4	4
Interest expenses	5	6
Past service cost	—	(2)
Component of defined benefit cost recognised in the Consolidated Income Statement	9	8
Remeasurements:		
Actuarial losses/(gains) from changes in demographic assumptions	(3)	—
Actuarial losses/(gains) from changes in financial assumptions	(3)	6
Other remeasurements	1	6
Total remeasurements	(5)	12
Components recognised in the Consolidated Statement of Comprehensive Income	(5)	12
Benefits paid	(11)	(11)
Transfer to Liabilities held for sale	(3)	—
Other	1	1
Balance at end of year	169	178
Thereof:		
Italy	111	120
France	55	55
Other countries	3	3
Net defined benefit liability	169	178

The weighted average durations of post-employment benefits obligations are as follows:

	N° of years
Pension plans	11
Other post-employment benefits	8

Assumptions

The following main assumptions were utilised in determining the funded status at 31 December 2024 and 2023, and the expense of Iveco Group's defined benefit plans for the years ended 31 December 2024 and 2023:

Assumptions used to determine funded status at year-end

At 31 December 2024

(in %)	Pension plans	Other post-employment benefits
Weighted-average discount rates	3.19	3.35
Weighted-average rate of compensation increase	1.75	3.30

At 31 December 2023

(in %)	Pension plans	Other post-employment benefits
Weighted-average discount rates	3.08	3.26
Weighted-average rate of compensation increase	2.07	3.31

Assumptions used to determine expense at year-end

At 31 December 2024

(in %)	Pension plans	Other post-employment benefits
Weighted-average discount rates	3.08	3.26
Weighted-average rate of compensation increase	2.07	3.31

At 31 December 2023

(in %)	Pension plans	Other post-employment benefits
Weighted-average discount rates	3.63	3.74
Weighted-average rate of compensation increase	2.08	3.54

Assumed discount rates are used in measurements of pension and other post-employment benefit obligations and net interest on the net defined benefit liability/asset. Iveco Group selects its assumed discount rates based on the consideration of equivalent yields on high-quality fixed income investments at the measurement date. The assumed discount rate is used to discount future benefit obligations back to today's euros. The discount rates are based on a benefit cash flow-matching approach and represent the rates at which the benefit obligations could effectively be settled as of the measurement date, 31 December. The benefit cash flow-matching approach involves analysing Iveco Group's projected cash flows against a high-quality bond yield curve, mainly calculated using a wide population of AA-grade corporate bonds subject to minimum amounts outstanding and meeting other defined selection criteria.

Iveco Group reviews annually the mortality assumptions used in measurements of its pension, healthcare and other post-employment benefit obligations. Consideration is given to the assumptions used in the latest local funding valuations, and the latest tables applicable in each country. For major plans in France and Germany, Iveco Group uses the spot yield curve approach to estimate the service cost and net interest components by applying the specific spot rates along the yield curve used to determine the benefit obligations to relevant projected cash outflows. For plans in Italy, discount rate is set locally and interest cost is based on first year rate of the Euro Composite AA curve. For all other plans service cost and interest cost are calculated based on a single discount rate.

Assumed discount rates have an effect on the amount recognised in the 2024 financial statements. A one percentage point change in the assumed discount rates would have the following effects on defined benefit obligations related to Continuing Operations:

(€ million)	One percentage point increase	One percentage point decrease
Effect on pension plans defined benefit obligation at 31 December 2024	(39)	49
Effect on other post-employment defined benefit obligation at 31 December 2024	(13)	15

Plan assets

The investment strategy for the plan assets depends on the features of the plan and on the maturity of the obligations. Typically, less mature plan benefit obligations are funded by using more equity securities as they are expected to achieve long-term growth exceeding the rate of inflation. More mature plan benefit obligations are funded using more fixed income securities as they are expected to produce current income with limited volatility. Risk management practices include the use of multiple asset classes and investment managers within each asset class for diversification purposes. Specific guidelines for each asset class and investment manager are implemented and monitored. Plan assets do not include treasury shares of the Company or properties occupied by Group companies.

The fair value of plan assets at 31 December 2024 and 2023 may be disaggregated by asset class and level as follows. Fair value levels presented below are described in the "Accounting policies – Fair value measurement" section of these Notes.

Fair value of plan assets

(€ million)	At 31 December 2024				At 31 December 2023			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Equity securities	47	36	11	—	44	35	9	—
Government bonds	84	53	31	—	73	49	24	—
Corporate bonds	6	—	6	—	6	—	6	—
Other bonds	12	—	12	—	20	—	20	—
Insurance contracts	9	—	—	9	10	—	—	10
Other types of investments ⁽¹⁾	66	17	40	9	74	16	50	8
Cash	25	13	12	—	23	17	6	—
Real Estate	53	—	53	—	46	—	46	—
Total	302	119	165	18	296	117	161	18

(1) This category includes primarily commingled funds.

Contribution

Iveco Group expects to contribute approximately €6 million to its pension plans related to Continuing Operations in 2025. The benefit expected to be paid from the benefit plans for Continuing Operations, which reflect expected future years of service, are as follows:

(€ million)	Expected benefit payments						Total
	2025	2026	2027	2028	2029	2030 to 2033	
Post-employment benefits:							
Pension plans	25	28	24	25	25	114	241
Other	11	10	11	13	16	79	140
Total Post-employment benefits	36	38	35	38	41	193	381
Other long-term employee benefits	6	5	5	6	6	30	58
Total	42	43	40	44	47	223	439

Potential outflows in the years after 2025 are subject to a number of uncertainties, including future asset performance and changes in assumptions.

23. Other provisions

Changes in Other provisions are as follows:

(€ million)	At 31 December 2023	Charge	Utilization	Release to income and other changes	Transfer to liabilities held for sale	At 31 December 2024
Obligations from sales	910	490	(297)	(27)	(4)	1,072
Warranty and product related	566	729	(505)	(164)	(8)	618
Legal proceedings and other disputes	115	38	(31)	(10)	—	112
Restructuring	24	3	(9)	(3)	—	15
Other risks	221	86	(74)	5	(6)	232
Total Other provisions	1,836	1,346	(916)	(199)	(18)	2,049

(€ million)	At 31 December 2022	Charge	Utilization	Release to income and other changes	At 31 December 2023
Obligations from sales	759	548	(332)	(65)	910
Warranty and product related	499	548	(406)	(75)	566
Legal proceedings and other disputes	101	33	(14)	(5)	115
Restructuring	35	7	(13)	(5)	24
Other risks	204	130	(127)	14	221
Total Other provisions	1,598	1,266	(892)	(136)	1,836

Obligations from sales relates to discounts, bonuses and similar allowances for which there is a legal or constructive obligation attributable to sales revenue as well as any risks arising in connection with the sale of products and services. This provision is estimated based on information available for the sales made.

The warranty and product related provision represents management's best estimate of commitments given by the Group for contractual, legal or constructive obligations arising from product warranties given for a specified period of time which begins at the date of delivery to the customer. This estimate has been calculated considering past experience and specific contractual terms. This provision also includes management's best estimate of the costs that are expected to be incurred in connection with product defects that could result in a larger recall of vehicles. This provision for risks is developed through an assessment of reported damages or returns on a case-by-case basis.

Legal proceedings and other disputes represent management's best estimate of the liability to be recognised by the Group with regard to legal proceedings arising in the ordinary course of business with dealers, customers, suppliers, or regulators (such as contractual, patent, or antitrust disputes), legal proceedings involving claims with active and former employees and disputes related to indirect taxes. Each Group company recognises a provision for legal proceedings when it is deemed probable that the proceedings will result in an outflow of resources. In determining the best estimate of the probable liability, each Group company assesses its legal proceedings on a case-by-case basis to estimate the probable losses that typically arise from events of the type giving rise to the liability. The estimate takes into account, as applicable, the views of legal counsel and other experts, the experience of the company and others in similar situations and the company's intentions with regard to further action in each proceeding.

Restructuring provision represents management's best estimate of costs primarily associated to certain fundamental organisational changes.

Other risks include other provisions of smaller amounts for miscellaneous risks and charges in connection with risks which cannot be specifically attributed to the other categories, as well as the investment provision.

Iveco Group's consolidated provisions combine the individual provisions established by each of the Group's companies.

24. Debt

Credit Facilities

Lenders of committed credit facilities have the obligation to make advances up to the facility amount. Lenders of uncommitted facilities have the right to terminate the agreement, with no acceleration of the advances, with prior notice to Iveco Group. At 31 December 2024, Iveco Group had available committed unsecured facilities expiring after twelve months amounting to €1,900 million (€2,000 million at 31 December 2023).

On 4 January 2022, Iveco Group signed a €1.9 billion syndicated facility, which included a €1.4 billion committed revolving credit facility with a 5-year tenor with two extension options of 1-year each (subject to the bank's approval), as well as a €0.5 billion committed term facility with a 12-months tenor, extendable for up to an additional 12 months at the Company's sole option. In October 2022, Iveco Group signed a new €400 million syndicated term facility with a 2-year tenor extendable for up to an additional 12 months at the Company's sole option. The proceeds have been used to refinance the existing term facility. The €1.4 billion revolving credit facility has been extended for two additional years with all lenders, by exercising the first and the second one-year extension option. The facility is now due to mature in January 2029.

On 27 November 2023, Iveco Group signed a €450 million term loan facility with the European Investment Bank (EIB) with an 8-year amortisation profile, which represented the first tranche of the €500 million total approved by the European Investment Bank. The proceeds of the loan facility, which have been drawdown in full in December 2023, will be applied, over a period of three years, to enable Iveco Group to develop innovative technologies and architectures in the field of electric propulsion and to increase efficiency, safety, driving comfort and productivity by further developing solutions for autonomous driving, digitalisation and vehicle connectivity. This loan is at a below-market rate of interest. The difference between the market rate of interest for an equivalent loan at the inception date and the rate granted by the EIB has been recognised as a government grant in accordance with IAS 20, and recorded as a deduction from the capitalized development costs financed by the loan on a straight-line basis over the life of the underlying projects. The loan is measured at amortised cost, in the amount of €436 million at 31 December 2024. In July 2024, the second and last €50 million tranche has been executed with full drawing in October 2024.

In June 2024, Iveco Group N.V. signed a term loan facility of €150 million with Cassa Depositi e Prestiti (CDP) for the creation of new projects in Italy dedicated to research, development and innovation. Furthermore, in July 2024 Iveco Group N.V. successfully raised a *Schuldschein* loan (a private placement governed by German law) for €290 million and between July 2024 and October 2024 Iveco Group N.V. executed new bilateral term loan facilities for a total amount of €300 million.

The facilities above include typical provisions for contracts of this type and size, such as: customary covenants mainly relating to Industrial Activities including negative pledge, a status (or *pari passu*) covenant, restrictions on the incurrence of indebtedness by certain subsidiaries, customary events of default (some of which are subject to minimum thresholds and customary mitigants) including cross-default, failure to pay amounts due or to comply with certain provisions under the loan agreement, the occurrence of certain bankruptcy-related events and mandatory prepayment obligations upon a change in control of Iveco Group or the borrower and a financial covenant (Net debt/EBITDA ratio relating to Industrial Activities) that is not applicable in case of rating equal or higher than BBB/Baa2. The failure to comply with these provisions, in certain cases if not suitably remedied, can lead to the requirement to make early repayment of the outstanding advances. At 31 December 2024, Iveco Group was in compliance with all covenants of the above facilities.

At 31 December 2024, Financial Services' asset-backed facilities amounted to €1,031 million (€1,025 million at 31 December 2023), committed and expiring after twelve months. Bank debt of Financial Services also included €115 million (€115 million at 31 December 2023) *Schuldschein* loan with a 3-year tenor.

Debt

The following table presents the Group's contractual undiscounted cash flows, including expected interest payments, relating to Debt, as well as an analysis of Debt by nature:

(€ million)	At 31 December 2024					At 31 December 2023				
	Due within one year	Due between one and five years	Due beyond five years	Total	Carrying amount	Due within one year	Due between one and five years	Due beyond five years	Total	Carrying amount
Asset-backed financing	3,576	4	—	3,580	3,558	3,883	5	—	3,888	3,860
Other debt:										
Borrowings from banks	728	1,663	168	2,559	2,344	710	848	220	1,778	1,631
Payables represented by securities	35	—	—	35	35	38	—	—	38	38
Lease liabilities	65	111	54	230	199	63	109	55	227	196
Other	168	2	—	170	170	370	5	—	375	375
Total Other debt	996	1,776	222	2,994	2,748	1,181	962	275	2,418	2,240
Total Debt	4,572	1,780	222	6,574	6,306	5,064	967	275	6,306	6,100

Total Debt was €6,306 million at 31 December 2024, an increase of €206 million compared to 31 December 2023 primarily as a result of the issuance of new loans, partially offset by the early repayment of the €400 million Syndicated Term Facility, a reduction of asset-backed financing and lower financial payables to CNH included in Other debt.

The item Asset-backed financing represents the financing received through both asset-backed securitisations and factoring transactions which do not meet IFRS 9 derecognition requirements and are recognised as assets in the statement of financial position.

Referring to Lease liabilities, in 2024, €70 million for the principal portion and €10 million for interest expenses related to Lease liabilities, respectively, were paid (€67 million for the principal portion of Lease liabilities and €7 million for interest expenses, respectively, were paid in 2023).

The following table sets out a maturity analysis of Lease liabilities at 31 December 2024 and 2023:

(€ million)	At 31 December 2024	At 31 December 2023
Less than one year	65	63
One to two years	44	46
Two to three years	30	29
Three to four years	22	20
Four to five years	15	14
More than five years	54	55
Total undiscounted lease payments	230	227
Less: Interest	(31)	(31)
Total Lease liabilities	199	196

At 31 December 2024, the weighted average remaining lease term (calculated on the basis of the remaining lease term and the lease liability balance for each lease) and the weighted average discount rate for leases were 6.3 years and 4.3%, respectively (6.3 years and 3.6% at 31 December 2023).

With the purpose of further diversifying its funding structure, Iveco Group has established a commercial paper program. In Europe, IC Financial Services S.A. issued commercial paper under the program which had an amount of €35 million outstanding at 31 December 2024 (€38 million at 31 December 2023).

As of 31 December 2024, the credit rating assigned by Fitch Ratings to Iveco Group N.V. is a Long-Term Issuer Default Rating (IDR) of 'BBB-'. The outlook is stable.

For further information on the management of interest rate and currency risk reference should be made to Note 30.

At 31 December 2024 and 2023, there was no significant debt secured with mortgages and other liens on assets of the Group, and the total carrying amount of assets acting as security was not significant at 31 December 2024 and 2023. In addition, the Group's assets include current receivables and cash with a pre-determined use reserved primarily to settle asset-backed financing of €3,558 million at 31 December 2024 (€3,860 million at 31 December 2023).

25. Trade payables

An analysis by due date of Trade payables is as follows:

(€ million)	At 31 December 2024			Total
	Due within one year	Due between one and five years	Due beyond five years	
Trade payables	3,947	5	4	3,956

(€ million)	At 31 December 2023			Total
	Due within one year	Due between one and five years	Due beyond five years	
Trade payables	3,918	7	2	3,927

26. Other liabilities

An analysis of Other liabilities is as follows:

(€ million)	At 31 December 2024	At 31 December 2023
Advances on buy-back agreements	864	936
Contract liabilities	1,350	1,332
Indirect tax payables	257	278
Accrued expenses and deferred income	224	165
Payables to personnel	158	174
Social security payables	101	98
Other	480	357
Total Other liabilities	3,434	3,340

An analysis of Other liabilities (excluding Accrued expenses and deferred income) by due date is as follows:

(€ million)	At 31 December 2024			
	Due within one year	Due between one and five years	Due beyond five years	Total
Other liabilities (excluding Accrued expenses and deferred income)	1,966	1,207	37	3,210

(€ million)	At 31 December 2023			
	Due within one year	Due between one and five years	Due beyond five years	Total
Other liabilities (excluding Accrued expenses and deferred income)	1,880	1,248	47	3,175

Contract liabilities primarily relate to extended warranties/maintenance and repair contracts, and transactions for the sale of vehicles with a buy-back commitment. Contract liabilities include €541 million at 31 December 2024 (€595 million at 31 December 2023) for future rents related to buy-back agreements. Changes in Contract liabilities for the years ended 31 December 2024 and 2023 are as follows:

(€ million)	At 31 December 2023	Additional amounts arising during the period	Amounts recognised within revenue	Transfer to Liabilities held for sale	Translation differences and other changes	At 31 December 2024
Contract liabilities	1,332	812	(784)	(8)	(2)	1,350

(€ million)	At 31 December 2022	Additional amounts arising during the period	Amounts recognised within revenue	Translation differences and other changes	At 31 December 2023
Contract liabilities	1,280	701	(636)	(13)	1,332

Advances on buy-back agreements includes the repurchase value of the vehicle relating to new vehicles sold with a buy-back commitment from Truck and Bus business units, included in Property, plant and equipment, as described in section "Accounting policies".

27. Commitments and contingencies

As a global company with a diverse business portfolio, Iveco Group in the ordinary course of business is exposed to numerous legal risks, including, without limitation, dealers and suppliers litigation, intellectual property rights disputes, product warranty and defective product claims, product performance liability, asbestos, personal injury, regulatory and contractual issues, competition law, anti-corruption and other investigations, environmental claims. All significant matters are described below.

The outcome of any current or future proceedings, claims, or investigations cannot be predicted with certainty. Adverse decisions in some of these proceedings, claims or investigations could require Iveco Group to pay substantial damages or fines or undertake service actions, recall campaigns or other costly actions. It is therefore possible that legal judgments could give rise to expenses that are not covered, or not fully covered, by insurers' compensation payments and could affect Iveco Group's financial position and results.

