CNH INDUSTRIAL

2014

SUSTAINABILITY REPORT

ECONOMIC, ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

CNH INDUSTRIAL

BUILDING THE **FUTURE** IS AN INDIVIDUAL AND **COLLECTIVE RESPONSIBILITY**. IT IS THE DUTY OF **EVERY PERSON** AT EVERY LEVEL. WE HAVE A DUTY TO **COMMIT** TO WHAT WE ARE **ABLE TO DO**, TO DEDICATE OUR INDIVIDUAL **SKILLS** AND **TALENTS** IN UNITING THE BEST OF **SOCIETY**, AND TO **WORK TOGETHER** TO ACHIEVE **HIGHER OBJECTIVES**.

SERGIO MARCHIONNE
CHAIRMAN

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LETTER TO STAKEHOLDERS

Dear Stakeholders,

In 2014, CNH Industrial made great strides in unifying its global operations in the context of our "One Company" objective. This approach continues to connect and optimize our different areas of expertise while reinforcing our identity and values both internally and externally.

In acting as One Company, we are mindful that our decisions are driven primarily to improve the competitive position of our global brands but we also must demonstrate that we are thinking as a socially responsible organization. We believe that a global enterprise, such as CNH Industrial, must act to create long-term value for the Company and its stakeholders, for the community, and for society as a whole.

As such, sustainability is intrinsic to the Governance of CNH Industrial where top management takes a direct and active role in ensuring that the Company operates accordingly. The Governance and Sustainability Committee of the Company's Board of Directors is tasked with overseeing CNH Industrial's involvement in socially and environmentally responsible practices and activities.

By preparing our annual Sustainability Report, we are able to chart the progress we have made. We also conducted a materiality analysis where we engaged numerous external stakeholders from different backgrounds to record their perceptions on the 25 most material aspects for the Company.

This Report was prepared according to the Global Reporting Initiative (GRI-G4) guidelines, the main international reporting standard, and the AA1000 Accountability Principles Standard.

The contents of the 2014 Sustainability Report confirm what we as a Company achieved during the year, as well as presenting our objectives for the future from a continuous improvement standpoint. What remains unchanged year-on-year is our long-standing commitment to our employees, the environment, our customers, suppliers, the local communities in which we operate, and all those with whom we interact.

In 2014, we aligned the targets of our Sustainability Plan (especially those related to health and safety, environment and energy) with our five-year (2014-2018) strategic Business Plan, presented to investors by top management in May 2014.

The results of this Report show that we have maintained our dedication to the continuous improvement of our sustainability performance and, in some cases, have exceeded our objectives.

The Company is better focused than ever on material aspects that are rooted within sustainability, from the management of our own employees through to the environmental footprint of our manufacturing processes, products and the relations with our stakeholders.

We have charted continued improvement in occupational health and safety.

Over the years, our research activities have been geared toward ensuring that our products continue to achieve increasingly high standards in terms of safety and eco-compatibility. Rather than limiting customers to a choice between low operating costs and eco-efficiency, our strategy is to offer products that deliver both. By providing innovative products and solutions that abide by environmentally-responsible operating practices, CNH Industrial is doing its part to address global issues such as climate change.

GRI G4-1

Our production processes are led by the World Class Manufacturing program that CNH Industrial also actively imparts to its suppliers. During 2014, 130 plants belonging to our suppliers adopted this system, which is already in place in 53 CNH Industrial plants.

Thanks to more efficient energy management, we reduced CO_2 emissions by 14% per hour of production.

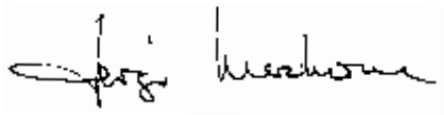
Remanufacturing is another area where we are very active. The recovery and regeneration of components extends product life by setting a cycle in motion that helps contain the extraction and use of raw materials, reduces waste and, at the same time, offers customers quality spare parts at competitive prices.

When it comes to the development of local communities, active participation remains one of our priorities. Last year, CNH Industrial continued to provide materials and know-how to vocational schools for its *TechPro*[2] initiative. This program gives young people, particularly from underprivileged backgrounds, the chance to qualify for professional placements.

Many of these efforts went on to receive recognition in 2014. CNH Industrial was included in the most prestigious sustainability indexes such as the Dow Jones Sustainability Indices, where we were named as Industry Leader. This is the fourth consecutive year that we have received this distinction. Moreover, the Company's commitment to reducing carbon emissions was recognized with a high score in the CDP assessment.

Each and every single one of us, working together as One Company, can take the credit for these accomplishments. Together we are building for the future, individually and collectively. Great or small, the concrete actions of employees at all levels have shown us that our culture of sustainability is alive and well. We look forward to keeping up this momentum by working together to reach new and more ambitious goals in 2015.

Sergio Marchionne



CHAIRMAN

Richard J. Tobin

CHIEF EXECUTIVE OFFICER

FACTS AND FIGURES

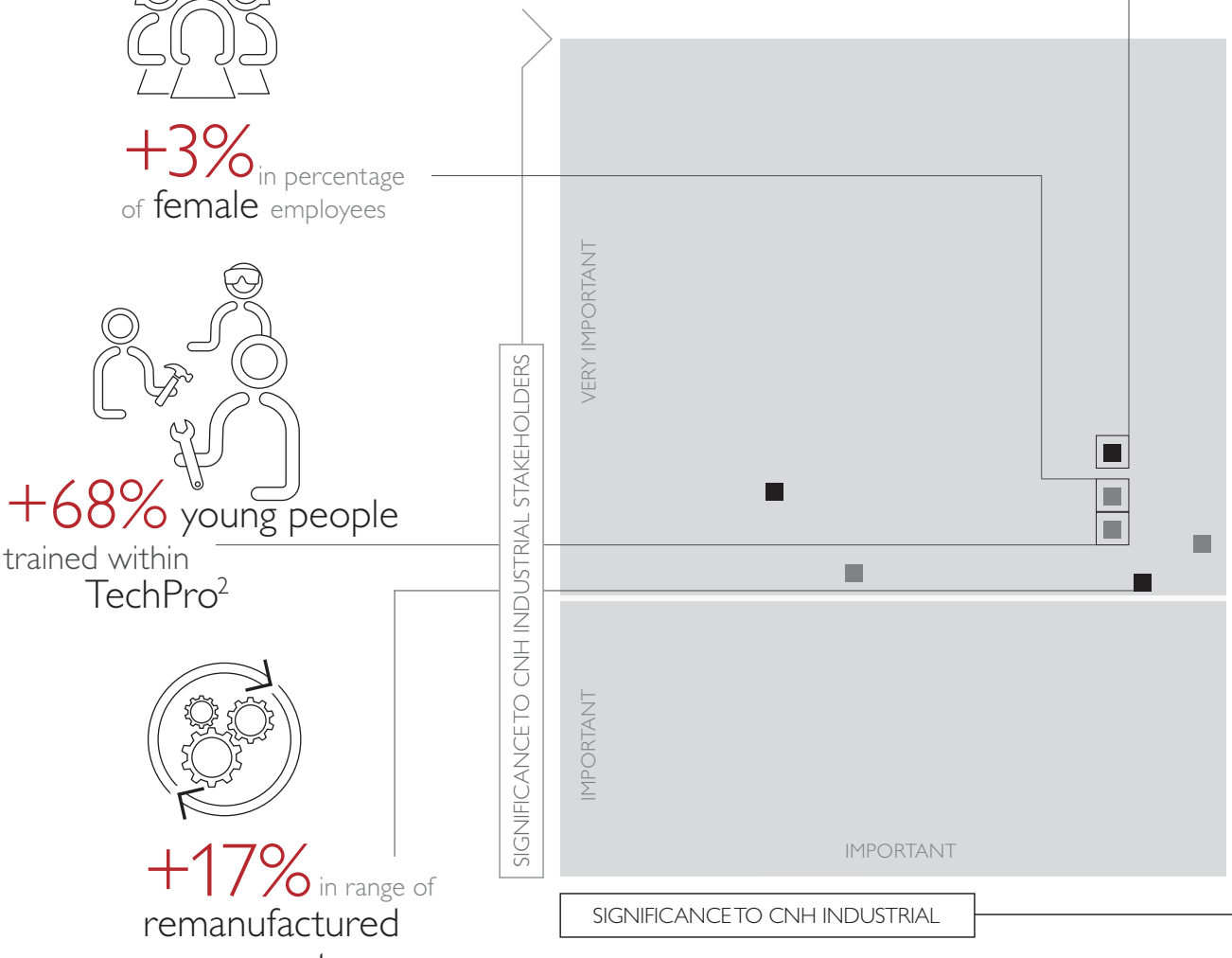
+26%
R&D employees
in emerging markets

-12% in water withdrawal per hour of production

+3% in percentage of female employees

+68% young people trained within TechPro[2]

+17% in range of remanufactured components available



Data refers to 2014; variations are compared with the previous year.

IN 2014 WE CONTINUED TO MAKE **PROGRESS** ON OUR JOURNEY TO BE A **SUCCESSFUL** AND **RESPONSIBLE** LONG-TERM COMPANY

4th year as
Industry Leader
in Dow Jones
Sustainability Indices

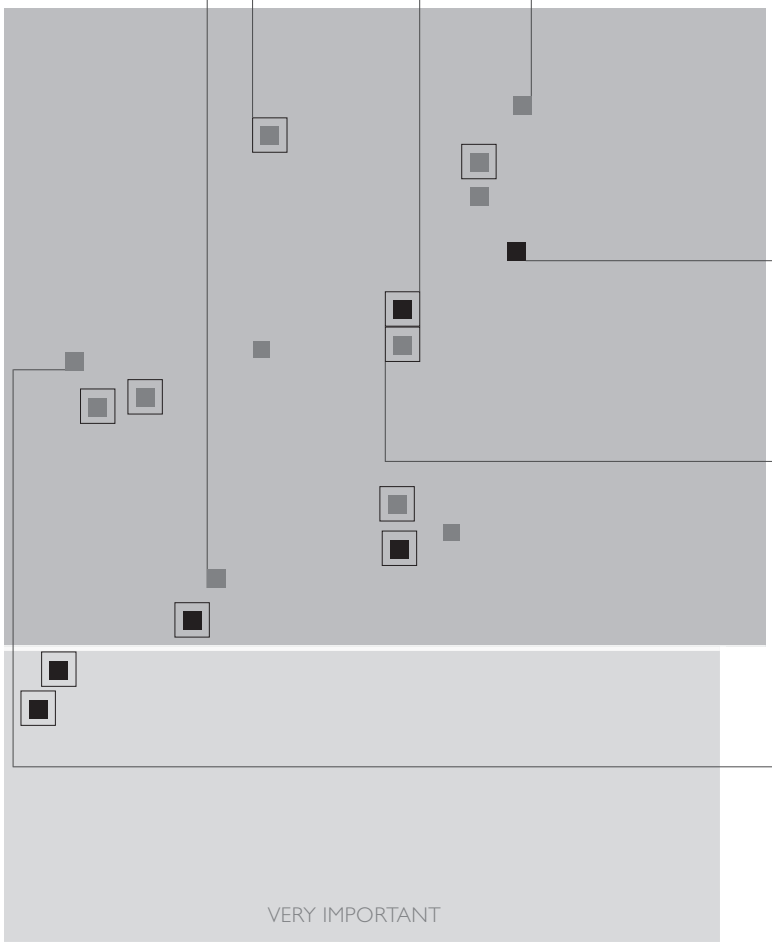
-14%
in CO_2 emissions
per hour of production

100% of cabs
equipped with
Falling Object
Protection System

30 collaborative
research projects
on optimizing consumption
and energy efficiency

-11%
in accident
frequency rate

+33%
in WCM
supplier plants



MAIN PROJECTS

NAFTA

LATAM

Key

- Social
- Environmental

EMEA

- Action for Road Safety p. 124
- Safety Risk Hunting p. 92
- Fighting Cancer Together p. 118
- Free Check-ups for Drivers p. 125
- Health Factory p. 95
- Partnership with Non-profit Organizations p. 115
- TechPro² p. 122

- Environmental Education at School p. 171
- Expo Milano 2015 p. 114
- Heat Recovery in the Powertrain Segment p. 187
- Initiatives in Water-Stressed Areas p. 175
- Life Cycle Assessment p. 146
- Protecting Biodiversity p. 178
- Tailor-Made Protection Kit for Forestry Applications p. 209
- The Green Plant in Rorthais p. 185

APAC

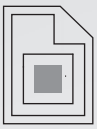
- Agri Training Centers p. 122
- Fighting Cancer Together p. 118
- Road Safety in India p. 125
- TechPro² p. 122

- Initiatives in Water-Stressed Areas p. 175

OUR REPORT

OUR SUSTAINABLE COMPANY

ORGANIZATION PROFILE



MATERIALITY ANALYSIS

HOW WE GET THINGS DONE

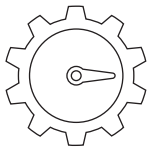
OUR GOVERNANCE MODEL

HOW WE MANAGE OUR PEOPLE

LIFE CYCLE OF OUR PRODUCTS

INNOVATION AND PRODUCT DEVELOPMENT

MANUFACTURING PROCESSES



This report is an account of what sustainable business means to us. It looks at how we define material aspects, our future commitments, how we get things done, and the life cycle of our products.
At every stage or organizational phase, the outcomes of the materiality analysis will guide the reader through the aspects most material to the Company.

OUR COMMITMENT TO THE FUTURE

PRESENCE IN SUSTAINABILITY INDEXES

HOW WE MANAGE INDUSTRIAL RELATIONS

LOCAL COMMUNITIES ENGAGEMENT

RELATIONSHIP WITH PUBLIC AND PRIVATE ORGANIZATIONS

LOGISTICS PROCESSES

PRODUCT USE

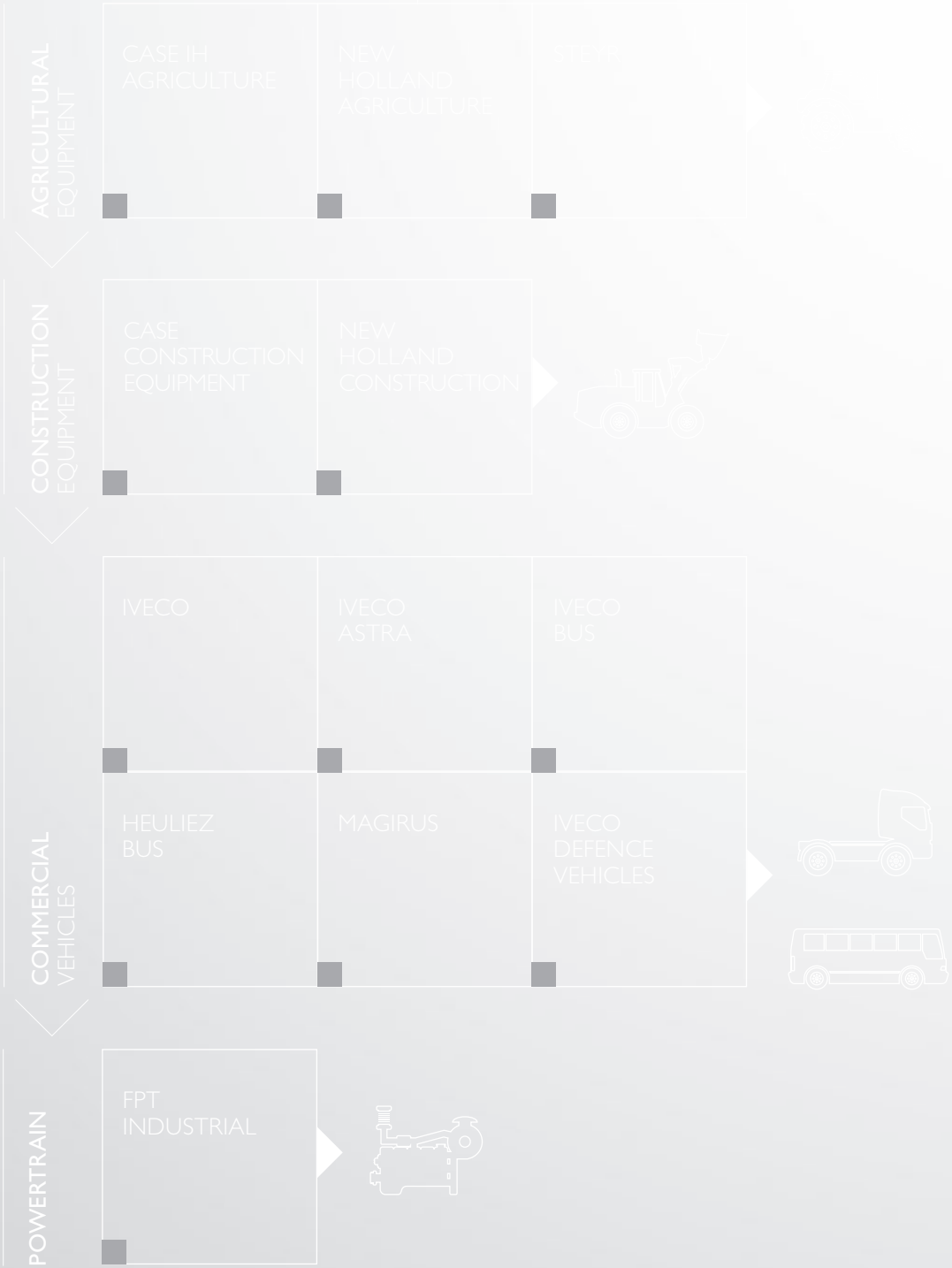
END OF LIFE

Additionally, the icons will help readers more quickly identify the Disclosures on Management Approach (DMA) for material aspects, and the results and targets of the Sustainability Plan.

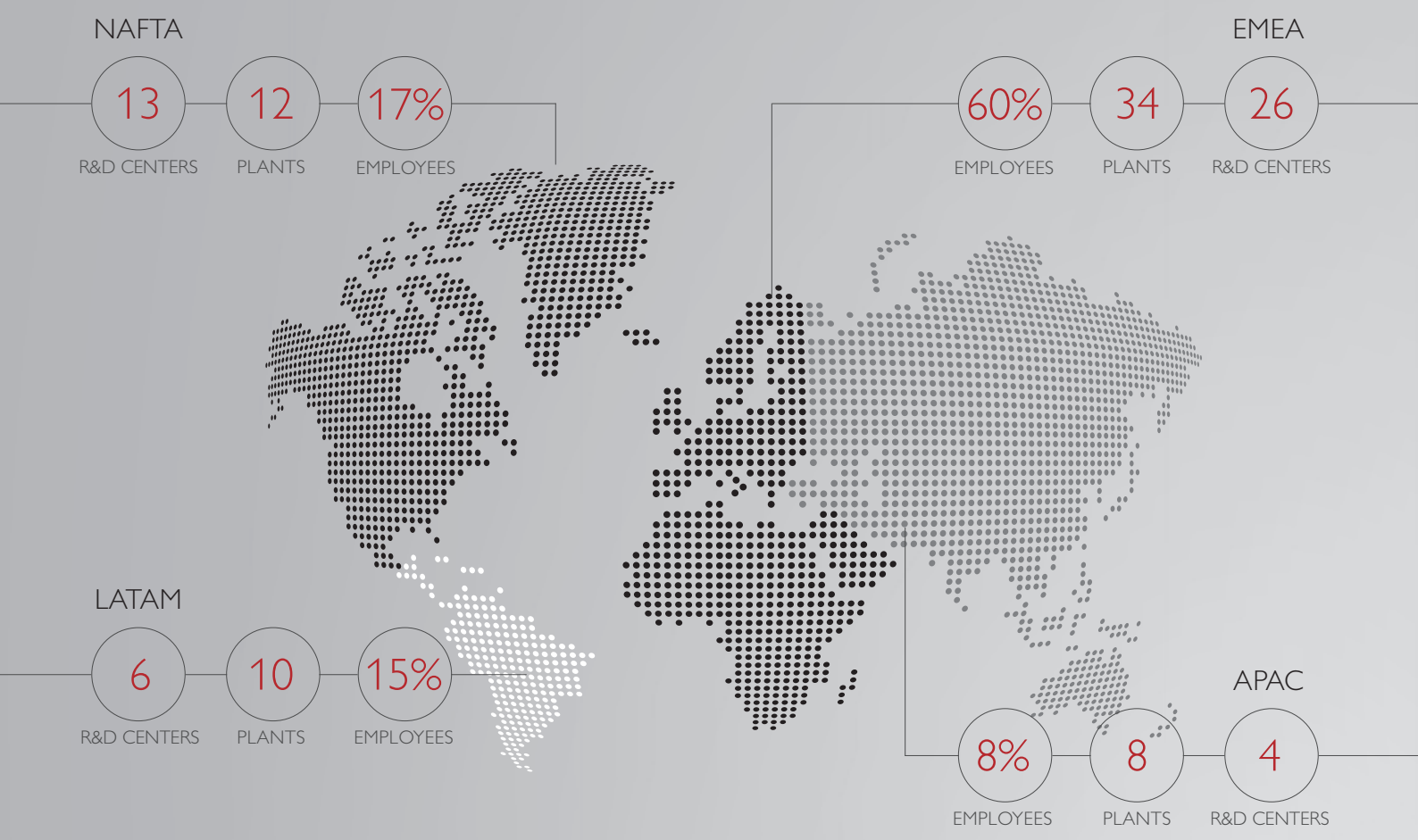
DMA

OUR SUSTAINABLE COMPANY

THE FOLLOWING SECTION CONTAINS A BRIEF COMPANY PROFILE AND THE YEAR'S HIGHLIGHTS AND ECONOMIC PERFORMANCE.
THERE IS ALSO A DESCRIPTION OF THE MATERIALITY ANALYSIS, WHICH IDENTIFIES AND PRIORITIZES THE ASPECTS THAT ARE MATERIAL TO CNH INDUSTRIAL AND TO ITS STAKEHOLDERS.
THE RESULTS CNH INDUSTRIAL ACHIEVED OVER THE YEAR AND ITS COMMITMENTS FOR THE FUTURE ARE ALSO PRESENTED IN THE SUSTAINABILITY PLAN.


AGRICULTURAL EQUIPMENT
CASE IH AGRICULTURE
NEW HOLLAND AGRICULTURE
STEYR
CONSTRUCTION EQUIPMENT
CASE CONSTRUCTION EQUIPMENT
NEW HOLLAND CONSTRUCTION
COMMERCIAL VEHICLES
IVECO
IVECO ASTRA
IVECO BUS
HEULIEZ BUS
MAGIRUS
IVECO DEFENCE VEHICLES
POWERTRAIN
FPT INDUSTRIAL

ORGANIZATION PROFILE



CNH INDUSTRIAL AT A GLANCE

CNH Industrial is a global leader in the capital goods sector with established industrial experience, a wide product range, and worldwide presence. The Company designs, manufactures, and sells agricultural equipment, construction machinery, trucks, buses, specialty vehicles, and powertrains. CNH Industrial, which is listed on the New York Stock Exchange and on the Milan Stock Exchange, was formed by the merger between Fiat Industrial S.p.A. and its subsidiary CNH Global N.V., completed on September 29, 2013. With 12 brands (see also page 13) organized in 5 segments (Agricultural Equipment, Construction Equipment, Commercial Vehicles, Powertrain and Financial Services), 64 manufacturing plants, 49 Research and Development centers, together with a workforce of some 69 thousand and a commercial presence in approximately 190 countries, the Company is in a unique competitive position. CNH Industrial aims to be the global leader in next-generation industrial equipment and commercial vehicles. It is a pioneer of ultra-efficient machinery that enables other sectors of the global economy to operate at maximum potential, and it achieves this by harnessing new technology, its vast market reach, and its robust enterprise culture.

HIGHLIGHTS

CNH INDUSTRIAL WORLDWIDE (no.)

	2014	2013	2012
Employees at year end	**69,207**	71,192	68,257
Countries in which CNH Industrial operates	**190**	190	190
Plants	**64**	62	64
Research and Development centers	**49**	48	49

The following figures are taken from the EU Annual Report, prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union. CNH Industrial reports results also under accounting standards generally accepted in the United States (U.S. GAAP) for U.S. Securities and Exchange Commission (SEC) reporting and investor presentation purposes. The U.S. GAAP results are included in the Annual Report on Form 20-F. The 2014 EU Annual Report and the 2014 Annual Report on Form 20-F are available on the Company website.

ECONOMIC PERFORMANCE

CNH INDUSTRIAL ($million in IFRS)

	2014	2013[b]	2012[a; b]
Net revenues	**32,957**	34,231	33,128
Trading profit/(loss)	**2,399**	2,637	2,650
Profit/(loss)	**916**	1,218	1,162
Investments in tangible and intangible assets[c]	**1,698**	1,985	1,733
R&D expenditure[d]	**1,122**	1,240	1,149
Net industrial cash/(debt)	**(2,874)**	(2,195)	(2,166)

[a] For the year 2012, figures were recast following the adoption of IAS 19 Revised. There was no significant impact for any individual line item.
[b] Amounts recast in order to reflect the change in presentation currency from euro to US dollar.
[c] Net of vehicles sold under buy-back commitments and operating lease
[d] Includes capitalized development costs and R&D charged directly to the income statement.

PUBLIC FUNDING AWARDED TO CNH INDUSTRIAL

CNH INDUSTRIAL ($million)

	2014	2013	2012
Grants	**35**	19	4
Loans	**133**	562	745
of which subsidized loans	133	562	280
Total public funding	**168**	**581**	**749**

PUBLIC FUNDING AWARDED TO CNH INDUSTRIAL BY REGION

CNH INDUSTRIAL WORLDWIDE (%)

	2014
EMEA	**14.9**
NAFTA	**0.3**
LATAM	**82.0**
APAC	**2.8**

GLOSSARY
APAC; EMEA; LATAM; NAFTA

GRI
G4-3; G4-4; G4-6; G4-7; G4-8; G4-9; G4-13; G4-EC4

EMPLOYEES IN NUMBERS

As of December 31, 2014, CNH Industrial had 69,207 employees, a decrease of 1,985 over the 71,192 figure at year-end 2013. The change was attributable to the difference between new hires (approximately 5,000) and departures (approximately 7,800) during the year, partially offset by an increase of approximately 800 employees due to changes in the scope of operations, which included: approximately 230 employees attributable to the acquisition of the assets of the US precision spraying equipment manufacturer Miller, and about 570 employees due to the insourcing of purchasing activities from Fiat Chrysler Automobiles in Italy and of Financial Services activities in LATAM.
Excluding the scope of operations, the change compared to year-end 2013 is mainly attributable to: a decrease in workers for manufacturing activities in LATAM due to weak market demand; and a decrease in salaried employees mainly due to measures to reduce selling, general, and administrative costs, as well as business support costs, as a result of the transition to CNH Industrial's regional structure. Minor increases included the first wave of hiring in the new plant of the joint venture Iveco South Africa Works in Rosslyn (South Africa), and new hires by various functions in Emerging Markets.
The greatest number of personnel is employed in EMEA (60%), followed by NAFTA (17%), LATAM (15%), and APAC (8%).

EMPLOYEES BY REGION

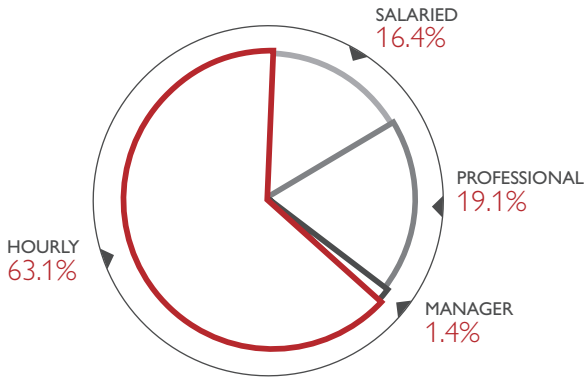
CNH INDUSTRIAL WORLDWIDE (no.)

	2014	2013	2012
EMEA	**41,756**	41,961	42,063
NAFTA	**11,647**	11,948	11,734
LATAM	**10,485**	12,081	9,663
APAC	**5,319**	5,202	4,797
World	**69,207**	71,192	68,257

Worldwide, 35.7% of the workforce has been employed for five years or less, while the category of employees with a length of service from six to ten years grew by 25% in comparison to 2013.
A total of 65.4% of employees[1] has a medium/high level of education (22.1% holds a university degree or equivalent, and 43.3% a high school diploma); the remaining 34.6% completed middle and elementary school.

EMPLOYEES BY CATEGORY[a]

CNH INDUSTRIAL WORLDWIDE



(a) For more information on employee categories, see page 239.

For more information, see page 70 and the tables in the Appendix on page 243.

GLOSSARY
APAC; EMEA; Emerging Markets; LATAM; NAFTA

GRI
G4-10

(1) About 11,352 employees not mapped for 2014.

BREAKDOWN OF ADDED VALUE

The value added through the activities of the Company and distributed to its various stakeholders totaled $7,110 million in 2014, equivalent to 22% of revenues (in line with 2013).

DIRECT ECONOMIC VALUE GENERATED[a]

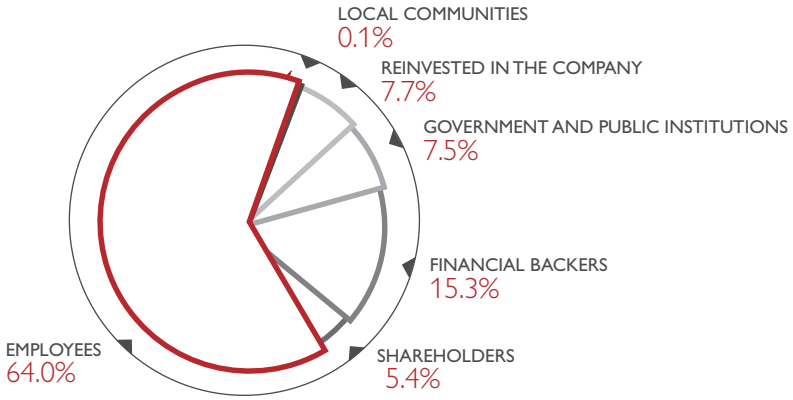
CNH INDUSTRIAL ($million in IFRS)

	2014
Consolidated 2014 revenues	32,957
Income of financial services companies	(1,015)
Government grants (current and deferred/capitalized), release of provisions, other income	211
Other income	1,106
Direct economic value generated	**33,259**
Cost of materials	(23,053)
Depreciation and amortization	(1,560)
Other expenses	(1,536)
Value added	**7,110**

[a] *Figures prepared in accordance with International Financial Reporting Standards (IFRS)*

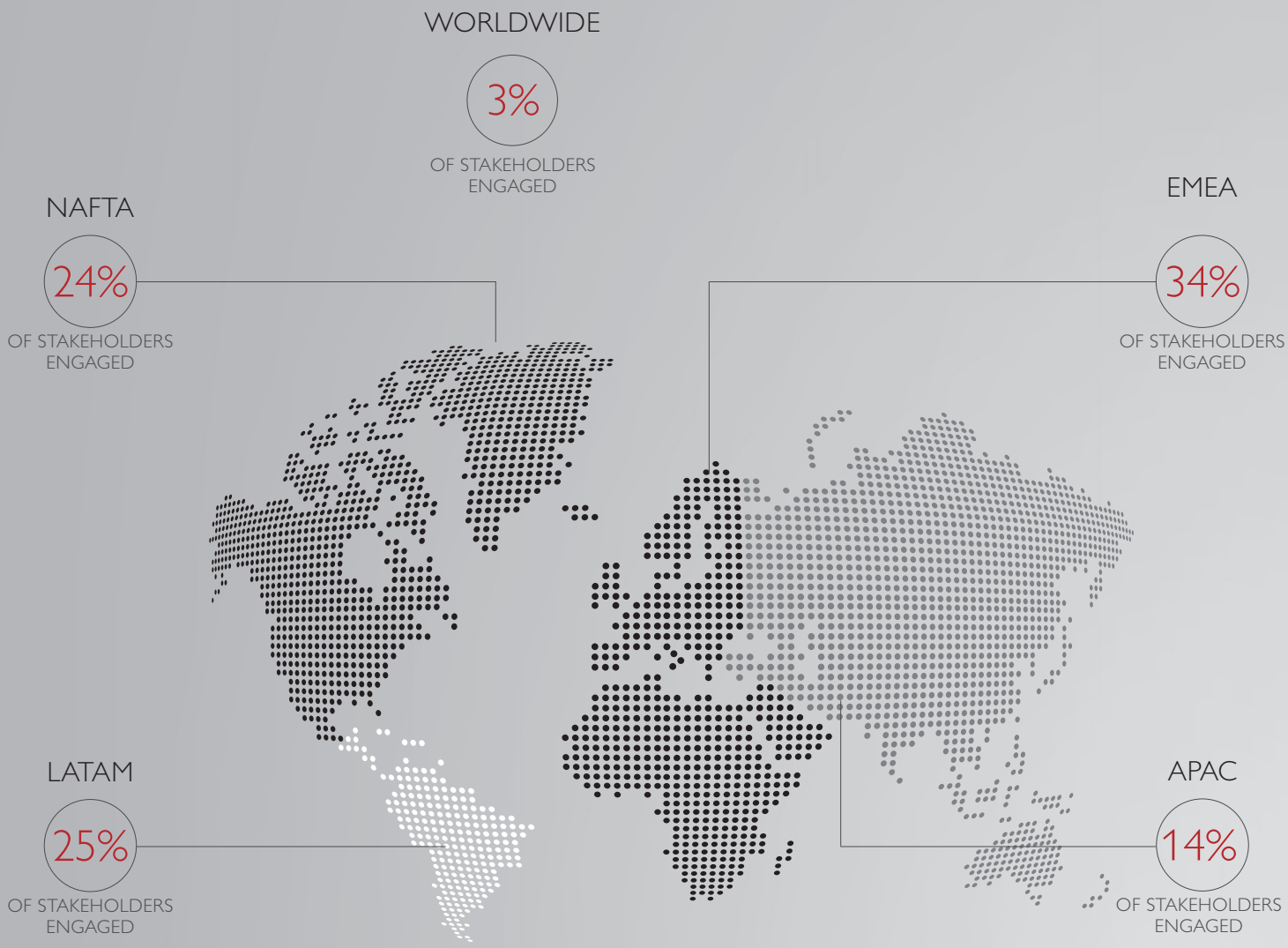
BREAKDOWN OF VALUE ADDED

CNH INDUSTRIAL



GRI
G4-EC1

MATERIALITY ANALYSIS



STAKEHOLDERS ENGAGED IN 2014 MATERIALITY ANALYSIS

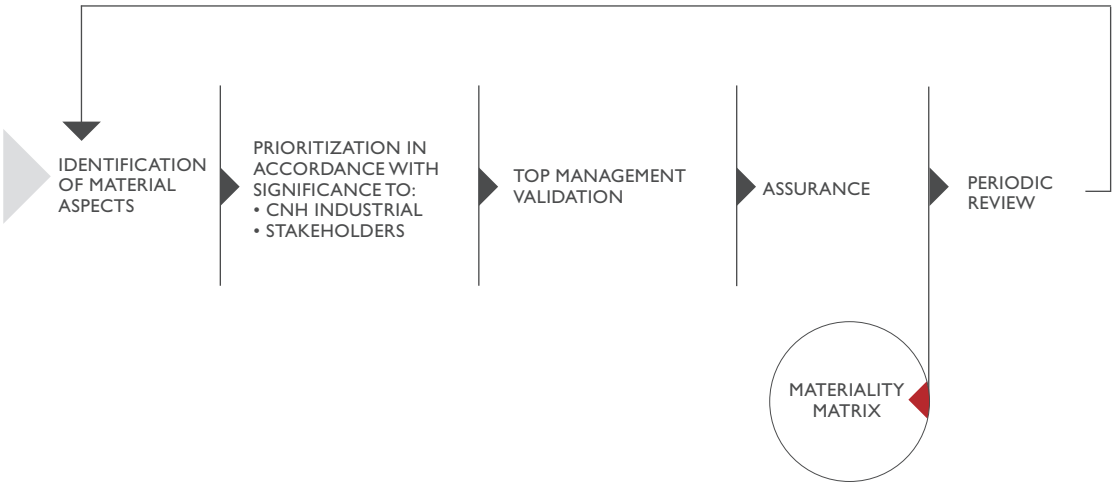
2014 STAKEHOLDER INTERVIEWS

> Stakeholder engagement is an important mechanism for understanding and monitoring the importance of, and response to, programs that have been implemented

E. Pira, Full Professor of Occupational Medicine, University of Turin, Italy

For CNH Industrial, the materiality analysis is an important tool to identify and prioritize economic, environmental, and social measures consistent with its business strategy, and to set out the Sustainability Report contents according to GRI-G4 international reporting guidelines.
In terms of sustainability reporting, CNH Industrial defines material aspects as those that significantly impact business performance and that are perceived as most relevant by stakeholders.
CNH Industrial's materiality analysis complies with AA1000 criteria and employs a multi-year approach. The first year focused on defining and prioritizing material aspects with top management. In 2014, the second year, the analysis was broadened to include the perceptions of some stakeholder categories and the suggestions collected for revising the material aspects.

MATERIALITY PROCESS



Since the materiality analysis is used by CNH Industrial as an integrated business tool, the process is never static. Rather, it is updated every year in line with developments within the Company and the context in which it operates.

IDENTIFYING AND PRIORITIZING MATERIAL ASPECTS

The materiality analysis was performed within the organization on the same scope as that consolidated in the Annual Report, which encompasses every CNH Industrial segment worldwide (see also page 22). The scope outside the organization was identified case by case and included in the tables on page 22.
The material aspects were first identified in 2013, by analyzing different sources (Corporate documents, initiatives focusing on stakeholder perceptions, sustainability assessments by rating agencies, sector studies, GRI-G4 guidelines, international standards, competitor benchmarking, and through media search). The analysis identified two hundred potential material aspects, which were verified, analyzed, rationalized, and assigned a priority by the organization's sustainability team (about thirty people), according to different criteria: alignment with business strategy, economic and environmental impact, reputational risk and consistency with internal policies and the Code of Conduct.
After analyzing interview results and assessing the priorities assigned to each issue, the thirty most relevant aspects were identified and assigned a position in the first materiality matrix draft. The matrix was reviewed and approved by the members of the Group Executive Council (GEC), who further reduced the selection to 25 material aspects. The final matrix was approved by the Chief Executive Officer (CEO) and published in the 2013 Sustainability Report.

GLOSSARY
AA1000; GRI; Material aspect; Stakeholders
GRI
G4-18; G4-48

Those 25 material aspects were the starting point of the analysis carried out in 2014. During the year, CNH Industrial engaged a number of stakeholder categories to update the analysis and, consequently, the matrix. Given the multi-year approach taken to enable a more detailed analysis, additional stakeholder categories will also be engaged over the coming years.

112 stakeholders engaged

In 2014, 112 individual stakeholders were engaged worldwide, comprising: dealers, suppliers, local communities and NGOs, journalists and opinion leaders, public institutions, environmental experts, and investors. Results were analyzed giving all stakeholders equal importance. The choice of who to engage was made by the internal representatives interacting with stakeholders on a daily basis, and endorsed by the Regional Chief Operating Officers (COOs), the Chief Purchasing Officer, and the Chief Executive Officer (CEO).

Engagement occurred mainly through direct interviews (face-to-face or via conference call); suppliers, however, received an online questionnaire preceded by a business presentation during regional meetings previously scheduled by the relevant department (see also page 162). Stakeholders were asked to evaluate the importance of the 25 aspects, from their point of view, for a company such as CNH Industrial, with specific reference to their needs and expectations in relation to the Company.

The engagement process also provided an opportunity to identify any additional issues for consideration in the future review of the materiality analysis, along with other suggestions on improving the management of stakeholder relations.

The stakeholder engagement results were thus reported on the materiality matrix by repositioning the 25 material aspects along the vertical axis (significance to stakeholders), while the significance within CNH Industrial of the individual aspects identified during the previous year remained unchanged. The results were presented to the members of the GEC and reviewed by the CEO. The final phase involved the assurance of compliance by third parties: the matrix development process was audited by SGS, an independent company, and verified by the GRI.

The stakeholder engagement results were also analyzed at regional level to provide COOs with a management tool highlighting the characteristics of each Region and the action priorities according to local stakeholders.
To highlight the link between matrix and Sustainability Report contents, a reference to the materiality matrix was included at the beginning of every chapter, indicating the specific material aspect discussed in the chapter itself. Furthermore, some of the results that emerged from the 2014 stakeholder engagement activities were highlighted in the Disclosures on Management Approach (DMA) contained in each chapter. Some of the key phrases collected during the interviews are quoted in the 2014 *stakeholder interviews* text boxes.

MATERIALITY MATRIX

CNH Industrial developed the matrix to simplify the reading of the results of the materiality analysis. The matrix can be read in four different ways:

- the horizontal axis illustrates the degree of significance to CNH Industrial, in ascending order
- the vertical axis illustrates the significance to stakeholders, in ascending order
- the thickness of the outline indicates the degree of significance to the supply chain[1]
- the graphics differentiate social aspects (in gray) from environmental aspects (in black). The economic aspect was not illustrated since all aspects have economic implications.

Within the scope of the analysis, aspects related to Corporate Governance, regulatory compliance, and economic value creation were considered as prerequisites, and therefore were not examined individually within the process. The matrix also allows verifying the degree of alignment between external expectations and the relevance of issues within the organization.
The analysis confirms the greater relevance of business-related aspects. All 25 aspects are considered material; however, the most relevant from a social point of view, in terms of priority, involve the capacity for innovation related to product safety, product quality, and customer engagement; the most relevant from an environmental point of view involve product innovation related to environmental protection and the management of atmospheric emissions (especially greenhouse gases) and waste.

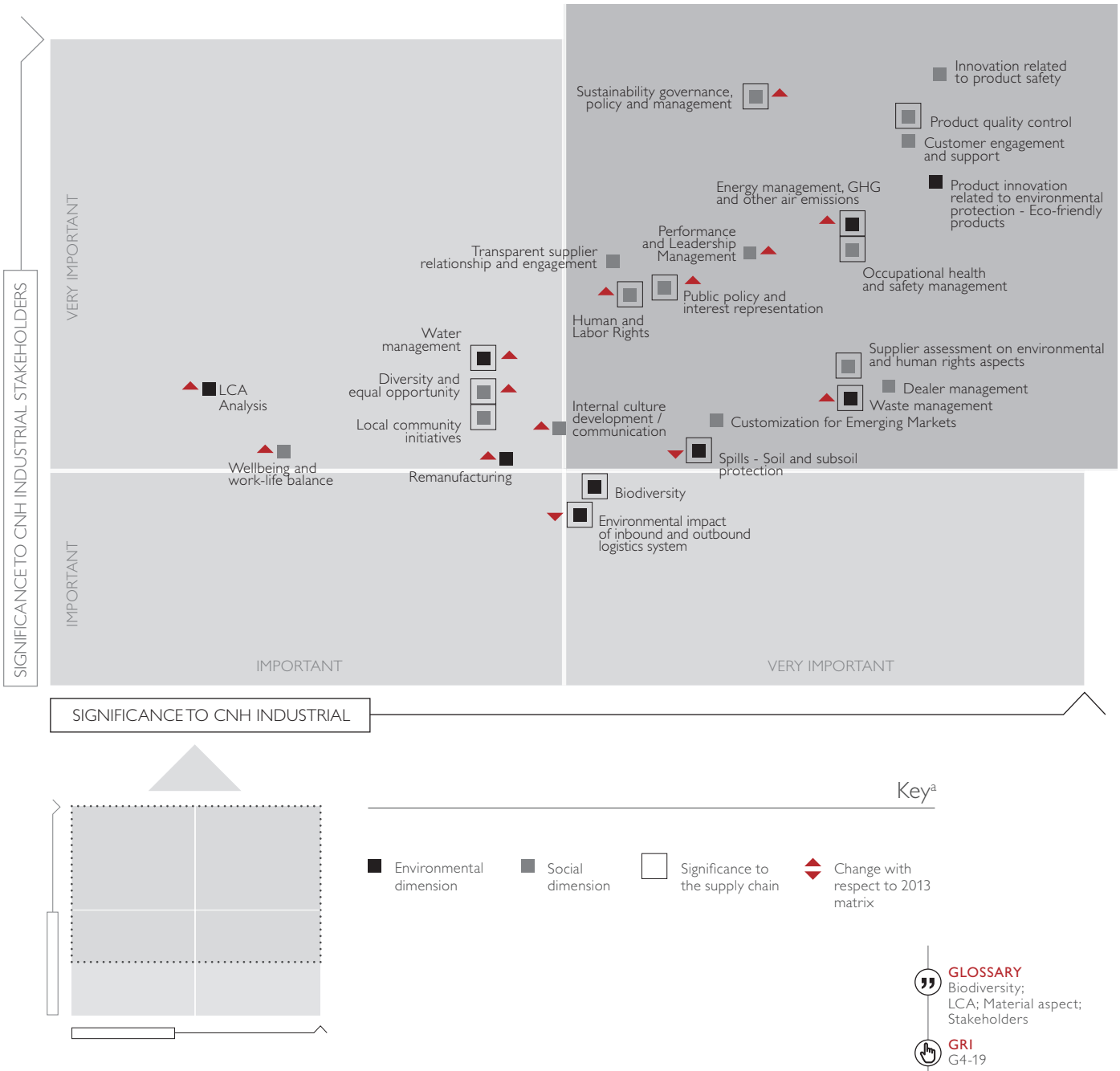
GLOSSARY
Audit; DMA; GRI; Material aspect; Stakeholders

(1) *An issue is significant to the supply chain if it falls within the scope of the annual supplier monitoring process.*

In the matrix shown, the main changes compared to 2013 are highlighted. The changes occurred on the vertical axis only, with the arrows in the figure indicating those material aspects whose evaluation increased or decreased by more than 0.5 points. Of particular note is the increase for *Sustainability governance, policy and management*, reflecting the need expressed by stakeholders to oversee sustainability issues in a systematic and comprehensive way, with clearly-defined responsibilities and concrete improvement targets. According to stakeholders' evaluations, *Diversity and equal opportunity* is also of increasing relevance because, operating within a global context, the management of this aspect helps to build a solid reputation and attracts talent from the market. Stakeholders also put greater emphasis on how the Company manages the entire product life cycle (*LCA Analysis*), considering it a global best practice. One aspect that declined in relevance compared to 2013 was *Spills - Soil and subsoil protection*, as stakeholders considered that the high standards of the equipment used and of the processes put in place by large multinationals, such as CNH Industrial, considerably lessened the risk of potential accidents.

MATERIALITY MATRIX

CNH INDUSTRIAL



GLOSSARY
Biodiversity; LCA; Material aspect; Stakeholders

GRI
G4-19

(a) *Because all the issues have an economic impact, only the social and environmental dimensions are represented.*

MATERIAL ASPECTS IN DETAIL

Material aspects	Boundary[a]				Link to GRI-G4 Aspects	Sustainability Report page	
	inside	outside	stakeholder[b]	geographical location		DMA[c]	Results & targets
INNOVATION AND PRODUCT DEVELOPMENT							
Innovation related to product safety	✓	✓	Customers	worldwide	Product Responsibility - Customer Health and Safety	145; 208	43
Product quality control	✓	✓	Customers	worldwide	(d)	214	
Product innovation related to environmental protection - Eco-friendly products	✓	✓	Customers Environment	worldwide	Environmental - Products and Services	145; 197	40
Remanufacturing	✓	✓	Customers Environment	worldwide	Environmental - Products and Services	227	45
LCA analysis	✓	✓	Customers Environment	worldwide	Environmental - Products and Services	145	41
CUSTOMERS AND DEALERS RELATIONSHIP							
Customer engagement and support	✓	✓	Customers	worldwide	Product Responsibility - Marketing and Communications Product Responsibility - Product and Service Labeling	220; 221	44
Customization for Emerging Markets	✓	✓	Customers	APAC LATAM	(d)	212	
Dealership management	✓	✓	Dealers Customers	worldwide	(d)	217	43
ENVIRONMENTAL MANAGEMENT							
Energy management, GHG and other air emissions	✓	✓	Environment	worldwide	Environmental - Energy Environmental - Emissions	168; 171; 181	38
Waste management	✓	✓	Local communities	near the plants	Environmental - Effluents and Waste	168; 176	37
Spills - Soil and subsoil protection	✓	✓	Local communities	near the plants	Environmental - Effluents and Waste	168; 175	37
Biodiversity	✓	✓	Local communities	near the plants	Environmental - Biodiversity	168; 178	38
Environmental impact of inbound and outbound logistics system	✓	✓	Logistics providers	worldwide	Environmental - Transport	191	39
Water management	✓	✓	Local communities	near the plants	Environmental - Water Environmental - Effluents and Waste	168; 173	36

(a) For details regarding the scope of reporting, see also pages 236-237.
(b) Entities or group of entities for which the aspect is material.
(c) Disclosure on Management Approach.
(d) As regards this topic (although not directly related to an aspect identified by GRI-G4 guidelines), the Sustainability Report specifies how CNH Industrial manages it (DMA) and its specific indicators.

GLOSSARY
APAC; Aspect Boundary; Biodiversity; DMA; Emerging Markets; GRI; LATAM; LCA; Material aspect; Stakeholders

GRI
G4-20; G4-21

Material aspects	Boundary[a]				Link to GRI-G4 Aspects	Sustainability Report page	
	inside	outside	stakeholder[b]	geographical location		DMA[c]	Results & targets
EMPLOYESS MANAGEMENT							
Occupational health and safety management	✓				Labor Practices and Decent Work - Occupational Health and Safety	69; 90	31
Performance and Leadership Management	✓				Labor Practices and Decent Work - Training and Education	69; 83	30
Human and Labor Rights	✓				Labor Practices and Decent Work - Labor/Management Relations Human Rights - Non-discrimination Human Rights - Freedom of Association and Collective Bargaining Human Rights - Child Labor Human Rights - Assessments	69; 77	29
Internal culture development / communication	✓				(d)	69; 88	30
Diversity and equal opportunity	✓				Labor Practices and Decent Work - Diversity and Equal Opportunity	69; 77	29
Wellbeing and work-life balance	✓				Labor Practices and Decent Work - Employment	69; 95	32
SUPPLIERS MANAGEMENT							
Supplier assessment on environmental and human rights aspects	✓	✓	Tier 1 suppliers	worldwide	Environmental - Supplier Environmental Assessment Labor Practices and Decent Work - Supplier Assessment for Labor Practices Human Rights - Supplier Human Rights Assessments Society - Supplier Assessment for Impacts on Society	152; 156	35
Transparent supplier relationship and engagement	✓	✓	Tier 1 suppliers	worldwide	Economic - Procurement practices	152; 162	36
OTHER MATERIAL ASPECTS							
Sustainability governance, policy and management	✓				(d)	51	28
Public policy and interest representation	✓	✓	Customers	worldwide	Society - Public Policy	127	35
Local community initiatives	✓	✓	Local communities	near the plants	Society - Local Communities	111	33

[a] For details regarding the scope of reporting, see also pages 236-237.
[b] Entities or group of entities for which the aspect is material.
[c] Disclosure on Management Approach.
[d] As regards this topic (although not directly related to an aspect identified by GRI-G4 guidelines), the Sustainability Report specifies how CNH Industrial manages it (DMA) and its specific indicators.

DMA In the Report, this icon indicates the sections explaining the management approach to a specific material aspect.

GLOSSARY
Aspect Boundary; DMA; GRI; Material aspect; Stakeholders

CONSTANT DIALOGUE WITH STAKEHOLDERS

The materiality assessment process is not an academic exercise, but rather a genuinely valuable participation opportunity. It is considered as a tool to engage people across the Company and external stakeholders alike, reinforcing the link between sustainability and core business operations. This is only one example of how CNH Industrial promotes ongoing communication and active engagement with its stakeholders, as the Company continually and proactively interacts with stakeholders worldwide, through dedicated functions, promoting ongoing dialogue and remaining responsive to their needs. CNH Industrial believes that such exchanges are mutual opportunities for growth and improvement, and that cooperation and trust are built on receptiveness and engagement.

Stakeholders present a wide range of differing interests, so establishing and maintaining stable and lasting relationships is crucial for creating shared value over the long term. Understanding specific requirements and priorities enables CNH Industrial to deal with issues before they become critical, and to fine-tune its responses according to the interests of its stakeholders. The first step toward building effective engagement involves precisely and promptly identifying stakeholders and establishing the most effective communication channels, while continually monitoring expectations, needs, and opinions.

CNH Industrial identified and selected key stakeholders through an internal assessment performed by the Corporate functions managing stakeholder relations on a daily basis. Stakeholders were assessed in terms of importance for the Company and the significance of their respective activities. The table indicates: the functions responsible for ongoing dialogue with the various stakeholders, the engagement tools used, and the main stakeholder expectations. Corporate functions respond to stakeholder expectations through defined channels, translating needs and areas for improvement into Sustainability Plan targets (see also page 27).

DIALOGUE WITH STAKEHOLDERS IN DETAIL

Stakeholders	Corporate functions[a]	Tools and interaction channels	Key topics and concerns
Public institutions: government, local authorities, public agencies, regulatory bodies, international institutions, trade associations and non-governmental organizations	▸ Institutional Relations	■ periodic ad hoc meetings on Corporate objectives and decisions ■ participation in working groups, development of joint projects and alliances ■ ad hoc engagement ■ collaboration on R&D projects ■ initiatives to promote environmental issues	■ responsiveness and proactiveness towards projects presented ■ collaboration and access to information ■ satisfaction of tender requirements for R&D projects ■ technical support on specific industry-related issues
Environment	▸ Environment, Health and Safety	■ dialogue with institutions and environmental associations	■ inclusion of environmental aspects in business strategies (e.g., combating climate change) ■ strengthening of environmental management through: dedicated organizational structure, environmental performance monitoring systems, management objectives and action plans
Employees	▸ Human Resources ▸ Environment, Health and Safety	■ daily dialogue ■ Intranet portal ■ people satisfaction surveys ■ meetings to communicate expected and actual performance levels and professional development path ■ online compliance helpline	■ well-defined procedure and protection in periods of market uncertainty ■ clear objectives and reward system ■ information on strategies and results ■ training and professional development ■ stimulating and safe work environment
Professional organizations and associations		■ meetings to share and align with Corporate objectives and decisions	■ indirect participation in the decision-making process ■ development of sense of belonging ■ access to information
Employees' families		■ participation initiatives (Children's Christmas, Family Day, etc.) ■ internal publications	■ indirect participation in Corporate life ■ targeted initiatives (nursery school, academic scholarships, supplemental health programs)

(a) The names provided in the index for Corporate functions have, in some cases, been altered to make them more self-explanatory and, therefore, do not necessarily coincide with the official name given to the corresponding activity or area of responsibility.

GLOSSARY
Stakeholders

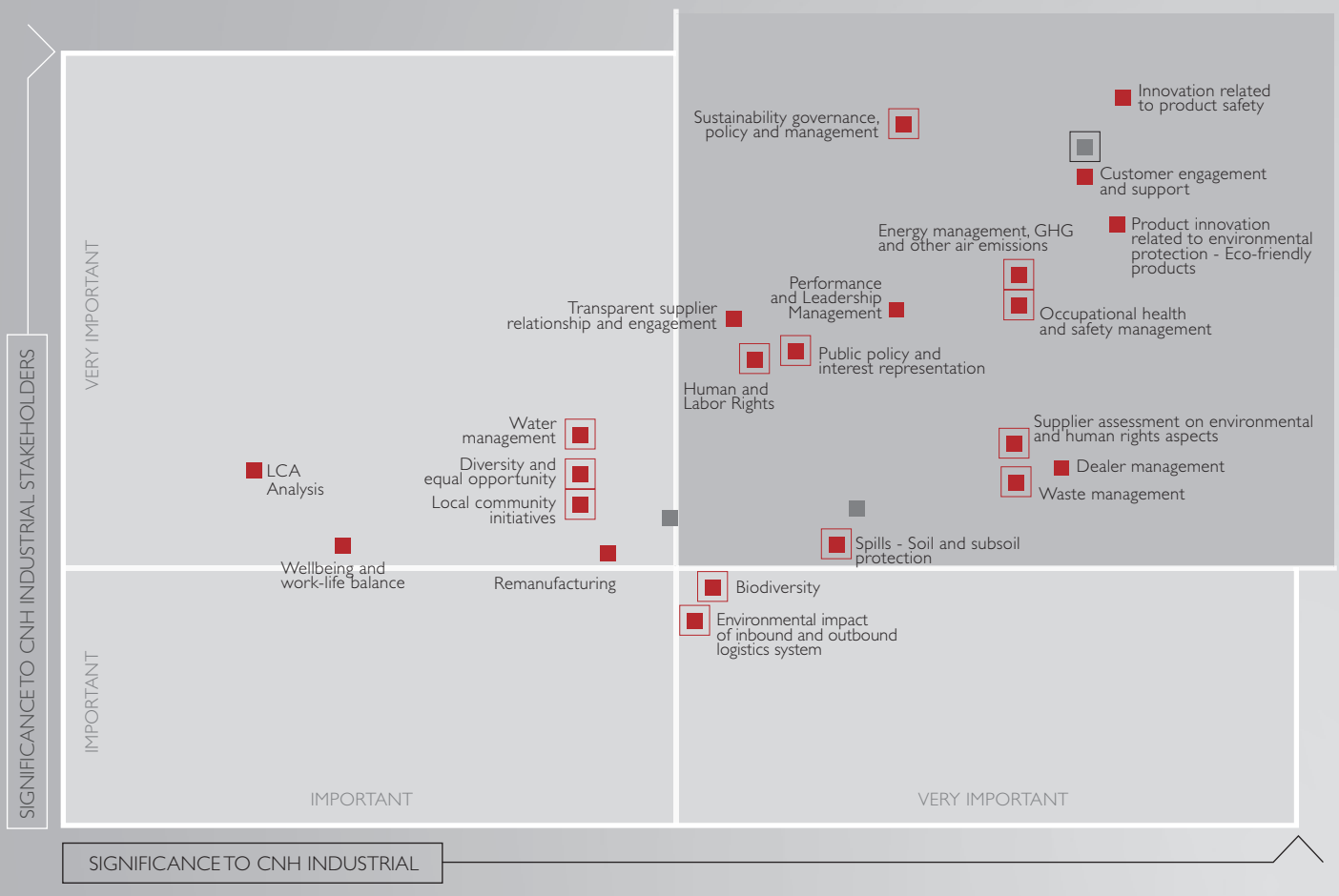
GRI
G4-24; G4-25; G4-26; G4-27

Stakeholders	Corporate functions[a]	Tools and interaction channels	Key topics and concerns
Trade unions and employee representatives	▸ Industrial Relations	■ institutional meetings and other talks pursuant to legal or contractual provisions at plant, legal entity, regional or national levels ■ trilateral meetings (company, trade unions and government bodies) on matters of particular importance ■ ad hoc meetings at plant, legal entity, regional or national level	■ social dialogue in line with the applicable legal or contractual provisions under which, from time to time and dependent on the country, the matters at issue and the level of dialogue, trade unions or employee representatives have the right to information, consultation and/or negotiation. As part of a participatory system of industrial relations, joint committees have been established in various countries to focus on specific topics of interest
Dealer and service network	▸ Sales ▸ Training	■ daily contacts and periodic meetings with the network ■ two-way communication through web dealer portal and dedicated phone lines ■ individuals responsible for monitoring the network and ensuring fulfillment of contractual standards ■ dealer development programs ■ programs to support dealers, including training, definition of standards, financing and promotional campaigns ■ online compliance helpline	■ complete and rapidly accessible product information ■ business profitability ■ development of sense of belonging ■ quality and availability of products/parts/services ■ competitive prices ■ expansion of product lines ■ expansion of services offered to customers, including financial services ■ support services for dealers and rapid response to breakdowns
Customers	▸ Marketing ▸ Customer Care ▸ Product Development	■ market research ■ focus groups ■ customer satisfaction surveys ■ above-the-line and below-the-line communication channels ■ two-way communication through: web, direct mailing, dealerships, toll-free numbers, etc. ■ events (product launches, etc.) and participation in exhibitions, trade fairs and conventions ■ Customer Driven Product Development (CPD) ■ online compliance helpline	■ quality, reliability and safety of products ■ competitive prices and availability of credit ■ speed and efficiency of assistance ■ professionalism and courteousness in direct contacts and through dealers ■ increase in products and services offered to customers (including financial services)
Suppliers and commercial partners	▸ Purchasing	■ daily relationship through buyers ■ supplier web portal ■ WCM Suppliers ■ Supplier Advisory Council (SAC) ■ conventions ■ Technology Days ■ Su.Per ■ online compliance helpline ■ dedicated email addresses	■ continuity of supply ■ fulfillment of contractual conditions ■ partnerships
Local communities: religious, cultural, socio-political, health systems, schools and universities, non-governmental organizations, non-profit organizations	▸ Regional dedicated functions	■ meetings with representatives of associations, organizations or local communities ■ actions or projects, managed directly or in partnership ■ cultural exchange programs ■ online compliance helpline	■ responsiveness to project proposals and individual requests for assistance ■ contributions and support for initiatives over medium-to-long term ■ access to information
Scientific and technological research and universities	▸ Innovation	■ open-source tools ■ periodical meetings	■ satisfaction of tender requirements for R&D projects ■ collaborative R&D projects
Financial community: traditional and socially responsible investors (SRI)	▸ Investor Relations ▸ Corporate Affairs ▸ Sustainability Unit	■ Annual General Meeting ■ price-sensitive disclosures and information ■ quarterly conference calls ■ seminars, industry conferences, roadshows and meetings ■ daily dialogue (meetings, telephone, email) ■ Investor Relations section of the Company website ■ Annual Report ■ Sustainability Report	■ expand and reinforce knowledge of the Company and its businesses ■ value creation (return on investment, sustainability of the business) ■ transparent and responsible management
Journalists, media and opinion leaders	▸ Communications	■ daily dialogue ■ presentations and press conferences ■ meetings ■ brand and Company websites	■ availability, timeliness and accuracy of information, transparency

[a] *The names provided in the index for Corporate functions have, in some cases, been altered to make them more self-explanatory and, therefore, do not necessarily coincide with the official name given to the corresponding activity or area of responsibility.*

GLOSSARY
Stakeholders; SRI; WCM

OUR COMMITMENT TO THE FUTURE



Material aspect described in chapter. For further details, see Materiality Matrix, page 21.

SUSTAINABILITY PLAN

CNH Industrial's commitment to contribute to development in harmony with people and the environment is embodied in the Sustainability Plan. Through actions, results, and targets the Company clearly and directly communicates its commitment to stakeholders. The Plan is updated annually to report the progress of existing projects and establish new targets to ensure continuous improvement, essential for long-term growth.

CORPORATE AND SUSTAINABILITY GOVERNANCE pages 28-29

- Maintaining a best-in-class system of governance, compliance, and risk management

OUR PEOPLE pages 29-33

- Respecting human and labor rights
- Developing human capital
- Promoting and protecting occupational health and safety
- Fostering employee wellbeing and work-life balance
- Improving employee commuting
- Reducing ICT impacts

LOCAL COMMUNITIES pages 33-34

- Supporting local communities
- Supporting youth training
- Promoting road safety

RELATIONSHIPS WITH PUBLIC AND PRIVATE ORGANIZATIONS page 35

- Collaborating with trade associations

MANUFACTURING PROCESSES pages 35-39

- Increasing supply chain sustainability
- Fostering continuous improvement
- Boosting environmental awareness
- Reducing environmental impact and optimizing energy performance

LOGISTICS PROCESSES pages 39-40

- Minimizing environmental impact

PRODUCT USE pages 40-45

- Reducing pollution
- Reducing CO_2 emissions
- Improving product safety
- Training dealer and service network
- Engaging and supporting customers

END-OF-LIFE page 45

- Promoting remanufacturing and recycling

Key

- ▲ Target exceeded
- ■ Target achieved or in line with plan
- ◧ Target partially achieved
- ▼ Target postponed
- ➡ See page

CORPORATE AND SUSTAINABILITY GOVERNANCE

MAINTAINING A BEST-IN-CLASS SYSTEM OF GOVERNANCE, COMPLIANCE, AND RISK MANAGEMENT

Commitment: Continuously update the corporate governance and compliance systems to remain aligned with best practices

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Enhancement of Board members' knowledge of Company operations	■ Board members updated by top management on new Business Plan and most relevant organizational aspects during dedicated meetings ➡ *52*	▸ 2015: provision of targeted training to Board members
	▸ Implementation of an integrated sustainability management system incorporating environmental and social issues in business decisions	■ Sustainability Representatives and Regional Sustainable Development Owners identified ➡ *54*	▸ 2015: update of the sustainability governance model
	▸ Increase in the number of Key Performance Indicators (KPI) monitored and respective update according to reporting standards and information requested by sustainability rating agencies and according to Company's material aspects	■ Several outcomes achieved: ▸ Stakeholder engagement performed and materiality matrix updated ▸ KPI list further integrated according to broader sustainability context, business plan, and materiality analysis results ➡ *19*	▸ 2015: update and broadening of the materiality analysis
	▸ Alignment of sustainability issues reporting system with best practice	■ Greater amount of non-financial information on operations included in the Annual Report	
	▸ Conception, design, and oversight of a Corporate Compliance Program	■ Compliance & Ethics (C&E) Committees created ➡ *55*	▸ 2015: development of a reporting package to rationalize the periodic reports from Regional C&E Committees to the Global C&E Committee, and from the latter to the Audit Committee
	▸ Maintenance of Code of Conduct alignment with best practices	■ New Code of Conduct and corporate policies approved by the Board of Directors ➡ *56*	▸ 2015: dissemination of the new Code of Conduct and related corporate policies ▸ 2015: provision of Code of Conduct training courses
	▸ Update of the Compliance Training Program	■ Several critical issues identified via compliance risk assessments ➡ *57*	
	▸ Update of the corporate Whistleblowing System for the reporting and investigation of complaints/ allegations	■ New Compliance Helpline System implemented and new Compliance Helpline Policy developed ➡ *57*	▸ 2015: dissemination of information to all employees on the new Compliance Helpline Policy and new Compliance Helpline System
	▸ Implementation of reasonable efforts to identify, and to require each CNH Industrial supplier to disclose, the use of conflict minerals in the supply chain	■ Preliminary conflict minerals reporting completed and disclosed for Agricultural Equipment and Construction Equipment ➡ *157*	
	▸ Monitoring of the impact of business activities on human rights	■ Human rights assessment conducted in India, involving more than 90% of India's workforce ➡ *60*	APAC ▸ 2015: human rights assessments across other CNH Industrial legal entities

Commitment: Maintain a continuously updated risk management system

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Enhancement of the Company's capabilities and tools for identifying, measuring, analyzing, and managing pure risks, focusing on risks related to climate change, earthquakes, and other environmental factors	■ Climate change: flood risk reengineering methodology launched ➡ *64*	▸ 2015: verification that the climate change potential risks mitigation methodologies (e.g., flood risk assessment) are the most advanced
		■ Earthquake: quantitative risk assessment methodology developed to enable full probabilistic approach. Methodology applied to 10 Italian CNH Industrial sites ▲ Environment: 6 CNH Industrial sites surveyed for third party certification. Potential improvements to mitigate possible exposures identified ➡ *64*	▸ 2017: extension of assessment methodology to most significant sites (in terms of their economic relevance and potential economic damage to the Company's value chain)
	▸ Development of a methodology to evaluate key suppliers' risk assessment and mitigating/risk management procedures		▸ 2015: introduction of risk management evaluation tool and testing on four select suppliers

OUR PEOPLE

RESPECTING HUMAN AND LABOR RIGHTS

Commitment: Promote diversity and offer equal opportunities

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Promotion of a work environment driven by the highest principles and fundamental rights, using multiple tools (e.g., training courses, Intranet portal)	■ Over 500 people trained on fundamental rights ➡ *77*	▸ 2015: continuous implementation of information and training activities
	▸ Monitoring of the global implementation of equal opportunity principles in relation to performance and leadership appraisals and promotions	■ Outcomes monitored and analyzed for managers and professionals worldwide and corrective actions implemented as needed	▸ 2015: continued analysis of outcomes and implementation of corrective actions as needed
		■ External recruitment agencies made aware of the Company's role as Equal Opportunity Employer (EOE)	▸ 2015: continuous improvement and monitoring of recruitment processes across Regions to ensure performance as EOE
	▸ Promotion of job opportunities for workforce diversity	■ Several outcomes achieved: ▸ +3% females employed vs. 2013 ▸ 11% females in management positions ▸ +6.5% disabled employed vs. 2012 in the countries surveyed ➡ *78; 79*	▸ 2015: increase in the number of diversity candidates employed by Region, in accordance with local requirements and limitations

Key

- ▲ Target exceeded
- ■ Target achieved or in line with plan
- ◧ Target partially achieved
- ▼ Target postponed
- ➡ See page

DEVELOPING HUMAN CAPITAL

Commitment: Enhance skills within the Company

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Assessment of employees through Performance and Leadership Management appraisal system	▲ 100% of managers and professionals and 87% of salaried employees evaluated ➡ *84*	▸ 2018: ongoing evaluation of all managers, professionals, and salaried employees
	▸ Development of programs to upgrade and improve employee skills and behaviors	■ Several programs implemented: ▸ *Working as One Company* campaign launched ▸ *Lead to Win* program continued in NAFTA ▸ *Job Posting* program continued, with 1,220 positions posted and over 3,000 applications received worldwide ➡ *86*	▸ 2018: ongoing offer of targeted programs extensively customized to employees' individual needs
	▸ Maintenance of training model and management process enabling a more effective and flexible response to strategic and tactical training needs according to changes in the economic environment	■ New Training Management Model consolidated and implemented ➡ *85* ■ Average of approx. 19 hours of training per employee delivered ➡ *86*	

Commitment: Maintain sustainability as a key Corporate objective

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Incorporation of environmental and social targets in the performance management system	■ 392 targets set for specific sustainability project leaders ■ Additional sustainability targets included in variable compensation system for Supplier Quality Engineer (SQE) managers and respective team members ➡ *161*	▸ 2015: ongoing application of sustainability targets for: specific sustainability project leaders; Energy and EHS managers and respective team members at plant level; SQE managers and respective team members; Commodity managers; buyers

Commitment: Manage succession plans and intragroup personnel transfers

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Continuation of *Talent Review* program	■ Company *Talent Review* program launched, with 160 key leadership positions reviewed worldwide ➡ *84*	

Commitment: Promote a culture of sustainability and increase awareness of the Company among employees

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Provision of online training on Corporate Governance	▼ Target postponed	
	▸ Provision of online training on sustainability	▼ Target postponed	

Commitment: Survey level of satisfaction, needs, and requests of employees

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Execution of people satisfaction surveys	■ Exit surveys and/or interviews performed in NAFTA and LATAM ➡ *87*	▸ 2018: continuous monitoring, extending the sample to significant locations

Commitment: Attract and retain the best talent

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Implementation of long-term performance-related incentive plans	■ Long-term performance-related incentive plans for key talents defined and implemented ➡ *76*	▸ 2015: ongoing implementation of long-term performance-related incentive plans for key talents

Commitment: Promote continuous improvement through the direct participation and contribution of employees

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Encouragement of improvement proposals from employees	■ Average of 11 improvement proposals per person received from plant employees ■ 395,000 suggestions developed into projects ■ $195.6 million saved thanks to WCM projects ➡ *167*	

PROMOTING AND PROTECTING OCCUPATIONAL HEALTH AND SAFETY

Commitment: Continue process of internal and external certification of Occupational Health and Safety Management System

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Extension of OHSAS 18001 certification	■ 8 non-manufacturing sites OHSAS 18001 certified, employing approx. 1,900 people ■ All most important joint venture plants (in which CNH Industrial holds at least a 50% interest) as at 2011 OHSAS 18001 certified ➡ *91*	▸ 2018: maintenance of OHSAS 18001 certifications existing as at 2014, and extension to additional manufacturing/non-manufacturing sites and most important joint venture plants (in which CNH Industrial holds at least a 50% interest)

Commitment: Maintain high standards in the prevention of accidents and injuries

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Pursuit of a zero accident and injury rate	■ -11% in injury frequency rate achieved vs. 2013 ■ Zero fatal accidents reported (involving employees, contractors, or anyone else on CNH Industrial premises worldwide) ➡ *93*	▸ 2018: -15% in injury frequency rate vs. 2014

Commitment: Promote a culture of safety in the workplace

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Implementation of initiatives to increase employee health and safety awareness via multiple tools (e.g., training courses, Intranet, video tutorials)	■ *Top 15 Safety* guidelines implemented at all plants ➡ *92*	▸ 2015: continuous implementation of information and training activities
		LATAM ■ *Safety Golden Rules* implemented ➡ *91*	
	▸ Provision of online course on safety in the workplace for salaried employees (workstation ergonomics, emergency response, electrical hazards, risks from over-exertion, correct use of video monitors)	EMEA ■ Online pilot course provided to team managers, professionals, and salaried employees, involving approx. 2,900 people ➡ *92*	

Key

- ▲ Target exceeded
- ■ Target achieved or in line with plan
- ◧ Target partially achieved
- ▼ Target postponed
- ➡ See page

FOSTERING EMPLOYEE WELLBEING AND WORK-LIFE BALANCE

Commitment: Promote the health and wellbeing of employees

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Dissemination of information to employees on general health and on the prevention of infectious diseases via multiple tools (e.g., targeted campaigns, Intranet portal, newsletters) and provision of medical support	■ Several initiatives implemented: ▸ information and medical support related to seasonal flu prevention regularly supplied ▸ new set of *Tips on Health* released EMEA ▸ *Smoking Cessation* communication campaign extended to other plants ▸ *Health Factory* campaign carried out at the Basildon and Watford plants (UK), involving 8,670 employees to date LATAM ▸ HIV/AIDS information campaign continued ➡ *96*	▸ 2015: ongoing implementation of health initiatives
	▸ Promotion of employee wellbeing through specific programs aimed at spreading a wellness-focused culture and at encouraging the adoption of a healthy lifestyle	■ Several programs developed by Region ➡ *95*	▸ 2015: ongoing implementation of wellbeing programs

Commitment: Facilitate access to the best health care services

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Continuation of the supplemental health care plan for employees in Italy, as per agreements between the Company and trade unions	■ Health care services provided to more than 10,000 employees plus their family members via FASIF and FISDAF Funds ➡ *74*	

Commitment: Promote work-life balance

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Promotion of initiatives enhancing work-life balance	■ Flexible working arrangements implemented by Region ➡ *97*	▸ 2015: continued implementation of work-life balance initiatives by Region
	▸ Support for volunteer work during paid working hours	■ Targeted campaigns organized by Region to promote volunteering opportunities and encourage employee participation ➡ *98*	

IMPROVING EMPLOYEE COMMUTING

Commitment: Improve commuting for employees

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Development of mobility plans to improve commuting to/from selected sites by broadening the use of public transport, carpooling, and alternative mobility (cycling), and by improving entrances and loading/parking areas	■ Mobility plans implemented at plants in Madrid and Valladolid (Spain) and Basildon (UK) ➡ *100*	▸ 2015: implementation of mobility plans at all Italian CNH Industrial plants
			▸ 2015: implementation of As-Is analysis and mobility plans at Ulm plant (Germany) and at Harbin plant (China)
		■ Agreement signed between local public transport agency and CNH Industrial in Modena (Italy) ➡ *99*	▸ 2015: extension of public transport discount initiative to other CNH Industrial sites

	ACTIONS	2014 RESULTS	TARGETS
Commercial Vehicles and Powertrain	▸ Development of mobility plans to improve commuting to/from selected sites by broadening the use of public transport, carpooling, and alternative mobility (cycling), and by improving entrances and loading/parking areas	■ *Easygo* web tool subscribed to by 5% of employees at plants in Foggia and Pregnana Milanese (Italy) after intensive advertising campaign ➡ *100*	
		■ Mobility plan developed at Bourbon Lancy plant (France) ➡ *100*	
		■ Mobility plans updated for all Commercial Vehicles and Powertrain plants in Italy ➡ *100*	

REDUCING ICT IMPACTS

Commitment: Reduce Information Communication Technology related energy consumption

