

FPT INDUSTRIAL SHOWS ITS DETERMINATION IN THE QUEST FOR CARBON NEUTRALITY

Turin, Italy, August 27th, 2024

FPT Industrial, the Iveco Group brand dedicated to the design, production, and sale of low-environmental impact powertrains, **is taking its commitment to sustainability and carbon neutrality to the next level**. 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**.

Consistently 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.

These major efforts rely on **continuous research activity**, with ten R&D Centers all around the world, **greatly contributing to creating the foundations of a new, viable definition of sustainability which will place equal emphasis on business development and the fight against climate change**.

*"As a Brand that not only produces and sells but also designs powertrains, we are intrinsically involved in the pillar of Carbon Footprint reduction that we consider a roadmap and a mindset," says **Egle Panzella**, Brand Equity and Corporate Social Responsibility Manager at FPT Industrial. "This is why we are prioritizing finding new ways to reduce our Carbon Footprint by changing our behaviors and bringing sustainability into our daily jobs, without considering it an abstract value."*

A COMPREHENSIVE APPROACH TO SUSTAINABILITY

Since 10 years, FPT Industrial implemented the **Life Cycle Assessment (LCA)** with a pilot project for the F1C Diesel 3.0-liter engine for light commercial vehicles produced at its Foggia (Italy) plant. The LCA is a "cradle-to-grave" **study that assesses the cumulative potential environmental impacts of a product, process or service**, by **taking into consideration all the energy and materials that are required across the supply chain and value chain and calculating the corresponding emissions to the environment**.

Following the results of this study, **the Brand decided to offset the 16,500 tons of CO₂ emissions generated during the upstream activities and manufacturing of F1C engines by supporting three projects at three landfill biogas plants in the Piedmont region in Italy.**

FPT Industrial then expanded the scope of its LCA activity to its Cursor 13 diesel and NEF engines, thus covering all three ICE available ranges, light, medium and heavy. To complete the assessment of its products, FPT Industrial conducted an LCA on the carbon footprint of the IVECO eDaily's 37-kWh battery pack, made with components supplied by strategic partner Microvast and assembled at FPT Industrial's **ePowertrain plant in Turin (Italy).**

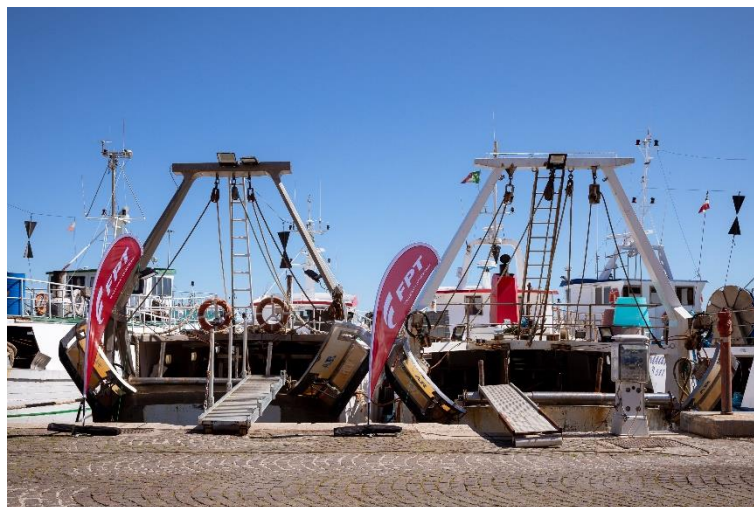
That is the Iveco Group's first carbon-neutral, Industry 4.0 plant, featuring a series of solar and wind-powered electricity generation systems. The plant also features a Sustainability Garden, a 6,000 square-meter space planted with 100 drought-resilient native plants with high CO₂ absorption capacity. All the residual emissions of this plant are compensated through the purchase of certified carbon credits.

As far as its processes are concerned, the Brand implemented the **offsetting of the yearly CO₂ emissions generated by its Testing Center**. The 15,000 tons of CO₂ generated by the facility in a year were completely offset by supporting activities at a hydropower plant along the Huadian Xixi River, in China, located near FPT Industrial facilities.