When it is probable that an outflow of resources embodying economic benefits will be required to settle obligations and this amount can be reliably estimated, Iveco Group recognises specific provisions for this purpose. Contingent liabilities estimated by the Group, for which no provisions have been recognised since an outflow of resources is not considered probable at the present time, were not material at 31 December 2024 and 2023.

Although the ultimate outcome of legal matters pending against Iveco Group cannot be predicted, Iveco Group believes the reasonable possible range of losses for these unresolved legal matters in addition to the amounts accrued would not have a material effect on its Consolidated Financial Statements, except for the following cases.

Other litigation and investigation

Follow on Damages Claims: in 2011 Iveco S.p.A. and Iveco Magirus AG (together "Iveco"), which, following the Demerger, are now part of Iveco Group N.V., and their competitors in the European Union were subject to an investigation by the European Commission (the "Commission") into certain business practices in the European Union in the period 1997-2011, in relation to Medium & Heavy trucks. On 19 July 2016, the Commission announced a settlement with CNH Industrial ("the Decision") including a settlement with Iveco. In particular, Iveco received a reduction in its fine for cooperating with the European Commission throughout the investigation, and received a fine of €494.6 million. Similar decisions were taken, by the Commission, with reference to the other competitors. Following the Decision, Iveco S.p.A. and Iveco Magirus AG have been named as defendants in many proceedings across Europe and Israel. These damage claims could result in substantial liabilities for the Group as well as incurring in significant defense costs, which may have a material adverse effect on its operations and financial condition. The extent and outcome of these claims cannot be reliably predicted at this time and, therefore, the Group did not recognise any specific provision for these claims. In 2024 and 2023, Iveco Group recognised a cost of €20 million and €12 million, respectively, related to certain claims for which it was possible to make a reliable estimate. This current position will be reassessed on a regular basis and updated as necessary, based on cases' evolution. In accordance with IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets* (paragraph 92), no further information is disclosed so as not to prejudice the Group's position.

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

Iveco Poland Antitrust Case: in August 2024, the President of the Office of Competition and Consumer Protection of Poland ("UOKIK") issued a decision regarding alleged violations of competition law by Iveco Poland Sp. z o.o. ("IPL"), a subsidiary of Iveco Group N.V., and its distributors in the local truck market, envisaging a fine of PLN 155 million (approximately €36 million as of 31 December 2024). The UOKIK decision was served on IPL in September. Iveco Group disagrees with the allegations and findings presented by the UOKIK and intends to defend its case in every possible instance and the decision of UOKIK is not yet final or binding. As a consequence, in October 2024, IPL has appealed the UOKIK decision before the Polish court (the "Court"). Only a final judgment of the Court will determine whether a breach of competition law took place and the amount of the fine, if any, that should be paid. In light of the above, Iveco Group did not recognise any specific provision in relation to this case.

Commitments and guarantees

Iveco Group provided guarantees on the debt or commitments of third parties and performance guarantees, mainly in the interest of an associate providing financing solutions to customers, and of a joint venture related to commercial commitments of defense vehicles, for the total amount of €490 million and €422 million at 31 December 2024 and 2023, respectively.

28. Segment reporting

The segment information disclosed in these Consolidated Financial Statements reflects the identifiable reporting segments of the Company and the financial information that the Chief Operating Decision Maker ("CODM") reviews to assess performance and make decisions about resource allocation. The segments are organised based on products and services provided by Iveco Group.

As described in section "Introduction" of the Board Report above, until 31 December 2023 Iveco Group presented its Consolidated Financial Statements including three reportable segments, Commercial and Specialty Vehicles, Powertrain and Financial Services.

On 14 March 2024, during its Capital Markets Day, Iveco Group released a new segment reporting structure for its Continuing Operations, expanding its reportable segments from three segments (Commercial & Specialty Vehicles, Powertrain and Financial Services) to five reportable segments (Truck, Bus, Defence, Powertrain and Financial Services). The Truck, Bus and Defence business units, along with the Fire Fighting business unit (reported as Discontinued Operations from the first quarter of 2024), were previously part of the Commercial and Specialty Vehicles segment.

As of 31 December 2024, Iveco Group has the following operating segments:

- **Truck** designs, manufactures and distributes a full range of light, medium, and heavy vehicles for the transportation and distribution of goods under the IVECO brand;
- **Bus** designs, manufactures and distributes minibuses, city-buses, intercity buses and coaches under the IVECO BUS and HEULIEZ brands;
- **Defence** designs, manufactures and distributes vehicles for civil defense and civil protection under the IDV brand, and vocational heavy-duty trucks for heavy haulage and off-road missions under the ASTRA brand;
- **Powertrain** designs, manufactures and distributes, under the FPT Industrial brand, a range of combustion engines, alternative propulsion systems, transmission systems and axles for on- and off-road applications, as well as for marine and power generation; and
- **Financial Services** offers a range of financial products and services to dealers and customers. Financial Services provides and administers retail financing to customers for the purchase or lease of new and used vehicles sold by brand dealers and distributors of the Group or directly by subsidiaries of the Group. In addition, Financial Services provides wholesale financing to brand dealers and distributors of the Group. Wholesale financing consists primarily of floor plan financing and allows the dealers to purchase and maintain a representative inventory of products. Financial Services also provides discounting of non-dealer trade receivables from legal entities of the Group. Additionally, Financial Services grants support to CNH Industrial Group (CNH), by providing financial services for its European brands, dealers and customers under a vendor and service agreement, receiving a fee for the services rendered.

Data included in this note reflects the new reporting structure of Iveco Group. Comparative data has been represented to conform the current year's presentation.

The activities carried out by the Truck, Bus, Defence and Powertrain business units, as well as by the holding company Iveco Group N.V. and the Fire Fighting business unit (classified as Discontinued Operations), are collectively referred to as "Industrial Activities".

Revenues for each reported segment are those directly generated by or attributable to the segment as a result of its business activities and include revenues from transactions with third parties as well as those deriving from transactions with other segments, recognised at normal market prices. Segment expenses represent expenses deriving from each segment's business activities both with third parties and other operating segments or which may otherwise be directly attributable to it. Expenses deriving from business activities with other segments are recognised at normal market prices.

The CODM assesses the segment performance and makes decisions about resource allocation based upon Adjusted EBIT, which is deemed to more fully reflect Industrial Activities and Financial Services segments' profitability. Adjusted EBIT is defined as EBIT before restructuring costs and non-recurring items. In particular, non-recurring items are specifically disclosed items that management considers rare or discrete events that are infrequent in nature and not reflective of on-going operational activities.

The following table summarises Adjusted EBIT by reportable segment:

(€ million)	2024	2023
Truck	556	618
Bus	140	108
Defence	113	76
Powertrain	221	252
Unallocated items, eliminations and other	(179)	(205)
Adjusted EBIT of Industrial Activities	851	849
Financial Services	131	122
Eliminations and other	—	—
Total Adjusted EBIT	982	971

A reconciliation from Adjusted EBIT to Iveco Group's Profit/(loss) before taxes for the years ended 31 December 2024 and 2023 is provided below:

(€ million)	2024	2023
Adjusted EBIT of Industrial Activities	851	849
Adjusted EBIT of Financial Services	131	122
Adjusted EBIT	982	971
Restructuring costs	(24)	(36)
Other discrete items ⁽¹⁾	(139)	(69)
Net financial income/(expenses)	(211)	(443)
Profit/(loss) before taxes	608	423

(1) In the year ended 31 December 2024, this item mainly includes €96 million costs for actions related to EPA/CARB newly-introduced post-sale in field verification program on North America market, €20 million costs related to certain claims arising from the EU Commission's 2016 antitrust settlement, €20 million related to the reorganisation of the Chinese operations, as well as €5 million separation costs related to the spin-off of the Iveco Group business. In the year ended 31 December 2023, this item mainly included €43 million loss from the acquisition of full ownership of Nikola Iveco Europe GmbH, €19 million costs related to certain claims arising from the EU Commission's 2016 antitrust settlement and FPT emissions investigation closure, as well as €8 million positive impact from the release of provisions related to the Russia and Ukraine conflict, and €12 million separation costs.

There are no segment assets or liabilities reported to the CODM for assessing performance and allocating resources.

Additional reportable segment information

Net Revenues by reportable segment for the years ended 31 December 2024 and 2023 are provided in Note 1.

Depreciation and amortisation by reportable segment for the years ended 31 December 2024 and 2023 are provided below:

(€ million)	2024	2023
Truck	435	361
Bus	51	47
Defence	21	20
Powertrain	164	160
Unallocated items, eliminations and other	3	3
Total Industrial Activities	674	591
Financial Services	4	3
Total Depreciation and amortisation^(*)	678	594

(*) Excluding depreciation of assets on operating lease and assets sold with buy-back commitment.

Expenditures for long-lived assets by operating segments for the years ended 31 December 2024 and 2023 are provided below:

(€ million)	2024	2023
Truck	609	623
Bus	120	104
Defence	25	20
Powertrain	165	205
Unallocated items, eliminations and other	13	6
Total Industrial Activities	932	958
Financial Services	7	3
Total Expenditures for long-lived assets^(*)	939	961

(*) Excluding assets sold under buy-back commitments and operating leases.

29. Information by geographical area

The Company has its principal office in Turin, Italy. Revenues earned in Italy from external customers were €3,130 million and €3,467 million in 2024 and 2023, respectively. Revenues earned in the rest of the world from external customers were €12,159 million and €12,511 million in 2024 and 2023, respectively. The following table highlights revenues earned from external customers in the rest of the world by destination:

(€ million)	2024	2023
France	1,922	2,167
Germany	1,640	1,511
Brazil	1,206	908
Spain	1,052	1,169
UK	689	786
Türkiye, Caucasus and South Central Asia Sub-region	520	493
Poland	497	488
Argentina	430	461
South East and Japan Sub-region, excluding Pakistan	366	458
The Netherlands	342	163
Switzerland	318	376
Belgium	280	267
Czech Republic	272	284
Romania	265	275
Austria	258	333
Australia and New Zealand	227	219
Portugal	188	169
China	55	150
Other	1,632	1,834
Total revenues from external customers in the rest of the world	12,159	12,511

In 2024 and 2023, no single external customer of Iveco Group accounted for 10 per cent or more of consolidated revenues.

Total non-current assets located in Italy, excluding financial assets, deferred tax assets and defined benefit assets, were €2,564 million and €2,387 million at 31 December 2024 and 2023, respectively, and the total of such assets located in the rest of the world was €2,935 million and €2,910 million at 31 December 2024 and 2023, respectively. The following highlights non-current assets by geographical area in the rest of the world:

(€ million)	2024	2023
Spain	754	750
France	653	639
Germany	530	572
Brazil	150	174
Switzerland	67	35
China	64	68
UK	50	54
Portugal	41	38
Belgium	31	34
Czech Republic	14	11
Other	581	535
Total non-current assets in the rest of the world	2,935	2,910

30. Information on financial risks

We are exposed to the following financial risks connected with our operations:

- credit risk related to our financing activities;
- liquidity risk, with particular reference to the availability of funds and access to the credit market and to financial instruments in general;
- market risk (primarily exchange rates and interest rates).

We attempt to actively manage these risks.

The quantitative data reported in the following paragraphs does not have any predictive value. In particular, the sensitivity analysis on market risks does not reflect the complexity of the market or the reaction, which may result from any changes that are assumed to take place.

Credit risk

The Group's credit risk differs in relation to the activities carried out by the segments and sales markets in which we operate; in all cases, however, the risk is mitigated by the large number of counterparties and customers.

Financial assets are recognised in the statement of financial position net of write-downs for the risk that counterparties may be unable to fulfil their contractual obligations, determined on the basis of the available information as to the creditworthiness of the customer and historical data.

The maximum credit risk to which we were theoretically exposed at the reporting date is represented by the carrying amounts stated for financial assets in the statement of financial position and the nominal value of the guarantees provided on debt or commitments of third parties.

Dealers and final customers are generally subject to specific assessments of their creditworthiness under a detailed scoring system. In addition to carrying out this evaluation process, we may also obtain financial and non-financial guarantees for risks arising from credit granted for the sale of commercial vehicles. These guarantees are further secured, where possible, by retention of title clauses or specific guarantees on financed vehicle sales to the distribution network and on vehicles under finance leasing agreements.

A financial asset has experienced a significant increase in credit risk when the customer shows signs of operational or financial weakness including past dues, which requires significant collection effort and monitoring and generally occurs when the customer becomes past due greater than 30 days. The assessment considers available information regarding the financial stability of the customer and other market/industry data. An account is typically considered in default when they are 90 days past due.

Iveco Group utilises three categories for receivables from financing activities that reflect their credit risk and how the loan provision is determined.

Internal risk grade	IFRS 9 classification	Definition	Basis for recognition of expected credit loss provision
Performing	Stage 1	Low risk of default; payments are generally less than 30 days past due	12 month expected credit losses
Performing	Stage 2	Significant increase in credit risk; payments generally between 31 and 90 days past due	Lifetime expected credit losses
Non-performing	Stage 3	Accounts are credit impaired and/or a legal action has been initiated; payments generally greater than 90 days past due	Lifetime expected credit losses

Charge-offs of principal amounts of receivables outstanding are deducted from the allowance at the point when it is estimated that amounts due are deemed uncollectible. Iveco Group continues to engage in collection efforts to attempt to recover the receivables. When recoveries are collected, these are recognised as income.

Iveco Group's allowance for credit losses is segregated into two portfolio segments: retail and wholesale. A portfolio segment is the level at which Iveco Group develops a systematic methodology for determining its allowance for credit losses. Typically, Iveco Group's receivables within a portfolio segment have similar risk profiles and methods for assessing and monitoring risk. These classes align with management reporting.

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, Iveco Group considers historical loss rates for each category of customer and adjusts for forward-looking macroeconomic data.

In calculating the expected credit losses, Iveco Group's calculations depend on whether the receivable has been individually identified as being impaired. The first component of the allowance for credit losses covers the receivables specifically reviewed by management for which Iveco Group has determined it is probable that it will not collect all of the contractual principal and interest. Receivables are individually reviewed for impairment based on, among other items, amounts outstanding, days past due and prior collection history. Expected credit losses are measured by considering: the unbiased and probability-weighted amount; the time value of money; and reasonable and supportable information (available without undue costs or effort) at the reporting date about past events, current conditions and forecasts of future economic conditions. Expected credit losses are measured as the probability-weighted present value of all cash shortfalls over the expected life of each financial asset.

The second component of the allowance for credit losses covers all receivables that have not been individually reviewed for impairment. The allowance for these receivables is based on aggregated portfolio evaluations, generally by financial product. The allowance for wholesale and retail credit losses is based on loss forecast models that consider a variety of factors that include, but are not limited to, historical loss experience, collateral value, portfolio balance and delinquency. The loss forecast models are updated on a quarterly basis. The calculation is adjusted for forward-looking macroeconomic factors. In addition, qualitative factors that are not fully captured in the loss forecast models are considered in the evaluation of the adequacy of the allowance for credit losses. These qualitative factors are subjective and require a degree of management judgment.

Liquidity risk

We are exposed to funding risk if there is difficulty in obtaining finance for operations at any given point in time.

The cash flows, funding requirements and liquidity of our subsidiaries are monitored on a centralized basis. The aim of this centralized system is to optimize the efficiency and effectiveness of the management of our capital resources.

Additionally, as part of our activities, we regularly carry out funding operations on the various financial markets which may take on different technical forms and which are aimed at ensuring that it has an adequate level of current and future liquidity.

Measures taken to generate financial resources through operations and to maintain an adequate level of available liquidity are an important factor in ensuring normal operating conditions and addressing strategic challenges. We therefore plan to meet our requirements to settle liabilities as they fall due and to cover expected capital expenditures by using cash flows from operations and available liquidity, renewing or refinancing bank loans and making recourse to the bond market and other forms of funding.

The main factors that determine our liquidity situation are the funds generated by or used in operating and investing activities and the debt lending period and its renewal features or the liquidity of the funds employed and market terms and conditions.

Iveco Group has adopted a series of policies and procedures whose purpose is to optimize the management of funds and to reduce the liquidity risk, as follows:

- centralizing the management of receipts and payments, where it may be economical in the context of the local statutory, currency and fiscal regulations of the countries in which we are present;
- maintaining an adequate level of available liquidity;
- diversifying the means by which funds are obtained and maintaining a continuous and active presence on the capital markets;
- obtaining adequate credit lines; and
- monitoring future liquidity on the basis of business planning.

Details as to the repayment structure of the Iveco Group's financial assets and liabilities are provided in Note 17 "Current Receivables and Other current financial assets" and in Note 24 "Debt". Details of the repayment structure of derivative financial instruments are provided in Note 18 "Derivative assets and Derivative liabilities".

Management believes that the funds currently available, together with the funds that will be generated from operating and financing activities, will enable Iveco Group to satisfy its requirements resulting from its investing activities and working capital needs and to fulfil its obligations to repay its debts at their natural due date.

Market risk

We operate in numerous markets worldwide and are exposed to market risks stemming from fluctuations in currency and interest rates.

The exposure to foreign currency risk arises both in connection with the geographical distribution of our industrial activities compared to the markets in which we sell our products, and in relation to the use of external borrowing denominated in foreign currencies.

The exposure to interest rate risk arises from the need to fund industrial and financial operating activities and the necessity to deploy surplus funds. Changes in market interest rates may have the effect of either increasing or decreasing our profit/(loss), thereby indirectly affecting the costs and returns of financing and investing transactions.

We regularly assess our exposure to foreign currency and interest rate risk and manage those risks through the use of derivative financial instruments in accordance with our established risk management policies.

Our policy permits derivatives to be used only for managing the exposure to fluctuations in exchange and interest rates connected with future cash flows and assets and liabilities, and not for speculative purposes.

We utilise derivative financial instruments designated as fair value hedges, mainly to hedge:

- the currency risk on financial instruments denominated in foreign currency;
- the interest rate risk on fixed rate loans and borrowings.