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Introduction of new low environmental impact hardware	▲ -369 MWh vs. 2010 (approx. 191 tons of CO_2) achieved through introduction of additional high-efficiency power supply units ➡ *101*	
		▲ 5,390 video monitors replaced with eco-efficient devices (EnergyStar and EPEAT Silver/Gold) ➡ *101*	
		■ Sustainability requirements incorporated in the contract renewal to manage the IT infrastructure and services ➡ *101*	

LOCAL COMMUNITIES

SUPPORTING LOCAL COMMUNITIES

Commitment: Promote social and economic development of local communities

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Promotion of initiatives fostering the growth of local communities, including through partnerships with associations and non-profit organizations	■ Several initiatives supported: EMEA ▸ vehicle donated for milk delivery within the *A Thousand Gardens in Africa* project ▸ Walkirye Project service support provided ➡ *115; 116* NAFTA ▸ $32 thousand donated to *Habitat for Humanity* in Calhoun, Racine, Lebanon, and DuPage County (USA) ▸ approx. 500 volunteer hours donated by 87 employees to build homes ▸ $51 thousand donated to the HALO organization ▸ $1.3 million donated to *United Way* through employee fundraising, events, and Company-matching donations ➡ *117* LATAM ▸ $630 thousand invested in projects for the development of socially vulnerable areas in Brazil ▸ $337 thousand invested in sports projects for underprivileged youth in Brazil ▸ $1 million invested in cultural projects in Brazil ➡ *118*	▸ 2015: ongoing support for initiatives to promote the social and economic development of local communities

Key

- ▲ Target exceeded
- ■ Target achieved or in line with plan
- ◧ Target partially achieved
- ▼ Target postponed
- ➡ See page

Commitment: Aid populations affected by natural disasters

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Provision of technical, financial, and humanitarian support to populations affected by natural disasters	■ Machines provided to repair storm damages in Brazil, Spain, and UK, and typhoon damages in the Philippines ➡ *120*	▸ 2015: ongoing support for disaster relief, as needed

SUPPORTING YOUTH TRAINING

Commitment: Support the professional development of young people

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Implementation of professional skills development initiatives, including scholarships and training courses	■ *TechPro²* project, developed by Iveco in collaboration with Salesian Institutes, continued: EMEA ▸ Italy: 114 students trained and 1,683 training provided ▸ Ethiopia: vocational training completed by 20 young people and started by 18 additional students ▸ South Africa: project start-up activities initiated LATAM ▸ Brazil: 20 students trained and 800 training hours provided APAC ▸ China: 101 students selected and 24 Train the Trainer hours provided to 13 teachers ➡ *121*	▸ 2015: ongoing support for the initiatives and extension to other brands and countries
		▼ Launch of new *TechPro²* website target postponed to 2015	
		■ $18,000 in student scholarships awarded to Midwestern universities in USA, in fields ranging from mechanized systems management to supply chain management ➡ *121*	
	▸ Promotion of the *Sementina Project* aimed at introducing children to environmental topics	■ 500 children involved, planting approx. 860 trees ➡ *123*	

PROMOTING ROAD SAFETY

Commitment: Promote road safety

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Dissemination of safe road behaviors, by sharing best practices and contributing to the prevention of accidents and/or dangerous situations	■ Several initiatives supported: EMEA ▸ *Action for Road Safety* campaign extended to other brands ▸ *Iveco Check Stop* initiative implemented ▸ 2,454 drivers and 13 driver trainers trained within the scope of the *Transaid* initiative ➡ *124; 125*	▸ 2015: ongoing support for the initiatives

RELATIONSHIPS WITH PUBLIC AND PRIVATE ORGANIZATIONS

COLLABORATING WITH TRADE ASSOCIATIONS

Commitment: Collaborate to reduce greenhouse gas emissions and improve product safety

	ACTIONS	2014 RESULTS	TARGETS
Commercial Vehicles	▸ Collaboration with sector associations and institutions to develop a methodology for the measurement of CO_2 emissions from product use	▲ Collaboration with ACEA and European Commission continued: ▸ urban test developed on Eurocargo and submitted to European Commission Climate Action department (DG-CLIMA) ▸ additional internal tests performed on Stralis ▸ inputs for the development of CO_2 simulation tool for medium range vehicles provided	▸ 2017: application of internal CO_2 measurement draft procedure on medium and heavy range vehicles ▸ 2018: application of certified CO_2 measurement procedure on medium and heavy range vehicles
Agricultural Equipment		■ Collaboration with CEMA continued: ▸ study to develop a methodology to quantify CO_2 emissions from tractors and harvesters conducted	▸ 2015: definition of a standard test procedure to quantify CO_2 emissions suitable for setting CO_2 reduction targets for agriculture sector
Commercial Vehicles	▸ Collaboration with sector associations and institutions to develop initiatives to improve vehicle safety		▸ 2016: development of safety measures for long cabin vehicles as per revised General Safety Regulations, on masses and dimensions, in collaboration with ACEA
Agricultural Equipment		■ Collaboration with CEMA continued: ▸ study to draft the support documentation for the Virtual Testing of safety regulations, and aspects concerning mass and dimensions, conducted ▸ technical project for virtual safety testing promoted and chaired ➡ 128	▸ 2015: complete analysis of virtual testing of foldable Rollover Protection System (ROPS) on tractors

MANUFACTURING PROCESSES

INCREASING SUPPLY CHAIN SUSTAINABILITY

Commitment: Promote social and environmental responsibility among suppliers

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Continual dissemination of Sustainability Guidelines for Suppliers	■ Sustainability Guidelines for Suppliers incorporated in new CNH Industrial standard purchase agreements ➡ 155	▸ 2015: ongoing introduction of contractual clauses on adherence to Sustainability Guidelines in new CNH Industrial purchase agreements
	▸ Distribution of self-assessment questionnaires on environmental and social performance to select suppliers	■ New self-assessment questionnaire (as per AIAG standards) managed via a dedicated IT platform and distributed to 1,100 suppliers ➡ 159	▸ 2015: ongoing distribution and analysis of questionnaires
	▸ Development of a supply chain risk map to identify suppliers for audits	■ Second-level risk map criteria identified ➡ 156	
	▸ Execution of environmental and social audits at suppliers worldwide	■ 62 audits of suppliers worldwide conducted by SQEs and third parties ➡ 159	▸ 2015: execution of 65 audits (56 by internal SQEs and 9 by third parties)

Key

- ▲ Target exceeded
- ■ Target achieved or in line with plan
- ◧ Target partially achieved
- ▼ Target postponed
- ➡ See page

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Enhancement of sustainability awareness among suppliers	EMEA ■ Sustainability course provided to SMEs ➡ *163*	
		EMEA ■ *Sustainability Supplier of the Year* award assigned to a supplier ➡ *162*	▸ 2015: extension of *Sustainability Supplier of the Year* initiative to other Regions ▸ 2015: definition of *Sustainability Supplier of the Year* guidelines
			▸ 2015: development of a dedicated sustainability section on the new supplier portal
		■ 100 suppliers involved in the *CDP Supply Chain* ➡ *160*	▸ 2015: involvement of approx. 150 selected suppliers in the *CDP Supply Chain*
	▸ Promotion of supplier involvement in World Class Manufacturing (WCM) program	◧ 130 supplier plants involved in WCM program ➡ *162*	▸ 2015: involvement of 152 supplier plants in the WCM program
		■ Two KPIs identified and relevant monitoring activities started ➡ *163*	▸ 2015: monitoring of the two identified KPIs at 10 selected supplier plants

FOSTERING CONTINUOUS IMPROVEMENT IN MANUFACTURING PROCESSES

Commitment: Spread the culture of excellence through World Class Manufacturing (WCM)

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Adoption of World Class Manufacturing (WCM)	◧ WCM system adopted at 53 plants, collectively accounting for 98% of revenues from sales of products manufactured in Company plants. 19 plants achieved bronze level, 6 silver level ➡ *167*	▸ 2015: further increase of WCM plants achieving bronze level (24), silver level (11), and gold level (1)

BOOSTING ENVIRONMENTAL AWARENESS

Commitment: Promote environmental awareness within the Company

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Preparation and distribution of a training kit for personnel working with the Environmental Management System	■ Training initiatives on environmental issues developed and implemented ➡ *170*	

REDUCING ENVIRONMENTAL IMPACT AND OPTIMIZING ENERGY PERFORMANCE

Commitment: Optimize the Company's Environmental Management System

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Extension of ISO 14001 certification	■ ISO 14001 certification achieved by Research & Development and Logistics Center in Modena San Matteo (Italy) ➡ *170*	

Commitment: Optimize the Company's environmental performance

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Optimization of water withdrawal and discharge management system based on the specific characteristics of the country in which each plant is located, and dissemination of specific guidelines	▲ -57% vs. 2009 in water withdrawal per production unit[1], specifically: ▸ -25% in Agricultural Equipment and Construction Equipment ▸ -72% in Commercial Vehicles ▸ -61% in Powertrain ➡ *174*	▸ 2018: -3% vs. 2014 in water withdrawal per production unit at Company plants worldwide

(1) *The production unit is the main parameter for production volumes for each segment: hour of production for Agricultural Equipment, Construction Equipment, and Commercial Vehicles; unit produced for Powertrain (see also page 240).*

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Optimization of water withdrawal and discharge management system based on the specific characteristics of the country in which each plant is located, and dissemination of specific guidelines	▲ Levels of BOD (Biochemical Oxygen Demand) maintained under applicable regulations (max. = 100)[2]: ▸ 11.3 in Agricultural Equipment and Construction Equipment ▸ 25.4 in Commercial Vehicles ▸ 12.7 in Powertrain ➡ *174*	
		▲ Levels of COD (Chemical Oxygen Demand) maintained under applicable regulations (max. = 100)[2]: ▸ 14.8 in Agricultural Equipment and Construction Equipment ▸ 32.2 in Commercial Vehicles ▸ 17.8 in Powertrain ➡ *174*	
		▲ Levels of TSS (Total Suspended Solids) maintained under applicable regulations (max. = 100)[2]: ▸ 8.6 in Agricultural Equipment and Construction Equipment ▸ 34.3 in Commercial Vehicles ▸ 13.8 in Powertrain ➡ *174*	
		■ Collaboration with a supplier to develop a water stewardship strategy started at Noida plant (India) ➡ *175*	▸ 2015: ongoing collaboration with suppliers to develop water stewardship strategies
		■ Water Management Guidelines tested at Modena San Matteo and San Mauro Torinese plants (Italy) in the scope of Environmental Management System operating procedures ➡ *173*	
	▸ Protection of soil and subsoil	EMEA ■ Guidelines for the monitoring surveys of reservoirs, tanks, and underground pipes adopted by plants ➡ *175*	▸ 2015: testing of guidelines on the management of existing underground equipment (tanks) at pilot plants
		EMEA ■ Guidelines for the monitoring surveys of canals and pipes adopted by plants ➡ *175*	▸ 2015: testing of guidelines on the management of existing underground equipment (canals and pipes) at pilot plants
	▸ Optimization of waste management based on the specific characteristics of the countries in which each plant is located	■ 83% of waste recovered, specifically: ▸ 84% in Agricultural Equipment and Construction Equipment ▸ 78% in Commercial Vehicles ▸ 84% in Powertrain ➡ *176*	▸ 2018: 87% of waste recovered at Company plants worldwide
		■ -16% vs. 2009 in waste generated per production unit[3], specifically: ▸ +3% in Agricultural Equipment and Construction Equipment ▸ -40% in Commercial Vehicles ▸ -26% in Powertrain ➡ *176*	▸ 2018: -3% vs. 2014 in waste generated per production unit at Company plants worldwide
		▲ -54% vs. 2009 in hazardous waste generated per production unit[3], specifically: ▸ -47% in Agricultural Equipment and Construction Equipment ▸ -55% in Commercial Vehicles ▸ -60% in Powertrain ➡ *176*	▸ 2018: -5% vs. 2014 in hazardous waste generated per production unit at Company plants worldwide

(2) Figures take into account worst levels registered across all plants in each segment. Data refers to plants situated in regions where binding regulations define limits for the three parameters monitored.
(3) The production unit is the main parameter for production volumes for each segment: hour of production for Agricultural Equipment, Construction Equipment, and Commercial Vehicles; unit produced for Powertrain (see also page 240).

Key

- ▲ Target exceeded
- ■ Target achieved or in line with plan
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- ▼ Target postponed
- ➡ See page

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Application of best available techniques for the reduction of Volatile Organic Compounds (VOC) in paint processes	▲ -35% vs. 2009 in VOC emissions released per square meter, specifically: ▸ -38% in Agricultural Equipment and Construction Equipment ▸ -19% in Commercial Vehicles ▸ -50% in Powertrain ➡ *171*	▸ 2018: -2% vs. 2014 in VOC emissions per square meter at Company plants worldwide
	▸ Formulation of guidelines on the identification and safeguard of protected species and biodiversity	■ Improvement measures carried out at Bourbon Lancy plant (France) ■ Biodiversity Value Index (BVI) calculated for plants in Sete Lagoas (Brazil) and Madrid (Spain) ➡ *178*	▸ 2018: implementation of improvement measures (if required) identified by BVI assessments at plants where such activity has been carried out
		■ Project started at plant in Foggia (Italy) ➡ *179*	▸ 2015: conclusion of BVI assessment at Foggia plant (Italy)
	▸ Reduction in the use of Ozone Depleting Substances (ODS) and other Substances of Significant Impact (SSI) on health and environment at Company plants worldwide	■ Specific actions to reduce use of SSI implemented ➡ *180*	
		■ 60% of ODS present in 2013 removed ➡ *172*	▸ 2015: elimination of equipment containing ODS at Company plants worldwide

Commitment: Optimize the Company's energy performance and promote use of renewable energy

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Implementation of an Energy Management System and certification of plants under international standard ISO 50001	■ ISO 50001 certification achieved by 39 plants (representing about 94% of total energy consumption) ➡ *182*	▸ 2020: extension of ISO 50001 certification to all CNH Industrial plants worldwide[4]
		■ Energy Management System adopted at all plants (representing 100% of total energy consumption) ➡ *184*	▸ 2020: roll-out of Energy Management System to all plants, monitoring secondary energy vectors (representing 100% of total energy consumption)[4]
		■ GHG emissions representing more than 20% of total energy consumption verified according to ISO 14064-3 standard, with reference to GHG Protocol requirements ➡ *183*	▸ 2015: verification (according to ISO 14064-3 standard) of GHG emissions representing more than 20% of total energy consumption, with reference to GHG Protocol requirements
	▸ Identification of measures and technologies to reduce energy consumption and CO_2 emissions per production unit	▲ Energy consumption per production unit[5] vs. 2009: ▸ -21% in Agricultural Equipment and Construction Equipment ▸ -56% in Commercial Vehicles ▸ -38% in Powertrain for small engines and transmissions ▸ -25% in Powertrain for large engines ➡ *185*	▸ 2018: -6.5% vs. 2014 in energy consumption per production unit[6] at Company level (with specific targets for each segment for internal use)
		▲ CO_2 emissions per production unit[5] vs. 2009: ▸ -30% in Agricultural Equipment and Construction Equipment ▸ -66% in Commercial Vehicles ▸ -56% in Powertrain for small engines and transmissions ▸ -48% in Powertrain for large engines ➡ *188*	▸ 2018: -7.5% vs. 2014 in CO_2 emissions per production unit[6] at Company level (with specific targets for each segment for internal use)

(4) The scope of reference is 2014.
(5) The production unit is the main parameter for production volumes for each segment: hour of production for Agricultural Equipment, Construction Equipment, and Commercial Vehicles; units produced for Powertrain (see also page 240).
(6) In the scope of the new Energy Action Plan, a single global indicator was defined to calculate CNH Industrial's overall energy performance: total manufacturing hours (see also page 240).

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Identification of measures and technologies to reduce energy consumption and CO_2 emissions per production unit	■ Awareness campaign on energy saving projects disseminated to energy specialists at Commercial Vehicles plants ➡ *183*	
		■ Energy workshops organized at several plants to raise awareness of WCM and ISO 50001	▸ 2018: organization of energy events to raise employee awareness and engagement
		■ Phase 1 implementation of technical interventions completed according to schedule at the green plant in Rorthais (France) ➡ *185*	▸ 2016: phase 2 implementation of technical interventions at the green plant in Rorthais (France)
	▸ Promotion of renewable energy generation and use	▲ 20% of total (direct and indirect) energy consumption derived from renewable sources ➡ *187*	▸ 2020: 21% of total (direct and indirect) energy consumption derived from renewable sources
	▸ Proactive management of regulatory risks and opportunities, through the ongoing monitoring of current and future emission trading regulations in the countries of operation (e.g., EU-ETS, CRC Energy Efficiency Scheme)[7]	■ One plant in Europe (Vysoke Myto) continued to participate in the EU-ETS scheme, accounting for approx. 77,650 GJ per year of total energy generation ■ One plant in the UK (Basildon) continued to participate in the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme ➡ *189*	

LOGISTICS PROCESSES

MINIMIZING ENVIRONMENTAL IMPACT

Commitment: Reduce environmental impact of logistics[8]

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Definition of a standard set of environmental KPIs	▲ -4,927 tons of CO_2 emissions achieved at European level ➡ *192*	▸ 2015: -5,200 tons overall reduction in CO_2 emissions worldwide
		INBOUND ■ -22 tons of cardboard achieved at European level ➡ *193*	
		■ CO_2 emissions from air freight shipments monitored for Commercial Vehicles and Powertrain ➡ *192*	
		■ CO_2 emissions monitoring process extended to Commercial Vehicles worldwide ➡ *192*	
		■ CO_2 emissions targets set for all segments ➡ *192*	
		INBOUND ■ Cardboard monitoring process extended to all segments worldwide ➡ *193*	INBOUND ▸ 2015: setting of cardboard targets for all segments worldwide

(7) Monitoring of current and future emission trading regulations in the countries of operation are ongoing activities, without associated targets.
(8) Unless otherwise specified, the results and targets refer to inbound and outbound flows.

Key

- ▲ Target exceeded
- ■ Target achieved or in line with plan
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- ➡ See page

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Increase in low-emission transport	■ Upgraded ecological clause (at least 75% of fleet compliant to Euro IV or more stringent standards) incorporated in new contracts ➡ *193*	▸ 2015: ongoing gradual introduction of upgraded clause (at least 80% of fleet compliant to Euro IV or more stringent standards) in transport supplier contracts (at European plants)
Agricultural Equipment, Construction Equipment, and Commercial Vehicles	▸ Use of intermodal solutions[9]	▲ 5,120 tons of CO_2 emissions cut worldwide (including Europe) ➡ *194*	
Powertrain		INBOUND ▲ 2,521 tons of CO_2 emissions cut at European level ➡ *195*	
Agricultural Equipment, Construction Equipment, and Commercial Vehicles	▸ Optimization of transport capacity[10]	▲ 5,647 tons of CO_2 emissions cut worldwide ➡ *195*	
Powertrain		INBOUND ▲ Approx. 22% of cost of shipping in Europe managed through the *Streamlined Delivery Project* (SDP) ➡ *195*	INBOUND ▸ 2014: management of approx. 24% of cost of shipping in Europe through SDP for Powertrain
Agricultural Equipment and Construction Equipment	▸ Reduction in the use of packaging and protective materials	INBOUND ■ -0.94% vs. 2013 achieved in weight of cardboard and wood for container shipments from Europe to North America and Latin America ➡ *195*	INBOUND ▸ 2015: -0.46% vs. 2014 in weight of cardboard and wood for container shipments from Europe to North America and Latin America
Commercial Vehicles		INBOUND ▲ 7.3 kg/m^3 of disposable wood packaging achieved for shipments from Italy to Latin America under the *World Material Flow* (WMF) program ➡ *195*	INBOUND ▸ 2015: -0.5% vs. 2014 in disposable wood packaging for shipments from Italy to Latin America under the WMF program
Powertrain		INBOUND ▲ -47% vs. 2013 achieved in disposable wood packaging for shipments under the *World Material Flow* (WMF) program ➡ *195*	

PRODUCT USE

REDUCING POLLUTION

Commitment: Continue to reduce polluting emissions

	ACTIONS	2014 RESULTS	TARGETS
Agricultural Equipment	▸ Early implementation of regulations for the reduction of polluting emissions (e.g., NO_x, particulates)	■ Concept work on Stage V emission requirements started	▸ 2018: introduction of Stage V models with best-in-class fuel consumption
Construction Equipment		EMEA ■ Stage IV Compact Loaders and Telehandlers introduced NAFTA ■ Tier 4F Compact Loaders and Telehandlers introduced ➡ *198*	EMEA ▸ 2015: introduction of Stage IV Graders LATAM ▸ 2017: introduction of Tier 3 Dozers in Brazil (all models)

(9) New targets for this action are included in the overall CO_2 emissions reduction target at worldwide level.
(10) New targets for this action (for Agricultural Equipment, Construction Equipment, and Commercial Vehicles) are included in the overall CO_2 emissions reduction target at worldwide level.

REDUCING CO_2 EMISSIONS

Commitment: Optimize energy consumption and efficiency

	ACTIONS	2014 RESULTS	TARGETS
Agricultural Equipment	▸ Reduction of CO_2 emissions through fuel consumption optimization	■ Tier 4B/Stage IV compliance of all products achieved in NAFTA, and further pursued in Europe ➡ *198*	
		■ Total Cost of Ownership (TCO) targets set for sugarcane harvesters	▸ 2016: application of TCO to other harvesters ▸ 2020: use of TCO targets to measure and compare machine efficiency
Construction Equipment		■ Targets achieved for most models of Skid Steer Loaders and Tractor Loader Backhoes ➡ *200*	
			▸ 2015: CVT Grader testing to validate the ability of its smaller engine to deliver equal performance to competitive models
Commercial Vehicles		Light range ■ Average fuel savings of approx. 5.5% achieved on New Daily (depending on vehicle version) ➡ *200*	Heavy range ▸ 2016: -10% in fuel consumption on new heavy vehicles
Commercial Vehicles	▸ Development of a carbon footprint assessment or Life Cycle Assessment (LCA) methodology	■ Carbon Footprint Calculator made available via web to internal department users	
			▸ 2016: preliminary LCA on Daily Electric ▸ 2018: complete LCA on a light range vehicle
Powertrain		■ Carbon footprint analysis (from cradle to grave) and LCA on F1 engine completed ➡ *146*	▸ 2015: development of a Life Cycle - Environment Management System (LC-EMS) to manage environmental information ▸ 2017: application of LC-EMS throughout the engine life cycle, supporting production and development processes

Commitment: Promote use of alternative fuels

	ACTIONS	2014 RESULTS	TARGETS
Agricultural Equipment	▸ Evaluation, testing, and promotion of alternative fuels	■ Concept development of Methane Power tractor further advanced with the production of a limited number of prototypes ➡ *203*	▸ 2015: market testing of Methane Power tractor to confirm market potential
Commercial Vehicles		■ Communication plan (via website, brochures, videos) implemented to support the sale of natural gas vehicles ➡ *204*	▸ 2015: increase in size of Stralis CNG and LNG demo fleets across Europe (from 12 to 15 units) ▸ 2015: exhibition of Stralis CNG and LNG vehicles at all major truck events in Europe
		■ Complete range of Euro VI natural gas vehicles developed (light, medium, heavy, bus) ➡ *201*	▸ 2015: receipt of first orders for Stralis LNG rigid models
		Light range ■ New Daily Natural Power launched ➡ *202*	Medium range ▸ 2015: launch of Euro VI Eurocargo NG and receipt of first orders ▸ 2016: Start of Production (SOP) at year's beginning

Key

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- ➡ See page

	ACTIONS	2014 RESULTS	TARGETS
Commercial Vehicles	▸ Evaluation, testing, and promotion of alternative fuels	Heavy range ■ +50% of Stralis LNG vehicles ordered ◧ +26% of Stralis NG vehicles sold ➡ *201*	Heavy range ▸ 2015: +100% in sales of CNG and LNG Stralis vehicles vs. 2014 ▸ 2015: Stralis CNG promotion in Israel and Algeria ▸ 2020: 10-fold increase in sales vs. 2014
		Heavy range ■ European type-approval achieved for Stralis LNG	Heavy range ▸ 2015: product and sales training for 100% of product managers, district managers, and key accounts sales staff in Europe
Powertrain		■ Activities completed on several combinations of biofuels: ▸ functionality with 20% biodiesel critical due to relevant NO_x increase requiring higher SCR efficiency and urea quantity; over 20% not feasible without specific combustion adaptation ▸ good potential on XTL[11] and HVO due to lower NO_x and very clean, low PM combustion ➡ *204*	

Commitment: Promote use of alternative propulsion systems

	ACTIONS	2014 RESULTS	TARGETS
Commercial Vehicles	▸ Evaluation, testing, and promotion of alternative propulsion systems and of other sustainable solutions for the future	■ New Daily Electric presented to the press ➡ *205*	▸ 2015: launch of New Daily Electric
		■ Euro VI Urbanway Hybrid Bus launched ➡ *205*	▸ 2016: extension of the Euro VI hybrid bus range

Commitment: Support responsible use

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Provision of round-the-clock, all year-round technical support to end users, in person and via web	■ 25% new content added to course list. Web video tutorials developed and posted online for customer use	▸ 2015: development of additional video tutorials and alternative lessons to promote use of newly launched products
Agricultural Equipment	▸ Design and offer of targeted courses for end users on the proper use of products	▲ 25,000 hours of training (+4% vs. 2013) delivered to agricultural equipment operators on the safe use of machines ➡ *207*	▸ 2016: delivery of same number of training hours provided in 2014
Construction Equipment		▲ 14,500 hours of training (+16% vs. 2013) delivered to construction equipment operators on the safe use of machines ➡ *207*	▸ 2016: delivery of same number of training hours provided in 2014
Commercial Vehicles		EMEA ▲ 11,100 hours of driver training (+13% vs. 2013) delivered to CNH Industrial key accounts, customers, dealer drivers, and internal demo drivers ➡ *207*	▸ 2015: introduction of new courses on vehicles and major units launched during the year
Agricultural Equipment and Construction Equipment	▸ Improved ease of use of Advanced Farming System (AFS) and Precision Land Management (PLM) applications and courses through content redesign and reclassification	■ Training content realigned by product to improve ease of use and increase fruition ➡ *205*	▸ 2015: alignment of courses within Case IH and New Holland portals to increase customer awareness and brand loyalty
Commercial Vehicles	▸ Development and introduction of technology solutions addressing impact of driver and driving style on vehicle emissions	Heavy range ■ Driving Style Evaluation system introduced in the production of Iveco Stralis ➡ *207*	

(11) XTL (Anything-To-Liquids): group of synthetic fuels including Biomass-to-Liquids (BTL), Coal-to-Liquids (CTL), Gas-to-Liquids (GTL), and Petroleum-coke-to-Liquids (PTL).

IMPROVING PRODUCT SAFETY

Commitment: Continue to improve safety, ergonomics, and comfort

	ACTIONS	2014 RESULTS	TARGETS
Agricultural Equipment	▸ Increase in agricultural equipment safety	■ Functional safety of control systems and compliance with Tractor Mother Regulation further studied and developed	▸ 2017: compliance with Tractor Mother Regulation exceeding mandatory safety requirements
		■ Virtual validation test and operator biomechanical analysis performed on APL tractor cab to assess cab integrity under different loading conditions ■ Virtual and physical testing of Roll Over Protection Structure (ROPS) ➡ *128*	▸ 2016: virtual biomechanical analysis testing of operator and passenger
Construction Equipment	▸ Reduction of noise level in the operator environment and of operator exposure to vibrations	■ New Telehandler and Compact Loader cabs with improved sound features introduced ■ Wheeled Excavator controls enhanced ➡ *210*	▸ 2020: cab enhancement on Dozer models 850-2050 to include improved sound and vibration performance
Commercial Vehicles	▸ Offering of a range of preventive safety and collision mitigation systems[12]	■ Lane Departure Warning System (LDWS) introduced in the production of Daily MCA14 ■ Adaptive Cruise Control (ACC) introduced in the production of Stralis ➡ *210*	Medium range ▸ 2015: introduction of Lane Departure Warning System (LDWS) and Advanced Emergency Braking System (AEBS) in new vehicle
Agricultural Equipment	▸ Improvement in ergonomics of operator controls to reduce operator stress and enhance comfort	■ Noise level of APL tractor cab reduced by -3 dB(A) ■ Front bucket visibility improved vs. existing models ➡ *208*	▸ 2017: further reduction in tractor cab noise level (-2 dB(A)) and in tractor vibration
Construction Equipment		■ Wheel Loaders program further implemented ■ Enhanced Wheel Loader controls launched, with excellent market acceptance ➡ *210*	NAFTA ▸ 2020: testing of electro-hydraulic (EH) controls on Graders to validate improved ergonomics and operator fatigue reduction
Commercial Vehicles		Light range ■ New ergonomic features introduced on New Daily ➡ *210*	

TRAINING DEALER AND SERVICE NETWORK

Commitment: Enhance dealer network skills to educate end users on best product use

	ACTIONS	2014 RESULTS	TARGETS
Commercial Vehicles	▸ Design and offer of targeted courses for dealers on the proper use of products	EMEA ▲ 90,200 hours of training provided (+9 % vs. 2013) ➡ *219*	

(12) *For details see also table on page 211*

Key

- ▲ Target exceeded
- ■ Target achieved or in line with plan
- ◧ Target partially achieved
- ▼ Target postponed
- ➡ See page

Commitment: Enhance service network skills to improve service efficiency

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Improvement of service network technical knowledge	▲ 295,000 hours of new training courses offered on vehicles and major units launched during the year ➡ *219*	

Commitment: Increase online training

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Offer of online training solutions and improved access to live training for dealership personnel		▸ 2015: complete implementation, database migration, and roll-out to dealers by year end ▸ 2015: ongoing development of Learning Management System as per plan
Agricultural Equipment and Construction Equipment		▲ +16% in online technical training hours delivered vs. 2013 ➡ *219*	
Commercial Vehicles		▲ +72% in online technical training hours delivered vs. 2013 ➡ *219*	
Commercial Vehicles		EMEA ▲ +8% in online commercial training hours delivered vs. 2013 ➡ *219*	

ENGAGING AND SUPPORTING CUSTOMERS

Commitment: Enhance customer relations

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Implementation of new contact channels to facilitate customer access	NAFTA ◧ Microsoft Dynamics tool implemented across Sales, Service, and Customer Care ➡ *223*	NAFTA ▸ 2015: creation of a shared customer database visible across Service and Customer Care
			LATAM ▸ 2015: customer satisfaction surveys to assess quality of customer relations
Agricultural Equipment		EMEA ■ Twitter account created in the scope of pilot project for the implementation of social media channels	
		LATAM ■ Project on social media channels fully implemented in Brazil	
Construction Equipment			LATAM ▸ 2015: implementation of pilot project on social media channels in Brazil

	ACTIONS	2014 RESULTS	TARGETS
CNH Industrial	▸ Enhancement of customer information across sales, field service management, and customer assistance	NAFTA ▲ 94.2% of information requests resolved at first call ▲ 83% of complaints resolved in 10 days or less ➡ *223*	
Agricultural Equipment			LATAM ▸ 2015: enhancement of customer experience of new product launches
Construction Equipment		LATAM ■ 632 prospect requests delivered as a result of customer experience following 3 product launches ■ 16% reduction in field response times for customer complaints ➡ *223*	

Commitment: Enhance customer assistance and satisfaction

	ACTIONS	2014 RESULTS	TARGETS
Commercial Vehicles	▸ Improvement of service quality	EMEA ▲ 80% of service points integrated	
		EMEA ▲ Customer Service Helpline activated in Italy and South Africa	EMEA ▸ 2016: establishment of dedicated customer service helplines across major markets in Europe
			LATAM ▸ 2015: implementation of a 24-hr towing service via a new specialized subcontractor, relieving dealers of responsibility
CNH Industrial	▸ Review of customer survey methods to improve reliability of results, learning, and best practices to advance operating performance	LATAM ▲ Customer Service Index (CSI) survey fully implemented and aligned across Agricultural Equipment, Construction Equipment, and Commercial Vehicles	

END-OF-LIFE

PROMOTING REMANUFACTURING AND RECYCLING

Commitment: Increase use of remanufactured components

	ACTIONS	2014 RESULTS	TARGETS
Parts & Services	▸ Increase in number and distribution of remanufactured components		▸ 2016: remanufactured components aiming at 10% of total spare parts sales

Commitment: Increase data on product recycling rate

	ACTIONS	2014 RESULTS	TARGETS
Commercial Vehicles	▸ Implementation of International Materials Data Sheet (IMDS) for medium and heavy vehicles	▲ 967 datasheets filled out by 250 suppliers involved in the *Ecoconception* project ➡ *146*	▸ 2017: +20% in datasheets

PRESENCE IN SUSTAINABILITY INDEXES

FREE FLOAT

Source: VIGEO

Inclusion in sustainability indices, and the ratings received from the specialized sector-specific agencies, further reflects the robustness of CNH Industrial's sustainable Governance model. In detail, in 2014, CNH Industrial: was reconfirmed as Industry Leader in the Dow Jones Sustainability Indices (DJSI) World and Europe, for the fourth consecutive year; reconfirmed its position in the CDP Italy Climate Disclosure Leadership Index, with a winning score of 98/100; and was included in the CDP Climate Performance Leadership Index, receiving the highest score (A - on a scale from A to E) for the first year for its commitment to reducing carbon emissions. In addition, CNH Industrial was readmitted into the STOXX ESG Leaders and STOXX Sustainability Leaders Indices, and the FTSE4Good Index.

As at December 31, 2014, CNH Industrial is included in the following indices:

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM

- Dow Jones Sustainability World Index
- Dow Jones Sustainability Europe Index

CDP CLIMATE DISCLOSURE LEADER 2014

- Carbon Disclosure Leadership Index

CDP CLIMATE PERFORMANCE LEADER 2014

- Carbon Disclosure Performance Index
- CDP Supplier Climate Performance Leadership Index

MSCI 2014 Constituent MSCI Global Sustainability Indexes [1]

STOXX ESG LEADERS INDICES Member 2014/2015

- STOXX Global ESG Environmental Leaders Index
- STOXX Global ESG Social Leaders Index
- STOXX Global ESG Leaders Index

STOXX SUSTAINABILITY INDICES Member 2014/2015

- STOXX Europe Sustainability Index
- EURO STOXX Sustainability Index

FTSE4Good

FTSE ECPI ITALIA SRI INDEX SERIES

- FTSE ECPI Italia SRI Benchmark
- FTSE ECPI Italia SRI Leaders

NYSE EURONEXT vigeo WORLD 120

NYSE EURONEXT vigeo EUROPE 120

NYSE EURONEXT vigeo EUROZONE 120

ECPI Sense in sustainability

- ECPI Global Agriculture Equity
- ECPI EMU Ethical Equity
- ECPI Euro Ethical Equity
- ECPI Global Developed ESG Best in Class Equity

The Company has received the following ratings agency evaluations:

ROBECOSAM Sustainability Award Industry Leader 2015

ROBECOSAM Sustainability Award Gold Class 2015

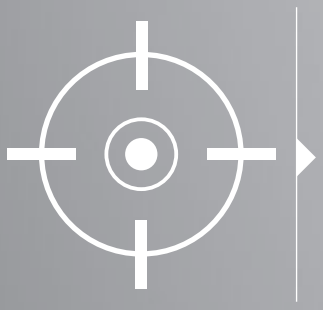
Corporate Responsibility Prime rated by oekom research

FREE FLOAT

The presence of CNH Industrial shares in the portfolios of Socially Responsible Investors (SRIs), i.e., those who integrate standard financials with environmental, social, and governance (ESG) considerations, is a clear index of appreciation of the Company's commitment to sustainability. As at December 31, 2014, 6.04%[2] of CNH Industrial's free float[2] was held by 31 (32 in 2013) asset owners[2] and by 59 (30 in 2013) socially responsible mutual funds[2], showing a slight improvement over 2013. In 2014, both mutual funds and institutional investors showed increasing interest in CNH Industrial, especially mutual funds located in North America and Northern Europe. CNH Industrial's result, as for the previous year, was lower than the benchmark by about eighty basis points. The benchmark consists of an average of SRI investor holdings calculated on five companies (CNH Industrial plus four of its main competitors). CNH Industrial ranked second. The Company's result was below the benchmark only because the score of the top-ranking company was so high it significantly raised the benchmark. Excluding this competitor from calculations, CNH Industrial's percentage of equity would be higher than the benchmark by over 150 basis points.

(1) The inclusion of CNH Industrial in any MSCI index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of CNH Industrial by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

(2) For details on methodology used, see page 239 in Report Parameters.



02 HOW WE GET THINGS DONE

THE FOLLOWING SECTION FOCUSES PRIMARILY ON EMPLOYEES, AND SECONDLY ON THE STAKEHOLDERS THAT INTERACT WITH CNH INDUSTRIAL BUT DO NOT PLAY AN ACTIVE ROLE IN THE LIFE CYCLE OF ITS PRODUCTS: TRADE UNIONS AND EMPLOYEE REPRESENTATIVES, LOCAL COMMUNITIES AND NGOs, AND PUBLIC AND PRIVATE ORGANIZATIONS.

OUR GOVERNANCE MODEL

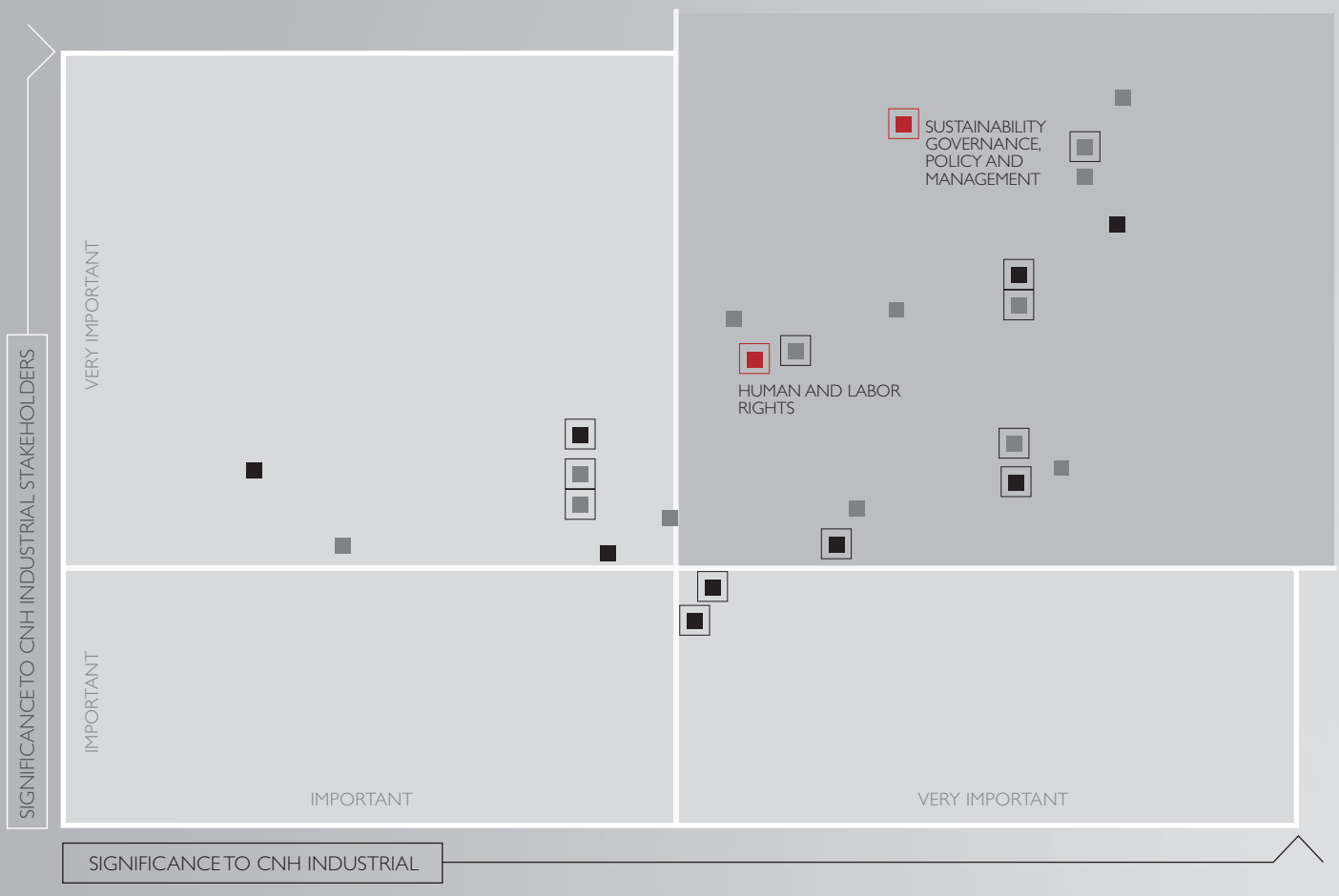
HOW WE MANAGE OUR PEOPLE

HOW WE MANAGE INDUSTRIAL RELATIONS

ENGAGING LOCAL COMMUNITIES

RELATIONSHIPS WITH PUBLIC AND PRIVATE ORGANIZATIONS

OUR GOVERNANCE MODEL



Material aspects described in chapter. For further details, see Materiality Matrix, page 21.

2014 STAKEHOLDER INTERVIEWS

> Doing things that bring benefits to people ensures sustainability

C. Socol, *TechPro*[2] project, China

CNH Industrial believes that a robust Corporate Governance model is essential to effectively manage the interests of all its stakeholders, as emerged from the materiality analysis (see also page 19). The Company's Governance model for sustainability issues originated within Fiat Industrial, which, in turn, inherited the Governance model adopted by Fiat S.p.A. prior to the demerger, effective January 1, 2011, of automobile operations from the capital goods operations (Agricultural Equipment, Construction Equipment, Commercial Vehicles, and Powertrain) that now form the scope of CNH Industrial.
The central pillars of CNH Industrial's Governance model include: compliance with applicable legal requirements; ongoing **alignment with international best practice and the Dutch Corporate Governance Code**; a clear and comprehensive **Code of Conduct**, with policies for implementing the principles established within this Code; and an advanced **risk management system**.
As emerged during the 2014 stakeholder engagement (see also page 19), sustainability governance, policy and management need to be embedded in the corporate system and in company operations, going beyond existing rules and regulations and creating added value. Socially Responsible Investors (SRIs) have a particular interest in this aspect, as do the sustainability rating agencies. For investors and analysts, a governance model that attaches sufficient importance to sustainability issues promotes a long-term corporate outlook and contributes to risk-adjusted returns. A robust Governance model ensures that the Company's performance is not due to chance or random behavior and that continuous improvement is possible, based on analysis and results achieved each year. Above all, it ensures that risk management controls are in place to safeguard the value of investments.
Specifically, in EMEA, stronger demands for transparency from governments and regulators in non-financial information highlights the importance of integrating governance and sustainability factors.

DMA

CORPORATE AND SUSTAINABILITY GOVERNANCE

At CNH Industrial, the integration of economic decisions with those of a social and environmental nature constitutes a fundamental commitment towards long-term stakeholder value creation.
To meet this commitment, CNH Industrial has adopted a robust Governance model. Firmly rooted in the Corporate culture of CNH Industrial, the model has evolved year on year, incorporating best practice benchmarking and implementing the recommendations of the major sustainability rating agencies.
The main elements of CNH Industrial's Governance model are described below, while full disclosure on this aspect is available in the Annual Report, pages 94-114, as well as in the Governance section of the Company's website, where all updates throughout the year are reported.
The Annual Report can be downloaded from the CNH Industrial website.

GLOSSARY
APAC; DMA; EMEA; LATAM; NAFTA; SRI; Stakeholders

GRI
G4-DMA

The Board of Directors

The criteria used to select and appoint members of the Board of Directors are contained in the relevant Guidelines, available on the Company website.

The Guidelines stipulate that, in consideration of the size of the Company, the complexity and specific characteristics of the segments in which it operates, and the geographic distribution of its businesses, the Board of Directors should be composed of individuals with: skills, experience, and cultural backgrounds, both general and specific, acquired in an international environment and relevant to an understanding of the macro-economy and global markets, more generally, as well as the industrial and financial sectors, more specifically. An appropriate and diversified mix of skills, professional backgrounds, and genders is fundamental to the proper functioning of the Board as a collective body.

There should also be an appropriate balance between the number of executive directors (i.e., those vested with representative and executive powers) and non-executive directors, with a majority of the directors being non-executive.

The independent directors have an essential role in protecting the interests of all stakeholders. Their contribution is also necessary for the proper composition and functioning of the Committees, whose advisory function includes preliminary examination and formulation of proposals relating to areas of potential risk.

Additionally, with regard to gender diversity, it is generally recognized that diverse boards are more effective in performing their monitoring and advisory activities, due to the variety of professional experience, perspectives, insights, skills, and connections to the outside world that gender diversity can add.

The independence requirements for members of the CNH Industrial Board of Directors were established with reference to the Dutch Corporate Governance Code, the NYSE Rules, and Rule 10A-3 of the U.S. Securities Exchange Act.

The composition of the Board of Directors, elected by the shareholders at the General Meeting on April 16, 2014, reflects these guidelines and international best practice:

- there are 11 directors, ensuring the effective functioning of the Board and its Committees
- the independence of directors is verified with reference to the criteria of the Dutch Corporate Governance Code, the Exchange Act, and the NYSE Listed Company Manual
- seven out of the 11 directors are independent, or 64% of the total
- the Board is composed of three women and eight men, women making up 27% of the total
- one Board member is in the thirty-to-fifty age group, and ten are in the over-fifty age group
- the roles of the Company Chairman and Chief Executive Officer are separated; both are executive directors, with responsibility for the day-to-day management of the Company.

To improve the performance of the Board of Directors, regular updates are provided at meetings on CNH Industrial's operations, as well as training on the activities of the Board's committees, including those relating to risk and sustainability. In 2014, in conjunction with the presentation of the new Business Plan to shareholders, the Directors held several meetings with management (brand, product, and segment managers) to examine the new Business Plan in detail and learn about changes to the operating environment and organizational aspects.

The Board of Directors is supported by three Committees:

- Governance and Sustainability Committee
- Audit Committee
- Compensation Committee.

For these Committees, a minimum number of meetings per year is stipulated in the relevant charter: once a year for the Governance and Sustainability Committee, four to six times for the Audit Committee, and once for the Compensation Committee.

GLOSSARY
Audit; Stakeholders

GRI
G4-34; G4-35; G4-38; G4-39; G4-40; G4-42; G4-43; G4-47; G4-LA12

Process for Evaluating the Performance of the Board of Directors

Among its functions, the Governance and Sustainability Committee assists the Board of Directors in its periodic assessments of the Board's size and composition and of the performance of individual Board members, reporting on this to the Board of Directors itself. Specifically, it is the Committee's responsibility to review the Board of Directors' performance annually, and the performance of its Committees. The Committee is provided with the resources, funding, and authority, at its sole discretion and without requiring approval from the Board of Directors, to select, retain, and obtain the advice of external advisors as necessary or appropriate to assist with the execution of its duties and responsibilities.
In 2014, the Committee did not conduct such an evaluation but plans to do so in 2015.

The Governance and Sustainability Committee

Sustainability is a core element of CNH Industrial's system of Governance, with top management playing a direct and active role. The Governance and Sustainability Committee is a subcommittee of the Board of Directors, and is the highest decision-making body on sustainability. Among other things, the Governance and Sustainability Committee is responsible for assisting the Board of Directors in monitoring and evaluating reports on the Company's sustainable development policies and practices, management standards, strategy, global performance and Governance, and for reviewing, assessing, and making recommendations on strategic guidelines for sustainability issues, as well as for reviewing the annual Sustainability Report.
The Committee has three members, two of whom are women; two are in the over-fifty age group, and one in the thirty-to-fifty age group.

The Group Executive Council

The highest decision-making body after the Board of Directors is the Group Executive Council (GEC). The GEC is responsible for reviewing the operating performance of the Company and for making decisions on specific operational matters. It also advises the Board of Directors on certain key operational aspects. The activities of the GEC are subject to supervision, examination and, where necessary or appropriate, ratification or overruling by the Board.
The GEC reviews strategic approach, evaluates the Sustainability Plan's alignment with business objectives, and receives regular updates on the Company's sustainability performance. The GEC, as at December 31, 2014, is headed by the Company Chairman and its membership is composed of four main groupings. The first of these is the four Regional Operating Groups (EMEA, NAFTA, LATAM, and APAC) that oversee the production and sale of Agricultural Equipment, Construction Equipment, Commercial Vehicles, and Powertrain (engines and transmissions). Each Regional Operating Group is headed by a Chief Operating Officer (COO) that drives the regional organization via a regional management team, and reports to the CEO. Alongside these, a COO for the Iveco brand and a COO for the Powertrain segment were appointed, on a temporary basis, in order to provide a single point of full-time leadership for all operations within each business. The second group reflects the Company's focus on its brands: each manager is tasked with enhancing and developing an appropriate product portfolio for each brand and with implementing commercial and marketing strategies tailored to each of the Company's operating Regions. The third group is composed of industrial leaders that drive a rigorous and consistent business approach across the four operating Regions, optimizing Company decisions on capital allocation. The fourth group is made up of Company support functions, including the Chief Financial Officer and the Chief Human Resources Officer.
The GEC (at December 31, 2014) has 19 members, including the Company Chairman; two members are women, representing 10.5% of the total. Ten members are in the thirty-to-fifty age group (53% of the total), nine members are in the over-fifty age group (47% of the total), while no member is under thirty years of age.
The GEC was directly involved in defining the materiality matrix approved by the CEO.

GLOSSARY
APAC; EMEA; LATAM; NAFTA

GRI
G4-36; G4-37; G4-44; G4-45; G4-46; G4-48

The Sustainability Team

The Sustainability Team consists of the Sustainability Unit, the Sustainability Business Points of Reference, and Regional Sustainable Development Owners.

The primary mission of the Sustainability Team is to contribute to the promotion of a Corporate sustainability culture that integrates social and environmental issues into ordinary business processes, thus contributing, in coordination with and in support of the business functions, to risk management and long-term value creation.

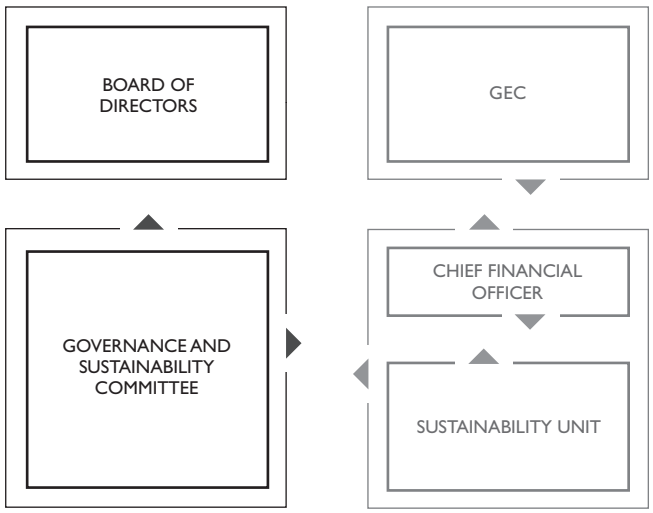
The **Sustainability Unit** has an operational role and reports to the Chief Financial Officer, who is a member of the GEC and is usually invited to attend the meetings of the Board of Directors. The Unit is responsible for regularly updating the sustainability management system by monitoring developments regarding its various aspects, implementing the recommendations of sustainability experts, sustainability rating agencies and investors, benchmarking the competition and, together with CNH Industrial's segments, making adjustments to Key Performance Indicators (KPI). The Sustainability Unit plays a key role in promoting a culture of sustainability across the Company: through an analysis of the Company's operations it identifies opportunities and risks arising from environmental management, defines actions and targets for the Sustainability Plan aimed at improving the Company's sustainability performance, and monitors progress with respect to achieving these targets. In addition, it prepares the Sustainability Report and manages the sustainability section on the Company's website. Together with Investor Relations, it also completes questionnaires required by sustainability rating agencies, responds to queries raised by Socially Responsible Investors (SRIs), and supports Company segments in their dealings with stakeholders on environmental and social aspects.

In March 2014, the **Sustainability Business Points of Reference** were appointed, as representatives from within the various operating areas, with the role of: ensuring the support and alignment required from across the Company, bringing expertise to specific issues relating to the Company's reporting process, and formulating proposals for sustainability improvements. They provide a direct link between the Sustainability Unit and the various operating areas, giving both technical and organizational support.

In addition, a **Regional Sustainable Development Owner** was also appointed for each operating Region, to support and track activities having a social or environmental impact on local communities, employee welfare, and employee commuting.

In 2014, 392 targets, including social, environmental and climate change issues, were incorporated into the variable compensation system for specific sustainability project leaders, Energy and Environmental Health and Safety managers, and relevant staff at plant level.

THE ORGANIZATIONAL MODEL



GLOSSARY
KPI; SRI; Stakeholders
GRI
G4-36

CNH Industrial Compliance and Ethics Committees

The Company's Global Compliance and Ethics Committee provides assistance to the Company's management and the Company's Audit Committee to enable the Company and its operating subsidiaries to continue to operate according to the highest ethical business standards and in accordance with applicable laws and regulations.
The activities of the Committee are: facilitate the development, implementation, and operation of an effective compliance and ethics program; promote an organizational culture that encourages law-abiding and ethical conduct; and consider and resolve any issues of interpretation regarding any aspect of the compliance and ethics program.
The Committee consists of the following members: the Chief Executive Officer, Chief Financial Officer, Chief Human Resources Officer, General Counsel, Chief Compliance Officer, Chief Internal Audit Officer and the heads of the Company's Financial Services business and ICT function.
The Company's Chief Executive Officer serves as the chair of the Committee. In the absence of the Chief Executive Officer, the Chief Compliance Officer serves as chair of the Committee.
The Committee meets at least quarterly, or more frequently as deemed necessary or appropriate by its members.
The Committee reports to the Audit Committee of the Board of Directors, at least quarterly, on:

- the operation, contents, and effectiveness of the Company's compliance program
- any alleged material compliance and ethics violations, and the disposition (or proposed disposition) of material compliance and ethics violations which have been investigated.

The Company has also established Regional Compliance and Ethics Committees for each operating Region (EMEA, NAFTA, LATAM, and APAC). These regional committees are responsible for overseeing the Company's compliance and ethics system in their respective Regions and for providing assistance to Company management in each Region and to the Global Compliance and Ethics Committee. The regional committees are composed of the regional counterparts of the members on the Global Compliance and Ethics Committee.

THE SUSTAINABILITY MANAGEMENT SYSTEM

The sustainability management system consists of the following tools:

- the Code of Conduct and related Corporate policies, approved by the Board of Directors (see also page 56), which set out the Company's approach to key issues
- a set of guidelines to manage specific issues - the Human Capital Management Guidelines, Green Logistics Principles, and Sustainability Guidelines for Suppliers
- a set of approximately two hundred sustainability-related Key Performance Indicators (KPIs), designed to provide maximum coverage of all the key environmental, social, and governance aspects, in line with GRI-G4 requirements and those of the major sustainability rating agencies
- the Sustainability Plan, which identifies action priorities and confirms commitments undertaken
- the annual Sustainability Report, which discloses the Company's performance on sustainability aspects, expanding on and completing the information provided in the Annual Report
- a summary included in the Annual Report of material sustainability-related issues, supplementing the financial data
- the CNH Industrial website, which includes a dedicated top-level sustainability area presenting the contents of the most recent Sustainability Report, along with regular updates throughout the various reporting cycles.

The Sustainability Unit also has a dedicated email address and phone number where stakeholders can make requests ask questions or provide feedback. Both can be found under the Contacts section of the Corporate website. Emails are checked daily and any requests that cannot be managed directly are forwarded to the appropriate office. Emails or calls may concern social or environmental aspects, or even violations.

SUSTAINABILITY PLAN PROCESS

The commitments, actions, and targets that make up the Sustainability Plan are initially defined on the basis of areas for improvement identified by the Sustainability Unit in collaboration with the segments and Corporate functions (planning phase). To support this process, the Sustainability Unit performs continual benchmarking throughout the year and benefits from the feedback and assessments of the major sustainability rating agencies, international organizations, and socially responsible investors (SRIs) with whom CNH Industrial has established relations. The Sustainability Plan draft is then submitted for review and approval to the General Executive Council (GEC), which evaluates alignment with Company strategy and makes appropriate recommendations. Once approved by the GEC, the Plan is submitted to the Governance and Sustainability Committee, a subcommittee of the Board of Directors.

GLOSSARY
APAC; Audit; EMEA; GRI; KPI; LATAM; NAFTA; SRI; Stakeholders

GRI
G4-38; G4-48; G4-49

Responsibility for individual projects and achievement of agreed targets in the Sustainability Plan rests with the various operating and Corporate functions, which have the resources, tools, and expertise required for their implementation (management phase). To further ensure adherence to commitments made, the Sustainability Unit is periodically updated on the progress of projects (control phase).

CODE OF CONDUCT

On July 31, 2014, the Board of Directors adopted a new code of conduct (hereinafter the Code of Conduct), which forms an integral part of the internal control system and sets out the principles of business ethics to which CNH Industrial adheres and which directors, employees, consultants, and partners are required to observe. The new Code of Conduct was adopted to better meet the needs of CNH Industrial's new structure.
The main changes to the previous Code of Conduct are summarized below:

- a message from the CEO was added at the beginning of the document to underline top management's commitment to the Code of Conduct
- structure and language were simplified, and length reduced, to enhance clarity and readability
- new chapters were added (e.g., Training)
- question and answer sections were added, related to the specific sections of the Code, providing practical examples.

Furthermore, new global Corporate policies related to the Code of Conduct were implemented in 2014. These include:

- Conflict of Interest Policy
- Insider Trading Policy
- Anti-Corruption Policy
- International Trade Compliance Policy
- Competition Policy
- Compliance Helpline Policy
- Health and Safety Policy
- Human Rights Policy
- Environmental Policy
- Community Investment Policy
- Corporate Communications Policy
- Data Privacy Policy
- Use of Company Property Policy
- Safe Harbor Employee Privacy Policy
- U.S. Lobbying Activities and Other Contacts with U.S. Government Officials
- Political Action Committee Activity and Other Political Contribution

The Code of Conduct is available in the Corporate Governance section of the Company's website.
The Code of Conduct is one of the pillars of the CNH Industrial Corporate Governance System, which regulates decision-making processes and the approach used by the Company and its employees when conducting business for or on behalf of the Company and in interacting with stakeholders. The Code encompasses the values that the Company recognizes, adheres to, and fosters, in the belief that diligence, integrity, and fairness are important drivers of social and economic development.
The Code of Conduct addresses the ethical aspects of economic, social, and environmental issues, underscoring the importance of dialogue with stakeholders. Explicit reference is made to the UN's Declaration on Human Rights, the relevant International Labour Organization (ILO) Conventions, and the OECD Guidelines for Multinational Companies. In addition to the Code of Conduct, CNH Industrial has established Corporate policies and internal and business processes that supplement the Code.

GLOSSARY
ILO; Stakeholders

GRI
G4-15; G4-56

The Company encourages its employees to actively engage in the detection and prevention of misconduct, through the reporting of any illegal activity or activities that violate the Company's Code of Conduct or policies. Reporting potential violations allows the Company to investigate matters and take corrective actions, reducing the risk or damage that could otherwise impact the employee in question, co-workers, the Company, or the communities in which it operates.

APPLICATION AND MONITORING

Available in 16 languages (Chinese, Czech, Danish, Dutch, English, French, German, Hindi, Italian, Polish, European Portuguese, Latin American Portuguese, Russian, European Spanish, Latin American Spanish, and Turkish), the contents of the Code of Conduct will be circulated to all employees in 2015. The Code of Conduct can be viewed and downloaded via the Company's website and Intranet, and hard copies are available from the Human Resources Department. The Code of Conduct applies to the members of the CNH Industrial Board of Directors, to all employees of CNH Industrial, and to all other individuals or companies that act in the name or on behalf of CNH Industrial.
The principles and values of good Corporate Governance established in the Code of Conduct are conveyed, through periodic training and other communication channels, to all employees irrespective of their level or role, with Human Resources providing any clarifications required. Specifically, CNH Industrial is implementing an internal communication campaign for the first quarter of 2015, to inform and educate employees on the new Code of Conduct.
The campaign involves communication via email and Corporate Intranet for salaried employees, and via bulletins at sites and plants. Training on the Code of Conduct is expected to be provided to all employees during 2015.

The Company also advocates the Code as a best practice standard in business ethics among the partners, suppliers, consultants, agents, dealers, and other parties with whom it has long-term relationships. Indeed, Company contracts worldwide include specific clauses relating to the recognition of, and adherence to, the fundamental principles of the Code of Conduct and related policies, as well as compliance with local regulations, particularly those related to bribery, money laundering, terrorism, and other Corporate criminal liabilities.

Compliance Helpline

In January 2015, the Company implemented a new global Compliance Helpline[1], that is available in 14 languages and in every country where the Company operates.
The Compliance Helpline is a comprehensive and confidential reporting tool to assist CNH Industrial employees, clients, suppliers, and other third parties, to work together to address questions and concerns regarding the Company's principles outlined in the Code of Conduct or other Corporate policies (including alleged fraud, abuse, or other misconduct in the workplace), or concerning applicable laws. An independent third party vendor was selected to operate the Compliance Helpline on the Company's behalf.
Through the Compliance Helpline, submitters can ask questions or report potential violations of the Code of Conduct, Company policies, or applicable laws, either anonymously (where permitted by applicable law) or by providing contact information that will be held in the strictest of confidence. Retaliation of any type against a person who, in good faith, brings forward a concern will not be tolerated. Reports submitted through the Compliance Helpline are managed with the assistance of a case management system.

Compliance Risk Assessment Project

In the first half of 2014, the Company performed an updated compliance risk assessment. The assessment process involved, among others, Legal and Compliance personnel, the Regional Compliance and Ethics Committees, Internal Audit, Human Resources and representatives of the various business functions. The matrix developed for the compliance risk assessment takes three main areas into account:

- identification of the compliance risks based on the nature of CNH Industrial's business
- the Company's processes, procedures, policies and other existing means of managing the applicable risks identified
- risk likelihood.

In July 2014, the compliance risk assessment was consolidated and approved by the Company's Global Compliance and Ethics Committee and illustrated by means of a global matrix, presenting data for evaluating what training or other initiatives would be most effective to prevent or mitigate the various risks.
During 2014, the Compliance and Training function conducted targeted training on critical issues as a result of the compliance risk assessments, including antitrust training in EMEA and anti-corruption training in APAC.

GLOSSARY
APAC; Audit; EMEA

GRI
G4-49; G4-57; G4-58; G4-LA16

(1) *www.cnhindustrialcompliancehelpline.com*

VIOLATIONS OF THE CODE OF CONDUCT

Violations of the Code of Conduct are essentially determined through:

- checks that are part of standard operating procedures
- periodic internal audits carried out for each legal entity
- reports received through the Compliance Helpline.

Violations of the Code of Conduct are identified by the Internal Audit function, in collaboration with the Legal and Compliance and Human Resources departments, through standard procedures and specific compliance audits related to, among others, business ethics, anti-bribery and corruption, and health and safety.
For all substantiated Code of Conduct violations, corrective actions and disciplinary measures are commensurate with the severity of the case and comply with local legislation. Regardless of whether criminal charges are brought by prosecuting authorities, these violations are communicated to the relevant Corporate functions.
Material cases of fraud at any level within the organization, and all substantiated violations of the Code of Conduct by top managers, are submitted to internal control and to the Board of Directors of CNH Industrial.

During 2014, there were 135 breaches of the Code of Conduct that resulted in dismissal. Detail regarding these matters is provided in the table below by type of violation.

DISMISSALS FOR BREACHES OF THE CODE OF CONDUCT

CNH INDUSTRIAL WORLDWIDE (no.)

	2014
Misconduct (i.e., insubordination, violence)	32
Misuse of Company assets	32
Providing false or misleading information	26
Violation of alcohol or drug policy	17
Harassment	9
Fraud	7
Adulteration of travel expenses / violation of travel policy	5
Violation of safety policy	4
Unjustified absence	3
Discrimination	-
Violation of environmental policy	-
Total	**135**

Periodic Auditing

In 2014, the Company conducted and disclosed the results of 28 **compliance audits**: 4 regarding business ethics issues, 18 environmental and occupational health and safety issues, and 6 specific issues related to bribery, money laundering, and other aspects included in the Code of Conduct. The audits revealed substantial compliance with the main standards, and did not draw attention to any Code of Conduct violations.

Whistleblowing Activities

During 2014, 106 reports of alleged violations were received under the Company's former **whistleblowing procedures**. Of these, 43 were confirmed as actual Code of Conduct violations, resulting in disciplinary actions; seven led to the implementation of measures to strengthen the internal control system; and 37 were unsubstantiated. Investigations are still underway for the remaining 17 cases.

WHISTLEBLOWING ACTIVITIES

CNH INDUSTRIAL WORLDWIDE (no.)

Region	Whistleblowing (Jan.-Dec. 2014)	Of which on HR matters	Ongoing investigations	Closed	Actions taken		
					No action	Disciplinary measures	Procedural measures
EMEA	22	11	6	16	10	3	3
NAFTA	20	19	-	20	18	2	-
LATAM	58	27	8	50	7	38	5
APAC	6	4	3	3	2	-	1
Total	**106**	**61**	**17**	**89**	**37**	**43**	**9**

Individuals who fail to comply in any way with the Code of Conduct or Corporate policies may be subject to criminal sanctions, as well as Company disciplinary actions, up to and including termination as per applicable law.

GRI
G4-50; G4-EN34; G4-HR3; G4-HR12; G4-SO3; G4-SO5

ANTI-CORRUPTION

CNH Industrial's global anti-corruption policy is implemented through a regional model that takes account of the specific corruption risk factors of each operating Region. The Corruption Perception Index published by Transparency International is generally used as a guide by the Company's Compliance personnel and the Regional Compliance and Ethics Committees in assessing and categorizing the specific risks and prevalence of corruption in each Region, and the type of controls needed. In addition, the Company periodically assesses factors such as the risks associated with its businesses, the likelihood of a violation, its potential consequences, and the effectiveness of applicable internal controls. The Company also provides corruption prevention training, using both online and in-person scenario-based classroom training. In 2014, 1,278 people were involved in training courses, of which 571 in EMEA, 294 in NAFTA, 1 in LATAM, and 412 in APAC; 5% of participants were managers, 64% were professionals, 30% were salaried, and 1% were hourly employees. Company employees are encouraged to report compliance issues (including corruption) by any of multiple means e.g., by reporting to managers or via the Corporate Compliance Helpline.
CNH Industrial regularly engages in benchmarking with competitors to assess its approach and verify the continued adoption of best practices in preventing and detecting corruption.
CNH Industrial's internal audit program verifies, among others things, corruption prevention processes and controls. The results are submitted to both the Company's Audit Committee and management, so as to implement any required changes identified for strengthening controls. The Company also investigates and tracks all corruption allegations to evaluate the need for additional controls and training, and surveys all employees annually, reminding them of their obligation to report compliance issues. Senior employees are required to formally declare themselves unaware of any violations of the Code of Conduct.
The Company's Legal and Compliance Department created a Global Anti-Corruption Practice Team composed of internal legal advisors for each Region, with representatives for each Company segment. The Team meets regularly to provide updates on new developments in corruption prevention, regulations and enforcement, and to share best practices across the Company's segments. Additionally, it develops training materials, provides classroom training, and develops and distributes legal alerts and other information to all applicable Company employees. The Global Practice Team assesses various aspects of the Company's compliance and ethics program, identifying opportunities for, and assisting in, program development and improvement.

OUR PROJECT

CNH INDUSTRIAL CAPITAL EMEA ANTI-MONEY LAUNDERING (AML) FRAMEWORK

In connection with the integration of the pre-existing CNH Capital and Iveco Capital organizations, and to enhance AML practices in light of external developments related to risks and regulations, the AML framework was upgraded to monitor and analyze business relationships according to know-your-customer principles, through a proportional approach that takes into account the type of business being conducted and locally applicable regulations. The revised framework relies on the use of an automated screening tool for customer assessment, which is performed according to relevant lists (Sanctions, Black List, Politically Exposed Person, and Crimes) both at contract inception and throughout the relationship.
The CNH Industrial Capital team also supports the implementation of AML standards at parent company level to ensure that every business counterpart is reputable, qualified, and involved in a legitimate business (see also page 225).

HUMAN AND LABOR RIGHTS MANAGEMENT

DMA

CNH Industrial is committed to the creation of long-term sustainable value for all its stakeholders, and is firmly convinced that respect for fundamental human rights is a pre-requisite for achieving this.
Respect for human rights is one of the Company's most significant material issues.
CNH Industrial operates in 190 countries, has over 69 thousand employees, and approximately six thousand suppliers, with 95% of procurement spending in favor of local suppliers. The Company's global presence requires the adoption of generally accepted principles in each geographic area where CNH Industrial operates. CNH Industrial is therefore committed to respecting fundamental human rights and basic working conditions in all its operations, as stated in the Code of Conduct and in the Human Rights Policy that supplements it.
The materiality analysis reflects that, among international standards, human rights are considered as fundamental evaluation criteria. Additionally, they are at the center of current global discussions on post-2015 Sustainable Development Goals. In 2014, stakeholder engagement revealed greater relevance for this aspect compared to the previous year. The operating Regions that emerged as more receptive to Human and Labor Rights were NAFTA, followed by LATAM, and then EMEA and APAC.

GLOSSARY
APAC; Audit; DMA; EMEA; LATAM; NAFTA; Stakeholders

GRI
G4-DMA; G4-HR4; G4-HR5; G4-HR6; G4-HR9; G4-SO3; G4-SO4

In NAFTA, the perceived relevance of this aspect is linked to the maturity of the Region's economies. In LATAM, the analysis revealed that the main problems regarding Human and Labor Rights arise from the considerable fragmentation of trade unions and their limited bargaining power since, apart from salaries and benefits, they do not sufficiently tackle the issues relevant to employees. In EMEA, Human and Labor Rights are treated as an indisputable right, with stakeholders preferring to prioritize other issues. In APAC, the aspect's relevance, although still high, is lower than in the other Regions and is focused specifically on the rationalization and proper management of employee workloads to promote wellbeing and work-life balance.

Approach to Human Rights

The commitment to safeguarding Human Rights is stated in the Code of Conduct, with implementation guidelines provided in the CNH Industrial Human Rights Policy.
Code of Conduct principles are consistent with the spirit and intent of the United Nations Universal Declaration of Human Rights, the OECD Guidelines for Multinational Companies, and the relevant Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO). See also page 56.
CNH Industrial's commitment to verifying respect for human rights along the supply chain is another key aspect, with supplier assessment on environmental and human rights emerging as particularly relevant in the materiality analysis. In its Code of Conduct, CNH Industrial is committed to selected suppliers, while also considering their social and environmental performance and the values outlined in the Code.
The head of each department is responsible for respect for human rights.

Human Rights Assessment

When drawing up the materiality matrix in 2013, the relevant functions carried out an assessment (see also page 19) to identify the key impacts of CNH Industrial's business and operations on human rights. In 2014, the assessment was further developed through stakeholder engagement, where the theme of Human and Labor Rights was among the 25 aspects brought to stakeholders' attention.
An impact assessment of the Company's operations on child labor and freedom of association was carried out by the Industrial Relations function, covering the entire scope of the Company through each Region's Human Resources function. The most recent one was conducted in 2013; a further assessment will be conducted in the event of any relevant operational changes.
In 2014, CNH Industrial's Internal Audit function oversaw the pilot project launched in 2013 to monitor respect for human rights within the Company, involving the Human Resources function. In 2013, the scope included Italy, Spain, Belgium, France, and Germany, with a coverage of about thirty thousand employees, representing 42% of the total CNH Industrial workforce. In 2014, the assessment was integrated into standard procedures and extended to the APAC Region, where a survey was carried out in India involving more than 90% of CNH Industrial India's workforce. The main aspects covered in the questionnaire were child labor, non-discrimination, freedom of association, and employment and working conditions. The assessments complied with the requirements of Art. 17 and Art. 18 of the Guiding Principles on Business and Human Rights, 2011[1] (the Ruggie Framework).

The following emerged as important factors:

- non-discrimination
- child labor
- freedom of association and collective bargaining
- occupational health and safety.

GLOSSARY
APAC; Audit; EMEA; ILO; LATAM; NAFTA; Stakeholders

GRI
G4-HR4; G4-HR6; G4-HR9

(1) *United Nations' "Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework" 2011.*

Non-Discrimination

CNH Industrial does not accept discrimination against employees in any form on the basis of: race, gender, sexual orientation, social or personal status, health, physical condition, disability, age, nationality, religion, or personal beliefs. The Company recruits employees on the basis of their experience, qualities and skills and is committed to providing equal opportunities to all employees, both on the job and in their career advancement. The head of each department shall ensure that in every aspect of the employment relationship, such as recruitment, training, compensation, promotion, transfer, or termination, employees are treated according to their abilities to meet job requirements and all decisions are free from any form of discrimination.
In 2014, no cases of discrimination were revealed through standard operational checks (see also page 58).
For further information on how CNH Industrial manages diversity and equal opportunities, see also page 69.
For the approach to this aspect in the management of the supply chain, see also page 152.

Child Labor

As stated in the Code of Conduct, CNH Industrial does not employ any form of forced, mandatory, or child labor and does not employ anyone younger than the legal working age established by the legislation of the jurisdiction in which the work is carried out and, in any case, employs no one younger than fifteen, unless an exception is expressly provided by international conventions and by local legislation.
CNH Industrial is also committed to not establishing or maintaining working relationships with suppliers that employ child or forced labor, as defined above, (see also page 152).
To the Company's knowledge, there is no use of child or forced labor at the plants of its suppliers.

Freedom of Association and Collective Bargaining

According to the Code of Conduct, CNH Industrial recognizes and respects the right of its employees to be represented by trade unions or other representatives established in accordance with local applicable legislation. When engaging in negotiations with such representatives, CNH Industrial seeks a constructive approach and relationship.
For further information on freedom of association and collective bargaining, see also page 77.
For the approach to this aspect in the management of the supply chain, see also page 152.

Occupational Health and Safety

CNH Industrial recognizes health and safety in the workplace as a fundamental right of employees and a key element of the Company's sustainability efforts. All Company choices must respect the health and safety of employees in the workplace. CNH Industrial has adopted and continues to improve an effective occupational health and safety policy which implements preventive measures, both at the individual and collective level, to minimize the potential for injury in the workplace.
CNH Industrial also seeks to ensure industry-leading working conditions, in accordance with principles of hygiene, industrial ergonomics, and individual organizational and operational processes. CNH Industrial believes in and actively promotes a culture of accident prevention and risk awareness among workers, in particular through the provision of training and information. All employees are required to be personally responsible and to take all preventive measures established by the Company for the protection of health and safety and communicated through specific directives, instructions, information, and training (see also CNH Industrial's Health and Safety Policy).
For further information on occupational health and safety, see also page 90.
For the approach to this aspect in the management of the supply chain, see also page 152.

Conflict Minerals

Another aspect related to respect for Human Rights is the importance CNH Industrial places on the aspect of natural resources extracted in conflict zones. Specifically, CNH industrial has defined a policy intended to promote responsible sourcing of conflict minerals in the Democratic Republic of Congo and surrounding region. CNH Industrial's Conflict Minerals Policy was adopted in 2013 and is posted on the Corporate website. CNH Industrial is committed to making all reasonable efforts to establish, and to require each supplier to disclose, whether such conflict minerals (i.e., tin, tantalum, tungsten, or gold) are used or contained in products purchased by the Company. If such minerals are contained in the products purchased from suppliers, they must identify their sources and eliminate the procurement, as soon as commercially practicable, of products containing tin, tungsten, tantalum, or gold obtained from sources that fund or support inhumane treatment in the Democratic Republic of Congo or the surrounding region.
For further information on conflict minerals, see also page 157.

FINAL RULINGS

Significant Final Rulings

In this section, the Company reports final court judgments or final arbitration awards that had an adverse material effect on the Company (referred to as *significant final rulings*).
In 2014, no significant final rulings were issued against the Company for violations of laws in the following areas: environment, rights of local communities, marketing and advertising, privacy, anti-competitive behavior and antitrust, intellectual property, contractual liability, product responsibility, product and service information and labelling, and labor and social security.