PROPELLING THE PROTECTION OF BIODIVERSITY

As a manufacturer of engines that operate on the road, off-road and in water, **FPT Industrial is in daily contact with the most diverse environments and feels strongly the duty to protect the value of biodiversity.**

Its activities in the field of environment protection include **"Fishing for Plastic"**, a project committed to raising public awareness of protecting seas from pollution and waste, thanks to which some forty FPT Industrial-powered fishing boats from San Benedetto del Tronto (Italy) fished more than three tons of plastic out of the sea.



FPT Industrial also decided to support **Urban Forestry**, a reforestation project in the Basse di Stura area north of Turin, involving the planting of 1,000 trees of 32 native species typical of Piedmont's forests and hedgerows. The four-hectare area has been planted with oak, poplar, willow, elm, ash, linden, maple, hawthorn, and other shrubs, with an annual carbon dioxide reduction of about ten tons per year.



Last but not least, FPT Industrial and Edison Next, the Edison Group company which guides companies and regions through the decarbonization process, announced the creation of the **first biomonitoring station using bees in FPT Industrial's Turin Stura site**, with six hives of Italian bees, *Apis mellifera ligustica*, a subspecies of the western honeybee. The lime (linden), wildflower, and acacia honeys produced by the work of these hives are of excellent quality, so much so that they recently received quality recognition at the 15th regional "Ferrere Miele" competition.



THE CARBON-NEUTRAL BOOTH: THE STAND CREATING A STANDARD

Since 2023, FPT Industrial raised the bar for decarbonization, extending it to event production too, and attended the Agritechnica 2023 fair with its first Carbon Neutral booth. To achieve this goal, the Brand partnered with Polytechnic University of Milan in performing an LCA of its presence at the fair. Through this analysis, the stand production, materials used, staff presences on the booth, and primarily logistics – considered the “hot spot” of CO₂ production for the whole process – were optimized. A reduction of about 90% of the CO₂ impact of the logistics was obtained by fueling the IVECO S-Way biomethane trucks, which transported the booth from Milan to Hannover and back, with Shell BioLNG. The final balance was an estimated 60% reduction of CO₂ production of the whole process.



In order to reach net-zero carbon emissions, FPT Industrial purchased qualified carbon credits to offset 16,115 tonnes CO₂eq, attributable to the 2023 Agritechnica booth, Cascinette testing facility, and ePowertrain plant.

The project, chosen through the consultancy of LifeGate, is located in the western part of the Democratic Republic of the Congo, in Africa. **The goal is to protect about 300,000 hectares of forest, habitat for bonobos (pygmy chimpanzees) and elephants, inside the second largest intact rainforest in the world, and in some of the most important wetlands on the planet.** Before the project began, nearly 250,000 hectares of peat-rich rainforest were used for commercial timber extraction. However, since the project was launched in 2011, deforestation in the area has stopped and, with the help of reforestation programs, deforested areas have regenerated, restoring important biodiversity and allowing wildlife to thrive. The project, the first of its kind in the Congo basin and with an estimated annual reduction of 5,671,613 tCO₂eq, is also tracing a new path for the prosperity of the community through global investments in the surrounding local communities, including construction and renovation of schools, the provision of health services, support for food security, agricultural diversification, and the provision of capacity-building activities that empower local communities.

FPT Industrial will be performing an **LCA for all its booths at the major exhibitions it attends, including the upcoming IAA Transportation in Hanover, and subsequently offsetting the emissions.**

***FPT Industrial** is a brand of Iveco Group N.V. (EXM: IVG), dedicated to the design, production, and sale of powertrains and solutions for on- and off-road vehicles, as well as marine and power generation applications. Over 8,000 people across ten production sites and ten R&D centers work for FPT Industrial all around the world. Active in nearly 100 different countries, its global sales and its Customer Service department supports all Brand customers. The extensive product offering includes six engine ranges with power outputs from 42 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. For more information, visit www.fptindustrial.com.*

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