The instruments used for these hedges are mainly currency swaps, forward contracts, interest rate swaps and combined interest rate and currency financial instruments.

We use derivative financial instruments as cash flow hedges for the purpose of pre-determining:

- the exchange rate at which forecasted transactions denominated in foreign currencies will be accounted for;
- the interest paid on borrowings, both to match the fixed interest received on loans (customer financing activity), and to achieve a pre-defined mix of floating versus fixed rate funding structured loans.

The exchange rate exposure on forecasted commercial flows is hedged by currency swaps, forward contracts and currency options. Interest rate exposures are usually hedged by interest rate swaps and, in limited cases, by forward rate agreements.

Counterparties to these agreements are major and diverse financial institutions.

Information on the fair value of derivative financial instruments held at the balance sheet date is provided in Note 18 "Derivative assets and Derivative liabilities".

Currency risk

We are exposed to risk resulting from changes in exchange rates, which can affect our earnings and invested equity.

Where one of our subsidiaries incurs costs in a currency different from that of its revenues, any change in exchange rates can affect the profit/(loss) of that company. In 2024 the total net trade flows exposed to currency risk amounted to the equivalent of 14% of our revenue (9% in 2023).

The principal exchange rates to which we are exposed are the following:

- EUR/GBP, predominately in relation to sales on the UK market
- EUR/BRL, predominately in relation to import on the Brazilian market
- EUR/TRY, predominately in relation to sales on the Türkiye market
- EUR/PLN, predominately in relation to sales on the Polish market
- EUR/CZK, predominately in relation to the production of Bus in Czech Republic
- ARS/USD, in relation to purchases from Europe.

Trade flows exposed to changes in these exchange rates in 2024 made up approximately 74% (72% in 2023) of the exposure to currency risk from trade transactions.

It is the Group's policy to use derivative financial instruments to hedge a pre-determined percentage, on average between 55% and 85%, of the forecasted trading transaction exchange risk exposure for the coming 12 months with additional flexibility to reach 0% or 100% (including risk beyond that date where it is believed to be appropriate) and to hedge completely the exposure resulting from firm commitments.

Group's subsidiaries may hold trade receivables or payables denominated in a currency different from the subsidiary's functional currency. In addition, in a limited number of cases, subsidiaries may obtain financing or use funds in a currency different from their functional currency. Changes in exchange rates may result in exchange gains or losses arising from these situations. It is our policy to hedge fully, whenever possible, the exposure resulting from receivables, payables and securities denominated in foreign currencies different from the subsidiary's functional currency.

Group's subsidiaries may have functional currency different from the euro, which is the Group presentation currency. The income statements of those subsidiaries are converted into euros using the average exchange rate for the period, and while revenues and margins are unchanged in local currency, changes in exchange rates may lead to effects on the converted balances of revenues, costs and the results reported in euros.

The assets and liabilities of consolidated companies whose functional currency is different from the euro may acquire converted values in euros which differ as a function of the fluctuation in exchange rates. The effects of these changes are recognised directly in the Cumulative Translation Adjustments reserve, included in Other comprehensive income (see Note 21).

We monitor our principal exposure to translation exchange risk, although there was no specific hedging in place at 31 December 2024. There were no substantial changes in 2024 in the nature or structure of exposure to currency risk or in our hedging policies.

Sensitivity analysis

The potential loss in fair value of derivative financial instruments held for currency risk management (currency swaps/forwards, currency options, interest rate and currency swaps) at 31 December 2024 resulting from a hypothetical change of 10% in the exchange rates amounts to approximately €267 million (€276 million at 31 December 2023). The valuation model for currency options assumes that market volatility at year-end remains unchanged.

The underlying transactions (consisting of receivables, payables, and future trade flows) for which we put in place, as hedging transactions, the derivative financial instruments analysed in the above mentioned sensitivity analysis, were not considered. It is reasonable to assume that changes in exchange rates will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

Interest rate risk

Our Industrial Activities make use of external funds obtained in the form of financing and invest in monetary and financial market instruments. In addition, we sell receivables. Changes in market interest rates can affect the cost of financing, including the sale of receivables, or the return on investments of funds, causing an impact on the level of net financial expenses incurred by us.

In addition, Financial Services provides loans (mainly to customers and dealers), financing themselves primarily using various forms of external borrowings or asset-backed financing (e.g., securitisation of receivables). Where the characteristics of the variability of the interest rate applied to loans granted differ from those of the variability of the cost of the financing/funding obtained, changes in the current level of interest rates can affect our profit/(loss).

In order to mitigate these risks, we use interest rate derivative financial instruments, mainly interest rate swaps and forward rate agreements.

Sensitivity analysis

In assessing the potential impact of changes in interest rates, we separate fixed rate financial instruments (for which the impact is assessed in terms of fair value) from floating rate financial instruments (for which the impact is assessed in terms of cash flows).

The fixed rate financial instruments used by us consist of retail receivables, debt, asset-backed securitisations, and other instruments.

The potential loss in fair value of fixed rate financial instruments (including the effect of interest rate derivative financial instruments) held at 31 December 2024, resulting from a hypothetical, unfavourable and instantaneous change of 10% in market interest rates, would have been approximately €4 million (€3 million at 31 December 2023).

Floating rate financial instruments consist principally of cash and cash equivalents, wholesale receivables, debt, and asset-backed securitisations. The effect of the sale of receivables is also considered in the sensitivity analysis as well as the effect of hedging derivative instruments. This analysis doesn't include cash and cash equivalent from hyperinflationary countries which could have distorting effects on the results of the analysis and the change in fair value of foreign exchange rate derivatives instruments.

A hypothetical change of 10% in short-term interest rates at 31 December 2024, applied to floating rate financial assets and liabilities, operations for the sale of receivables and derivative financial instruments, would have caused increased net expenses before taxes, on an annual basis, of approximately €8 million (€12 million at 31 December 2023).

This analysis is based on the assumption that there is a hypothetical change of 10% in interest rates across homogeneous categories. A homogeneous category is defined on the basis of the currency in which the financial assets and liabilities are denominated.

Other risks on derivative financial instruments

We have entered limited derivative contracts linked to commodity prices to hedge specific exposures on supply contracts.

Sensitivity analysis

In the event of a hypothetical change of 10% in the underlying raw materials prices, the potential loss in fair value of outstanding derivative financial instruments at 31 December 2024 linked to commodity prices would not have been significant (not significant at 31 December 2023).

31. Fair value measurement

Fair value levels presented below are described in the "Accounting policies – Fair value measurement" section of these Notes.

Assets and liabilities measured at fair value on a recurring basis

The following table presents, for each of the fair value hierarchy levels, the assets and liabilities that are measured at fair value on a recurring basis at 31 December 2024 and 2023:

		At 31 December 2024			
(€ million)	Note	Level 1	Level 2	Level 3	Total
Equity investments measured at fair value through other comprehensive income	(14)	—	—	10	10
Other investments	(14)	—	—	3	3
Derivative assets	(18)	—	23	—	23
Total Assets		—	23	13	36
Derivative liabilities	(18)	—	61	—	61
Total Liabilities		—	61	—	61

		At 31 December 2023			
(€ million)	Note	Level 1	Level 2	Level 3	Total
Equity investments measured at fair value through other comprehensive income	(14)	4	—	11	15
Other investments	(14)	—	—	14	14
Derivative assets	(18)	—	27	—	27
Total Assets		4	27	25	56
Derivative liabilities	(18)	—	41	—	41
Total Liabilities		—	41	—	41

The following table provides a reconciliation from the opening balance to the closing balance for fair value measurements categorised in Level 3 of fair value in 2024 and 2023:

(€ million)	2024	2023
At 1 January	25	21
Acquisitions/(disposals)	—	3
Other changes	(12)	1
At 31 December	13	25

The fair value of equity investments categorised within Level 1 is determined by reference to their quoted market price at the reporting date. A market is regarded as active if quoted prices are readily and regularly, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

A description of the valuation techniques used to determine the fair value of derivative financial instruments, categorised within Level 2, is included in Note 18 "Derivative assets and Derivative liabilities".

Instruments included in Level 3 comprised primarily of equity investments for which there is no quoted market price in an active market and there is insufficient financial information in order to determine fair value, and cost is used as an estimate of fair value.

Assets and liabilities not measured at fair value

The estimated fair values for financial assets and liabilities that are not measured at fair value in the statement of financial position at 31 December 2024 and 2023 are as follows:

		At 31 December 2024				
(€ million)	Note	Level 1	Level 2	Level 3	Total Fair Value	Carrying amount
Retail financing	(17)	—	—	26	26	26
Dealer financing	(17)	—	—	5,006	5,006	5,007
Finance leases	(17)	—	—	55	55	57
Other receivables from financing activities	(17)	—	—	96	96	95
Total Receivables from financing activities⁽¹⁾		—	—	5,183	5,183	5,185
Asset-backed financing	(24)	—	3,558	—	3,558	3,558
Borrowings from banks	(24)	—	2,344	—	2,344	2,344
Payables represented by securities	(24)	—	35	—	35	35
Lease liabilities	(24)	—	—	199	199	199
Other debt ⁽²⁾	(24)	—	19	151	170	170
Total Debt		—	5,956	350	6,306	6,306

(1) At 31 December 2024, Receivables from financing activities includes €220 million of financial receivables from CNH classified as Level 3.

(2) At 31 December 2024, Other debt includes €151 million of financial payables to CNH Industrial classified as Level 3.

		At 31 December 2023				
(€ million)	Note	Level 1	Level 2	Level 3	Total Fair Value	Carrying amount
Retail financing	(17)	—	—	12	12	12
Dealer financing	(17)	—	—	5,540	5,540	5,541
Finance leases	(17)	—	—	53	53	57
Other receivables from financing activities	(17)	—	—	192	192	192
Total Receivables from financing activities⁽¹⁾		—	—	5,797	5,797	5,802
Asset-backed financing	(24)	—	3,860	—	3,860	3,860
Borrowings from banks	(24)	—	1,638	—	1,638	1,631
Payables represented by securities	(24)	—	38	—	38	38
Lease liabilities	(24)	—	—	196	196	196
Other debt ⁽²⁾	(24)	—	43	332	375	375
Total Debt		—	5,579	528	6,107	6,100

(1) At 31 December 2023, Receivables from financing activities included €393 million of financial receivables from CNH classified as Level 3.

(2) At 31 December 2023, Other debt included €332 million of financial payables to CNH Industrial classified as Level 3.

Receivables from financing activities

The fair value of Receivables from financing activities is based on the discounted values of their related cash flows at market discount rates that reflect conditions applied in various reference markets on receivables with similar characteristic, adjusted to take into account the credit risk of the counterparties.

Debt

The fair value of Asset-backed financing, Borrowings from banks, Payable represented by securities and Other debt are included in the Level 2 and has been estimated based on discounted cash flows analysis using the current market interest rates at year-end adjusted for the Group non-performance risk over the remaining term of the financial liability.

The fair value of Lease liabilities classified within Level 3 of the fair value hierarchy has been estimated using discounted cash flow models that require significant adjustments using unobservable inputs.

Other financial assets and liabilities

The carrying amount of Cash at banks, Restricted cash, Other cash equivalents, Trade receivables, Other current receivables and financial assets, Trade payables and Other liabilities included in the Consolidated Statement of Financial Position approximates their fair value, due to the short maturity of these items.

32. Related party transactions

In accordance with IAS 24 – *Related Party Disclosures*, Iveco Group's related parties are companies and persons capable of exercising control, joint control or significant influence over the Group. As of 31 December 2024 and 2023, related parties included Iveco Group's parent company Exor N.V. (which is controlled by Giovanni Agnelli B.V.) and its subsidiaries and affiliates, including CNH, Stellantis N.V. (formerly Fiat Chrysler Automobiles N.V. which, effective 16 January 2021, merged with Peugeot S.A. by means of a cross-border legal merger) and its subsidiaries and affiliates (Stellantis), and Iveco Group's unconsolidated subsidiaries, associates or joint ventures. In addition, the members of the Board of Directors and managers of Iveco Group with strategic responsibility and members of their families were also considered related parties.

As of 31 December 2024, based on public information available and in reference to Company's files, Exor N.V. held 43.4% of Iveco Group's voting power and had the ability to significantly influence the decisions submitted to a vote of Iveco Group's shareholders, including approval of annual dividends, the election and removal of directors, mergers or other business combinations, the acquisition or disposition of assets, and issuances of equity and the incurrence of indebtedness. The percentage above has been calculated as the ratio of (i) the aggregate number of Common Shares and Special Voting Shares owned by Exor N.V. to (ii) the aggregate number of outstanding Common Shares and Special Voting Shares of Iveco Group N.V. as of 31 December 2024.

In addition, Iveco Group engages in transactions with its unconsolidated subsidiaries, joint ventures, associates and other related parties on commercial terms that are normal in the respective markets, considering the characteristics of the goods or services involved. The Company's Audit Committee reviews and evaluates related party transactions pursuant to the specific policy posted on the Company's website.

Transactions with Exor N.V. and its subsidiaries and affiliates

Iveco Group did not enter into any significant transactions with Exor N.V. during the years ended 31 December 2024 and 2023.

In connection with the establishment of Fiat Industrial (now CNH Industrial) through the demerger from Fiat (which was subsequently merged into Fiat Chrysler Automobiles N.V. which is now Stellantis), the two companies entered into a Master Services Agreement ("Stellantis MSA") which set forth the primary terms and conditions pursuant to which services were to be provided. Such Stellantis MSA was terminated in 2023. The Company either indemnified the service provider from any direct cost incurred as a result of such termination or purchased the lines of business dedicated to providing such services for its benefit or had them purchased by third-party providers that entered into new dedicated services agreements to supply the corresponding services. During 2024 and 2023, Stellantis subsidiaries still provided Iveco Group with services (namely some administrative, industrial security, and information systems) progressively reducing in order to grant an ordered termination.

These transactions are reflected in the Consolidated Financial Statements as follows:

(€ million)	2024	2023
Net revenues	37	40
Cost of sales	84	201
Selling, general and administrative costs	26	24

(€ million)	At 31 December 2024	At 31 December 2023
Trade receivables	1	4
Trade payables	25	35

Transactions with CNH

Iveco Group and CNH entered into agreements, primarily of commercial nature, but also covering general administrative and specific technical matters as well as services provided by CNH as follows:

Master Service Agreement: in relation to lease of premises and several corporate services provided by Iveco Group to CNH or vice versa, Iveco Group and CNH entered into a Master Services Agreement (MSA) whereby each party (and its subsidiaries) may provide services to the other (and its subsidiaries), in substantial continuity with previous practices.

Engine Supply Agreement: in relation to the design and supply of off-road engines from Iveco Group to CNH, Iveco Group and CNH entered into a ten-year Engine Supply Agreement (ESA) whereby Iveco Group will sell to CNH diesel, CNG and LNG engines and provide post-sale services.

Financial Service Agreement: in relation to certain financial services activities carried out by either Iveco Group to CNH or vice versa, in connection with the execution of the Demerger Deed, Iveco Group and CNH entered into a three-year Master Services Agreement (FS MSA), whereby each party (and its subsidiaries) may provide services and/or financial services activities to the other (and its subsidiaries). Services provided under the FS MSA relate mainly to wholesale and retail financing activities to suppliers, distribution network and customers.

The transactions with CNH are reflected in the Consolidated Financial Statements as follows:

(€ million)	2024	2023
Net revenues	764	1,031
Cost of sales	88	87
Financial expenses	10	4

(€ million)	At 31 December 2024	At 31 December 2023
Trade receivables	30	32
Financial receivables	220	393
Debt	151	332
Trade payables	23	18

Transactions with joint ventures

Iveco Group sells vehicles and provides technical services to joint ventures such as IVECO - OTO MELARA Società Consortile a responsabilità limitata.

Net revenues from joint ventures were €209 million in 2024 (€232 million in 2023) and trade receivables from joint ventures were €8 million at 31 December 2024 (nil at 31 December 2023).

At 31 December 2024 and 2023, Iveco Group had provided guarantees on commitments of its joint ventures for an amount of €259 million and €170 million, respectively, mainly related to IVECO - OTO MELARA Società Consortile a responsabilità limitata.

Transactions with associates

Iveco Group sells trucks and commercial vehicles and provides services to associates. In 2024, revenues from associates were €71 million (€93 million in 2023). In 2024, cost of sales from associates were €13 million (€18 million in 2023). At 31 December 2024, receivables from associates amounted to €9 million (€11 million at 31 December 2023). Trade payables to associates amounted to €28 million at 31 December 2024 (€12 million at 31 December 2023). At 31 December 2024 and 2023, Iveco Group had provided guarantees on commitments of its associates for an amount of €219 million and €232 million, respectively, related to CNH Industrial Capital Europe S.a.S.

Transactions with unconsolidated subsidiaries

In the years ended 31 December 2024 and 2023, there were no material transactions with unconsolidated subsidiaries.

Compensation to Key Management Personnel

The Company considers the members of the Board of Directors and the Senior Leadership Team to be the key management personnel as defined in IAS 24 - *Related Party Disclosures*.

The fees of the Directors (Executives and Non-Executives) of Iveco Group N.V. for carrying out their respective functions, including those in other consolidated legal entities and the notional compensation cost arising for share-based payments awarded to Executive Directors, amounted to an expense of €4 million in 2024 (expense of €8 million in 2023), partially offset by €3 million income related to the reversal for forfeitures of certain previously granted share-based awards. Details on the remuneration of Directors are given in the Remuneration Report.

The aggregate expense incurred for the compensation of the Senior Leadership Team (excluding the Chief Executive Officer, which is included in the Directors' compensation above) amounted to €14 million in 2024 (€14 million in 2023) and included €10 million (€11 million in 2023) for short-term employee benefits, €3 million (€3 million in 2023) for share-based payments and €1 million for termination benefits (nil in 2023). No expense for post-employment and other long-term benefits was included in both 2024 and 2023.