Additional Information

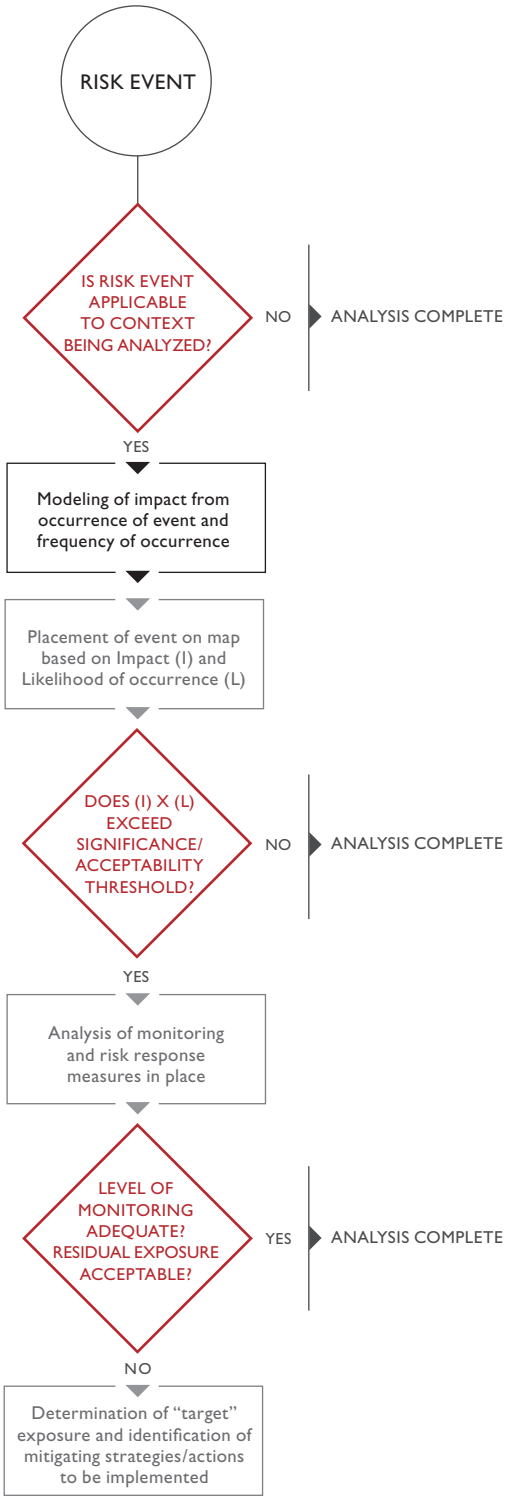
Starting January 2011, Iveco and certain of its competitors have been subject to an ongoing investigation conducted by the European Commission into certain business practices of leading manufacturers of medium and heavy trucks and commercial vehicles in the European Union in relation to possible anti-competitive behavior. The investigation is still pending. For further information see Note 30 "Guarantees granted, commitments and other contingent liabilities" to the Consolidated Financial Statements at December 31, 2014 in the Annual Report.
Labor and social security disputes culminating in a final court judgment in 2014 involved a total payment corresponding to 0.09% of labor costs for the year. The level of litigation was proportionately higher in Brazil, where such judgments, mainly relating to the interpretation of particularly controversial legislation, accounted for 95% of the total, corresponding to approximately 93% of the Company's total payout. However, in the specific context of Brazil, these judgments were not exceptional in nature or in number. Moreover, none of the final judgments against the Company related to discrimination at work.

GRI
G4-EN29; G4-HR8; G4-SO5; G4-SO7; G4-SO8; G4-PR2; G4-PR4; G4-PR7; G4-PR8; G4-PR9

RISK MANAGEMENT

ENTERPRISE RISK MANAGEMENT MODEL

In accordance with the regulatory guidelines requiring companies to adopt appropriate Corporate Governance models, and in response to market demand for ever-increasing transparency and disclosure on the risks associated with company activities, CNH Industrial has implemented and adopted its own Enterprise Risk Management (ERM) system.



GRI
G4-EC2

The ERM process was also driven by the need for a systematic approach to identifying the risk profile of business activities, and adopted to manage business performance from an integrated risk-return perspective. Furthermore, this process reflects the Company's commitment to sustainability, as it provides for internal audits to incorporate regular assessments of potential risks deriving from the environmental and social impact of the Company's business activities.

CNH Industrial's ERM methodology defines risk as any event that could impact the Company's ability to meet its objectives.

The model, developed internally in 2004 by Fiat S.p.A. prior to the demerger, and since adopted by all current CNH Industrial legal entities, enables the timely identification of risks and the evaluation of their significance, and allows action to be taken to mitigate and, where possible, eliminate them. Taking the framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) as a starting point, the model was then adapted to the Company's specific requirements, and has been updated to incorporate the experience gained over the years and the best practice indicators that emerged through comparison with other industrial groups. The current catalogue consists of 52 risk drivers, further broken down into 85 possible risk events. Risk driver mapping includes several significant issues, such as climate change, macro-economic developments, joint ventures, etc. The model classifies risks according to the probability of occurrence and potential impact on profitability, business continuity, and reputation (or on a combination of these elements), which determine the significance of a risk when analyzed as a whole. For events that exceed predetermined significance thresholds, existing measures are analyzed and future containment measures, action plans, and persons of reference are identified. This process, supported by a dedicated information system, follows a bottom-up analysis starting at business unit level. The heads of the business segments involved are required to approve the evaluations, while Corporate Control is responsible for their coordination and consolidation within the Company.

PURE RISK MANAGEMENT[1]

CNH Industrial believes in preventing losses that could potentially lead to property damage or business interruptions. The Risk Management Center of Competence[2] addresses all stages of pure risk management including risk identification, analysis, and treatment (including loss prevention).

The four pillars of risk management consist in:

- preventing accidents or limiting their effect
- adopting the highest standards for the prevention of property loss
- minimizing the cost of risk by optimizing loss prevention, investments, self-insurance, and risk transfer programs
- centralizing and consolidating relationships with global insurance markets.

The Risk Management Center of Competence is responsible for overseeing pure risks (e.g., fires, explosions, or natural disasters) and related insurance coverage, and plays a central role in the management of events that could potentially impact the continuity of operations or the integrity of physical assets (in particular, the Company's 500 sites worldwide[3]).

The risk management process is executed with maximum transparency and the highest level of expertise, supported by consulting companies specializing in industrial risk that perform field audits to ensure in-depth, continuous, and impartial risk assessments across the entire Company.

In 2014, the Risk Management Center of Competence managed 92 sites, representing 91% of the insured value. To achieve constant and efficient industrial risk monitoring, a selection process ensures that 98% of the sites within the perimeter scope are surveyed every 3 years, and more than 50% surveyed every year.

In 2014, 36 sites were inspected (covering approximately 58% of CNH Industrial) and 126 new projects were tracked, verifying the highest level of compliance with international loss prevention standards.

During the year[4], CNH Industrial's investment in loss prevention and mitigation measures totaled around $10.09 million, of which $7.44 million in recommended improvements to align the sites to CNH industrial's loss prevention referenced standards, and $2.65 million in major extension and green field investments.

These targeted investments cut loss expectancies by approximately $0.8 billion, resulting in a Global Efficiency Index (GEI) of 0.96[5] in line with the highest international standards.

GLOSSARY Audit

GRI G4-46

(1) Pure risks are risks resulting from natural causes or accidental or malicious acts (fires, explosions, floods, etc.) that may result not only in damage to goods or facilities, but also in the short- or long-term interruption of operations.
(2) The risk management process is led by FCA Risk Management, which provides its services to CNH Industrial.
(3) Source: 2015 Insurance Renewal; the term "site" refers to an individual unit, identified by a company, employer or business area, on which a specific risk assessment is performed. Therefore, every manufacturing plant may be broken down into more than one site.
(4) Figures relate to the period from July 1, 2013 to June 30, 2014 (Insurance Year).
(5) Global Efficiency Index for loss mitigation measures (GEI = reduction of expected damage/cost of protection) is recognized as a measure of best practice for industrial risk management.

CNH Industrial's Risk Management Center of Competence works to develop forward-looking, risk engineering approaches and solutions. This is particularly evidenced by the development of specific projects that highlight the contribution of risk management to addressing climate change issues.
Current Company Risk Management projects include:

- a new approach to insurable environmental risks
- earthquake risk re-engineering
- climate change impact analysis
- carbon emissions avoidance through effective loss prevention
- supply chain risk mitigation through improved confidence.

The Risk Management Center of Competence provides a critical, real-time contribution to the Company's sustainable development and competitive advantage in a fast-changing, competitive, and global business environment, with a focus on:

- fine-tuning existing tools, processes, measurement, and modeling of risks, in order to facilitate a more complete risk-based business decision analysis and the evaluation of emerging risk-based opportunities
- integrating and consolidating risk management programs
- developing risk awareness across the organization
- creating a cross-functional risk management committee that will periodically review all areas of CNH Industrial's enterprise risk management.

Insurable Environmental Risks

CNH Industrial's Risk Management has developed an innovative risk management methodology in collaboration with: the Company's EHS (Environmental Health and Safety) departments, a major international consultancy and certification firm, and an insurance partner. This methodology has enabled CNH Industrial to:

- obtain objective, quantified knowledge of insurable environmental exposures
- improve risk profiles according to the segments' EHS strategies
- identify and clearly communicate priorities and benefits
- effectively inform the insurance market about the loss prevention activities in place to prevent or mitigate potential environmental losses
- obtain adequate environmental insurance coverage, commensurate with risk exposures and current loss prevention activities
- carry out prevention activities in line with Company strategies.

The methodology, which is scientific and implemented via a certified self-assessment tool, was used to assess and analyze 46% of the Company's total insured value in 2012-2013 (100% of EMEA).
To validate the data obtained in 2013 and 2014, a field visit campaign was launched to a selected number of sites considered representative in terms of size, occupancy, and geographical distribution. Visits were organized by the central EHS Department of each legal entity, and conducted by the specialized environmental risk engineers of a leading environmental insurance company.
This extraordinary effort resulted in the development, for both CNH Industrial and its subsidiaries, of the first environmental maps quantifying the overall levels of risk.
These results were presented to the insurance market as evidence that CNH Industrial's environmental risks are known, well-quantified, and properly managed. The results also led to comprehensive global insurance coverage.

Earthquake Risk Re-engineering Project

Today, CNH Industrial's Risk Management benefits from the long-standing research project carried out with AXA MATRIX Risk Consultants and the *Università degli Studi di Napoli Federico II*, aimed at developing cutting-edge, quantitative, seismic risk assessment methods and scientifically-based, risk management procedures.
The workgroup developed an *Integrated Approach to Seismic Risk Assessment and Management*, which is a multilevel framework simultaneously allowing for advanced seismic risk assessment and a rational allocation of resources.
The methodology enabled the Company to:

- efficiently assess
- properly quantify
- proactively manage

the seismic risks the Company's industrial manufacturing sites are exposed to.

The research project adopts a multilevel and quantitative approach, i.e., a procedure capable of considering different knowledge levels as inputs and of providing a quantitative measurement of seismic risk:

- level 1 – relative, mainly for prioritization purposes
- level 2a – absolute analysis based on existing fragility curves
- level 2b – absolute analysis based on computed fragility curves.

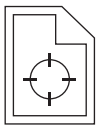
The procedure allowed classifying and prioritizing the Company's sites based on seismic risk, facilitating decision making and the identification of the top ranked facilities potentially in need of closer analysis.
In 2014, the application of the *Integrated Approach* was extended in order to focus not only on building performance under seismic excitation, but also on a more rational assessment of the consequences of earthquakes in terms of economic impact on activities and contents.
Moreover, the research project was launched after the final phase of 2012's earthquake in Emilia (Italy), marking the first ever installation of an advanced device for real-time seismic risk monitoring at a pilot plant. The objective was to provide a tool to help decision making during the hours/days after an event (during the aftershocks following a strong earthquake).
Recent seismic events affecting industrialized countries (Japan, 2011; Italy, 2012) readily corroborate the importance of an efficient, transparent, and proactive seismic risk management system within a global manufacturing organization.
Quantitative seismic risk assessment, providing sound probabilistic estimates of potential earthquake impacts, is a key step in any meaningful and grounded decision-making process.

Climate Change Potential Impact Analysis

This project was launched to study potential new risks posed by climate change, with three main goals in mind:

- to raise awareness across the entire organization of the potential new risks posed by climate change
- to explain the nature of the risks associated with climate change
- to verify that all risk management processes in place, as well as new measures under development or yet to be developed, take account of climate change.

The rainwater project was implemented to develop a methodology to analyze potential rainwater risk based on the gap analysis between the design data used at the time of building construction, and the current design data according to occupancy and latitude (as per internationally recognized construction standards).



The rainwater risk project allowed:

- identifying relevant data on plants' rainwater collection and disposal networks
- creating an *ad hoc* form to collect and report key data
- developing a methodology to identify and extract current design data based on specific occupancy and latitude
- developing specific gap analysis software (to compare construction design data with current design data)
- identifying intervention priorities considering both the gap and the values at risk.

Mitigating Supply Chain Risk through Improved Confidence

Managing supply chains in today's competitive world is increasingly challenging. This is particularly true in the equipement industry due to:

- market globalization
- processes that are more intertwined and integrated between companies
- increased use of manufacturing, distribution, and logistics partners resulting in complex international supply network relationships
- reduced buffers
- increased demand for on-time deliveries in shorter time windows and with shorter lead times
- shorter product life cycles and compressed time-to-market
- sudden and substantial ramp-up capacity limitation of key components.

Supply chain risk management, with an internal and external focus, is progressively becoming a common management priority, given that any company proactively handling risk will not only focus on its own, but also on the risk within its supply chain.
In 2013, Risk Management reassessed, identified and listed key suppliers, based on a semi-quantitative approach using the data collected by field engineers during plant surveys and discussed with plant management.
In 2014, Risk Management developed a second project with the support of the Purchasing Departments and Sustainability Teams.
The project's goal is to collaborate with suppliers in collecting adequate information to verify and ensure that the suppliers' Risk Management departments are implementing the necessary processes to secure supply flow.
This project was approved by top management in June, and four key suppliers were selected for pilot testing.

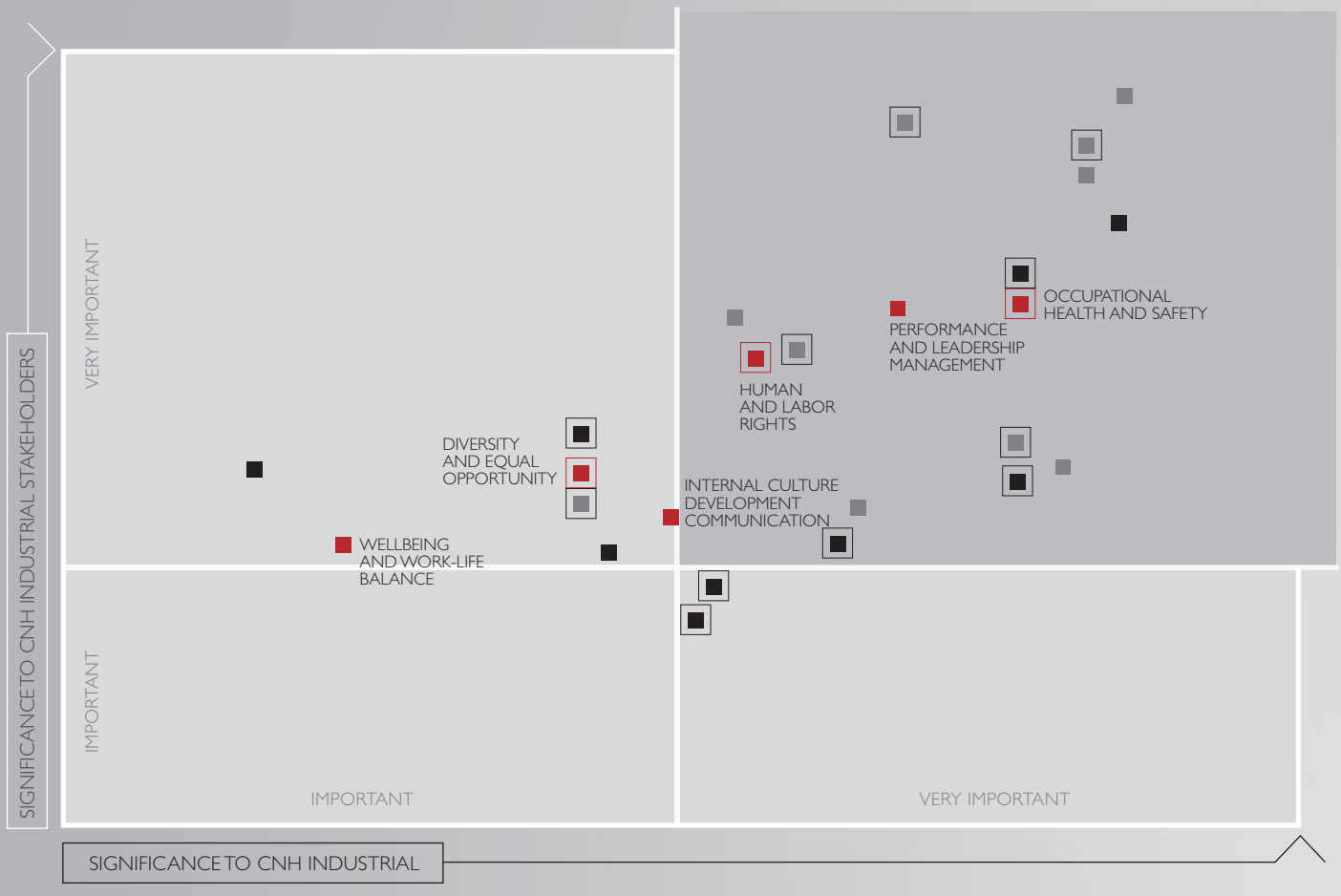
Precautionary Principle

CNH Industrial's commitment to safeguarding the environment is based on a precautionary approach, aimed at anticipating potential risks that could impact the environment and human health. CNH Industrial applies the precautionary principle introduced by the Rio Declaration on Environment and Development, both in designing its products and in managing its manufacturing processes. The process of product development (see also page 146) identifies, within its various phases, appropriate deliverables designed to anticipate future regulations on environmental issues related to product use. Special focus is given to solutions that favor the use of recycled materials and exclude the use of hazardous substances that are monitored through the IMDS database, which is updated directly by suppliers (see also page 145). Furthermore, innovation projects carried out in partnership with leading universities across the world ensure CNH Industrial access to the latest scientific developments regarding product aspects (see also page 137).
Through a consolidated environmental management system and the implementation of World Class Manufacturing (WCM), CNH Industrial evaluates the magnitude and importance of all impacts, as well as governing processes systemically and managing its environmental and social aspects, aiming at continuous improvement. Many voluntary initiatives are carried out within plants to mitigate the environmental impact of manufacturing processes. In 2014, over $56 million was spent on environmental protection (over 13% increase compared to 2013), of which $21 million was spent on prevention and environmental management. This demonstrates CNH Industrial's strong commitment to reducing its environmental footprint, involving all impact factors, including: the selection and use of raw materials and natural resources, their processing, the management of product end-of-life, component remanufacturing (see also page 227), and product disposal.

GLOSSARY
IMDS;
WCM

GRI
G4-14

HOW WE MANAGE OUR PEOPLE



Material aspects described in chapter. For further details, see Materiality Matrix, page 21.

DMA

CNH Industrial considers its people an essential asset. Operating in dynamic and highly competitive industries, success is achieved first and foremost through the talent and passion of skilled individuals. Indeed, the Company strongly believes that business growth is made possible by personal growth, and invests the fruit of its business growth into the growth of its people in a kind of virtuous circle.

The materiality analysis evidenced the significance of aspects relating to Human Resources, such as respect for human and labor rights, the promotion of diversity and equal opportunities, the management and development of expertise, the building of a common internal culture, the promotion and protection of occupational health and safety, and the balance between professional and private life.

CNH Industrial is committed to ensuring respect for fundamental **human and labor rights** wherever it has a presence. Indeed, the Company is aware of the role it must play as a large global enterprise in contributing to the economic growth and social development of the countries in which it operates (see also page 59). CNH Industrial strives to build a corporate culture whereby the Company selects, assigns, evaluates, and cultivates talent according to well-founded criteria and principles, while employees can present diverse opinions freely and communicate with one another openly.

The safeguarding of **diversity** and the respect for **equal opportunities** are important aspects for a multicultural enterprise operating globally. In addition to preventing discrimination and ensuring the inalienable rights of every person, the Company manages these aspects proactively through inclusion and by enhancing diversity, thus boosting its competitiveness and ability to attract personnel. From the stakeholders' viewpoint, it is important that the people who form part of the Company see their differences respected and valued. Indeed, it emerged from the stakeholder engagement in 2014 that leveraging diversity helps a company strengthen its reputation and increase talent attraction. It is also important for investors, who increasingly consider these aspects as reputational risks for companies, as well as development opportunities, owing to the stimulating environment that emerges where different genders, races, ages, religious beliefs, and any other such factors or attributes are adequately respected and represented.

Managing and developing expertise is vital for the Company to select, develop, motivate, and retain the best talent. It is important for people to have clearly defined goals in order to make personal career choices, and to have adequate support in terms of training specific to their goals. This is why CNH Industrial adopted the **Performance and Leadership Management** process. Stakeholder engagement conducted during the year underlined the differences in perception on this issue across the different Regions. In NAFTA, specifically, stakeholders showed that a performance and leadership management tool is important both to support talented people within the Company and to attract highly skilled individuals. Indeed, they believe that personnel evaluation through competition and comparison with peers is a good method to improve skills and strengthen commitment. The Company aims to help people adapt in real time to change in an increasingly complex world. Shared **internal culture development** is thus an essential means for the Company to divulge its strategies in a timely manner and engage its personnel, across the globe, in achieving common targets. As evidenced by the stakeholder engagement results, one of the challenges that large multinationals will have to face over the coming years is linked to globalization and the resulting increased importance of cross-cultural communication and organizational policies and procedures. The ability to manage a wide range of talents in an international context is thus seen as a challenge for the success of a company.

Occupational health and safety management is one of the most important aspects to emerge from the materiality analysis. CNH Industrial recognizes the inalienable right of every employee to a safe and healthy work environment. It is also aware that investing in safety is crucial to prevent risk of injuries, accidents at work, and disruptions to production. This also contributes to boosting the Company's competitiveness, its public profile, and staff motivation. The stakeholder engagement results showed that health and safety management is recognized as a prerequisite for a large enterprise like CNH Industrial: an essential requirement that a company cannot afford to overlook, although interpretations may differ across the different Regions. Specifically, in NAFTA, stakeholders perceive that health and safety management is an important aspect to avoid reputational damage. In LATAM and APAC, on the other hand, this aspect is linked to the Company's efforts in guaranteeing good working conditions, reducing the risk of occupational accidents and diseases, which are widespread both in Brazil and Asia.

Wellbeing and work-life balance are considered material aspects as they are essential to ensure that employees are effective, productive, and satisfied in all dimensions of their lives. Improving the balance between work and private life while continuing to deliver excellent performance is a challenge that the Company and its people share.

GLOSSARY
APAC; DMA; EMEA; LATAM; NAFTA; Stakeholders

GRI
G4-DMA

CNH Industrial's commitment to all of these material aspects is stated in the Code of Conduct[1], in its Policies (such as the Health and Safety Policy and Human Rights Policy) - which are an integral part of the Code itself - and in the Human Capital Management Guidelines. The Code of Conduct and Policies were approved by the Board of Directors, distributed to all employees, and made available on the Corporate website and Intranet portal.
From an operational point of view, the Chief Human Resources Officer (CHRO), who is also a member of the Group Executive Council (GEC), is responsible for the management of human capital.
The process ensures control over all material aspects identified and is managed by global representatives from Leadership Development and Internal Communications, and by the Heads of Human Resources of each Region. The latter are responsible for the management at regional level of diversity and equal opportunity aspects and for work-life balance initiatives. Health and safety protection in the workplace, on the other hand, in every area of activity and in every country, is promoted by a dedicated organizational structure (Environmental Health and Safety - EHS) identified in each Region within the scope of manufacturing.
The objectives and actions that fulfill the Company's commitments to continuous improvement provide a clear measure of the effectiveness of human capital management. Targets are set annually on a voluntary basis and included in the Sustainability Plan (see also pages 29-33); their progress is regularly monitored to enable corrective actions, should they become necessary. Through the Sustainability Plan, CNH Industrial not only makes public the targets to be achieved each year, it also indicates the instruments used and results obtained, in the name of transparency regarding all stakeholders. In the following pages, further details are given of the initiatives and projects developed to promote the management of our people, as well as the resources allocated and the mechanisms to evaluate their effectiveness.

LABOR PRACTICES

People are the lifeblood of any organization, and indeed CNH Industrial considers its employees as its top priority. Efforts to implement an inclusive recruitment practice, and the optimal use of available talent in the different Regions, is the basis for developing the ability to attract a diverse and qualified workforce. The Company strives to provide its employees with a compensation system comprising a number of different components, believing this to be a key factor in retaining employees. Base salary, benefits, and long-term incentives are determined by market-driven benchmarks, therefore ensuring fair and objective treatment for all employees in the different markets around the world. To develop the most talented individuals, CNH Industrial offers challenging, rewarding careers where employees never stop learning and, above all, see their value recognized (see also page 83).

EMPLOYMENT

A total of 98% of the Company's current employment contracts are no-term, 99% of which are full-time. Fixed-term contracts represent approximately 2% of all contracts. During the year, 1,189 contracts were changed into no-term contracts, 10.8% of which refer to female employees. Around 1% of the Company workforce is employed part-time, of which approximately 73% are women (see also page 249). Fixed-term hiring takes place in response to a temporary need for personnel, in line with applicable laws and the provisions of the Collective Labor Agreement (CLA).
As at December 31, 2014, agency contracts accounted for around 3,657 personnel, of which 77% in EMEA, 10% in NAFTA, 1% in LATAM, and 12% in APAC. This type of contract is entered into or renewed, in compliance with the applicable legislation and CLA provisions, in relation to business needs, and thus ultimately subject to variation in relation to the specific market requirements.

EMPLOYEES BY REGION, BY CONTRACT AND EMPLOYMENT TYPE

CNH INDUSTRIAL WORLDWIDE (no.)

		No-term		Fixed-term	
	Total	Full-time	Part-time	Full-time	Part-time
EMEA	**41,756**	40,352	541	863	-
NAFTA	**11,647**	11,608	-	39	-
LATAM	**10,485**	10,298	-	187	-
APAC	**5,319**	5,261	3	55	-
World	**69,207**	67,519	544	1,144	-

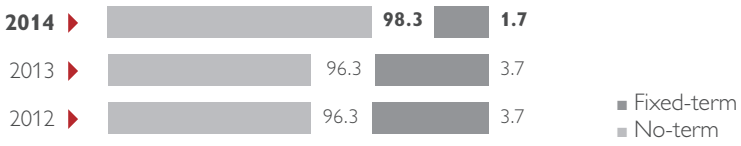
GLOSSARY
APAC; EMEA; ILO; LATAM; NAFTA; Stakeholders

GRI
G4-10

(1) *The CNH Industrial Code of Conduct complies with national laws, the UN Universal Declaration of Human Rights, and the fundamental conventions of the International Labour Organization (ILO).*

FIXED-TERM AND NO-TERM CONTRACTS

CNH INDUSTRIAL WORLDWIDE (%)



As of December 31, 2014, CNH Industrial had 69,207 employees, a decrease of 2.8% on the previous year. Part of this change was due to the difference between new hires (5,016) and departures (7,800) during the year.

EMPLOYEE TURNOVER

CNH INDUSTRIAL WORLDWIDE (no.)

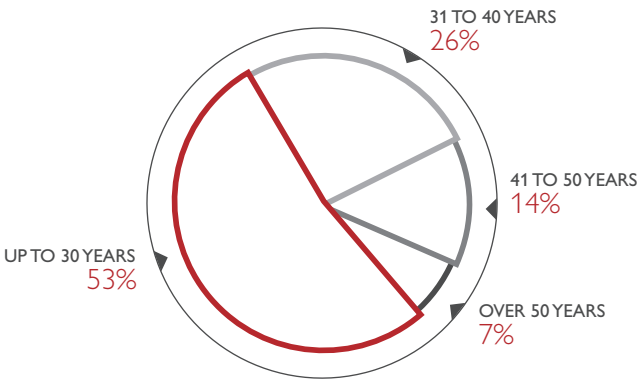
	2014	2013	2012
Employees at January 1	**71,192**	68,257	66,998
New Hires	**5,016**	8,753	8,100
Departures	**(7,800)**	(6,967)	(7,159)
Δ scope of operation	**799**	1,149	318
Employees at December 31	**69,207**	71,192	68,257

Most hiring occurred in EMEA, with 36% of total new hires. As many as 53% of **new hires** were aged thirty or less. Female employees accounted for 18% of the year's new hires. In 2014, approximately 81% of new hires were employed under no-term contracts.

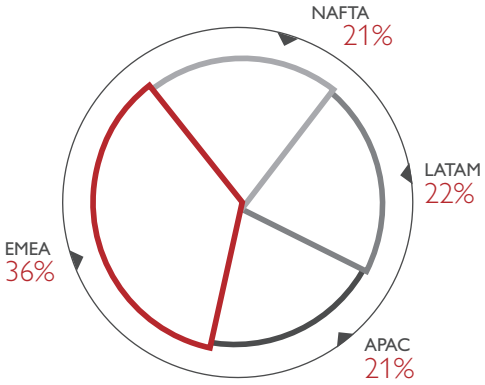
NEW HIRES

CNH INDUSTRIAL WORLDWIDE

BY AGE GROUP



BY REGION



Among new hires, 256 were recent graduates, a drop compared to the previous year overall, yet in line with the decrease in hiring in the salaried, professional, and manager categories.

TALENT ATTRACTION

CNH INDUSTRIAL WORLDWIDE (no.)

	2014	2013	2012
New graduates recruited	**256**	343	439
Traineeships	**3,411**	3,256	2,921

GLOSSARY
APAC; EMEA; LATAM; NAFTA

GRI
G4-LA1

In 2014, approximately 7,800 **people left the Company**, 15% of which were collective redundancies following the reorganization or rationalization of operations, in some instances initiated in previous years. Wherever possible, redundancies were managed through temporary social welfare mechanisms provided for by law and through social programs, aimed at minimizing the impact on employees, established in collaboration with trade unions. Specifically: 65% of collective redundancies were managed through contract terminations at the initiative of the Company, with payment of severance packages and other supporting measures as per agreements with unions/employee representatives; 20% through voluntary resignations with exit incentives; and 10% through retirement/early retirement schemes. The residual 5% were exits related to collective dismissals, including individual voluntary resignations at sites affected by collective redundancies (1.5%), and employee exits due to the end of their recall right according to the applicable permanent layoff rules (3.5%) see also pages 106-109.
CNH Industrial also provides opportunities for transfers between segments and countries. During the year, four hundred CNH Industrial employees transferred between countries, or between legal entities within the same country. As regards departures, the highest percentages were reported in LATAM (37%) and EMEA (30%), in the group aged thirty or less.
More details on turnover data are available in the Appendix (see pages 244-245).

COMPENSATION

In its commitment to ensure an inclusive work environment and equal opportunities for all employees, CNH Industrial adopts a progressive total compensation system based on equitable and fair criteria. At the heart of the Company's compensation philosophy lies the concept of meritocracy, which acknowledges the value of a high performance culture and the importance of a market-driven approach. To support this, the Company has defined a compensation system that comprises a number of different components. The comprehensive package rewards employees for their contribution to the Company's results, provides development opportunities, and allows them to share in the business success they help create. Base salary, benefits, and long-term incentives are determined by market-driven benchmarks, therefore ensuring fair and impartial treatment for all employees in the different markets around the world. The specific criteria for adjustments focus on closing competitive gaps with respect to market position, giving priority to top performers. Variable compensation and career development are impacted by individual contributions, which are vigorously evaluated through a Performance and Leadership Management program that is deployed consistently throughout the entire organization (see also page 83).
In the assessment of annual performance, the same metrics and methodology are applied to all eligible employees worldwide. Additionally, CNH Industrial employs a formal process to monitor the application of its core equity and fairness principles to compensation levels, annual salary reviews, and promotions. These reviews are based on standard criteria, and do not allow manager discretion for those receiving compensation actions. Combined together, all of these measures ensure the Company's total compensation system, in line with all other internal processes related to people management, effectively contributes to equal opportunities and fair treatment for all individuals regardless of age, gender, race, religious belief, or other such factors or attributes.

Local Minimum Wage

In many countries, minimum wage levels are set by law and, in some cases, are subject to variations by Region/state or other criteria. Where no specific law exists, a minimum wage is often established by collective bargaining agreements between employer associations and trade union representatives. This is the case in Italy, Germany, and Belgium, for example, 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. Lastly, minimum wage levels are also established on the basis of specific economic, social, and political circumstances and, therefore, do not allow for cross-border comparisons.
To evaluate the adequacy of entry-level salaries in each country, in 2014, CNH Industrial carried out an analysis in a number of countries, representing 99% of its employees. In all countries, CNH Industrial entry-level salaries[2] were at or above the statutory minimum or the levels set by non-company collective labor agreements, as can be seen in the graph.

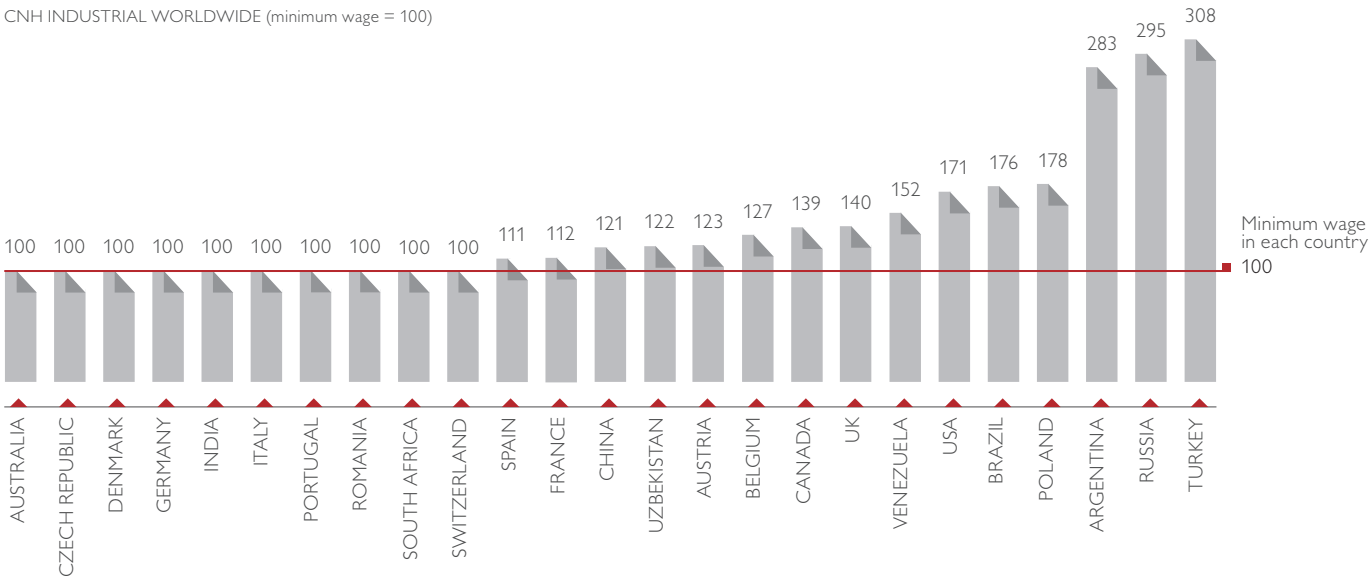
GLOSSARY
EMEA; GRI; LATAM

GRI
G4-EC5

(2) In accordance with the GRI-G4 guidelines, entry-level salary refers to the full-time wage offered to an employee in the lowest employment category, on the basis of Company policy or agreements between the Company and trade unions. Interns or apprentices are not considered. For each country, results are based on the segment with the lowest entry-level salary. Figures reported are as at October 31, 2014.

COMPARISON BETWEEN ENTRY-LEVEL SALARY AND MINIMUM WAGE

CNH INDUSTRIAL WORLDWIDE (minimum wage = 100)



EMPLOYEE BENEFITS

Benefits provide employees with value beyond salaries and cash incentives, and can be a significant part of the total reward package received. For this reason, CNH Industrial offers a competitive range of benefits, normally available to all full-time employees, and in many countries also provides competitive benefits to part-time or temporary employees. Benefits differ according to an individual's level of remuneration and country of employment, and depend on local policy. CNH Industrial conducted a survey on 99% of its workforce worldwide, covering all major Company sites as at October 31, 2014, on the availability and adoption of various Company benefits (supplementary health plans, financial support for those with accident-related permanent disabilities, life insurance, and employee cafeterias or meal vouchers).

EMPLOYEES ENTITLED TO BENEFITS

CNH INDUSTRIAL WORLDWIDE (%)

Financial benefits	**2014**	2013	2012
Pension plans	**88.2**	85.2	92.7
Supplementary health plans	**83.3**	80.4	82.8
Life insurance	**55.8**	58.2	55.5
Financial support for disability/invalidity	**87.6**	87.0	78.8
Employee cafeterias or meal vouchers	**74.9**	75.0	78.3
Other[a]	**7.8**	10.3	10
Social benefits			
Childcare[b]	**13.8**	7.0	23.2
Sports Facilities[c]	**10.3**	7.2	21.4
Wellness and nutrition programs[d]	**41.2**	47.2	33.3
Other (e.g., flexible working schemes, emergency care/first aid, referral programs, leave of absence, or other flexible benefits)[e]	**47.8**	46.1	53.5

[a] Includes benefits such as Company cars, housing, and interest-free loans.
[b] Includes kindergarten, free gymnasiums for children, assistance with homework, summer camps/holidays, and other child care services.
[c] Includes free gymnasium access, gym/fitness courses, and other sports initiatives.
[d] Includes nutrition coaching, training on stopping smoking, medical check-ups, medical screening, and other wellness programs. See also page 95.
[e] For more details on flexible working schemes and leave of absence see also page 97.

Health care plans are available for CNH Industrial employees, and about 67.3% of the total workforce has joined one. There are also childcare services in place to meet employees' needs and help them be more effective in their working life. Finally, CNH Industrial promotes a healthy lifestyle through comprehensive wellness programs (see also page 95), and facilitates access to dedicated sports facilities.

Supplementary Pension Plan

According to the survey[3], approximately 88.2% of employees were eligible for a supplementary pension plan, 73.3% of which joined such a plan, representing 64.6% of those surveyed.

Supplementary pension plans fall into two categories:

- defined contribution pension plans, in which contributions (by the employee, the Company, or both) are defined at the outset, and benefits paid out depend on the total payments into the pension fund and the financial returns of the fund itself
- defined benefit pension plans, in which benefits paid out to employees are defined at the outset, while contributions may vary over time to guarantee the pre-defined benefit levels.

Most existing pension plans at CNH Industrial legal entities are defined contribution plans.

Health Care Plans

Nearly all CNH Industrial subsidiaries participate in supplemental health care plans, which in most cases are insurance-based. Levels of coverage vary from country to country depending on the public health care system, tax and regulatory restrictions, and local market conditions.

In Italy, in addition to the services provided by the national health system, all CNH Industrial employees and their family members have access to supplemental health care plans: FASIF for hourly, salaried, and professional employees and FISDAF for managers. The two plans were developed in agreement with trade unions. Two thirds of expenses covered by the FASIF and FISDAF plans are funded by CNH Industrial and the remaining third by the employee. Hourly and salaried employees also pay an additional amount for any family members enrolled. If an employee uses public health care facilities, the plans reimburse any expenses not covered by the national health system. On the other hand, if an employee uses private facilities, the plan provides high cover ceilings, with full payment of expenses incurred at approved health care facilities, and partial reimbursement of specific expenses incurred at other non-approved medical practices and facilities. Prevention programs with regular check-ups and a maternity package are also provided. In 2014, the health care plans in Italy provided services to more than ten thousand employees plus their family members: FASIF to 6,350 hourly and salaried employees and around 3,400 professionals, and FISDAF to 448 managers. FISDAF also assists managers after retirement and their widows, on a voluntary basis.

Childcare Services

Balancing work and childcare is a challenge that many of CNH Industrial's employees face, particularly those with young children. In order to assist employees in better managing their time and resources, CNH Industrial offers a number of childcare support options to its employees throughout the Regions.

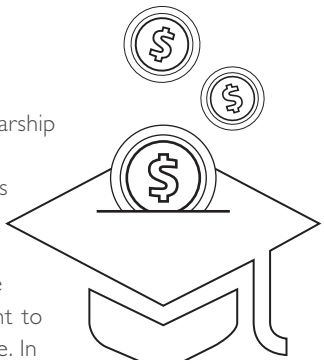
In several locations throughout the EMEA Region, CNH Industrial helps in arranging access to local daycare centers. One of various services offered to employees is the Mirafiori Baby nursery in Turin (Italy), which offers assistance to parents of children aged three months to three years. At other locations, CNH Industrial joined forces with companies in the vicinity of its sites to set up childcare options in the community. In 2014, it renewed a partnership with local companies in Jesi (Italy), assisting ten employees with children aged three years and under, while in Sankt Valentin (Austria) a kindergarten was opened for employees' children (three years and under) in conjunction with another company in the area. For the sixth year, CNH Industrial continued its collaboration with other local firms to make three daycare centers available to employees in Venissieux (France).

Alternatively, CNH Industrial also offers direct childcare assistance to parents with young children, allowing employees to select the best daycare option. In Spain, 588 employees and a total of 643 children benefited from direct funds provided by the Company to parents of children aged three years and under for use towards daycare centers of their choice. In the UK, the Company offers a flexible benefits package to salaried employees, which allows them to allocate a portion of their health care funds towards childcare expenses, while in the US, eligible employees have the option to set aside pre-tax sums for childcare by contributing to a Dependent Day Care flexible savings account offered by the Company.

School supports is one of the various childcare services CNH Industrial offers its employees. In Brazil and Argentina, for example, the Company provides school kits, through a special program, for elementary and secondary school children (six to 12 years). In 2014, 1,485 school kits were delivered in Sete Lagoas (Brazil) and 901 in Argentina. In Spain, parents with children aged between three and 16 benefitted from direct funds from the Company for school support.

GRI G4-EC3

[3] *Survey conducted on 99% of workforce as at October 31, 2014.*



$330 thousand in grants & scolarships awarded

The Company recognizes the academic excellence of employees' children through several grants and scholarship programs at both corporate and regional level.
The largest and most significant of these is the Company's *Student Achievement Awards*. This program honors the children of employees for their academic excellence and is open to students with a high-school or university diploma or a university degree. The Awards policy is overseen by the Grants and Scholarship Committee and implemented through regional committees that have contacts in all countries involved. The initiative covers all countries where the Company has a significant presence, and reflects its commitment to promoting growth and development opportunities for young talent in an increasingly globalized marketplace. In 2014, two hundred grants and scholarships totaling approximately $330 thousand were awarded worldwide.
On a regional level, for example, CNH Industrial supports the *Niños de Mejor Promedio* program in Mexico, which awards the children of employees for excellent school results. The main purpose is to motivate children to develop positive work ethics and habits and, in 2014, 274 children with final grades between 9 and 10 received the award. In India, a program has been in place for seven years to give recognition to the children of employees. In 2014, 22 children were awarded *Special Talent scholarships*.
Moreover, in Italy, CNH Industrial organizes summer camps for hundreds of employees' children between the ages of 8 and 16. Options for children include camps at the seaside, in the mountains, and even a Juventus soccer summer camp. In 2014, in addition to these offerings, the Company introduced a new two-week study/vacation English learning summer camp, held in Italy or England.

Sports Facilities

Supporting physical fitness and teamwork is an activity fostered by CNH Industrial for employees in all of its Regions. The Company offers its employees a variety of opportunities to participate in recreational sports, including gym memberships, tournaments, and race sponsorships.
A number of plants worldwide provide onsite fitness equipment and/or classes where employees can exercise: Sankt Valentin (Austria), Trappes (France), Lugano (Switzerland), along with sites in the UK and USA. In other locations, the Company works with local fitness clubs, such as Sisport (Italy), to provide employees with discounted memberships to gyms for swimming and other sports.
In the UK, as part of their flexible benefits, employees are offered gym memberships or participation in cycling programs. In Russia and Poland, the Company provides rented spaces where employees can organize matches, such as *Friday soccer games* or volleyball, while at three plants in the US, CNH Industrial sponsors recreational sports leagues for young people and adults.
Sports clubs and tournaments are also popular among employees. In Antwerp and Zedelgem (Belgium), seven hundred employees participated in the 11 different clubs organized by the Company. In Turin (Italy), three hundred athletes participated in 15 competitive sports, in partnership with other companies. In India, 190 employees participated in cricket and volleyball tournaments.
Sports also provide a great opportunity for employees to interact. CNH Industrial supports the participation of its employees in a variety of foot races, including the *Chase Corporate Challenge* in the USA and Australia.
In 2014, in Trappes (France), 14 female employees took part in la *Parisienne race*, which raised money to support breast cancer research (see also page 118).
In Brazil, a *Sports Day* is organized each year for six thousand employees and their families, offering everything from volleyball to training facilities, gymnastics, dancing, and activities for children. In India, *Sports Days* events are held lasting for three days.

Courtesy Services

To assist employees in maximizing time and saving money throughout the work day, CNH Industrial offers a variety of courtesy services at its sites.

At several of its locations, including in Brazil, China, Italy, Spain, Czech Republic, Poland, Russia, the USA, and Australia, CNH Industrial continues to offer on-site cafeterias or other meal services for its employees. Other services, like on-site dry cleaning drop-off and pick-up, are available at plants in Italy and the USA. At three facilities in Italy, employees are able to renew their driver's licenses at work, and in Brazil, employees are able to do their banking onsite as part of the Internal Banking Program.

In the NAFTA Region, employees can benefit from discounted tickets to local museums and zoos through the Company's corporate memberships. Through negotiated employee purchase plans, employees in the USA can also save money on certain expenses, such as phones or computers. In the UK, the flexible benefits portal gives employees information on discounts they can receive at a variety of shops.

In India, an Employee Help Desk Service was started in 2014 to provide support to all plant-based employees for activities such as train ticket reservations, payments of school fees, check deposits, and miscellaneous bill payments. Furthermore, in Regions where traffic congestion is a particular concern, CNH Industrial eases employees' commutes to work by offering flexible working hours (see also page 97), bus services, or memberships of carpooling programs (see also page 99).

LONG-TERM INCENTIVE PROGRAM

In 2014, CNH Industrial introduced a new long-term incentive program, covering a five year performance period, 2014-2018, designed to engage and retain key leaders across CNH Industrial. Awards were granted to approximately four hundred managers worldwide with the aim to strengthen key leaders' commitments to achieving the Company's long-term goals.

GRIEVANCES ON LABOR PRACTICES

In 2014, formal labor grievances leading to collective disputes were filed worldwide against the Company by either works councils, employee representative bodies, or unions.

In Spain, two complaints (both in favor of a group of employees) related to school subsidies for employees' children, as envisaged by the Collective Labor Agreement (CLA) in force, were filed by a union, and addressed and resolved by the conciliation body in charge of the mediation.
One grievance, related to the lack of information provided to the works council as per general local practice, was addressed and resolved by a conciliation body established by the industry/area-specific CLA in Belgium.
Two grievances - one related to the transfer of employees from a company belonging to the joint venture partner, and one related to the suspension of three employee-members of a union - were filed in South Africa and settled before the Dispute Resolution Center of the Motor Industry Bargaining Council.

The aforementioned extra-judicial mechanism is common practice at unionized sites/plants in the USA and Canada for individual complaints on various matters, provided that trade unions file their grievances against the Company according to the procedures and mechanisms set forth by the applicable CLA.
Almost 39% of the 126 grievances filed in North America in 2014 were related to attendance, 12.7% to issues associated with either CLA or Company policy violations, 11.9% to overtime and pay, 10.3% to job performances, and the same percentage to misconduct. The remainder was equally divided between grievances related to termination and to discipline. In total, 72% of the grievances were resolved, with the highest percentage of resolutions relating to misconduct (92%), attendance (90%), and overtime and pay (87%). If a grievance cannot be resolved by the conciliation body, the employee can appeal to an arbitrator. However, there have been very few such cases in North America, and just one ruling on labor matters against CNH Industrial in the past four years. A similar practice is in place at certain US non-unionized sites, where conciliation bodies, known as Peer Review Committees for Suspension and Termination (see page 82), are established according to Company policy. In 2014, these committees dealt with 37 complaints and resolved all of them.

In the LATAM Region, two complaints were filed against the Company in Venezuela, and addressed by the conciliation body established as per Company agreement. Both disputes - one related to the applicable CLA, and one related to dismissals resulting from a restructuring plan - were settled by the mediator.

GLOSSARY
Carpooling; DMA; LATAM

GRI
G4-LA16

HUMAN AND LABOR RIGHTS

2014 STAKEHOLDER INTERVIEWS

> Respecting and supporting human rights by global organizations can influence local companies in emerging markets to improve workers' conditions and community wellbeing

M. Grisanti, Italian National Committee for UNICEF

CNH Industrial respects and promotes human rights in keeping with national laws, the fundamental Conventions of the International Labour Organization (ILO), the UN's Universal Declaration of Human Rights, and the OECD Guidelines for Multinational Enterprises.

In addition to setting out principles of professional conduct, the Company's Code of Conduct also underscores the importance of respect for the individual.

The Company is committed to ensuring respect for fundamental human rights wherever it operates and seeks to promote respect for these principles by others where it has an influence, particularly contractors, suppliers, and all other entities and individuals with whom it has a business relationship. In fact, the Company will not establish or continue a relationship with an entity or individual that refuses to respect the principles of the Code.

CNH Industrial is opposed to any form of **forced labor**. The Company is committed to providing **equal opportunities** to all employees in the workplace and in their professional advancement, **free from any form of discrimination**, particularly that based on race, gender, disability, age, nationality, religious or personal convictions, or regarding other protected groups. CNH Industrial does not employ any form of **child labor**, meaning individuals younger than the legal working age in the country where the work is carried out, and, in any event, employs no one younger than fifteen, except where an exception is expressly provided by international conventions or local legislation.

DMA

CNH Industrial respects **freedom of association**. The Company recognizes the right of its employees to be represented by trade unions or other representatives established in accordance with local applicable legislation. When engaging in negotiations with such representatives, CNH Industrial seeks a constructive approach and relationship (see also page 59).

The Company seeks to implement a variety of measures to help employees address human rights in the course of their regular work. Specifically, in 2014, approximately four hundred hours of training were given to over five hundred employees, focusing on human rights and on the principles of non-discrimination.

DIVERSITY AND EQUAL OPPORTUNITIES

The Code of Conduct confirms CNH Industrial's commitment to offering all employees equal opportunities in the workplace and in their professional advancement. The head of Human Resources of each Region is responsible for ensuring that, in every aspect of the employment relationship, be it recruitment, training, compensation, promotion, relocation, or termination of employment, employees are treated on the basis of their ability to meet the requirements of the job. The Company rejects all forms of discrimination, and specifically discrimination based on race, gender, sexual orientation, personal and social status, health, physical condition, disability, age, nationality, religious or personal beliefs and regarding other protected groups.

Offering career opportunities and advancement free from discrimination while encouraging and respecting diversity are among the commitments emphasized in the CNH Industrial Human Capital Management Guidelines and CNH Industrial Human Rights Policies available on the Corporate website and on the Intranet portal.

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

In addition, a variety of Company initiatives are in place to build awareness of the importance of a diverse and inclusive workforce. This is the case in the NAFTA Region, where a specific Equal Employment Opportunity Policy ensures that relationships with employees, applicants, suppliers, and subcontractors are non-discriminatory, that management practices are developed aiming at affirmative action goals in compliance with the law, and that a work environment is fostered free from discrimination and harassment.

The responsibility for diversity management lies with the heads of Human Resources of each Region, who report to the Chief Human Resources Officer, a member of the GEC. Each one of them is responsible for the overall implementation of the Code of Conduct, and for the internal and external communication of the principles of the Code and its policies. A Compliance Helpline was activated in 2014, i.e., a web platform managed by a third party, enabling customers to ask questions or report possible violations of the Code of Conduct, Company policies, or applicable laws (see also page 57).

GLOSSARY
DMA; ILO; Emerging Markets; NAFTA; Stakeholders

GRI
G4-DMA; G4-HR2

Men and Women

The promotion of equal opportunities for men and women in the workplace is an objective shared by the Company and by employee representatives alike. This issue forms part of the social dialogue of each country, and follows local regulations and practices. In Italy, CNH Industrial legal entities with more than one hundred employees are required (under article 46 of Italian Legislative Decree no. 198 of April 11, 2006, and subsequent amendments) to present a report on male and female employment every two years.

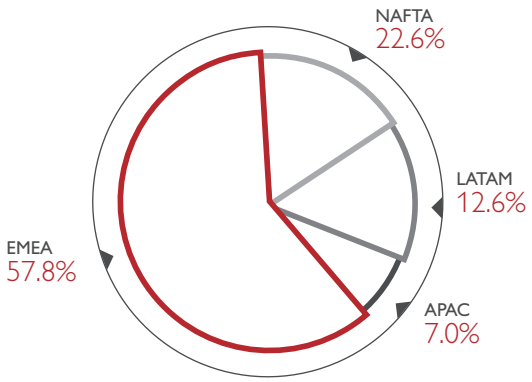
In 2014, the report for the period 2012/2013 was presented to union representatives and to the Regional equal opportunities advisor. These complex and multifaceted reports contain information on, among other things, training, rates of pay, promotion, and turnover.

The specific collective labor agreement envisages the setting up of an equal opportunities commission in each CNH Industrial legal entities, made up of Company representatives and workers. The commission is tasked with: monitoring employment conditions for women (also with reference to the two-year report); studying the feasibility of, and implementing initiatives aimed at, promoting affirmative action and encouraging behaviors consistent with equal opportunity principles; preventing discrimination, including that linked to workers' gender, race, or lifestyle; and examining any other disputes from an equal opportunity standpoint. It is worth mentioning that, of the 192 trade union agreements stipulated at Company level worldwide in 2014, nine also deal with equal opportunities matters (see page 105).

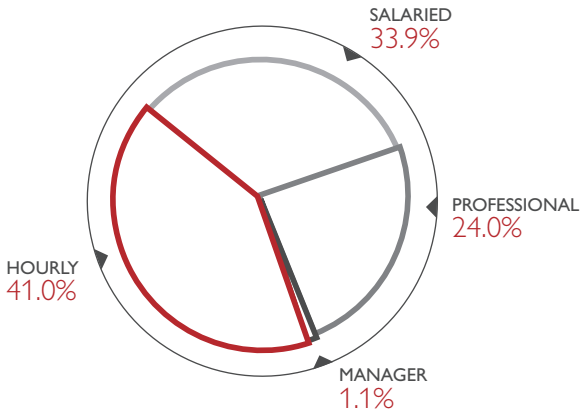
FEMALE EMPLOYEES

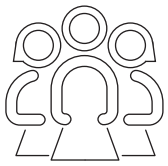
CNH INDUSTRIAL WORLDWIDE

BY REGION



BY CATEGORY





+3% in percentage of female employees

A study carried out in October 2014 on 99.8% of CNH Industrial's workforce globally showed that around 20% of workers are represented by joint committees, i.e., organizations comprising Company and worker representatives, with expertise in equal opportunities. It should be noted that, within the scope of trade union agreements and joint bodies, the concept of equal opportunities is not limited to gender equality.

Women at CNH Industrial represent approximately 14% of the global workforce. In 2014, the percentage of women in the Company's workforce increased by 3% over the previous year. There was an increase in women employees in all Regions (except APAC) compared with 2013. Despite a 10% increase, LATAM has less female employees (approximately 13%) compared to Company average, mainly due to the predominance of hourly employees, which represent 71% of the Region's total workforce and of which the majority are men.

Specifically, female employment is concentrated in the 31 to 40-year age group, and among those with 6 to 10 years of employment at CNH Industrial.

The proportion of female workers in each employment category has remained more or less unchanged compared to the previous year, apart from an approximately 4% increase in women employees within the manager category.

As regards distribution by qualifications, 75% of female employees have a medium/high level of education (37% hold a university degree or equivalent, and 38% a high school diploma). About 73% of the Company's part-time employees are female, while only about 12% of fixed-term contracts are with women.

For more information, see the tables in the Appendix on pages 246-249.

GLOSSARY
APAC; EMEA; LATAM; NAFTA

GRI
G4-LA12

Minorities

CNH Industrial's commitment to diversity and inclusion involves a range of initiatives to help employees work in an open, flexible, and challenging environment. Studies are carried out every one or two years to monitor quantitative changes and improvements.

In 2014, a survey[1] was carried out in 44 countries, covering 99% of the Company's workforce, to monitor employment of **disabled workers**. The regulations in certain countries (including Austria, Brazil, France, Germany, Italy, and Spain) require companies to employ a minimum percentage of disabled workers, which may also vary in relation to the headcount of the company or plant, since in many cases the requirement is only applied to facilities with a headcount exceeding a certain threshold. These laws also give employers the alternative option of paying contributions to specific funds for the differently abled, or of establishing agreements with the relevant bodies for the phased-in hiring of these individuals, or of pursuing other arrangements specifically defined by legal provisions. The survey showed that in these countries (15 mapped, accounting for about 68% of the Company's global workforce) disabled workers make up **3.3% of total employees** (versus the 3.1% reported in the 2012 survey). This average is the result of different scenarios and of local legislation which establishes minimum quotas ranging from 1.6% to 7%. These are calculated on, or with reference to, the headcount.
The survey also showed that differently abled women account for 24% of the total surveyed, ten percentage points more than the percentage of total female employees in the entire workforce (14%). In many other countries (including Argentina, Australia, Belgium, Canada, Mexico, Poland, the UK, and the USA there is no legislation relating to the employment of disabled people that establishes minimum quotas, although in some cases other forms of protection exist (i.e., related to working hours or workplace environments, specific grants/benefits for companies employing differently abled workers, etc.). In these countries (29 mapped by the survey) there are objective limitations to reporting the number of disabled workers, as the information is sensitive and often subject to data protection legislation; as a result, the Company is only aware of an employee's personal status if he/she chooses to disclose it.

In Brazil, due to the limited presence in the labor market of disabled workers and/or disabled workers with the skills necessary for employment, the FPT Industrial and Iveco plants in Sete Lagoas continued the *Inclusão Eficiente* (Efficient Inclusion) project launched in 2010 in collaboration with the Ministry of Labor. The project envisages twice yearly meetings between the Company and the relevant authorities and determines the number of disabled workers to be hired, together with the best approach (including training and educational programs) and timescale for their integration. It is envisaged that the program will be completed in 2015 with the fulfilment of all the remaining quotas for disabled employees.

In November 2012, Iveco France drew up a three-year agreement, with the approval of all five trade unions represented, which sets out specific policies and actions aimed at the recruitment, training, and development of differently abled people, along with their long-term employment. In Italy, in order to fulfill its obligations under Italian Law 68/99, various CNH Industrial legal entities defined or restarted the agreements process with the relevant authorities (suspended in previous years, in accordance with the law, due to the implementation of extraordinary temporary layoff benefits and collective redundancy schemes), designed to promote the inclusion of disabled people in the workforce. These agreements, provided for under current legislation, are a suitable mechanism for meeting society's wish to find employment for differently abled people, in that they balance the needs of the individual with the organizational and productivity requirements of the company. However, persisting economic difficulties for some business lines, and the consequent recourse to extraordinary temporary layoff benefits and collective redundancy schemes at certain Company plants/sites, resulted in both the suspension of these obligations, under applicable law, and the deferment of hirings scheduled for certain plants/sites.

An employee nationality survey[2] was carried out in 11 countries at CNH Industrial legal entities, comprising 85% of the Company's workforce worldwide. The survey evidenced that **3% of employees** (same percentage in 2013), evenly distributed between men and women, **belonged to a nationality other** than that of the country surveyed. As in previous years, Germany was once again the country where CNH Industrial legal entities employed the highest percentage of workers of a nationality other than that of the host country, with 9% non-German employees.

GRI
G4-LA12

(1) The survey, carried out on October 31, 2014, is performed biannually.
(2) Survey carried out on October 31, 2014 in Argentina, Belgium, France, Germany, Italy, Poland, Canada, USA, Brazil, Spain, and the UK.

Managers of Local Nationality

CNH Industrial encourages the appointment of local managers in all countries. However, international appointments may be made if considered as development opportunities for talented individuals, or to bring specific skills and expertise to other countries. When that happens, the appointed manager is required to invest in the selection and development of a local successor. This also ensures that specific skills and expertise are successfully transferred across countries.

MANAGERS OF LOCAL NATIONALITY BY REGION

CNH INDUSTRIAL WORLDWIDE (%)

	2014	2013	2012
EMEA	**82**	81	80
NAFTA	**91**	91	91
LATAM	**81**	68	57
APAC	**52**	42	42

Based on a CNH Industrial worldwide survey, figures in EMEA and NAFTA in 2014 were consistent with the previous year, whereas in LATAM and APAC local managers increased by 19% and 24% respectively. For details, see also page 247.

CHILD LABOR

As stated by the Code of Conduct, CNH Industrial does not employ child labor. Specifically, it does not employ people younger than the minimum legal age for employment in force where the work is carried out and, in any case, younger than fifteen, unless an exception is expressly provided for by international conventions and by local legislation. CNH Industrial is also committed to not establishing or maintaining working relationships with suppliers that employ child labor, as defined above (see also page 159).

In 2014, CNH Industrial surveyed 100% of its total workforce[4] to assess the level of compliance with the Code of Conduct with regard to child labor, confirming that none of its legal entities employed individuals under the statutory minimum age for employment or apprenticeship set by local legislation.

The survey also showed that no minor under the age of 18 employed by CNH Industrial under a regular employment or apprenticeship contract was exposed to hazardous working conditions[5].

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Under the CNH Industrial Code of Conduct, Company employees are free to join a trade union, in compliance with local law and the regulations of the various trade union organizations.

CNH Industrial recognizes and respects the right of its employees to be represented by trade unions or other representatives established in accordance with applicable local legislation and practice.

In 2014 (figures as at October 31, 2014), a survey on unionization was carried out in 28 countries where CNH Industrial operates, and where, at the time the data was collected, 83.7% of the total workforce worldwide was employed. Freedom of association is regulated by country-specific legislation.

In certain countries (such as Australia, France, Germany, and Switzerland), surveys on the level of trade union representation cannot be conducted because union membership is considered an employee's personal and private choice and, as such, is not communicated to the employer. In others (such as Denmark, Sweden, Norway, and Finland) this information can only be obtained following a request, with grounds, from the employer. At the time the survey was conducted, the countries excluded due to privacy data protection employed 15.6% of CNH Industrial employees, whilst the remaining countries not included in the survey employed 0.7% of the global CNH Industrial workforce.

It should be noted that, at the time of the survey, the countries with no employees affiliated with a trade union employed 1.2% of the population mapped.

GLOSSARY
APAC; EMEA; LATAM; NAFTA

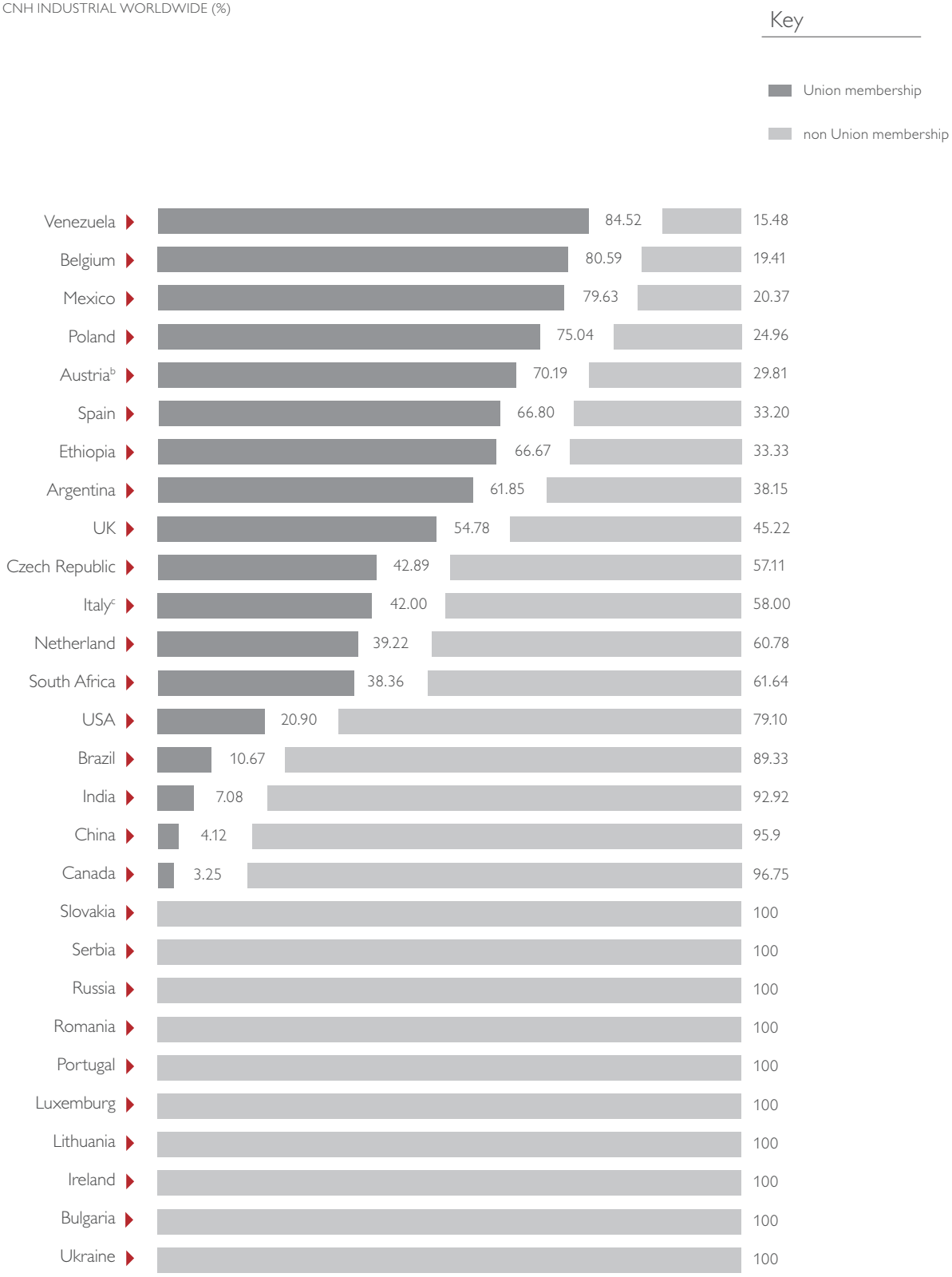
GRI
G4-EC6; G4-HR4; G4-HR5

(4) Study conducted on the total workforce as at October 31, 2014.

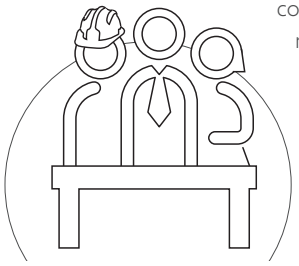
(5) For the purposes of the study, hazardous working conditions include: work with dangerous machinery, equipment or tools; the manual handling or transport of heavy loads; exposure to hazardous substances, agents or processes; exposure to health-damaging temperatures, noise levels, or vibrations; and work under particularly difficult conditions (long hours or night shifts).

UNION MEMBERSHIP[a]

CNH INDUSTRIAL WORLDWIDE (%)



(a) Survey carried out on October 31, 2014.
(b) In Austria, this information is permissible only in some legal entities. 68.1% of the workforce was mapped.
(c) Figures for Italy updated as at December 31, 2014.



78%
of employees covered by representative bodies

Representative Bodies

Representative bodies, normally elected by workers at the plant concerned, have the right to be informed and/or consulted and/or to enter into negotiation on issues that, as defined by law or applicable collective agreements, may include health and safety in the workplace, wages and benefits, organizational issues (working hours, shifts, collective vacations, etc.), training, equal opportunities, company restructuring, collective redundancy, etc.

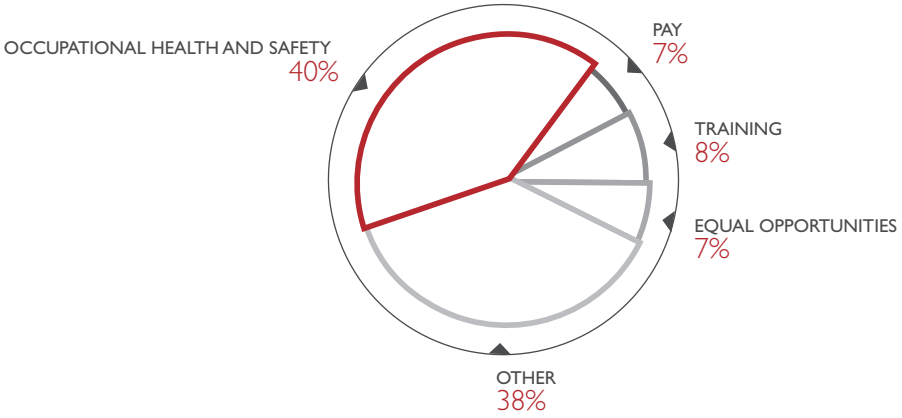
In the countries of the European Union, the establishment of employee representative bodies is envisaged for companies and/or sites where employee numbers exceed the minimum limits specified by national laws or procedures. In North America, these organizations are only present at sites where a trade union is already established. A survey carried out on October 31, 2014 in 47 countries, where 99.7% of CNH Industrial workers were employed, revealed the absence of any employee representative body in 23 of these countries (comprising only 0.8% of the sample surveyed). Worldwide, almost 78% of employees were covered by representative bodies.

Joint Committees

In October 2014, a survey conducted on 99.8% of all Company employees located in 44 countries showed that about 80% were represented by occupational health and safety joint committees (i.e., committees made up of company and worker representatives). Other joint committees with responsibility for equal opportunities, training, and pay were found to represent 20%, 9%, and 10%, respectively, of the employees surveyed. Moreover, 40% of those surveyed were represented by joint committees that deal with other issues, including:

- Peer Review Committees for Suspension and Termination, in place at several locations in the USA and Canada. The Company has a Review Panel procedure in place for the timely resolution of eligible employees' complaints about formal disciplinary actions, including suspensions and discharges. The Company may, at its sole discretion, exclude from panel review any formal disciplinary action that involves a violation of the Company's discrimination, harassment, or workplace violence policies. A Review Panel consists of three employees and two supervisors, and is facilitated by a Plant Human Resources representative or other trained individual. The facilitator is not a voting member of the Panel, but is responsible for facilitating the Panel Review hearing and seeing that the process is administered in a fair, consistent, and orderly fashion
- Joint Committees, mainly established in the EMEA Region, for the interpretation of collective agreements, the management of apprenticeships, and for social issues relating to single workers, housing, employee transportation, and cafeterias
- Joint Committees focusing on Production Systems and Organization at plant and/or production unit level, with the aim of facilitating the implementation of initiatives to achieve shared goals such as the optimization of work station ergonomics, as well as joint committees overseeing absenteeism, established in Italy according to the Collective Labor Agreement (CLA).

DISTRIBUTION OF JOINT COMMITTEES BY TYPE
CNH INDUSTRIAL WORLDWIDE[a]



GLOSSARY EMEA

GRI G4-LA5; G4-LA8

[a] *Data refers to the 44 countries covered by the survey.*

HUMAN CAPITAL DEVELOPMENT

2014 STAKEHOLDER INTERVIEWS

> Having the best people is key to being the best company

Novak, Martin Implement Dealer, USA

DMA

One of CNH Industrial's key challenges is growing and adapting to a constantly changing environment. The Company understands that the nature of today's socio-economic context calls for leaders able to evolve. A solid people management process is the key to success because it includes employees in the Company's business goals, makes the most of employee talent, and fuels workforce motivation. CNH Industrial is committed to supporting its employees through training initiatives, and by recognizing and rewarding their achievements and contributions to business results. In this manner, the Company not only measures itself against today's expected levels of global competitiveness, but also gains insight into potential improvements and succession plans that are essential for building the Company's future.
The Leadership Development function comes under the Human Resources Department, directly reporting to the Chief Human Resources Officer (CHRO), and is committed to developing human capital within the Company. This corporate team has dedicated resources in all Regions that directly support the Chief Operating Officer's Human Resource Business Partners (HRBP). The main responsibilities of the function are to oversee and deploy the Performance and Leadership Management (PLM) process throughout the organization, to define and implement the Succession Planning and Talent Review process, as well as more broadly to oversee talent management. As part of the latter process, Leadership Development partners with internal stakeholders (senior business leaders and the HRBPs) and with external institutions to identify the most critical business needs, and develop the best leadership development solutions specifically to answer those needs. The goal is to help the organization develop an internal pipeline to fill critical leadership roles in the future, thus contributing to the long-term success of the Company.
The conviction that people are the Company's greatest asset is the baseline principle of the Human Capital Management Guidelines, which aim to increase organizational effectiveness. These guidelines provide indications for all HR functions and managers worldwide on supporting and promoting the development of employees.

PERFORMANCE AND LEADERSHIP MANAGEMENT

Five key principles, set out in the CNH Industrial Human Capital Management Guidelines (publicly available on the Corporate website), underpin the Company's approach to the management and development of human capital:

- meritocracy – rewarding excellence
- leadership – a key driver in managing change and people
- competition – a factor to be embraced and encouraged
- best-in-class performance – a core benchmark
- accountability – delivering on promises.

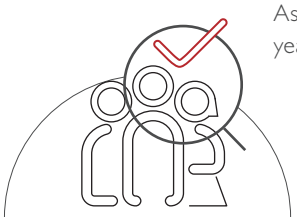
These principles are embodied in the Performance and Leadership Management (PLM) appraisal system, adopted worldwide to assess employees (managers, professionals, and salaried). It is one of the key processes used by CNH Industrial in the management and development of human resources. Through the PLM process, specific targets are set to help guide and assess employees based on their results, attitude, and behavior.

The CNH Industrial Leadership Development function implements the five key principles according to the following pillars, which are also defined in the guidelines:

- skills are an asset to be developed and shared. CNH Industrial is committed to helping people adapt in real-time to change in an increasingly complex world. As employee development and the continuous improvement of Corporate performance are closely interrelated, the Company's main objective is to increase the value of human resources through targeted programs. Indeed, training and knowledge management contribute to continuous improvement by developing cultural skills, reinforcing the Company's identity, and spreading its values
- leaders are the best guarantee for the future. To promote the value of leadership, CNH Industrial leverages a specific model based on two main dimensions - leading the change process and leading people. This is achieved by encouraging cultural change and enhancing leadership values to achieve outstanding results
- Talent Management and Succession Planning are central. Talent Management is a key lever in achieving the Company's talent development goals and releasing the potential of its people. Attracting, retaining, and developing leaders that can face future challenges, prioritizing the development of internal resources, is crucial to effective succession planning. A consistent, global approach that encourages cross-functional and cross-segment mobility across Regions allows Company-wide capitalization of the talent management process, and constitutes an essential competitive advantage. This process ensures that the leadership pipeline is continuously fed at all levels of the organization.

GLOSSARY
DMA; Stakeholders

GRI
G4-DMA



23,912
employees assessed using PLM

Performance Management System

As part of the performance management system, managers and employees sit down at the beginning of each year and discuss individual targets to be achieved during that year. Then, at year-end, individuals are evaluated on performance (i.e., achievement of business targets) and leadership (i.e., the ability to lead change, work as part of a team, and manage people). These two dimensions – performance and leadership – are plotted on a nine-square grid, to provide a brief assessment of the employee's results. Consistency in the evaluation process is achieved by comparison with the ratings of other employees in the same category/role. Calibrations within an expected distribution curve reduce the risk of inequity and align appraisal outcomes through defined criteria. The final results are discussed in an open dialogue between manager and employee on areas identified for improvement, contributing to validating the employee's performance and strengthening his/her bond with the organization. Upon completion of the process, employees can access their evaluation online, enter details on their professional aspirations, and request specific training to address areas identified for improvement, such as coaching, exposure to top management, etc.