33. Explanatory notes to the statement of cash flows

The statement of cash flows sets out changes in cash and cash equivalents during the year. As required by IAS 7 - *Cash Flow Statements*, cash flows are separated into operating, investing and financing activities. The effects of changes in exchange rates on cash and cash equivalents are shown separately under the line item Translation exchange differences.

The Consolidated Statement of Cash Flows is presented using the indirect method. It should be noted that Cash flows from/(used in) operating activities refer to the flows generated or used by the core business of Industrial Activities, only. The Group believes that this approach provides more focus and transparency to the reader of the Financial Statements on its principal revenue/producing activities. Furthermore, cash flows generated or used by the core business of Financial Services are included in Cash flows from/(used in) investing activities. The Group assessed that this approach better reflects the role of Financial Services as a support function to Industrial Activities, offering financing products to wholesale and retail customers. This is consistent with the overall approach adopted in the presentation of the key financial metrics, focusing on the performance of the Industrial Activities (including its operating segments/Business Units) separated from the supporting activities performed by Financial Services.

In particular, the item "Net (cash used in)/proceeds from receivables from financing activities" primarily includes the transactions where Financial Services support the core business of Industrial Activities. These financing transactions relate to wholesale financing granted to Industrial Activities dealers for the settling of related trade receivables, net of the cash received by Financial Services from the dealers' repayment of financing transactions.

The Group presents supplemental discussion and disclosure regarding the statement of cash flows for the purpose of additional analysis. Items discussed below are reflected within the Consolidated Statement of Cash Flows either on an aggregate or net basis, and accordingly have been discussed further as set forth below.

The cash flows for income tax payments net of refunds in 2024 amounted to €159 million (€123 million in 2023).

Total interest of €367 million was paid and interest of €284 million was received in 2024 (interest of €304 million was paid and interest of €273 million was received in 2023, respectively).

Operating activities

Cash flows from/(used in) operating activities mainly derive from the Group's main revenue producing activities.

Cash generated from the sale of vehicles under buy-back commitments, net of amounts included in Profit/(loss) for the period, is recognised under operating activities in a single line item, which includes changes in working capital, capital expenditure, depreciation and impairment losses.

Cash from operating lease is recognised under operating activities in a single line item, which includes capital expenditure, depreciation, write-downs and changes in inventory.

Changes in working capital for 2024 and 2023 are summarised as follows:

(€ million)	2024	2023
Change in trade receivables	(110)	(91)
Change in inventories	(254)	(86)
Change in trade payables	153	367
Change in other receivables/payables	213	103
Change in working capital	2	293

Investing activities

Cash flows from/(used in) investing activities represent the extent to which expenditures have been made for resources intended to generate future income and cash flows. Only expenditures resulting in an asset recognised in the balance sheet are classified as investing activities in the statement of cash flows. In particular, Cash flows from/(used in) investing activities include net (cash used in)/proceeds from receivables from financing activities that may be analysed as follows:

(€ million)	2024	2023
Net (cash used in)/proceeds from dealer financing	534	(1,385)
Net (cash used in)/proceeds from in retail financing	(15)	(2)
Net (cash used in)/proceeds from other receivables from financing activities	(56)	(16)
Net (cash used in)/proceeds from receivables from financing activities	463	(1,403)

Liquidity generated by the decrease in receivables from financing activities in 2024 was primarily a result of changes in the wholesale portfolio.

For consideration for the acquisition and disposal of subsidiaries and of other investments, refer to section "Business Combinations" above and to Note 14.

Financing activities

The amounts previously reported under "Issuance of other medium-term borrowings", "Repayments of other medium-term borrowings" and "Change in other financial payables" have been reclassified to reflect the presentation in the lines "Cash receipts from long-term financing liabilities", "Repayment of long-term financing liabilities" and "Net cash receipts from/(repayment of) short-term financing liabilities"; 2023 figures have been reclassified to conform with the current presentation. Furthermore, the figures for 2023 comparative period have been represented consistently with the classification of the Fire Fighting business as Discontinued Operations in 2024.

The following table presents the reconciliation between the amounts previously presented for the year ended 31 December 2023 and the current presentation:

(€ million)	Total	Continuing Operations	Reclassified to:		
			Cash receipts from long-term financing liabilities	Repayment of long-term financing liabilities	Net cash receipts from/(repayment of) short-term financing liabilities
Issuance of other medium-term borrowings	909	908	908	—	—
Repayment of other medium-term borrowings	(82)	(81)	—	(81)	—
Change in other financial payables	700	705	88	(131)	748
Total	1,527	1,532	996	(212)	748

Change in derivative assets/liabilities consists of derivative financial instruments measured at fair value at the balance sheet date, as discussed in Note 18 above.

Reconciliation of changes in liabilities arising from financing activities may be analysed as follows:

(€ million)	2024	2023
Total Debt at beginning of year	6,100	4,433
Derivative (assets)/liabilities at beginning of year	14	4
Total liabilities from financing activities at beginning of year	6,114	4,437
Cash flows	221	1,549
Other changes	9	128
Total liabilities from financing activities at end of year	6,344	6,114
Of which:		
Total Debt at end of year	6,306	6,100
Derivative (assets)/liabilities at end of year	38	14

34. Subsequent events

Iveco Group has evaluated subsequent events through 5 March 2025, which is the date the Consolidated Financial Statements were authorised for issuance, and noted the following:

- on 3 January 2025, Iveco Group transferred the full ownership of Magirus GmbH and its affiliates performing firefighting business ("MAGIRUS") to Mutares SE & Co. KGaA, as per the terms of the agreement signed on 13 March 2024, subject to contractual price adjustments primarily reflecting MAGIRUS's actual business performance during 2024
- on 7 February 2025, the Board of Directors of Iveco Group N.V. announced that, in view of the different trends in the commercial vehicles and defence markets, and the increasingly different requirements for the long-term success of both businesses, the Board is considering separating Iveco Group's Defence business, comprising the IDV and ASTRA brands and related activities, during 2025 through a spin-off. The Board will provide an update on the outcome of this assessment in the coming months. Any steps post the assessment remain subject to the required internal and regulatory approvals.

35. Companies included in the scope of the Consolidated Financial Statements

The main legal entities comprising the Iveco Group at 31 December 2024, including major subsidiaries, joint ventures and associates, included in Continuing Operations are provided below:

Name of legal entity	Country of Incorporation	Percentage Interest Held
SUBSIDIARIES CONSOLIDATED LINE-BY-LINE		
Amce-Automotive Manufacturing Co.Ethiopia Share Company	Ethiopia	70.00%
Astra Veicoli Industriali S.p.A.	Italy	100.00%
EVCO GmbH	Germany	100.00%
Heuliez Bus S.A.S.	France	100.00%
IAV-Industrie-Anlagen-Verpachtung GmbH	Germany	100.00%
IDV ROBOTICS LIMITED	United Kingdom	80.00%
IDV USA INC.	USA	100.00%
ITALWATT S.r.l.	Italy	100.00%
Iveco (China) Commercial Vehicle Sales Co. Ltd	People's Rep.of China	100.00%
Iveco (Schweiz) AG	Switzerland	100.00%
Iveco Arac Sanayi VE Ticaret A.S.	Turkey	100.00%
IVECO ARGENTINA S.A.	Argentina	100.00%
Iveco Austria GmbH	Austria	100.00%
Iveco Bayern GmbH	Germany	100.00%
Iveco Belgium N.V.	Belgium	100.00%
Iveco Czech Republic A.S.	Czech Republic	99.00%
Iveco Defence Vehicles France S.A.S.	France	100.00%
IVECO DEFENCE VEHICLES ROMANIA S.R.L.	Romenia	100.00%
Iveco Defence Vehicles S.p.A.	Italy	100.00%
Iveco Espana S.L.	Spain	100.00%
Iveco Est S.A.S.	France	100.00%
Iveco France S.A.S.	France	100.00%
IVECO Group Korea LLC	South Korea	100.00%
Iveco Group Services (Thailand) Limited	Thailand	100.00%
Iveco Holdings Limited	United Kingdom	100.00%
Iveco Investitions GmbH	Germany	100.00%
Iveco Limited	United Kingdom	100.00%
Iveco LVI S.A.S.	France	100.00%
Iveco Magirus AG	Germany	100.00%
Iveco Nederland B.V.	Netherlands	100.00%
Iveco Nord Nutzfahrzeuge GmbH	Germany	100.00%
Iveco Nord-Ost Nutzfahrzeuge GmbH	Germany	100.00%
Iveco Norge A.S.	Norway	100.00%
Iveco Otomotiv Ticaret A.S.	Turkey	100.00%
Iveco Participations S.A.S.	France	100.00%
Iveco Pension Trustee Ltd	United Kingdom	100.00%
Iveco Poland Sp. z o.o.	Poland	100.00%
Iveco Portugal-Comercio de Veiculos Industriais S.A.	Portugal	100.00%
Iveco Provence S.A.S.	France	100.00%
Iveco Retail Limited	United Kingdom	100.00%
Iveco Romania S.r.l.	Romenia	100.00%
Iveco S.p.A.	Italy	100.00%
IVECO SA (PTY) LTD	South Africa	100.00%
Iveco Slovakia, s.r.o.	Slovak Republic	99.00%
Iveco South Africa Works (Pty) Ltd	South Africa	60.00%
Iveco Sud-West Nutzfahrzeuge GmbH	Germany	100.00%
Iveco Truck Centrum s.r.o.	Czech Republic	100.00%
Iveco Truck Services S.R.L.	Romenia	100.00%
IVECO Trucks Australia Pty. Ltd.	Australia	100.00%
Iveco Ukraine LLC	Ukraine	100.00%
Iveco West Nutzfahrzeuge GmbH	Germany	100.00%
IVG BRASIL LTDA.	Brazil	100.00%
Mediterranea de Camiones S.L.	Spain	100.00%

Name of legal entity	Country of Incorporation	Percentage Interest Held
Officine Brennero S.p.A.	Italy	100.00%
OOO Iveco Russia	Russia	100.00%
Seddon Atkinson Vehicles Ltd	United Kingdom	100.00%
Société Charolaise de Participations S.A.S.	France	100.00%
Zona Franca Alari Sepauto S.A.	Spain	52.00%
GATE S.P.A.	Italy	100.00%
IC Financial Services S.A.	France	100.00%
IC Financial Services UK Limited	United Kingdom	100.00%
IC Nordics A/S	Denmark	100.00%
IVECO CAPITAL BULGARIA EAD	Bulgaria	100.00%
Iveco Capital Services S.R.L.	Romania	100.00%
Iveco Capital Slovakia s.r.o.	Slovak Republic	100.00%
Iveco Capital Solutions S.p.A.	Italy	100.00%
Transolver Service S.A.	Spain	100.00%
UAB "IVECO CAPITAL BALTIC" (In liquidation)	Lithuania	100.00%
Iveco Group Switzerland SA	Switzerland	100.00%
Iveco Magirus Fire Fighting GmbH	Germany	100.00%
Dolphin N2 Limited	United Kingdom	100.00%
Fiat Powertrain Technologies (Chongqing) Co., Ltd.	People's Rep.of China	100.00%
Fiat Powertrain Technologies Management (Shanghai) Co. Ltd.	People's Rep.of China	100.00%
Fiat Powertrain Technologies of North America, Inc.	USA	100.00%
FPT - Powertrain Technologies France S.A.S.	France	100.00%
FPT ARGENTINA S.A.	Argentina	100.00%
FPT INDUSTRIAL BRASIL LTDA.	Brazil	100.00%
FPT Industrial S.p.A.	Italy	100.00%
FPT Motorenforschung AG	Switzerland	100.00%
Potenza Technology Holdings Limited	United Kingdom	100.00%
Potenza Technology Limited	United Kingdom	100.00%
SAIC Fiat Powertrain Hongyan Co. Ltd.	People's Rep.of China	60.00%

JOINTLY-CONTROLLED ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD

CIFINS S.p.A. ⁽¹⁾	Italy	50.00%
IVECO - OTO MELARA Società Consortile a responsabilità limitata	Italy	50.00%
Iveco Orecchia S.p.A.	Italy	50.00%

SUBSIDIARIES VALUED AT COST

Altra S.p.A.	Italy	100.00%
Blitz S19-499 GmbH	Germany	100.00%
TORINO IMMOBILIARIA, C.A.	Venezuela	100.00%
FPT INDUSTRIAL INDIA PRIVATE LIMITED	India	100.00%

ASSOCIATED COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

CNH Industrial Capital Europe S.A.S. ⁽²⁾	France	24.95%
Transolver Finance Establecimiento Financiero de Credito S.A.	Spain	49.00%

ASSOCIATED COMPANIES VALUED AT COST

Sotra S.A.	Ivory Coast	39.80%
Trucks & Bus Company	Libya	25.00%
CODEFIS Società consortile per azioni	Italy	28.00%

OTHER COMPANIES VALUED AT FVTPL

Naveco (Nanjing IVECO Motor Co.) Ltd.	People's Rep.of China	19.90%

(1) After the Demerger CIFINS S.p.A. is owned 50.00% by Iveco Group and 50.00% by CNH.

(2) This percentage represents the interest held by Iveco Group through its 50% interest in CIFINS S.p.A.

The subsidiaries included in Discontinued Operations at 31 December 2024 are as follows:

Name of legal entity	Country of Incorporation	Percentage Interest Held
SUBSIDIARIES CONSOLIDATED LINE-BY-LINE		
Magirus Camiva S.A.S.	France	100.00%
Magirus GmbH	Germany	100.00%
Magirus Italia S.r.l.	Italy	100.00%
Magirus Lohr GmbH	Austria	100.00%

5 March 2025

The Board of Directors

Suzanne Heywood

Olof Persson

Lorenzo Simonelli

Judy Curran

Tufan Erginbilgic

Essimari Kairisto

Linda Knoll

Alessandro Nasi

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COMPANY FINANCIAL STATEMENTS

AT 31 DECEMBER 2024

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INCOME STATEMENT

(in euro thousand)	Note	2024	2023
Selling, general and administrative costs	(1)	(98,634)	(96,357)
Other operating income	(2)	81,548	80,772
Other operating expenses	(3)	(21,879)	(25,826)
Financial income	(4)	468,925	466,958
Financial expenses	(5)	(559,585)	(535,722)
PROFIT/(LOSS) BEFORE TAXES		(129,625)	(110,175)
Income tax benefit (expense)	(6)	24,449	24,402
Result from Investments in Group companies and other equity interests	(7)	454,357	304,151
NET PROFIT/(LOSS)		349,181	218,378

STATEMENT OF FINANCIAL POSITION

(BEFORE ALLOCATION OF THE RESULT)

(in euro thousand)	Note	At 31 December 2024	At 31 December 2023
ASSETS			
Intangible assets	(9)	19,297	8,696
Property, plant and equipment	(10)	2,605	1,996
Financial fixed assets	(11)	5,866,948	4,686,744
Investments in Group companies and other equity interests		5,025,437	4,497,811
Other financial assets		841,511	188,933
Deferred tax assets	(12)	11,601	11,081
Total Non current assets		00,451	4,708,517
Trade receivables	(13)	112,911	72,680
Other current assets	(14)	88,782	73,934
Current financial receivables	(15)	960,381	916,389
Derivative assets	(16)	60,000	59,357
Cash and cash equivalents	(17)	2,198,673	1,590,991
Total Current assets		3,420,747	2,713,351
TOTAL ASSETS		9,321,198	7,421,868
EQUITY, PROVISIONS AND LIABILITIES			
Share capital		3,455	3,455
Treasury shares		(63,546)	(48,527)
Capital reserve		2,290,666	2,323,128
Legal reserves: cumulative translation adjustment reserve/OCI		(687,402)	(624,190)
Legal reserves: Other		1,838,273	1,649,802
Retained profit/(loss)		(1,031,453)	(1,167,789)
Profit/(loss) for the year		349,181	218,378
Total Equity	(18)	2,699,174	2,354,257
Provision for employee benefits	(19)	6,953	9,887
Total Provisions		6,953	9,887
Non-current financial liabilities	(20)	1,325,563	550,405
Total Non-current financial liabilities		1,325,563	550,405
Trade payables	(21)	42,737	30,961
Current financial liabilities	(20)	5,135,389	4,363,604
Derivatives liabilities	(22)	61,911	58,786
Other current liabilities	(23)	49,471	53,968
Total Current liabilities		5,289,508	4,507,319
TOTAL EQUITY, PROVISIONS AND LIABILITIES		9,321,198	7,421,868

NOTES TO THE COMPANY FINANCIAL STATEMENTS

CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Iveco Group N.V. (the “Company” and, together with its subsidiaries, the “Iveco Group” or the “Group”) was incorporated as a public limited company (*naamloze vennootschap*) under the laws of the Netherlands on 16 June 2021. The Company’s corporate seat is in Amsterdam, the Netherlands, and its principal office and business address is Via Puglia n. 35, Turin, Italy. The Company is registered with the trade register of the Chamber of Commerce of the Netherlands (*Kamer van Koophandel*) under number 83102701. The Netherlands is the Company’s home member state for the purposes of the EU Transparency Directive (Directive 2004/109/EC, as amended by Directive 2013/50/EU). Unless otherwise indicated or the context otherwise requires, the terms “we”, “us” and “our” refer to Iveco Group N.V. together with its subsidiaries.

The Company was formed in the context of the separation (“the Demerger”) of the Commercial and Specialty Vehicles business, the Powertrain business as well as the related Financial Services business from CNH Industrial N.V. The Demerger became effective on 1 January 2022 (the “Effective Date”), and the Company ultimately began to act as a holding for the Iveco Group, also providing for central treasury activity in the interest of Group’s subsidiaries.