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 organizational unit, as well as those only indirectly in their reporting line. In this way, individual employee performances are accessible and can be examined by top management within the organizational structure.

During 2014, performance and leadership mapping was carried out on 23,912 employees (of whom 5,258 were women), including all managers and professionals and 87% of salaried employees. The latter was a significant increase from the 66% mapped in 2013, and comprised more than 1,800 new employees, mainly in France, Germany, Czech Republic, and Spain. Every year, a training program on Performance and Leadership Management (PLM) for managers and employees is rolled out in each Region. In 2014, more than three hundred training sessions were managed worldwide (more than 230 in EMEA) with over 3,400 employees and managers taking part. Additional web-based training was made available to all managers and employees worldwide to support the process, and Leadership and PLM sections are available on the Corporate Intranet.

CNH Industrial's Chairman and CEO firmly believe that an organization's success is based on its personnel and, for this reason, they directly involve themselves in the PLM process. In 2014 they spent a day analyzing the results of the PLM process, focusing on top managers. In addition, the CEO spent more than two full days with the Regional and business Chief Operating Officers, focusing on their leadership teams. This process serves as the basis for all employee-related management decisions, and is a fundamental element in Talent Management and Succession Planning.

In addition to the PLM evaluation process, other individual performance appraisal processes are in place around the world. In 2014, such systems were applied to 4,338 men and 567 women, for a total of 4,905 employees (of which 87% were hourly).

In line with CNH Industrial's *Achieve and Earn* philosophy, designed to promote a high-performance culture and reward those who achieve results based on performance and leadership, the results of PLM assessments are used as the basis for the individual contribution component of eligible employees' variable compensation. This demonstrates the extent to which the Company values a high-performance culture focused on results, and rewards achievements (performance) and the means to achieve those results (leadership).

TALENT MANAGEMENT AND SUCCESSION PLANNING

CNH Industrial operates in dynamic, highly competitive industries where success is achieved through the presence of talented individuals within the organization, and by appointing the right people to key positions. These objectives form the basis of the Talent Management process, which identifies the most talented employees and fast tracks their development. The selected individuals are offered professional opportunities that allow them to gain experience in other geographic areas or segments, enabling the Company to develop effective succession plans that give priority to candidates from within the Company.

The process is conducted in a uniform manner across countries, functions, segments, and levels of the organization. Key individuals, selected on the basis of their professional profile (in terms of performance and leadership) and potential for growth in positions of greater responsibility, are evaluated through a process that directly involves management, from the immediate supervisor to top management.

In June 2014, the CEO held the first CNH Industrial Talent Review together with top management. The Group Executive Council (GEC) dedicated one full day to review 160 key leadership positions and 332 successors for first line positions, including the assignment of key roles, the assessment of 274 talents along with initiatives to support their development, and international/cross-functional career plans.This was the final step in a comprehensive company-wide process led by each GEC member within their individual functions.

The program focused on ensuring that all key leaders were developing both a short-term and long-term succession plan. Through this process, attention was focused on talented individuals with less experience, not yet widely known within the organization but meriting investment as potential leaders for the future.

GLOSSARY EMEA

GRI G4-LA11

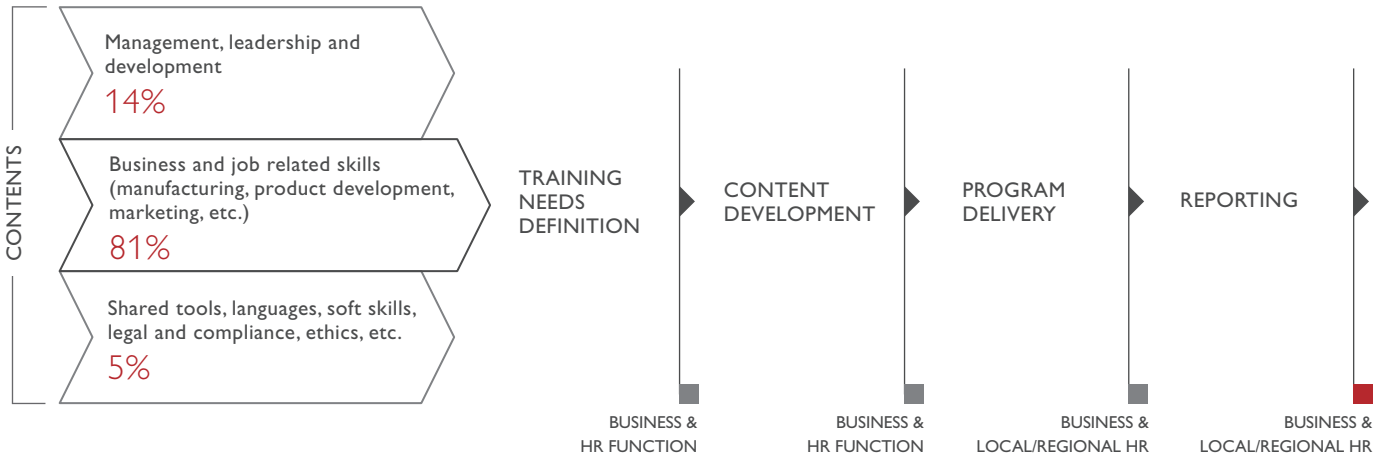
Top Management Seniority

The importance that CNH Industrial gives to the development of its internal human resources is demonstrated by an average length of service within the Company of 19 years for the members of the GEC, ranging from 6 to 44 years. The 184 Business Leaders that report directly to GEC members have an average length of service of 15 years, ranging from less than 1 to 44 years.
In 2014, 211 managers were promoted internally, while 33 were hired from outside the Company.

TRAINING AND DEVELOPMENT

CNH Industrial believes that employee training is key to skill management and development. Training allows sharing operational and business know-how, as well as the Company's strategy and values.
CNH Industrial applies a Training Management Model to enable a more effective and flexible response to evolving training needs arising from changes within the Company and in the economic environment.
The Company manages training through a four-step process: training needs identification, content development, program delivery, and reporting. Ownership of each lies with different corporate functions, depending on the areas of content or expertise to be enhanced.

CNH INDUSTRIAL TRAINING MANAGEMENT MODEL



The Training Management Model is business-oriented; business functions are therefore deeply involved in the four steps of the training process for content areas such as:

- management, leadership, and development
- business and job-related skills
- shared tools, languages, soft skills, legal aspects and compliance, ethics, etc.

The Leadership Development function of Human Resources facilitates the overall training process by providing both functional and regional support.
CNH Industrial manages the overall training process through a global **Learning Management System**, an Internet-based corporate tool available to employees via Corporate Intranet. The Learning Management System allows defining and managing a comprehensive learning process for each employee based on business, location, and/or specific individual needs.
The Leadership Development team serves as the Training Committee, specifically monitoring the implementation of CNH Industrial's Training Management Model. It comprises representatives of HR Leadership Development EMEA, NAFTA, LATAM, and APAC, HR Training EMEA, and HR Leadership Development FPT Industrial.
The head of Leadership Development, reporting to the Chief Human Resources Officer, serves as the Chairman of the Training Committee.
CNH Industrial builds upon segment-specific training programs, deeming that the most effective solutions are specifically tailored to individual needs.

GLOSSARY
APAC; EMEA; LATAM; NAFTA

Training effectiveness and efficiency is monitored and measured on an ongoing basis using KPIs such as the Kirkpatrick scale[1]. Training effectiveness is evaluated on the basis of:

- participant satisfaction with the initiative (reaction)
- improvement in individual knowledge/skills (learning)
- applicability of concepts learned to work processes (behavior).

To verify whether the desired outcomes have been achieved, the Leadership Development team centrally monitors:

- number of participants involved in training initiatives
- hours of training
- direct cost of training.

Each function is then responsible for providing and for locally following up on the above information.

Training in Numbers

In 2014, CNH Industrial invested $6.2 million in training. The training strategy relies on the use of in-house experts in the teaching process, reducing the total investment. A total of 803 thousand training hours were provided to approximately 42 thousand individuals, of whom 84% were men and 16% were women. Of the total employees participating in training, 49% were hourly, 49% salaried and professionals, and 2% managers.

Each employee received an average of approximately 19.1 hours of training (hourly employees averaged 18.0 hours, professionals and salaried employees 20.7 hours, and managers 11.9 hours) compared with the average of 13.9 hours in 2013. Female employees received an average of 17.9 training hours each, male employees an average of 19.3 each.

In addition, around 253 thousand hours of training on **occupational health and safety** topics were delivered to about 32 thousand employees (of whom 24 thousand were hourly), and approximately 42 thousand hours of training on **environmental** issues delivered to around 24 thousand employees (see also pages 90; 170).

Investments in classroom, online, and on-the-job training focused primarily on the development of job-specific expertise (81%), language and other programs (5%), and management skills (14%).

Most corporate learning campaigns are delivered online, which allows individuals to pursue training when most convenient and minimizes work disruption by allowing them to remain in their place of work.

The Company disseminates the principles of the Code of Conduct and the values of good Corporate Governance to all employees, irrespective of level or role, through specific periodic training and other information channels. In 2014, approximately 18 thousand hours of training on **human rights** and other **Code of Conduct** aspects, along with **anti-corruption** training, were given to approximately 18 thousand employees (see also pages 59; 77).

EMPLOYEE DEVELOPMENT PROGRAMS

CNH Industrial firmly believes that a more skilled and knowledgeable workforce enhances the value of human capital and contributes to employee satisfaction, which correlates strongly with improved performance. Key to individual development is the relationship with the manager, who regularly guides and coaches employees. In addition, and to complement and further support development, the HR Department proposes specific programs, for the most part customized according to people's individual needs.

Specifically, the *Lead to Win* development program was launched for selected, talented non-managerial employees with the aim of involving them in an Action Learning Project. In NAFTA, 2014 marked the second year of this initiative, and CNH Industrial is working to bring the program to other Regions in the coming years.

The *Lead to Win* program was created to accomplish several key objectives:

- assess the leadership capabilities of emerging talent and create an individual development plan to help prepare for success in a CNH Industrial leadership role
- help employees grow in their understanding of the business, beyond their normal day-to-day experience, working on projects that offer real solutions to business problems
- provide participants with an opportunity to collaborate and build relationships with talented peers from across the organization
- allow participants significant exposure to senior leadership in the organization.

In 2014, the *Working as One Company* campaign, promoted by the Internal Communications Department, was rolled out globally with the aim of actively building a culture to support and drive behaviors aligned with business strategy. The campaign was deployed through specific communications and training initiatives, such as town hall meetings, and staff and team meetings.

GLOSSARY
KPI; NAFTA

GRI
G4-LA9; G4-HR2; G4-SO4

(1) *The Kirkpatrick scale is a methodology for evaluating the effectiveness of training courses; it involves different levels of measurement, and is applicable to any organization.*

CNH Industrial continually works on enhancing the employability of its personnel. The *Job Posting* program is active in the majority of the countries in which CNH Industrial operates, with the aim to promote internal mobility.
Job Posting works as an internal marketplace where supply and demand for professional opportunities come together in a transparent and efficient manner, following some key principles:

- giving visibility and priority to internal candidates
- encouraging a self-driven and proactive approach from employees
- developing a new relationship at various levels of the organization between the individual and his/her manager
- fostering transparent relations with the employee (giving clear feedback to all candidates during the selection process).

Each Region posts open positions, making them visible to all employees within the Region. In some cases, employees are also allowed to apply for positions outside of their Region.
Over the course of 2014, the program advertised 1,220 positions, and more than three thousand internal candidacies were received from all over the world. The majority of the positions were posted in NAFTA and EMEA.

The Company also develops specific programs to manage career endings, helping employees transition to new jobs and re-orient themselves in the job market. An internal analysis revealed that outplacement services, outsourced to external partners, are available in 21 countries. Based on specific needs, and at the Company's discretion, CNH Industrial offers outplacement services to managers, provided by carefully selected external partners. In 2014, the service was utilized by approximately thirty people, mainly in Italy and the USA.

PEOPLE SATISFACTION SURVEYS

CNH Industrial recognizes that people satisfaction surveys are a useful tool not only for measuring the level of employee satisfaction, but also for identifying improvement opportunities that meet the needs and expectations of the entire organization.
In 2014, across Regions, CNH Industrial started to gather information provided by departing employees during their exit interviews/surveys. The goal was to help organizations understand what employees look for in a new organization, to determine how actively they had been seeking new employment (or were recruited by other organizations), and to design action plans addressing any potential areas of dissatisfaction.
In NAFTA and LATAM, for example, departing employees are asked to complete a questionnaire about management, career development, Company culture, and the work environment. Human Resources consolidate data on a monthly/quarterly basis and share specific business unit feedback with the relevant managers, in order to address specific concerns within their areas. CNH Industrial's results and reputation are benchmarked against external competitors, based on comments and feedback from current employees.
Interviews provide the Company with important and useful information that is ultimately an indication of employee satisfaction.
Furthermore, in 2014, 850 employees in Mexico took part in the annual *Great Place to Work Institute* survey, to assess their level of labor culture improvement since receiving the Institute's certification.

FOCUS ON

CNH INDUSTRIAL AMONG BEST COMPANIES TO WORK FOR IN BRAZIL

In 2014, CNH Industrial was classified among the *150 Best Companies to Work For in Brazil*, within the scope of the most important organizational climate survey in the country. The survey was conducted by Voce SA Magazine (published by Editora Abril, one of the largest and most influential media and educational groups in Latin America), in partnership with *Fundação Instituto de Administração* of the University of São Paulo, one of Brazil's leading higher education institutions, recognized throughout the world in a number of rankings. CNH Industrial successfully completed a series of stages in order to be included on the list. First, a report was drawn up summarizing various human resources policies and practices in the Company, divided into seven categories: strategy and management, leadership, compensation, careers, health, development, and corporate citizenship.
At the same time, nine hundred employees were selected at random by the publisher to answer an online satisfaction questionnaire consisting of 64 questions covering various issues relating to identity, satisfaction and motivation, learning and development, and leadership. In the final stage, a journalist from the magazine visited the Company to meet employees and the heads of Human Resources.
The result reflects the efforts and commitment of all employees to making CNH Industrial one of the most respected and high-profile companies in Brazil.

GLOSSARY
EMEA; LATAM; NAFTA

GRI
G4-LA10

INTERNAL CULTURE DEVELOPMENT AND COMMUNICATION

DMA

In 2014, one of the Company's primary objectives was to support change management and integration, continuing the process started in 2013.
As part of these efforts, CNH Industrial carried out a series of internal communication initiatives focused on:

- aligning employees with Company goals and results
- spreading and fostering the Company culture through a variety of communication tools and initiatives
- supporting motivation and people engagement.

At CNH Industrial, the Internal Communications function is a center of expertise within Human Resources. The global head of Internal Communications reports directly to the Chief Human Resources Officer and is responsible for a team organized according to Company-wide processes (Corporate Messages and Publications, Intranet and New Media, and Internal Campaigns and Events) and regional activities. The manager of each process reports directly to the head of Internal Communications, as do the four managers responsible for communications activities in the EMEA, NAFTA, LATAM, and APAC Regions. The Regional Internal Communications managers also work in coordination with the Regional heads of Human Resources.

In 2014, CNH Industrial continued to **ensure internal alignment and constant information** throughout the organization via several communication channels. In particular, its employee magazine *LINK*, printed quarterly in 14 languages and with a circulation of over seventy thousand, delivered success stories from across the globe to unite the Company and align employees with common goals. The Company also circulated the *CNH Industrial Post* newsletter, designed to deliver information on the quarterly results to both salaried and hourly employees in local languages and in easy-to-read digital and poster formats.
Moreover, a Company results presentation, designed specifically for internal use, was shared through town hall meetings held across all Regions. Thanks to these events, employees had the opportunity to listen directly to top management on the subject of earnings results, and to ask questions. A survey was carried out following the meetings, and the response in each of the Regions showed that the events were appreciated by over 90% of participants.

During the year, CNH Industrial continued to develop initiatives aimed at **spreading and fostering the Company culture**. Among these was the *Working as One Company* campaign, a flash video designed to present figures and specifics on CNH Industrial and its brands, explain the new organizational structure, and illustrate required behaviors and ways of working (see also page 86). Moreover, an *Orientation Handbook* was created for new employees to present the Company in a consistent way, while providing specific information on local policies and services.
CNH Industrial improved its monitoring and feedback system in 2014, with a focus on enhancing the measurement of the effectiveness and reach of its communication tools. For salaried employees, the Company utilized electronic surveys to solicit feedback on local events in all Regions. Moreover, in the NAFTA Region, a feedback campaign and quiz was carried out locally at three plants to better understand how to improve communication to hourly manufacturing employees.

OUR PROJECTS

SUSTAINABLE BEHAVIOR CAMPAIGNS

CNH Industrial launched several campaigns to promote sustainable behaviors and foster education and awareness on key subjects. The *Action for Road Safety* initiative continued to educate employees on best practices and safe driving etiquette, in particular through a series of communication highlights related to the *Ten Golden Rules of Road Safety* (see also page 124).
The Traveling to Cost Savings and Smart Traveling campaigns were aimed at informing employees of relevant policy changes through animated infographics, while educating them to take a responsible approach to business travel. The Videomeeting campaign encouraged employees to use telepresence, as a more sustainable option to business meetings, instead of traveling (see also page 101). The *A Call for Cost Savings* campaign informed employees of ways to reduce spending by adopting the correct use of Company telecommunications devices.

GLOSSARY
APAC; DMA;EMEA; LATAM; NAFTA

GRI
G4-DMA

A variety of events were also planned to support **motivation and people engagement** in 2014. To benefit employees and their families, CNH Industrial continued to organize *Family Days*.

In EMEA, the Company held events celebrating significant brand and plant anniversaries at Ulm, Germany (150 years), Basildon, UK (fifty years), and Antwerp, Belgium (fifty years).
With a focus on hourly employees, in 2014 the Company launched the *Fairs Award* initiative in the EMEA Region. This activity was designed to boost employee motivation and strengthen their commitment and sense of belonging to CNH Industrial. Participants, selected from different plants, were offered the opportunity to see the products they work on every day displayed at trade fairs, along with those of the Company's main competitors. Similar initiatives were also carried out in the LATAM Region.
As usual, CNH Industrial took advantage of national holidays to organize specific engagement initiatives. In India, employees attended a Company-organized event for the *Vishwakarma Pooja festival* and, in Italy, more than 7,500 children under ten participated in the *Natale Bimbi* Christmas celebrations, held yearly for CNH Industrial employees.

In NAFTA, over five hundred people attended the annual family day celebration at the Chicago Children's Museum, with free food and entrance to the museum thanks to the Company's corporate membership.

In LATAM, year-end parties were held for around 7,600 employees in Brazil, nearly four hundred employees and family members in Argentina, and seven hundred employees and their families in Venezuela. In addition, in Brazil, more than 1,200 family members were invited to visit employees at their place of work during family days.

In the APAC Region, a special day was arranged for the opening of the new agricultural plant in Harbin, China, involving around four hundred employees and their families. In India, employees took part in a family day held at the Case Construction plant. Moreover, in APAC, the Company dedicated space to different cultures through tailored communications to commemorate locally significant holidays and festivities.
To engage employees in their local working environments and meet specific information needs, CNH Industrial continued to improve and enrich its local publications. In 2014, ten newsletters and seven magazines were available in support of local communication and engagement. An important addition was the *Close to You* Chinese newsletter, especially created to connect and involve employees at the various sites in the country.
As per previous years, all communication activities carried out in 2014 were supported and enhanced through the Company Intranet, a long-term, large-scale communication tool to inform and unite employees worldwide. During the year, this source of daily information and news was enriched with new features and content, including the promotion of sustainable campaigns, such as the UN *World Environment Day*, to further reinforce Company values and culture. Furthermore, a news publishing tool was created to enable users in different regions to contribute with local content. These features improved the Company's capacity to reach employees and deliver information to them in a timely and tailor-made manner.

GLOSSARY
APAC; EMEA; LATAM; NAFTA

OCCUPATIONAL HEALTH AND SAFETY

DMA

As stated in CNH Industrial's Code of Conduct, occupational health and safety is an employee's fundamental right and a key part of the Company's sustainability model. This is why occupational health and safety is one of the most significant aspects for the Company, as evidenced in the materiality matrix (see also page 21).

CNH Industrial's approach to occupational health and safety is based on effective preventive and protective measures, implemented both collectively and individually, aimed at minimizing risk of injury in the workplace. CNH Industrial endeavors to ensure optimal working conditions, applying principles of industrial hygiene and ergonomics to managing processes at organizational and operational level. The Company implements the same standards in all countries in which it operates, even where regulatory requirements are less stringent, believing this to be the only way to achieve excellence.

Safety management engages all employees in creating a culture of accident prevention and risk awareness, sharing common, ethical occupational health and safety principles to achieve improvement targets (the proactive approach) via different tools, such as training and awareness campaigns. Specifically, in 2014, approximately 253 thousand hours of training on occupational health and safety topics were delivered to about 32 thousand employees (see also page 86).

CNH Industrial also requires its suppliers and partners to comply with all worker health and safety regulations, focusing on continuous improvement by fostering high standards throughout the value chain. These principles are outlined in the CNH Industrial Health and Safety Policy, adopted by CNH Industrial at its foundation. The policy is available to all employees and interested stakeholders on the Corporate website.

Safety is integral to corporate and manufacturing processes, and exceeds regulatory requirements; this is evidenced by the compliance of management systems with both the OHSAS 18001 international standard and the continuous improvement principles of World Class Manufacturing (WCM). Occupational safety is one of the WCM pillars. Different criteria apply, depending on the level of WCM implementation within a plant: to be eligible for the *Bronze Level*, a plant's accident frequency rate[1] must be less than one per one hundred thousand hours worked. More stringent requirements apply to silver and gold levels (see also page 164).

CNH Industrial sets ambitious annual targets for occupational health and safety, aimed at continuous technical, educational, organizational, and procedural improvements. Continuous improvement is achieved through preventive and corrective action plans in which targets take account of the particular nature of the work, experience, and technical advancement, while safeguarding employee health and the surrounding environment. These targets are then included in the Sustainability Plan (see also page 31), which is periodically monitored and updated.

Each management phase, from planning to implementation, is integrated into Company processes, encompassing adherence to guidelines, operational procedures and directives, as well as periodic internal audits and management reviews. The combination of these elements enable effective management, the evaluation of results, and their subsequent disclosure through the Corporate website and the Sustainability Report.

RESPONSIBILITY AND ORGANIZATION

Occupational health and safety is safeguarded and promoted in every sphere of operations and in every country where CNH Industrial is present, and implemented through an organizational structure shared across the Company's global Regions.

Specific responsibilities in the fields of health, safety, and the environment are defined in compliance with national regulations, and assigned by employers with clearly identified areas of competence. Management at plants and in the workplace rests with local employers.

Every manufacturing plant has an Environment, Health and Safety (EHS) unit, responsible for dealing with occupational health and safety issues, as well as for providing specialized technical assistance to production managers and to those in charge of all other Company processes.

Plant EHS units are coordinated by Regional EHS units, which ensure adherence to the Health and Safety Policy and compliance with all applicable regulations. In addition, Regional EHS units provide specialized assistance for all Company processes that impact safety.

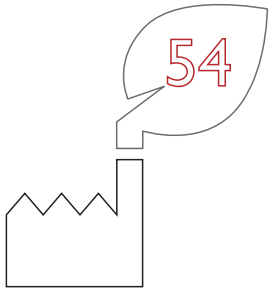
The Governance and Sustainability Committee, a subcommittee of the Board of Directors, is informed of the health and safety results published in the Sustainability Report, and makes comments where appropriate.

Individual health and safety targets were included in the Performance and Leadership Management system (see also page 31) of both plant managers and of most of the managers responsible for the projects indicated in the 2014 Sustainability Plan.

GLOSSARY
Audit; DMA; Frequency rate; OSHAS 18001; Stakeholders; WCM

GRI
G4-DMA

[1] *The frequency rate is the number of injuries divided by the number of hours worked, multiplied by 100,000.*



OHSAS 18001 certified plants

CERTIFICATION PROCESS

The certification of occupational health and safety management systems as per the OHSAS 18001 international standard covers 54 CNH Industrial manufacturing plants worldwide, and almost 47.8 thousand people.

Certifications are awarded by accredited international bodies that are themselves continuously and rigorously monitored by international organizations, such as Accredia and SAS, to ensure and certify their high levels of reliability and operational and procedural standards.

In 2014, the occupational health and safety management systems at some non-manufacturing sites were OHSAS 18001 certified, accounting for about 2,200 people at eight different sites and locations. A total of 62 CNH Industrial sites worldwide (manufacturing and non-manufacturing) are now OHSAS 18001 compliant, covering almost fifty thousand people. In 2014, OHSAS 18001 certification was extended to all joint venture plants in which CNH Industrial has at least a 50% interest.

OHSAS 18001 CERTIFIED PLANTS

CNH INDUSTRIAL WORLDWIDE (no.)

	2014	2013	2012
Certified plants	**54**	53	56
Employees working at certified plants	**47,795**	49,024	45,933

OHSAS 18001 CERTIFIED NON-MANUFACTURING SITES

CNH INDUSTRIAL WORLDWIDE (no.)

	2014	2013
Certified non-manufacturing sites	**8**	6
Employees working at certified sites	**2,181**	1,291

The effectiveness of management systems is verified through regular, documented, and substantiated audits. These are performed by qualified internal auditors, as well as by either industry-specific auditors or external, independent certification bodies (second and third party external audits).

AUDITS AND EMPLOYEES COVERED

CNH INDUSTRIAL WORLDWIDE

	2014	2013	2012
Internal audits (no.)	**798**	595	565
External audits (no.)	**75**	91	106
Total employees covered by external audits (thousands)	**48.09**	53.16	49.02
Audited employees out of total headcount (%)	**69.48**	77.86	78.35

In 2014, the Enterprise Management System, compliant with the ISO 14001, OHSAS 18001, and ISO 50001 standards, was launched in NAFTA to harmonize and enhance the effectiveness of the management system. This creates closer links between plants and corporate functions, increasing efficiency.

SAFETY CULTURE

DMA

The Company's Health and Safety Policy fosters individual participation through communication and awareness activities designed to stimulate and motivate staff to play an active role in the improvement process. This approach is all the more important in a multinational and interdisciplinary environment embracing multiple cultures and legal frameworks, and large numbers of people.

One of the initiatives implemented in 2014 to promote a culture of safety was the *Safety Golden Rules*. All CNH Industrial plants in Latin America issued the nine safety rules to each of its employees, visitors, and contractors. The Golden Rules are a set of procedures and regulations, with examples, based on best practices and on the experience of the organization. They were implemented to assist and guide all employees, contractors, and visitors on safe behavior in their everyday work.

GLOSSARY
Audit; ISO 14001; ISO 50001; OHSAS 18001; NAFTA

In addition, the *Top 15 Safety* project was implemented at all plants worldwide, with the gradual phasing-in of the guidelines. *The* project provided standardized methods to draw the attention of employees, visitors, and external companies on plant premises to safeguarding health and safety in the workplace. Specifically, it defined new guidelines and introduced new universal standards relating to staircases, entrances, and pedestrian passageways, work attire for logistics departments, and the visual management of machine lock-out and testing.
The Corporate Intranet is an important communication tool used by the professional team dedicated to safety. It enables access to a broad range of informational and educational material, including the documentation regarding OHSAS 18001 certification programs (guidelines, and general and operational procedures). Furthermore, in 2014, all employees were notified online about the *World Day for Safety* and *Health at Work*, an initiative promoted by the International Labour Organization (ILO) to promote the prevention of occupational accidents and diseases globally. This year's theme was Safety and Health in the use of chemicals at work. The Company took advantage of the event to circulate information pills on, among other themes, how to deal with the risk of chemicals at home.
CNH Industrial's plants have launched many initiatives worldwide to spread the culture of safety. Between 2013 and 2014, every plant manager and Manager of the Business Unit (MBU) in the EMEA Region took part in a two-day hands-on workshop on an internationally recognized safety management method. In total, seven training sessions were organized at different locations, involving about 150 managers.

OUR PROJECTS

AN APP TO INNOVATE ACCIDENT PREVENTION

In 2014, testing began at the Basildon plant (UK) on an application, financed by the European Union, involving CNH Industrial and City University London. The app is called *Safety Risk Hunting*, and enables digitalized risk hunting. The aim of the project is to enhance plant safety, helping personnel to be more aware and attentive when reporting safety issues. With the app, employees at Basildon can send suggestions and report issues simply and intuitively. The application is intended for devices such as tablets, smartphones, and PCs, which for the first time are becoming a means for enhancing safety. The app employs a semantic engine that analyzes and understands what the user is typing, before offering solutions from the memory relating to similar situations, collected over the years at Basildon according to the principles of World Class Manufacturing. If an employee has additional suggestions, these can be added to the database.

OCCUPATIONAL HEALTH AND SAFETY PERFORMANCE

In 2014, approximately $114 million was spent on improving health and safety protection, representing 2.5% of personnel costs[2]. The yearly expenditure on improvements to occupational safety and working conditions (worker protection, structural improvements, inspections of plants and working environments) totaled almost $102 million, while approximately $12 million was spent on employee health (health care costs).
The investments in health and safety led to savings on the insurance premiums paid to the Italian National Institute for Insurance against Accidents at Work (INAIL) of over $7 million in 2014, and approximately $4 million in 2013. The difference in savings between the two years was due to factors such as the increase in wages insured and the improvement in safety performance.

Accident Rates

Accident rates are a clear indicator of how successful a company has been at preventing industrial accidents.
Owing to the Company's many initiatives mentioned above, the overall frequency rate in 2014 fell to 0.25 injuries per one hundred thousand hours worked, an 11% drop compared to the previous year. The severity rate was 0.09 days of absence per one thousand hours worked (-10% compared to 2013). The reporting scope covered 95% of the Company's total headcount.
The breakdown by gender showed that the percentage of accidents causing an absence of at least three days among female employees was 8.5%[3] of total accidents, less than the percentage of female personnel in the total workforce covered (11%).

GLOSSARY
EMEA; Frequency rate; ILO; NAFTA; OSHAS 18001; Severity rate; WCM

GRI
G4-LA6

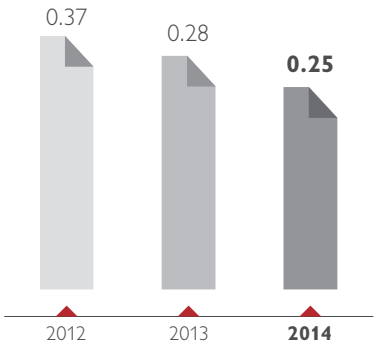
(2) Personnel costs totaled $4,552 million in 2014.
(3) Data does not include CNH Industrial plants in NAFTA.

-11%
in accident
frequency rate

In 2014, for accidents involving contractors operating at CNH Industrial plants worldwide, the overall frequency rate was 0.44 injuries per one hundred thousand hours worked, a 32% drop compared to the previous year. As regards the breakdown by gender, the percentage of accidents causing an absence of at least three days among female employees of external companies was approximately 28%[4] of total accidents.
No fatal accidents were reported in 2014 involving employees, contractors, or anyone else working at CNH Industrial facilities worldwide.

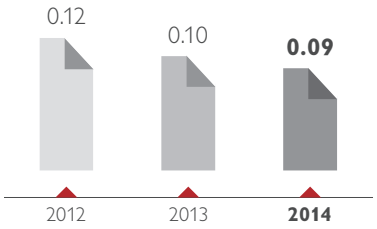
FREQUENCY RATE[a]

CNH INDUSTRIAL WORLDWIDE (accidents per 100,000 hours worked)



SEVERITY RATE[b]

CNH INDUSTRIAL WORLDWIDE (days of absence per 1,000 hours worked)



(a) The frequency rate is the number of injuries reported (resulting in more than three days of absence) divided by the number of hours worked, multiplied by 100,000.
(b) The severity rate is the number of days of absence divided by the number of hours worked, multiplied by 1,000.

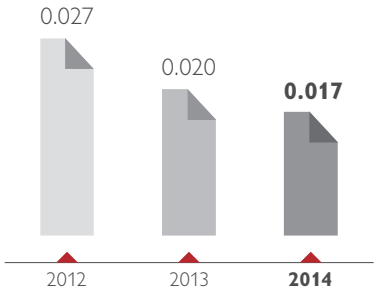
In 2014, 3,887 near misses[5] were reported and analyzed, leading to remedial actions that further reinforced preventive measures (a drop of 19% versus 2013). Activities continued in 2014 across CNH Industrial to develop and disseminate tools to collect, analyze, and trace events (injuries, events requiring first aid, and near misses), unsafe acts, and unsafe conditions, in order to improve their respective management as well as the effectiveness of preventive measures.

Occupational Diseases

Specific occupational disease indicators reflect a company's success in providing a healthy work environment for its employees. Occupational diseases are the result of lengthy, gradual, and progressive exposures during work activities to chemical, physical or biological agents harmful to workers.
Occupational diseases are constantly monitored in order to identify persistent working conditions that may have caused their onset, assess any residual risks and, if necessary, implement corrective and improvement measures to prevent recurrence. The onset of occupational diseases today is mostly associated with working methods and environmental conditions that no longer exist within the Company, as they have long since been improved and/or eliminated.

OCCUPATIONAL ILLNESS FREQUENCY RATE (OIFR)[a]

CNH INDUSTRIAL WORLDWIDE (cases of occupational illness per 100,000 hours worked)



(a) 2013 data restated with respect to the 2013 Sustainability Report.

In 2014, 18 cases of occupational diseases were ascertained by the relevant insurance authorities within the countries of reference.

(4) Data does not include CNH Industrial plants in NAFTA.
(5) Near miss: an unplanned event that did not result in injury, illness, or damage, but had the potential to do so.

GLOSSARY
Frequency rate; Near miss; Severity rate

GRI
G4-LA6

SAFEGUARDING HEALTH

At CNH Industrial, safeguarding employee health goes beyond reducing accidents and illnesses: the Company is committed to promoting the psychological and physical wellbeing of its people through specific disease and disorder prevention programs, backed up by assistance and support services (see also page 95).

Work-Related Stress

For some years, CNH Industrial has undertaken initiatives to assess work-related stress. Specifically, it has adopted a structured process of risk analysis, consistent with the nature of the Company in relation to the workplace, and in compliance with the specific regulations in each country. Work-related stress risk assessments are influenced by environmental, cultural, and psychosocial factors; consequently, employee response may differ from country to country. The systematic assessment of this type of risk therefore helps to identify the most appropriate mitigation tools and promote employee wellbeing at all Company plants. The outcomes of this process are continuously monitored to assess the effectiveness of measures and to implement new tools.

Workstation Ergonomics

To foresee potential problems before they arise, as well as to identify and contain critical situations, CNH Industrial continually monitors workstation ergonomics at numerous plants across the Regions. The probability and severity of an injury can be reduced by taking account of human physiology and of how people interact with equipment, right from the design phase of working environments. To improve health, safety, and comfort, as well as employee performance, CNH Industrial makes use of in-house expertise to study workplace ergonomics, often through virtual simulations and often in close collaboration with qualified university institutions.

Specifically, during the year, the Agricultural Equipment and Construction Equipment segments further developed the EM-MURI IT tool enabling the ergonomic analysis of assembly lines. The system, tested at pilot plants in 2013, provides results via a color-coded, traffic-light display. From 2015, it will be implemented at the plants in Basildon (UK), Sankt Valentin (Austria), and Antwerp (Belgium). The ERGO UAS[6] method, on the other hand, continued to be tested at the plant in Lecce (Italy) up until July 2014, followed by implementation in September, and is currently under evaluation for introduction at the plant in Jesi (Italy) in 2015.

The Commercial Vehicles segment also launched the ERGO UAS system at the Brescia plant (Italy) in June 2014. Risk evaluation analysis as per the ISO 11228 standard (Manual handling of loads) is ongoing.
In 2014, the Bolzano plant (Italy) completed the training program for plant ergonomists with the support of external consultants, as well as an ergonomic screening according to the ISO/TR 12295[7] system. A detailed analysis using risk assessment methods is planned for the first quarter of 2015. The Piacenza plant (Italy) also completed the training program for plant ergonomists with the assistance of external consultants, while ergonomic screening according to the ISO/TR 12295 system is planned for launch in the second quarter of 2015. In LATAM, an ergonomics management program was launched to improve health and safety, and monitoring of ergonomic risks and employee training continued.

In 2014, the Powertrain segment promoted the application of international ergonomics standards within the EMEA Region through specific training courses. At plants in Italy and France, teams of ergonomics experts were established to create highly skilled specialists in the field. The ERGO UAS system was extended to all Italian plants, aimed at the continuous improvement of workstations, with the target to extend the system to all plant areas by 2015, concluding the work begun at the Driveline plant in Turin (Italy) in 2014. The Ergo UAS method enabled further improvements to working conditions by means of several technical measures.

GLOSSARY
EMEA; Ergonomics; LATAM; Work-related stress

(6) ERGO-UAS is a manual work planning technique enabling the measurement and control of workloads and relative standard production times. The application of ERGO-UAS results in well-balanced procedures that do not expose workers to hazardous situations.
(7) The ISO/TR 12295 Technical Report uses a step-by-step procedure to simplify the identification and assessment of activities involving manual load handling.

WELLBEING AND WORK-LIFE BALANCE

CNH Industrial believes that people are its most valuable asset. As well as enhancing professionalism, offering growth opportunities without discrimination, and ensuring a safe working environment, the Company promotes several initiatives for the health and welfare of its employees and to reconcile work and private lives. Indeed, CNH Industrial believes wellbeing and work-life balance enhances employees' personal satisfaction at work, beyond salaries and the provisions of local legislation. Indeed, as stated in the Company Human Capital Management Guidelines, in order to promote respect for all employees as individuals, CNH Industrial promotes care and attention to people by supporting them in achieving a sustainable work-life balance. The Heads of Human Resources of each Region are responsible for the management, at Regional level, of work-life balance initiatives and, together with the Regional Environmental Health and Safety (EHS) functions, for promoting health in the workplace.

2014 STAKEHOLDER INTERVIEWS

> An organization is built on its people. If they feel challenged and respected then they will be more committed and more enthusiastic about their work

P. Magni,
Fondazione Politecnico di Milano, Italy

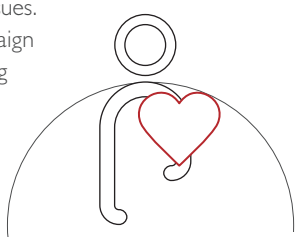
DMA

HEALTH AND WELLBEING

Overall health and wellbeing are critical parts of a functioning workplace. To encourage wellness among its employees, CNH Industrial organizes several different programs in the various locations in which the Company is present.

Health Programs

Throughout the year, the Company supported efforts aimed at preventing specific diseases and health issues. With regard to the prevention of **cardiovascular diseases**, in 2014, the *Health Factory* campaign continued in the EMEA Region. Free of charge, the project is designed to raise awareness among employees to promote the prevention of medical conditions, particularly cardiovascular diseases. Initiated in Italy, the program was extended to the Basildon and Watford plants (UK) in 2014, and involved 8,670 employees.



8,670
employees involved in
Health Factory

At three plants in Italy, a new initiative called *Benessere Donna* was launched, aimed at promoting wellness and reducing health risks for women. The program specifically seeks to raise female employees' awareness of women's cancers and to offer advice on prevention. The service offers visits, pap smear tests, and breast ultrasounds free of charge. In 2014, the program was offered to 1,475 employees at plants in Turin and Modena-San Matteo. A total of 28% of the women targeted signed up for the initiative and almost 40% of those registered took advantage of the free medical visits. Additionally, in Italy and Spain, campaigns involving specialists were organized to provide employees with further guidance on **healthy eating**. In Pregnana Milanese (Italy), a nutrition education campaign called *We Are What We Eat* was started to educate employees on a healthy diet to reduce risks of disease and improve fitness. Employees were also offered three visits to specialists in occupational medicine from the University of Turin. In Turin (Italy), a campaign was carried out with a focus on seasonal and healthy eating, and meetings with nutritionists were offered to employees.
In Spain, a nutritionist and physiotherapy service is offered to employees, and campaigns delivered aimed at reducing health risks, such as smoking, high cholesterol, high blood pressure, and obesity.

In North America, for several years, CNH Industrial has run the *Picture of Health* program, promoting a series of activities (physical exercise, nutrition education, etc.) aimed at reducing **health risks** such as high cholesterol, high blood pressure, stress, and lack of physical activity. Since its inception, the program has sought to increase awareness of personal health issues among employees, encouraging behavioral changes to improve their health. The program is delivered through regular communications to employees about health, annual biomedical screenings at plants, the *Walk this Way* physical fitness program, health coaching, and a financial incentive for employees who succeed at improving or maintaining good health results on a yearly basis.
In 2014, the *Picture of Health* program was relaunched with a focus on increasing the participation and engagement of employees and encouraging the development of healthy behaviors. A new website was launched, and the incentives, previously available to employees as an optional activity, were integrated into the health plan for all eligible employees in the US.
In the US, employees are offered opportunities to learn about their health from guest speakers at complimentary *Lunch and Learn* sessions held onsite.

GLOSSARY
DMA; EMEA; Stakeholders

GRI
G4-DMA

In the LATAM Region, the Company organized the yearly **Quality of Life** program, which aims to spread awareness among employees about health and wellness through a series of 12 campaigns focusing on a variety of topics, such as breast cancer, cardiovascular diseases, and hepatitis prevention. A special *Quality of Life* week was also held, during which employees can enjoy several wellness activities, including massage and relaxation exercises, cultural presentations and shows. The Quality of Life program has been in place for eight years in Brazil and six years in Venezuela; in 2014, it reached a total of approximately six thousand employees. In Curitiba (Brazil), the *Bem Nascer program* provides information and care to pregnant employees. The program, also available to contract workers and other members of the community, assisted eighty pregnant women in 2014.

Health screenings are in place in the APAC Region, where an *Eye Camp* event in India was accessed by two hundred people. Health check-ups have taken place at the New Holland plant in Greater Noida (India) for the last 16 years; in 2014, 422 hourly employees received eyesight, color blindness, pulmonary lung function, and audiometric tests. In Australia and New Zealand, the Company continued to encourage healthy behaviors through its health care provider BUPA, with site visits and consultations on benefits and discounts. In Dandenong (Australia), a team-walking challenge was started to incentivize employees to complete ten thousand steps on a daily basis. Furthermore, the program offering free fruit on certain days was continued.
In Australia and the US, the **Employee Assistance Plan** continued to be offered through local health care schemes. In China, the annual medical examination plan was upgraded, and seasonal medical and health communications on the theories and practice of health care and wellbeing were issued four times a year.

Information Campaigns

CNH Industrial engages in initiatives and information campaigns to raise awareness among employees of health risks and preventive measures. In Italy, the *Tips on Health* initiative has been in place for several years, promoted through the Company Intranet. Regularly updated information is offered promoting good habits and the prevention of minor illnesses and potential future health problems.

12 thousand flu vaccines to employees

Seasonal flu prevention campaigns were organized at plants worldwide, advertised through posters and communications on corporate bulletin boards and the Intranet portal. The initiative, offering workers voluntary vaccinations, led to the administration of 12 thousand vaccines.

CNH Industrial also contributed to the fight against tobacco use by continuing several **anti-smoking** projects in 2014. In EMEA, the Suzzara plant (Italy) completed the *Smoking Cessation* pilot project in 2013, which followed criteria approved by the Italy's National Institute of Health and the Italian Society of Tobaccology. The first phase of the project focused on identifying different types of smokers through a questionnaire distributed to all employees, who then attended individual or group meetings held to encourage cessation and strengthen personal motivation. During the year, the project was extended to the Piacenza plant (Italy), where it continued until completion in 2014. At the plants in Modena and San Matteo (Italy), an initiative organized by the ASL (local health authority), the city's general hospital, and other local organizations, continued for the fourth year running, consisting of a competition for smokers in Modena, challenging them to quit smoking for at least four weeks. Another project, called *Liberi dal fumo* (Smoke Free), was launched in 2013 and completed in 2014 at the Driveline plant in Turin (Italy) to motivate people to quit smoking, offering employees direct assistance in reaching this goal. The Anti-Smoking Center at San Giovanni Bosco Hospital in Turin took charge of the project's practical aspects, with the operational support of the plant's management. A total of 55% of smokers joined the initiative, expressing their intention to quit smoking. A similar initiative was launched in 2014 at the Annonay plant (France) with the help of the Company's medical service. A screening campaign, as well as individual support for employees wanting to quit smoking, was put in place. In Sankt Valentin (Austria), a one-day training session was organized to help employees stop smoking, and around 70% of the 15 attendees quit smoking after the training.
After the completion of the *Stop Smoking Program*, efforts continued across plants in LATAM through an information campaign on the harm caused by tobacco, which reached about 1,500 people.
HIV and **AIDS** campaigns continued in the LATAM Region against the spread of sexually transmitted infectious diseases, involving two thousand employees.

WORK-LIFE BALANCE

CNH Industrial believes that work-life balance is an integral part of enhancing employee satisfaction, productivity, and efficiency. Through its policies, such as those related to flexible working, the Company seeks to create an atmosphere allowing employees time to manage the demands of both their professional and private lives. In order to promote respect for all employees as individuals, CNH Industrial also offers many services to support its employees in their daily lives, such as daycare options and other time and money-saving initiatives (see also page 75).

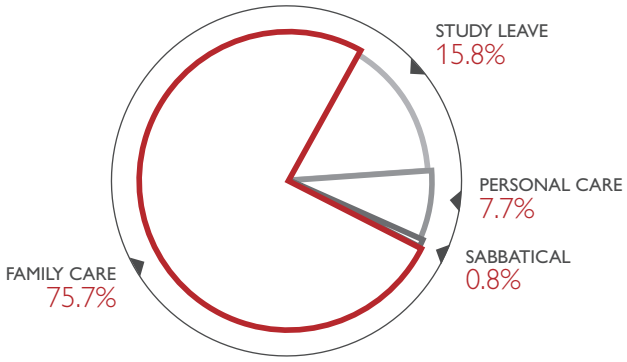
Flexible Working

Flexibility in working hours, including part-time employment (see also page 70), allows employees to balance their time when needs arise, such as for childcare or care for the elderly, or other personal requirements. CNH Industrial offers flexible working hours according to the customs and regulations in place in the Regions in which it operates.

In 2014, CNH Industrial carried out a survey on the flexible working arrangements offered to its employees, focusing on flexible working hours, parental leave, and other forms of leave. The results provided a wide range of information, helping to identify appropriate action for improving employee work-life balance. Flexible arrangements, along with tools to reconcile work needs with the responsibilities of family life, enable a positive working environment to be established and maintained for all employees within the Company. The survey revealed that more than 80% of the employees surveyed[1] took advantage of flextime, and that the system is most used in the NAFTA and LATAM Regions, at 100% and 97% respectively. The survey also showed that, between January and October 2014, 7% of employees took leave of more than three days for the care of family members, for personal treatment and care (excluding all forms of compulsory leave for illness), or for study and sabbatical leave; 4% of these types of leave, which are defined by Company policy or agreements with trade unions or employee representatives, exceeded the provisions set by law, and 17% were granted to female employees. The type of leave most taken by employees was family-related (nearly 76% of the total), with 17% of this taken by female workers. Study leave comprised 16% of the total, 93% of which was taken by male workers, while leave taken for personal treatment and care amounted to approximately 8% of the total, 31% of which was taken by women. Sabbatical leave in 2014 was negligible. These benefits form part of a corporate philosophy which aims to achieve a healthier, more motivated, and sustainable workforce that actively participates in the Company's success.

LEAVE OF 3 DAYS OR MORE

CNH INDUSTRIAL WORLDWIDE



Parental Leave

The equal opportunities CNH Industrial offers in terms of maternity, paternity, and adoption are evidence of its commitment to encouraging both female and male employees to balance parental responsibilities with their careers. The Company grants parental leaves to all its employees in compliance with local regulations (labor law requirements may vary from country to country).

During 2014, 2,113 employees[2] (approximately 3% of Company personnel) took maternity, paternity, parental, adoption, or breastfeeding leave. Overall, 68% of leave was in EMEA, 25% in LATAM, 4% in APAC, and 3% in NAFTA. In terms of gender, 62% of overall leave was taken by male workers. Paternity leave accounted for approximately 57% of the total, maternity leave 29%, while breastfeeding leave accounted for 14%. The percentage of leave for adoption was negligible.
Over the total workforce, parental leave was most frequent in LATAM (5%) and EMEA (3%).

GLOSSARY
APAC; EMEA; LATAM; NAFTA

GRI
G4-LA3

(1) *Survey of all Company employees, excluding hourly employees, carried out on October 31, 2014.*
(2) *Survey covers the period from January 1, 2014 to October 31, 2014, and only includes leave of 3 days or more.*

NAFTA has the highest percentage of maternity leave offering conditions more favorable than is required by law, or 80% of the total leaves over the year. At the CNH Industrial sites in the US and Canada, maternity leave is covered under short-term disability policy, which entitles employees to up to 26 weeks of paid leave. The first 13 weeks are paid at 100% of the employee's normal remuneration, and the remainder at 60%. The duration of maternity leave is determined by the employee's doctor (typically six weeks). In the US, the Family Medical Leave Act provides for 12 workweeks of unpaid leave in a 12-month period, for specific reasons including the birth of a child; employees on paid maternity leave of less than 12 weeks may thus extend their leave, as unpaid, up to a total of 12 weeks. In Canada, the Employment Insurance Act provides for 52 weeks of maternity/parental leave, covered by supplemental employment pay from a government fund financed by employers; at the end of paid maternity leave, recognized according to Company policy, employees may thus extend their maternity leave to up to 52 weeks, as per the Employment Insurance Act.

In October 2014, another survey was conducted on the percentage of employees, by gender, who had returned to work after parental leave. The survey was carried out in Italy, Belgium, Spain, and Poland. The results showed that in these countries, which represent 39% of the Company's employees, 61% of those who took parental leave were male, 0.4% of whom were still on parental leave as of October 31, compared with 9% of female employees still on leave at the same date. A total of 99.6% of men and 97% of women returned to work after taking parental leave, and 97% of men and 98% of women surveyed were still Company employees 12 months later.

Volunteering During Working Hours

CNH Industrial supports corporate volunteer programs in the various Regions in which it is present and, in 2014, organized several campaigns to encourage volunteering among employees.

In the NAFTA Region, CNH Industrial organizes games and lively fundraising activities at its sites in favor of the Re*lay for Life* and *United Way* charitable campaigns. In addition, during the annual *Habitat for Humanity* initiative in the USA, employees spent 500 hours of their work day building houses for the homeless (see also page 117).

Through a similar initiative in Argentina, called *Un Techo para mi Pais*, twenty employees helped build three houses for underprivileged people.

In Brazil, *Children's Day* celebrations were organized in conjunction with employees in three cities. Activities ranged from a performance put on by employees, to an arranged lunch and other recreational activities. In 2014, a total of 980 children benefited from such events. In Mexico, 16 employee volunteers organized leisure activities for a children's day event held at a public school near the Company's plant in Querétaro; a total of 48 volunteer hours were dedicated during the work day.

FOCUS ON

BLOOD DRIVES

CNH Industrial also offers employees the opportunity to participate in blood drives while at work. In Italy, more than thirty thousand hours were dedicated to blood drives, resulting in the donation of approximately 3,800 cases of blood. In France, a dedicated information campaign was launched in 2014 to encourage blood drives. Following this campaign, blood donations were organized at all main sites in the country (Etampes, Trappes, Rorthais, Annonay, Vénisieux, and Saint Priest), resulting in the collection of over six hundred blood bags.

In Spain, at its sites in Madrid and Valladolid, the Company offers employees the opportunity to participate in blood drives twice a year while at work, through the *Cruz Roja*; approximately one hundred people participated in 2014.

In the US, blood drives are regularly held at select locations. In Burr Ridge (USA), approximately one hundred units of blood were collected in 2014.

In 2014, a program in Curitiba (Brazil), offering employees the chance to meet during work hours to organize volunteer initiatives, was extended to plants in Contagem, Sorocaba and Piracicaba, involving a total of 263 volunteers. At the Sete Lagoas plant (Brazil), the Company continued the *Programa Formare* training program, which encouraged 101 employees to share their knowledge with local young people (see also page 123).
Several volunteer programs took place in Argentina, encouraging employees to donate goods to support their local communities, such as the *Toys Collecting* campaign, which benefitted 370 people, and the *Warm Clothing* campaign, which benefitted one thousand people. Employees in Argentina also took part in initiatives with local young people. Through the *Junior Achievement* Program, 12 employees helped local school students to prepare business projects, developing skills such as initiative and project management. Another 13 employees shared a work day with young people in different areas to encourage them to continue studying to improve and develop their future careers.

980 children benefited from Children's Day

In the APAC Region, the Company renewed a contract in Australia to encourage employees to help out as volunteer firefighters in emergencies.

EMPLOYEES' ENVIRONMENTAL FOOTPRINT

COMMUTING

DMA

CNH Industrial is committed to improving employee commutes to work by encouraging the efficient use and integration of available transport systems and by subsidizing eco-friendly mobility solutions. This approach is beneficial not only in terms of environmental impact, but also of employee satisfaction and wellbeing, as it lowers commute times and costs, the risk of accidents, and stress, and increases opportunities for socializing among colleagues.
The Company takes part in collaborative initiatives for sustainable mobility, exploiting all available synergies with its neighboring plants. These projects are designed in collaboration with both local authorities and public transport companies. From an organizational viewpoint, there is a mobility manager at every plant, responsible for implementing solutions to improve sustainable mobility with the support of other corporate functions. Furthermore, in 2014, a unified team was established to oversee the mobility management at all Italian plants; the team meets regularly to coordinate activities and exchange good practices.

All initiatives related to mobility in Italy are encompassed within the project *Easygo - Muoversi con intelligenza* (i.e., smart commuting), which is built around:
- collaborations with local public transport companies
- carpooling
- the redevelopment of parking areas for bicycles and motorcycles
- shuttle services in addition to regular public transport.

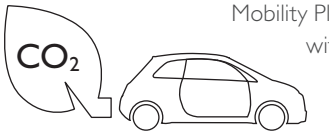
Several initiatives were developed in **Italy** in 2014, including an agreement signed to promote sustainable mobility plans to improve employee commutes to/from the plants in Modena and San Matteo. The collaboration with local public transport management authorities and CNH Industrial's commitment enabled employees to enjoy multiple benefits on train and/or bus services, such as: the purchase of a yearly pass at the workplace; payment for the yearly pass in ten installments via payroll deductions; and an 11% discount on the yearly pass.
Moreover, the ongoing collaboration on sustainable mobility between local authorities and plants in the Italian Commercial Vehicles segment led to a new line of public buses serving the plant in Piacenza, and to more parking areas for bicycles (quite popular among employees, especially in the warmer seasons) at the plant in Bolzano. Meanwhile, a course on safe and eco-friendly driving was offered to employees at the plant in Vittorio Veneto.

GLOSSARY
APAC; Carpooling; DMA

GRI
G4-DMA; G4-EN30

An awareness campaign, including a contest and giveaway prizes, was launched at the Powertrain plants in Foggia and Pregnana Milanese to promote use of the *Easygo* portal. At both plants, 5% of employees adhered to the initiative in the portal's first year. Information on available means and services to commute efficiently to Company facilities are available online via a dedicated website, which can also be used by employees to submit suggestions for service improvement.

In 2014, mainly thanks to mobility management activities, the Italian Commercial Vehicles and Powertrain plants combined cut CO_2 emissions by 1,061 tons.

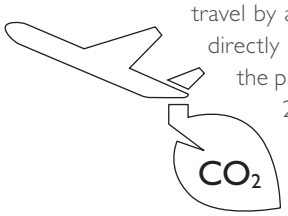


Mobility Plans were also implemented at the plants in Basildon (**UK**), and Madrid and Valladolid (**Spain**), in parallel with plants in Italy, providing for the evaluation of local contexts, the analysis of employee commuting habits and related CO_2 emissions, and potential improvement measures, also aiming at motivating employees to use more sustainable means of transport. Moreover, the plant in Basildon received the Bronze Award from the local municipality for the processes implemented in favor of alternative mobility.

At the Powertrain plant in Bourbon Lancy (**France**), the data collected during the 2013 internal survey was analyzed, showing that 17% of employees use local public transportation, an option enthusiastically endorsed by the plant. In 2015, the plant will evaluate supporting the carpooling system already in use at other French sites. In 2014, in keeping with previous years, the Commercial Vehicles plants in Vénissieux and Saint Priest (France) participated in the fourth mobility challenge *Au travail, j'y vais autrement*, organized by the Rhône-Alpes Regional Authority. The initiative promotes all alternative transportation methods through recreational competitions organized at various public and private companies. More than 550 kilometers were covered in Venissieux and Saint Priest using alternative means of transport (on foot, bicycle, and public transportation, and via carpooling), preventing the emission of more than 60 kilos of CO_2 in one day.

Numerous other initiatives for sustainable mobility are in place at various plants worldwide. In particular, plants often offer shuttle services to enable employees to commute from the workplace to nearby strategic points, as in Annonay (**France**), Madrid and Valladolid (**Spain**), Pithampur (**India**), Harbin (**China**) and multiple locations in **Brazil** (Contagem, Curitiba, Piracicaba, Sete Lagoas and Sorocaba).

BUSINESS TRAVEL



Since 2011, CNH Industrial has continuously monitored the CO_2 emissions deriving from employees' business travel by air to assess the impact. In 2014, the emissions resulting from the air travel of employees managed directly by Company headquarters totaled approximately ten thousand tons of CO_2, a 22% decrease over the previous year. The CO_2 emissions recorded in 2014 are the result of 19,855 business trips (-19% versus 2013), 68.5% of which were medium haul[1]. This figure was calculated according to the Defra/GHG Protocol and certified by Atmosfair, a climate protection organization with a particular focus on the environmental impact of travel. In many cases, air travel is unavoidable, in part because of the broad geographic dislocation of CNH Industrial sites.

DMA

Emissions undoubtedly constitute the most significant environmental impact, as CO_2 is an inevitable by-product of fuel combustion in aircraft[2]. However, business transfers are rationalized, partly through an internal awareness campaign (see also page 88), and their environmental impacts contained, through computer technology (Internet and electronic communication systems) enabling worldwide employee interactions.

GLOSSARY
Carpooling; DMA; GHG Protocol

GRI
G4-DMA; G4-EN30

(1) *Medium-haul transfers are those from 500 to 1,600 kilometers.*
(2) *According to the UN's Intergovernmental Panel on Climate Change (IPCC), aircraft emit gases and particles directly into the upper troposphere and lower stratosphere where they: alter atmospheric composition, particularly of greenhouse gases, including carbon dioxide (CO_2), ozone (O_3) and methane (CH_4); trigger the formation of condensation trails; and increase cirrus cloudiness. All of these elements modify the absorption and refraction of infrared radiation, hence contributing to the greenhouse effect. Source: Intergovernmental Panel on Climate Change, 1999 – Aviation and the Global Atmosphere (Summary for Policymakers) – A special report of IPCC – Working Groups I and III in collaboration with the Scientific Assessment Panel to the Montreal Protocol on Substances that Deplete the Ozone Layer.*

In 2014, audio conferencing and instant messaging services were enhanced, reaching approximately 32 thousand users, with an average of approximately 5,200 desktop sharing sessions and 1,800 instant messaging sessions per day. Since 2011, CNH Industrial has also been investing in the phase-in of video conference facilities, and in 2014 it further enhanced its high-quality TelePresence videoconferencing system. Sixteen specially-equipped conference rooms were added, reaching a total of 43 (26 in 2013); the facilities were used for more than 5,770 hours a month throughout the year (2,480 in 2013). Virtual tools contribute to reducing emissions and costs, while allowing employees to work from their offices rather than travel long distances.

GREEN ICT

In compliance with its Environmental Policy, CNH Industrial is committed to minimizing the environmental impact of its ICT activities by using energy-efficient products and solutions. Indeed, the Company implemented the Green ICT plan precisely to reduce energy consumption and CO_2 emissions.
In 2014, a multi-year strategic contract was renewed with a major provider that will manage the Company's IT infrastructure and services worldwide; sustainability requirements were incorporated in the tender, becoming an integral part of the new services contract.

In 2014, approximately 6,550 personal computers and 889 technical workstations were replaced with new equipment featuring more efficient power supply units, optimizing the consumption of electricity drawn from the grid and preventing the emission of approximately 191 metric tons of CO_2 compared with 2010[3]. The target for 2015 is to replace additional units, reducing CO_2 emissions by 210 tons compared with 2010.
Additionally, approximately 5,390 computer monitors were replaced with new EnergyStar and EPEAT Silver/Gold rated units, which comply with environmental requirements concerning product energy consumption and efficiency, the use of hazardous substances, recyclability, packaging materials, and low-impact manufacturing methods. CNH Industrial rents its PCs, technical workstations, and computer monitors; when no longer usable, they are returned to the rental company, which handles their subsequent life cycle stages. In forthcoming ICT supply contract tenders, the assessment of suppliers will include sustainability targets and specifications.

Lastly, in 2014, as part of the project to optimize printing systems, the management services contract for multifunction printers was extended until 2018. A total of 1,030 units have been replaced since 2009, with a reduction in annual consumption of more than 1,870 MWh (equivalent to approximately 975 metric tons in CO_2 reductions). Additional units will be installed in 2015 under the new supply contract, according to a targeted replacement plan.
As regards the Data Center, which includes the computer systems hosting the IT applications and services, servers continued to be downsized, consolidated, and virtualized to optimize energy consumption. Approximately 28 physical servers were eliminated, 38 physical servers were virtualized, and 55 new virtual servers were created, reducing annual consumption by about 3,583 MWh over 2010 (equivalent to approximately 1,692 metric tons in CO_2 reductions).

(3) The conversion factor used is: 1 kWh = 0.52 kilos of CO_2 (source: Carbon Trust, Conversion Factors, 2011).

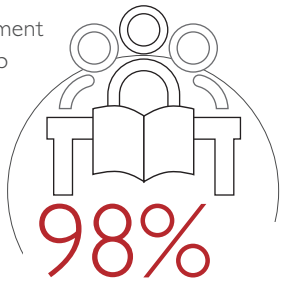
HOW WE MANAGE INDUSTRIAL RELATIONS

In 2014, CNH Industrial continued to work with trade unions and employee representatives to reach consensus-based solutions for managing diverse market conditions.
During the year, volumes and product mix were unfavorable for the Agricultural Equipment segments in all Regions, with LATAM being the most affected by the net decline in sales. Compared to previous year, Construction Equipment volumes in EMEA and NAFTA showed signs of recovery, whereas volumes were down in LATAM and APAC. The Commercial Vehicles segment recorded an increase in volumes in EMEA and APAC, and a sharp decline in LATAM. The Powertrain segment recorded business growth, especially in engine sales, and especially in engine sales to third parties outside CNH Industrial.
During the year, the Company was able to transform almost 1,200 contracts (11% of which with female employees) from fixed-term to no-term (see also page 70). In addition, intensive collective bargaining took place at various levels, resulting in agreements with trade unions on, among other things, pay and employment conditions in the various countries where CNH Industrial operates.

SOCIAL DIALOGUE AND COLLECTIVE BARGAINING

CNH Industrial qualifies as a Community-scale group of undertakings, and is therefore subject to regulations designed to improve employees' rights to information and consultation through the establishment of a European Works Council (EWC). As reported in previous CNH Industrial Sustainability Reports, FIOM-CGIL filed a lawsuit against the Company, asserting that its representative was unlawfully excluded from the EWC Special Negotiating Body, and that this action constituted anti-union behavior.
In February 2013, the judge rejected the union's claim and, in early August of the same year, FIOM appealed against the ruling. At the hearing of May 7, 2014, the Court of Appeal of Turin accepted FIOM's appeal, ruling that the Company's conduct during the meeting of December 16, 2011 was anti-union and an undue interference in the appointment of members of the Italian delegation. This ruling, however, only partly changed the 2013 ruling (recognizing the full legitimacy of the Company's behavior), in that it accepted only one of the various claims set forth by FIOM; it acknowledged, moreover, that the matter of the litigation had ceased to exist due to the evolving circumstances.

In March 2014, according to the applicable regulations, the deadline for negotiating the establishment of the EWC expired without having reached an agreement. Therefore, the EWC must be set up pursuant to the subsidiary provisions set forth by the law of The Netherlands, transposing the Directive 2009/38/EC. As at December 31, 2014, the EWC had yet to be formally established, as the representatives of CNH Industrial's Italian employees and the representative of its UK employees (whom are allocated 25% of the EWC seats, as per applicable legislation) were still to be appointed. As a result, CNH Industrial has been unable to call a EWC meeting as per applicable procedures.



98%
of Company employees covered by **collective bargaining** agreements in **EMEA**

Representatives of the FIM, UILM, FISMIC, UGL, and AQCF unions, signatories of the Collective Labor Agreement (CLA) applied to all Company employees in Italy (approximately 17,800), were present at the *Investor Day* held on May 8, 2014 in Auburn Hills (USA) where the Company's 2014-2018 Business Plan was presented to financial analysts and institutional investors. A similar meeting was held in Turin (Italy) in July 2014 with FIOM (a union that is not a signatory of the CLA), along with some of its own national/local representatives and works council members employed at CNH Industrial's Italian factories. Further meetings were held at CNH Industrial legal enitities in various countries, where the Plan was presented to employees and/or their representatives and/or unions.
Collective bargaining agreements cover almost 98% of the Company's workforce in EMEA. In Italy, all Company employees are covered by such agreements. On July 30, 2014, CNH Industrial and Fiat Chrysler Automobiles signed an agreement with Federmanager for the renewal of the managers' CLA that expired on December 31, 2013. The contract, which applies to approximately four hundred CNH Industrial managers, is effective for the 2014-2015 period.
The specific sections of the Collective Labor Agreement of December 13, 2011 regarding economic and regulatory matters, applicable as of January 1, 2012 to all CNH Industrial employees (except managers), were renewed on July 11 and November 12, 2014, respectively.

GLOSSARY
APAC; EMEA; LATAM; NAFTA

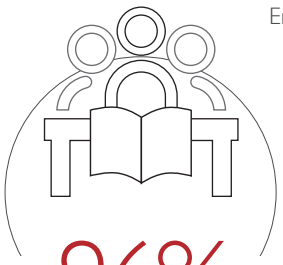
GRI
G4-11

The economic terms agreed on July 11 provide for the payment to all employees of a lump-sum rather than a wage increase, due in part to the low inflation recorded in the period since the last salary increase. The terms agreed on November 12, on the other hand, amended some aspects of the regulatory section of the CLA.

The main new regulations involve:

- the use of individual paid annual leave, including in minimum clusters of two consecutive hours
- a new flexible time slot for arriving at work, changed from 8-9 a.m. to 8-9:30 a.m.
- the reduction of the notice period, to 1/2 hour after the beginning of the shift, in case of illness of children below 12 years; this relates to annual paid leave, for which 15 days' notice is normally required
- the introduction of an all-embracing bonus payable in the event of full work shifts sustained to ensure production recovery after loss of production
- the facilitation of study permits in the event of university exams, post-graduate courses, and to employees attending the last three years of secondary school or certified professional courses.

Worldwide, excluding EMEA, about 46.6% of employees are covered by collective bargaining agreements. This is an average figure based on local practices and regulations that vary from country to country.
In the USA, collective bargaining agreements cover approximately 1,850 employees (i.e., almost 18%) out of approximately 10,300 at sites and/or plants with trade union representation. However, formal policies relating to certain collective aspects of the employment relationship (e.g., working hours, internal policies and procedures, benefits, etc.) apply to almost all employees of CNH Industrial, irrespective of trade union representation. Collective bargaining takes place at different levels through procedures that vary according to local laws and practices. The collective bargaining agreements at each union-represented location contain equal opportunity language prohibiting discrimination against employees within a variety of protected classes. The collective bargaining agreement with the UAW labor union, which represents approximately 1,250 of the hourly and maintenance employees, is effective until April 2016. The CLA with the International Association of Machinists, which represents approximately 600 of CNH Industrial employees in Fargo (USA), expires in April 2018.



96%
of Company employees covered by collective bargaining agreements in LATAM

Employees working in locations where there is no trade union representation enjoy similar protection under a variety of federal and state laws. The collective bargaining agreements at each union-represented location call for the creation of joint health and/or safety committees, which generally comprise both management and hourly employee representatives. Base wage increases in union-represented locations are collectively bargained and delivered through a variety of methods, including annual base wage increases, lump sum payments, and/or cost-of-living adjustments. Union-represented employees at the Racine and Burlington plants (USA) are eligible to participate in the local Variable Pay Plan, which provides an opportunity to earn a quarterly lump sum bonus payment based on specifically defined plant performance metrics.

In Latin America, more than 96% of CNH Industrial employees are covered by collective bargaining agreements. In Brazil, a process of continuous negotiation between the Company and trade unions has been established to cover various operating issues, such as temporary contracts, overtime, flexible work, work shifts, health and safety at work, and banked hours. This continuous dialogue has contributed to the significant improvement in working conditions over the years.
Collective bargaining between the Company and worker representatives is also ongoing in Argentina and Venezuela.
More than 97% of the employees surveyed[1] worldwide are covered either by collective bargaining or unilateral policies relating to certain collective aspects of the employment relationship (e.g., working hours, internal procedures, benefits, etc.).

GLOSSARY EMEA; LATAM

(1) Data based on a survey of 99.2% of CNH Industrial's workforce worldwide.

In 2014, CNH Industrial signed a total of 192[2] agreements at either Company or plant level, 15 of which include agreed provisions on health and safety matters.

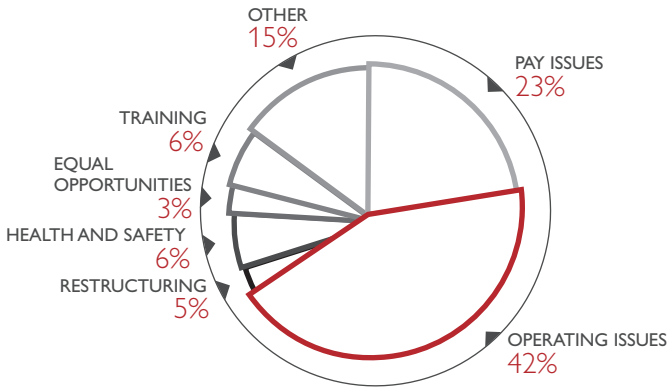
The main wage and regulatory agreements signed in 2014 at legal entities level include:

- collective bargaining on wage and labor regulations, concluded at CNH Industrial's Basildon plant (UK), providing for a structural pay increase for salaried and hourly employees backdated to November 2013 (i.e., the expiry date of the previous agreement), and for the modification of the collective negotiation cycle from biennial to annual, effective as of January 1, 2015. New provisions agreed upon for hourly employees include: a lower bonus payment and the introduction of a premium linked to individual hours of presence; the possibility to use two days off per year fractioned in four half days; and new traineeship rules, also in relation to entry salary level. Changes to long-term illness coverage were agreed upon for both salaried and hourly employees. Additionally, flexible benefits were introduced in 2014 for salaried employees
- the agreements reached through the annual negotiations in France, which resulted in salary increases ranging from slightly below to above inflation levels, depending on business results. Lump sums were awarded in some cases, also linked to the achievement of production results
- the agreement signed in March at Iveco Czech Republic, providing for a wage increase above inflation as of April 1, 2014, in light of business results and of the flexibility instruments agreed upon for 2014
- the agreement reached in Germany in late October by Iveco Magirus AG, Magirus Gmbh, and the Works Council, aimed at discontinuing the ATZ agreement (Alterteilzeit - a pre-retirement agreement) implemented as one of the measures of the 2012 social plan in Ulm. The agreement reached in 2014 allows employees to voluntarily replace their pre-retirement contract with a severance payment and leave the Company, effective January 2015. The new option was accepted by 70% of the approximately 280 employees covered by a pre-retirement contract (ATZ)
- the stipulation of three one-year company collective agreements in Romania, following the election of the first workers' councils within three different subsidiaries.

For completeness, it is worth reporting that in Germany an agreement was reached in 2013 for the renewal of the metal workers' contract, applied by most CNH Industrial subsidiaries in the country, setting salary increases at 2.2% as of May 1, 2014. At the end of October, the pay-related CLA provisions for the metal and automotive industries were agreed upon in Austria and applied to most CNH Industrial employees, resulting in 2.1% pay increases effective as of November 2014.

MAIN ISSUES COVERED UNDER THE AGREEMENTS[a]

CNH INDUSTRIAL WORLDWIDE



(a) There is no correlation between the number of agreements and the number of issues covered, as each agreement may deal with several issues.

(2) Includes six collective bargaining agreements with trade union organizations in Italy at Company level, which qualify as Company agreements but are signed by CNH Industrial in the name, and on behalf, of several CNH Industrial legal entities.

MANAGEMENT OF PRODUCTION LEVELS

In 2014, several plants in **EMEA** again had to resort to mechanisms to address fluctuations in production volumes, such as overtime and temporary contracts to support growth in demand, and/or plant stoppages to cope with drops in market volumes. In Italy, the Powertrain segment, the Iveco brand, and New Holland Construction Equipment resorted less to temporary layoffs compared to 2013. In July, at the Iveco plant in Brescia, an agreement was reached with the signatory unions of the Italian CLA providing for the extension of the solidarity contract (effective from August 2011) until August 21, 2015, and for a further reduction in hours worked per week for all plant workers. During the first part of the year, almost every plant in the Agricultural Equipment segment in EMEA made use of overtime and of temporary workers to cover production volumes. On the other hand, the market slowdown that particularly affected the second semester of the year caused production stoppages at the Agricultural Equipment plants in Italy, UK, and Belgium. At the Iveco Bus plants in Annonay (France) and Vysoke Myto (Czech Republic), the intense production flow required overtime and agency contracts. In Spain, at the Commercial Vehicles plant in Valladolid, the utilization of temporary layoff was almost unchanged compared to 2013. In France and Germany, production stoppages through temporary layoff benefit schemes decreased significantly compared to the previous year. Meanwhile, flexible working time agreements were applied to meet fluctuations in production at the Agricultural Equipment plants in Belgium and Poland, and at the Commercial Vehicles plants in Annonay (France) and Madrid (Spain).

In North America, overtime fell in the second half of the year, and employment levels followed a moderately negative trend versus 2013 due to a slightly weaker performance in the Agricultural Equipment segment, while the Construction Equipment segment remained relatively stable. Several Agricultural Equipment plants in **NAFTA** implemented workforce rebalancing initiatives and additional down days to manage costs in light of the weaker business performance.
The US plants in Grand Island, Racine, and Fargo rebalanced the workforce in the second half of the year, resulting in the layoff of a number of full-time employees. Employee layoffs also started at the Saskatoon plant (Canada), which received approval to participate in a government-sponsored work sharing program enabling the plant to temporarily reduce the length of the work week while providing incremental employment insurance benefits to the affected employees. Several plants in NAFTA also reduced the number of salaried agency and regular white collar employees in response to a decrease in production volumes.

In **LATAM**, several CNH Industrial businesses recorded varying levels of decline compared to the previous year. In the Agricultural Equipment segment, during the first part of the year, volume drops were mainly managed by reducing the number of temporary workers at the Curitiba and Sorocaba plants (both in Brazil). Initiatives to rebalance the workforce based on the lower production needs were put into effect at the Construction Equipment plant in Contagem (Brazil) in the third quarter of the year. The Commercial Vehicles segment initially coped with the sharp market decline causing a downturn in production volumes by means of time banks and the extensive use of collective vacations (mainly in Brazil), and by enforcing temporary layoffs (in Argentina and Venezuela); but a restructuring program eventually became necessary.