On 3 January 2022, the Company’s Common Shares started trading on Euronext Milan (previously named the Mercato Telematico Azionario), a regulated market operated by Borsa Italiana S.p.A. in Milan, Italy. As a result of the listing, the Company became a Dutch Public Interest Entity (OOB) on 3 January 2022.

At 31 December 2024, Iveco Group N.V. had 206 employees. Their breakdown by category was as follows:

	At 31 December 2024		At 31 December 2023	
	Number	%	Number	%
Managers, senior professionals & above	107	51.94%	106	51.21%
Professionals	76	36.89%	79	38.16%
Associates	23	11.17%	22	10.63%
Total number of employees	206		207	

At 31 December 2024, none of the employees is based in the Netherlands, but they are mostly based in Italy.

BASIS OF PREPARATION AND ACCOUNTING POLICIES

Date of authorization of issue

The Company Financial Statements of Iveco Group N.V. (the "Company Financial Statements") for the year ended 31 December 2024 (and 31 December 2023), together with the Notes thereto were authorized for issuance by the Board of Directors on 5 March 2025.

Statement of Compliance

The Company Financial Statements have been prepared in accordance with the legal requirements of Part 9 of Book 2 of the Dutch Civil Code. In particular, Section 362 (8), Book 2, Dutch Civil Code, allows companies that apply EU-IFRS in their Consolidated Financial Statements to use the same measurement principles in their Company Financial Statements. The accounting policies are described in a specific section, "Accounting policies", of the Consolidated Financial Statements included in this Annual Report. In these Company Financial Statements, investments in subsidiaries are accounted for using the equity method.

Receivables are mainly referred to subsidiaries. The accounting policy on trade and other receivables is included in note "Accounting policies" of the Notes to the Consolidated Financial Statements. The expected credit losses, if any, are accounted as a reduction in the carrying amount of these receivables.

The Company Financial Statements are prepared on a going concern basis.

Presentation and Format of the Company Financial Statements

Except as otherwise indicated, the Company Financial Statements are presented in euro, which is the Company's functional and presentation currency. The Company presents its Income Statement using a classification based on the function of expenses (otherwise known as "cost of sales" method), rather than one based on their nature as this is believed to provide information that is more relevant.

Refer to the Section "Accounting policies" of the Consolidated Financial Statements included in this Annual Report for notes on the uncertainty on evolution of certain macro-economic dynamics.

COMPOSITION AND PRINCIPAL CHANGES

1. Selling, general and administrative costs

The Selling, general and administrative costs of €98,634 thousand in 2024 (€96,357 thousand in 2023) mainly comprise:

- personnel costs of €35,238 thousand in 2024 (€45,203 thousand in 2023)
- ICT expenses of €21,113 thousand in 2024 (€14,347 thousand in 2023)
- administrative costs of €42,283 thousand in 2024 (€36,807 thousand in 2023), mainly marketing, advertising, membership fees and other professional costs, net of certain intercompany recharges due to services provided to Group subsidiaries.

2. Other operating income

Other operating income are €81,548 thousand in 2024 (€80,772 thousand in 2023) and refer to amounts invoiced to Group companies as compensation for management and other services rendered for the benefit of such companies.

3. Other operating expenses

The following table summarises Other operating expenses for the years ended 31 December 2024 and 2023:

(in euro thousand)	2024	2023
Professional costs	19,146	21,370
Demerger costs	—	1,374
Other	2,733	3,082
Total Other operating expenses	21,879	25,826

Professional costs amounted to €19,146 thousand in 2024 (€21,370 thousand in 2023) and primarily refer to intercompany recharges from Group companies, strategic consulting expenses and legal expenses.

Demerger costs are nil in 2024. In 2023 they amounted to €1,374 thousand and related to the spin-off of the Iveco Group business.

The item Other in 2024 includes restructuring expenses of €846 thousand, representing the total costs associated to certain fundamental organisational changes (€1,602 thousand in 2023).

4. Financial income

Financial income in 2024 amount to €468,925 thousand (€466,958 thousand in 2023).

The detail of Financial income is as follows:

(in euro thousand)	2024	2023
Financial income from Iveco Group companies:		
Interest income on current accounts	38,614	54,593
Interest and other income on loans	46,797	17,428
Income on derivative financial instruments towards Iveco Group companies	206,981	190,894
Other financial income	552	602
Total Financial income from Iveco Group companies	292,944	263,517
Financial income from third parties:		
Interest income on current accounts	13,651	6,026
Interest income on deposit accounts	18,040	5,061
Income on derivative financial instruments towards third parties	144,290	182,438
Total Financial income from third parties	175,981	193,525
Currency exchange income, net	—	9,916
Total Financial income	468,925	466,958

Financial income relate to the treasury and cash management activities performed by the Company on behalf of Iveco Group companies.

Income on derivative financial instruments include realised and unrealised gains, primarily on interest rate swaps, currency hedges (e.g. Outright, Forex Swaps, DCS) entered into with Iveco Group counterparties and prime international banks.

The detail of Income on derivative financial instruments is as follows:

(in euro thousand)	2024	2023
Income on derivative financial instruments towards Iveco Group companies	206,981	190,894
Income on derivative financial instruments towards third parties	144,290	182,438
Income on derivative financial instruments	351,271	373,332

5. Financial expenses

Financial expenses in 2024 amount to €559,585 thousand (€535,722 thousand in 2023).

The detail of Financial expenses is as follows:

(in euro thousand)	2024	2023
Financial expenses towards Iveco Group companies:		
Interest expense on current accounts	129,708	115,281
Interest and other expenses on loans	19,490	22,639
Losses on derivative financial instruments towards Iveco Group companies	76,986	160,535
Other financial expenses	3,439	679
Total Financial expenses from Iveco Group companies	229,623	299,134
Financial expenses towards third parties:		
Interest expense on current accounts	139	243
Interest and other expenses on bank borrowings	53,452	23,379
Losses on derivative financial instruments towards third parties	264,490	206,070
Other financial expenses	7,027	6,896
Total Financial expenses from third parties	325,108	236,588
Currency exchange expenses, net	4,854	—
Total Financial expenses	559,585	535,722

Financial expenses relate to the treasury and cash management activities performed by the Company on behalf of Iveco Group companies.

Other financial expenses mainly reflect expenses incurred in connection with unsecured committed credit lines provided by primary international banks.

Losses on derivatives include realised and unrealised losses, primarily on interest rate swaps, currency hedges (e.g. Outright, Forex Swaps, DCS) entered into with Iveco Group counterparties and primary international banks.

Losses on derivative financial instruments are as follows:

(in euro thousand)	2024	2023
Losses on derivative financial instruments towards Iveco Group companies	76,986	160,535
Losses on derivative financial instruments towards third parties	264,490	206,070
Losses on derivative financial instruments	341,476	366,605

6. Income tax benefit (expense)

A breakdown of taxes recognised in the Income Statement is provided below:

(in euro thousand)	2024	2023
Federal current tax	23,929	19,023
Deferred taxes	520	5,379
Total Income tax benefit (expense)	24,449	24,402

The amount of the federal current tax (€23,929 thousand) is related to the remuneration of the fiscal loss from the Italian fiscal unit.

The deferred taxes of €520 thousand in 2024 (€5,379 thousand in 2023) mainly refer to the portion of tax losses not remunerated and taxed provisions valued at the IRES rate in force in the years in which the temporary differences will reverse.

The Company is incorporated in the Netherlands but is a tax resident of Italy. The reconciliation of the differences between the theoretical income taxes determined on the basis of tax rates applicable in Italy and the total income taxes is as follows:

(in euro thousand)	2024	2023
Profit/(Loss) before taxes	(129,625)	(110,175)
Weighted average Italy statutory main corporation tax rate (IRES)	24%	24%
Theoretical income tax (expense)	(31,110)	(26,442)
Tax effect of permanent differences	6,429	1,268
Deemed Tax on Unremitted Earnings	—	1,011
True-up prior year	232	(239)
Total income tax benefit (expense)	(24,449)	(24,402)

7. Result from Investments in Group companies and other equity interests

Result from Investments in Group companies and other equity interests is a profit of €454,357 thousand in 2024 (€304,151 thousand in 2023) and includes the Company's share in the net profit or loss of the investees.

8. Other information by nature of expense

The Income Statement includes personnel costs of €35,238 thousand in 2024 (€45,203 thousand in 2023), which consist of the following:

(in euro thousand)	2024	2023
Wages and salaries	21,724	21,547
Defined benefit plans	9,074	17,015
Defined contribution plans and other social security costs	1,152	1,039
Other personnel costs	3,288	5,602
Total personnel costs	35,238	45,203

An analysis of the average number of employees by category is as follows:

	2024	2023
Managers, senior professional & above	106	100
Professionals	79	78
Associates	22	18
Average number of employees	207	196

9. Intangible assets

In 2024 and 2023 changes in intangible assets were as follows:

(in euro thousand)	Software externally acquired	Licences	Total
Gross carrying amount at 31 December 2022	3,370	82	3,452
Additions	6,097	49	6,146
Gross carrying amount at 31 December 2023	9,467	131	9,598
Additions	12,695	—	12,695
Balance at 31 December 2024	22,162	131	22,293
Accumulated amortisation and impairment losses			
Balance at 31 December 2022	—	12	12
Amortisation	864	26	890
Balance at 31 December 2023	864	38	902
Amortisation	2,067	27	2,094
Balance at 31 December 2024	2,931	65	2,996
Carrying amount at 31 December 2023	8,603	93	8,696
Carrying amount at 31 December 2024	19,231	66	19,297

Software and licences include also licences for use of intellectual property and software in progress acquired from third parties.

Additions of the period primarily include investments in software solutions aimed at safeguarding sensitive information and mitigating potential cyber threats.

Intangible assets have not been pledged as collateral against the Company's borrowings; there are no significant outstanding commitments to purchase additional intangible assets, no revaluations have been made and no intangible assets have been acquired through government concession.

Amortisation of intangible assets is recognised in the Income Statement under Selling, general and administrative costs.

10. Property, plant and equipment

Changes in the carrying amount of Property, plant and equipment in 2024 and 2023 are set out below:

(in euro thousand)	Right-of-use-assets	Other Assets	Total
Gross carrying amount at 31 December 2022	1,221	12	1,233
Additions	2,316	97	2,413
Divestitures	(103)	—	(103)
Other changes	(18)	—	(18)
Gross carrying amount at 31 December 2023	3,416	109	3,525
Additions	1,765	265	2,030
Divestitures	(596)	—	(596)
Other changes	160	—	160
Balance at 31 December 2024	4,745	374	5,119
Accumulated depreciation and impairment losses			
Balance at 31 December 2022	384	1	385
Depreciation	1,208	2	1,210
Divestitures	(66)	—	(66)
Balance at 31 December 2023	1,526	3	1,529
Depreciation	1,483	36	1,519
Divestitures	(534)	—	(534)
Balance at 31 December 2024	2,475	39	2,514
Carrying amount at 31 December 2023	1,890	106	1,996
Carrying amount at 31 December 2024	2,270	335	2,605

At 31 December 2024, right-of-use assets refer to lease contracts primarily relating to company cars and real estate.

Short-term and low-value leases are not recorded in the Statement of Financial Position; for these leases, the Company recognises a lease expense in the Income Statement on a straight-line basis over the lease term. In 2024 and 2023, €144 thousand and €61 thousand, respectively, were recognised in Income Statement.

Other assets refer to office furniture and include improvements to rented offices.

There were no tangible assets pledged as security at 31 December 2024 and 2023.

11. Financial fixed assets

At 31 December 2024 Financial fixed assets amount to €5,866,948 thousand and refer to Investments in Group companies and other equity interests (€5,025,437 thousand) and to non-current financial receivables (loans) from Iveco Group companies (€841,511 thousand).

In 2024 and 2023 changes in Investments in Group companies and other equity interests were as follows:

(in euro thousand)	At 31 December 2024	At 31 December 2023
Balance at beginning of year	4,497,811	3,877,510
Contribution to Investments in Group companies and other equity interests	222,783	556,264
Result from Investments in Group companies and other equity interests	454,357	304,151
Dividend received	(197,957)	(44,847)
Cumulative translation adjustments and other OCI movements	(62,866)	(268,215)
Other	111,309	72,948
Balance at end of year	5,025,437	4,497,811

The item Other primarily includes the impact on the equity of subsidiaries with a functional currency of a hyperinflationary economy deriving from the application of IAS 29 - *Financial reporting in hyperinflationary economies*. In particular, from 1 July 2018, Argentina's economy was considered to be hyperinflationary. Furthermore, as of 30 June 2022, the hyperinflationary accounting was applied in Türkiye, with effect from 1 January 2022.

A list of Company's investments has been included in the Notes to the Consolidated Financial Statements.

Other financial assets amounting to €841,511 thousand at 31 December 2024 (€188,933 thousand at 31 December 2023) include financial receivables from Iveco Group companies due over one year.

12. Deferred tax assets

The amount of deferred tax assets of €11,601 thousand at 31 December 2024 (€11,081 thousand in 2023) is mainly related to fiscal losses and taxed provisions.

Changes in the amount of Deferred tax assets are as follows:

(in euro thousand)	At 31 December 2023	Recognised in income statement	Other movements	At 31 December 2024
Deferred tax assets	11,081	520	—	11,601
Total Deferred tax assets	11,081	520	—	11,601

(in euro thousand)	At 31 December 2022	Recognised in income statement	Other movements	At 31 December 2023
Deferred tax assets	4,691	5,379	1,011	11,081
Total Deferred tax assets	4,691	5,379	1,011	11,081

13. Trade receivables

At 31 December 2024, trade receivables totalled €112,911 thousand (€72,680 thousand in 2023) and refer to recharges of management and other services provided to Group companies.

The carrying amount of trade receivables is deemed to approximate their fair value. All trade receivables are due within one year and there are no overdue balances. Based on the above, the Company does not expect credit losses on these amounts.

14. Other current assets

At 31 December 2024, other current assets amounted to €88,782 thousand (€73,934 thousand in 2023) and consisted of the following:

(in euro thousand)	At 31 December 2024	At 31 December 2023
VAT receivables	7,375	21,596
Receivables from Group companies for consolidated Italian corporate tax	52,572	34,338
Prepaid expenses	9,752	10,670
Other receivables	19,083	7,330
Total Other current assets	88,782	73,934

Intercompany receivables for corporate tax amount to €52,572 thousand in 2024 (€34,338 thousand in 2023) and relate to the federal tax calculated on the taxable income of the Italian subsidiaries included in the fiscal unit in which Iveco Group N.V. is the consolidating entity.

Based on their nature, the carrying amount of such receivables is deemed to approximate their fair value.

Prepaid expenses amount to €9,752 thousand in 2024 (€10,670 thousand in 2023) and include upfront fees on credit lines for an amount of €4,354 thousand in 2024 (€5,104 thousand in 2023).

Other receivables include €10,166 thousand of tax credit mainly referred to withholding tax and foreign tax credit in 2024 (€3,093 thousand in 2023).

Other current assets are entirely due within one year.

15. Current financial receivables

At 31 December 2024, current financial receivables amount to €960,381 thousand. The item may be specified as follows:

(in euro thousand)	At 31 December 2024	At 31 December 2023
Current accounts	772,842	730,770
Loans	187,539	185,619
Total Current financial receivables	960,381	916,389

At 31 December 2024, Current financial receivables are mainly made up of short-term financial receivables from Iveco Group companies for €772,842 thousand (€730,770 thousand at 31 December 2023) and loans to Iveco Group companies for €187,539 thousand (€185,619 thousand at 31 December 2023).

Such financial receivables bear floating interest at market rate and their carrying amount is deemed to approximate their fair value.

16. Derivative assets

(in euro thousand)	At 31 December 2024	At 31 December 2023
Derivative assets entered with Iveco Group companies	51,692	34,510
Derivative assets entered with third parties	8,308	24,847
Total Derivative assets	60,000	59,357

These items consist of derivative financial instruments entered by the Company in the interest of Iveco Group subsidiaries. The Company acts as an intermediary, working with third-party banks and utilizing derivative instruments to mitigate the financial risks faced by its subsidiaries, in particular, their exposure to foreign currency and interest rate fluctuations.

These are essentially forward transactions, currency, interest rate and commodity swaps.

Assets from derivative financial instruments consist of derivative financial instruments measured at fair value at the balance sheet date. Derivative instruments are classified as Level 2 in the fair value hierarchy.

At 31 December 2024, the notional value and the maturity of derivative financial assets is as follows:

(in euro thousand)	At 31 December 2024	Within one year	One to five years	Over five years
Notional value of derivatives with Iveco Group companies:				
Currency risk	1,833,554	1,833,260	294	—
Interest rate swap	450,000	34,615	276,923	138,462
Commodities	666	666	—	—
Total Notional value of derivatives with Iveco Group companies	2,284,220	1,868,541	277,217	138,462
Notional value of derivatives with third parties:				
Currency risk	739,830	739,830	—	—
Total Notional value of derivatives with third parties	739,830	739,830	—	—
Total Notional value of derivatives	3,024,050	2,608,371	277,217	138,462

17. Cash and cash equivalents

Cash and cash equivalents consist of:

(in euro thousand)	At 31 December 2024	At 31 December 2023
Cash at banks	2,198,673	1,590,991
Total Cash and cash equivalents	2,198,673	1,590,991

This item reflects cash balances and on-demand or very-short-term deposits held by the Company in current accounts and deposits with leading national and international financial institutions.

The carrying amount of cash and cash equivalents is deemed to be in line with their fair value.

The credit risk associated with cash and cash equivalents is considered not significant, because it mainly relates to deposits spread across primary national and international financial institutions.

As at 31 December 2024, there is no restricted cash (nil also in 2023).