In **APAC** the production volumes were quite flat compared to the previous year even if the Agricultural Equipment plants of Noida (India) and Harbin (China) experienced production volume increases, the latter due to a new product launch, managed through the use of overtime. Other plants like Chelny (Russia), belonging to Agricultural Equipment, and Dandenong (Australia), part of the Commercial Vehicles production network, experienced decreased volumes compared to 2013, and implemented down days.

GLOSSARY
APAC; EMEA; LATAM; NAFTA

Minimum Notice Period for Operational Changes

In the **European Union** (EU), the Council Directive 01/23/EC stipulates that in the event of a transfer of businesses, plants, or parts of businesses or plants, following a contractual sale or merger, an information and consultation procedure must be conducted with employee representatives. The procedure must be initiated in a reasonable period of time prior to the transfer. Moreover, the Council Directive 98/59/EC on the approximation of the laws of the EU member states relating to collective redundancies requires to hold consultations with workers' representatives whenever an employer is contemplating collective redundancies.
These "shall begin in good time with a view to reaching an agreement, and should, as a minimum requirement, cover ways and means of avoiding collective redundancies or reducing the number of workers affected, and of mitigating the consequences by recourse to accompanying social measures aimed, inter alia, at aid for redeploying or retraining workers made redundant." Accordingly, CNH Industrial subsidiaries comply with the regulatory provisions resulting from the adoption of the above directive in each individual EU member state. Outside the European Union, local laws and practices apply.

In the **USA**, the federal Worker Adjustment and Retraining Notification Act (WARN), which applies to both unionized and non-unionized sites, requires an employer to give a minimum of 60-days' notice for any action that will cause at least fifty employees or 33% of the workforce to lose their jobs. At unionized sites and/or plants, the level of union involvement, if any, is normally defined by the collective bargaining agreement applicable at site level signed between the Company and the union, which usually also sets forth the information and consultation procedures to be activated in such circumstances. The collective bargaining agreements between CNH Industrial America LLC and International Union, United Automobile, Aerospace, and Agricultural Implement Workers of America, which cover the plants located in Racine and Burlington, contain a letter of understanding stating that the Company will refrain from permanently shutting down either plant during the stated agreement term, which expires on April 30, 2016. A separate letter of understanding under the same collective bargaining agreement requires the Company to provide six (6) months' advance notice to the local union in the event of a full plant closure. Should this six (6) months' notice period impair the Company's need for speed, flexibility, and confidentiality, the Company may provide such notice no less than sixty (60) days prior to full plant closure.

In **Canada**, the collective bargaining agreement between CNH Industrial Canada LTD and United Steelworkers Local Union No. 5917, which covers the Parts Depot located in Regina, provides for the Company's written notice to the union no later than ninety (90) days prior to the scheduled depot closing date. At non-unionized sites and unionized locations with no specific requirements in the collective bargaining agreement, it is common practice to inform all employees of organizational changes related to outsourcing through a company-wide announcement, with appropriate notice prior to the operation.

In **Brazil**, bargaining is not mandatory in the event of the transfer of businesses, plants, or parts of businesses or plants, following a contractual sale or merger, but it is customary for CNH Industrial to implement a direct and formal communication process with both employees and unions. Talks generally occur to the extent of minimizing social impacts, if any.
Operational changes within the Region, such as the deployment of new technologies to increase work efficiency, quality, competitiveness, or the employees' health and safety, are preceded by formal negotiations with labor unions, according to the specific terms and conditions provided for under the collective bargaining agreement.
The procedure must be initiated a reasonable period of time prior to the process. When necessary, changes are made gradually in order to prepare employees for the new scenarios.

In **Australia**, as per the collective bargaining agreement applicable at Iveco Trucks Australia Ltd., unions, delegates, and officials must be notified within 28 days in the event of changes that may significantly affect employees.

In **China**, the Chinese Labor Union stipulates that all operational changes such as reorganizations, restructurings, or actions causing twenty or more employees, or 10% of company employees, to lose their jobs must be notified to the Labor Union. Such operational changes must be filed and approved by the Labor Bureau thirty days prior to any further notifications or actions, or the changes are deemed illegal.

In **India**, companies are required to comply with regulatory provisions defined by Indian law according to the changes to be put in place.

Uzbekistan's labor legislation stipulates that operational changes must be notified at least two months in advance.

RESTRUCTURING AND REORGANIZATION

In Italy, further meetings were held in 2014 with investors interested in the reindustrialization of the Valle Ufita plant, where production ceased on December 31, 2011. Meetings between Government representatives, the Company, and trade unions were also held at the Ministry of Economic Development as part of the working group established in 2011.

Examining the projects took longer than expected, requiring further recourse to extraordinary temporary layoff benefits, recognized as an exception to the law for the entirety of 2014.

On May 28, 2014, at the Ministry of Economic Development and with the Minister present, the CEO of King Long Italia presented his company's plan to set up a new Italian company for the production of buses, called Industria Italiana Autobus; the plan was presented to CNH Industrial representatives, national and local trade unions, the workers' council, and to Members of Parliament from the Avellino area (where Valle Ufita is located).

This plan would assure the reindustrialization of the Valle Ufita site and absorb all of its workers. Among the many projects examined, the Ministry of Economic Development judged it as fulfilling the purpose and objectives of the working group set up in 2011. At a subsequent meeting held on October 13, 2014 at the Ministry of Economic Development, King Long Italia confirmed the establishment of Industria Italiana Autobus a few weeks later (with the participation of Finmeccanica), with the aim of creating an Italian center of excellence for the production of buses, and the acquisition of the undertaking, consisting of the Valle Ufita plant and all its employees, before year end. The plant and the 298 workers[3] that were employed at the end of December 2014 were transferred to Industria Italiana Autobus S.p.A., effective January 1, 2015. On the date production ceased at the end of December 2011, 658 employees were working at the Valle Ufita plant; at the end of December 2014, their number was 288 (43.8% of the initial workforce). During this timeframe, 39.8% of employees voluntarily opted for the *mobilità* scheme (a Government benefit scheme providing for an unemployment allowance to employees affected by collective redundancies, with a duration of up to three years in Northern Italy and four years in Southern Italy, where the Valle Ufita plant is located); these employees will retire before the scheme's expiry date. Approximately 9.8% of employees have benefited from the *mobilità* scheme to pursue self-employment initiatives. All employees who opted for *mobilità* scheme received a severance payment from the Company, as set out in agreements with trade unions. Approximately 6.6% of employees were reassigned to other CNH Industrial sites/plants. Overall, the Company's 2011 decision to close the Valle Ufita plant was implemented minimizing the social impact across the region.

In May, Iveco started a collective dismissal procedure affecting 65 employees in its Central, Commercial, and Technical departments in Turin (Italy).

In November, New Holland Construction Machinery started a collective layoff procedure involving up to 36 employees at its San Mauro Torinese plant (Italy). In both procedures, agreements were signed with the regional signatory trade unions of the Italian CLA and with the workers' councils (RSA). According to the selection criteria agreed upon by all involved parties, the only employees to be dismissed are those who will meet retirement requirements during the period covered by *mobilità*.

In December 2014, after a consultation with the trade union, the Agricultural Equipment plant in Basildon (UK) announced that in 2015, due to the market downturn and the resulting drop in production, up to 40 employees would be made redundant.

In Italy, information and consultation procedures with the works councils/local trade unions started at the end of May, with regard to the transfer from Fiat Group Purchasing to CNH Industrial Italia of the business unit called CNH Industrial Purchasing, employing more than 400 workers.

This transfer was implemented to improve and increase the effectiveness of CNH Industrial's decision-making by enabling it to oversee and control all activities directly related to processes of strategic importance to the Company; as a result, CNH Industrial Italia now provides for purchasing in the name and on behalf of CNH Industrial.

GLOSSARY
EMEA; NAFTA

[3] *The workforce transferred includes 10 employees acquired in December 2014 by insourcing the resources and activities of a former provider, which managed, transformed, and distributed electrical energy, produced and distributed hot and cold water for compressed air and other technological uses, and managed the waste water of the Valle Ufita plant.*

In light of the production stoppages that would have been required due to low volumes, an agreement was signed on October 15, 2014 at the Iveco Plant in Valladolid (Spain) providing for recourse, during the November 2014-March 2015 period, to the temporary layoff benefit scheme, and for the adaptation of the existing production facilities needed in the same time frame for the launch of the new Daily model (planned in 2015).

In June 2014, it was announced that the Calhoun plant (USA), manufacturer of excavators and dozers for the Construction Equipment segment, would be shut down in the third quarter of 2015. The production of excavators at the plant ceased in the last quarter of 2014, and dozer production will be transferred to the Burlington plant (USA) in 2015. The closure of the Calhoun plant affects approximately 100 employees. The plant complies and will continue to comply with all federal and state notification laws, and severance payments, benefit continuation, and other assistance consistent with Company policies applicable to non-unionized employees will continue to be provided.
On November 26, 2014, CNH Industrial acquired Miller-St. Nazianz, Inc. and its subsidiary, located in St. Nazianz (USA). The company, whose workforce comprises approximately 240 non-unionized employees, is engaged in the manufacture and wholesale trade (throughout North America and internationally) of self-propelled sprayers, other agricultural equipment, and parts and accessories for its products.

In LATAM, due to the sharp decline experienced in the Commercial Vehicles segment, temporary measures were initially applied to cope with the reduction in production volumes; a restructuring program subsequently became necessary, however, also aimed at reducing the permanent workforce at plants in Brazil, Argentina, and Venezuela. In Venezuela, this objective was mainly pursued through voluntary dismissals. Although not mandatory, trade unions were engaged in the workforce reduction process.

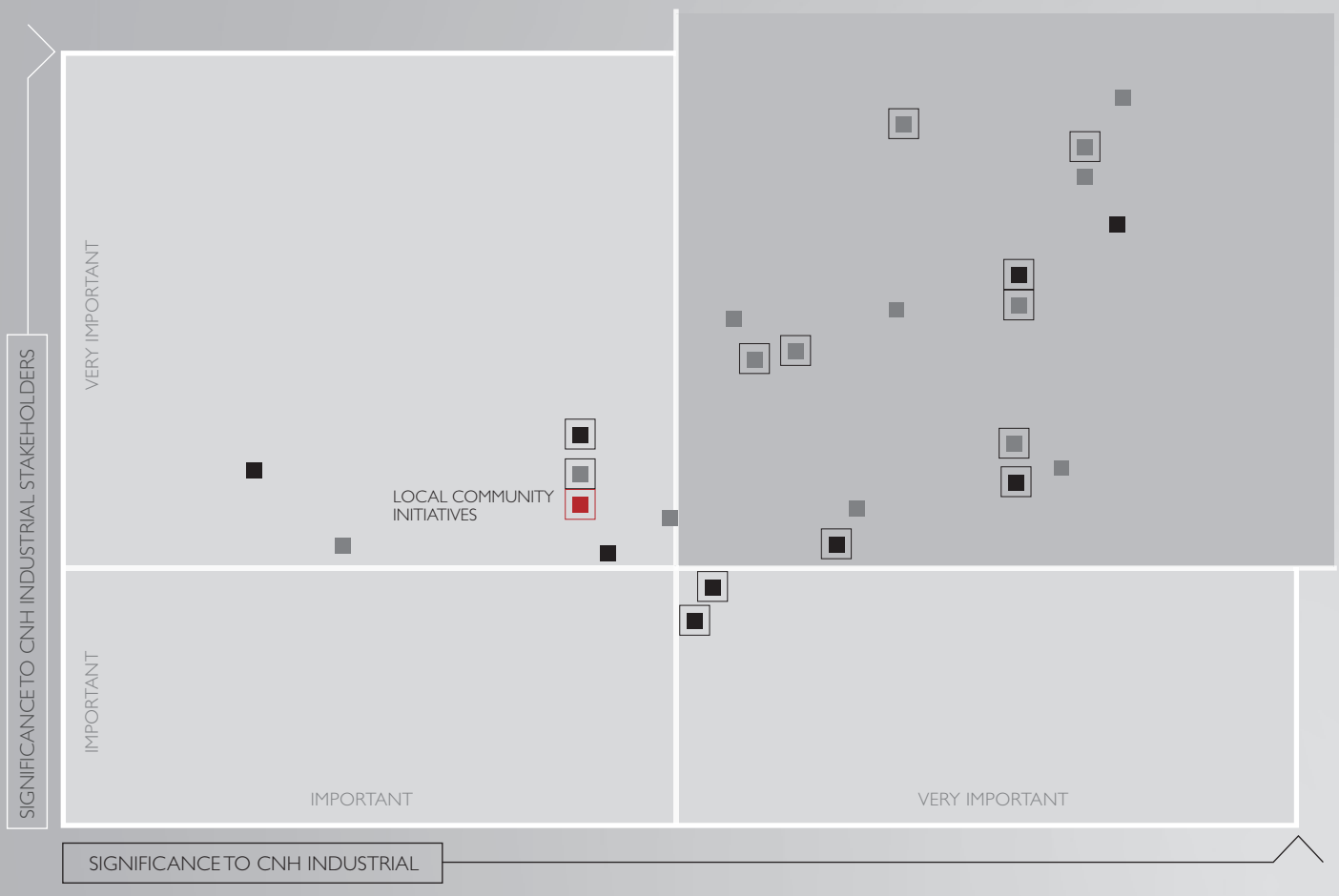
In China, due to the closure of Shanghai New Holland Agricultural Machinery Corporation Ltd., a 60% Company-owned joint venture, an agreement was reached with trade unions and employee representatives on a Placement Plan, devised as per applicable labor laws and regulations, with the purpose of minimizing the social impact of this closure. The plan provides for the placement, within the company of the former joint venture partner, of employees meeting specific criteria, and for severance payment in all the other cases.

Labor Unrest

In 2014, labor unrest in Italy was low: despite a 2.5-fold increase in hours lost versus the previous year, the overall level was lower than in 2012. The hours lost due to strikes against labor reform or against other extra-Company issues represented more than 90% of the total hours lost during the year. The overall levels of labor unrest in 2014 in countries outside Italy were negligible. As in past years, the CNH Industrial plants in Belgium and France were affected by the national strikes called against government changes to social policies; strikes in France were also related to annual wage negotiations. Some strikes took place in LATAM during collective negotiations, while no strikes were recorded in NAFTA or APAC.

GLOSSARY
APAC; LATAM; NAFTA

ENGAGING LOCAL COMMUNITIES



Material aspect described in chapter. For further details, see Materiality Matrix, page 21.

2014 STAKEHOLDER INTERVIEWS

> When there is inventiveness and originality, when short-term profit takes second place to the needs of local communities, then a company's future is truly open

Don Angelo, *TechPro²* project, Ethiopia

CNH Industrial's relationship with local communities is a key material aspect, as emerged from the materiality analysis. Living and working in synergy with the region, and collaborating on projects that benefit the community, contribute to enhancing the satisfaction of employees (who often live close to plants) and their sense of belonging to the Company, while bringing economic advantages to both the Company and the community. As evidenced by the materiality analysis, stakeholders view this aspect as a site-specific issue since local community initiatives are more relevant in certain countries than in others. Local initiatives are also deemed potentially strategically powerful when integrated within a shared value strategy. Stakeholders highlighted the importance for a company like CNH Industrial to act like a corporate citizen, be more embedded in the community, and become part of it, acknowledging, however, the major challenge of being recognized as a community member. In order to achieve this objective, a company should enhance local economic competitiveness by offering, for example, the professional support of its skilled employees to career counseling centers and educational initiatives. It should also contribute to community revitalization and to the efficiency of public works investments, as well as safeguard rural landscapes.

DMA

As stated in the Code of Conduct, CNH Industrial is aware of the potential direct and indirect impact of its decisions on the communities in which it operates. For this reason, the Company promotes an open dialogue to ensure that legitimate expectations of local communities are duly taken into consideration, and voluntarily endorses projects and activities that encourage their economic, social, and cultural development. Moreover, CNH Industrial acts in a socially responsible manner by respecting the culture and traditions of each country, and by operating with integrity and in good faith to earn the trust of the community.

The strategy developed by the Company, in line with its business approach, identifies the following as key priorities: support for local community development, youth training, and road safety. Within these three directives, the individual Regions or brands decide which projects to support based on actual local needs, maximizing open dialogue with local stakeholders and collecting their suggestions for improvement. They also decide whether to act directly or through partnerships with local institutions and organizations working in the social sphere.

The Community Investment Policy, available on the Corporate website, ensures that activities are managed consistently, identifying methods and defining areas of application at global level.
A new Compliance Helpline was established to address questions and concerns regarding CNH Industrial principles, as outlined in both the Code of Conduct and in other Corporate policies, and applicable laws; the Helpline is managed by a third party and is also available to entities outside the Company (for further information, see also page 57).

$4.7 million
invested in
local communities

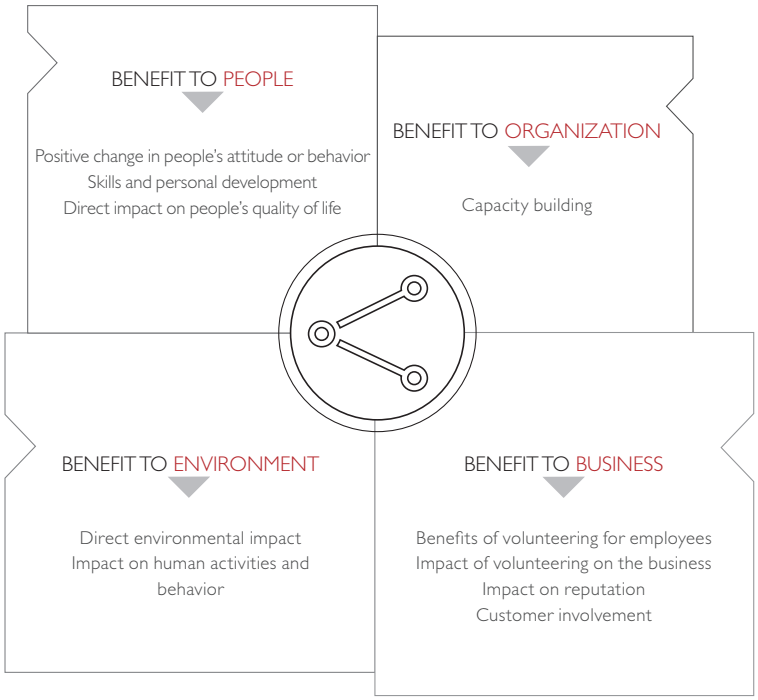
Many of the volunteer projects for the welfare of local communities are listed in the Sustainability Plan (see also pages 33-34), and some of their targets are included as individual objectives in the Performance and Leadership Management system (see also page 83).
Projects and their results are included in the following pages of this Sustainability Report, on the Corporate website, and on other dedicated websites.

GLOSSARY
DMA; Material aspect; Stakeholders

GRI
G4-DMA

The effectiveness of an initiative and its ability to address needs is measured using the Social Impact Assessment tool; developed in line with the *London Benchmarking Group* framework, it is used to evaluate the types of benefits gained in the four major areas potentially affected by any project: people, organization, environment, and business. Based on this method, the four areas are weighted and the project's impact on specific aspects within each is given a rating on a scale from one (no impact) to five (very high impact). An average rating is then calculated for each area, representing the indicator (KPI) to assess the project's overall impact on people, organization, environment, and business, respectively. The assessment, applied to a broad number of projects in 2014, is carried out by the people responsible for the initiative being evaluated.

SOCIAL IMPACT ASSESSMENT CRITERIA



SOCIAL IMPACT ASSESSMENT OF MAIN PROJECTS

Region involved	Project	Evaluation of Benefit to:				Reference page
		People	Organization	Environment	Business	
EMEA	Slow Food	3.2	2.3	3.1	3.7	115
EMEA (Ethiopia)	TechPro[2]	3.9	2.3	(a)	3.9	122
EMEA (Italy)	TechPro[2]	3.6	2.3	(a)	3.8	122
EMEA	Telethon	2.0	2.6	(a)	3.8	116
NAFTA	Habitat for Humanity	2.3	2.6	(a)	3.1	117
NAFTA	Relay for Life (American Cancer Society)	2.3	3.6	(a)	3.4	117
NAFTA	United Way	3.7	4.1	(a)	2.8	117
LATAM	Cooperação para o Desenvolvimento e Morada Humana	3.1	3.0	2.2	3.1	119
LATAM	Esporte da Cidade	3.2	2.2	1.7	2.6	120
LATAM	Pastoral do Menor	3.5	2.1	1.8	2.5	118
LATAM	Programa Formare	3.5	3.3	2.0	3.5	123

(a) *No impact.*

GLOSSARY
EMEA; KPI; LATAM; NAFTA

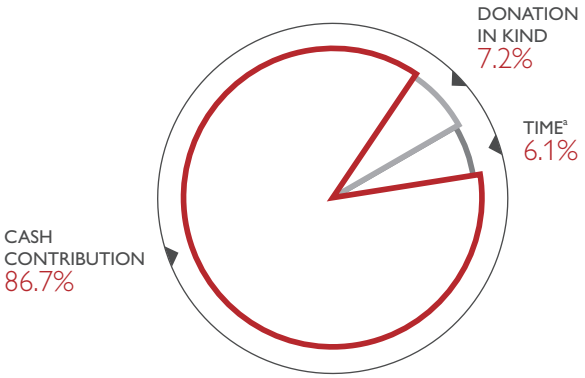
GRI
G4-SO1

In 2014, CNH Industrial allocated approximately $4.7 million[1] for local communities. In certain instances, the Company supports the community by allowing its employees to undertake voluntary activities during working hours (around $287 thousand), in addition to directly distributing economic contributions or donations in kind. In 2014, CNH Industrial prioritized investments on developing communities around Company plants (approximately $2.2 million), a demonstration of its desire to foster positive long-term relationships with the communities in which it operates. Most resources were allocated to LATAM, with approximately 44% of the total, followed by NAFTA with approximately 36%. Of the community initiatives supported worldwide, 58% were social projects, 21% focused on art and culture, and 10% on young people's education.

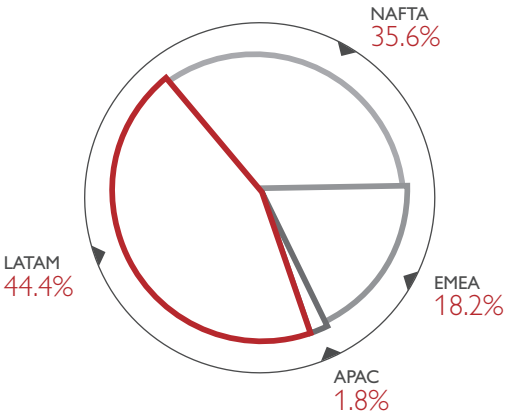
CONTRIBUTION TO LOCAL COMMUNITIES

CNH INDUSTRIAL WORLDWIDE

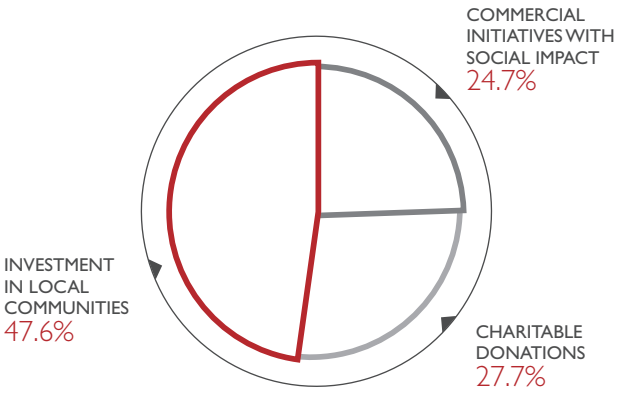
BY TYPE



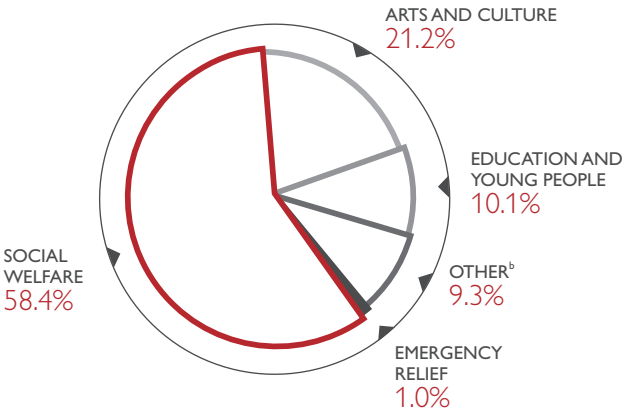
BY DESTINATION



BY CATEGORY



BY SUBJECT



[a] Represents the monetary value of hours for volunteer work carried out by employees during working hours (also includes initiatives where legal entities are fully or partially reimbursed through public funds).
[b] Also including investments in economic development and the environment.

[1] Investment data for local communities is based on accounting data and calculation methods, and also includes estimates. Figures in currencies other than dollars were converted at the exchange rate as at December 31, 2014. The stated figure also takes into account the cost of employee time to manage and organize humanitarian initiatives promoted by the Company, and does not include initiatives solely focused on brand promotion. Figures relate to all CNH Industrial legal entities worldwide.

GLOSSARY
APAC; EMEA; LATAM; NAFTA

GRI
G4-SO1

LOCAL DEVELOPMENT INITIATIVES

POTENTIAL IMPACT OF OPERATIONS ON LOCAL COMMUNITIES

CNH Industrial has 64 plants in 190 countries worldwide (see also page 15), and is fully aware of the potential impact of its operations on the environment and local communities. To integrate with the community in which it operates, the Company adopts social and environmental policies that respect both people and the region. This goes beyond Corporate boundaries, extending to the supply chain. Indeed, where possible, the Company relies on and partners with local suppliers, to whom it transfers its best practices such as the WCM program. Local suppliers are also required to abide by the Company's principles on human rights and working conditions (i.e., to reject all forms of forced and/or child labor), environmental protection, and business ethics (see also page 153).
Specifically, the aspects that could significantly impact local communities and that CNH Industrial is committed to improve, concern:

- the impact on the health of workers and their families (see also page 90)
- improvements in the welfare of workers and their families (see also page 95)
- the impact of atmospheric emissions (see also page 188)
- air quality protection (see also page 171)
- water management (see also page 173)
- soil and subsoil protection (see also page 175)
- waste management (see also page 176)
- biodiversity protection (see also page 178)
- removal of hazardous substances (see also page 180)
- adoption of logistics solutions with lower environmental impact (see also page 193).

All of the above are monitored, among other aspects, under the Risk Management system (see also page 64), but for some plants the monitoring of water management and biodiversity protection are particularly relevant. In those cases, targeted projects were launched, directly involving local communities.

INITIATIVES IN EMEA

In EMEA, CNH Industrial puts great emphasis on road safety (see also page 124) and on projects that prioritize education, especially for young people (see also page 121). At the same time, the Company maintains strategic collaborations with selected partners (such as Slow Food and the Telethon Foundation) to strengthen its social role across the areas in which it operates.
Moreover, the participation in *Expo Milano 2015* as an official partner demonstrates the Company's commitment to a sustainable approach to agriculture and, more in general, to business.

CNH Industrial at Expo Milano 2015

CNH Industrial is an official partner of *Expo Milano 2015*, a universal exhibition to be hosted by Italy for six months, beginning in May 2015. The event is designed to offer visitors and attending countries a global cultural, educational, and commercial experience. This year's theme, *Feeding the Planet - Energy for Life*, will offer an opportunity to discover different flavors, traditions, and cultures, but also to open a dialogue on nutrition, food, and sustainable resources across the globe. CNH Industrial shares the spirit and the values of this year's theme, as reflected by its unceasing commitment to pursuing production efficiency through the rational and sustainable use of resources.
The Company will be represented at *Expo Milano 2015* by New Holland Agriculture. In line with its *Clean Energy Leader* strategy, New Holland will share how it approaches agriculture while protecting the environment, communities, and regions in which it operates. At the event, it will have a dedicated pavilion and exhibition space focusing on agriculture, where it will showcase several of its products. In addition, a series of interactive installations and videos will allow visitors to discover the innovative, crop-specific products and technologies manufactured and marketed by the brand. The exhibition area will be fully accessible to those with reduced mobility.
In the months leading up to *Expo Milano 2015*, the *Seeds of Life Series* project was launched via a dedicated website, to share the stories of eight farmers in eight different countries about their lives, experiences, and everyday challenges. The project aimed at highlighting how the instinct and sensitivity of today's farmers is crucial to grow the crops needed to feed the planet.

GLOSSARY
Biodiversity; EMEA; WCM
GRI
G4-SO2

FOCUS ON

THE SUSTAINABLE FARM PAVILION

New Holland Agriculture's pavilion at *Expo Milano 2015* was designed and built with sustainability criteria in mind. It features photovoltaic panels integrated into the façade's windows, producing renewable energy to be used inside the pavilion. Furthermore, the use of LED lights enables a significant reduction in energy consumption.
Another important detail is the system for the collection of rainwater, used to supply the sanitary facilities inside the structure and/or to irrigate the soil-covered roof.
At the end of *Expo Milano 2015*, the pavilion will be disassembled and permanently reassembled elsewhere for other purposes. This is why it was built with dry construction technology, modular façade components, and pre-assembled equipment that does not require further assembly on site. This design approach avoids the need for demolition and the generation of materials to be sent to landfills, leaving premises clear and free of pollutants.

A *suggestion wall* was created on the Corporate Intranet, where CNH Industrial employees will be able to share ideas and comments about the Company's participation in *Expo Milano 2015*. Another initiative, *Volontari per un giorno @ Expo 2015* (Volunteers for a day), will give Company employees in Italy the opportunity to volunteer within the scope of the event, while a separate campaign was launched to recruit employee family members to work at the pavilion.
Through Iveco Bus, CNH Industrial will actively contribute to the sustainability of the exhibition's internal mobility, by supplying seven natural gas-powered buses (also capable of running on biomethane). Furthermore, nine New Daily vans and one Iveco Eurocargo will be provided to handle the logistics and transport of an Iveco dealer, whereas 18 Eurocargo street sweepers and seven Stralis Hi-Way trucks fitted with skip loaders will be used at external exhibition sites.
FPT Industrial, CNH Industrial's powertrain brand, will display its top level Cursor 16 engine in the New Holland pavilion, to reinforce New Hollands' clean technology message. FPT Industrial engines will power the transport and logistics vehicles for *Expo Milano 2015* supplied by fellow CNH Industrial brands.
In addition, CNH Industrial is a sponsor of the USA Pavilion *American Food 2.0*, which will also showcase Case IH agricultural machinery and Case Construction Equipment.

Partnership with Slow Food

CNH Industrial's brands have collaborated with the non-profit Slow Food organization for years, launching several initiatives. Iveco is an environmental partner of *Salone Internazionale del Gusto e Terra Madre*, the world's largest fair for quality food and the most important event for connoisseurs and foodies. The fair is acknowledged as a low environmental impact event owing to the eco-friendly management of both consumption and waste. The event, held in Turin (Italy) in October 2014, was attended by 650 delegates from 95 countries, 220 thousand visitors, and over ten thousand students.
Iveco is also a technical partner of the *Thousand Gardens in Africa* project, in collaboration with the Slow Food Foundation for Biodiversity. The project focuses on bringing together the farming experience, community sharing, and educational/informational initiatives, while respecting different environments, socioeconomic scenarios, and cultures. During the first year of collaboration, a vehicle was donated to the community of Karrayyu shepherds in Ethiopia, which will allow them to carry almost a dozen cans of the camel milk they produce every day.
New Holland Agriculture, on the other hand, is a strategic partner of the *Università degli Studi di Scienze Gastronomiche di Pollenzo* (Italy), promoting specific projects on sustainable agriculture and on global food production mechanization, in line with the University's curriculum (see also page 121).

GLOSSARY
Biodiversity;
Biomethane;
LED

Supporting the Telethon Foundation

CNH Industrial stands with the Telethon Foundation in supporting scientific research on genetic diseases at every year's television marathon broadcast from Italy, and in December during the charity event called *È in gioco la solidarietà* (Solidarity at Stake). The latter was held at the Industrial Village in Turin (Italy); attended by approximately four hundred people, the event provided a significant moment of reflection on scientific research and on Telethon's actual daily commitment in this regard. CNH Industrial, along with its brands Iveco, Iveco Bus, New Holland Agriculture, Case Construction Equipment, and FPT Industrial, sponsored the event and further contributed by donating all of the evening's proceeds to Telethon's research. Moreover, Iveco auctioned a New Daily on CharityStars, the first-ever charity fundraising platform that allocates the proceeds of online auctions to solidarity initiatives. All the money raised was devolved to Telethon.

Cooperation with Welthungerhilfe

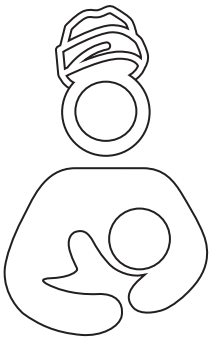
CNH Industrial's brand Case IH is the first partner for food of the German food aid organization Welthungerhilfe. In 2014 Case IH supported the organization's battle against hunger and poverty with a donation of $60 thousand. The initiative aims to help provide sufficient and appropriate food to as many people as possible, particularly in regions that do not receive enough public attention. The donation is spent according to the priorities identified by the organization.

Welthungerhilfe's projects require both agricultural engineering expertise and agricultural equipment, which is where Case IH comes into play. On average, smallholders in Kenya farm about half a hectare each, a surface that is barely sufficient to provide for the needs of the farmers' families, let alone yield any produce surplus to be sold at regional markets to generate income. Case IH provided them with two tractors and respective implements for tillage and haymaking, delivered and supported via the company's Kenyan sales and service network.

Collaboration with Global Shapers

As part of CNH Industrial's commitment to communities, particularly in Africa, the Company supports the Global Shapers Community, an initiative of the World Economic Forum. Global Shapers Community is a network of city-based hubs developed and led by young leaders who want to develop their leadership potential in helping the community. By sponsoring the *At Dinner with Africa* fundraising campaign organized in 2014 by Venice Hub, CNH Industrial supported the *Mothers and Children First* project set up by the NGO *Doctors with Africa Cuamm*.

The donations collected helped over 350 women over three months at hospitals in Angola, Ethiopia, Uganda, and Tanzania: 150 women in labor were able to access an ambulance and hence give birth in well-organized facilities; ten women received grants to become midwives; and two hundred women received professional assistance during birth.



350
African women
helped in
motherhood

OUR PROJECTS

THE OCEAN, A TALKING BLUE VEIL PROJECT

The link between FPT Industrial and the Walkirye yacht remains a meaningful one. Niky Frascisco, now a teenager, has been affected by severe congenital bronchial asthma since childhood. His parents built a yacht in their backyard in 2003, so that he could live a healthy life at sea, without requiring medicines or hospital treatments. In 2006, Niky was appointed UNICEF Junior Ambassador for educational rights. In June of that same year, FPT Industrial gave the Frascisco family a NEF auxiliary engine for the yacht, followed down the line by a Cursor engine to celebrate Niky's eighth year of sailing. Today, this experience has led to yet another project, called The Ocean, a Talking Blue Veil (Il Mare, un Velo Blu che parla), designed to offer fifty students aged 14-18 a trip to Campania, Basilicata, Calabria, and Sicily (Italy) aboard the Walkirye schooner. The project aims at improving the teenagers' skills and at teaching them respect for nature, land, and the environment, adopting problem solving skills during group activities on board.

INITIATIVES IN NAFTA

Charitable donations and volunteering are a key part of CNH Industrial's community involvement in NAFTA. Requests for funding and/or charitable donations in 2014 were reviewed quarterly by the Company's Contributions Board, prioritizing causes that benefit education, civic and community improvement, health and human services, and arts and culture in the communities where employees live and work.

During the year, the Company also completed the final regulatory steps required to create its own Corporate foundation. The new **CNH Industrial Foundation**, effective January 1, 2015, aims at transforming local communities by providing financial support to worthwhile charitable organizations. It will exclusively manage all Company-funded donations to non-profits, accredited schools, and publicly-funded organizations that support the Company's goal of investing in the health and sustainability of local communities. In addition to causes centered on education, health and human services, and civic and community improvement, the Foundation will also focus its efforts on food security and disaster relief.

CNH Industrial and its brands finance long-term projects in partnership with key charitable organizations, such as Habitat for Humanity, United Way, and the American Cancer Society; they also make high-impact, one-off contributions such as those to the Fisher House Foundation: an organization best known for offering a network of homes where military and veterans' families can stay at no cost while a loved one receives treatment. Fisher House Foundation homes are located at major military and veterans hospitals nationwide. In support of cultural initiatives, CNH Industrial donated $171 thousand to the Stuhr Museum Foundation in Grand Island (USA). The museum preserves and portrays life in the era of the pioneering town builders who created the first communities in Nebraska. Every year, families of plant employees can enjoy a tour of the museum on *Family Day* (see also page 89).

Moreover, the Fundación Merced Queretaro AC (Mexico) supports a program for the strengthening and professionalization of civil society organizations, offering training, workshops, and courses that provide tools, knowledge, and skills. The Company also donated over $2 thousand to the Hogares San Francisco IAP rehabilitation center, to support its activities and the refurbishment of its greenhouse; in addition to the economic support, an in-kind donation included an irrigation system.

Fighting Homelessness

Since 2007, CNH Industrial has supported **Habitat for Humanity** by raising funds and building homes for those in need in the US communities where the Company operates. Habitat for Humanity is a non-profit organization that tackles poverty and builds housing for the homeless. First started in 1976, it has since built more than 800 thousand homes worldwide, providing shelter to over four million people.

Employees supporting the initiative step away from their desks during working hours to assist in the various building phases: laying foundations, fitting windows and doors, and carrying out electrical work. In 2014, about 87 CNH Industrial employees helped build homes in Burr Ridge, Lebanon, and Racine (USA), volunteering five hundred work hours (see also page 98). CNH Industrial also donated $32 thousand to local affiliates near its sites in Burr Ridge, Calhoun, Lebanon, and Racine. Since 2007, CNH Industrial has donated more than $462 thousand to Habitat for Humanity.

Aware of the problems that the homeless face, the Company also collaborates with the **Homeless Assistance Leadership Organization** (HALO), which is committed to preventing homelessness in Racine (USA), and has a user base of a thousand people per year. In 2014, CNH Industrial donated approximately $51 thousand to create shelters, fund services, and support coordination activities. Since 2011, the Company has donated over $200 thousand to HALO.

Support to United Way

In 2014, CNH Industrial carried on its long-standing support for **United Way**, a non-governmental organization present in 41 countries worldwide helping those in need of access to primary care, with particular emphasis on education and health. To support United Way in its mission, CNH Industrial collected donations through an annual email campaign targeting its North American employees (over 11 thousand workers), and by holding several fundraisers with the involvement of its employees and including outings organized at various Company locations. Together, CNH Industrial and its employees donated more than $1.3 million in 2014.

OUR PROJECTS

FIGHTING CANCER TOGETHER

For five years, CNH Industrial and its employees have participated as a team in *Relay for Life*, a group-based, 24-hour fundraising walk for the American Cancer Society. In 2014, through employee fundraising and social contributions, CNH Industrial's team was able to raise nearly $85 thousand for the organization. To raise awareness of breast cancer, the plant in Fargo (USA) manufactured a custom pink 621F Case Construction wheel loader for a customer in Winnipeg (Canada), to be used for snow removal. The customer donated 10% of all proceeds from the use of the machine to the Canadian Breast Cancer Foundation.

Case Construction in France launched the *Pink October* initiative, donating $266 to research for each tractor loader backhoe sold between October 1 and December 31, 2013. Proceeds were donated in 2014 to the *Institut Curie* in Paris, a leading cancer treatment center and one of the largest research centers in Europe.

In Australia, Iveco made a donation to Melbourne's Otis Foundation, which provides free accommodation across a network of high-quality retreats to women affected by breast cancer, aiming at reducing the disease's psychological impact on patients, their families, and communities.

INITIATIVES IN LATAM

In LATAM, social responsibility has become an increasingly important matter in recent years. As a consequence, social initiatives adopt a less purely philanthropic approach in favor of a more strategic one. For this reason, CNH Industrial selects projects and partnerships that have a social and environmental impact on its activities, involving its employees in the process. **Education** was one of the priority issues identified by an internal survey as requiring action, since it helps to overcome social inequalities, thus changing circumstances and creating better citizens. In this regard, CNH Industrial promotes short and long-term projects to benefit the community, customers, employees, and suppliers. Education is promoted through initiatives focusing on regional development, the dissemination of **culture** (arts, music, and literature), and the promotion of **sports** activities among underprivileged children and teenagers.

The Company has launched several programs in LATAM throughout the years to tackle the priority issues identified, and supports them on an ongoing basis. The projects developed within the scope of each program support thousands of people every year.

In 2009, Case Construction Equipment and Case IH set up the **Case Multiação** program, focusing on the areas surrounding the plants in Piracicaba and Sorocaba (Brazil). The program concentrates on human development, with the aid of non-governmental organizations, supporting the dissemination of culture, sports, and further education.

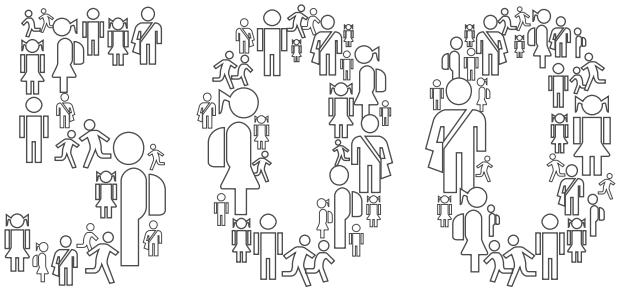
In 2007, Iveco launched the **Proximo Passo** project to promote initiatives ranging from the preservation of the environment to the strengthening of citizenship and sustainability in poor communities near the plant in Sete Lagoas (Brazil).

Lastly, in 2009, New Holland Agriculture and New Holland Construction created the **Plantar & Construir** program in Contagem and Curitiba (Brazil) to improve quality of life by promoting human development and providing social welfare through sports activities in the most vulnerable communities.

As part of such initiatives, one of the main **educational** and community development organizations that CNH Industrial supports is the *Associação de Pais and Amigos dos Excepcionais* (APAE) in Sete Lagoas, a non-governmental organization providing assistance to people with disabilities. There are currently 625 children involved. Iveco sponsors some of the association's projects and development activities, and donated a minibus to assist with transport.

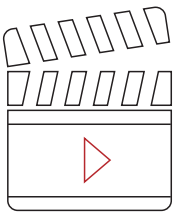
In Sorocaba, CNH Industrial supports the *Pastoral do Menor* organization, which works to reduce the number of children and teenagers living on the street. In a specially allocated building, they are given the opportunity for extra schooling, as well as a chance to socialize and participate in sports and leisure activities. In 2014, more than five hundred children and teenagers benefited from the organization's initiatives.

In Contagem, CNH Industrial has worked with the *Cooperação para o Desenvolvimento and Morada Humana* (CDM) for two years to reduce poverty in highly deprived areas. Initiatives carried out near the plant include recreational workshops for children and teenagers (street dance, judo, and graffiti), social interaction (meeting up with families and parties for the community), and volunteer projects involving employees.
For some years, CNH Industrial has also supported the *Madre Gertrude School*, the *Association São Miguel Arcanjo*, and the *ADAV Cultural Project*, organizations that help children and teenagers who are at risk because of their situations or environment, providing educational and recreational activities.



children and teenagers
saved from the streets

CNH Industrial sponsors numerous **artistic** and **cultural** projects. In Sete Lagoas, CNH Industrial supports *Associação Cultural Sempre Um Papo*, which organizes regular lectures and discussions with leading writers and intellectuals, to foster a reading culture. In 2014, five events were organized attended by two thousand people. The events were filmed and compiled in a series of DVDs entitled *Culture for Education*, sent out to all public schools.
In Sorocaba, CNH Industrial supported the *Pintura Solidária* cultural organization for the *Colours of Solidarity* project. The initiative encourages children, adolescents, adults, and the elderly to express their creativity through painting. Workshops are held at hospitals, daycare centers, and organizations assisting children with psychological problems in the care of social workers, helping to raise self-esteem, strengthen patients' immune systems, and develop the motor skills of children with physical disabilities. In the first half of 2014, the project was rolled out in ten cities, involving over 1,100 people. The *Children's Game* project is a traveling exhibition comprising videos in which teachers talk about childhood. The exhibition toured 15 cities in the state of São Paulo in 2014, with audiences of nearly four thousand people.
In Curitiba, the *Fazendo Arte e Promovendo Talentos* project promotes art and painting workshops for underprivileged children. A large exhibition of artistic works produced in the workshops was held in one of the city's art galleries. The historic building that once housed the *Santa Casa De Misericordia* hospital in Curitiba was also renovated, and now hosts cultural activities.
CNH Industrial promotes the *CNH Economic Journalism Award*, formerly the *Fiatallis Award*, created in 1993. The award is presented to members of the press to encourage quality news reporting and spark debate on the Brazilian economy by recognizing the contribution of the press to the country's development, through its work and relationships with industry. On a related theme, 2014 marked the *10th New Holland Award for Photojournalism*. Nearly 4,500 photos were submitted by about 1,100 professional and amateur photographers across Brazil, Uruguay, Paraguay, Argentina, and Chile. Additionally, for three years CNH Industrial has sustained the *New Cine Bamaq* project, a traveling cinema that sets up in the town squares of the poorer regions in Brazil's interior. In one month, over 14 thousand people watched a movie screening.

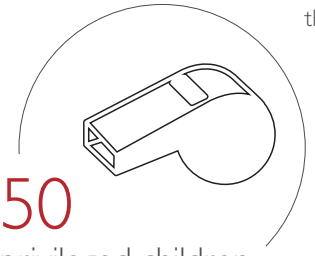


14 thousand
people went to the
travelling cinema

For several years, CNH Industrial has supported a number of **sports** projects focusing on the social integration of young people from disadvantaged areas. Such initiatives include *Esporte da Cidade* in Sete Lagoas, involving 150 children and teenagers, and *Arremesso do Amanhã* in collaboration with the Sorocaba basketball league, involving two hundred children.

For four years, CNH Industrial has also sponsored the *Bola da Vez Association*. Through football, the organization wants to develop physical education, health, social inclusion, and citizenship for students aged six to 17, of both genders, officially enrolled in public elementary schools and with good grades. In 2014, over one thousand children from Sorocaba and the surrounding region were involved in the project.

In Curitiba, CNH Industrial has supported the *Clube Educacional da Bicicleta* for two years. The initiative encourages children and teenagers aged seven to 12 to exercise on bicycles and offers education on road safety. The project uses the city's velodrome.



1,350
underprivileged children and teenagers involved in sports activities

CNH Industrial also made donations to *Pequeno Príncipe* Hospital in Curitiba and *Barretos* Hospital in the state of São Paulo. The *Natal Solidário* (Christmas Solidarity) campaign encouraged CNH Industrial employees to help the surrounding communities by sending postcards, emails, and posters. The campaign collected 1,800 gifts for children in need. In 2014, the CNH Industrial volunteer program carried out further initiatives such as visits to refuges, and the organization of children's days.

In Argentina, twenty employees volunteered to help build ten houses for disadvantaged people under the *A Roof for my Country* program.

INITIATIVES IN APAC

CNH Industrial has a strong presence in the Emerging Markets of the APAC Region, enabling the Company to share expertise and show its solidarity with local communities. Over the past year, this close relationship has taken on greater importance in terms of the initiatives developed. There were major initiatives offering solidarity to people in areas affected by natural disasters, such as the typhoon in the Philippines, and several others supporting education for young people across the Region (see also page 121).

In Australia, Case IH sponsored the *Next Gen Step Up!* conference, organized by the Australian Cane Farmers Association to foster dialogue on sustainability, innovation, and new agricultural practices, and to encourage knowledge transfer between young and established sugarcane farmers. Again in the farming sector, Case IH sponsored the Southern Precision Agriculture Association, a non-profit independent group formed in 2002 to promote the development and adoption of precision agriculture technologies.

In China, CNH Industrial donated clothes to children at the *Wan Chuan Chuang Zhi* primary school, in a small village of a thousand inhabitants in Sichuan Province, benefiting about 65 children.

PARTICIPATION IN EMERGENCY RELIEF EFFORTS

CNH Industrial always strives to respond rapidly to the needs of people affected by natural disasters. The Company channels resources (vehicles and financial and technical support) to aid impacted communities, as well as liaise for employees wanting to assist in relief efforts.

A wide range of New Holland equipment, from large excavators to small, compact machines, were put to work across **Europe** to clean-up and repair towns and cities affected by the storms and floods of spring 2014. For example, a New Holland E385 excavator, supplied to the Environment Agency, was used to repair the shingle sea defenses on Preston beach, on the UK's south coast. In the northern coastal city of Gijon (Spain), in the region of Asturias, New Holland machines provided support to repair initial damage to the seafront promenade.

In 2014, the fleet of five machines supplied by CNH Industrial and its distributors for relief efforts in the **Philippines** was further used to help restore areas impacted by Typhoon Haiyan. The machines were first delivered in December 2013 to the United Nations relief operations based in Tacloban, in the province of Leyte, the area hit hardest by the typhoon. In 2014, the dealerships involved in the project supplied equipment and operators, as well as the necessary service support to keep the machines running in peak condition.

In January, a violent storm hit the eastern region of Minas Gerais State (**Brazil**). In partnership with the State Coordination of Civil Defense, New Holland Construction assisted by loaning a crawler dozer to help reopen streets and roads, transport materials and equipment, and remove debris.

GLOSSARY
APAC;
Emerging Markets

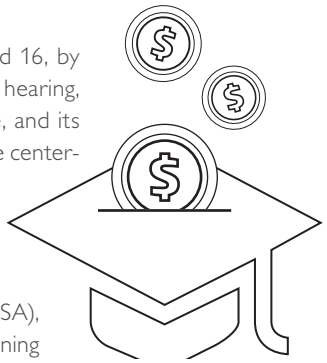
YOUTH TRAINING

CNH Industrial focuses its community efforts on young people, and in particular on their education. In addition to the awards and scholarships given to employees' children (see also page 74), the Company works hard to promote young people's education, in collaboration with private and public institutions and other stakeholders. Activities range from promoting long-running educational projects, to sponsoring organizations involved in young people's education.

In **Italy**, New Holland Agriculture established a strategic partnership with the *Università degli Studi di Scienze Gastronomiche* in Pollenzo, the first in the world to offer a course on gastronomic sciences. New Holland Agriculture provides the University with the industry's most up-to-date information on sustainable farming practices and on farming machinery for global food production. A complementary program offers educational student tours of food processing companies, for hands-on experience of the advantages of sustainable agriculture. In cooperation with New Holland, the students have the opportunity to explore modern production methods used in the food industry.

In the **UK**, CNH Industrial refurbished a local special needs school for children aged between four and 16, by creating an *exploratorium*: a new outdoor area built from sensory materials to develop touch, feeling and hearing, where children can learn in an enjoyable way. The theme of the area is agriculture and the countryside, and its features were created with materials from the manufacturing plant, such as tractor tires and cabs, with the center-piece being a three-quarter scale wall mural of a New Holland tractor.

In the **USA**, CNH Industrial supports Future Farmers of America, an association active in farming education since 1928. Scholarships provided another effective way of investing in young people's education, with $18 thousand donated to 13 universities across the country. Near its manufacturing plant in Fargo (USA), CNH Industrial donated funds to North Dakota State College of Science for a new manufacturing training initiative. Moreover, in coordination with United Way of Metropolitan Chicago, the Company donated more than 150 tablet computers to Chicago public schools in the Brighton Park neighborhood. Brighton Park is the second fastest growing community in the city of Chicago; between 1990 and 2005, it saw a 235% increase in the number of children living in poverty. These tablets are part of an effort to provide better quality education to local students, and give them the resources they need to succeed and to strengthen their abilities in science, technology, engineering, and mathematics.



$18 thousand donated to 13 universities

In **China**, CNH Industrial sponsored the Master of Engineering Program, begun in July 2014 in collaboration with the Northeast Agricultural University, benefiting ten engineers studying agricultural mechanism engineering.

TechPro²

*TechPro*², a joint project with schools run by the Salesian Society, has the main aim of training mechatronics specialists in construction equipment for the engines and industrial vehicles industry. The training course offered has a two-stage curriculum: theory, taught at the Salesian training institutes, and hands-on learning, provided at authorized CNH Industrial repair shops. This is a way of meeting the growing demand for skilled personnel. CNH Industrial provides expertise by training teachers, who in turn pass it on to the students in the classroom. In addition, it offers financial aid and tools useful to classroom training, such as complementary vehicles for practice exercises and essential parts such as engines, drives, and diagnostic tools. The offering of training courses varies from country to country and is tailored to local needs in order to provide young people with a qualification they can use in the job market, while at the same time meeting the demand of workshops and dealerships for specialized manual workers.

GLOSSARY
Stakeholders

253 young people involved in TechPro²

The project began in **Italy** in 2011, with the support of Iveco, at the center in Fossano. Currently, the training course offers both a two-year body repair program and a three-year motor vehicle repair program. In 2014, 114 students were trained, 1,683 training hours were provided, and forty students underwent a 320-hour internship at local repair shops. Of the graduates of the three-year program in June 2013, 67% continued their studies or found a job, while the rest are seeking employment.

In 2012, the *TechPro*² project was also extended to Belèm (**Brazil**). The Salesian School holds professional courses to help twenty young people in the field of motor vehicle repair enter the job market. In 2014, eight hundred training hours were provided.

In 2013, the project was launched in Addis Abeba (**Ethiopia**), where a training course on engines and industrial vehicles was launched at the *Bosco Children Center*. The project also aims to intensify the dialogue between public and private entities by creating a partnership to generate greater employment opportunities for young people. The course lasts nine months and guarantees a certificate officially recognized by the Ethiopian government. In 2014, twenty young interns finished training and qualified as repair technicians, a highly specialized profession in the field of mechatronics. All of them found employment. A further 18 students have since started the training.

In 2014, CNH Industrial launched the *TechPro*² program at the Changshan vocational secondary school in the province of Zhejiang (**China**). The project is part of a sponsorship agreement between CNH Industrial and Yizhong Education, and will involve 101 students and 13 teachers over a three-year period. The training sessions will be held on the new school campus, on the north shore of the port of Changshan. Iveco will give professional support to the school by providing hours of teacher training, tools, parts, and Iveco engines and vehicles. Upon receiving their diploma, students will be offered an internship at an Iveco dealership.
Given its positive results, *TechPro*² is expected to be extended to other countries where the Company is present and to other CNH Industrial brands (see also page 34). In 2015, the *TechPro*² website will be launched providing information on and results of the initiative, with an event to be organized involving the main contributors who made the program possible.

Agri Training Centers

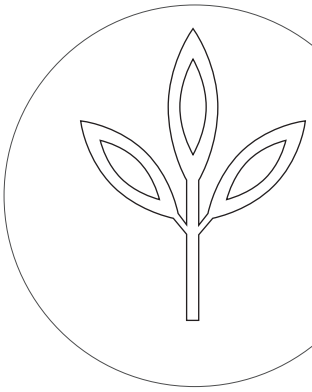
In 2012, New Holland Agriculture opened the first Agri Training Centre in Bhubaneswar, **India**, in association with the Department of Agriculture of the Government of the state of Odisha. Under the Odisha Government program, the training center aims to provide young farmers and unemployed people with the specific skills necessary to find suitable employment in mechanized agricultural farming. The course covers tractor maintenance and the overhauling of the main tractor sub-assemblies, as well as repair and maintenance of other mechanized farming equipment. For the specialized training provided by New Holland, the Agri Training Centre is equipped with special tools, such as engines and transmissions. Spread over two thousand square meters made available by the Odisha Farm Machinery Research & Development Centre of the Department of Agriculture, the center trained 24 young unemployed farmers in 2014.
Moreover, in 2014, New Holland Agriculture signed a memorandum of understanding with the Government of Madhya Pradesh State to establish a new training center in the state and provide innovative products for the mechanization of sugarcane, cotton, and corn harvesting, and for biomass management. The initiative is an opportunity to raise awareness among farmers and facilitate usage of more eco-friendly and efficient agricultural practices to enhance productivity and create more employment opportunities for young people.

Programa Formare

In 2014, the *Programa Formare* continued in Sete Lagoas (**Brazil**). The goal of the program is to reintegrate disadvantaged young people through training. In partnership with the *Fundação Iochpe*, twenty young apprentices were selected to take part in the program. Volunteer employees from the Commercial Vehicles and Powertrain segments teach the course, aimed at developing skills related to communication, teamwork, problem solving, and manufacturing processes (see also page 99). The classes take place at the Iveco plant in Sete Lagoas. The training program lasts about one year and, upon completion, students receive a specialist technical degree in finishing and final assembly, as well as a diploma recognized by the Brazilian Ministry of Public Education. In 2014, twenty students graduated; they subsequently demonstrated significant improvements at school, at home, and in interpersonal relationships.

Projeto Sementinha

The *Projeto Sementinha* (Small Seed Project) took place, for the third consecutive year, at the FPT Industrial plant in Sete Lagoas (**Brazil**). The project aims to spread a culture of respect for the environment, beginning in childhood, while offsetting some of the emissions from the Sete Lagoas plant through reforestation initiatives. The students involved in the project, aged from six to ten, visit the plant and take part in an interactive lesson on environmental issues. After the theory part, they are given two small plants: one to be planted near the FPT Industrial plant, and one to take home. The ultimate aim is to promote awareness on environmental issues, recycling, and the protection of biodiversity and of non-renewable natural resources; the hope is they will share their newfound awareness with friends and family. In its three years, the project has involved over five hundred children, planting approximately 860 trees.



860
trees planted
in three years

OUR PROJECTS

A MOBILE SCHOOL FOR FORMER SUGARCANE CUTTERS

Owing to growing environmental concerns and technological innovations, the Brazilian sugarcane industry is undergoing rapid mechanization. Manual labor is being replaced with mechanized processes for planting and harvesting sugarcane, resulting in a significant number of rural workers, who currently earn a living cutting cane, losing their jobs. At the same time, the mechanization itself has created thousands of jobs in the industry, such as harvester operators, truck drivers, mechanics, and welders.

Case IH supports Mobile SENAI-SP, the first professional course in a mobile unit for former sugarcane cutters and other farming community professionals. This mobile unit consists of a truck equipped with classrooms and three simulators of Case IH A8800 traditional cutters. The simulators replicate the commands of a sugarcane harvester, so that the student can perform harvesting, maneuvering, and trial operations, just like in real-life.

The course offers a professional qualification on correct equipment operation according to high technical standards of quality, safety, hygiene, health, and environmental protection.

The training took place in the city of Araçatuba in October 2014, with 82 people benefitting from the project.

GLOSSARY
Biodiversity

ROAD SAFETY

CNH Industrial believes that safety is fundamental and that it is crucial to use state-of-the-art technology to produce safety systems that protect drivers, other road users, vehicles, and cargo. The Company's focus goes beyond the safe use of products (see also page 208), extending to initiatives that actively help people to behave safely on the roads, sharing knowledge of best practices and helping to prevent accidents or dangerous situations that might provoke them.

Action for Road Safety

For the second year, CNH Industrial (through its brands Case Construction Equipment, Iveco, Iveco Bus, and New Holland Agriculture) supported the *Action for Road Safety* campaign, promoted by *Fédération Internationale de l'Automobile* (FIA). The campaign, which falls within the scope of the United Nations' *Decade Action for Road Safety* program, aims to prevent five million road fatalities by 2020, and at encouraging safe road behaviors among drivers. The campaign focuses on ten *Golden Rules*, a list of essential safe driving behaviors, which are also circulated to employees through the Corporate Intranet (see also page 88).

CNH Industrial continues to endorse a common road safety message together with the FIA, through events and initiatives such as the *FIA World Touring Car Championship (WTCC)*, the premier championship reserved for touring cars that draws more than five hundred million viewers worldwide. The Company's involvement in the WTCC began with Iveco and New Holland Agriculture, the first manufacturers, respectively, of commercial vehicles and agricultural machinery to support the campaign; Iveco Bus and Case Construction Equipment adhered in 2014. Through Facebook and other Internet sites, the initiative reached more than one million people, transforming the project into a powerful communication tool. In addition to the unusual presence of a corporate truck and tractor on the racetrack, the Company made its presence felt in the dedicated safety zone of the paddock area, where a personalized Iveco hospitality vehicle was used as a stage and meeting place to promote road safety for commercial vehicles and agricultural equipment.

The partnership between CNH Industrial and the FIA will continue in the coming years (see also page 34).

THE GOLDEN RULES

Safe Schools

South African students often have to walk great distances to school, risking injuries from road accidents. The *Safe Schools* project, funded by Iveco together with other companies, aims at reducing child pedestrian injuries and deaths in South Africa through a variety of measures. These include improvements to roads based on the International Roads Assessment Programme star rating system[2], establishing effective capacity within schools to educate students on road safety through training and road safety curriculum development, and working with the public sector to encourage long-term sustainable investment in road safety. The project, launched in May 2014, focused on three primary schools in Cape Town. On average, 82% of students at the three schools travel by foot every day. An effective initiative was implemented to protect the 1,150 children of Sivile Primary School, and the project will continue at the other two pilot schools.

Transaid

Iveco has a long working relationship with Transaid, a non-governmental organization that supports local African communities by developing local transport solutions to offer them opportunities for economic growth.
Sub-Saharan Africa also has a high rate of accidents involving heavy vehicles due to dangerous driving behaviors: a combination of inadequate training, too many hours behind the wheel, insufficient vehicle maintenance, and poor road infrastructures traveled by increasing traffic volumes. In several African countries, Transaid endorses the *Professional Driver Training* project, to train professionals who, in return, train and qualify truck drivers. Specifically, in 2014, Iveco participated in this initiative in Tanzania and Zambia and provided concrete assistance by training 2,454 drivers, as well as 13 driver trainers.

Projeto Top Driver

In **Brazil**, Iveco has worked for years to transfer the driving skills it has acquired to drivers working for transportation companies, providing safe and accurate information about the vehicle. Indeed, correct braking and proper tire-maintenance enhance road safety, while increased driver awareness helps to reduce vehicle running costs and fuel consumption. The training courses, targeting corporate fleet drivers, consist of two parts: six hours of theory, and three to four days of practical driving. Since 2007, the project has already involved 75 companies.

Trans-Help Foundation

Road safety awareness is also very high in **Australia**. Since 2008, Iveco has supported the Trans-Help Foundation, established to enhance safety and wellbeing in the transport industry. The brand has donated four Daily vans since the collaboration started, subsequently fitted out as fully functional Mobile Health and Support vehicles, and used on the Australian road network to provide health checks and offer advice to drivers and their families. The Foundation's initiative is aimed at saving human life and preventing road accidents caused by health conditions that could impact driving ability.

Road Safety in India

In 2014, at the Noida plant (**India**), a dedicated test track for tractor driver training was set up so that routes no longer have to be shared with other vehicles within the plant. Defensive tractor driver training was provided to 136 hourly and salaried workers handling tractors as part of their jobs. The training consists of class room training, practical training (one full day), and advance training (one full day).

OUR PROJECTS

FREE CHECK-UPS FOR DRIVERS

As part of the FIA campaign *Action for Road Safety*, Iveco reconfirmed its commitment to promoting road safety with the Iveco *Check Stop* initiative, a free check-up on the health of both driver and vehicle. The project considers both the human factors that could lead to a road accident, and those arising from the interaction between infrastructure, driver, and vehicle, which may undermine preventive, active, and passive safety.
The initiative establishes dedicated service areas in which a special hospitality vehicle is parked, coupled to an Iveco Stralis Hi-Way, with a medical examination room set up inside. Drivers are offered a free and anonymous examination for sleep-related issues (such as excessive daytime tiredness, insomnia, or sleep apnea), performed by highly trained medical staff from the *Università di Genova*. In 2014, over 95 thousand drivers learned out about the initiative, either via the information campaign or by visiting the mobile units. Furthermore, Iveco *Check Stop* also offers a vehicle check-up, inspecting tire condition and vehicle lights, and offering free bulb replacements where needed. In 2014, 734 medical checks and 280 vehicle checks were performed in eight stop-offs throughout Italy.

[2] *Star ratings are based on road inspection data and provide a simple and objective measure of a road's built-in level of safety for vehicle occupants, motorcyclists, cyclists, and pedestrians. Five-star roads are the safest, while one-star roads are the least safe.*

RELATIONSHIPS WITH PUBLIC AND PRIVATE ORGANIZATIONS

Material aspect described in chapter. For further details, see Materiality Matrix, page 21.

PUBLIC POLICY AND INTEREST REPRESENTATION

The materiality analysis highlighted that public policy and interest representation are key issues for the Company and for its stakeholders. The Company's participation in the debate on shaping public policy and defining regulations is essential to help define workable standards and guidelines and thus preserve the value of its investments. As evidenced by stakeholders' engagement results, promoting public-private relationships, entering the debate on public policies, and contributing to the establishment of international standards are crucial to improving market development. Stakeholders in NAFTA believe that active participation and engagement in the public policy arena are the most important aspects of being a responsible corporate citizen, and essential to both the democratic process and the Company's success. They also feel that CNH Industrial should participate in the political process. In LATAM and APAC, stakeholders believe that Public-Private Partnerships (PPPs) could boost infrastructure development, through knowledge sharing and efficient infrastructure management. In EMEA, the public policy and interest representation aspect is relevant mainly to those stakeholders on whose behalf CNH Industrial is expected to promote public-private relations, enter the debate on public policies, and contribute to devising and setting international regulations to enhance market development.

Policies and Commitments

CNH Industrial aims at making a positive contribution to the future development of policies, regulations, and standards on issues that affect its business and the communities in which the Company operates. Specifically, CNH Industrial contributes its expertise and knowledge in its dialogue with authorities and other stakeholders on policies concerning the capital goods sector, including both sustainable agriculture and the automotive industry and other sectors related to the mobility of people and goods. CNH Industrial is committed to contributing to the technological advancement society, and to cooperating with public institutions, universities, and other organizations on research and development into innovative solutions in the fields in which it operates. The Company's proactive approach to institutional relations contributes to identifying new business opportunities early on, and to creating business conditions that are competitive as well as sustainable over the long-term. Interest representation is conducted only where permitted by, and in strict compliance with applicable laws, including anticorruption and antitrust laws, and in full compliance with the Company's Code of Conduct and other policies and procedures.

DMA

Resources and Responsibilities

The Institutional Relations or Government Affairs unit reports directly to the Chief Operating Officer of each Region, except in the APAC Region where institutional relations are managed by the head of each country or business area, who also report to the Region's Chief Operating Officer. Activities are structured around three pillars:

- institutional affairs, focusing on international institutional and diplomatic relations
- public affairs, focusing on non-technical policy matters as well as institutional communications
- technical affairs, focusing on regional and international technical regulations.

Goals and Targets

The Institutional Relations unit mainly aims at:

- actively monitoring societal developments and future legislative trends, in order to engage with public authorities, local governments, business associations, regional institutions, international organizations, and NGOs in the institutional decision-making processes that affect CNH Industrial's product and marketing strategies
- defining the Company's position with regard to policy changes, and developing strategies for interacting with policy makers and other relevant stakeholders
- managing the Company's collaboration with trade associations dealing with global and regional regulations
- protecting and enhancing Company and brand profiles by proactively interacting with external stakeholders and participating in public dialogue
- engaging with the Company's product development, innovation, engineering, product portfolio, and market leadership to understand the requirements and constraints of future regulatory trends, as well as to provide information on mid and long-term policy trends and legislative requirements, with the aim of supporting the continuous development and updating of the Company's long-term product and operational strategy
- supporting CNH Industrial's business goals by identifying specific business issues and opportunities in the context of institutional and/or diplomatic relations.

GLOSSARY
APAC; DMA; EMEA; LATAM; NAFTA; Stakeholders

GRI
G4-DMA

DMA

Specific Activities

The specific activities of the Institutional Relations unit are:

- participation in governmental and other institutional meetings on technical specifications, public policies and/or business opportunities
- contribution to industry associations' working groups, events, and initiatives
- stakeholder collaboration projects in various fields, for example sustainable mobility.

REGIONAL INITIATIVES

CNH Industrial is a member, either directly or through one of its brands, of the major sector associations in the different areas in which it operates.

EMEA

In EMEA, the Institutional Relations department ensures CNH Industrial's voice is effectively heard by national government officials and European Union Institutions on relevant issues such as regulatory affairs, sustainable mobility, and policies impacting the Company's business.
In 2014, within the framework of the Italian Presidency of the Council of the European Union (July 1 - December 31, 2014), CNH Industrial planned several technical workshops on regulatory issues, sharing its Corporate vision and regulatory and innovation priorities with EU Member States' representatives.
In EMEA, CNH Industrial is an active member of:

- ACEA - *Association des Constructeurs Européens d'Automobiles* (Commercial Vehicles). CNH Industrial, through its brand Iveco, holds a position on the governance body (one Board member)
- CEMA - European Agricultural Machinery (Agricultural Equipment). CNH Industrial, through its brands New Holland Agriculture and CASE IH, holds a position on the governance body (two Board members)
- CECE - Committee for European Construction Equipment (Construction Equipment). CNH Industrial, through its brands Case Construction Equipment and New Holland Construction Equipment, holds a position on the governance body (two Board members)
- EUROMOT - European Association of Internal Combustion Engine Manufacturers (Powertrain). CNH Industrial, through its brand FPT Industrial, holds a position on the governance body (one Board member)
- NGVA Europe - Natural and Bio Gas Vehicle Association. CNH Industrial, through its brand Iveco, holds a position on the governance body (one Board member)
- AmCham EU - American Chamber of Commerce to the European Union.

FOCUS ON

VIRTUAL TESTING

Leveraging its technical leadership in virtual simulation tests, CNH Industrial set up and now oversees a Virtual Testing working group (Project Team 29). The group comes under CEMA (European Agricultural Machinery trade association) and focuses on the introduction of virtual type-approval testing for agricultural machinery.
Virtual testing uses virtual simulations for the type-approval testing of machinery, reducing the overall number of field tests required and allowing the remaining ones to be tailored to the scenarios that emerge from virtual testing.
The use of virtual tools means fewer prototypes need to be built, and subsequently transported to the test station, leading to material and labor savings. Data on the associated reduction in CO_2 emissions will be available in 2015.
The first application will involve type-approval safety tests on a tractor cabin in the event of rollover. Cab structural integrity and the protection provided to the occupant during vehicle rollover will be evaluated via advanced computing methods, also used in the automotive industry. The virtual simulation uses powerful computing servers, enabling the execution of a wider range of tests and resulting in enhanced vehicle architectures that are safer for the customer.

GLOSSARY ACEA; EMEA
GRI G4-16

In 2014, CNH Industrial organized and attended the following institutional events and major initiatives:

- CECE Summit, Antwerp (Belgium) - Construction Equipment
  - focusing on how to keep our industry sufficiently innovative to remain competitive at global level
- Young Farmers' Event at the European Parliament, Brussels (Belgium) - Agricultural Equipment
  - promoting and supporting the work of young farmers in the EU and their value in agriculture
- Citytech and Bustech, Milan (Italy) - Commercial Vehicles
  - reconsidering the mobility paradigm of the cities of the third millennium
- NGV 2014 Brussels (Natural Gas Vehicle Summit 2014), Brussels (Belgium) - Commercial Vehicles
  - developing a sustainable, growing market throughout Europe for natural gas vehicles
- LNG Conference, Genoa (Italy) - Commercial Vehicles
  - taking stock of the current outlook on the global supply and demand of LNG
- Gas Visually Exhibition at the European Parliament, Strasbourg (France) - Commercial Vehicles
  - joining forces to promote gas use in vehicles
- Ecomondo, Rimini (Italy) - Commercial Vehicles, Agricultural Equipment and Construction Equipment
  - focusing on major international strategies for eco-innovation and for transforming waste into a resource
- Smart Mobility World, Turin (Italy) - Commercial Vehicles, Agricultural Equipment, and Construction Equipment
  - the European reference event for mobility in the XXI century
- UN/ECE GRPE Working Party on Pollution and Energy, Geneva (Switzerland)
  - conducting research and analysis to develop emission and energy requirements for vehicles
- 3rd Annual Natural Gas Vehicle Europe, Amsterdam (Netherlands) - Commercial Vehicles, Agricultural Equipment, and Construction Equipment
  - European Fleets event connecting fleets with suppliers to advance projects and share the success of natural gas as a fuel
- Biomethane Day, Verona (Italy) - Commercial Vehicles, Agricultural Equipment, and Construction Equipment
  - focusing on how the use of biomethane can boost competitiveness and encourage innovation.

NAFTA

In NAFTA, the Government Affairs department ensures CNH Industrial's voice is effectively heard by government officials on bottom-line issues such as tax reform, Trade Promotion Authority (TPA), Trans-Pacific Partnership (TPP), Transatlantic Trade and Investment Partnership (TTIP), the farm bill, the highway funding bill, etc.

In NAFTA, CNH Industrial is a member of:

- US Chamber of Commerce
- BRT (Business Roundtable)
- NAM (National Association of Manufacturers)
- AEM (Association of Equipment Manufacturers)
- OFII (Organization for International Investment)
- DTF (Diesel Technology Forum)
- EMA (Engine Manufacturers Association)
- CEE (Coalition for Employment through Exports)
- Trade Benefits America
- Coalition in support of the Keystone Pipeline
- BIPAC (Business Industry Political Action Committee)
- Several bilateral business associations and councils: AUCC (American-Uzbekistan Chamber of Commerce), USKBA (US-Kazakhstan Business Association), USRBC (US-Russia Business Council), USCBC (US-China Business Council), USTBC (US-Turkmenistan Business Council), USPBC (US-Poland Business Council), AMRO (American-Romania Business Council), USEBC (US-Egypt Business Council), USUBC (US-Ukraine Business Council) and USIBI (US-Iraq Business Initiative)
- US-China Agriculture and Food Partnership
- Corporate Council on Africa
- Fuels America
- Campaign to Fix the Debt
- National Cattlemen's Beef Association
- Growth Energy

GLOSSARY
Biomethane;
LNG;
NAFTA

LATAM

CNH Industrial maintains governmental relations with the Brazilian government through class associations and entities contributing to the development of the markets in which it operates. Specifically, these contributions are in the form of discussions and improvements regarding technical standards, as well as other topics such as product operator safety and technological innovations to decrease gas emissions.

In **Brazil**, CNH Industrial is a member of:

- ANFAVEA (National Association of Automotive Vehicle Manufacturers). CNH Industrial holds a position on the governance body (one Board member)
- ABIMAQ (Brazilian Association of Machines and Equipment)
- NTC LOGISTICA (National Association of Cargo Transportation and Logistics)
- SAE Brasil (Mobility Engineers Society)
- AEA (Brazilian Association of Automotive Engineering)
- FEBRABAN (Brazilian Federation of Banks) through CNH Industrial Capital.

In **Argentina**, CNH Industrial is a member of:

- AFAT (Association of Agricultural Machinery Manufacturers)
- CAC (Argentine Chamber of Construction - Construction Equipment)
- AmCham (American Chamber of Commerce)
- ADEFA (Association of Automotive Manufacturers - Commercial Vehicles).

In 2014, CNH Industrial organized and attended the following institutional events and major initiatives:

- AutoData Seminar on Market Perspectives: economic and market scenario and the positioning of CNH Industrial within this context
- 23rd SAE Brazil International Congress and Display Mobility Technology: "Constructing Intelligent Mobility - The Vehicles of the Future"
- 2014 Metallurgy/Power Grid Conference: The Challenge of the Metallurgical sector is energy efficiency in the industry as a tool for increased competitiveness
- 6th SAE Brazil Symposium on Agricultural Machines: "Market perspectives - A manufacturer's view" and "Certification in Agricultural Machines - The international scenario and opportunities for Brazil"
- 13th CBA (Brazilian Conference on Agribusiness): organized by ABAG (Brazilian Agribusiness Association)
- AutoData Perspectives Conference 2015: Agricultural Equipment and Construction Equipment
- 2014 Amerigo Vespucci Award: tribute to Italian-Brazilian business personalities responsible for important achievements in favor of socialization and closer ties between the two countries
- 20th Advisory Council: The economic scene in Minas Gerais and the impact on investor relations
- ABIMAQ Regular Meeting: Industrial machines and equipment sector
- ICF Global Conference Latin America: Best practices for training directors and managers at CNH Industrial
- SAE Brazil Symposium on Agricultural Machines: Agricultural machinery certification, international scenario, and opportunities for Brazil
- Lean Summit Event: "5C: Lean maintenance for stability".