18. Equity

(in euro thousand)	Share capital	Treasury Shares	Capital Reserve	Legal Reserves: cumulative translation adjustment reserve/OCI	Legal Reserves: other	Retained profit/(loss)	Profit/(loss) for the year	Total
At 1 January 2022	3,455	—	2,293,937	(364,000)	1,312,200	(948,200)	(8,392)	2,289,000
Appropriation of the result of the year 2021	—	—	—	—	—	(8,392)	8,392	—
Current period change in OCI, net of taxes	—	—	—	(161,975)	—	—	—	(161,975)
Share-based compensation: cost accrued in the period	—	—	17,032	—	—	—	—	17,032
Other movements	—	—	—	—	—	62,920	—	62,920
Legal reserve	—	—	—	—	157,898	(157,898)	—	—
Result for the year 2022	—	—	—	—	—	—	146,752	146,752
At 31 December 2022	3,455	—	2,310,969	(525,975)	1,470,098	(1,051,570)	146,752	2,353,729
Appropriation of the result of the year 2022	—	—	—	—	—	146,752	(146,752)	—
Current period change in OCI, net of taxes	—	—	—	(268,215)	—	—	—	(268,215)
Share-based compensation: cost accrued in the period	—	—	18,654	—	—	—	—	18,654
Purchase of treasury shares	—	(55,022)	—	—	—	—	—	(55,022)
Common shares issued from treasury shares for share-based compensation	—	6,495	(6,495)	—	—	—	—	—
Other movements	—	—	—	170,000	—	(83,267)	—	86,733
Legal reserve	—	—	—	—	179,704	(179,704)	—	—
Result for the year 2023	—	—	—	—	—	—	218,378	218,378
At 31 December 2023	3,455	(48,527)	2,323,128	(624,190)	1,649,802	(1,167,789)	218,378	2,354,257
Appropriation of the result of the year 2023	—	—	—	—	—	218,378	(218,378)	—
Dividends distributed	—	—	—	—	—	(59,408)	—	(59,408)
Current period change in OCI, net of taxes	—	—	—	(62,866)	—	—	—	(62,866)
Share-based compensation: cost accrued in the period	—	—	12,618	—	—	—	—	12,618
Purchase of treasury shares	—	(60,099)	—	—	—	—	—	(60,099)
Common shares issued from treasury shares for share-based compensation	—	45,080	(45,080)	—	—	—	—	—
Other movements	—	—	—	(346)	—	165,837	—	165,491
Legal reserve	—	—	—	—	188,471	(188,471)	—	—
Result for the year 2024	—	—	—	—	—	—	349,181	349,181
At 31 December 2024	3,455	(63,546)	2,290,666	(687,402)	1,838,273	(1,031,453)	349,181	2,699,174

Other movements of "Retained profit/(loss)" includes the impact of IAS 29 - Financial reporting in hyperinflationary economies applied for subsidiaries that prepare their financial statements in a functional currency of a hyperinflationary economy. In 2024, it also includes the equity attributable to the Fire Fighting business classified as Discontinued Operations at 31 December 2024. In 2023, it also included the negative impact of €170 million related to the transfer of fair value of equity investments designated at fair value through other comprehensive income ("FVTOCI").

As the Company Financial Statements are prepared using the same measurement principles of the Consolidated Financial Statements, including the investments that are accounted for using the equity method, the total Company equity of €2,699 million as of 31 December 2024 is in line with the Consolidated equity (excluding non-controlling interest). In addition, the Company profit for the year of €349 million equals the consolidated profit (excluding non-controlling interest).

The following table shows the reconciliation between the Company equity and the Consolidated equity:

(€ million)	Company equity	Non-controlling interests	Consolidated equity
At 31 December 2022	2,354	37	2,391
Dividends distributed	—	(32)	(32)
Purchase of treasury shares	(55)	—	(55)
Share-based compensation expense	19	—	19
Profit/(loss)	218	16	234
Other comprehensive income/(loss)	(268)	(2)	(270)
Other changes	86	17	103
At 31 December 2023	2,354	36	2,390
Dividends distributed	(59)	—	(59)
Purchase of treasury shares	(60)	—	(60)
Share-based compensation expense	13	—	13
Profit/(loss)	349	3	352
Other comprehensive income/(loss)	(63)	5	(58)
Other changes	165	26	191
At 31 December 2024	2,699	70	2,769

Share capital

The Articles of Association of Iveco Group N.V. provide for authorised share capital of €8 million, divided into 400 million Common Shares and 400 million Special Voting Shares to be held with associated Common Shares, each having a par value of one euro cent (€0.01). As of 31 December 2024, the Company's share capital was €3,454,589.70, fully paid-in, and consisted of 271,215,400 Common Shares (264,333,778 Common Shares outstanding, net of 6,881,622 Common Shares held in treasury by the Company as described in the following section) and 74,243,570 Special Voting Shares (74,172,390 Special Voting Shares outstanding, net of 71,180 Special Voting Shares surrendered to the Company following the de-registration of the corresponding Qualifying Common Shares from the Loyalty Register and which are held as treasury shares by the Company).

Changes in the composition of the share capital of Iveco Group N.V. during 2024 are as follows:

(number of shares)	Iveco Group N.V. Common Shares issued	Less: Treasury shares	Iveco Group N.V. Common Shares outstanding	Iveco Group N.V. loyalty program Special Voting Shares issued	Less: Treasury shares	Iveco Group N.V. loyalty program Special Voting Shares outstanding	Total Shares issued by Iveco Group N.V.	Less: Treasury shares	Total Iveco Group N.V. outstanding shares
Total Iveco Group N.V. shares at 31 December 2022	271,215,400	—	271,215,400	74,243,570	(26,164)	74,217,406	345,458,970	(26,164)	345,432,806
(Purchases)/Sales of treasury shares	—	(6,001,715)	(6,001,715)	—	(44,445)	(44,445)	—	(6,046,160)	(6,046,160)
Total Iveco Group N.V. shares at 31 December 2023	271,215,400	(6,001,715)	265,213,685	74,243,570	(70,609)	74,172,961	345,458,970	(6,072,324)	339,386,646
(Purchases)/Sales of treasury shares	—	(879,907)	(879,907)	—	(571)	(571)	—	(880,478)	(880,478)
Total Iveco Group N.V. shares at 31 December 2024	271,215,400	(6,881,622)	264,333,778	74,243,570	(71,180)	74,172,390	345,458,970	(6,952,802)	338,506,168

During the year ended 31 December 2024:

- 571 Special Voting Shares were surrendered to the Company following the de-registration of the corresponding Qualifying Common Shares from the Loyalty Register and net of transfer and allocation of Special Voting Shares in accordance with the Special Voting Shares - Terms and Conditions
- the Company delivered 5,565,470 Common Shares following the vesting of share-based compensation plans. See paragraph below "Share-based compensation" for further discussion.

Pursuant to the Articles of Association, the Company is required to maintain a special capital reserve to be credited against the share premium exclusively for the purpose of facilitating any issuance or cancellation of Special Voting Shares. The Special Voting Shares do not carry any entitlement to the balance of the special capital reserve. The Board of Directors is authorised to resolve upon (i) any distribution out of the special capital reserve to pay up Special Voting Shares or (ii) re-allocation of amounts to credit or debit the special capital reserve against or in favour of the share premium reserve.

The Company is required to maintain a separate dividend reserve for the Special Voting Shares.

From the profits, shown in the annual accounts as adopted, such amounts shall be reserved as the Board of Directors may determine.

The profits remaining thereafter shall first be applied to allocate and add to the Special Voting Shares dividend reserve an amount equal to one percent (1%) of the aggregate nominal amount of all outstanding Special Voting Shares. The calculation of the amount to be allocated and added to the Special Voting Shares dividend reserve shall occur on a time-proportionate basis. If Special Voting Shares are issued during the financial year to which the allocation and addition pertains, then the amount to be allocated and added to the Special Voting Shares dividend reserve in respect of these newly issued Special Voting Shares shall be calculated as from the date on which such Special Voting Shares were issued until the last day of the financial year concerned. Any distribution out of the Special Voting Shares dividend reserve or the partial or full release of such reserve will require a prior proposal from the Board of Directors and a subsequent resolution of the general meeting of holders of Special Voting Shares. The Special Voting Shares shall not carry any other entitlement to the profits.

Any profits remaining thereafter shall be at the disposal of the General Meeting for distribution of dividend on the Common Shares only subject to the provision that the distribution of profits shall be made after the adoption of the annual accounts, from which it appears that the same is permitted.

Subject to the approval of the General Meeting and the Board of Directors having been designated as the body competent to pass a resolution for the issuance of shares in accordance with Article 5 of the Articles of Association, the Board of Directors may decide that a distribution shall be made in the form of shares or that shareholders shall be given the option to receive a distribution either in cash or in the form of shares.

Appropriation of the result

On 5 March 2025 the Board of Directors recommended and proposed to the Company's shareholders the distribution of a dividend in cash of €0.33 per Common Share, totalling approximately €90 million.

The proposal is subject to the approval of the Company's shareholders at the AGM to be held on 16 April 2025. It was proposed that the dividend will be paid on 24 April 2025 on the outstanding Common Shares. The record date for the dividend will be 23 April 2025 and the Common Shares will be quoted ex dividend from 22 April 2025.

On 17 April 2024, at the AGM, shareholders of Iveco Group N.V. approved a dividend in cash of €0.22 per Common Share, as recommended by the Board of Directors. The cash dividend was paid on 24 April 2024 for a total amount of €59 million.

Distributions to shareholders and other persons entitled to distributable profits are allowed to the extent the Company's equity exceeds the sum of the paid-up portion of the share capital and the reserves that must be maintained in accordance with provision of law. No distribution of profits may be made to the Company itself for shares that the Company holds in its own share capital.

The Board of Directors has the power to declare one or more interim dividends, provided that the requirements of the Article 21 paragraph 5 of the Articles of Association are duly observed as evidenced by an interim statement of assets and liabilities as referred to in Article 2:105 paragraph 4 of the Dutch Civil Code and provided further that the policy of the Company on additions to reserves and dividends is duly observed. The provisions of the Article 21 paragraphs 2 and 3 of the Articles of Association shall apply *mutatis mutandis*.

The Board of Directors may determine that dividends or interim dividends, as the case may be, shall be paid, in whole or in part, from the Company's share premium reserve or from any other reserve, provided that payments from reserves may only be made to the shareholders that are entitled to the relevant reserve upon the dissolution of the Company.

Dividends and other distributions of profit shall be made payable in the manner and at such date(s) - within four weeks after declaration thereof - and notice thereof shall be given, as the General Meeting of Shareholders, or in the case of interim dividends, the Board of Directors shall determine, provided, however, that the Board of Directors shall have the right to determine that each payment of annual dividends in respect of shares be deferred for a period not exceeding five consecutive annual periods. Dividends and other distributions of profit, which have not been collected within five years and one day after the same have become payable, shall become the property of the Company.

Loyalty Voting Program

In order to reward long-term ownership of the Company's Common Shares and promote stability of its shareholder base, the Articles of Association of the Company provide for a loyalty voting program. This has been accomplished through the issuance of Special Voting Shares. For further details, see paragraph "Loyalty Voting Program" of the Governance Statement section.

Treasury shares

At 31 December 2024, the Company held 6,881,622 Common Shares in treasury, net of transfers of Common Shares to fulfil its obligations under its share-based compensation plans, at an aggregate cost of €63.5 million. During the year ended 31 December 2024, 571 Special Voting Shares were surrendered to the Company following the de-registration of the corresponding Qualifying Common Shares from the Loyalty Register and net of transfer and allocation of Special Voting Shares in accordance with the Special Voting Shares - Terms and Conditions. As of 31 December 2024, the Company held 71,180 Special Voting Shares in treasury.

On 17 April 2024, the AGM authorised the Board of Directors to decide upon the acquisition of the Company's own Common Shares through purchases on the stock exchange and/or multilateral trading facilities, directly and/or otherwise, for a period of 18 months from 17 April 2024, i.e. up to and including 16 October 2025, in one or more transactions, subject to market and business conditions and in compliance with applicable rules and regulations. The Board's authority was limited to a maximum of up to 10,000,000 Common Shares with a maximum total allocation to this end of €130 million. With due respect of applicable rules and regulations, purchases were required to take place for a price per Common Share (excluding expenses) no less than its nominal value (minimum price) and no more than 10% above the opening price as shown in the Official Price List of Euronext Milan on the day of acquisition (maximum price). Neither the authorization sought for, nor the subsequent launch of any share buyback program obligated the Company to buy back any Common Shares. The new authorisation replaced the pre-existing one granted by the AGM on 14 April 2023 and intended, inter alia, to allow the Board to cover the Company's obligations related to share-based remuneration, under existing and/or future equity incentive plans.

On 21 June 2024, implementing the authorisation granted by the AGM, the Company announced the launch of an initial tranche of buyback, up to €60 million. Such initial tranche was completed on 18 September 2024. The financial institution authorised to manage the purchase of Iveco Group Common Shares under the buyback program repurchased on Euronext Milan and delivered to the Company 6.4 million Common Shares. A comprehensive and detailed overview of the purchases accomplished is available on the Company's website, www.ivecogroup.com.

At the AGM to be held in 2025, the Board of Directors intends to recommend to the Company's shareholders the renewal of the authorization to repurchase Common Shares in the share capital of the Company.

Capital reserves

At 31 December 2024, capital reserves amounted to €2,291 million (€2,323 million at 31 December 2023), of which:

- €15 million of share premium reserve deriving from a contribution of cash of the same amount executed by the sole shareholder CNH Industrial N.V. on 28 December 2021,
- €2,279 million deriving from the Demerger effective on 1 January 2022,
- €49 million of share-based compensation cost accrued (€13 million in 2024, €19 million in 2023 and €17 million in 2022), less the impact of €51 million issued from treasury shares at the vesting (€45 million in 2024 and €6 million in 2023).

Legal reserves

As of 31 December 2024, the Company legal reserves amounted to €1,151 million (€1,026 million at 31 December 2023) and relate to unrealised currency translation losses of €548 million (€466 million at 31 December 2023) and other OCI components for a net negative amount of €139 million (€158 million at 31 December 2023), more than offset by other legal reserves for €1,838 million (€1,650 million at 31 December 2023).

As of 31 December 2024, other legal reserves are made up by research and development costs capitalised by the equity investments for €1,636 million (€1,479 million at 31 December 2023), earnings from affiliated companies subject to certain restrictions on the transfer of funds to the parent company in form of dividend or otherwise for €35 million (€30 million at 31 December 2023) and earnings from subsidiaries that due to local law requirements cannot be distributed as dividend, unless the subsidiary is liquidated, for €167 million (€141 million at 31 December 2023).

Pursuant to Dutch law, limitations exist relating to the distribution of shareholders' equity for the entire amount of the legal reserves. By their nature, unrealised losses relating to currency translation differences and other OCI components reduce shareholders equity and thereby distributable amounts. As a consequence, the total amount considered not distributable as of 31 December 2024 equalled to €1,842 million (€1,653 million at 31 December 2023). As a result, the distributable reserves as at 31 December 2024 amounted to €857 million (€701 million at 31 December 2023).

Share-based compensation

Iveco Group's equity awards are governed by the following plans: i) Iveco Group N.V. 2021-2023 Long Term Incentive Plan (vested in 2024); ii) Iveco Group N.V. 2022-2024 Long Term Equity Incentive Plan, iii) Iveco Group N.V. 2023-2025 Long Term Equity Incentive Plan, and iv) Iveco Group N.V. 2024-2026 Long Term Equity Incentive Plan.

For more information on Share-based compensation see Note 21 "Equity" of the Consolidated Financial Statements.

19. Provision for employee benefits

Provisions for employee benefits at 31 December 2024 and 2023 are as follows:

(in euro thousand)	At 31 December 2024	At 31 December 2023
Post-employment benefits	1,427	1,352
Other provision for employees	4,924	7,912
Other long-term employee benefits	602	623
Total Provision for employee benefits	6,953	9,887

Post-employment benefits

Post-employment benefits consist of obligations for Italian Employee Leaving Entitlements up to 31 December 2006 and loyalty bonus in Italy. Until 31 December 2006, Italian companies with more than 50 employees were required to accrue for benefits paid to employees upon them leaving Italian legal entities. The scheme has since changed to a defined contribution plan. The obligation on our balance sheet represents the residual reserve for years until 31 December 2006. Loyalty bonus is accrued for employees who have reached pre-defined service seniority and are generally settled when employees leave the company. These plans are not required to be funded and, therefore, have no plan assets.

The amounts recognised in the statement of financial position for post-employment benefits at 31 December 2024 and 2023 are as follows:

(in euro thousand)	At 31 December 2024	At 31 December 2023
Present value of funded obligations	1,427	1,352
Less: Fair value of plan assets	—	—
Deficit/(surplus)	1,427	1,352
Net liability/(Net asset)	1,427	1,352
Amounts at year-end:		
Liabilities	1,427	1,352
Assets	—	—
Net liability	1,427	1,352

Changes in the present value of post-employment obligations in 2024 and 2023 are as follows:

(in euro thousand)	At 31 December 2024	At 31 December 2023
Present value of obligation at the beginning of the year	1,352	1,243
Current service cost	14	11
Interest expense	53	44
Other remeasurements	62	69
Total remeasurements	62	69
Benefits paid	(50)	(70)
Transfers from other companies	(4)	55
Present value of obligation at the end of the year	1,427	1,352

Other remeasurements mainly include the amount of experience adjustments.