APAC

In **Australia** and **New Zealand (ANZ)**, CNH Industrial Institutional Relations engages directly and actively with key stakeholders across the three tiers of government (local, state, and federal, with respect to Australia), and within both the political and bureaucratic arms of government, in strict compliance with the Company's Code of Conduct. In addition, Institutional Relations participates in various industry forums/associations and has strong relationships with relevant diplomatic offices. Focused on promoting CNH Industrial's Corporate and brand-level public policy position (on diverse issues ranging from the development of natural gas as an alternative fuel, to the impact of domestic trade policy on future investments), Corporate and External Affairs interacts across the various functions of the organization at national, Regional, and global level to align any commentary or submissions accordingly.

Corporate and External Affairs also engages with non-trade media, through its Public Affairs/Corporate Communications function, to enhance the Company's reputation within the business sector and among the broader public.

In ANZ, CNH Industrial has contributed to the debate on key issues regarding the future of Australia's automotive sector, via the Productivity Commission's review process, the revision of the Motor Vehicle Standard's Act, the Agriculture White Paper, and the establishment of non-road vehicle emissions standards, to name a few.

In ANZ, CNH Industrial is a member of:

- Ai Group (Australian Industry Group)
- TIC (Truck Industry Council)
- TMA (Tractor and Machinery Association). CNH Industrial holds a Board position.
- BIC (Bus Industry Confederation)
- Gas Energy Australia's CNG and LNG Joint Taskforce
- Italian Chamber of Commerce and Industry (Australia)
- Italian Chamber of Commerce and Industry (Victoria)
- META (Manufacturing Excellence Taskforce Australia)
- InvestWest Agribusiness Alliance (Western Australia)
- ATA (Australian Trucking Association).

In 2014, CNH Industrial organized and attended the following institutional events:

- 2014 New Zealand Transport Fuels Summit
- Launch of Gas Energy Australia's "2030 Vision for Cleaner, Cheaper Australian Fuels"
- The Victorian Government's Manufacturing Showcase
- Launch of AGL's Smart CNG infrastructure roll-out program
- AGL's Alternative Transport Fuels Conference
- Blueprint for Australian Agriculture forum.

In **China**, CNH Industrial is an active member of various associations.

For the Commercial Vehicles segment, the Company is a member of:

- CICEIA (China Combustion Engine Industry Association)
- C8 Heavy Truck Manufacturing Association
- CFLP (China Federation of Logistics and Purchasing)
- China National Light Industry Council
- Italy Chamber of Commerce
- The European Union Chamber of Commerce.

GLOSSARY
APAC;
LNG;
Stakeholders

For the Agricultural Equipment segment, the Company is a member of:
- CAAMM (China Agriculture Machinery Industry Association Management Committee)
- CAMCA (China Agriculture Machinery Distribution Association)
- AmCham China (American Chamber of Commerce in China).

For the Construction Equipment segment, the Company is a member of:
- CCMA (China Construction Machinery Association)
- China construction machinery industry association working committee of agents.

In 2014, CNH Industrial organized and attended the following institutional events and major initiatives:
- BAUMA China (IVECO)
- Auto Show in Shanghai, Beijing and Guangzhou (IVECO)
- China International Agriculture Exhibition (Agricultural Equipment).

In **Central Asia**, CNH Industrial does not belong to any associations.

In **Russia**, CNH Industrial is a member of:
- United Association of Manufacturers: association set up at the end of 2013 in line with the rules of localization. The association has only 3 members
- ROSAGROMASH (Russian association of farm machinery)
- AEB (Association of European Businesses). CNH Industrial is a member through its Agricultural Equipment and Construction Equipment segments.

In **India**, CNH Industrial is a member of various associations, but does not hold a position on any of their governance bodies:
- CII (Confederation of Indian Industry)
- Euro Club
- IICCI (Indo-Italian Chamber of Commerce and Industry)
- TMA (Tractor Manufacturers Association)
- India CEO/CFO Forum organized by the International Market Assessment India Ltd
- Euclid Infotech Pvt Ltd
- Infodrive India.

POLITICAL PARTIES

Any and all relationships between CNH Industrial and political parties, as well as their representatives or candidates (collectively, *Political Parties*), are conducted according to the highest standards of transparency and integrity.
Financial contributions to Political Parties are only allowed where permitted by law, and must be authorized at the appropriate level within each legal entity. As in the past, in 2014, no contributions were made to Political Parties.
Any political association or financial contribution made by an employee is considered a personal matter, and completely voluntary. This includes contributions made through a Political Action Committee (PAC).
In the USA, in accordance with applicable laws, CNH Industrial provides administrative support to the CNH Industrial Excellence in Government Fund (a PAC), which collects voluntary personal contributions from Company employees for donation to candidates and/or other PACs. Information relating to these contributions is available on the US Federal Election Commission website[1].

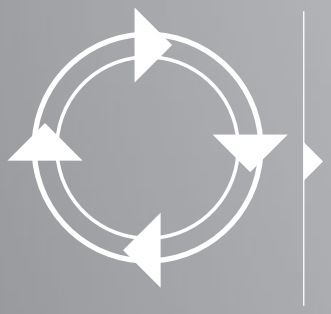
RELATIONS WITH PUBLIC ORGANIZATIONS ON SOCIAL ISSUES

In some countries, such as the USA, interest representation on social issues is managed separately by each CNH Industrial legal entity, which deal directly with governments, institutions, and trade unions. CNH Industrial has well-established processes in place to ensure that the Company's interest representation with US government bodies is in accordance with applicable laws and government ethics and disclosure rules. In other countries in Europe, these activities are carried out by the industrial and employers' associations representing each legal entity, such as the *Bundesvereinigung der Deutschen Arbeitgeberverbände* (BDA) in Germany, and the *Mouvement des Entreprises de France* (MEDEF) in France. These associations are designed to protect the interests of their members, and to represent them in social dialogue with key political and administrative institutions, trade unions, and other groups, both locally and nationally. CNH Industrial in Latin America is committed to collaborating and maintaining an open dialogue with numerous organizations. The Company is an active member of the principal trade associations within the Region, and regularly participates in both national and international roundtables, in the firm belief that contributing to public policy development is an essential requirement for any responsible company. This dialogue focuses on economic issues, such as the performance of CNH Industrial subsidiaries, factors relating to growth and other general topics, labor policies (flexibility, training, and pension schemes), and specific requirements associated with manufacturing and commercial activities. In APAC, several CNH Industrial subsidiaries are members of industry associations within their sector, representing the interests of their members on labor and other issues, according to the country's specific legal and best practice framework. Furthermore, several APAC countries undertake proactive and conscious actions to build positive relationships with external stakeholders such as government, labor authorities, education authorities and schools, hospitals, and various local institutions. These relationships are not only business related; they also focus on topics of general interest like family issues, health, safety, and social awareness.

GLOSSARY
Stakeholders

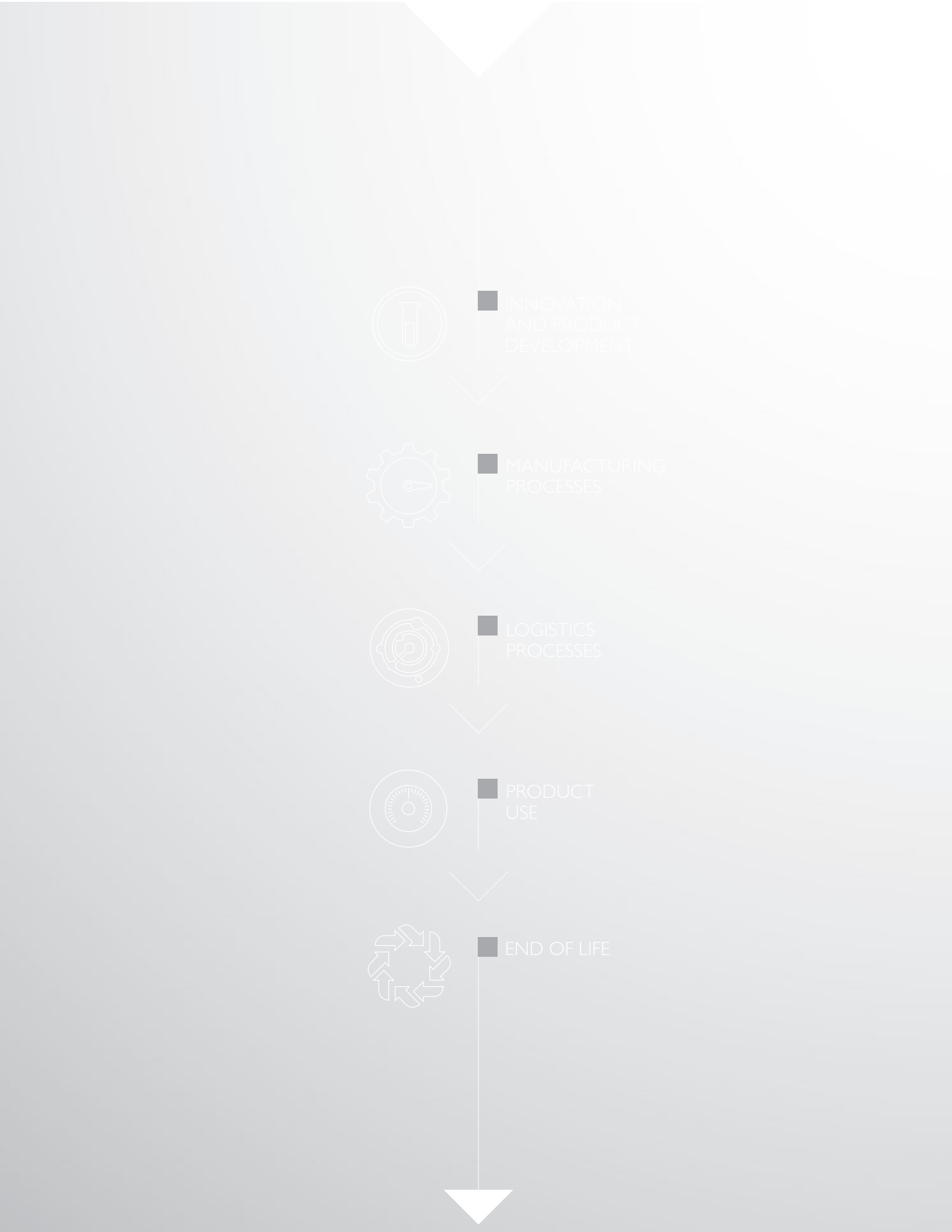
GRI
G4-SO6

(1) *www.fec.gov*

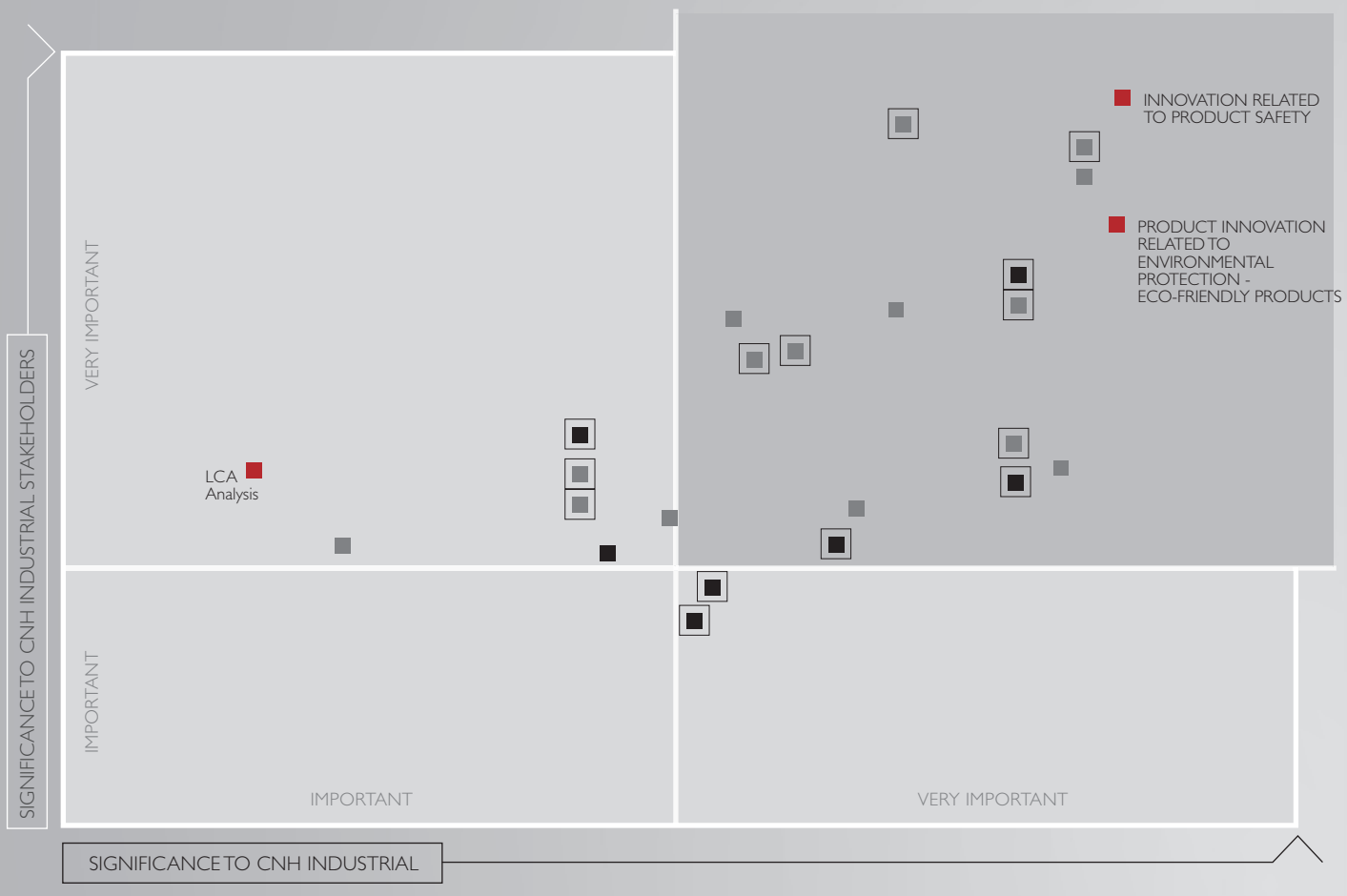


03 LIFE CYCLE OF OUR PRODUCTS

THE FOLLOWING SECTION DESCRIBES THE PHASES OF THE LIFE CYCLE OF OUR PRODUCTS, FROM CONCEPTION TO END OF LIFE. IT ALSO DESCRIBES THE IMPACT OF EACH PHASE ON THE ENVIRONMENT, AND THE ROLE PLAYED IN EACH PHASE BY THE MAIN EXTERNAL STAKEHOLDERS: SUPPLIERS, DEALER AND SERVICE NETWORKS, AND CUSTOMERS.


INNOVATION AND PRODUCT DEVELOPMENT
MANUFACTURING PROCESSES
LOGISTICS PROCESSES
PRODUCT USE
END OF LIFE

INNOVATION AND PRODUCT DEVELOPMENT



Material aspect described in chapter. For further details, see Materiality Matrix, page 21.

INNOVATION MANAGEMENT

CNH Industrial also contributes to the global fight against climate change by marketing products whose innovative features allow reducing polluting emissions and that are increasingly efficient at cutting fuel consumption and CO_2 emissions. As evidenced by the materiality analysis, CNH Industrial believes innovation is essential to offering customers highly technological, eco-friendly, safe, and ergonomic products with a low Total Cost of Ownership (TCO).

2014 STAKEHOLDER INTERVIEWS

"When customers ask for innovation they are talking about productivity, yield increases, improved performance and efficiency"

Mr. Meyer, Dealer, USA

In this spirit, research activities focus primarily on the development of products that can:

- reduce polluting emissions
- optimize energy consumption and efficiency
- use alternative fuels
- adopt alternative traction systems
- incorporate advanced telematics systems
- ensure safe use.

CNH Industrial has established an Innovation function dedicated to research and development (R&D), as part of Product Development and Engineering. It operates across the board, encompassing every business and geographic area, where dedicated teams develop innovative products catering to the distinctive needs of the region, including in Emerging Markets (see also page 212). Innovation activities are strictly related to the management of intellectual property and to the generation and exchange of ideas, as well as to participation in shared research projects.
In 2014, CNH Industrial's research and development expenditure reached a total of $1,122 million, or 3.6% of the Company's net revenues from Industrial Activities. R&D activities involved approximately 6,100 employees at 49 centers worldwide, 9 of which located in Emerging Markets (Brazil, China, and India) employing 992 people.

RESEARCH & DEVELOPMENT HIGHLIGHTS

CNH INDUSTRIAL WORLDWIDE

	2014	2013	2012
Research Centers (no.)	**49**	48	49
of which in Emerging Markets	9	8	7
R&D employees (no.)	**6,122**	6,280	5,845
of which in Emerging Markets	992	789	858
R&D expenditure[a] ($ million in IFRS)	**1,122**	1,240	1,149
of which on Agricultural Equipment	519	564	525
of which on Construction Equipment	130	151	143
of which on Commercial Vehicles	350	395	371
of which on Powertrain	123	130	110
R&D Spending[b] as a % of sales	**3.6**	3.8	3.6

[a] Inclusive of capitalized R&D costs and R&D costs charged directly to the income statement.
[b] Considering only net revenues from Industrial Activities.

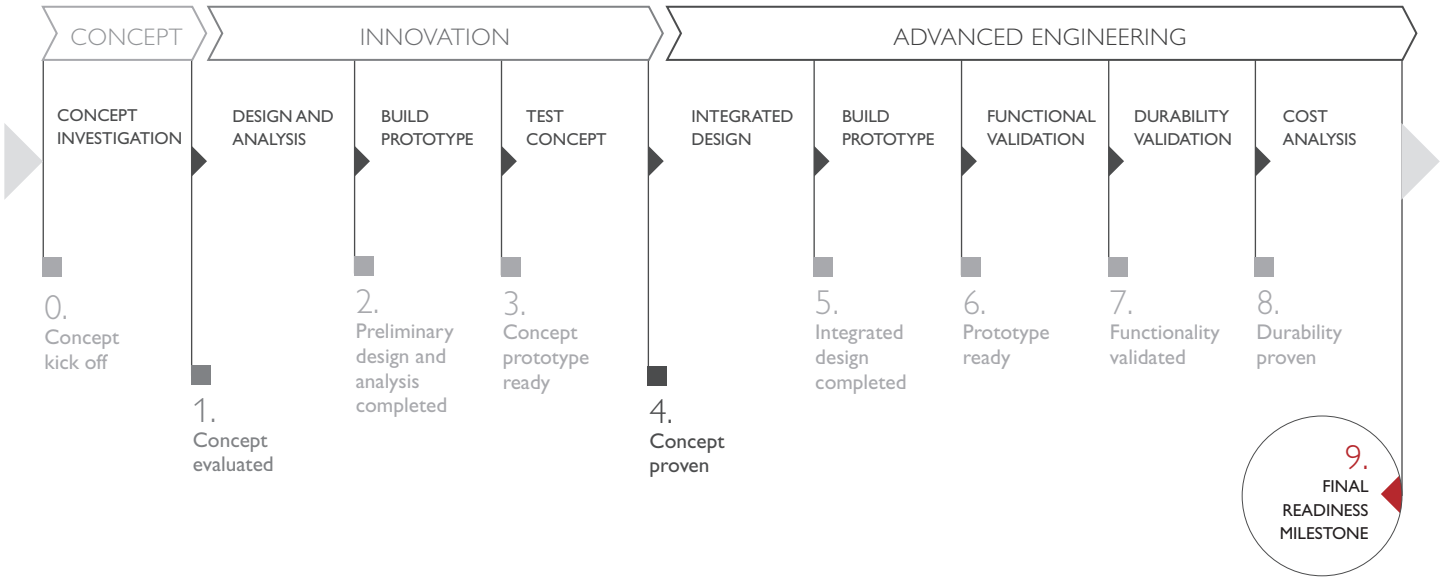
GLOSSARY
Emerging Markets; TCO

INNOVATION PROCESS

DMA

CNH Industrial usually delegates its basic research to universities through dedicated partnerships. For highly strategic projects, on the other hand, the core research is often developed directly by the Powertrain segment. Basic research focuses on energy management, powertrain efficiency, and alternative fuels. FPT Industrial's innovation strategy is based on a fully integrated development program evolving around three main areas of expertise: virtual development, basic technology evolution, and integrated modelling within CNH Industrial products.
The *virtual development* process, which is partially related to basic research, will enable CNH Industrial to get a step ahead of the competition, allowing to create a higher level of intelligence, to integrate powertrain innovations on a larger scale, and to look at the energy management of the final product as a whole rather than of the engine alone.
CNH Industrial's innovation process refers to applied research and consists of a series of clear-cut steps, from the evaluation of innovative concepts up to the final step before product development (see also page 146). There are nine steps in total, grouped into three overall macro-phases: concept, innovation, and advanced engineering. The application of an idea to a product requires an average of two to five years, based on the complexity of the idea itself.

INNOVATION PROCESS



The **Concept** phase, the first in the innovation process, is the most creative and is left deliberately unstructured. It mainly focuses on concept and development, and on the assessment of one or more technologies and their potentials. At this stage, collaborations are established with companies of excellence, i.e., potential partners for current or future projects, and the activities carried out relate to technology scouting, benchmarking, and customer evolution trend-analysis to identify needs and opportunities for improvement and enhancement. This phase also encompasses the creative ideas submitted through the Open Innovation tools. Any idea suggested during the concept phase is evaluated by a group of experts; in the event of a positive outcome, it becomes an innovation project and moves on to the next phase.

The initial feasibility study is carried across the four steps of the **Innovation** phase, at the end of which the product must meet every technical requirement to move forward, or the project is discontinued.

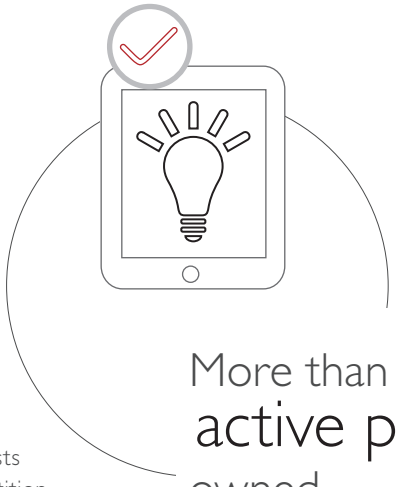
During the **Advanced Engineering** phase, which follows Innovation, the design is integrated and completed, and a prototype is created to assess functionality and stability through virtual and field testing. This phase also defines the adoption of new technologies, new material purchasing needs, and the realization of components that were not identified during the previous phase. If necessary, suppliers are engaged at this time to collaborate in the joint development of components required to execute the project. Cost analysis is the final step of the innovation process: if economic requirements are unmet, the project is discontinued. If the project meets the requirements, as in 90% of cases, it is handed over to the product development platform.
In 2014, 20 innovation projects reached step nine and will be integrated into one or more products through the Global Product Development process (see page 146).

INTELLECTUAL PROPERTY

Intellectual Property Rights (IPR) are strategic, intangible assets actively protected by CNH Industrial.
The Company's Intellectual Property (IP) team, which is part of the Corporate Legal Department, is responsible for:

- creating IPR awareness amongst Company employees
- prompting engineers and developers to share their innovative ideas with the IP Department
- managing applications for new patents and trademarks
- managing the existing portfolio of registered patents and trademarks
- monitoring potential infringements of the Company's patents and trademarks by competitors or other third parties
- defending the Company's interests in IP conflicts
- ensuring that the Company does not infringe patents or trademarks of third parties.

The IP team is also actively involved in the product development process, conducting patentability and freedom-to-operate reviews at a variety of mandatory stages throughout the process itself. As an additional safeguard against potential infringement, CNH Industrial also relies on external specialists who provide periodic updates on published applications and patents of competition.



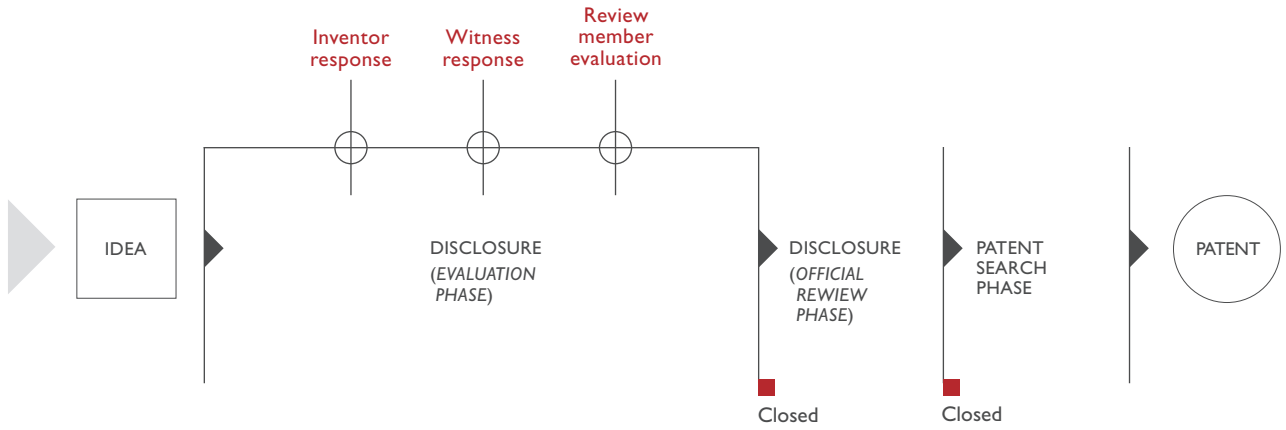
More than 7,500 active patents owned

PATENTS

CNH INDUSTRIAL WORLDWIDE (no.)

	2014	2013
Active Patents	**7,518**	7,710
of which registered during the year	**761**	1,036
Patents Pending	**2,846**	2,242
of which filed during the year	**822**	672
New Disclosures on Innovation Portal	**730**	805

INNOVATION PORTAL PROCESS



In order to better manage the wealth of innovative ideas generated inside the organization, CNH Industrial created an Innovation Portal accessible to all employees working in technology-related areas: these are the people who conceive, design, and build our products, and who therefore often have ideas that further improve the quality and performance of the products themselves. The secure and user-friendly Innovation Portal (a tool accessible from any workstation worldwide) provides an ideal channel for converting these ideas into disclosures, which eventually may lead to patents. Given the significant value-creating potential of these internally-generated ideas, the Company has set up a *Patent Award Program* to reward inventors whose ideas are successfully patented.
The Innovation Portal is managed by the IP team, with the support of product-specific Review Teams for the technical evaluation of new ideas. Each Review Team consists of internal personnel actively involved in all key aspects of the product, including engineering, manufacturing, marketing, testing, etc.

Employees who believe they have a patentable **idea** can submit their proposal to the IP Department through the Innovation Portal. Multiple inventors can be associated with an idea, and supporting materials (such as designs, photographs, videos, calculations, etc.) can be uploaded in a wide variety of formats. Once the required information has been entered in the system, the inventor can publish the idea to initiate the evaluation process. At that point, the idea formally becomes a **disclosure** and can no longer be modified. The system assigns a number to each new disclosure, which is then allocated to a Patent Attorney within the IP team. The system will also send an email to:

- all inventors named in the disclosure, who must individually approve the contents of the disclosure itself
- the witness, who is requested to affirm authorship of the idea
- the members of the assigned Review Team.

During the online **evaluation** phase, the Review Team may ask the inventor for additional information, if needed, to assist in evaluating:

- patent strength (legal)
- technological value
- market value
- financial value
- strategic value.

Inventors can access the Review Team's comments and evaluations via the Portal.

Once the evaluation phase is complete, the **official review** phase begins. The disclosures actually assigned to a Patent Attorney are discussed periodically with the relevant Review Team in dedicated meetings, and ideas considered worthwhile for the Company then proceed to the Patent Search phase. If a disclosure is not selected, the file is closed and the inventor is informed of the decision.

During the **patent search** phase, the Patent Attorney investigates the patentability and feasibility of the disclosure. If the search reveals no relevant prior art that could obstruct patentability, the Patent Attorney begins the patent protection process, working with the inventor to draft the necessary description for patent application. Once the final draft is approved by the inventor, the patent application is filed.
All disclosures (including closed cases) remain on the Innovation Portal along with the Review Team's evaluations. During 2014, 730 new disclosures were submitted via the Portal.

FOCUS ON

SUSTAINABLE INNOVATION FORUM 2014

New Holland Agriculture took part in the *Innovative Emission Reduction II* panel within the Sustainable Innovation Forum. The event was held in Lima (Peru) on December 9, in conjunction with the UNFCCC Conference of the Parties (COP 20) and the Lima Climate Change Conference. The conference was organized by Climate Action in partnership with the United Nations Environment Program (UNEP).
The Forum is an annual event aimed at offering business, government and financial leaders, and non-governmental organizations a platform to generate a stimulating and productive debate, catalyze sustainable innovation, and mobilize the green economy.
The brand also supported the event for the third consecutive year running as Gold Sponsor.

OPEN INNOVATION

The generation and exchange of ideas is at the core of CNH Industrial's innovation process, and is consistently fostered through multiple initiatives and tools. In addition to a network of partnerships with research centers and Universities (see also page 143), CNH Industrial avails itself of tools to maintain contact with key stakeholders involved in product definition and use: customers, suppliers and employees.

The Company's different brands involve **customers** in product definition through various strategies, ranging from phone interviews to a process known as *Customer-Driven Product Definition* (see also page 224).

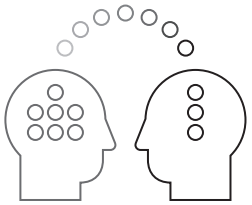
It is strategically important to CNH Industrial to involve its **suppliers** right from the innovation process: on the one hand, this allows for the joint development of innovative systems and components, ensuring production feasibility from the start; on the other, it helps expedite design and production.
For this reason, in 2014, a *one-point reference* was appointed within the Purchasing function to support the Innovation team. Indeed, the involvement of the Purchasing function before the Global Product Development process (see also page 146) ensures greater success for work carried out within the platforms.

GLOSSARY
Stakeholders

The main activities consist in:

- defining the *Technology Roadmap*, to identify future partnership opportunities
- preventing *roadblocks* during the product innovation and development process by involving suppliers in projects from the start
- providing support during steps 4 and 9 of the innovation process (see also page 138).

A Partnership Program was launched in 2014 to identify suppliers with whom to share expertise on technologies and/or key components for each Product Line (see also page 163). Furthermore, in line with previous years, several existing initiatives continued to promote the exchange of ideas and information, including the *Technology Days* (10 workshops held in 2014), attended by approximately 1,000 people. At these events, suppliers considered industry-leaders in innovation, technology, and quality discussed specific topics and shared information on recent technological developments.



395 thousand employee suggestions under WCM program

CNH Industrial considers its **employees** a strategic resource, and has a high regard for their potential contribution to the improvement of products and processes. For example, many innovative ideas can be patented if properly managed, and if the submission of proposal applications is straightforward. The CNH Industrial online Innovation Portal is accessible via web and via Corporate Intranet, and employees may enter the details of their proposals through either. Another example is the collection of plant employee suggestions for improvements within the scope of the World Class Manufacturing (WCM) program. In 2014, 395 thousand suggestions were submitted across WCM plants, including those located in Emerging Markets. Suggestions are collected at individual plant level, and cover many topics such as cost reduction, workplace organization, equipment safety and efficiency, and improvements regarding quality and the work environment (see also page 167).

OPEN INNOVATION

CNH INDUSTRIAL WORLDWIDE (no.)

	2014	2013	2012
WCM proposals	**395,000**	375,000	375,000
Technology Days	**10**	12	10

GLOSSARY
Emerging Markets; WCM

PARTNERSHIPS AND COLLABORATIVE PROJECTS

CNH Industrial's participation in workgroups and research projects is a strategic choice to increase its wealth of expertise and contribute to an active exchange of ideas. Therefore, in addition to the long-standing partnerships with the *Università di Torino, Politecnico di Torino* and *Politecnico di Milano*, CNH Industrial legal entities collaborate with about 40 universities in North America (USA and Canada), Europe (Italy, Spain, Germany and Belgium), Latin America (Brazil), and Asia (China), with the aim of increasing their capacity for innovation.

PARTNERSHIPS

CNH INDUSTRIAL WORLDWIDE (no.)

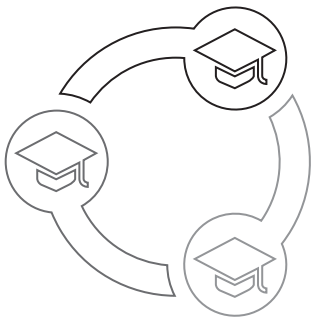
	2014
Total scientific collaborations	**50**
with universities	41
with research centers	9

CNH Industrial has a long tradition of involvement in national and international working groups, and has played an active role in collaborative research projects for some years now. These projects focus mainly on eco-efficiency, specifically addressing the reduction of polluting emissions and fuel consumption, the use of alternative fuels and the efficient use of alternative propulsion.

COLLABORATIVE PROJECTS

CNH INDUSTRIAL WORLDWIDE (no.)

	2014
Total collaborative research projects	**81**
with universities	69
with research centers	12
on reducing polluting emissions	6
on optimizing consumption and energy efficiency	30
on the use of alternative fuels	3
on alternative propulsion systems	2
other projects	40

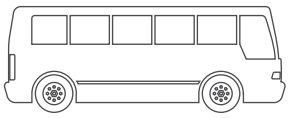


41
scientific collaborations
with universities worldwide

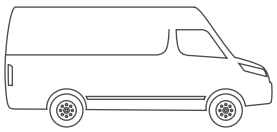
GRI
G4-16

The *EcoAutobus* and *LIVE* projects, aimed at improving the transport of goods and people, were completed in 2014. Both were developed based on the study of three directives:

- mobility and eco-compatibility
- accessibility and comfort
- safety and connectivity.



The *EcoAutobus* project involved 29 partners and led to the realization of two eco-compatible urban bus prototypes. For **mobility**, the choice was to adopt a hybrid diesel-electric engine with series-type architecture, powered by a new diesel fuel with lower environmental impact and higher performance. The hybrid electric propulsion system adopted was altogether lighter than the hybrid systems typically used in standard hybrid vehicles. The new Drivetrain provides many benefits on urban cycles, such as reduced noise levels, fuel consumption, and CO_2 emissions by up to 25% compared with standard diesel vehicles. Additionally, the Archimedes battery pack and the supercaps modules provide more energy than a traditional hybrid vehicle, and therefore enable a greater use of the electric mode.
Eco-compatibility was improved by using green tires and energy recovery systems. A new generation of solar panels was adopted as well, and a LED-based system of exterior lighting was developed to reduce consumption. The new system allows saving 80% on energy compared to incandescent bulbs, increases the driver's field of view by 10%, and lasts up to 30 thousand hours longer.
Accessibility was improved with a super-low chassis floor design, enabling ease of access to passengers with impaired mobility, and through the modular layout of passenger seats. The on-board quality of life for both passengers and driver was enhanced by focusing on seat **comfort** and ergonomics and by using high-quality plastics. The air quality of the cabin was also a key aspect, addressed by adopting a new and more efficient air conditioning system, which consumes 25% less energy and reduces the amount of polluting particles by means of electrostatic filters.
Safety conditions were improved for driver, passengers, and pedestrians alike by adopting integrated systems for driver assistance and against driver fatigue. The availability of both remote and predictive diagnostic systems increases service efficiency, while broader **connectivity** improves communications to passengers by providing information on services available to citizens within urban infrastructures.



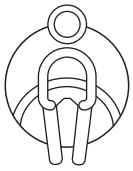
Another development in parallel with *EcoAutobus* was the *LIVE* project, carried out with 24 partners aiming at optimizing the impact of light vehicles; the project led to the realization of six prototypes. As regards **mobility**, the choice was to develop a hybrid diesel-electric system with parallel-type architecture and dual clutch, particularly suitable for urban distribution. For the powering of the diesel engine, two new biofuels were tested, both shown to have a lower environmental impact. The two innovative storage systems tested evidenced a reduction in consumption and the optimization of energy use on board the vehicle. Even within the scope of this project, **eco-compatibility** was improved by adopting low rolling resistance green tires, paired however with the central tire inflation system for managing tire pressure. Efforts to lighten the vehicle played an important role in reducing its environmental impact. First of all, the study and creation of a lighter *monocoque* made of fiberglass-reinforced plastic materials allowed for a reduction in weight, number of components, and development time and costs, and an increase in thermal and acoustic comfort. Secondly, other parts were lightened, such as the front module and the hood. **Accessibility** was examined based on passenger needs. By exploiting the versatility of the frame, the floor was lowered in relation to the access door. Furthermore, the lower front and rear suspensions enhance the vehicle's handling and comfort during its dynamic phase, and allow for a lower loading platform. On-board driver and passenger **comfort** is ensured through more ergonomic seats equipped with a passive climate control system and high perceived-quality components. The cabin air quality was also improved through a smart management system for air recirculation and a new air conditioning system. Vehicle and passenger **safety** conditions were improved by integrating specific driving aids, such as the radar and front camera system providing driver assistance and active safety (Predictive Collision Warning, AEB, ACC). Furthermore, a hybrid braking system was designed and developed, which increases brake control and simplifies the layout.

GLOSSARY
Ergonomics; LED

PRODUCT DEVELOPMENT MANAGEMENT

DMA

As stated in the Code of Conduct, CNH Industrial is committed to producing and selling, in full compliance with legal and regulatory requirements, products of the highest standard in terms of environmental and safety performance.
As evidenced by the materiality analysis, the issues central to both CNH Industrial and its stakeholders are those concerning the products themselves, especially user safety, product quality, and environmental impact. Indeed, customers use CNH Industrial products for work purposes, and their safety and efficiency of use increases productivity and brand loyalty.
Many of the targets related to materiality aspects are set out in the Sustainability Plan (see also pages 40-43) and are included as individual goals in the Performance and Leadership Management system (see also page 83).
The highest responsibility for initiatives regarding all aspects of CNH Industrial products lies with the Global Product Committee (GPC), which is made up of all members of the Group Executive Council (GEC) and reports directly to the Chief Executive Officer.
All aspects related to safe use and lower environmental impact, as evidenced by the materiality analysis, are accounted for during product design, which is overseen by Product Development and Engineering. The process of designing a new product is set out during the Global Product Development (GPD) process, common to all brands, which guides and monitors all stages of the design process and evaluates their effectiveness.



In terms of product safety, CNH Industrial adopts design standards pursuant to international standards such as ISO 12100 for all products and parts distributed. The Product Safety Management procedures set forth a risk assessment methodology for the evaluation of all products and components over their complete life cycle.
The potential impact of products throughout their life cycle is evaluated during the GPD process, through the application of appropriate models such as Life Cycle Assessment (LCA) and Total Cost of Ownership (TCO), among others. In fact, many of the research activities aim at improving product performance during use, which is when their impact on the environment is highest.
For this reason, during the design phase, CNH Industrial endorses solutions that promote the creation of more eco-friendly products by:

- aiming at higher efficiency during use, with fewer intervals between maintenance cycles
- using materials and components that are easily recoverable or recyclable
- selecting easy-to-disassemble components that can be regenerated
- eliminating the presence of hazardous substances
- reducing weight (off road vehicles)
- reducing noise emissions.

CNH Industrial's production activities do not comprise the direct procurement of raw materials. However, when designing the components for new products, which is done in close collaboration with suppliers, priority is given to the use of easily recyclable materials, especially recoverable metals such as aluminum and cast iron, thermoplastics, and paints with low solvent content.

Component composition information is available in the online *International Material Data System* (IMDS) database (see also page 161), which also specifies the substances listed in the European regulation on *Registration, Evaluation, Authorisation and Restriction of Chemicals* (REACH), and flags the presence of *Substances of Very High Concern* (SVHC). The database monitors the data entered by suppliers in real time, generating an alert if an SVHC is detected and enabling the search for a substitute.
Component remanufacturing, or regeneration, allows reducing landfill waste, reusing recoverable components, and recycling worn-out materials, hence creating savings in terms of energy and raw material costs (see also page 227).
Furthermore, improved product performance in terms of fuel consumption, durability, and length of intervals between maintenance cycles, helps reduce the Total Cost of Ownership (TCO) and the environmental impact of the product.

GLOSSARY
DMA; IMDS; ISO 12100; LCA; REACH; Stakeholders; TCO

GRI
G4-DMA

OUR PROJECTS

LIFE CYCLE ASSESSMENT

In 2014, the Company completed the Life Cycle Assessment (LCA) focusing on the carbon footprint of the 3l F1C diesel engine for light commercial vehicles. The analysis allowed quantifying the energy and environmental load of the engine, as well as its potential impacts, from raw material acquisition to product disposal.

An LCA analysis involves an innovative approach to design and production that integrates environmental variables. It therefore falls within the scope of FPT Industrial's sustainability strategies, aimed at the continuous improvement of the environmental compatibility of its range of products. The analysis revealed that 98% of the total greenhouse gas emissions are related to the F1C engine's use phase, whereas the production and supply chain for the engine's components contributes less than 2%. The improvements identified by the analysis, and already endorsed by the plant, are related to higher levels both of production process efficiency and of energy from renewable sources.

The analysis complies with ISO14040, ISO14044 and ISO / TS14067 international standards specific to carbon footprint studies, based on which the F1C engine was certified.

The Iveco Astra brand, with support from the CRF, a research center, began researching an eco-friendly design for a Heavy Duty Truck. The project is intended to meet Green Public Procurement requirements enforced by some European municipalities in accordance with EC Directive 2004/18/EC. Iveco Astra outlined the vehicle's environmental impact in a document, analyzing: manufacturing processes, materials, and resources used. An LCA was conducted, in line with the ISO 14040 standard, on the product's main environmental impacts during two key phases: production and use. The LCA comprised the following steps:

- Goal and Scope Definition - establishing the scope of assessment, objectives, and functional unit (i.e., the vehicle in question)
- Life Cycle Inventory (LCI) - in which data were collected on consumption of energy and materials, emissions, and waste during the manufacturing phase of the vehicle in question within the scope of assessment; the use phase involved an assessment of vehicle fuel consumption, emissions, and weight
- Life Cycle Impact Assessment (LCIA) - in which the Global Warming Potential (kilos of CO_2 eq) and the Primary Energy Demand (MJ) were calculated, i.e., the vehicle's main environmental impacts, and conclusions drawn.

In collaboration with the *Politecnico di Torino* and *Politecnico di Milano*, CNH Industrial will further evaluate the effectiveness of the LCA approach, by launching a new pilot project in 2015 called *Environmental and economic life-cycle assessment and scenario analysis of the Value Chain for a fully electric van: the NEW DAILY ELECTRIC case*.

PRODUCT DEVELOPMENT PROCESS

At CNH Industrial, the development and launch of new products is managed through dedicated platform teams for each product class. Coordinated by the Product Development and Engineering department, platform teams are responsible for the management of the entire product life cycle, from the development of new products to the maintenance of existing ones.

Each team is composed of representatives from the following functions:

- Brand – definition of market requirements, including regional variations
- Product Engineering – product design and fulfillment of technical requirements
- Product Validation – product validation and certification
- Manufacturing – planning and preparation for production
- Supplier Quality Engineering (SQE) as part of Purchasing – procurement of parts and materials from external suppliers (time, cost, and quality)
- Parts and Service – management of spare parts
- Product Quality and Technical Support – monitoring correct implementation of processes to ensure quality of final product
- Finance – monitoring budget and investment, analyzing profitability of new product programs and related activities.

GLOSSARY
Carboon footprint; CO_2 eq; LCA

Platform teams follow the standardized Global Product Development (GPD) process, which itself is subject to continuous monitoring and revision. Although its application is standardized across geographic regions, the process allows for variations in product specifications to meet local requirements, including those specific to Emerging Markets.

The GPD process consists of six phases, each consisting of a set of activities and deliverables, and each assigned to one function. At the end of each phase, reviews are carried out to determine if objectives have been met. Once these objectives, or milestones, are achieved, the decision is made to continue to the next phase. This approach optimizes resource planning, it facilitates investment allocation and the definition of clear objectives, and it improves the ability to forecast and manage risk and, ultimately, to develop a quality product.

FOCUS ON

PRODUCT SAFETY DESIGN

In terms of product safety most CNH Industrial products are designed according to applicable government or industry standards on road safety, functional safety, occupational safety, and environmental safety (noise and engine emissions).

The design phase takes into account several aspects of operational functionality with respect to safety, including:

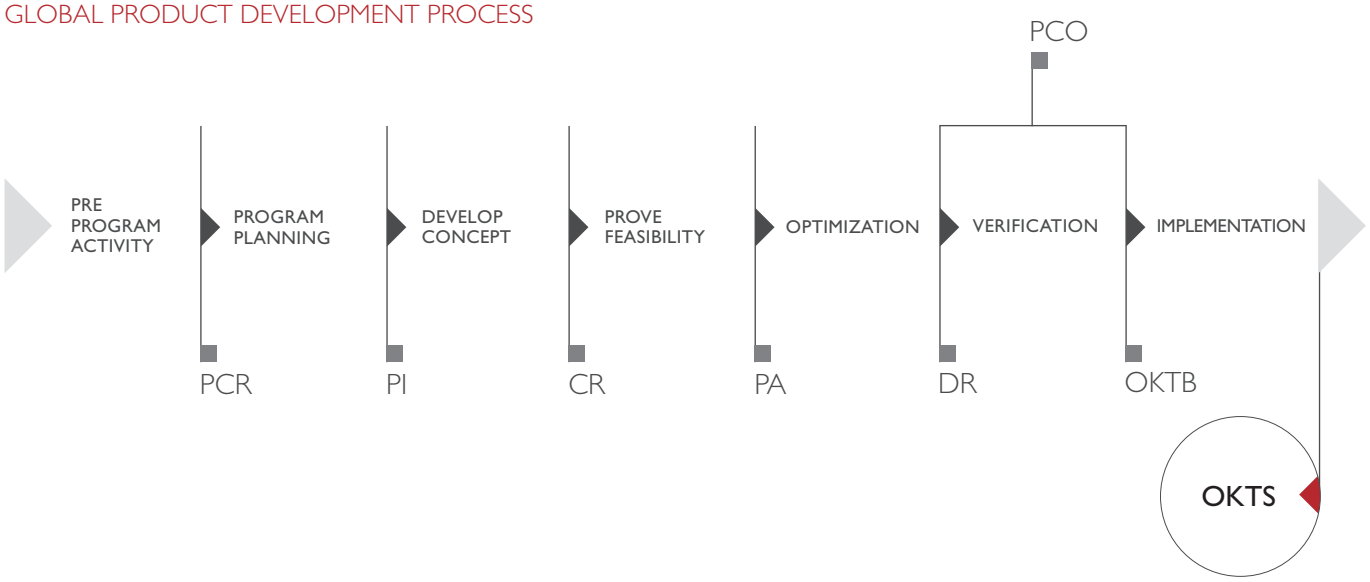
- operating instructions and information (operating manual, if available)
- applicable regulations and/or standards
- limits of intended use
- operator experience
- operator training
- working conditions
- physical properties of the machine.

An essential step in any indexed safety risk assessment is the systematic identification of potential hazards and hazardous events for all types and phases of use, such as assembly and set-up, preparation for use, installation and removal of tools and accessories, on-road use, in-field use, and during transportation, blockage clearing, cleaning, service, and maintenance. CNH Industrial rigorously applies Design Failure Modes and Effects Analysis (DFMEA) to identify potential failures and associated hazards.
The individual components crucial for safety are identified right from the design phase in the technical drawings, and subjected to specific detailed assessments (e.g., dynamic calculations, structural analysis, laboratory tests, static and dynamic vehicle testing, and type approval testing). In accordance with the Quality Policy and additional internal procedures, workstations handling safety components during production are clearly marked, and the personnel responsible for working on, or inspecting, safety components are suitably trained. Safety components are also labelled to ensure traceability in the event of intervention or recall campaigns (see also page 216).
Noise emissions are evaluated during the product design phase through procedures pursuant to international standards such as ISO 2204 and EN 60118/4, and to specific homologation requirements for each market.

GLOSSARY
Emerging Markets

GRI
G4-PR1

GLOBAL PRODUCT DEVELOPMENT PROCESS



The start of the GPD process is preceded by **Pre Program Activity**, which includes an evaluation of customer requirements and a preliminary estimate of time and cost.
During this phase, the Market Research department manages all market projects worldwide relevant to the fields of agriculture, construction, and precision farming solutions. The objectives of each assignment are defined with internal customers (mainly Marketing and Product Development) and, in order to reach them, the department applies dedicated methodologies to collect customer feedback and suggestions. In-depth interviews, focus groups, Computer-Assisted Telephone Interviewing (CATI), and web surveys, as well as product tests, are some of the approaches used.
All results are fully integrated into the Company's processes in order to build brand strategies in line with customer needs, and to provide them with the best-in-class products and services required for the growth of their businesses. The Customer-Driven Product Definition process (CDPD) - which analyzes the needs of, and feedback from, the brands' customers - also plays a major role in this phase (see also page 224). At the Product Change Request (PCR) milestone, the first in the process, the product profile is formalized and a research and design budget established.

The approval of the PCR is followed by the **Program Planning** phase. The deliverables for this phase include an in-depth market analysis (customer segmentation, volumes, price and content offered by competitors), development of a risk assessment matrix, an initial cost estimate (for both R&D and launch), and an analysis of expected financial returns. The changes to the commercial product offering at the system key level (BoM level) are identified.
The deliverables for this phase are designed to enable the early identification and resolution of the majority of potential future issues, thereby providing a solid base for the best possible project outcome and a quality final product. The milestone achieved at the end of this phase is Program Initiation (PI).

Once PI is approved, the **Develop Concept** phase begins. Deliverables for this phase include the creation of a first virtual prototype, for the validation of technical content, and review/identification of patent requirements. During the development process, the Chief Engineer is responsible for the Patent Review deliverable, i.e., ensuring that no competitor patents are infringed (Freedom to Operate), and determining whether the product incorporates patentable ideas. Where applicable, new ideas are submitted for review and approval via the Innovation Portal (see also page 140). A list of critical parts is prepared, and an analysis is performed to identify and evaluate potential supply constraints and the need to involve suppliers in the design process. At this point, the Manufacturing department begins planning all actions required to configure the production line. The achievement and completion of all deliverables in this phase is verified as part of the Concept Review (CR) milestone, which marks and represents the definition of the key technical solutions regarding the vehicle's main systems.

The next step in the process, the **Prove Feasibility** phase, consists of more than 40 deliverables, including virtual and physical validation activities to confirm concept feasibility, finalization and release of the parts plan, style/design freeze, and definition of the manufacturing project plan. The Program Approval (PA) milestone, which completes this phase, is particularly important because it represents the decision point for proceeding with the full program investments and for setting the targets (time, cost, and quality) that will be used as benchmarks for final project evaluation.

The next phase is **Optimization**, which includes deliverables regarding sub-system and component testing, and software validation, as well as the identification of the service parts that must be available at OK to Ship. During this phase, Product Validation verifies the design on full prototypes called Development Builds. The design details are then released by Product Engineering so that other functions (primarily Purchasing, Manufacturing, and Parts and Service) may complete sourcing, production planning, and parts stocking based on the validated final design. With regard to intellectual property, upon completion of both the Program Approval and Design Release milestones, an analysis is performed to determine whether or not the project has changed from the Concept Review milestone. In any case, at Design Release, all patent applications relating to new design features must have been filed before the project can progress to the next step.

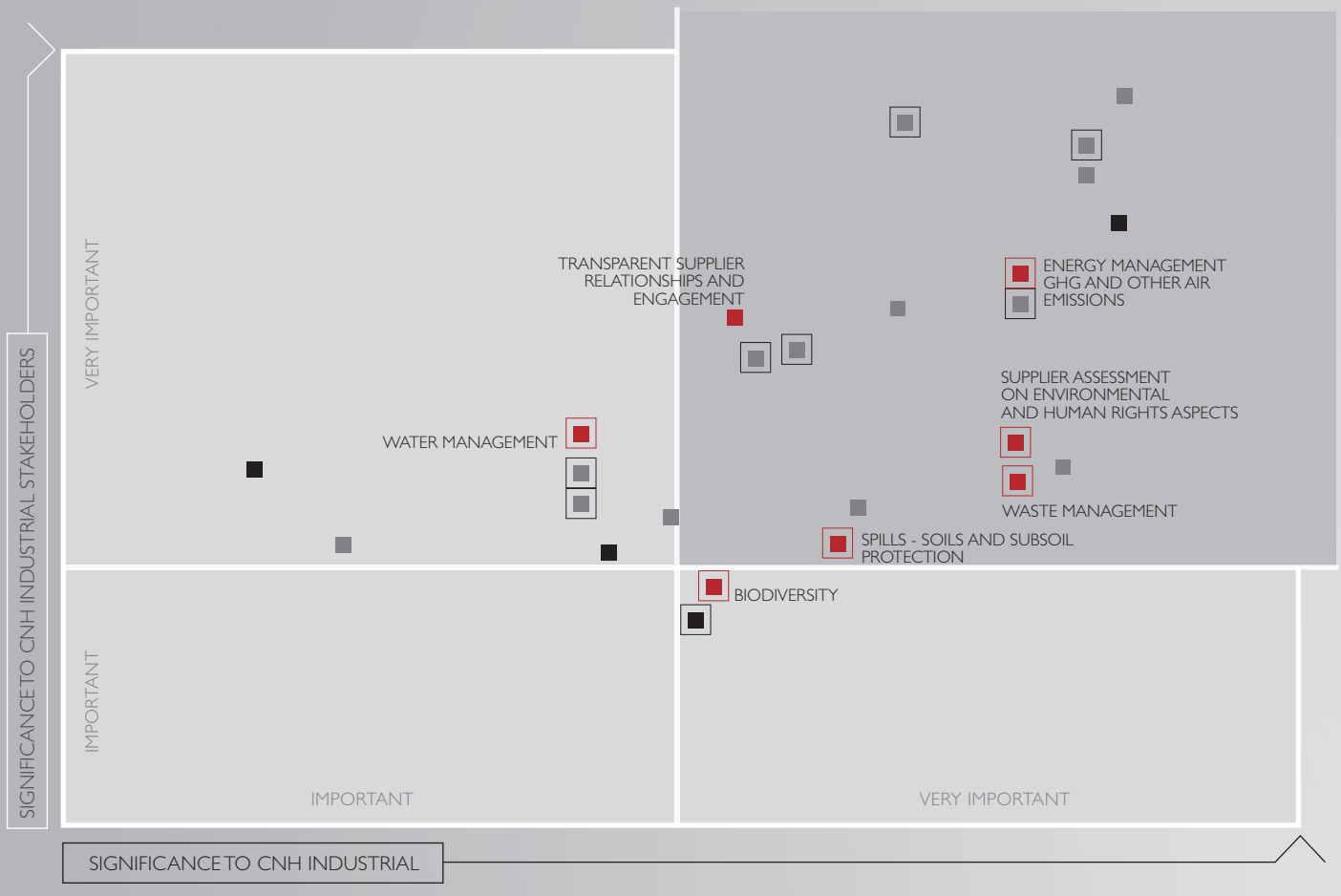
The next step, the **Verification** phase, consists of more than 20 deliverables covering areas such as product safety, training of plant personnel, drafting of owner and maintenance manuals (see also page 220), and product certification. This phase includes the Production Change-Over (PCO) milestone, which formalizes the production phase-out of existing components and the production phase-in of components for replacement products. This milestone is also critical because the production phase-out of components pertaining to an existing product could result in a suspension in production and supply to the sales network should the launch of the new product experience a delay. Other activities during this phase include the evaluation of sales network training needs and customer product trials. The phase is completed when the OK to Build (OKTB) milestone is achieved, which occurs upon verification that the plant, including equipment and employees, is ready for production launch.

The **Implementation** phase can then begin, with deliverables including final safety validation, product certification, and quality and availability of spare parts. This phase is completed when the OK to Ship (OKTS) milestone is achieved, which authorizes shipment to dealers and customers.

The length of the product development process varies depending on the business line and amount of new content, and can range between 18 and 36 months. If necessary, further product improvement activities (i.e., cost reductions or resolution of critical issues arising post-launch) may continue after product launch until targets are met. The platform teams maintain responsibility for the improvement of current products, establishing action plans to achieve quality and cost reduction targets, and implementing schedules and timing.

Products are typically considered as current six months after launch. The platform teams are responsible for introducing enhancements on current products (see also page 215) by implementing action plans to achieve warranty targets (set by the Quality team) and cost reduction targets, while managing and setting deadlines. Specific quality and reliability targets are set for each product/project, and assigned to the relevant teams of each respective development platform. The Quality department makes use of a scorecard to evaluate effective target achievement at each milestone and review phase.

MANUFACTURING PROCESSES



Material aspect described in chapter. For further details, see Materiality Matrix, page 21.

Within the CNH Industrial value chain, product development is followed by product manufacturing. The latter process is made effective, efficient, economical, and environmentally friendly through the application of streamlined manufacturing processes or systems, improvements to existing materials and processes, or the development of new materials, systems, processes or techniques.

All manufacturing processes, systems and techniques are required to be technologically suitable, technically feasible, economically viable and eco-friendly.

Within the CNH Industrial structure there is a central Manufacturing function that manages manufacturing processes and supports regional organizations and business units in ensuring that objectives are met and in line with business targets.

The Manufacturing function also aims to:

- drive the development, standardization, convergence, implementation, and improvement of manufacturing processes
- drive the optimization of technology investments and synergies
- drive the development and implementation of new product manufacturing processes and improvements to existing product manufacturing processes across Regions, in line with the Product Development and Engineering department (see also page 145)
- oversee worker health and safety (see also page 90)
- oversee issues concerning environment and energy management (see also pages 168; 181).

The Manufacturing function adopts the World Class Manufacturing management system, a program for innovation based on continuous improvement developed to remove all types of waste and loss through the rigorous application of specific methods and standards (see also page 164).

As a result of ever-increasing customer demands and the level of excellence required by WCM, the focus is on the quality of every aspect of the manufacturing process, which has also led plants to adopt a quality management system compliant with ISO 9001. As at December 31, 2014, there were 57 CNH Industrial ISO 9001 certified plants, equal to 96.5% of revenues from sales of products manufactured at CNH Industrial's plants.

For achieving its quality standards, CNH Industrial devised a robust supply chain management process to ensure the procurement of quality components, which are essential for the production of vehicles that meet the high standards demanded by CNH Industrial's customers.

ISO 9001 CERTIFIED PLANTS

CNH INDUSTRIAL WORLDWIDE

SUPPLY CHAIN MANAGEMENT

2014 STAKEHOLDER INTERVIEWS

> The ability of small local suppliers to innovate brings benefits to CNH Industrial's products and the development of the organization as a whole

R. Magalhães, Uniethos, Brazil

DMA

CNH Industrial adopts a responsible approach to the management of its supply chain, from small local companies to large multinational organizations, establishing relationships that go beyond commercial transactions, fostering long-lasting and mutually satisfying collaborations with eminently qualified partners that share the Company's principles. For CNH Industrial, sustainability in the supply chain means looking beyond Corporate boundaries, strategically and effectively promoting a sense of shared responsibility.

Advocating socially and environmentally responsible behavior across the entire supply chain is one of the Company's primary commitments, along with championing a culture of sustainability among the Company employees who work with suppliers every day. This approach goes hand in hand with the other priorities at the heart of supply chain management: quality, price, and lead times.

As evidenced by the results of the materiality analysis, one of the relevant aspects for both CNH Industrial and its stakeholders is the evaluation of suppliers on environmental issues, labor practices, management of human rights, and impact on the community. Promoting and monitoring high standards of sustainability fosters long-term relationships with suppliers in the interest of both parties, as it reduces potential risks, ensures continuity of supply, and improves overall sustainability along the entire supply chain, mitigating reputational risk and any potential damage to the Company's credibility. Another material aspect for CNH Industrial and its stakeholders is transparency in supplier relationships and engagement, since relations based on open dialogue and collaboration increase efficiency, improve quality, foster innovation, and encourage a shared commitment to reaching sustainability targets, creating undeniable mutual benefits.

As evidenced by engagement activities in EMEA, a transparent supplier relationship requires a customized interaction model for each supplier segment, to ensure broad-based, cross-functional interactions, multiple collaborative programs to capture value, and the consolidation of supplier expenditures. Stakeholders in NAFTA, LATAM, and APAC consider dialogue, engagement activities, and training for suppliers as some of the Company's strengths. They are considered key aspects in understanding the peculiarities of each Region where the Company operates, and in delivering efficiency and high-quality products. In Brazil, in particular, transparent supplier relationships are seen as a key Company strength because they reveal how suppliers do business and behave, which is important because the Company should be responsible for the entire value chain.

Commitments to continuous improvement are realized through targets and actions, which also give an indication of how efficiently the supply chain is being managed. Targets are set annually on a voluntary basis and included in the Sustainability Plan (see also pages 35-36); progress on meeting them is regularly monitored in order to implement any corrective actions deemed necessary. Both targets and results achieved are communicated to all stakeholders via the Sustainability Report and the Corporate website. Management effectiveness is measured through periodic benchmarking with the main competitors and leading sustainability companies, and through rating agency assessments on sustainability issues. The results of these assessments are the starting point for improvement actions.

The Sustainability Guidelines for Suppliers provide the framework for responsible supply chain management. The document, which also applies to subcontractors, is available on the Company website. In addition to compliance with local legislation, the Guidelines call for the observance of:

- human rights and labor practices
  - rejecting any form of forced or child labor
  - recognizing the right to freedom of association in line with applicable laws
  - safeguarding employee health and safety
  - guaranteeing equal opportunities, fair working conditions, and employees' right to training
- respect for the environment
  - optimizing the use of resources
  - implementing responsible waste management
  - eliminating potentially hazardous substances from manufacturing processes
  - developing low environmental impact products
  - using environmentally-sustainable logistics systems
- business ethics
  - ensuring high standards of integrity, honesty, and fairness
  - prohibiting corruption and money laundering.

GLOSSARY
APAC; DMA; EMEA; LATAM; Material aspect; NAFTA; Stakeholders

GRI
G4-DMA

A new Compliance Helpline was established to address questions and concerns regarding the CNH Industrial principles outlined in the Code of Conduct and other Company policies or concerning applicable laws; it is managed by a third party and is also available to entities outside the Company (for further information, see also page 57).
The highest responsibility for CNH Industrial's supply chain management initiatives lies with the Group Executive Council (GEC). In 2014, supply chain management improvement targets were included in the Performance and Leadership Management system (see also page 83) for most managers of projects included in the Sustainability Plan.
The information relating to the Company's sustainable supply chain management model was subjected to a high-level assessment by SGS, an independent certification body, during the assurance audit of the Sustainability Report, which confirmed its compliance with the AA1000 assurance standard.

SUPPLIER PROFILE

CNH Industrial manages purchases worth approximately $20.9 billion, with a total network of 5,850 direct material suppliers. In 2014, 19 new eligible suppliers were added to the network, while there were no significant changes to supply chain structure or additional outsourcing of activities.
The top 150 suppliers, generating more than 60% of the total value of purchases, are considered by CNH Industrial as strategic suppliers, partly owing to the length of the relationships, production capacity, and the management of spare parts.

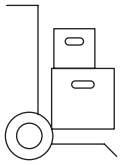
HIGHLIGHTS

CNH INDUSTRIAL WORLDWIDE

	2014
Direct and indirect material purchases[a] (% of the total volume of CNH Industrial purchases)	85%
Direct material suppliers (no.)	5,850
Value of purchases from direct material suppliers[b] ($billion)	14.7
Value of purchases from indirect material suppliers[c] ($billion)	3.1
Local suppliers (%)	95%

[a] Refers to the value of direct material purchases.
[b] Direct materials are preassembled components and systems used in assembly. The value of raw material purchases is considered marginal.
[c] Indirect materials are services, machinery, equipment, etc.

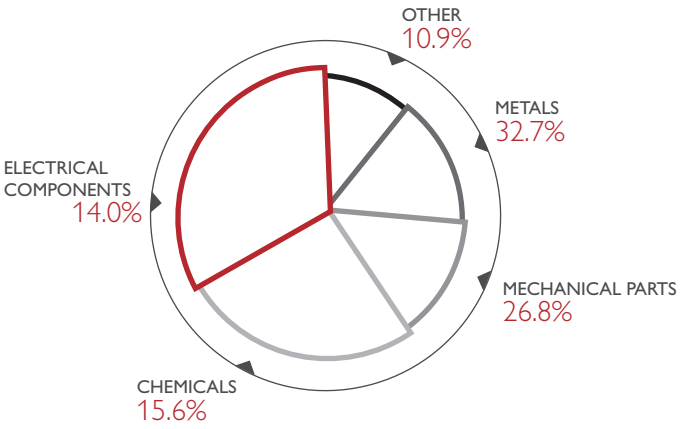
The objectives that CNH Industrial sets for itself include the development of local skills, by transferring its technical and managerial expertise and strengthening local entrepreneurship. The creation of ongoing relationships with local suppliers also has a positive impact in terms of lower risks associated with operational activities and cost optimization.
Significant amounts are spent on local suppliers[1]: in 2014, the contracts signed by CNH Industrial with local suppliers accounted for 95% of procurement costs; specifically, 97% in EMEA and 91% in NAFTA, which are CNH Industrial's most significant areas of operations[2].
Additionally, CNH Industrial promotes the World Class Manufacturing program (see also page 164) at local supplier plants, to share best practices and methodologies.



95%
procurement spending
on local suppliers

PURCHASES[a] BY PRODUCT TYPE

CNH INDUSTRIAL WORLDWIDE



[a] Refers to the value of direct material purchases.

Although CNH Industrial does not always purchase **raw materials** directly (with the exception of steel used for direct processing), their overall consumption and general price trends are constantly monitored.
The main raw materials used in the semi-finished goods purchased by CNH Industrial are steel and cast iron (approximately 2.8 million tons including scrap), plastics and resins (approximately 170 thousand tons), and other miscellaneous materials (approximately 90 thousand tons).

GLOSSARY
AA100; Audit; EMEA; NAFTA; WCM

GRI
G4-12; G4-13; G4-EC9; G4-EN1

[1] Local suppliers are those operating in the same country as the CNH Industrial plant.
[2] The significant areas of operations are defined by total direct material purchases, which are 67% of the total value of purchases in EMEA, and 20% in NAFTA.

PURCHASES[a]

CNH INDUSTRIAL WORLDWIDE ($billion)

(a) Refers to the value of direct material purchases.

SUSTAINABILITY IN SUPPLIER MANAGEMENT

DMA

Environmental and social sustainability standards are fully integrated into CNH Industrial's supplier management. Supplier selection is an operational phase of the procurement process and is regulated by specific procedures. It is based not only on the quality and competitiveness of the suppliers' products and services, but also on their compliance with CNH Industrial's social, ethical, and environmental principles. The assessment process is built on objective criteria and tools aimed at ensuring fairness and equal opportunities for all parties involved.

The Potential Suppliers Assessment (PSA) process identifies the strengths and weaknesses of a company and its ability to manufacture according to the highest quality standards, thus assessing its potential of becoming a high performing CNH Industrial supplier. The PSA tool is used to assess companies that do not currently provide materials or services, and suppliers that have undergone reorganization, or whose plants were relocated, or that have introduced new technologies and processes. The PSA must be carried out prior to the procurement phase, to allow potential new suppliers to participate in tenders. This tool is a means to evaluate a potential supplier's ability to manufacture quality products using best practices. The PSA process consists in the evaluation of company systems and processes directly at supplier plants. PSA evaluation criteria involve some of the most important sustainability aspects, with explicit reference to a certified employee health and safety management system, a certified environmental management system, and compliance with the provisions regarding the restrictions on the use of hazardous substances through the IMDS system (see also page 161).

GLOSSARY
APAC; DMA; EMEA; IMDS; LATAM; NAFTA

GRI
G4-DMA

FOCUS ON

SUPPLIER DIVERSITY

CNH Industrial's policy is to promote, encourage, and increase the participation of diversity-owned enterprises (e.g., businesses that are small, disadvantaged, owned by women or veterans (including service-disabled), or part of the Hubzone program) in the procurement of its products and services.
CNH Industrial actively seeks, identifies, and assists these companies to qualify as competitive suppliers, affording them the opportunity to increase their sales and expand their markets. It provides these potential suppliers with adequate information during bidding processes and reasonable delivery lead times, so as to support and increase, where possible, their participation in Corporate procurement activities.
The Company's purchasing personnel regularly reviews material requirements, identifying areas of potential participation by diversity-owned enterprises. The methods and procedures for executing these activities are a standard part of buyer training seminars.

These management systems reflect the suppliers' efforts to monitor and manage environmental aspects, labor practices, human rights, and impacts on the community. All new potential suppliers (19 in 2014) are evaluated according to the above criteria. Supplier sustainability is also assessed through indicators included in a self-assessment questionnaire, and subsequently verified via audit for a certain number of suppliers determined year by year (see also page 156).

In addition, through clauses that are progressively incorporated into **new contracts**, suppliers are requested to comply with CNH Industrial's Code of Conduct and Sustainability Guidelines for Suppliers. Specific contractual clauses require them to provide references and demonstrate their competence in relation to: fighting corruption, protecting and safeguarding the environment, promoting health and safety at work, ensuring non-discrimination, prohibiting forced and/or child labor, and safeguarding freedom of association.
All contracts contain a **clause** (hereinafter referred to as the Clause) by which suppliers undertake to comply with Legislative Decree No. 231 of June 8, 2001 applicable to Italian suppliers (or, for non-Italian suppliers, with the specific regulations in force regarding the administrative liability of legal persons), the Code of Conduct, and the Sustainability Guidelines for Suppliers. It should be noted that all orders issued (for both direct/indirect material purchases and service contracts) are subject to the General Purchasing Conditions that contain the aforementioned Clause. For direct materials, the unified CNH Industrial General Purchasing Conditions including the sustainability Clause are currently being finalized. If a supplier fails to adhere to these principles, CNH Industrial reserves the right to terminate the commercial relationship or instruct the supplier to implement a corrective action plan, subsequently verified via audit.
In addition, a detailed spend analysis is carried out to improve supply performance and maximize operational efficiency. Using a data instrument, known as the Financial Suppliers Sensitivity System (FS3), supply chain managers have access to their financial assessment. This tool is continually updated based on confidential information provided by the suppliers themselves and contained in financial reports. The assessment, automatically calculated and checked by an analyst, allows suppliers to be identified according to categories of financial risk. Suppliers in particular difficulty are monitored weekly to prevent any interruptions to the supply chain. The continuous monitoring of economic factors is essential to good supply chain management.

GLOSSARY
Audit

GRI
G4-EN32; G4-LA14; G4-HR1; G4-HR10; G4-SO9

SUPPLIER ASSESSMENT

DMA

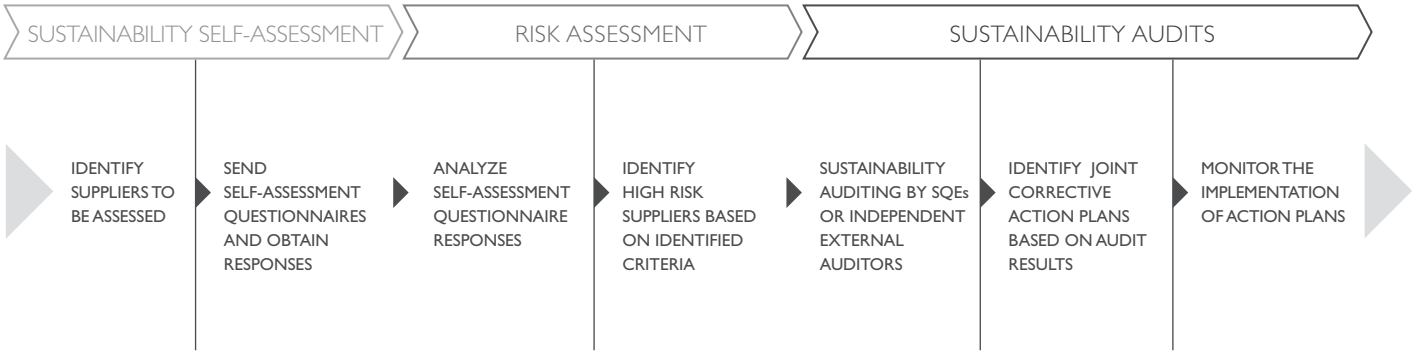
Suppliers play a crucial role in supply continuity and can influence the way public opinion perceives CNH Industrial's social and environmental responsibility. To prevent or minimize any environmental or social impact, CNH Industrial has developed a process to assess suppliers on sustainability issues.

Supplier assessments are the responsibility of the Supplier Quality function and, at operational level, of Supplier Quality Engineers (SQEs). The process is overseen by the Suppliers Sustainability Compliance Committee, consisting of the managers of Quality Global Business Process and Reference Commodity, and one representative each from the Purchasing Legal Department and Sustainability Unit.

The assessment process unfolds in three consecutive steps over a one-year period.

The process began with the sending of self-assessment questionnaires in the second half of 2014.

ASSESSMENT PROCESS



The first step in the evaluation process consists of a sustainability **self-assessment** questionnaire provided by the suppliers involved in the analysis. As of 2014, CNH Industrial uses the questionnaire developed by the Automotive Industry Action Group (AIAG). Suppliers are requested to provide information on: human rights, environment, compliance and ethics, diversity, health and safety. The process is carried out via a dedicated IT platform and managed by a third party to ensure the highest levels of transparency and neutrality.

The questionnaires are then analyzed and used to perform a **risk assessment**, which allows identifying critical suppliers whose compliance with sustainability criteria requires assessment. The four key drivers used to create the risk map are:

- supplier turnover
- risk associated with the supplier's country of operation (focusing on countries with poor human rights records[3])
- supplier financial risk
- participation in the assessment process
- risk associated with the manufacturing process.

Based on risk assessment results, suppliers are classified according to three levels of risk (high, medium, and low) and selected for audit accordingly.

GLOSSARY
AIAG; Audit; DMA

GRI
G4-DMA

[3] *For countries with poor human rights records, refer to the list published by EIRIS (*EIRIS Human Rights Countries of Concern, *October 2010).*

Sustainability audits are performed at suppliers' plants by either Company SQEs or independent external auditors. Audits, which are organized in agreement with the suppliers, aim at verifying the information submitted via the self-assessment questionnaires and at defining possible improvement plans where necessary. The suppliers select representatives within their organizations (usually from HR, Environment, and Quality), and a representative manager, to involve in audit activities. Should audit findings reveal critical issues, joint action plans are drawn up with suppliers to define improvement areas, responsibilities, corrective measures, and implementation schedules. These plans are defined with the contribution of Suppliers Sustainability Compliance Committee representatives. Action plans are monitored via follow-ups between supplier and auditor. Any supplier non-compliance is brought to the attention of the Suppliers Sustainability Compliance Committee, which determines the actions to be taken against the defaulting supplier. A specific operational procedure is in place to monitor supplier compliance with Sustainability Guidelines.
The levels of supplier compliance and respective action plans are documented in the IT platform and results are available to all employees engaged in supplier management. Every month, the SQP system develops a supplier Bid List, containing qualitative information including the scores from sustainability assessments. This information, along with each supplier's financial, technical, and logistics data, make up the *Summary by Plan* document used for assigning new business.

FOCUS ON

CONFLICT MINERALS

CNH Industrial recognizes the value in working with peers to address global challenges across its supply chain. In particular, the Company is implementing measures designed to address disclosure obligations under the Dodd-Frank Act and regulations adopted by the US Securities and Exchange Commission regarding the source of certain materials that may originate from the Democratic Republic of Congo and surrounding countries (conflict minerals). Such measures include: extensive communication with the supply chain regarding their role in ensuring that the Company satisfies conflict minerals disclosure obligations; deployment of a web-based data management tool through which suppliers can provide necessary data related to supply sources and potential conflict minerals; necessary due diligence and further communication with suppliers regarding information provided; conflict minerals training for employees; and adoption of a Conflict Minerals Policy.
CNH Industrial's Conflict Minerals Policy was adopted in 2013 and is posted on the Corporate website. The policy is intended to promote sourcing from responsible resources in the Democratic Republic of Congo and surrounding region. The Company performs its supply chain due diligence consistent with the Organization for Economic Cooperation and Development (OECD) guidelines. CNH Industrial is committed to making reasonable efforts to establish, and to require each supplier to disclose, whether tin, tantalum, tungsten or gold are used or contained in products purchased by the Company. If such minerals are contained in the products purchased from suppliers, suppliers must identify their sources and eliminate procurement, as soon as commercially practicable, of products containing tin, tungsten, tantalum, or gold obtained from sources that fund or support inhumane treatment in the Democratic Republic of Congo or the surrounding region.
CNH Industrial expects its suppliers to meet their commitments under its Conflict Minerals Policy. In particular, the Company expects its suppliers to perform a reasonable inquiry into the existence and origins of tin, tantalum, tungsten or gold in their supply chains, and to provide written evidence of the due diligence documentation. CNH Industrial reserves the right to assess future business with suppliers who fail to comply with this policy.

GLOSSARY
Audit;
Conflict minerals

SUSTAINABILITY ASSESSMENT CRITERIA

		Link to GRI-G4	Self-assessment	Audit
Human Rights	Company Code of Conduct	HR	✓	✓
	Supplier Code of Conduct	SO	✓	✓
	Supplier Facilities	HR	✓	✓
	Supplier Working Conditions and Practices	LA	✓	✓
	Supplier Contract	HR	✓	✓
Environment	Environmental Management System	EN	✓	✓
	Waste	EN	✓	
	Metrics	EN	✓	✓
	Greenhouse Gases (GHG)	EN	✓	✓
	Prevention	EN	✓	
	Emergency Planning	EN	✓	✓
	Regulatory Tracking	EN	✓	
	Training	EN	✓	✓
	Supplier Training	LA	✓	
	Environmental Policy	EN	✓	
	Environmental Strategy	EN	✓	
	Audit	EN	✓	✓
	Land and Water Conservation	EN	✓	
	Verification	EN	✓	
	Water Policy	EN	✓	
	Water Targets	EN	✓	
	Wetlands	EN	✓	
	Water-Stressed Areas	EN	✓	
	Logistics Processes	EN	✓	
	Logistics Targets	EN	✓	
	Disposable Packaging	EN	✓	
Compliance and Ethics	Corruption	SO	✓	✓
	Training	LA	✓	✓
	Supplier Training	LA	✓	✓
	Conflict of Interest	SO	✓	
	Supplier Ethics	SO	✓	
	Risk Assessment	SO	✓	
	Intellectual Property Protection Program	SO	✓	
	Intellectual Property Violations	SO	✓	✓
	Contractual Requirements	SO	✓	
Diversity	Organization	LA	✓	✓
	Employee Policy	LA	✓	✓
	Supplier Policy	LA	✓	✓
	Training	LA	✓	✓
	Supplier Training	LA	✓	✓
	Corporate Diversity Strategy	LA	✓	✓
	Supplier Diversity Metrics	LA	✓	✓
Health and Safety	System	LA	✓	✓
	Substances of Concern	LA	✓	✓
	Audits	LA	✓	✓
	Employee Involvement	LA	✓	✓
	Training	LA	✓	✓
	Supply Chain	LA	✓	✓
	Emergency Response	LA	✓	✓
	Emergency Planning	LA	✓	✓
General	Industry Associations	SO	✓	
	Industry Training	LA	✓	
	Stakeholders	SO	✓	
	Sustainable Purchasing	SO	✓	
	Recognition	SO	✓	
	Conflict Minerals	HR	✓	
	Community Development	SO	✓	✓

GLOSSARY
Audit; Conflict minerals; Stakeholders

In 2014, the self-assessment questionnaire was sent out to approximately 1,100 suppliers, representing 20% of the network of direct material suppliers; 115 completed the questionnaire (approximately 8% of direct material purchases) and were duly evaluated, with outcomes confirming that social and environmental issues were being properly addressed. The analysis of the results essentially confirmed the previous year's findings, i.e., the widespread implementation of sustainability initiatives, with a significant number of suppliers adopting their own social and environmental systems, setting specific targets, and drafting periodic reports. Specifically, in 2014, no issues were recorded regarding collective bargaining or child or forced labor.

ANALYSIS OF SUPPLIER SELF-ASSESSMENT QUESTIONNAIRES

	Number of suppliers identified as having significant actual and potential negative impacts	Areas associated with significant actual and potential negative impacts
Environment (EN)	6	■ environmental policy and strategy (especially for water management and biodiversity) ■ audit process to identify non-compliance and areas of improvement ■ guidelines and targets for reducing the environmental impact of logistics processes
Labor practices (LA)	-	-
Human rights (HR)	3	■ contractual requirements for suppliers ■ references in the code of conduct ■ process for reporting data on the use of conflict minerals in supply chain
Impacts on society (SO)	7	■ measures to manage potential conflicts of interest and intellectual property violations ■ stakeholder engagement ■ sustainable purchasing guidelines ■ process to verify responsible ethical business practices of suppliers ■ community development activities

In 2014, 62 audits were conducted at an equal number of supplier plants worldwide (45 by SQEs and 17 by independent external auditors). Audits carried out in 2014 refer to the self-assessment questionnaire used by CNH Industrial up until 2013.

AUDITS BY REGION

	Number of audits
EMEA	33
NAFTA	19
LATAM	6
APAC	4

The total number of audits worldwide covered approximately 6% of the total purchase value. In 2014, following the audits, 29 suppliers were involved in the formulation of 137 corrective action plans for areas in need of improvement. The one supplier identified in 2013 as having potential negative impacts on freedom of association was duly audited in 2014 by an independent third party; no critical issues emerged with regard to the matter.

ANALYSIS OF CORRECTIVE ACTION PLANS

	Percentage of suppliers identified as having significant actual and potential negative impacts, with which action plans were agreed upon[a]	Number of action plans identified	Main action plan topics
Environment (EN)	4.8 %	5	■ definition of a formal environmental management system
Labor practices (LA)	35.5 %	57	■ evidence of documentation on workplace safety (emergency plans/evacuation drills)
Human rights[b] (HR)	33.9 %	53	■ additions to the code of conduct ■ identification of responsibilities regarding human rights ■ internal communication activities
Impacts on society (SO)	21.0 %	22	■ inclusion of monitoring activities and supply chain engagement

[a] The percentage is calculated based on the number of suppliers audited (62 in 2014).

[b] The audits performed in 2014 identified two suppliers with three instances of non-compliance with overtime regulations. The subsequent action plans will be closely monitored, in collaboration with the Suppliers Sustainability Compliance Committee.
No suppliers were considered at risk regarding child labor, forced or compulsory labor, or violation of freedom of association and collective bargaining.
There were only eight cases of references to such issues being omitted from the Code of Conduct (five for child labor and three for freedom of association), and only two cases of no responsible representative being identified for freedom of association. Specific action plans were agreed with suppliers to resolve these shortcomings.

GLOSSARY
Audit; APAC; Biodiversity; Conflict minerals; EMEA; LATAM; NAFTA; Stakeholders

GRI
G4-EN33; G4-LA15; G4-HR4; G4-HR5; G4-HR6; G4-HR11; G4-SO10

PROMOTING THE CONTINUOUS IMPROVEMENT OF ENVIRONMENTAL ASPECTS

CNH Industrial's commitment to curtail the environmental impact of its activities and to tackle climate change cannot exclude the involvement of its suppliers. In fact, to limit the impact of manufacturing processes and products on the environment, suppliers must, on the one hand, optimize the use of resources and minimize polluting emissions and greenhouse gases; on the other, they must properly manage waste treatment and disposal and adopt logistics management processes to minimize environmental impact. For these reasons, an environmental management system certified according to international standards is always strongly advised.

In 2014, following the experience of the previous year, the Company asked the AIAG to incorporate specific questions in the supplier self-assessment questionnaire, to monitor the risks associated with water consumption and discharges along the entire supply chain and with the suppliers' logistics processes. The questionnaire's new section on water management specifically focuses on:

- policies, strategies or strategic plans regarding water management and improvements to the quality of wastewater management
- specific improvement targets
- bodies of water, wetlands or natural habitats affected by the water withdrawals or discharges of plants
- operations located in water-stressed areas.

Believing that the scarcity of water sources could affect production continuity, CNH Industrial deems their protection increasingly important. For this reason, a pilot project was launched to define specific water management principles to be shared across the supply chain. The Company also started a second pilot project in 2014, aiming at collaborating with a local supplier to develop a strategy for water management in water-stressed areas. The project will be carried out at the Noida plant (India), selected among the CNH Industrial sites located in water-stressed areas (see also page 175). This collaboration was established to minimize the risks associated with water quality and quantity, as well as those related to conflicts with stakeholders.
Another important supplier engagement activity carried out in 2014 revolving around the mitigation of environmental impacts was the CDP Supply Chain initiative. In keeping with the previous year, more than one hundred suppliers were selected to fill out the CDP questionnaire, in order to get a clear picture of their strategies to tackle climate change and of their current, or still to be implemented, initiatives to reduce CO_2 emissions. The analysis of the results gave rise to many ideas that will come into play when establishing future collaborations with suppliers. The companies involved in the CDP Supply Chain generated approximately 1.4 million tons of CO_2[4] emissions in supplying CNH Industrial. The activity will continue in 2015, involving a greater number of suppliers.

CDP SUPPLY CHAIN

MAIN ANALYSIS RESULTS (2014)

2014

- **44%** of suppliers participated in the **CDP survey** (equal to 11% of total purchases)
- **70%** of suppliers integrated **climate change** into their business strategy
- **3 million** tons of CO_2 **emissions** cut in 2014
- **$689 million** invested in **emission reduction** initiatives
- **$81 million** saved as a **result of emission reduction** initiatives
- **36%** of suppliers proposed **collaborative projects** to members

GLOSSARY
AIAG;
Stakeholders

(4) *Including scope 1, 2, and 3 emissions.*

FOCUS ON

IMDS: AN ENVIRONMENTAL MANAGEMENT TOOL

To support the management of the environmental aspects linked to the production of vehicles and components, CNH Industrial extended the International Material Data System (IMDS), an online interactive platform with detailed information on the materials and substances contained in purchased components, to include its heavy vehicles, whose datasheets have tripled compared to 2013. The system also enables the entry of data on the use of recycled materials. In 2014, the data uploaded to the IMDS by all CNH Industrial suppliers allowed the monitoring of compliance with the REACH regulation and, in particular, the implementation of a specific activity regarding the new substances on the candidate list for authorization with a sunset date of February 2015, which has significantly involved suppliers in all three segments concerned. In 2014, suppliers filled out approximately nine thousand datasheets.

It should be noted that, in this context, CNH Industrial was included in the CDP Supplier Climate Performance Leadership Index (SCPLI) 2014, which presents 121 worldwide supplier companies recognized for their outstanding progress in climate change mitigation.

SPREADING AN INTERNAL CULTURE OF SUSTAINABILITY

Initiatives targeting the employees responsible for supplier relationships have been consolidated over the years, aiming at ensuring satisfactory awareness of sustainability and good governance among suppliers through open and ongoing dialogue.

Every year, in fact, Buyers and Supplier Quality Engineers (SQEs) take part in training activities to explore some of the key issues of environmental and social responsibility. Moreover, security personnel are trained on the principles and values of good Corporate Governance established in the Code of Conduct, through periodic training activities and/or other information channels. In 2014, approximately twenty Buyers and SQEs operating in EMEA, NAFTA, and APAC were involved in sustainability training activities aimed at illustrating, on the one hand, the objectives, main aspects, and tools of a sustainable enterprise, and, on the other, their individual role and contribution to CNH Industrial's sustainability.

Moreover, the 2014 variable compensation system for SQE Managers and their team members continued to incorporate sustainability criteria for the assessment of their performances.

Supporting Suppliers in Difficulty

The global financial meltdown and the continued economic crisis in Europe have demanded the close monitoring and management of critical situations arising along the supply chain.

CNH Industrial has strengthened the structures and mechanisms in place to manage suppliers in financial difficulty, focusing on promptly identifying high-risk situations and stabilizing them through appropriate measures to ensure supply continuity. These mechanisms are implemented (also in partnership with other manufacturers, when possible) to support restructuring projects and offer temporary financial aid, while also seeking to safeguard jobs.

GLOSSARY
APAC; EMEA; IMDS; NAFTA; REACH; Stakeholders

GRI
G4-HR7

A SUSTAINABILITY AWARD

FOCUS ON

As in the previous year, CNH Industrial's *2014 Sustainability Supplier of the Year* award was assigned to a supplier in EMEA, in recognition of the excellent results achieved in support of sustainability. With this initiative, CNH Industrial is aiming at encouraging good stewardship practices within its supply chain. The award was presented to the winning company at the Supplier Advisory Council held in Turin (Italy) in November 2014. The supplier was selected for its high level of commitment to environmental protection, particularly in cutting CO_2 emissions, and for its strong support for the development of its region of operation. The initiative will also continue in 2015, rewarding a supplier in a Region other than EMEA.

ONGOING DIALOGUE WITH SUPPLIERS

DMA

Strongly convinced that suppliers are key partners for its growth, CNH Industrial is committed to keeping them engaged and informed at all times. Promoting a continuous dialogue and exchange with suppliers builds strong supplier relationships, in which goals and strategies can be shared, and collaborations and joint projects can thrive. The Company continued to strengthen its relationships with suppliers in 2014, as evidenced by the many existing long-standing and mutually beneficial alliances and by the minimal number of disputes.
Many events and activities are in place to encourage continuous dialogue with the supply chain.
The primary tool used to share information with suppliers is CNH Industrial's **website** and Supplier Portal (currently being updated), which gives access to information on technical requirements and supply scheduling and quality.
Additionally, two dedicated **email addresses** were created as further communication channels: the first to request information or report non-compliances within the supply chain, and the second to foster exchanges on sustainability.

An important opportunity for dialogue is provided by the **Supplier Advisory Council** (SAC) meetings, organized for some of CNH Industrial's suppliers selected for their economic importance and for their ability to represent market trends and establish a benchmarking network with competitors. In 2014, three meetings were held in each Region, providing an arena to exchange information and opinions with leading suppliers, share objectives and results, and illustrate particularly significant projects. The meetings were also an opportunity for suppliers to suggest improvements and share particularly praiseworthy examples. At the SAC meetings held in November, attended by more than 80 suppliers across the four Regions, the focus was on CNH Industrial's concept of sustainability and its main results in this area, and on the stakeholder engagement project (see also page 19) requiring all participants to actively contribute to the updating of the materiality matrix.

10 Technology Days

In keeping with previous years, several initiatives promoting the exchange of ideas and information continued to be pursued in 2014, including the **Technology Days**: ten events took place, attended by approximately one thousand people. During these meetings, suppliers showcased their cutting-edge products in terms of innovation, technology, and quality while addressing specific topics and sharing information on recent technological developments.

The **World Class Manufacturing** activities carried out at suppliers' plants were expanded in 2014, with 130 plants included in the WCM program as at December 31. Activities were implemented in two distinct yet equally important phases, providing suppliers with the necessary knowledge to apply the intrinsic concepts of Lean Production. Firstly, various training sessions led by CNH Industrial's WCM program specialists took place at suppliers' premises. Secondly, supplier WCM teams were given the opportunity to visit selected CNH Industrial plants, to learn about the Company's best practices.

GLOSSARY
DMA; EMEA; WCM

This dual activity allowed some of the most active suppliers to achieve good results during the year, especially in the so-called *model areas* (i.e., the first areas of a plant where WCM methodologies and tools are applied rigorously). These suppliers were also audited by certified auditors, achieving good ratings.
The analysis of the KPIs monitored at supplier plants revealed some significant improvements. The best plant in the mechanical sector, for example, reported zero accidents, and, in terms of engaging people on the issue of quality, an average of ten improvement proposals were collected per operator. The overall mechanical sector saw an 11% increase in training activities, with approximately 170 sessions addressing various topics, including safety and the work environment. The ongoing activities carried out to enhance Overall Equipment Effectiveness[5] resulted in an improvement of approximately +40% at the best plant.
The best plant in the metal sector continues to work towards reducing set-up time through specific projects (Single Minute Exchange of Die[5]), and to completely eliminating mechanical failure caused by the lack of basic conditions. In terms of environmental protection, the plants that have been applying the WCM program for the longest recorded a +30% improvement in paper recycling. These results demonstrate how plants are making better use of resources and equipment, in favor of increased long-term competitiveness.

Furthermore, in 2014, CNH Industrial launched a pilot project involving a sample of WCM suppliers (approximately ten suppliers in EMEA) to monitor specific sustainability indicators in plant model areas: namely, the frequency rate of accidents and the energy consumption per production unit. Monitoring these indicators will allow quantifying the actual environmental and social improvement achieved via the application of WCM methodologies. The trend for both indicators will be reported next year when monitoring is completed.
CNH Industrial also continues to promote numerous initiatives to encourage innovation among suppliers. Specifically, the **Supplier Performance** (Su.Per) program advocates a proactive attitude to business, and allows sharing the economic benefits arising from the innovative methods and technologies introduced based on supplier suggestions. In 2014, four suppliers benefited from the program and eight proposals were actually realized, with over $53 thousand in estimated economic benefits generated for suppliers, particularly relating to engines.
As regards supplier **training activities**, a course was organized in October for small and medium-sized suppliers in the EMEA Region, to explain sustainability issues and their implications within the supply chain, with a view to shared responsibility. The course was attended by 31 highly enthusiastic suppliers, who learnt how their activities could contribute to the sustainability of CNH Industrial. It was also an opportunity to collect ideas and suggestions on future supplier engagement activities regarding sustainability.
Lastly, among the activities developed in 2014, the Purchasing and Risk Management functions launched a collaboration with a number of selected suppliers to collect information on the management of risks associated with supply to CNH Industrial (see also page 67).

OUR PROJECTS

SUPPLIER PARTNERSHIP PROGRAM

It is strategic for CNH Industrial to establish long-term relationships with key suppliers of important components and technologies.
Suppliers' potential has been reviewed based on their capacity for innovation and co-design, through the Supplier Partnership Program started in 2013. Indeed, the opportunity to share expertise on key technologies and components through a privileged supplier partnership speeds up the design process and ensures its success.
Strategic partnerships are selected according to the following criteria:

- development lead time
- technical know-how, and value added through co-design with a supplier
- complexity of development
- technological boost, i.e., the gap between an existing part versus those of competitors/best-in-class.

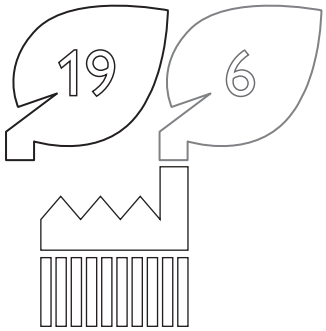
The first supplier partnership based on the above criteria started in 2014, and the Company is now evaluating the eligibility of other suppliers and components for the extension of the partnership initiative.

[5] *Methodologies integrated in the Lean Production theory.*

WORLD CLASS MANUFACTURING

DMA

In striving to consolidate and maintain high standards of excellence in its manufacturing systems, CNH Industrial applies principles of World Class Manufacturing (WCM), an innovative program for continuous improvement originating from Japan. WCM is an integrated model for managing all the elements of an organization, focused on improving the efficiency of all its technical and organizational components with the aim of maximizing market competitiveness.



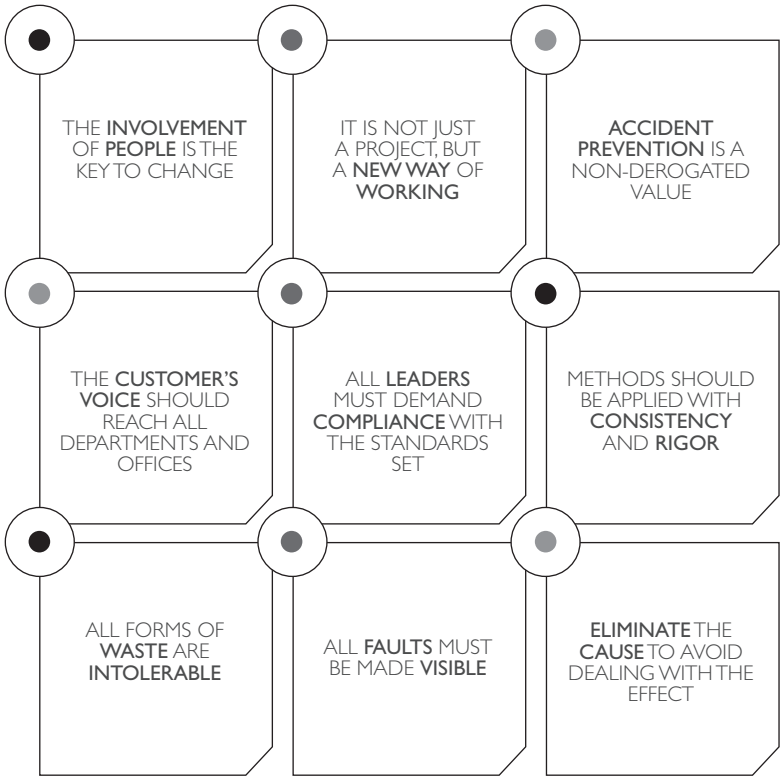
19 plants awarded **bronze** and **6** plants awarded **silver**

WCM is a structured system encompassing the most effective manufacturing methodologies, which include Total Quality Control (TQC), Total Productive Maintenance (TPM), Total Industrial Engineering (TIE), and Just In Time (JIT). Through precise methods and standards, WCM seeks to eliminate all types of waste and loss, by identifying objectives such as: zero injuries, zero defects, zero breakdowns, zero waste, reduced inventories, and suppliers' punctual delivery of parts to plants, and subsequently to dealers and end users. These objectives require a strong commitment from plant management and all relevant departments, reinforced by continuous interaction across all organizational levels.

Some of the benefits of WCM implementation include greater competitiveness, the development of new and improved technology and innovation, increased flexibility, increased communication between management and production personnel, enhanced quality of work, and increased workforce empowerment.

The WCM system cuts across all Company boundaries and is applied to all departments, embracing numerous topics (known as pillars) including safety in the workplace, the environment, quality, logistics, in-house and specialist maintenance, human resources, and process and product engineering (involving the reorganization of work stations, the installation of new machinery, and new product launches).

WCM FUNDAMENTAL PRINCIPLES:



GLOSSARY DMA; WCM
GRI G4-DMA

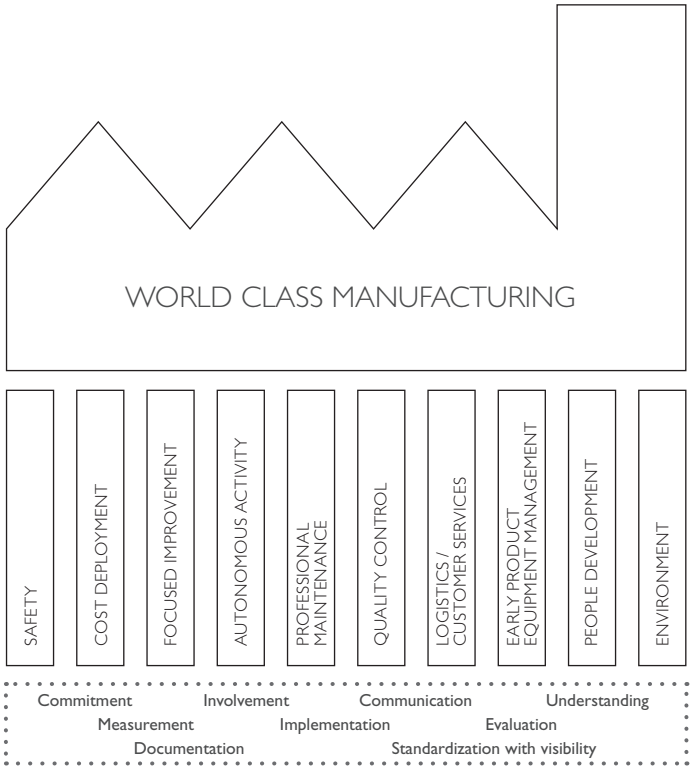
One of the main features of the WCM program is the direct relationship between an activity or project and its cost benefits. Continuous improvement initiatives, in fact, are driven by the Cost Deployment pillar, which accurately identifies all plant waste and loss, guides the Corporate functions tasked with containing and eliminating the sources of waste, evaluates project feasibility, and assesses and certifies the results achieved by carefully monitoring specific performance indicators (KPI). Such a methodical and structured approach ensures that the process for evaluating initiatives is genuinely effective, in that it measures and correlates all factors affected by the initiative itself.

$195.6 million
saved through
WCM projects

The widespread use of WCM principles at all CNH Industrial plants allows the entire Company to share a common culture based on efficient processes and on a language universally recognized across all plants and countries in which CNH Industrial operates.

WCM leverages knowledge development through employee participation, through which implicit knowledge becomes explicit and codified, and subsequently incorporated into new products, new services and new ways of working.

WCM PILLARS



The WCM system is also implemented outside CNH Industrial: on the one hand, it enables the Company to meet its customers' needs with maximum flexibility and effectiveness; on the other, by sharing it with suppliers (see also page 162), it allows the Company to ensure high product quality and process efficiency. WCM seeks to instill and reinforce the idea that everyone who is part of an organization must know their customers and strive to satisfy their needs, as well as those of all other stakeholders, in terms of products, order processing, delivery, quick response services, and after-sales assistance. After all, the aim of continuous improvement is to increase customer satisfaction and loyalty, while also ensuring long-term profitability, by developing processes and adding value to products and services.

GLOSSARY
KPI; Stakeholders; WCM

One of the system's strengths is its ability to motivate people - who are an intrinsic part of the model - to engage and take responsibility by contributing directly to process optimization via a well-established system of suggestion collection. People are an integral part of target achievement, and are involved throughout the entire improvement project (universally known as *kaizen*) from definition to realization. This allows them to acquire and develop skills and good practices that are then shared across plants, forming a network of expertise and knowledge at the service of the Company. WCM plays a role in creating an organization that is both engaged and free of barriers, where ideas, knowledge and talent are shared between working groups, both within and across different plants.

THE 10 TECHNICAL PILLARS ANALYSIS OF CORRECTIVE ACTION PLANS

Technical Pillar	Purpose	Goals
Safety	Continuous improvement in safety	■ to drastically reduce the number of accidents ■ to develop a culture of prevention ■ to improve workplace ergonomics ■ to develop specific professional skills
Cost Deployment	Cost and loss analysis (loss as a cost component)	■ to scientifically and systematically identify the main losses in the company's production and logistics system ■ to estimate both potential and expected economic benefits ■ to focus on and allocate resources to managerial tasks with greatest potential
Focused Improvement	Intervention priorities to manage the losses identified in cost deployment	■ to drastically reduce the major losses in manufacturing plants by eliminating inefficiencies ■ to eliminate non-value-added activities to increase product cost competitiveness ■ to develop specific professional problem-solving skills
Autonomous Activities	Continuous improvement at the plant and in the workplace	This comprises two pillars: ■ Autonomous Maintenance - used to improve the production system's overall efficiency through maintenance policies ■ Workplace Organization - aims at improvements in the workplace, where materials and equipment often need upgrading and many losses can be eliminated
Professional Maintenance	Continuous improvement in reducing equipment failures and downtime	■ to increase equipment efficiency using failure analysis ■ to facilitate cooperation between equipment specialists and maintenance personnel to achieve zero breakdowns
Quality Control	Continuous improvement in meeting customer needs	■ to deliver high quality products ■ to reduce non-compliance ■ to increase employee skills
Logistics and Customer Service	Inventory optimization	■ to significantly reduce inventory levels ■ to minimize the handling of materials, including deliveries directly from suppliers to the assembly line
Early Equipment Management and Early Product Management	Optimization of time and costs for installations and optimization of new product features	■ to start up new plants as scheduled ■ to ensure plant start-up occurs rapidly and smoothly ■ to reduce Life-Cycle Costs (LCC) ■ to design systems that are easy to maintain and inspect
People Development	Continuous improvement in employee and worker skills	■ to ensure appropriate skills and abilities to each workstation through a structured training program ■ to offer training-driven development for maintenance workers, technologists, and specialists
Environment and Energy	Continuous improvement in environmental management and reduction in energy waste	■ to comply with environmental management requirements and standards ■ to develop an energy culture and reduce energy costs and losses

GLOSSARY
Ergonomics; Kaizen; WCM

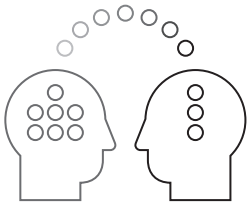
At CNH Industrial, the use of tools for sharing information and collecting suggestions is well established; in 2014, about 395 thousand suggestions were collected across the plants where WCM principles are applied, with an average of 11 per employee. In 2014, 14,277 projects were implemented within WCM, generating savings of $195.6 million.

Each pillar involves a seven-step approach and auditing process, culminating in a series of awards (bronze, silver, gold, and world class). Increasingly challenging targets are reached by means of a rigorous approach comprising three progressive levels: reactive, preventive and proactive.

As of December 2014, 53 plants were participating in the program, involving 83% of Company plants, 97% of plant personnel, and 98% of revenues from sales of products manufactured by Company plants. Nineteen of them received bronze awards and six silver awards, the latter in Bourbon Lancy (France), Foggia, Suzzara, Torino Driveline (Italy), Madrid and Valladolid (Spain).

During 2014, internal auditing training courses were offered to plant managers, hence supporting the continuous spread of WCM.

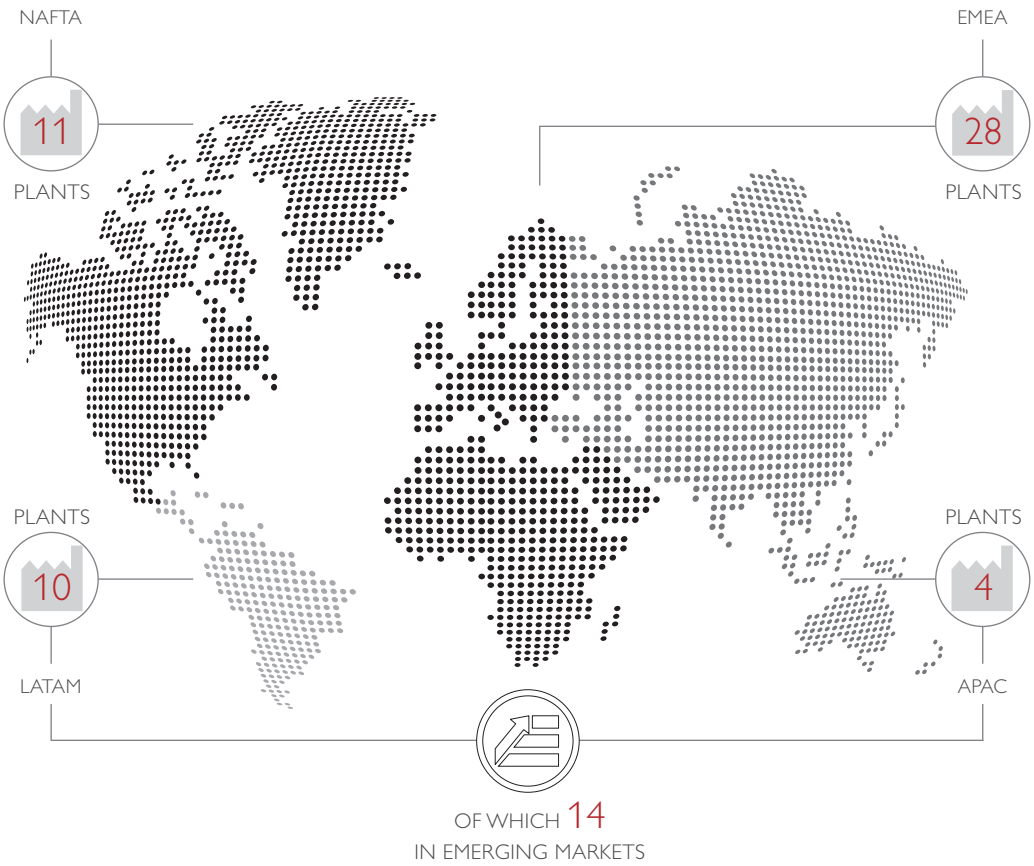
WCM initiatives are coordinated by a steering committee (established in March 2012), consisting of Top Manufacturing Management and CNH Industrial WCM managers, which drives the relevant strategies and develops the necessary methodologies for the entire Company.



395 thousand **suggestions** from **employees** under the **WCM program**

WCM PLANTS

CNH INDUSTRIAL WORLDWIDE



GLOSSARY
APAC; Audit; EMEA; Emerging Markets; LATAM; NAFTA; WCM

ENVIRONMENTAL MANAGEMENT

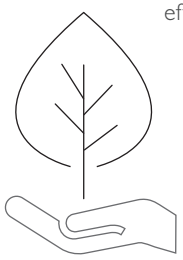
DMA

CNH Industrial is committed to continuously improving the environmental performance of its manufacturing processes, by adopting the best technologies available and by acting responsibly to mitigate its environmental impact. Environmental protection at CNH Industrial is based on principles of prevention, conservation, information, and people engagement, to ensure effective long-term management.

The materiality analysis identified the use of water, the protection of biodiversity, and the management of waste and effluents as significant environmental aspects[1] for the Company and stakeholders alike. The proper management of both waste and effluents is particularly relevant because it leads to efficient disposal and reduces pollution risks (and hence reputational risks), which have greater economic and social implications than all other environmental aspects. From the stakeholders' point of view, waste requires proper management due to increasing volumes in developed, industrialized countries, while spills have less importance owing to the minimal risk of accident and/or spills associated with today's very high equipment standards. Water management and the protection of biodiversity are material aspects gaining increasing importance among the international community. Both are regularly addressed by the Company through initiatives driven by investments that, at this stage, are commensurate with the extent of their impact in the areas most affected. Stakeholders, particularly in LATAM and APAC, consider water as the most neglected and critical resource worldwide. They consider it crucial in the capital goods sector in terms of both management (e.g., wastewater) and risk of contamination (e.g., water used in washing and painting processes). In APAC, stakeholders call upon public-private partnerships to modernize urban water-distribution systems. Nevertheless, they struggle to find links between biodiversity and business, which is an important topic that could perhaps pave the way to future discussions on the management of plant impacts.

The Environmental Policy, available on the Corporate website, describes the short, medium, and long-term commitments toward the responsible management of the environmental aspects of manufacturing (particularly energy, natural resources, raw materials, hazardous substances, polluting emissions, waste, natural habitats, and biodiversity).

These aspects are included in both the environmental management system of CNH Industrial and the environmental pillar of World Class Manufacturing; both systems require compliance with guidelines, procedures, and operating instructions, and regular internal audits and reviews by management. This dual approach enables the effective management of all environmental aspects, and the adequate evaluation of outcomes (even with respect to estimated targets), which are duly reported via the Sustainability Report and the Corporate website, among other means.



$56 million spent on environmental protection

Environmental aspects are monitored, measured, and quantified to set improvement targets at both Corporate and segment levels. As further evidence of the Company's commitment toward protecting the environment, all 2013 indicators confirmed the continuous improvements seen in recent years. Furthermore, in line with the Business Plan, all improvement targets were updated in the new 2014-2018 Environmental Plan drafted in 2014 (see also pages 36-38).

In 2014, CNH Industrial's determination to manage the environmental impact of its business in a sustainable way was recognized once again at global level, with the Company's inclusion in the Dow Jones Sustainability Index (see also page 47).

The path toward reducing the Company's environmental footprint, which encompasses aspects affecting the environment (from the selection and use of raw materials and natural resources, to product end-of-life and disposal), continued to require significant commitment throughout the year, both financially and in terms of interventions to improve technical and management performance.

CNH Industrial's overall expenditure on environmental performance improvement in 2014 exceeded $56 million (an increase of over 13% compared with 2013), broken down as follows: $35 million for waste disposal and emissions treatment, and $21 million for prevention and environmental management. A total of $16 million was invested in initiatives to reduce the environmental impact, generating cost savings of $5 million.

GLOSSARY
APAC; Audit; Biodiversity; DMA; LATAM; Material aspect; Stakeholders; WCM

GRI
G4-DMA; G4-EN31

(1) *As regards emissions, see page 181.*

RESPONSIBILITY AND ORGANIZATION

The highest responsibility for initiatives focusing on environmental protection at CNH Industrial lies with the Group Executive Council (GEC). The specific projects aiming at the environmental improvement of manufacturing processes fall under the responsibility of plant managers.
In 2014, individual environmental impact reduction targets were included in the Performance and Leadership Management system (see also page 83) for some plant managers and for most of the managers in charge of the projects indicated in the Sustainability Plan.
In order to implement the Environmental Policy, each Region coordinates and manages environmental issues through the Environment, Health and Safety (EHS) function, which checks that commitments are met locally, periodically verifies performance against targets, audits compliance, provides training and technical assistance, proposes new initiatives, and establishes environmental policies. An important role is also played by the plant employees of other functions/bodies (production line, logistics, manufacturing engineering, etc.) involved with environmental issues in various capacities.
In its endeavor to protect the environment, the Company also uses centralized systems like the Standard Aggregation Data (SAD), i.e., a performance indicator management tool, and the Environment, Health and Safety IT platform, which provides users with training and information tools such as ISO 14001 certification support documents (guidelines, procedures, reporting guidelines, etc.). Approximately 210 people from Company sites worldwide have access to the platform.

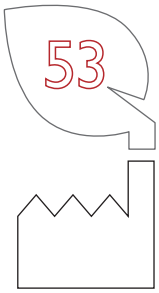
DMA

ISO 14001 CERTIFIED PLANTS

CNH INDUSTRIAL WORLDWIDE

GLOSSARY
APAC; Audit; DMA; EMEA; ISO 14001; LATAM; NAFTA; SAD

PROCESS CERTIFICATION



ISO 14001 certified plants

In 2014, CNH Industrial continued to pursue and maintain the certification of its plants' environmental management systems as per the ISO 14001 international standard. As at 2014, 53 CNH Industrial manufacturing plants worldwide were ISO 14001 certified (see also page 237).

In addition to the systematic management of environmental aspects under normal operating conditions, the ISO 14001 certified environmental management system requires the adoption and regular verification of emergency plans and procedures, which must be communicated to employees via specific staff training. These procedures define roles and responsibilities, as well as responses to tackle unusual and/or emergency situations, to protect both people and the environment.

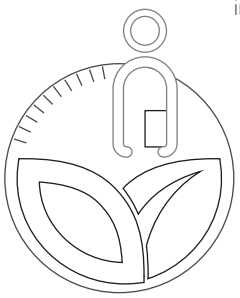
The environmental certification maintenance process entails a cycle of external third party audits, carried out by licensed entities or bodies. The process involves annual monitoring and certification renewal every three years. Furthermore, each plant is required to perform an internal audit every year to verify the performance of its environmental management system.

In keeping with the previous year, the second course for ISO 14001 internal auditors was organized at the San Matteo plant (Italy) for EHS staff members from Italian plants. This activity made it possible to begin a series of internal audits of environmental management systems, performed by cross-functional teams (consisting of one representative of EMEA's central EHS function and one person from an operational unit). This program allows team members to share their professional and plant experiences, promoting mutual exchange and the dissemination of best practices while ensuring that standards are applied consistently across different manufacturing plants. The Italian plants in Bolzano, Jesi, Piacenza, San Mauro Torinese, and Suzzara were the first to be involved in this new initiative. Furthermore, as per the Sustainability Plan, the Company's ongoing effort to certify the environmental management systems at Italian non-manufacturing sites led to the certification of the Research & Development and Logistics Center in Modena San Matteo.

ENGAGEMENT AND AWARENESS ACTIVITIES

CNH Industrial is committed to promoting and disseminating the principles of continuous improvement and environmental protection both within and outside the Company. It does so by addressing employees and business partners via dedicated communication and training tools, as well as by organizing events engaging employee family members and local communities.

A reliable and effective means of engaging people and sharing information is the World Class Manufacturing program (see also page 164), which promotes good practices and the implementation of improvement projects, including those suggested directly by employees.



42,000 hours of training on environmental issues

In 2014, CNH Industrial involved approximately 24 thousand employees in environmental training activities, for a total of approximately 42 thousand hours.

As regards communication activities, on *World Water Day* (March 22), the Company made use of the Corporate Intranet to globally publicize its main projects (both implemented and underway) and efforts aimed at reducing water consumption and the volume of water discharged by its plants. On that same occasion, a brochure on the *Water Footprint of Food* was distributed at plants in EMEA and APAC, illustrating the virtual water contents of food products and the impact of daily activities on water consumption.

During celebrations for the *42nd World Environment Day* (June 5), always via the Corporate Intranet, CNH Industrial publicized its main initiatives to reduce its environmental impact. Many initiatives also took place at local level. At the plants in Argentina, Brazil, and Venezuela, for example, approximately ten thousand employees were engaged in awareness initiatives on environment protection. Among other things, the plants organized theatrical plays focusing on environmental topics; furthermore, to raise awareness of waste recycling and regeneration, they partnered with companies specializing in oil recycling, enabling employees to exchange used cooking oil from their homes with bars of soap made from exhaust oil.

In 2014, as part of its awareness-raising activities on environmental matters, the Company also issued and disseminated specific standards across the manufacturing sites in EMEA following the introduction of compactors to handle packaging waste. The standards reflect existing, effective solutions already in place in the waste production areas of some CNH Industrial plants. By using this type of compactor, plants can improve recycling, reduce the environmental impact of waste transport, and subsequently cut management and disposal costs. Some plants implemented the new standards before the end of 2014, enjoying immediate benefits: a compactor for bulky plastic and cardboard packaging materials was installed at Croix (France), in the plant's area of greatest waste production; the Modena, Brescia Special Vehicles, Foggia, Torino Driveline, Torino Engine, and Vittorio Veneto plants in Italy, on the other hand, introduced different types of compactors and containers for plastic bottles, plastic packaging materials, aluminum cans, and paper cups.

CNH Industrial is also committed to raising awareness of environmental issues among its suppliers (see also page 160) and dealers (see also page 219).

GLOSSARY
APAC; Audit; EMEA; ISO 14001; WCM

OUR PROJECTS

ENVIRONMENTAL EDUCATION AT SCHOOL

In early 2014, the **Vysoke Myto** plant (Czech Republic), which is located in a sensitive area in terms of availability and use of water resources, launched an information and training initiative at primary schools in the area. Through recreational-educational classroom sessions held by the plant's environmental specialists, children were educated on the importance of protecting water resources.
A similar initiative took place at the **Suzzara** plant (Italy), where a number of primary school students were invited to engage in environmental training activities, as part of a broader project focusing on gaining knowledge of the local industry. The initiative involved approximately one hundred students, and is expected to be extended to the secondary schools across the district in 2015.
The plant in **Foggia** (Italy) reached out to secondary school students with an awareness campaign on the correct use of natural resources and on energy saving. The project was carried out in collaboration with the municipality, and is part of the *Sicuramente* initiative.
Lastly, the **Sete Lagoas** plant (Brazil) launched awareness-raising and environmental education initiatives at local schools in the district (see also page 123).

ENVIRONMENTAL PERFORMANCE

Consolidated monitoring and reporting systems, such as Standard Aggregation Data (SAD), are used to keep track of environmental performance, measure the effectiveness of actions taken to achieve targets, and plan new initiatives for continuous improvement, through the management of appropriate Key Performance Indicators (KPI). These indicators can be analyzed at different aggregate levels (plant, segment, Region, or Company), which allows for the simultaneous and parallel engagement of different Corporate functions at various levels to meet targets. These systems are also useful for periodic benchmarking activities, and to help plants drive the continuous improvement of environmental performance.

SAFEGUARDING AIR QUALITY

Reducing atmospheric emissions is one of CNH Industrial's strategic goals, consistent with the results of the materiality analysis. The application of best available technologies at every step of the manufacturing process is critical to meet the improvement targets set by the Company.
The main atmospheric emissions are monitored according to specific programs to verify compliance with existing regulations, and the results are systematically recorded via the monitoring system in use.

Volatile Organic Compounds (VOC)

In terms of presence of Volatile Organic Compounds (VOC), painting has the greatest environmental impact of all manufacturing processes at CNH Industrial. For this reason, CNH Industrial is committed to monitoring and reducing VOC emissions per square meter painted. In 2009, considered the base year[2], the Company's average emissions were approximately 67 grams per square meter painted. In 2014, the value dropped to 43.4 grams per square meter (-35%) thanks to the excellent results achieved across all segments, which exceeded the specific targets set in the Plan (see also page 38).
In line with the new Environmental Plan, by 2018 CNH Industrial is determined to cut 2% of VOC emissions per square meter compared to 2014, considered as the new base year.

Among the initiatives implemented to reduce atmospheric emissions, the **New Holland** plant (USA) invested approximately $30 thousand on a new monolayer (single coat) paint system to replace its former double-layer system (primer and topcoat), thus eliminating the VOC emissions and waste generated in the second coating process. This led to approximately $107 thousand in annual savings, mainly associated with reduced energy consumption, fees for VOC emissions, and disposal of waste generated by the painting process.
The **Grand Island** plant (USA) invested approximately $210 thousand in redesigning its paint system and manifold to enable the mixing of coating materials directly inside the spray booth, instead of transferring them through paint lines, thus minimizing the need to purge the latter with solvents. The reduction in solvents required to clean both manifold and lines led to a 25% drop in VOC emissions and an 80% drop in hazardous materials generated by the coating process, with total savings of approximately $330 thousand.

GLOSSARY
KPI; SAD; VOC

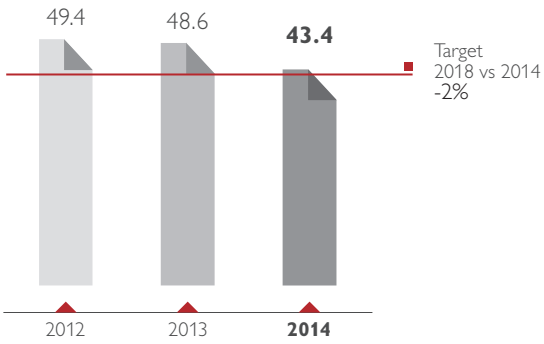
GRI
G4-EN21

[2] *In 2010, in line with the Business Plan, 2009 was chosen as the base year for setting 2014 targets.*

Lastly, during the first quarter of 2014, the **Curitiba** plant (Brazil) installed a system to recirculate the solvent used to clean spray guns. The system enables the reuse of solvents up to three times before their disposal, which reduces solvent consumption by approximately 60% and, consequently, VOC emissions into the atmosphere. The system also allowed the plant to cut its annual production of hazardous waste by 30%, saving approximately $58 thousand.

EMISSIONS OF VOLATILE ORGANIC COMPOUNDS

CNH INDUSTRIAL WORLDWIDE (g/m²)



Ozone Depleting Substances (ODS)

At CNH Industrial plants, Ozone Depleting Substances (ODS) are present in certain equipment used for cooling, air conditioning, and climate control.

The Company regularly updates the inventory of systems and equipment containing ODS, to monitor the quantity of these substances at plants. Other actions and initiatives are being implemented to completely replace them with more eco-compatible gases and/or technologies by the end of 2015 (see also page 38).

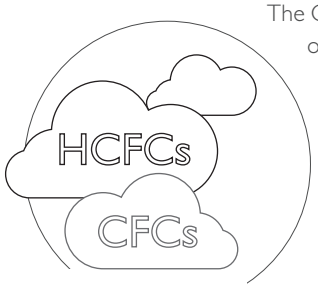
In 2014, ozone depleting substances continued to be removed at various plants in Europe. In particular, they were completely eliminated at the plants in **Jesi**, **Modena**, and **San Mauro Torinese** (Italy), **Rorthais** and **Tracy** (France), **Madrid** (Spain), **Antwerp** (Belgium), and **Sankt Valentin** (Austria). These activities contributed to the overall removal of approximately 1,460 kilos of ODS across EMEA plants, representing approximately 85% of their total amount of ODS.

Ahead of deadlines, all existing ODS were eliminated also at the plants in **Benson**, **Burlington**, **Calhoun**, **Fargo**, **Goodfield**, **New Holland**, **Racine**, and **Wichita** (USA), for a total of over 1,100 kilos, with a total investment of $1.9 million. In 2014, operations to remove and replace equipment containing ODS led to a total reduction of approximately 95% across plants in NAFTA.

Similarly, the South American plants in **Cordoba** (Argentina) and **Contagem** (Brazil) invested around $118 thousand on the complete removal of ODS from their facilities, equal to approximately 470 kilos, thus contributing to a 75% total drop across plants in LATAM.

The **Pregnana Milanese** plant (Italy) also removed all existing ODS, which significantly contributed to a 75% total reduction in ODS across Powertrain plants.

No accidental ODS leaks were reported in 2014.



60%
of ODS
present in 2013
removed

Emissions of NO_x, SO_x, and Dust

CNH Industrial also monitors the emissions of nitrogen oxides, sulfur oxides, and inorganic particulate matter deriving from fossil fuel combustion, since these pollutants can impact the climate and ecosystems.

EMISSIONS OF NO_x, SO_x AND DUST

CNH INDUSTRIAL WORLDWIDE (tons)

	2014	2013	2012
Nitrogen Oxides (NO_x)	**372.6**	443.0	418.8
Sulfur Oxides (SO_x)	**36.7**	41.2	50.6
Dust	**5.1**	5.7	5.3

GLOSSARY
EMEA; LATAM; NAFTA; NO_x; ODS; SO_x; VOC

GRI
G4-EN20; G4-EN21

WATER MANAGEMENT

2014 STAKEHOLDER INTERVIEWS

> In the immediate future, the availability of clean water will become an issue of global concern

M. Pankonin, Association of Equipment Manufacturers, USA

CNH Industrial believes the sustainable management of water is a strategic commitment in a global context where the growth in population (and, therefore, in water demand) is met by a marked scarcity of water resources in an increasing number of regions worldwide. Furthermore, from a business and risk management point of view, the Company recognizes that the economic importance of proper water management lies in the continuity of supply for industrial processes. CNH Industrial's efforts in this regard focus on increasing water efficiency within its industrial processes, subject to geographic and ecological context. The Company's plants operate locally to reduce water requirements and wastewater volumes, while pursuing high quality standards at all times. Furthermore, the scarcity of water resources and related issues represent a potential risk; however, if properly managed, they can provide grounds for improvement and innovation within the manufacturing process. From a broader perspective, water is a resource shared by different stakeholders; therefore, collaboration in water management is important and joint efforts should be aimed at improving the community's health and wellbeing.

DMA

In 2014, the Water Management Guidelines continued to be extended to plants across Italy, as a support tool in handling water resources and effluents. In addition to the sites already involved in 2013, the new requirements were incorporated in the environmental management systems at the plants in **Modena San Matteo** and **San Mauro Torinese** (Italy).

Plants currently optimize water use by:

- analyzing the consumption, structure, and management of water withdrawal and distribution systems, and identifying and eliminating leaks and waste
- identifying the manufacturing processes with the greatest impact on water resources, and adopting changes and technological innovations to boost their efficiency and reduce consumption
- recycling water within individual manufacturing processes and reusing it in multiple processes
- raising staff awareness of responsible water use.

In 2014, joint and coordinated efforts across all Company segments led to an overall performance improvement (in terms of water withdrawal per production unit), in line with and exceeding the specific targets set in the Plan (see also page 36). Particularly noteworthy is the ever-increasing reduction in water withdrawal per hour of production, which dropped by half compared to 2009 (taken as the base year), going from 0.32 to 0.14 cubic meters per hour, a reduction of 56%.

As per the new Environmental Plan, CNH Industrial is committed to reducing water withdrawals per production unit by 3% by 2018 compared to 2014, the new base year.

Among the initiatives aimed at reducing water withdrawals, worth mentioning are those launched at the **Brescia** Special Vehicles plant (Italy), which invested $27 thousand in a new station for testing fire vehicle high-pressure hoses and tanks while collecting and recovering the water used. The project enabled reusing about four thousand cubic meters of water throughout 2014, i.e., more than 30% of the plant's annual water consumption.

A project for the recovery and reuse of water was also launched at the **Piacenza** plant (Italy), after modifying the system used to test water leaks in vehicle cabs. This allowed recovering and reusing 95% of the water used in the process, equal to approximately 1,500 cubic meters per year.

Initiatives to reduce water withdrawals were also put in motion at the **Racine** plant (USA), which invested $45 thousand to install new cooling water valves on hardeners, to connect a hardener to an existing circuit for the recirculation of cooling water, and to transition from a five to a three-stage pre-paint wash system. The changes allowed saving approximately 36 thousand cubic meters, cutting the plant's water consumption by about 13%, for total annual savings of approximately $32 thousand.

GLOSSARY
DMA; Stakeholders

-12%
in water withdrawal
per hour of production

The **Piracicaba** plant (Brazil) invested approximately $45 thousand to install a fifty-cubic meter system for the collection and storage of rainwater, which is then used in fleet washing processes, thus reducing the water demand of this operation by 76%. This project, along with other initiatives to save water, allowed the plant to cut water consumption by over 42% compared to 2013.

With a total investment of approximately $8 thousand, the **Sete Lagoas** plant (Brazil) installed a system enabling the reuse of pretreatment waters in cataphoresis processes in place of demineralized water, thus cutting pretreatment water consumption by approximately 16 thousand cubic meters. Furthermore, by reusing the water discharged by the water treatment system to irrigate green areas, the plant decreased its annual consumption by a further 18 thousand cubic meters, reaching an overall reduction in total water consumption of approximately 11%, and saving around $74 thousand.
CNH Industrial plants do not use wastewater generated by other organizations.

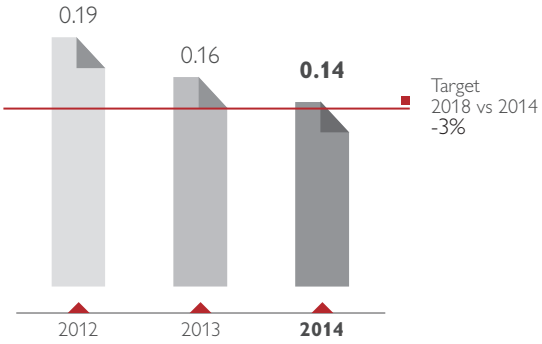
WATER WITHDRAWAL AND DISCHARGE

CNH INDUSTRIAL WORLDWIDE (thousand of m³)

	2014	2013	2012
Plants	55	55	59
Withdrawal			
Groundwater	**3,512**	4,067	4,724
Municipal water supply	**2,159**	2,496	2,436
Surface water	**18**	23	23
of which salt water	**-**	-	-
Rainwater	**3**	1	n.a.
Other	**-**	-	1
Total water withdrawal	**5,692**	6,587	7,184
Discharge			
Surface water	**836**	1,244	1,195
of which salt water	**-**	-	-
Public sewer systems	**3,146**	3,389	3,439
Other destinations	**45**	76	40
Total water discharge	**4,027**	4,709	4,674

WATER WITHDRAWAL PER PRODUCTION UNIT

CNH INDUSTRIAL WORLDWIDE (m³/hour of production)



Safeguarding the water bodies that receive the effluents from industrial processes is equally important to the Company. For this reason, plants take necessary measures to ensure that the quality standards in the treatment of their production wastewaters are higher than those required by local regulations. Indeed, the wastewater quality indicators, which refer to the three parameters considered most representative (biochemical oxygen demand, chemical oxygen demand, and suspended solids), showed that performance in 2014 exceeded the targets set (see also page 37).
These outcomes were achieved in part thanks to specific wastewater treatment systems, managed by internal staff or by specialized industry partners, which purify the water discharged outside the plant mainly through physical and chemical processes; depending on wastewater quality, biological treatments may be required as well.
The effluents from CNH Industrial plants are not channeled for reuse by other organizations.
The **Ulm** plant (Germany) installed a new paintshop equipped with a dry overspray abatement system in place of the former wet system. As a result, the amount of technological wastewater dropped by approximately 120 cubic meters, representing more than 15% of the plant's industrial effluents.

GLOSSARY
BOD; COD; TSS

GRI
G4-EN8; G4-EN22

Plants in Water-stressed Areas

Following the adoption of the Water Management Guidelines in 2011, three plants in countries where the Company operates were classified as sensitive in terms of availability and use of water resources. Their respective zones were identified from the world map of water-stressed areas, defined by the Food and Agriculture Organization (FAO) in 2008. Countries considered as water-stressed are those where water availability per capita is less than 1,700 cubic meters per year.

The plants concerned are Plock (Poland), Vysoke Myto (Czech Republic), and Noida (India). Since 2011, specific actions to reduce water withdrawal and water needs were identified and implemented at all three plants, so as to contribute less to water demand in their respective countries and help preserve and safeguard water resources (see also page 253).

Numerous initiatives were implemented at these plants to achieve the ambitious reduction targets set.

In 2014, the plant in **Plock** (Poland) invested about $77 thousand in initiatives to safeguard water resources. The major ones concern improving degreasing and washing procedures during pretreatment in painting processes, and installing a new ultrafiltration system to recover the wastewater from washing for its reuse in the demineralization system (it was previously sent to the water treatment system). The resulting cut in water withdrawal and consumption reduced the water sent for internal treatment by about fifty thousand cubic meters. These initiatives bring an annual economic benefit of approximately sixty thousand dollars.

Activities carried out at the plant in recent years reduced water consumption per unit of production by more than 50% compared to 2009, exceeding the 2014 reduction target (47% compared to 2009).

The **Vysoke Myto** plant (Czech Republic) focused on monitoring water consumption in specific processes, such as painting, and on finding and promptly repairing supply network leaks through regular checks. This was facilitated by a new system of collecting leak reports from workers made aware of the issue. Sections of the sewer system were also repaired or replaced.

Activities carried out at the plant in recent years reduced water consumption per unit of production by over 70% compared to 2009, exceeding the 2014 reduction target (59% compared to 2009).

At the **Noida** plant (India), equipment was modified to enable discharge water from the water treatment system to be reused in the lavatories, and overflow water from the rinse tanks to be used in the degreasing process. Overall water savings at the plant were more than 15 thousand cubic meters per year, or 8% of its total water consumption. In 2014, about $29 thousand was invested in the creation of two areas with the capacity to collect approximately two thousand cubic meters of rainwater in a year, before allowing it to drain directly into the soil, reducing the amount of water discharged by the plant.

The extensive monitoring of leaks, the lowering of pressure in the feed pipes, and the specific water-saving projects completed at the plant since 2009 reduced its water consumption by 40%, exceeding the 38% reduction target for 2014.

Also in 2014, a project was launched in collaboration with a supplier to minimize risks related to water quantity and quality, and to conflicts with stakeholders (see also page 160).

These three plants have set new improvement targets for 2018, in line with the new Environmental Plan, demonstrating their continuing commitment to preserving water resources.

PROTECTING THE SOIL AND SUBSOIL

CNH Industrial strives continuously to minimize the risk of environmental impact on the soil and subsoil. Following the specific guidelines issued in 2013 in EMEA concerning the monitoring of existing underground structures, in 2014, the Region's plants carried out monitoring surveys of reservoirs, tanks, and underground pipes, as per the 2013 guidelines.

In addition, efforts continued to minimize potential sources of soil and subsoil contamination: the plants in **Modena** and **San Mauro Torinese** (Italy), **Zedelgem** (Belgium), and **New Holland** (USA), among others, completed important improvement projects regarding on-site waste collection areas, focusing on rationalizing and optimizing management, personnel training, and construction works to cover and pave such areas and create containment systems for any accidental spills and leaks.

During 2014, there were no significant accidental spills or leaks of potentially contaminating substances, except for two incidents at the plants in **Burlington** (USA) and **La Victoria** (Venezuela): in the first, less than 0.06 cubic meters of hydraulic oil was released; in the second, in a paved area of the plant, about 2.5 cubic meters of lubricating oil was accidentally spilt on the ground during siphoning. Owing to the prompt intervention of operators, both incidents had negligible consequences, and the impacted surroundings were immediately cleaned up to an acceptable standard.

GLOSSARY
EMEA; Stakeholders

GRI
G4-EN24

WASTE MANAGEMENT

CNH Industrial strives to optimize manufacturing processes and activities across all plants, aiming not only to enhance the end product and eliminate waste, but also to improve the management of the waste produced, a key aspect of the Environmental Policy.

Plants carry out in-depth analyses of the entire production chain to improve waste management at every stage, limiting the quantities produced and the risks posed. In addition, particular emphasis is given to initiatives that increase waste recovery and reuse. The Company's commitment to optimizing waste management is shared across the plants, which work to find solutions that facilitate waste recovery and minimize material sent to landfill. The latter should only be used as a last resort, in cases where other options are unavailable or not feasible; these are, in order of preference: waste recovery, waste to energy conversion, and waste treatment.

Waste disposal methods are determined by the organization, either directly or in agreement with waste disposal contractors.

The 2014 results are evidence of CNH Industrial's commitment to managing this environmental aspect. Total waste recovered across the Company was 83%, an increase of about 12% compared to 2009 (the base year). Total waste sent to landfill was cut further, to around 4% in 2014 (5% in 2013). Waste generated in relation to the production unit fell by 16% for total waste generated, compared to 2009, while hazardous waste fell by 54%.

The individual segments contributed to achieving these excellent results, meeting, as a whole, the targets set in the 2009-2014 Plan, and in some cases significantly exceeding them (see also page 37).

In line with the new Environmental Plan, CNH Industrial demonstrates its commitment to sustainable waste management by setting the following key targets, to be achieved by 2018:

- total waste generated: -3% compared to 2014
- hazardous waste generated: -5% compared to 2014
- waste recovered: 87%.

WASTE GENERATION AND MANAGEMENT

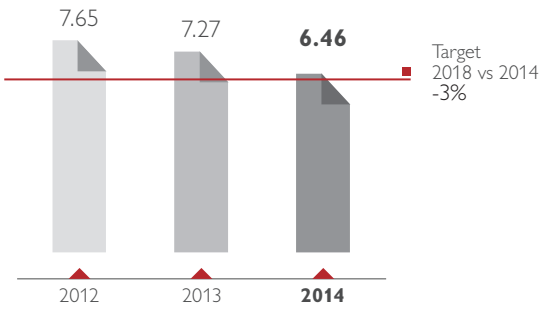
CNH INDUSTRIAL WORLDWIDE (tons)

	2014	2013	2012
Plants	**55**	55	59
Waste generated			
Non-hazardous waste	**243,479**	277,200	252,002
Hazardous waste	**23,130**	26,807	30,247
Total waste generated	**266,609**	**304,007**	**282,249**
of which packaging	**79,145**	119,620	77,035
Waste disposed			
Waste-to-energy conversion	**13,100**	12,208	10,081
of which hazardous	**4,401**	4,949	2,600
Treatment	**21,568**	24,892	32,500
Sent to landfill	**11,208**	15,244	15,964
Total waste disposed	**45,876**	**52,344**	**58,545**
Waste recovered			
Total waste recovered	**220,733**	**251,663**	**223,704**
of which hazardous	**4,584**	5,060	4,749
% waste recovered	**83%**	83%	79%
% waste sent to landfill	**4%**	5%	6%

GLOSSARY DMA
GRI G4-EN23

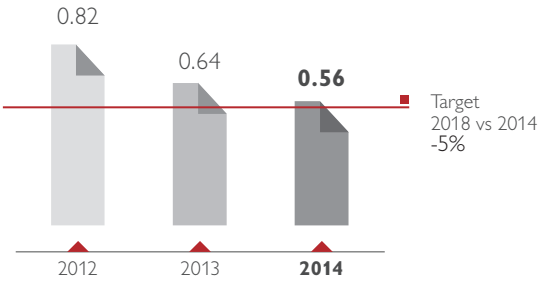
WASTE GENERATED PER PRODUCTION UNIT

CNH INDUSTRIAL WORLDWIDE (kg/hour of production)



HAZARDOUS WASTE GENERATED PER PRODUCTION UNIT

CNH INDUSTRIAL WORLDWIDE (kg/hour of production)

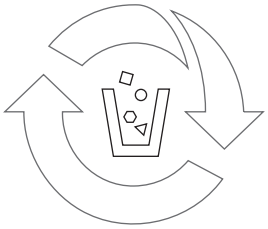


Numerous initiatives took place in 2014 to optimize waste management and reduce waste production.

The **Bolzano** plant (Italy) completed the upgrade of and improvements to the system for treating industrial wastewater (from machining and washing), with subsequent authorization to discharge into the public sewer system. The new system became fully operational during the year and will cut the total amount of both types of industrial wastewater, which, in the previous year, accounted for about 43% of the total waste generated by the plant. Wastewater is now treated by the new system and no longer disposed of as waste, resulting in cost savings of over $133 thousand per year.

The **Piacenza** plant (Italy) introduced a new biodegradable, solvent-free product for cleaning the tubes and spray guns used in painting processes. This move reduced hazardous waste by about four thousand kilos per year, or 70% of the hazardous waste produced in painting processes (about 10% of the plant's total). This led to over $13 thousand in savings in solvents purchased per year. At the **Antwerp** plant (Belgium), a new industrial washing machine, running on hot water in place of cold, also eliminated the use of solvent, replacing it with an environmentally-friendly product.

In early 2014, the plant in **San Mauro Torinese** (Italy) installed a new ultrafiltration system for the water used in cylinder washing, significantly cutting the hazardous waste generated and enabling the process water to be reused in the washing equipment. Following these excellent results, the project was extended to a similar system used for washing excavators. The new ultrafiltration systems reduce overall hazardous waste disposal at the plant by 60% (or two hundred tons per year); an additional benefit of this initiative is the reduction in industrial water consumption of about 350 cubic meters per year. Overall cost savings were about forty thousand dollars per year.



83%
of waste
recovered

During 2014, at the **Torino Driveline** plant (Italy), the manual dosing and topping up of coolants in machining cooling systems was replaced with automated *Dosatron* systems, which use water pressure in the pipes to continually dispense and dose the correct amount of concentrated emulsion. This initiative, in which coolants are replaced with higher performing products, reduced the emulsion products used by about 150 tons, or 30% of total emulsion consumption. At the **Foggia** plant (Italy), initiatives focused on the preventive maintenance of hydraulic power units and on the proper handling of lubrication and cooling systems reduced lubricant use by about 50 tons, or 8% of product consumption.

The **Racine** plant (USA), meanwhile, is the first in the NAFTA Region to achieve the key target of Zero Waste to Landfill: by inspecting and studying the waste disposal facilities used by the plant, personnel identified room for improvement in the segregated collection and disposal of waste, enabling the recycling or waste-to-energy conversion of all material previously sent to landfill.

Lastly, there were several initiatives to improve the management of packaging materials.

The **Torino Engine** and **Torino Driveline** plants (Italy) installed mechanical presses in the assembly areas to reduce cardboard volumes by about 60%, with benefits in terms of waste handling costs, transportation, and tidiness and cleanliness in the manufacturing areas. Following an investment of about $482 thousand, the plant in **Sete Lagoas** (Brazil) reduced waste quantities by introducing a process to break down wooden packaging and reassemble it in different formats and sizes, enabling its reuse in the workshop. In 2014, about 12 thousand wooden containers were recovered, with savings of over $1.1 million, reducing total plant waste by about 5%.

GLOSSARY
NAFTA

PROTECTING BIODIVERSITY

As a company leading the way on the environment with robust environmental policies, CNH Industrial has been engaged for several years in efforts to understand and mitigate any impacts to wildlife and biodiversity in and around its manufacturing plants.

2014 STAKEHOLDER INTERVIEWS

"Biodiversity is a major strategic issue for our planet and also an emotional one because it impacts the world around each of us directly"

M. Tuffani, Journalist, Brazil

With the support of the scientific community, in particular of the Department of Life Sciences and Systems Biology of the *Università di Torino*, and of a professional consultancy firm, CNH Industrial has, since 2010, promoted the development and application of the Biodiversity Value Index (BVI) at some of its manufacturing sites. The sites were selected based on their location and proximity to areas that are either protected or of particular interest for their environmental context and biodiversity.

DMA

Through an in-depth study of ecosystems within about a five-kilometer radius of these manufacturing sites, the methodology assesses the level of biodiversity in such areas and identifies possible improvement measures for existing ecosystems, addressing the issue of biodiversity by evaluating two complementary factors:

- anthropic pressures (Anthropic Pressure Index - API), generated by industrial, agricultural, urban, and infrastructural activities within the concerned area
- biodiversity (Biodiversity Index - BI), measured using the most common biological indicators of aquatic and terrestrial ecosystems.

The method has already been applied in recent years at the plants in **Bourbon Lancy** (France), **Curitiba** (Brazil), **Suzzara** (Italy), and **Ulm** (Germany), identifying, in all cases, a contribution to the anthropic pressure index of less than 1%. Given the negligible impact of these plants on biodiversity, the BVI methodology does not require any improvement measures.

Despite the excellent assessment of biodiversity levels, the plant in **Bourbon Lancy** (France) implemented measures to support biodiversity, such as planting indigenous hedges and shrubs within the site, while seeking to contain invasive, non-native species in the two wetland areas in the northern and southern parts of the property. Also in 2014, a green area was created bordering the plant where illustrative panels highlight the importance of environmental issues and biodiversity for the plant; the area is open to employees and tourists alike, and fits in perfectly with the nearby cycle path, known as the *Voie Vert* or green path, of great value to the local environment.

In 2014, the BVI methodology was extended to additional plants.

The methodology was also implemented at the **Madrid** plant (Spain), which is close to sites belonging to the EU's *Natura 2000*[3] network, namely the banks and waters of the Jarama, Henares, and Manzanares rivers, and parts of the moorland and hills to the south-east of the city. The BVI was used to identify average values for anthropic pressure and degree of biodiversity. Specifically, the extent of industrial, urban, and agricultural land use was identified as the predominant factor influencing anthropic pressure. Of all industries in the area under study, the Madrid plant's contribution to anthropic pressure is negligible (1% of the total).

The Biodiversity Value Index was also assessed at the **Sete Lagoas** site (Brazil), with the collaboration of the *Università di Torino*, the *Universidade Federal do Paraná*, and other research institutions in Brazil. The city of Sete Lagoas is in a region of great value for wildlife and eco-tourism. In addition to woods and lagoons on CNH Industrial property, the surroundings affected include the protected areas of Rio Paiol and Laguna Grande, stretches of water that define the landscape of the city. The preliminary assessment showed different values for biodiversity in the area under study, and a low level of anthropic pressure on biodiversity, mainly caused by agriculture, land use for urban development, and only marginally by industry: for the plant, a very low overall contribution to anthropic pressure was detected, less than 3.5% of the total. Despite the negligible impact of its activities, the plant launched environmental awareness campaigns in local schools and initiatives to enhance biodiversity, planting 1,500 trees of native species within the site.

GLOSSARY
DMA; Biodiversity; Stakeholders

GRI
G4-EN12; G4-EN13

[3] *The Natura 2000 network is the centerpiece of the European Union biodiversity conservation policy. It is an EU-wide ecological network, established pursuant to the 92/43/CEE Habitat directive to ensure the long-term conservation of natural habitats and threatened or rare flora and fauna species across the EU.*

In 2014, the BVI methodology was also launched at the **Foggia** plant (Italy), located near two sensitive areas: the *Bosco dell'Incoronata* and the *Valle del Cervaro*. Ahead of the assessment results, about three hundred trees have already been planted and a guideline drawn up to define requirements for the planting of tree species, within a broader project known as *Urban Forestation*. The objective of this project is to promote the planting of native-species of trees and hedges as a strategy for enhancing the landscape, wildlife, and biodiversity at Company plants. It is also an important way of raising environmental awareness of the increasing CO_2 levels in the atmosphere and of climate change, while making areas surrounding manufacturing sites more accessible and enjoyable for Company personnel.

The methodology is currently applied to the above-mentioned plants; in the coming years, its extension to plants satisfying the relevant criteria will be assessed.

PLANTS NEAR, BORDERING OR WITHIN PROTECTED[a] OR HIGH-BIODIVERSITY AREAS

CNH INDUSTRIAL WORLDWIDE

Plant	Plant activity	Plant's total surface area (m²)	Location with respect to protected area	Species on IUCN Red List of threatened species and on national lists (no.)
Bourbon Lancy (France)	Production of heavy-duty diesel engines	210,090	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
Curitiba (Brazil)	Production of agricultural equipment	792,824	Adjacent to/contains part of the protected area	101 species listed, of which: ■ 0 critically endangered ■ 0 endangered ■ 0 vulnerable ■ 4 near threatened ■ 97 of least concern
Foggia (Italy)	Production of engines	601,680	Adjacent to the protected area (3,500 m)	Under evaluation
Madrid (Spain)	Production of trucks	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
Sete Lagoas (Brazil)	Production of trucks (medium and heavy vehicle range)	2,000,000	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)	Production of trucks (light vehicles)	520,000	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
Ulm (Germany)	Production of special vehicles (fire-fighting)	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 recognized by governmental and non-governmental organizations as having significant biodiversity.*

GLOSSARY
Biodiversity;
IUCN Red List

GRI
G4-EN11;
G4-EN14

ADDITIONAL INFORMATION ON ENVIRONMENTAL PERFORMANCE

Other indicators are also of concern to CNH Industrial, most notably the reduction of hazardous substances and of noise emissions to the external environment generated by Company equipment and manufacturing processes. As regards PCBs and PCTs, CNH Industrial completed the process to eliminate these hazardous substances in 2012. Moreover, during 2014, the **Goodfield** plant (USA) reported two cases of administrative non-compliance: the first regarded an expired Air Emission Permit following the expected shutdown of the plant, subsequently reversed; the second concerned the delayed submission of an Annual Emission Report. The total fine incurred was $11 thousand.

Substances of Particular Relevance to Health and the Environment

CNH Industrial is strongly committed to adopting alternatives to certain substances identified as particularly relevant to human health and the environment.

In recent years, the Company has concentrated its efforts on the study and application of alternative solutions to replace heavy-metal containing products used in painting processes, for example, by reformulating paint products and introducing nano-ceramic products and silane compounds.

Tests were carried out during 2014, in collaboration with major suppliers, on latest-generation nano-ceramic products that, in addition to eliminating nickel salts from pre-treatment processes, ensure better results than current formulas.

External Noise Produced by Plants

Again in 2014, CNH Industrial confirmed its commitment to minimizing the noise impact of its plants, in line with the guidelines and procedures of the environmental management systems adopted at plants and with the specific policies issued in previous years (such as the guideline for the design and purchase of new, low-noise machinery).

FOCUS ON

NANOTECHNOLOGY IN MANUFACTURING

CNH Industrial uses nanotechnologies in the process of painting its products, specifically during the washing (pretreatment) of surfaces preceding the actual painting phase.

Indeed, some CNH Industrial plants adopt thin layer technology, through which nanotechnology products/nanoparticles are adequately dosed in process tanks to react with the surfaces of metal substrates previously treated with a degreasing solution; the chemical-physical reaction triggered causes the formation of a layer of zirconium oxide that coats the metal surface.

This treatment confers excellent resistance to corrosion and great adhesion of paint, while also providing benefits such as lower environmental impact, and enhanced process quality and operational performance.

The process takes place at room temperature and, because no heat is applied, there is no vapor generation. Chemical concentrations are very low, and product applications (spraying or dipping) are automated and performed in enclosed areas.

Thin layer technology produces a small quantity of sludge to be disposed of compared to the traditional technology, and does not require hazardous acid cleaning. It also decreases energy and water consumption, reduces wastewater, and requires less maintenance.

This technology is in use at 12 CNH Industrial plants, with extension to other production sites currently under evaluation.