The following significant assumptions were utilised in determining the funded status at 31 December 2024 and 2023, and the expense of defined benefit plans for the years ended 31 December 2024 and 2023:

**Assumptions used to determine
funded status at year-end**

At 31 December 2024

Post-employment benefits

(in %)	
Weighted-average discount rates	3.28
Weighted-average rate of compensation increase	3.57

At 31 December 2023

Post-employment benefits

(in %)	
Weighted-average discount rates	4.03
Weighted-average rate of compensation increase	3.84

**Assumptions used to determine
expense at year-end**

At 31 December 2024

Post-employment benefits

(in %)	
Weighted-average discount rates – current service cost	3.28
Weighted-average discount rates – interest cost	3.28
Weighted-average rate of compensation increase	3.57

At 31 December 2023

Post-employment benefits

(in %)	
Weighted-average discount rates – current service cost	4.03
Weighted-average discount rates – interest cost	4.03
Weighted-average rate of compensation increase	3.84

Assumed discount rates are used in measurements of post-employment benefit obligations and net interest on the net defined benefit liability/asset. The Company selects its assumed discount rates based on the consideration of equivalent yields on high-quality fixed income investments at the measurement date. The assumed discount rate is used to discount future benefit obligations back to today's euros. The discount rates are based on a benefit cash flow-matching approach and represent the rates at which the benefit obligations could effectively be settled as of the measurement date, 31 December. The benefit cash flow-matching approach involves analysing the Company's projected cash flows against a high-quality bond yield curve; discount rate is based on first year rate of the Euro Composite AA curve.

Assumed discount rates have an effect on the amount recognised in the 2024 Financial Statements. A one percentage point change in the assumed discount rates would have the following effects:

(in euro thousand)	One percentage point increase	One percentage point decrease
Effect on post-employment defined benefit obligation at 31 December 2024	(88)	101
Effect on post-employment defined benefit obligation at 31 December 2023	(88)	97

Other provisions for employees and Other long-term employee benefits

Other provisions for employees consist of the best estimate at the balance sheet date of short-term employee benefits payable by the Group within twelve months from the end of the period in which the employees render the related service.

Other long-term employee benefits consist of the Company's obligation for those benefits generally payable during employment on reaching a certain level of seniority in the Company or when a specified event occurs and reflects the probability of payment and the length of time over which this will be made.

Changes in Other provisions for employees and in Other long-term employee benefits are as follows:

(in euro thousand)	Other provisions for employees	Other long-term employee benefits	Total
At 31 December 2022	6,011	585	6,596
Provision	9,470	—	9,470
Utilization	(7,611)	(44)	(7,655)
Other	(9)	71	62
Transfer from other companies	51	11	62
At 31 December 2023	7,912	623	8,535
Provision	4,938	—	4,938
Utilization	(7,123)	(95)	(7,218)
Other	(797)	76	(721)
Transfer from other companies	(6)	(2)	(8)
At 31 December 2024	4,924	602	5,526

20. Financial liabilities

Credit Facilities

Lenders of committed credit facilities have the obligation to make advances up to the facility amount. Lenders of uncommitted facilities have the right to terminate the agreement, with no acceleration of the advances, with prior notice to Iveco Group. At 31 December 2024, Iveco Group had available committed unsecured facilities expiring after twelve months amounting to €1,900 million (€2,000 million at 31 December 2023).

On 4 January 2022, Iveco Group signed a €1.9 billion syndicated facility, which included a €1.4 billion committed revolving credit facility with a 5-year tenor with two extension options of 1-year each (subject to the bank's approval), as well as a €0.5 billion committed term facility with a 12-months tenor, extendable for up to an additional 12 months at the Company's sole option. In October 2022, Iveco Group signed a new €400 million syndicated term facility with a 2-year tenor extendable for up to an additional 12 months at the Company's sole option. The proceeds have been used to refinance the existing term facility. The €1.4 billion revolving credit facility has been extended for two additional years with all lenders, by exercising the first and the second one-year extension option. The facility is now due to mature in January 2029.

On 27 November 2023, Iveco Group signed a €450 million term loan facility with the European Investment Bank (EIB) with an 8-year amortisation profile, which represented the first tranche of the €500 million total approved by the European Investment Bank. The proceeds of the loan facility, which have been drawdown in full in December 2023, will be applied, over a period of three years, to enable Iveco Group to develop innovative technologies and architectures in the field of electric propulsion and to increase efficiency, safety, driving comfort and productivity by further developing solutions for autonomous driving, digitalisation and vehicle connectivity. This loan is at a below-market rate of interest. The difference between the market rate of interest for an equivalent loan at the inception date and the rate granted by the EIB has been recognised as a government grant in accordance with IAS 20, and recorded as a deduction from the capitalized development costs financed by the loan on a straight-line basis over the life of the underlying projects. The loan is measured at amortised cost, in the amount of €436 million at 31 December 2024. In July 2024, the second and last €50 million tranche has been executed with full drawing in October 2024.

The facilities above include typical provisions for contracts of this type and size, such as: customary covenants mainly relating to Industrial Activities including negative pledge, a status (or *pari passu*) covenant, restrictions on the incurrence of indebtedness by certain subsidiaries, customary events of default (some of which are subject to minimum thresholds and customary mitigants) including cross-default, failure to pay amounts due or to comply with certain provisions under the loan agreement, the occurrence of certain bankruptcy-related events and mandatory prepayment obligations upon a change in control of Iveco Group or the borrower and a financial covenant (Net debt/EBITDA ratio relating to Industrial Activities) that is not applicable in case of rating equal or higher than BBB/Baa2. The failure to comply with these provisions, in certain cases if not suitably remedied, can lead to the requirement to make early repayment of the outstanding advances. At 31 December 2024, Iveco Group was in compliance with all covenants of the above facilities.

In June 2024, Iveco Group N.V. signed a term loan facility of €150 million with Cassa Depositi e Prestiti (CDP) for the creation of new projects in Italy dedicated to research, development and innovation. Furthermore, in July 2024 Iveco Group N.V. successfully raised a *Schuldschein* loan (a private placement governed by German law) for €290 million and between July 2024 and October 2024 Iveco Group N.V. executed new bilateral term loan facilities for a total amount of €300 million.

Non-current financial liabilities

The amount of Non-current financial liabilities, of €1,326 million at 31 December 2024 (€550 million at 31 December 2023), includes the amount payables to financial institutions after one year.

In 2024 and 2023 changes in Non-current financial liabilities are as follows:

(in euro thousand)	At 31 December 2023	Increase	Decrease	At 31 December 2024
Non-current financial liabilities	550,405	771,822	3,336	1,325,563
Total Non-current financial liabilities	550,405	771,822	3,336	1,325,563

(in euro thousand)	At 31 December 2022	Increase	Decrease	At 31 December 2023
Non-current financial liabilities	99,715	450,690	—	550,405
Total Non-current financial liabilities	99,715	450,690	—	550,405

Current financial liabilities

The amount of Current financial liabilities, of €5,135,389 thousand (€4,363,604 thousand at 31 December 2023), mainly reflects amounts due to Iveco Group companies for €5,122,263 thousand (€3,960,953 thousand at 31 December 2023) and to leading international banks for €10,659 thousand (€400,729 thousand at 31 December 2023) payable within one year.

Changes are as follows:

(in euro thousand)	At 31 December 2023	Increase	Decrease	At 31 December 2024
Current financial liabilities towards Iveco Group companies	3,960,953	5,122,263	(3,960,953)	5,122,263
Current financial liabilities towards third parties	400,729	10,659	(400,729)	10,659
Other payables	1,922	545	—	2,467
Total Current financial liabilities	4,363,604	5,133,467	(4,361,682)	5,135,389

(in euro thousand)	At 31 December 2022	Increase	Decrease	At 31 December 2023
Current financial liabilities towards Iveco Group companies	3,916,267	44,686	—	3,960,953
Current financial liabilities towards third parties	400,358	371	—	400,729
Other payables	841	1,081	—	1,922
Total Current financial liabilities	4,317,466	46,138	—	4,363,604

The amounts can be broken down as follows:

(in euro thousand)	At 31 December 2024	At 31 December 2023
Current accounts	4,741,100	3,582,098
Iveco Group companies	4,741,087	3,582,074
Third parties	13	24
Borrowings	391,822	779,584
Iveco Group companies	381,176	378,880
Third parties	10,646	400,704
Other payables	2,467	1,922
Total Current financial liabilities	5,135,389	4,363,604

The short term financial liabilities bear floating interest at market rate.

The carrying amount of those liabilities is deemed to be in line with their fair value.

21. Trade payables

At 31 December 2024, trade payables totalled €42,737 thousand (€30,961 thousand at 31 December 2023) made up as follows:

(in euro thousand)	At 31 December 2024	At 31 December 2023
Trade payables towards Iveco Group companies	16,658	11,604
Trade payables towards other related parties	94	1,163
CNH	—	293
Stellantis	94	870
Trade payables towards third parties	25,985	18,194
Total Trade payables	42,737	30,961

Amounts due to related parties primarily refer to services rendered by CNH and Stellantis for the benefit of Iveco Group, mainly as administrative activities.

Trade payables are due within one year and their carrying amount at the reporting date is deemed to approximate their fair value.

22. Derivative liabilities

(in euro thousand)	At 31 December 2024	At 31 December 2023
Derivative liabilities entered with Iveco Group companies	8,138	24,125
Derivative liabilities entered with third parties	53,773	34,661
Total Derivative liabilities	61,911	58,786

These items consist of derivative financial instruments entered by the Company in the interest of Iveco Group subsidiaries. The Company acts as an intermediary, working with third-party banks and utilizing derivative instruments to mitigate the financial risks faced by its subsidiaries, in particular, their exposure to foreign currency and interest rate fluctuations.

These are essentially forward transactions, currency, interest rate and commodity swaps.

Liability from derivative financial instruments consist of derivative financial instruments measured at fair value at the balance sheet date. Derivative instruments are classified as Level 2 in the fair value hierarchy.

At 31 December 2024, the notional value and the maturity of derivatives financial liabilities are as follows:

(in euro thousand)	At 31 December 2024	Within one year	One to five years	Over five years
Notional value of derivatives with Iveco Group companies:				
Currency risk	719,239	719,239	—	—
Total Notional value of derivative with Iveco Group companies	719,239	719,239	—	—
Notional value of derivatives with third parties:				
Currency risk	2,082,998	2,082,704	294	—
Interest rate swap	650,000	34,615	476,923	138,462
Commodities	666	666	—	—
Total Notional value of derivatives with third parties	2,733,664	2,117,985	477,217	138,462
Total Notional value of derivatives	3,452,903	2,837,224	477,217	138,462

23. Other current liabilities

At 31 December 2024, Other current liabilities totalled €49,471 and included the following:

(in euro thousand)	At 31 December 2024	At 31 December 2023
Current amounts payable to employees, social security, directors	2,951	2,432
Tax payable	45,074	50,531
Tax payable towards third parties	258	8,364
Tax payable towards Iveco Group companies	23,060	8,731
VAT payables towards Iveco Group companies	20,814	31,726
Other Tax payable	942	1,710
Other liabilities	1,446	1,005
Total Other current liabilities	49,471	53,968

Tax payable towards third parties of €258 thousand is the amount of indirect taxes.

Tax payable towards Iveco Group companies amount to €23,060 thousand at 31 December 2024 (€8,731 thousand at 31 December 2023) and relate to the remuneration for tax losses contributed by the Italian subsidiaries participating in the domestic tax consolidation program for 2024, in which Iveco Group N.V. is the consolidating entity.

VAT payables towards Iveco Group companies amount to €20,814 thousand at 31 December 2024 (€31,726 thousand at 31 December 2023) and include intercompany VAT liabilities toward subsidiaries.

Other current liabilities are all due within one year and their carrying amount is deemed to approximate their fair value.

24. Guarantees, commitments and contingent liabilities

Guarantees issued at 31 December 2024 by the Company totalled €445,613 thousand (€355,051 thousand at 31 December 2023) and were made up as follows:

- €211,714 thousand (€133,398 thousand at 31 December 2023) for payment obligations related to excess VAT credits of the direct and indirect subsidiaries of Iveco Group N.V.;
- €133,899 thousand (€121,653 thousand at 31 December 2023) for sundry guarantees primarily in the interest of Iveco S.p.A. and Iveco Magirus AG for good execution of works;
- €100,000 thousand (€100,000 thousand at 31 December 2023) for credit lines granted from banks in the interest of Group companies.

At 31 December 2024 and 2023, there were no guarantees outstanding issued in the interest of entities other than subsidiaries of the Company.

Other contingencies are described in Note 27 "Commitments and contingencies" of the Consolidated Financial Statements.

25. Audit fees

The following table reports fees accrued for audit and other services to the Group performed by the independent auditor Deloitte Accountants B.V., the member firms of Deloitte & Touche and their respective affiliates (collectively, the "Deloitte Entities").

(in euro thousand)	2024	2023
Audit fees of the Consolidated and Company Financial Statements	6,567	4,534
Other audit and assurance services	719	82
Total Audit fees	7,286	4,616

The audit fees encompassed an amount of €155 thousand for the audit of the Company Financial Statements of Iveco Group N.V. performed by Deloitte Accountants B.V. (compared to €150 thousand in 2023).

26. Board remuneration

Detailed information on Board of Directors compensation, including their shares and share options, is included in the Remuneration Report section as included in the Board Report of this Annual Report.

27. Subsequent events

Iveco Group has evaluated subsequent events through 5 March 2025, which is the date the Consolidated Financial Statements were authorised for issuance, and noted the following:

- on 3 January 2025, Iveco Group transferred the full ownership of Magirus GmbH and its affiliates performing firefighting business ("MAGIRUS") to Mutares SE & Co. KGaA, as per the terms of the agreement signed on 13 March 2024, subject to contractual price adjustments primarily reflecting MAGIRUS's actual business performance during 2024
- on 7 February 2025, the Board of Directors of Iveco Group N.V. announced that, in view of the different trends in the commercial vehicles and defence markets, and the increasingly different requirements for the long-term success of both businesses, the Board is considering separating Iveco Group's Defence business, comprising the IDV and ASTRA brands and related activities, during 2025 through a spin-off. The Board will provide an update on the outcome of this assessment in the coming months. Any steps post the assessment remain subject to the required internal and regulatory approvals.

5 March 2025

The Board of Directors

Suzanne Heywood

Olof Persson

Lorenzo Simonelli

Judy Curran

Tufan Erginbilgic

Essimari Kairisto

Linda Knoll

Alessandro Nasi





OTHER INFORMATION

OTHER INFORMATION

INDEPENDENT AUDITOR'S REPORT

The report of the Company's independent auditor, Deloitte Accountants B.V., the Netherlands, is set forth following this Annual Report.

APPROPRIATION OF THE RESULT OF THE YEAR

Subject to the adoption of the Annual Financial Statements by the AGM and after the allocation of the relevant amount to the Special Voting Shares dividend reserve in accordance with article 21, paragraph 4, of the Articles of Association, any profits remaining shall be allocated to the Retained earnings and be at the disposal of the General Meeting for distribution of dividend on the outstanding Common Shares only, based on the recommendations and proposal of the Board of Directors and subject to the provision of article 21, paragraph 8, of the Articles of Association.

DIVIDENDS UNDER ARTICLES OF ASSOCIATION PROVISIONS

Dividends will be determined in accordance with article 21 of the Articles of Association of the Company, which reads as follows:

1. The Company shall maintain a special capital reserve to be credited against the share premium exclusively for the purpose of facilitating any issuance or cancellation of Special Voting Shares. The Special Voting Shares shall not carry any entitlement to the balance of the special capital reserve. The Board of Directors shall be authorized to resolve upon (i) any distribution out of the special capital reserve to pay up Special Voting Shares or (i) re-allocation of amounts to credit or debit the special capital reserve against or in favour of the share premium reserve.
2. The Company shall maintain a separate dividend reserve for the Special Voting Shares. The Special Voting Shares shall not carry any entitlement to any other reserve of the Company. Any distribution out of the Special Voting Shares dividend reserve or the partial or full release of such reserve will require a prior proposal from the board of directors and a subsequent resolution of the general meeting of holders of Special Voting Shares.
3. From the profits, shown in the annual accounts, as adopted, such amounts shall be reserved as the Board of Directors may determine.
4. The profits remaining thereafter shall first be applied to allocate and add to the Special Voting Shares dividend reserve an amount equal to one percent (1%) of the aggregate nominal amount of all outstanding Special Voting Shares. The calculation of the amount to be allocated and added to the Special Voting Shares dividend reserve shall occur on a time-proportionate basis. If special voting shares are issued during the financial year to which the allocation and addition pertains, then the amount to be allocated and added to the Special Voting Shares dividend reserve in respect of these newly issued Special Voting Shares shall be calculated as from the date on which such Special Voting Shares were issued until the last day of the financial year concerned. The Special Voting Shares shall not carry any other entitlement to the profits.
5. Any profits remaining thereafter shall be at the disposal of the General Meeting for distribution of dividend on the Common Shares only, subject to the provision of paragraph 8 of this article.
6. Subject to a prior proposal of the Board of Directors, the General Meeting may declare and pay dividends in United States Dollars. Furthermore, subject to the approval of the General Meeting and the Board of Directors having been designated as the body competent to pass a resolution for the issuance of shares in accordance with article 5, the Board of Directors may decide that a distribution shall be made in the form of shares or that shareholders shall be given the option to receive a distribution either in cash or in the form of shares.

7. The Company shall only have power to make distributions to shareholders and other persons entitled to distributable profits to the extent the Company's equity exceeds the sum of the paid-up portion of the share capital and the reserves that must be maintained in accordance with provision of law. No distribution of profits may be made to the Company itself for shares that the Company holds in its own share capital.
8. The distribution of profits shall be made after the adoption of the annual accounts, from which it appears that the same is permitted.
9. The Board of Directors shall have power to declare one or more interim dividends, provided that the requirements of paragraph 5 hereof are duly observed as evidenced by an interim statement of assets and liabilities as referred to in article 2:105 paragraph 4 of the Civil Code and provided further that the policy of the Company on additions to reserves and dividends is duly observed. The provisions of paragraphs 2 and 3 hereof shall apply mutatis mutandis.
10. The Board of Directors may determine that dividends or interim dividends, as the case may be, shall be paid, in whole or in part, from the Company's share premium reserve or from any other reserve, provided that payments from reserves may only be made to the shareholders that are entitled to the relevant reserve upon the dissolution of the Company.
11. Dividends and other distributions of profit shall be made payable in the manner and at such date(s) - within four (4) weeks after declaration thereof - and notice thereof shall be given, as the General Meeting, or in the case of interim dividends, the Board of Directors shall determine, provided, however, that the Board of Directors shall have the right to determine that each payment of annual dividends in respect of shares be deferred for a period not exceeding five (5) consecutive annual periods.
12. Dividends and other distributions of profit, which have not been collected within five (5) years and one (1) day after the same have become payable, shall become the property of the Company.



INDEPENDENT AUDITOR'S REPORT AND LIMITED ASSURANCE-REPORT OF THE INDEPENDENT AUDITOR ON THE SUSTAINABILITY STATEMENT

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INDEPENDENT AUDITOR'S REPORT

To: The shareholders and the audit committee of Iveco Group N.V.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2024 INCLUDED IN THE ANNUAL REPORT

Our opinion

We have audited the financial statements 2024 of Iveco Group N.V., based in Amsterdam. The financial statements comprise the consolidated and company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of Iveco Group N.V. as at 31 December 2024, and of its result and its cash flows for 2024 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying company financial statements give a true and fair view of the financial position of Iveco Group N.V. as of 31 December 2024, and of its result for 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. The consolidated statement of financial position as of 31 December 2024.
2. The following statements for 2024: the consolidated income statement, the consolidated statements of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows.
3. The notes comprising material accounting policy information and other explanatory information.

The company financial statements comprise:

1. The company statement of financial position as of 31 December 2024.
2. The company income statement for the year ended 31 December 2024.
3. The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Iveco Group N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at Euro 120 million. The materiality is based on net revenue. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the audit committee that misstatements in excess of Euro 6 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Iveco Group N.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of Iveco Group N.V.

Based on our risk assessment, we determined the nature, timing and extent of audit procedures to be performed, including determining the entities at which to perform audit procedures.

Our group audit mainly focused on significant group entities. Our assessment of entities that are significant to the group was done as part of our audit planning and was aimed to obtain sufficient coverage of the risks of a material misstatement for the significant account balances, classes of transactions and disclosures that we have identified. In addition, we considered qualitative factors as part of our assessment.

For the selected component audit teams, the group audit team provided detailed written instructions, which, in addition to communicating our requirements of component audit teams. Furthermore, we developed a plan for overseeing component audit teams based on its relative significance and specific risk characteristics. Our oversight procedures included a combination of live and virtual meetings with the component auditor, including working paper reviews. We also reviewed component audit team deliverables to gain a sufficient understanding of the work performed based on our instructions.

By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the consolidated financial statements.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the audit committee exercises oversight, as well as the outcomes. We refer to section "Risk Management and Internal Control System" of the management report for management's fraud risk assessment in which the management and audit committee reflects on this fraud risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of conduct and whistle blower policy. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

Following these procedures, and the presumed risks under the prevailing auditing standards, we considered the fraud risks in relation to management override of controls and revenue recognition which may represent a risk of material misstatement due to fraud. Our audit procedures addressing these fraud risks included detailed testing of journal entries and top-side adjustments, supported by comprehensive documentation. We employed data analytics to select journal entries based on risk-based characteristics, aimed at addressing the identified fraud risks.

Additionally we performed, amongst others, the following procedures:

- We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.
- We considered available information and made inquiries of relevant personnel, including (non-) executive directors, lower management, accounting personnel, general counsel, director of internal audit, compliance and corporate affairs officer, and others.
- We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.
- We evaluated whether the selection and application of accounting policies by the entity, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting.

- We evaluated whether the judgments and decisions made by the board of directors in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. We performed a retrospective review of management judgments and assumptions related to significant accounting estimates reflected in prior year financial statements.
- For significant transactions we evaluated whether the business rationale of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets.
- We incorporate an element of surprise in our testing strategy.
- We have involved forensic specialists, who assisted us in the procedures explained above.

This did not lead to indications for fraud potentially resulting in material misstatements.

Audit approach compliance with laws and regulations

We assessed the laws and regulations relevant to the company through discussion with amongst others, management, group legal counsel, internal audit and those charged with governance, reading minutes and reports of internal audit.

As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered the following laws and regulations: (corporate) tax law, the requirements under the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the financial statements.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the financial statements.

Apart from these, Iveco Group N.V. is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation.

Given the nature of Iveco Group N.V.'s business and the complexity of these other laws and regulations, there is a risk of non-compliance with the requirements of such laws and regulations.

Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to Iveco Group N.V.'s ability to continue its business, or to avoid material penalties (e.g., compliance with the terms of operating licenses and permits or compliance with environmental regulations) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Our procedures are limited to (i) inquiry of management, the audit committee, the executive board and others within Iveco Group N.V. as to whether Iveco Group N.V. is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

Audit approach going concern

Our responsibilities, as well as the responsibilities of the board of directors, related to going concern under the prevailing standards are outlined in the "Description of responsibilities regarding the financial statements" section below. In fulfilling our responsibilities, we performed procedures including evaluating management's assessment of the Company's ability to continue as a going concern and considering the impact of financial, operational, and other conditions. Based on these procedures, we did not identify any reportable findings related to the entity's ability to continue as a going concern.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the audit committee. The key audit matters are not a comprehensive reflection of all matters discussed.

1. Recognition of "Follow on Damages Claims" as Contingent Liability

Description

In 2011 Iveco S.p.A. and Iveco Magirus AG (together "Iveco") and its competitors in the European Union were subject to an investigation by the European Commission (the "Commission") into certain business practices in the European Union (in the period 1997-2011) in relation to Medium & Heavy trucks. On 19 July 2016, the Commission announced a settlement with CNH Industrial (of which Iveco was part before the demerger). Iveco paid a fine of Euro 494.6 million. Similar decisions were taken by the Commission with reference to the other competitors. Following the adoption of the European Commission's settlement decision, the Group has been named as defendants in many proceedings across Europe and Israel (so-called "Follow on Damages Claims").

These damage claims could result in substantial liabilities for the Group as well as incurring significant defense costs, which may have a material adverse effect on its operations and financial condition. The extent and outcome of these claims cannot be reliably predicted at this time and, therefore, the Group did not recognize a provision for these claims.

How the key audit matter was addressed in the audit

Our audit procedures included, but were not limited to:

- Meetings and discussions with management and in particular with Iveco Group N.V. internal legal department in order to obtain an understanding of relevant matters regarding the claims.
- Discussing the allegations with both internal and external legal counsel and requesting confirmation letters from in-house legal counsel and external legal counsel involved.
- Review of management position papers also with the involvement of our legal specialists.
- Review of the minutes of meetings of governance bodies.
- Review the disclosures made in the financial statements and in the board report.

Observation

The scope and nature of the procedures performed were appropriate and sufficient to address the key audit matter. Our procedures did not result in any reportable matters.

2. Net realizable value of vehicles sold with buy-back commitment

Description

The Iveco Group N.V. consolidated financial statements as of 31 December 2024, include, under "Property, plant and equipment", vehicles sold with a buy-back commitment in the amount of Euro 1,179 million after accumulated depreciation.

When the sale of the vehicle is combined with a buy-back commitment and a significant economic incentive exists for the customer to exercise the buy-back option, the sales transaction is recognized as an operating lease and an asset is recognized. The difference between the carrying value (corresponding to the manufacturing cost) and the estimated resale value (net of refurbishing costs) at the end of the buy-back period is depreciated on a straight-line basis over the same period. At the end of the agreement term, upon exercise of the option, the used vehicles are reclassified from Property, plant, and equipment to Inventories. The estimated net realizable value of vehicles sold with buy-back commitment depends on the situation in the used vehicle markets at the time the vehicles are expected to be returned.

Given the materiality of the carrying amount of this balance and the analysis needed in determining the estimated net realizable value which involves significant management's judgment, we have identified testing the valuation of the net realizable value of vehicles sold with buy-back commitment as a key audit matter.

Note 13 to the consolidated financial statements shows movements on this caption during the reporting period. The measurement criteria applied by the Group to this caption are described in "Revenue recognition" of the "Accounting Policies" section of the notes to the consolidated financial statements.

How the key audit matter was addressed in the audit

Our audit procedures included, but were not limited to:

- Understanding of the main controls performed by Iveco Group N.V. when recording transactions of vehicles sold with a buy-back commitment and on those controls over management's review of the significant assumptions adopted in the determination of estimated net realizable value process.
- Review the method, data and assumptions used in relation to the estimation of net realizable value of vehicles sold with buy-back commitment including the analysis of Iveco Group N.V. management's written policies and procedures.
- Meetings and discussions with management and inspection of documentation supporting key considerations taken by management in order to assess the reasonableness of management's significant assumptions in relation to the estimation of net realizable value of vehicles sold with buy-back commitment.
- Review the disclosures made in the financial statements.

Observation

The scope and nature of the procedures performed were appropriate and sufficient to address the key audit matter. Our procedures did not result in any reportable matters.

Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

The other information consists of:

- Board report.
- Remuneration report.
- Other Information as required by Part 9 of Book 2 of the Dutch Civil Code.
- Other Information included in the Annual Report.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Board report in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF**Engagement**

We were engaged by the annual meeting of shareholders as auditor of Iveco Group N.V. on 17 April 2024, as of the audit for the year 2024 and have operated as statutory auditor ever since that financial year.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

European Single Electronic Format (ESEF)

Iveco Group N.V. has prepared its annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report, prepared in XHTML format, including the (partly) marked-up consolidated financial statements, as included in the reporting package by Iveco Group N.V. complies in all material respects with the RTS on ESEF.

Management is responsible for preparing the annual report including the financial statements in accordance with the RTS on ESEF, whereby management combines the various components into one single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting).

Our examination included amongst others:

- Obtaining an understanding of the company's financial reporting process, including the preparation of the reporting package.
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
 - obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance, and the XBRL extension taxonomy files has been prepared in accordance with the technical specifications as included in the RTS on ESEF;
 - examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

Responsibilities of the Board and the audit committee for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The audit committee is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material misstatements, whether due to fraud or error, during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 5 March 2025

Deloitte Accountants B.V.

M.R. van Leeuwen

LIMITED ASSURANCE-REPORT OF THE INDEPENDENT AUDITOR ON THE SUSTAINABILITY STATEMENT

To the Shareholders and Audit Committee of Iveco Group N.V.

Our conclusion

We have performed a limited assurance engagement on the (consolidated) sustainability statement for 2024 of Iveco Group N.V. based in Amsterdam (hereinafter: the Company) included in the section "Sustainability Statement" of the accompanying management report, including the information incorporated in the sustainability statement by reference (hereinafter: the sustainability statement).

Based on our procedures performed and the assurance evidence obtained, nothing has come to our attention that causes us to believe that the sustainability statement is not, in all material respects:

- prepared in accordance with the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission and in accordance with the double materiality assessment process carried out by the company to identify the information reported pursuant to the ESRS.
- compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

Basis for our conclusion

We have performed our limited assurance engagement on the sustainability statement in accordance with Dutch law, including Dutch Standard 3810N, 'Assurance-opdrachten inzake duurzaamheidsverslaggeving' (Assurance engagements relating to sustainability reporting) which is a specified Dutch standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information'.

Our responsibilities in this regard are further described in the section 'Our responsibilities for the limited assurance engagement on the sustainability statement' of our report.

We are independent of Iveco Group N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics for Professional Accountants).

The ViO and VGBA are at least as demanding as the International code of ethics for professional accountants (including International independence standards) of the International Ethics Standards Board for Accountants (the IESBA Code).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Emphasis of matters

Emphasis on the most significant uncertainties affecting the quantitative metrics

We draw attention to section 1.1 General basis for the preparation of the Sustainability Statement (BP1, BP2) in the sustainability statement that identifies the quantitative metrics that are subject to a high level of measurement uncertainty and discloses information about the sources of measurement uncertainty and the assumptions, approximations and judgements the company has made in measuring these in compliance with the ESRS.

The comparability of sustainability information between entities and over time may be affected by the lack of historical sustainability information in accordance with the ESRS and by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques, especially in the initial years.

Emphasis on the double materiality assessment process

We draw attention to section 1.9 Identifying and assessing material impacts, risks, and opportunities (IRO-1) and 1.4 Statement on due diligence (GOV-4) of the sustainability statement. This disclosure explains that due diligence is an on-going practice that responds to and may trigger changes in the company's strategy, business model, activities, business relationships, operating, sourcing and selling contexts and that the double materiality assessment process may also be impacted in time by sector-specific standards to be adopted or developments in stakeholder expectations, regulatory developments, changes in risk management or new business developments. The sustainability statement may not include every impact, risk and opportunity or additional entity-specific disclosure that each individual stakeholder (group) may consider important in its own particular assessment.

Our conclusion is not modified in respect of these matters.

Comparative information not subject to assurance procedures

No reasonable or limited assurance procedures have been performed on the sustainability statement of prior year. Consequently, the comparative information in the sustainability statement and thereto related disclosures for the year ended 31 December 2024 have not been subject to reasonable or limited assurance procedures.

Our conclusion is not modified in respect of this matter.

Limitations to the scope of our assurance engagement

In reporting forward-looking information in accordance with the ESRS, the board of directors of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the company. The actual outcome is likely to be different since anticipated events frequently do not occur as expected. Forward-looking information relates to events and actions that have not yet occurred and may never occur. We do not provide assurance on the achievability of this forward-looking information.

Our conclusion is not modified in respect of this matter.

Responsibilities of the board of directors for the sustainability statement

The board of directors is responsible for the preparation of the sustainability statement in accordance with the ESRS, including the double materiality assessment process carried out by the Company as the basis for the sustainability statement and disclosure of material impacts, risks and opportunities in accordance with the ESRS. As part of the preparation of the sustainability statement, the board of directors is responsible for compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

Furthermore, the board of directors is responsible for such internal control as it determines is necessary to enable the preparation of the sustainability statement that is free from material misstatement, whether due to fraud or error.

The Audit Committee is responsible for overseeing the sustainability reporting process and approves the double materiality assessment process carried out by the company.

Our responsibilities for the limited assurance engagement on the sustainability statement

Our responsibility is to plan and perform the limited assurance engagement in a manner that allows us to obtain sufficient appropriate assurance evidence for our conclusion.

Our assurance engagement is aimed to obtain a limited level of assurance that the sustainability statement is free from material misstatements. The procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We apply the applicable quality management requirements pursuant to the 'Nadere voorschriften kwaliteitsmanagement' (NV KM, regulations for quality management) and the International Standard on Quality Management (ISQM) 1 and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Our limited assurance engagement included among others:

- Performing inquiries and an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, the characteristics of the company, its activities and the value chain and its key intangible resources in order to assess the double materiality assessment process carried out by the company as the basis for the sustainability statement and disclosure of all material sustainability-related impacts, risks and opportunities in accordance with the ESRS.
- Obtaining through inquiries a general understanding of the internal control environment, the company's processes for gathering and reporting entity-related and value chain information, the information systems and the company's risk assessment process relevant to the preparation of the sustainability statement and for identifying the company's activities, determining eligible and aligned economic activities and prepare the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), without obtaining assurance information about the implementation, or testing the operating effectiveness, of controls.
- Assessing the double materiality assessment process carried out by the company and identifying and assessing areas of the sustainability statement, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) where misleading or unbalanced information or material misstatements, whether due to fraud or error, are likely to arise ('selected disclosures'). We designed and performed further assurance procedures aimed at assessing that the sustainability statement is free from material misstatements responsive to this risk analysis.
- Considering whether the description of the double materiality assessment process in the sustainability statement made by the board of directors appears consistent with the process carried out by the company.
- Performing analytical review procedures on quantitative information in the sustainability statement, including consideration of data and trends in the information submitted for consolidation at corporate level.
- Assessing whether the company's methods for developing estimates are appropriate and have been consistently applied for selected disclosures. We considered data and trends; however, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the board of director's estimates.
- Analyzing, on a limited sample basis, relevant internal and external documentation available to the company (including publicly available information or information from actors throughout its value chain) for selected disclosures.
- Reading the other information in the annual report to identify material inconsistencies, if any, with the sustainability statement.

- Considering whether:
 - the disclosures provided to address the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) for each of the environmental objectives, reconcile with the underlying records of the company, are consistent or coherent with the sustainability statement and appear reasonable, in particular whether the eligible economic activities meet the cumulative conditions to qualify as aligned and whether the technical screening criteria are met;
 - the key performance indicators disclosures have been defined and calculated in accordance with the Taxonomy reference framework as defined in Appendix 1 Glossary of Terms of the CEAOB Guidelines on limited assurance on sustainability reporting adopted on 30 September 2024 and in compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), including the format in which the activities are presented.
- Considering the overall presentation, structure and the fundamental qualitative characteristics of information (relevance and faithful representation: complete, neutral and accurate) reported in the sustainability statement, including the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).
- Considering, based on our limited assurance procedures and evaluation of the assurance evidence obtained, whether the sustainability statement as a whole is free from material misstatements and prepared in accordance with the ESRS.

Amsterdam, 5 March 2025

Deloitte Accountants B.V.

M.R. van Leeuwen

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*This document is printed on environmentally-friendly paper
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The logo features the text 'IVECO • GROUP' in a white, sans-serif font, with a small blue dot between the words. Below it, the tagline 'WE GO BEYOND' is written in a smaller, lighter blue font. The background consists of large, overlapping blue circles of varying shades, creating a dynamic, abstract pattern.

IVECO • GROUP
WE GO BEYOND

Iveco Group N.V.

Corporate Seat: Amsterdam, the Netherlands | Principal Office and Business Address: Via Puglia n. 35, Turin, Italy
Share Capital: €3,454,589.70 (as of 31 December 2024) | Chamber of Commerce of the Netherlands: reg. no. 83102701

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