GLOSSARY
Nanotechnology; PCB

GRI
G4-EN29

ENERGY MANAGEMENT

2014 STAKEHOLDER INTERVIEWS

> Effective energy management can give an organization a competitive advantage

Domenech, Compañía Maquinaria 93, Dealer Spain

Climate change mitigation is one of the major challenges facing the international community today. CNH Industrial approaches the issue by limiting energy consumption and the use of fossil fuels, which are responsible for air pollution and, above all, CO_2 emissions.
Managing greenhouse gas emissions and optimizing energy consumption are prerequisites for the continuous improvement of the Company's performance and the protection of the environment in which it operates.
As evidenced by the materiality analysis, both CNH Industrial and its stakeholders believe it is important to manage energy and air emissions carefully, due to the nature and extent of their environmental and economic impact, and to their link to global warming, an issue gaining increasing importance worldwide. The significance of these aspects is further highlighted by their political, technological, and economic implications, in terms of both sustainable procurement and impact mitigation. From the stakeholders' viewpoint, energy management programs are challenging because they require reducing energy consumption to an absolute minimum during product manufacture and service delivery. Energy usage is minimized through production efficiency, while providing reliable and adequate supplies of fuel and power at the lowest cost, generating, in turn, the lowest environmental impact. In line with recent trends, stakeholders require companies to realize energy-efficient districts and buildings, share renewables, and reduce greenhouse gas emissions (e.g., GHG reduction by 2030 through zero-emission sources in China, compliance with the requirements of the Greenhouse Gas, Energy and Water Efficiency Program of the US Department of Commerce, etc.).

DMA

As stated in the Energy Policy that is the framework of a plant management system, CNH Industrial is committed to reducing: the use of fossil fuels in favor of renewable energy sources; energy consumption through more efficient products and processes; and greenhouse gas emissions by cutting energy consumption and through innovative technical solutions.
In line with the new Business Plan, the new 2014-2018 Energy Action Plan defines the short and medium term targets for the main activities affecting energy performance, CO_2 emissions, and use of renewable energy. These targets are incorporated in the Sustainability Plan (see also pages 38-39) and reflect CNH Industrial's voluntary commitment to improving its daily energy performance across manufacturing operations.
The improvement process is supported by a solid energy management system and by the application of World Class Manufacturing principles, specifically the energy pillar. Plants rely on this dual, integrated methodology to set standards and energy targets; furthermore, its systematic approach provides for the continuous monitoring of activities, the accurate evaluation of results against stated targets, and their dissemination through proper communication channels.

In 2014, a total of 7% of CNH Industrial's energy spending was invested in improving energy performance, leading to a reduction of approximately 307 thousand GJ in energy consumption, and of approximately twenty thousand tons in CO_2 emissions[1].

RESPONSIBILITY AND ORGANIZATION

The highest responsibility for initiatives focusing on energy efficiency and on the management of CO_2 emissions at CNH Industrial lies with the Group Executive Council (GEC). As evidence of the Company's ongoing commitment to managing these issues, a number of targets for energy efficiency and reducing CO_2 emissions were included in the 2014 Performance and Leadership Management system (see also page 83) for both energy and plant managers.
CNH Industrial has a dedicated internal structure overseeing issues related to the conservation of energy resources and the fight against climate change. Departments responsible for energy management activities are present both centrally, through the Manufacturing Engineering Council (MEC) and the Industrial Energy Management Committee, and at plant level.

GLOSSARY
DMA; Stakeholders; WCM

GRI
G4-DMA; G4-EN6; G4-EN19

(1) *The types of energy included were fuel, electricity, and heating. The energy consumption reduction value was estimated as per the International Performance Measurement and Verification Protocol (IPMVP), volume 1 (January 2012). The estimated CO_2 value includes scope 1 and scope 2 emissions.*

Activities are coordinated by the Industrial Energy Management Committee, consisting of the energy managers and specialists from each segment, which interacts with the MEC and the Sustainability Unit, as well as directly with plants. Based on the strategies defined by the GEC, the Committee sets out CNH Industrial's guidelines (with the MEC) and objectives (with the Chief Manufacturing Officer), as well as the best strategies to achieve them; it also manages investment budgets for specific projects and oversees the progress of the Energy Action Plan through constant monitoring. The Committee also performs internal compliance audits and raises energy-related awareness among management and employees through meetings and campaigns. A dedicated IT platform allows energy managers to share data reports and energy performance results.
The Company's overall energy management structure consists of 79 professionals, located at both Corporate offices and plants.

ENERGY MANAGEMENT SYSTEM

The system developed and implemented by CNH Industrial aims at reducing the energy impact of manufacturing processes and the risks associated with new legislation and rising energy costs.
In 2014, as evidence of its quest to reduce its energy impact, CNH Industrial continued to pursue the certification of its manufacturing processes as per the ISO 50001:2011 standard, setting the challenging target of certifying all sites worldwide by 2020.
The main advantage of ISO 50001 certification is the systematic approach it provides to continuous improvement in energy performance: a more efficient and rational use of energy translates into economic benefits and fewer greenhouse gas emissions. CNH Industrial's energy management system was rolled out to 39 plants, representing about 94% of energy consumption, outperforming the targets set for the year.

ISO 50001 CERTIFIED PLANTS
CNH INDUSTRIAL WORLDWIDE

Specifically, in 2014, ISO 50001 certification was extended to the energy management systems at the plants in Pregnana Milanese (Italy), Croix and Rorthais (France), Goodfield (USA), and Cordoba (Argentina).
During the year, 145 internal audits and 33 external audits were performed by qualified professionals to verify the effective implementation and maintenance of energy management systems, and their alignment with the standards and targets set, thus improving energy performance.
Voluntary compliance with the ISO 50001 standard reflects CNH Industrial's determination to manage its business sustainably, as recognized globally by its inclusion in the Dow Jones Sustainability Index and its CDP results (see also page 47). Specifically, owing to a significant improvement in its CDP score, the Company received an award for its commitment in the field of energy.

OUR PROJECTS

WISCONSIN GREEN MASTERS PROGRAM

In October, the plant in Racine (USA) received the *Best Sustainability Process of the Year* award and was recognized as a Green Master. Both awards were granted by the Wisconsin Sustainable Business Council. By applying WCM principles and ISO 50001 standards, the plant improved its energy performance by 48% compared to 2009, and significantly reduced water consumption and the presence of ozone depleting substances (ODS). Following the award, the plant is considered among the most sustainable enterprises in Wisconsin.

In 2014, the reporting and monitoring of greenhouse gas (GHG) emissions continued through voluntary compliance with the Corporate Accounting and Reporting Standard of the WBCSD[2] and WRI[3] (GHG Protocol) and with ISO 14064 standards, covering 100% of CNH Industrial's energy consumption.

SHARING AND AWARENESS ACTIVITIES

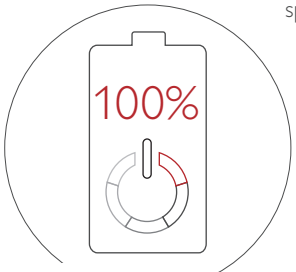
The ongoing promotion of employee involvement and awareness of the importance of energy resource conservation is key to reaching CNH Industrial's improvement targets. To this end, best practices are standardized and disseminated across plants through the World Class Manufacturing system, to enable the kind of synergy that is crucial for the development and continuous improvement of any global company.
In 2014, 4,645 hours of training were provided (mainly by internal professionals) to 3,723 people across different plants, focusing on the distinctive features of the ISO 50001 energy management system, on the correct monitoring and management of energy performance, and on WCM energy management principles. Additionally, the Company organized other training events on key energy saving technologies.
In February, within the scope of the *M'illumino di Meno*, the Italian awareness campaign on energy saving, CNH Industrial contributed by turning off the lights at the Industrial Village in Turin (the main multifunctional sales center in Italy) and by circulating information on its responsible behaviors throughout the Company, via the Corporate Intranet.

GLOSSARY
Audit; GHG Protocol; ISO 14064; ISO 50001; WCM

GRI
G4-EN6

[2] *World Business Council for Sustainable Development.*
[3] *World Resources Institute.*

ENERGY PERFORMANCE



of energy consumption monitored

An efficient energy management system depends on monitoring energy performance effectively, by means of specific Energy Performance Indicators (EnPI).

These indicators allow CNH Industrial to measure the benefits and effectiveness of initiatives, to plan improvement measures, and to establish new and ever-more challenging targets. Energy performance and compliance with the Action Plan continued to be monitored at basic level via the Energy Monitoring & Targeting (EMT) management and control platform at all CNH Industrial plants. The platform is expected to be enhanced at every plant in order to achieve, by 2018, a higher level of monitoring of both primary energy vectors, purchased directly from external suppliers, and secondary energy vectors, transformed and distributed within manufacturing processes.

In addition to carefully monitoring energy performance, the exchange and dialogue between plants was enhanced via an Intranet portal focusing on procedures, best practices, regulations, Corporate guidelines, and solutions to energy-related issues and challenges.

The initiative led to the identification and implementation of 153 technical and management improvement projects, and to an increased level of people engagement and awareness. The methods used to monitor the savings generated by projects were standardized mainly according to the *International Performance Measurement and Verification Protocol* (IPMVP), volume 1 (January 2012).

In 2014, CNH Industrial implemented several short to medium-term initiatives focusing on the redesigning of processes, equipment conversion and retrofitting, operational changes to new installations, and increased employee awareness. In particular, these initiatives led to the:

- realization of systems for the recovery of heat from exhaust fumes and air compressors
- adoption of monolayer coating systems, which reduce the number of processes required to paint components, thus saving energy
- realization of high-efficiency lighting systems (e.g., using LED technology), associated with dimmers and occupancy or light sensors, in production areas, offices, and outdoors
- installation of high-efficiency motors, inverters for electric motors, and variable speed compressors for the production of compressed air
- replacement of electric boilers with heat pump systems
- increased use of machinery shutdown when idle
- installation of thermal solar systems for the production of sanitary hot water from renewable sources
- identification and repair of compressed air leaks
- insulation of buildings
- adoption of the CROV pneumatic transformer across the Powertrain segment
- use of radiant panels to optimize the heating of larger buildings.

IMPROVEMENT PROJECTS IN DETAIL

CNH INDUSTRIAL WORLDWIDE

	Projects (no.)	Total energy reduction (GJ/year)	Economic annual benefit (%)
Conversion and retrofitting of equipment	44	130,829	46.6%
Installation of new equipment	68	102,363	31.5%
Process redesign	18	31,834	10.6%
Operational changes	22	21,083	6.2%
Other	1	20,500	5.1%
Total	**153**	**306,609**	**100%**

GLOSSARY LED
GRI G4-EN6

OUR PROJECTS

THE GREEN PLANT IN RORTHAIS

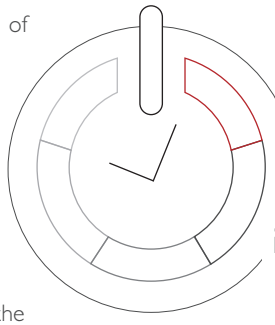
In 2014, following the feasibility study carried out in 2013, the Rorthais plant (France) began to work toward becoming a *Green Plant, Usine Verte*. The plant aims at limiting its environmental impact by reducing energy consumption, and therefore GHG emissions; it is pursuing this goal by appealing to plant employees' sense of responsibility in using energy wisely and correctly.
The first phase of the project, implemented in 2014, led to the realization of a thermal solar system, a pellet heating system, and a charging station for electric vehicles, and to the use of LED neon lights. To further benefit the surrounding environment, the plant also introduced beehives in the nearby green areas for honey production, as well as benches and tables for outdoor use. During the year, the Poitou-Charentes region awarded the Rorthais plant for its commitment and communication efforts regarding sustainable development. The plant was also ISO 50001-certified for its energy management system.

Direct and indirect energy consumption by source, and associated CO_2 emissions, continued to be reported throughout 2014. Furthermore, for each source, a distinction was made between renewable and non-renewable energy. CO_2 emissions were calculated according to GHG Protocol standards, incorporated in Company guidelines, while the indirect emissions associated with energy production emission factors were calculated as per the standards published in November 2014 by the International Energy Agency.

At CNH Industrial, the sources of greenhouse gas emissions, besides those deriving from energy consumption, are associated with the use of HFC compounds with global warming potential (GWP) present in air-conditioning, cooling, fire suppression, aerosol (e.g., propellants), and manufacturing equipment. The potential emissions from these substances (CO_2 eq) are negligible compared with emissions from energy production: in fact, with an incidence of less than 0.5%, they fall outside the reporting scope[4].

ENERGY CONSUMPTION

In 2014, CNH Industrial reported a total energy consumption[5] of 7,074 TJ, a reduction of approximately 14% over the previous year, partly due to an average 4% decrease in hours of production. This reflects the Company's commitment and responsiveness to these issues, as evidenced by the positive contribution of efficiency initiatives implemented.
Regarding energy performance, measured as the Company's total internal energy consumption divided by hours of production/units produced[6], CNH Industrial concluded 2014, and the relevant 2009-2014 Energy Plan, with highly satisfactory results, outperforming the targets set for every business segment (see also page 38). Such results were made possible by the effective synergy between the energy management and WCM systems adopted, the benefits of favorable seasonal temperatures in some Regions, and the implementation of energy efficiency projects. As a result, fixed energy consumption has dropped and energy itself is being used and managed more rationally.



-13% in energy consumption per hour of production

CNH Industrial has set new targets within the scope of the new Energy Action Plan, in line with the objectives of the new Business Plan. 2014 is considered the base year and baseline. Efforts were made to define a single global indicator enabling the measurement of CNH Industrial's overall energy performance. The targets for each business segment (which contribute to the global target) will be monitored internally.

The new overall target set for 2018 aims at a 6.5% reduction in energy consumption per hour of production compared to 2014[7].

[4] *Details on the reporting scope are available in the chapter on Report Parameters (see also pages 236-237).*
[5] *Types of energy included: electricity, heat, steam, cooling, natural gas, metallurgical coal, diesel, and other fuels.*
[6] *Performance refers to hours of production for Agricultural Equipment, Construction Equipment, and Commercial Vehicles, and to units produced for Powertrain.*
[7] *For the definition of hour of production, see page 240.*

GLOSSARY
CO_2 eq; GHG Protocol; HFCs; Indirect emissions; ISO 50001; LED; WCM

GRI
G4-EN6; G4-EN15; G4-EN16

TOTAL ENERGY CONSUMPTION

CNH INDUSTRIAL WORLDWIDE (GJ)

Non-renewable sources	**2014**	2013[a]	2012
Plants	54	54	59
Direct energy consumption			
Natural gas	**3,089,485**	3,662,770	3,468,732
Coal	**201,292**	225,854	195,905
Diesel	**60,110**	68,237	65,242
Liquefied petroleum gas (LPG)	**106,547**	121,039	85,083
Other (HS and LS fuel oil)	**-**	-	7,135
Total	**3,457,434**	4,077,900	3,822,097
Indirect energy consumption			
Electricity	**1,485,087**	1,839,070	1,932,457
Thermal energy	**578,090**	854,693	860,121
Other energy sources	**125,202**	112,804	104,991
Total	**2,188,379**	2,806,567	2,897,569
Total energy consumption from non-renewable sources	**5,645,813**	6,884,467	6,719,666

Renewable sources	**2014**	2013	2012
Plants	54	54	59
Direct energy consumption			
Biomass	**19,762**	36,396	61,032
Solar-thermal	**349**	275	100
Total	**20,111**	36,671	61,132
Indirect energy consumption			
Electricity	**1,342,755**	1,194,778	985,694
Thermal energy	**56,325**	94,087	73,547
Other energy sources	**9,538**	-	-
Total	**1,408,618**	1,288,865	1,059,241
Total energy consumption from renewable sources	**1,428,729**	1,325,536	1,120,373
Total energy consumption	**7,074,542**	8,210,003	7,840,039

[a] 2013 data restated with respect to the 2013 Sustainability Report.

ENERGY CONSUMPTION BY ENERGY TYPE

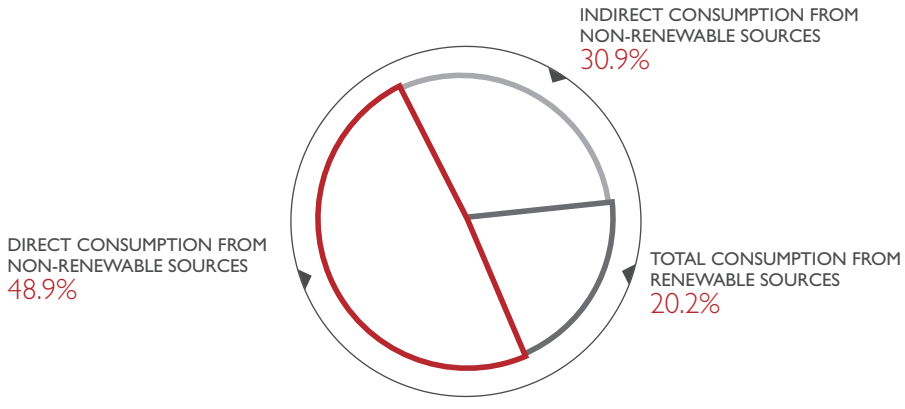
CNH INDUSTRIAL WORLDWIDE (GJ)

	2014	2013[a]	2012
Plants	54	54	59
Electricity[b]	**2,927,191**	3,057,405	2,937,193
Heat	**634,765**	949,055	933,768
Steam[c]	**-**	-	-
Cooling coal	**35,390**	89,247	85,949
Natural gas	**3,089,485**	3,662,770	3,468,733
Other energy sources	**387,711**	451,526	414,396
Total energy consumption	**7,074,542**	8,210,003	7,840,039

[a] 2013 data restated with respect to the 2013 Sustainability Report.
[b] Electricity also includes compressed air.
[c] Steam is included in heat.

ENERGY CONSUMPTION BY SOURCE

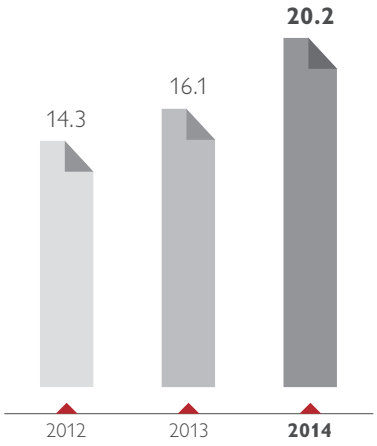
CNH INDUSTRIAL WORLDWIDE



GRI G4-EN3

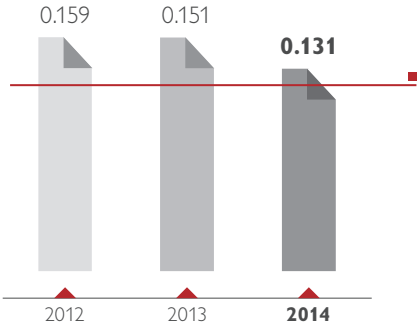
TOTAL ENERGY CONSUMPTION FROM RENEWABLE SOURCES

CNH INDUSTRIAL WORLDWIDE (%)



ENERGY CONSUMPTION PER PRODUCTION UNIT[a]

CNH INDUSTRIAL WORLDWIDE *(GJ/hour of production)*



[a] 2014 was chosen as the base year for 2014-2018 global planning, in line with the Business Plan. Types of energy included: electricity, heat, steam, cooling, natural gas, metallurgical coal, diesel, and other fuels.
The indicator for 2014 was calculated on the new parameter (total manufacturing hours), in line with the targets of the Energy Action Plan 2014-2018.
The 2013 and 2012 figures are estimates.

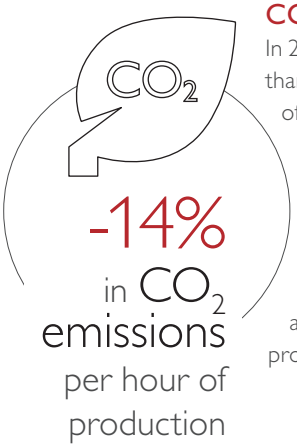
OUR PROJECTS

HEAT RECOVERY IN THE POWERTRAIN SEGMENT

A number of solutions were implemented at the Powertrain Turin Driveline plant (Italy) to exploit the heat of the fumes generated by the painting process, previously conveyed into a dedicated furnace for the removal of pollutants. Thanks to a new hydraulic system, the heat recovered from the fumes is used to preheat the technological water in the central heating plant, primarily for sanitary use. A new circulator pump, equipped with an inverter, draws part of the water from the return pipe of the central heating plant, and conveys it into its storage tank. The water is then reintroduced into the same line, at a temperature and flow rate set automatically according to desired values. Supplying the central heating plant with water at a higher enthalpy (heat energy) allows saving 10,500 GJ of primary energy, reducing CO_2 emissions by approximately 600 tons. The estimated payback period of the investment is less than 1.5 years.

The Bourbon Lancy plant (France) adopted several measures to recover the energy consumed by compressors and dissipated by cooling towers. The goal was to recover heat to power a hot water boiler by modifying the existing system of compressors. Thanks to the modification, independently-controlled heating is now available in some plant areas near the compressors room. Based on total savings, the estimated payback period of the investment is less than 1.5 years, and the initiative will cut CO_2 emissions by approximately 260 tons.

GRI
G4-EN5;
G4-EN6



CO_2 EMISSIONS

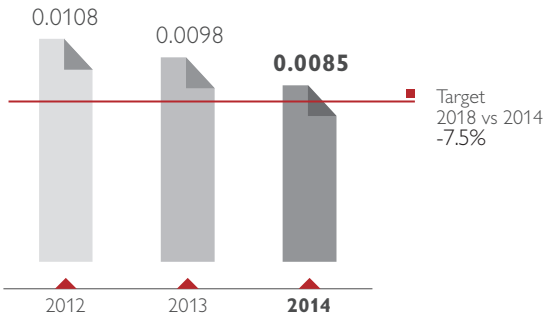
In 2014, CNH Industrial's CO_2 emissions (scope 1 and 2) were approximately 457 thousand tons, significantly lower than the previous year (-15%). This result was due to the reduction in energy consumption and to the greater share of renewable energy in CNH Industrial's energy mix.

Such significant results were mainly ascribable to a reduction in energy consumption per respective unit value, and to a greater use of renewable energy sources. Indeed, 20% of CNH Industrial's total energy consumption was from renewable sources, a figure that exceeds the 15% target set for 2014. Furthermore, the increased use of renewable energy cut CO_2 emissions by 91 thousand tons.

The new Energy Action Plan confirms CNH Industrial's commitment to reduce its greenhouse gas emissions and dependence on fossil fuels: the new targets set for 2018 aim at reducing CO_2 emissions per hour of production by 7.5% compared to 2014, while the target for 2020 for energy use from renewable sources is 21%.

DIRECT AND INDIRECT CO_2 EMISSIONS PER PRODUCTION UNIT[a]

CNH INDUSTRIAL WORLDWIDE *(tons of CO_2/hour of production)*



[a] CO_2 is the only greenhouse gas significant to CNH Industrial's processes (see also page 241).
2014 was chosen as the base year for 2014-2018 global planning, in line with the Business Plan.
The indicator includes scope 1 and scope 2 emissions.
The indicator for 2014 was calculated on the new parameter (total manufacturing hours), in line with the targets of the Energy Action Plan 2014-2018.
The 2013 and 2012 figures are estimates.

DIRECT AND INDIRECT CO_2 EMISSIONS[a]

CNH INDUSTRIAL WORLDWIDE (tons)

	2014	2013[b]	2012
Plants	54	54	59
Direct emissions (scope 1)	**191,361**	226,748	212,833
Indirect emissions (scope 2)	**264,936**	308,198	318,288
Total emissions (scope 1 + 2)	**456,297**	**534,946**	**531,121**
Direct emissions from landfill gas	**1,079**	1,987	3,332
Total CO_2 emissions	**457,376**	**536,933**	**534,453**

[a] CO_2 is the only greenhouse gas significant to CNH Industrial's processes (see also page 241).
For CNH Industrial, biogenic CO_2 emissions are those released by the combustion of landfill gases.
2014 was chosen as the base year for 2014-2018 global planning, in line with the Business Plan.
The direct and indirect CO_2 emissions in the base year are those in the table. There were no significant changes in emissions requiring the recalculation of base year emissions.
GHG emissions were consolidated and reported using an operational control approach.
For the methodologies and emission factors used, see also page 241.
[b] 2013 data restated with respect to the 2013 Sustainability Report.

GLOSSARY
Direct emissions;
Indirect emissions

GRI
G4-EN15;
G4-EN16;
G4-EN18

PARTICIPATION IN EMISSION TRADING PROGRAMS

The energy used at CNH Industrial plants comes primarily from third-party power generation plants or directly from the national electricity grid.

The plant in Vysoke Myto (Czech Republic) is the only one subject to the European Emission Trading System (EU-ETS).[8] The energy it generated in 2014 was approximately 77 thousand GJ, which put the plant in debt with regards to its CO_2 emissions allowance for the year, compensated by purchasing more emission credits.

The only CNH Industrial site subject to the CRC (Carbon Reduction Commitment) Energy Efficiency Scheme, i.e., the emission trading system present in the UK, is the plant in Basildon, one of the most energy-consuming in Europe. In 2014, for the third year running, the plant renewed its participation in the reporting and evaluation system (known as CRC - Performance League Table), purchasing the necessary credits to offset its CO_2 allowance. However, during the year, the plant voluntarily changed scheme, removing itself from the CRC to fully adhere to the EU-ETS as of 2015.

OUR PROJECTS

LIGHTING SYSTEM UPGRADE

In 2014, the Grand Island plant (USA) followed the example set by the Saskatoon plant (Canada) in 2013, by completely replacing its lighting system with the latest generation of LED ceiling lights. The project involved the replacement of 1,250 metal halide lamps (i.e., the substitution of 360 W lamps with 260 W lamps), saving 27% on electrical power consumption. The replacement also doubled average brightness levels in the plant's production areas, with considerable benefits in terms of work area productivity and safety.

Per year, this modification saves 1,787,500 kWh and prevents 1,135 tons of CO_2 emissions. Based on total savings, the estimated payback period of the investment is five years.

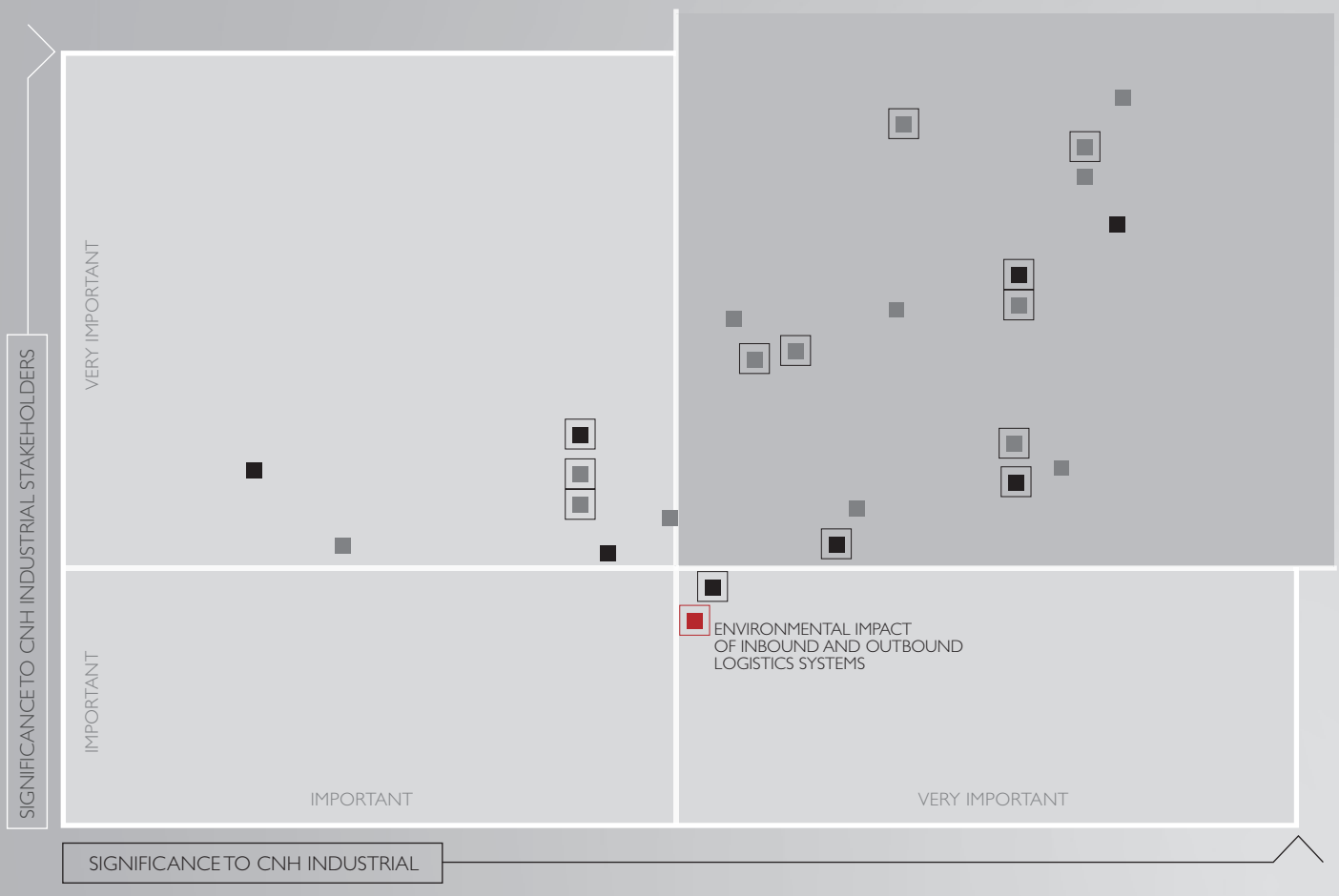
Furthermore, the expected savings in maintenance costs as of 2015 amount to $60 thousand, which the plant will use to install additional LED lights in non-manufacturing areas and to enhance automated light control systems.

GLOSSARY
Emission trading; LED

GRI
G4-EN6

[8] *2013 marked the start of the third phase of the ETS, which sets a single EU-wide cap on emission allowances; this limit will decrease linearly over time, even after the end of the third trading period (2013-2020).*

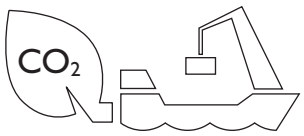
LOGISTICS PROCESSES



Material aspect described in chapter. For further details, see Materiality Matrix, page 21.

DMA

In managing its logistics processes, CNH Industrial continually strives to find sustainable solutions to combat climate change, conserve natural resources, and safeguard health.
To this end, CNH Industrial's logistics process management is, on the one hand, incorporated in the value chain, specifically with the functions responsible for manufacturing, sales, and purchasing; on the other, it goes beyond Corporate boundaries, interacting with the operational context to optimize the efficiency of logistics flows and reduce their environmental impact.
As the materiality analysis shows, sustainable logistics is a topic of growing interest owing to its economic, environmental, and social implications, and is one of the 25 aspects material to CNH Industrial. It is important to the Company not only in terms of time and cost efficiencies, but also in relation to emissions reduction, resource use, packaging management, and, not least, its indirect impact on human health and traffic congestion. Stakeholders expect CNH Industrial to demonstrate its commitment to safeguarding this aspect. In LATAM, for example, private sector knowledge and expertise can improve logistics because they foster a proactive role in the building of new infrastructure, railways, ports, airports, and roads to overcome existing inefficiencies. In APAC, companies are required to be proactive in developing infrastructures - especially roads - to improve communications between rural areas and major cities, in order to reduce the environmental impacts and air pollution caused by transport.



In order to coordinate its efforts for logistics improvements effectively, CNH Industrial disclosed its Green Logistics Principles. Available on the Corporate website, the document was published by Fiat Industrial in 2011, and adopted by CNH Industrial in September 2013 following approval from the Board of Directors.
The Green Logistics Principles are intended to coordinate the Company's sustainable behavior initiatives and help the various Corporate functions, together with suppliers, to effectively monitor their performance and ensure improvement targets are met.
CNH Industrial's approach focuses on four areas:

- increasing low-emission transport
- adopting intermodal solutions
- optimizing transport capacity
- minimizing non-reusable packaging and protective materials.

Initiatives and projects developed to reduce the environmental impact of logistics processes are described below. The active engagement of suppliers is an integral and key aspect in achieving effective and sustainable logistics. CNH Industrial directly involves suppliers in most of these projects and initiatives, promoting and encouraging the development and implementation of the best solutions for meeting the Company's environmental impact reduction targets. For example, in partnership with the new Iveco Daily steering wheel supplier, a container was developed that reduces transport volumes by 57%, with annual savings of over $210 thousand.
As further proof of this commitment, some suppliers of logistics processes were involved in the *CDP Supply Chain* project (see also page 160), aimed at monitoring the CO_2 emissions of selected suppliers and at promoting initiatives to reduce them through joint actions and partnerships. This involvement will continue in 2015.
The Company's main sustainable logistics improvement targets are to reduce CO_2 emissions derived from the handling of components and finished goods, and to minimize the use of non-reusable packaging materials. These targets are all set voluntarily and included in the Corporate Sustainability Plan (see also pages 39-40). Target achievement is monitored quarterly and, if necessary, corrective measures are implemented. The results are made available to stakeholders annually through the Sustainability Report and Corporate website.
In addition, in 2014, individual improvement targets were included in the Performance and Leadership Management system (see also page 83) for the managers of the main projects included in the Sustainability Plan.

The Group Executive Council (GEC) has the highest responsibility for initiatives aimed at reducing the environmental impact of logistics processes at CNH Industrial.
The logistics system is managed according to World Class Logistics (WCL) standards that, based on World Class Manufacturing (see also page 164), define the logistics processes concerning plants and supplier network planning, while pursuing safety, ergonomics, eco-compatibility, and transport flow optimization. WCL standards facilitate lean processes both within and outside plants, involving all employees in the improvement processes.

GLOSSARY
APAC; DMA; Ergonomics; LATAM; Stakeholders; WCM

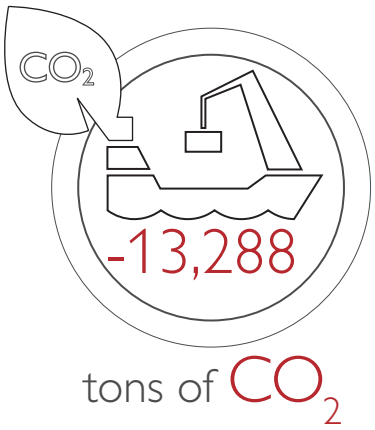
GRI
G4-DMA

With the active participation of all parties, inventories are significantly reduced, production volumes and mix are evened out, and logistical expertise at plants is improved. The systematic reduction of both internal and external handling is another significant aspect of WCL, achieved by integrating the production and distribution networks.
This approach ensures effective management, and that projects are evaluated according to defined standards. Through World Class Logistics, CNH Industrial shares and spreads its best practices, tried and tested across all plants, to improve process management with internal benchmarking that is continually updated.

Inbound flow management (i.e., the transport of components and materials to Company plants) is either handled by external transport providers engaged by CNH Industrial, or managed directly by the material suppliers themselves, whereas the outbound flow (i.e., the distribution of finished goods from plants to the dealer network) is handled by external transport providers.
Spare parts are managed by CNH Industrial Parts and Services, and their inbound distribution (to warehouses and distribution centers) is handled either by external providers engaged by CNH Industrial or directly by suppliers. For Agricultural Equipment and Construction Equipment, outbound flows (including to dealerships) are managed by specialized transport providers, for Commercial Vehicles by external companies coordinated by a logistics operator, and for Powertrain by designated external providers.
For aspects concerning business travel, see page 100.

MONITORING ENVIRONMENTAL PERFORMANCE

In 2014, monitoring continued of some of the environmental aspects considered most significant[1] to logistics processes in order to substantiate the targets included in the Sustainability Plan and the improvement projects that followed.
The significance of the environmental impact of CO_2 emissions is affected by: the number of inbound/outbound transport flows generating the impact; CNH Industrial's ability to promote mitigation initiatives among suppliers (e.g., the inclusion of contractual clauses); the initiatives implemented to reduce the impact (e.g., the adoption of intermodal solutions); and the impact's potential effects on the community (e.g., traffic congestion related to plant location).



In 2014, to improve the management of this aspect, the worldwide monitoring of CO_2 emissions was completed for all segments, totaling 466 thousand tons of CO_2 (of which approximately 142 thousand in Europe).
For 2015, CNH Industrial set the challenging target of cutting global CO_2 emissions by 5,200 tons.

Worldwide, the reduction in inbound and outbound CO_2 emissions was 13,288 tons. The lower emissions were a result of the improvement projects implemented in 2014. In Europe, CO_2 emissions were cut by 4,927 tons, exceeding the target set for 2014 (1,580 tons). For example, intermodal transport between Italy and Spain led to a 1,982 ton reduction in CO_2 emissions, saving over $590 thousand.

In 2014, the monitoring of air transport CO_2 emissions was extended to all segments, amounting to 44.5 thousand tons of CO_2.

GRI G4-EN30

(1) The assessment criteria used to measure the significance of the environmental aspects of logistics processes are related to the entity of the impact, and to the Company's ability to manage and mitigate both the impact and its potential effects on the surrounding environment.

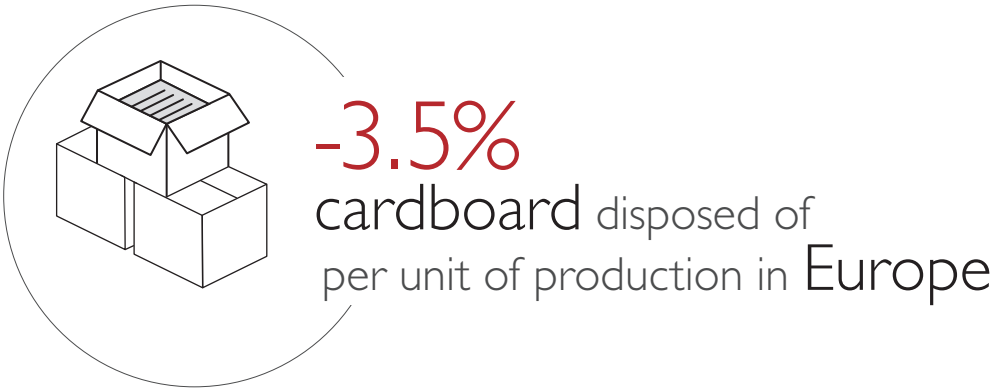
CO_2 EMISSIONS IN LOGISTICS PROCESSES[a]

CNH INDUSTRIAL EUROPE (thousands of tons)

	2014	2013	2012
Inbound	**78.1**	71.6	75.5
Outbound	**48.3**	50.1	47.2
Parts	**15.3**	12.8	7.9
Total	**141.7**	134.5	130.6

(a) CO_2 emissions for road transport were quantified as per the GHG Protocol, revised edition, and for sea and rail transport as per the IFEU Heidelberg methodology for environmental calculations.
The increase in CO_2 emissions is due to the broader reporting scope (in line with the targets stated in the Sustainability Plan) and the relocation of some manufacturing sites.

Managing the environmental aspects associated with logistics also focuses on reducing non-reusable packaging and protective materials, according to Corporate standards and quality requirements. Where this is not possible, CNH Industrial seeks the best solutions to ensure the recovery of materials. Although this aspect is less significant than atmospheric emissions, a monitoring process was set up that will provide a solid database for defining future areas for improvement.
CNH Industrial plants in Europe recorded an average of 7.17 kilos of cardboard disposed of per unit produced, down 3.5% from the previous year.



CARDBOARD DISPOSED OF IN LOGISTICS PROCESSES

CNH INDUSTRIAL EUROPE (kg/unit produced)

	2014	2013	2012
Cardboard disposed of per unit produced	**7.17**	7.43	7.34

INITIATIVES FOR REDUCING ENVIRONMENTAL IMPACT

CNH Industrial realizes numerous initiatives to promote ever-more sustainable logistics processes. Such initiatives comprise technologies, procedures and activities aimed at environmental impact reduction for logistics processes without compromising service quality or profitability, and considering the social impact of the activity itself. In defining these activities, the aspects considered include technical solutions, such as which means of transport to use, intermodality, organizing long-haul transport, and packaging design.

INCREASING LOW-EMISSION TRANSPORT

CNH Industrial is committed to reducing CO_2 emissions arising from the transport of components and finished products by continually promoting the use of road vehicles that conform to the most stringent environmental standards, thus ensuring lower emissions.

From 2012, in Europe, all segments gradually introduced specific environmental contractual clauses obliging external transport providers to use vehicles compliant with Euro IV standards or higher. For all segments, the 2015 target is the introduction of a clause stipulating that at least 80% of vehicles used in fulfilling a contract conform to Euro IV standards or higher.

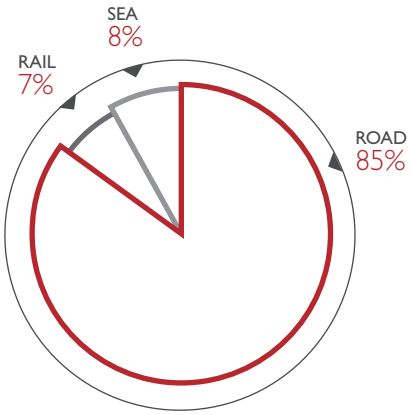
GLOSSARY
GHG Protocol;
Euro VI

In North America, the Agricultural Equipment and Construction Equipment segments continued to engage their logistics partners in the *SmartWay Transport* program, launched in 2003 and sponsored by the Environmental Protection Agency (EPA) to improve efficiency and reduce greenhouse gas and air polluting emissions along the transport chain. *SmartWay* provides its partners with a set of EPA-tested tools to help in making informed transportation choices, in measuring and reporting carbon emissions, and in improving supply-chain efficiency and environmental performance. *SmartWay* helps its partners exchange reliable and credible performance data and accelerate the adoption of advanced technologies and operational practices. Participation in the program is one of the factors considered in evaluating potential suppliers. In 2014, 92.5% of service providers (rail and road transport) joined the *Smart Way* program.

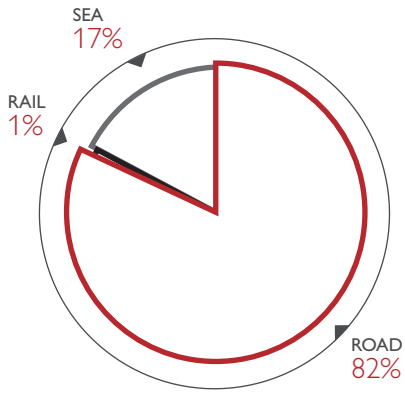
USING INTERMODAL SOLUTIONS

CNH INDUSTRIAL EUROPE

BREAKDOWN OF INBOUND TRANSPORT



BREAKDOWN OF OUTBOUND TRANSPORT[a]



[a] *Percentages refer to Agricultural Equipment, Construction Equipment, and Commercial Vehicles, and are based on the principal mode of transportation used for each vehicle.*

The inbound and outbound transport of materials can generate significant road transport volumes, depending on geography, infrastructure and production levels. CNH Industrial always strives to promote alternative modes of road transport using intermodal solutions, with the aim of reducing both traffic congestion and CO_2 emissions. Intermodal solutions take a holistic view of transportation services, treating them as an integrated logistics chain and employing a variety of solutions for the movement of goods from source to destination.

GLOSSARY
EPA

Again in 2014, there was an increase in suppliers using the sea connections between Italy and Spain to supply the Madrid and Valladolid plants (Spain) with components produced in Italy. This reduced CO_2 emissions by 1,982 tons.

In 2013, for the first time, the Powertrain segment set a target for CO_2 emissions reduction through the launch of its first regular inbound transport flow by train. In 2014, with a view to continuous improvement, the project was expanded by adding new suppliers in Central Europe to the existing logistics flows, and introducing the first intercontinental flow by rail, from China to the Bourbon Lancy plant (France). The initiative cut both road and air transport emissions: the CO_2 reduction target of 480 tons was exceeded, reaching a total of 2,521 tons. The project will be extended in 2015 to a second plant in Europe, Torino Engine (Italy), with an expected 500-ton reduction in CO_2 emissions.

OPTIMIZING TRANSPORT CAPACITY

Optimizing transport capacity is one method CNH Industrial employs to reduce the costs and environmental impact of transportation. To optimize and streamline the entire process, including in environmental terms, technical and organizational changes are made to routes and volumes.
Streamlined Delivery is one of the projects launched to realize this objective, outsourcing the collection of materials destined for CNH Industrial plants to a pool of logistics providers, replacing delivery by individual suppliers through dedicated transportation services.
In 2011, the project was launched in Powertrain, exceeding its 3% target to achieve a total coverage of 22% in 2014. In 2015, coverage is expected to reach 24%.
In 2014, the *DICIOTTO Project* was successfully concluded, begun in 2008 to road-test 18 meter-long tractor/semi-trailer systems in Italy (the standard length is 16.5 meters). A twice-daily service was launched in November between a panel supplier and the Suzzara plant (Italy), optimizing the transport capacity and environmental impact of heavy vehicles, in compliance with stringent safety requirements.

REDUCING NON-REUSABLE PACKAGING AND PROTECTIVE MATERIALS

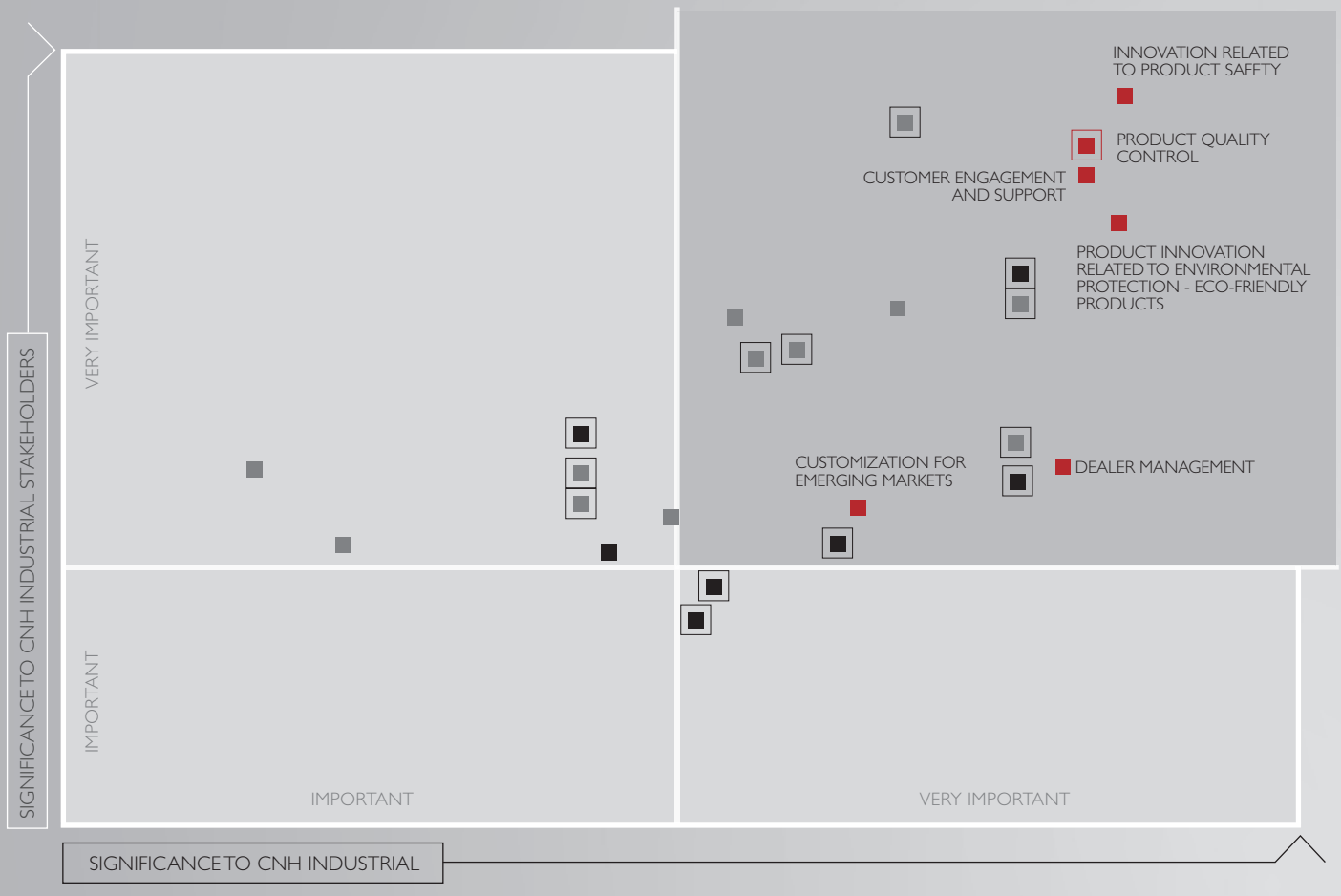
The planning and standardization of packaging materials, including the use of lighter materials and structures along with reusable materials, reduces raw material use and waste, and optimizes transport capacity, so reducing CO_2 emissions.

In 2014, as part of the World Material Flow (WMF) program, the Agricultural Equipment and Construction Equipment segments continued to monitor the quantity of cardboard and wood used in consolidating shipments of materials by sea to plants in North and South America.

In 2014, in the Commercial Vehicles segment, the optimization of packaging continued in Europe and for shipments to Latin America. This cut the use of wood crates by 29% compared with 2013 (from 10.3 to 7.3 kilos of wood packaging per cubic meter shipped), reducing wood shipped by about 515 tons.

The Powertrain segment, which adhered to the WMF program in 2013, decided for the first time to focus on the progressive reduction of non-reusable packaging in shipments from Italy to the plants in Latin America, in favor of metal crates. It set a wooden crate reduction target of 35% for 2014. Taking into account the other projects in place, this target was exceeded, achieving a reduction in wood use of 47% compared to 2013, or 637 tons. Powertrain's other initiatives focus on optimizing supplier packaging to maximize the capacity utilization of wood crates in the logistics flow. This is achieved by employing overseas packaging at the suppliers to eliminate the need for repacking, and by replacing small wood crates with larger ones to maximize the utilization of container capacity.

PRODUCT USE



Material aspect described in chapter. For further details, see Materiality Matrix, page 21.

2014 STAKEHOLDER INTERVIEWS

> If innovation doesn't take the environment into account, then it will take us backward rather than forward

P. Sardo, Slow Food Foundation

ECO-FRIENDLY PRODUCTS

DMA

CNH Industrial is a global leader in the capital goods sector that designs, manufactures, and sells trucks, commercial vehicles, buses, special vehicles, tractors, and agricultural and construction equipment, in addition to a broad portfolio of powertrain applications.
Ongoing research into innovative solutions enables the various brands of CNH Industrial to manufacture products that respect the environment while satisfying customers' demand for high performance and for reliable, safe, and comfortable vehicles with globally competitive operating costs. Efforts to minimize fuel consumption and polluting and CO_2 emissions, maximize efficiency and safety, and improve the management of the entire vehicle life cycle are pivotal to meeting the Company's commitment to the sustainability of its products.
Given that the use phase of products can generate up to 85% of the CO_2 emissions over their entire life cycle[1], CNH Industrial strives to ensure a portfolio of products ever-more eco-designed, performant, and environmentally friendly, by increasing efficiency and reducing consumption and subsequent polluting and CO_2 emissions.
Considering that the current regulations have reduced polluting emissions (i.e., nitrogen oxides and particulate matter) to the minimum measurable levels, the challenge for the future is to lower CO_2 emissions by optimizing how the energy produced by vehicles is managed.

REDUCING POLLUTING EMISSIONS

Diesel engine combustion produces a series of pollutants including NO_x and PM; their levels in exhaust gases mainly depend on the temperature of the combustion chamber, determined in the engine design phase.
NO_x gases are produced at about 1,600°C, while almost all PM particles burn up at high temperatures. A choice must therefore be made between optimized combustion, producing less PM but more NO_x, or less efficient combustion, resulting in the emission of fewer NO_x but more PM. Lower PM levels are achievable with a Diesel Particulate Filter (DPF), which requires periodic regeneration due to particulate build-up over time, while two systems can reduce NO_x emissions.
The first is known as Exhaust Gas Recirculation (EGR), which recirculates exhaust gases in the combustion chamber to lower its temperature, thus reducing NO_x levels. However, this system penalizes engine efficiency and increases particulate production, thus requiring frequent DPF regeneration.
The second system is Selective Catalytic Reduction (SCR), which maintains optimized combustion and reduces NO_x emissions through the addition of a reductant (ammonia, obtained from AdBlue). This produces little PM and requires less frequent DPF regeneration.

FOCUS ON

CURSOR 16 ENGINE OF THE YEAR 2014

In 2014, the Cursor 16 engine won the *Diesel Of The Year®* award, presented to FPT Industrial for its outstanding technological innovation and design. The brand created a new 16-liter engine that delivers the power of an 18-liter with the size of a 13-liter. The Cursor 16 excels in power management, combustion efficiency, and low fuel consumption, reducing Total Cost of Ownership for the customer. With its small dimensions but high power, the Cursor 16 is at the top of its class and one of the most compact engines in its segment. Suitable for construction and agricultural equipment as well as power generators, this engine is a new addition to the Cursor Series, well known for extreme reliability and flexibility. The engine uses High Efficiency Selective Catalytic Reduction (HI-eSCR) technology, developed and patented by FPT Industrial at its own research centers to ensure compliance with the stringent Stage IV/Tier 4B and Euro VI emission standards.

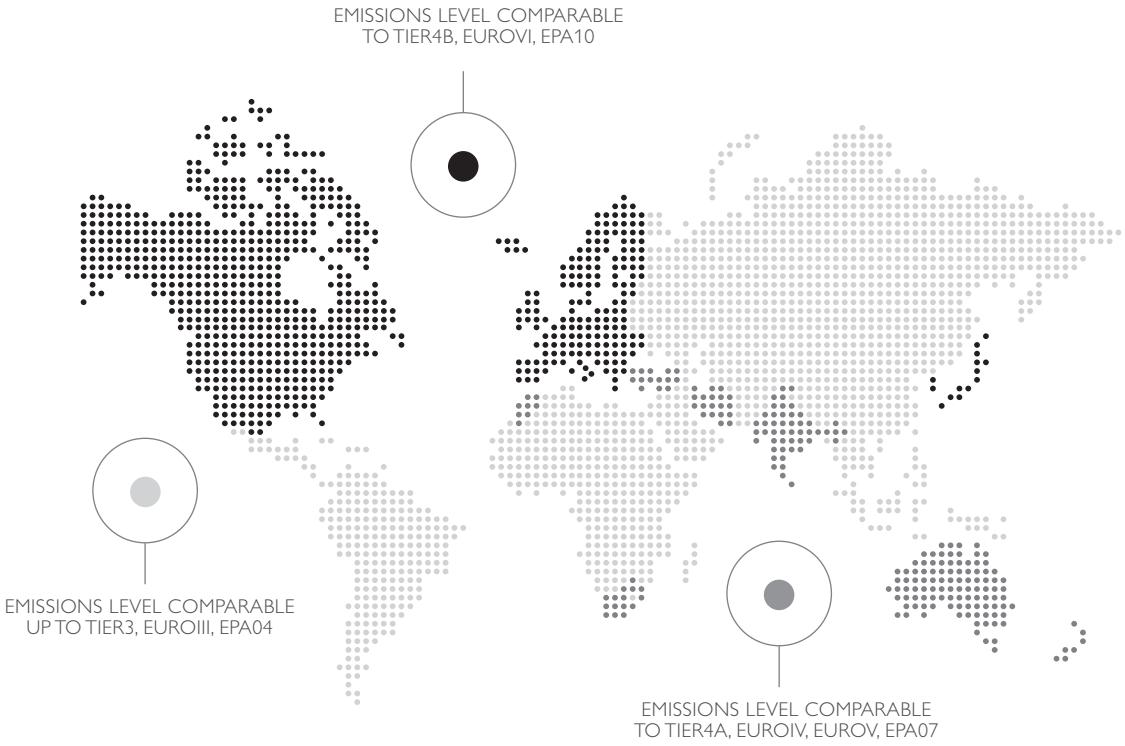
GLOSSARY
ACEA; DMA; EGR; Euro VI; LCA; NO_x; PM; SCR; Stakeholders; Tier

GRI
G4-DMA; G4-EN27

[1] *ACEA Position on Life Cycle Assessment, 2012.*

EMISSIONS LEGISLATION

2014 DIESEL ENGINES MARKET



Since 2005, FPT Industrial has developed and introduced an SCR system that cuts NO_x emissions by using AdBlue, a urea and demineralized water solution: the exhaust gases pass through the AdBlue, which reacts in the presence of a catalyst, breaking down NO_x into non-polluting molecules (O_2 and N_2).
The range of Tier 4A/Stage IIIB products sold in 2014 comprises:

- 215 agricultural equipment models, up by 61% compared with 2013
- 111 construction equipment models, up by 22% compared with 2013.

The industry-exclusive ECOBlue™ HI-eSCR exhaust gas after-treatment system, developed by FPT Industrial, facilitates the compliance of New Holland's T7, T8, and T9 Series high-horsepower tractors, CR combine series, and the Speedrowers series with Tier 4B standards while maintaining outstanding efficiency and performance. The ECOBlue™ HI-eSCR system is an evolution of the existing ECOBlue™ SCR system and is protected by seven patents. It has the highest NO_x conversion efficiency in the industry (above 95%), while maintaining or improving machine productivity. The new engine control unit manages both the engine and the HI-eSCR after-treatment system by predicting the DEF/AdBlue injection rate for the dosing module. A dedicated closed-loop system continuously monitors NO_x levels in the exhaust gases, ensuring that the precise amount of DEF/AdBlue is injected during every cycle. The result is a high NO_x conversion rate while guaranteeing low fluid consumption.

In 2014, Case Construction Equipment extended its range of wheel loaders with two new models, the 821F and 921F, compliant with Tier 4B emission standards. As with the Tier 4A models, Case equipped both machines with a Selective Catalytic Reduction (SCR)-only system that treats emissions separately with Diesel Exhaust Fluid (DEF) and does not require the engine to recirculate exhaust gas. This optimizes combustion and machine performance, lowers engine temperature, eliminates maintenance and downtime associated with filter replacement and regeneration, and helps lower fuel consumption. This is all accomplished with excellent throttle response, unrestricted horsepower, and powerful breakout force for improved profitability and optimal productivity in wheel loader applications.
The new F Series compact wheel loaders of Case Construction Equipment feature proven maintenance-free Tier 4B particulate matter catalyst solution, and offer a more compact design and greater breakout force and lift capacity compared to previous models. The new 21F and 121F models are rated at 58 and 64 horsepower, respectively, while the 221F and 321F are both rated at 74 horsepower.

GLOSSARY
EPA; NO_x; SCR; Tier

FOCUS ON

A RECORD BREAKING COMBINE

In 2014, New Holland Agriculture's CR10.90 combine harvester, the world's most powerful at 653 horsepower, set a new Guinness World Records achievement for the most wheat harvested in eight hours: a record-breaking 797,656 tons. On the day the record was set, the CR10.90's average output was 99.7 tons/hour, peaking at 135 tons/hour, with an average crop yield of 9.95 tons/hectare. The record was achieved using a mere 1.12 liters of fuel per ton of grain harvested. The extra-long 10.5 meter unloading auger (used to transfer grain from combine to trailer), and super-fast unloading speed of 142 liters/second, accelerated and simplified grain handling. The CR10.90 was also equipped with IntelliSteer™ fully-integrated auto guidance, enabling an accuracy of 1-2 centimeters and optimizing the efficiency of the 13.7-meter 840CD draper-header, the key component that cuts the crop and transports it into the combine for threshing.

REDUCING CO_2 EMISSIONS

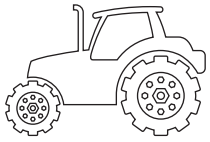
CNH Industrial strives to manufacture products that have ever-greater efficiency and ever-lower CO_2 emissions by:

- optimizing consumption and energy efficiency (see also page 199)
- increasing the use of alternative fuels (see also page 201)
- developing non-conventional propulsion systems (see also page 205)
- offering telematics systems that improve productivity (see also page 205)
- helping customers to use vehicles as efficiently as possible (see also page 207).

Optimizing Energy Consumption and Efficiency

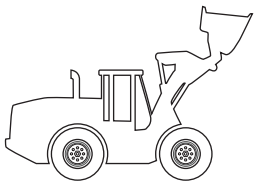
Optimizing energy consumption and efficiency is essential to all CNH Industrial business segments to increase product performance and reduce running costs, thus boosting customer productivity.
All CNH Industrial brands are actively involved in optimizing energy consumption. An example of this was 2014's creation of an Energy Management function within the Commercial Vehicles segment, accountable for improving product competitiveness by focusing on the entire vehicle as a single integrated system, so as to reduce Total Cost of Ownership and increase residual value.

In 2014, in the **Agricultural Equipment** segment, New Holland significantly upgraded its T4 PowerStar™ Series tractors, the first in Europe to feature PM Cat (Particulate Matter Catalyst) technology for Tier 4B compliance. Showcased for the first time in Europe at *Cereals 2014*, the series also features Common Rail engine technology for lower fuel consumption and improved operating productivity and efficiency. The two technologies combined provide up to 13% lower fuel consumption and improved engine response.



New Holland's brand new CR combine harvesters offer advanced harvesting efficiency standards. They perform continuously, irrespective of variable crop conditions, and the Twin Pitch rotors with Dynamic Feed Roll increase performance by up to 15%. They feature New Holland's highly efficient ECOBlue™ HI-eSCR technology, which allows for exceptionally low fuel consumption and hence reduced operating costs, along with a large fuel tank offering even greater autonomy. The high capacity of the grain tank, the impressive discharge speed of up to 142 liters/second, and the increased autonomy ensure constant productivity throughout the entire operation. The CR10.90 model features the *Diesel Of The Year 2014* Cursor 16 engine with ECOBlue™ HI-eSCR technology and is Tier 4B-compliant (see also page 197).
Case IH's Axial-Flow combines are developed and built to deliver efficient and reliable productivity and ease of operation. A key element is the AFS AccuGuide GPS-controlled auto-steering system, which automatically guides the combine and is accurate to within 2.5 cm, along with major time-saving features such as the Clean Out function on the AFS Pro 700 touchscreen. The new Case IH Axial-Flow 5140, 6140, and 7140 combines were enhanced to meet the requirements of mid-sized plowing and tillage operations. All models offer increased throughput and productivity, yield the highest grain quality, and reduce losses to almost nil, even under challenging conditions.

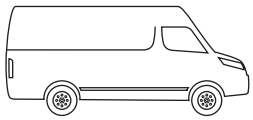
GLOSSARY
Common Rail; PM; SCR; Tier



As regards the **Construction Equipment** segment, Case Construction Equipment's new Tier 4B 821F and 921F wheel loader models set the standard for horsepower performance within each size class. They also offer the same fuel-saving advantages of the Tier 4 Interim models. Each machine provides up to a 10% increase in fuel economy over the previous E Series models. Additional fuel savings of up to 30% can be achieved through a standard engine-shutdown feature available on each model, allowing the operator to limit engine idle time. An optional efficiency package provides additional fuel savings with features such as the five-speed lockup transmission, axles with auto-locking differential, and advanced system programming.

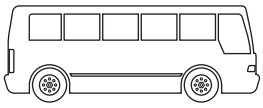
Case's M Series dozers deliver power and productivity through best-in-class drawbar pull (models 750M through 1650M), increased horsepower ratings, industry-exclusive SCR engine technology, a hydrostatic drive system, and an advanced load management system. The latter automatically reduces track speed (increasing torque) when the load on the blade is greater, and increases it (reducing torque) when the load on the blade is reduced, ensuring the machine is working at optimal power and efficiency. The engines on models 850M through 2050M, all built by FPT Industrial, incorporate proven SCR engine technology. This offers advantages in terms of maintenance, since there is no regeneration or diesel particulate filter to maintain, and of fuel efficiency, with some models delivering fuel savings of up to 14%. Case Construction Equipment was the first-ever heavy equipment manufacturer to integrate such technology into a dozer to meet Tier 4A standards.

At *Conexpo 2014* (Las Vegas), Case Construction Equipment showcased its new Tier 4B-compliant CX350D hydraulic excavator, featuring hydraulic control and function enhancements delivering significant advances in power, fuel savings, operation and control, and performance. Indeed, the CX350D offers a cycle time up to 8% faster, improved digging force and lift capacity, up to 10% greater fuel efficiency, up to 3% greater drawbar pull, improved responsiveness, and multifunctional control. The new electrically-controlled hydraulic pump controls flow based on working conditions. The pump flow is controlled by a proportional solenoid valve that calculates optimal flows at all pressure sensors, which helps improve fuel efficiency, cycle time, and maneuverability. Other features, such as auto idle, auto shutdown, and boom-down energy save, enable the machine to run more efficiently. The Spool Stroke Control (SSC) automatically adjusts pressure according to demand during digging operations, while the electric spool control and boom-down regeneration help save energy and optimize performance.



As regards the **transport of goods**, Iveco's New Daily features significant technological solutions to reduce consumption. With average fuel savings of approximately 5.5% (depending on vehicle version), fuel consumption can be further lowered on urban cycles, by up to 14%, via the Stop-Start system included in the EcoPack. Enhanced aerodynamics, especially on van models, reduce the drag coefficient by 6% (from 0.335 to 0.316). An EcoSwitch function enables driver-operated torque reduction, which cuts fuel consumption when running without load. The Smart Alternator allows recovering the vehicle's kinetic energy when the accelerator is released. The EcoMac enables automatic climate control via an operating logic that optimizes compressor performance based on the cab's actual cooling requirements. Lastly, further reductions in fuel consumption were achieved by introducing friction-reducing solutions such as low-friction piston rings, low-viscosity engine oil, and low rolling-resistance tires.

For **passenger transport**, Iveco Bus and Heuliez Bus launched their new Euro VI ranges in 2013, completely redesigned around the Total Cost of Ownership (TCO). The current Iveco Bus range comprises three bus categories (city, intercity, and tourist) while Heuliez Bus comprises only city buses and, depending on model and use, boasts fuel consumption savings of 5-10% compared to Euro V vehicles. The TCO is reduced by making vehicles lighter, more efficient, and even more reliable and easier to service. All components are designed to be easily and rapidly replaced, and many components are common across the entire range, hence easier to locate and more competitively priced. Moreover, the adoption of innovative components means much longer servicing intervals (the Diesel particulate filter may not need replacing for up to four years), keeping the TCO down. Combustion is more efficient thanks to the HI-SCR system, which improves fuel economy and cuts emissions. In addition, depending on the model, passenger comfort is enhanced by a 50% noise reduction, a 10% increase in space on board, and larger window size.



Iveco Bus innovated its Crealis bus to make it suitable for Bus Rapid Transit (BRT), a transportation concept based on dedicated bus routes and priority lanes to cut traffic and congestion, which has proven to be the most efficient and cost effective worldwide compared to conventional bus routes and light rail. Iveco Bus, leader in the European market with over three hundred Euro V buses sold, launched a new Euro VI generation that is even more attractive and versatile. Available in diesel, CNG, and full-hybrid variants, the new Crealis can be customized according to more than three thousand styling combinations available as serial options.

GLOSSARY
CNG; Euro VI; SCR; TCO; Tier

Alternative Fuels

To reduce the environmental impact of its products, besides through engine efficiency, CNH Industrial is researching the use of alternative fuels to diesel, and already has a range of vehicles powered by natural gas, biomethane, biodiesel, and bioethanol.

The main constituent of **natural gas** (NG) is methane (83-99%) and, for CNH Industrial, its immediate usability makes it the most promising alternative fuel. Whether in gas form (CNG) or liquefied (LNG), the basic fuel is the same; what changes is the method of storage, distribution, and use in vehicles. The main properties of natural gas make it a strategic fuel:

- minimal harmful emissions, including particulate matter (practically none) and aldehydes (-50% compared with diesel)
- minimal emission of air pollutants (-50% NO_x and -90% PM compared with diesel)
- more than 80% fewer ozone-generating agents than conventional fuels
- 5% fewer CO_2 emissions compared with diesel
- can be used with current production technologies
- renewable source (if derived from biomass)
- one of the best well-to-wheel fuels (-24% CO_2 emissions).

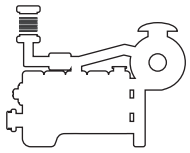
NATURAL GAS-POWERED VEHICLES SOLD

CNH INDUSTRIAL WORLDWIDE (no.)

	2014	2013	2012
Bus CNG (Cursor 8 Engine)	**42**	308	324
Heavy Range (Stralis CNG/LNG - Cursor 8 Engine)	**288**	228	164
Medium Range (Eurocargo Natural Power - NEF 6 Engine)	**36**	65	33
Light Range (Daily Natural Power - F1C Engine)	**919**	1,451	915
Total	**1,285**	2,052	1,436

With a fleet including over 22 thousand compressed natural gas vehicles, and many years' experience in the industry, FPT Industrial boasts the widest range of NG engines available on the market. Among the technologies currently available and suitable for NG engine development, FPT Industrial has chosen and developed stoichiometric combustion, the only cost-effective solution that brings emissions in line with Euro VI standards. Indeed, thanks to the closed-loop control of the lambda sensor and the use of a three-way catalyst, NG engines can reduce harmful emissions (of CO_2, HC, and NO_x) by 95%.

FPT Industrial's range of natural gas engines is used for commercial vehicles, buses, and special vehicles. NG engines are available in the Cursor, NEF, and F1 series, offering customers significant cost benefits over the vehicle's entire useful life.



OUR PROJECTS

IVECO AND COCA-COLA TEST NATURAL GAS VEHICLES IN BRAZIL

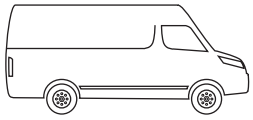
In 2014, Coca-Cola Femsa Brazil tested an Iveco 170E20 Tector truck running on compressed natural gas (CNG) for the delivery of beverages. The engine technology, developed by FPT Industrial, lowers operating costs thanks to a range of up to 300 kilometers, and reduces polluting emissions: compared with a similar diesel-powered vehicle, the CNG model reduces NO_x emissions by 86%, particulates by 77%, and CO_2 by 25%. An additional benefit of this type of fuel is the 6 dB noise reduction compared to a diesel engine. According to Iveco, the truck's storage system comprises six high pressure cylinders holding up to 126 cubic meters of gas. These tests are part of an ongoing Iveco project begun in 2011 in collaboration with different companies, involving two CNG Daily light vehicles, two 17-ton Tectors for garbage collection, a natural gas-powered bus, and a biomethane-powered Tector.

GLOSSARY
Biodiesel; Biomethane; CNG; Euro VI; LNG; NG; NO_x; PM; Well-to-wheel

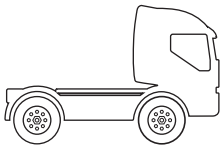
FPT Industrial's NG engines are undergoing growth worldwide, including in Emerging Markets, especially for public transport vehicles. In Beijing, for example, the brand has supplied CNG-powered engines to Beijing Public Transport Holdings (BPT) for more than ten years. Furthermore, at the beginning of 2014, an agreement was signed with Iveco Bus in Baku (Azerbaijan) to supply 151 Crealis buses fitted with CNG engines, ahead of the 2015 European Games.
Interest in natural gas among Emerging Markets has given rise to other projects: CNG and biomethane engines were tested in 2014 in different cities in Brazil and China, with emphasis on urban distribution, passenger transportation, and garbage collection. CNG engines performed very well in all tests, with low noise levels, low emissions, and significant savings in fuel consumption.

CNH Industrial's interest in natural gas (NG) as a fuel goes back many years, as demonstrated by Iveco's early investments in research on natural gas propulsion, dating back to before 1988. In that year, natural gas was tested in heavy-duty diesel engines for the first time, leading to the development of the first-ever methane-powered Daily prototype in 1995.

The variety of FPT Industrial's natural gas engines allows Iveco to offer the most comprehensive range of commercial and industrial natural gas vehicles on the market, giving customers a real choice, from light commercial vehicles such as the New Daily Natural Power, to the Stralis LNG Natural Power truck.
Above all, natural gas-powered vehicles are ideal for transport missions in sectors such as distribution, short and medium-long haul logistics, and municipal services such as waste collection and transport. Moreover, electronic ignition engines reduce noise levels by three to six decibels compared with equivalent diesel engines, making these vehicles ideal for night missions in residential areas.



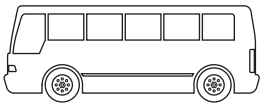
In 2014, Iveco launched the new Daily, voted *International Van of the Year 2015* for providing "the greatest contribution to the standards of efficiency and sustainability of the road transport of goods with respect to environmental impact and safety". The van is also available with a CNG engine, and its variable-section frame provides an ideal position for the fuel tanks without compromising the available space in the cargo area.



The wide range of Stralis models, on the other hand, fully meets the demand for NG-powered vehicles. Manufactured at the Iveco plant in Madrid (Spain) and assembled on the same line as the diesel versions, the vehicles are fitted with 270 - 330 hp Cursor 8 Natural Power engines. The CNG versions have a total cylinder capacity of 400-1,300 liters, with a layout customizable according to customer requirements. The standard version of the Stralis LNG is equipped with four seventy-liter CNG tanks and one 525-liter LNG cryogenic tank. The natural gas is stored in liquid state, at a temperature of -130°C and a pressure of nine bar, and is converted into the gaseous state before direct injection into the engine. Natural gas offers both environmental and economic advantages: a Stralis LNG can reduce the Total Cost of Ownership (TCO) by 15% compared to a diesel truck. Indeed, natural gas costs much less than diesel and saves up to 40% on fuel cost, which is the main component of the TCO.

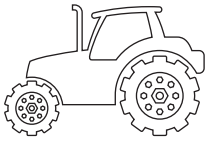
The European Union has set a target of increasing the share of biofuels and alternative fuels in the transport sector by 10% and 20%, respectively, by 2020. To reach this target, the European Commission has launched several initiatives, including the *LNG Blue Corridors* project, aimed at creating a distribution network with CNG and LNG fueling stations every 150 and four hundred kilometers, respectively. It will link EU member states via four priority corridors, along which LNG fueling stations will be strategically positioned. The main goal is to promote the use of LNG in long-distance heavy transport, through 14 new LNG fueling stations, and a fleet of approximately one hundred LNG heavy vehicles transiting along the four corridors. The project involves truck manufactures, fuel suppliers, the distribution network, and fleet owners. In 2014, Iveco delivered the first five LNG-powered Iveco Stralis vehicles that will travel on Italy's roads, coinciding with Eni's opening in Piacenza of Italy's first LNG fueling station. Iveco and Eni, technology leaders in their respective fields, are two of the project's 27 partners.

GLOSSARY
Biomethane CNG; Emerging Markets; LNG; TCO



Natural gas also makes the ideal fuel for public transport, thanks to the low environmental impact and cut in noise levels. Iveco Bus offers the option of a compressed natural gas-powered buses with a Cursor 8 CNG engine for all variants (10.5, 12 and 18 meters), Urbanway buses, and Crealis BRT buses. This Euro VI engine allows transport providers to extend their fleets with CNG buses that use the same technology as Euro V/EEV vehicles, which provides further advantages to the company's offer by reducing costs in training and parts. In addition, municipalities can rely on Iveco and Iveco Bus to make the most out of their CNG investments, by providing the largest gas-powered offer in the market, such as Iveco Daily as municipal vans and minibuses, Iveco Eurocargo as medium urban delivery trucks, Iveco Stralis as waste collection trucks, and the Iveco Bus range.

In addition to CNG and LNG fuels, CNH Industrial is also investing in the promotion of **biomethane**: a biogas that has been upgraded and adapted to automotive industry standards, and that can therefore be distributed via the current network. Biomethane also meets the provisions of Directive 2009/28/EC on the promotion of energy from renewable sources, which establishes a common framework for the use of such energy to limit greenhouse gas emissions and promote cleaner transport.



With the current availability of technologies enabling the independent production of biomethane, natural gas engines are also an attractive option for tractors. In fact, exploiting biogas from agricultural biomass can easily yield 98-99% pure methane. The biogas currently produced on site is used to generate electricity, but when upgraded to biomethane, it can also be used to fuel tractors, provided they are equipped with engines suitable for natural gas. The possibility of using biomethane to power agricultural vehicles has reinforced New Holland Agriculture's belief that customers can be helped to achieve energy-independent farms.

Work continued during 2014 into research on the T6.140 Methane Power prototype. Over the year, checks were completed on prototype operation under most operating conditions. The outstanding performance was tested and confirmed both on the test bench and in the field, thus substantiating the feasibility of this biomethane-powered tractor.
The compressed methane is stored in nine tanks that are perfectly integrated into the overall design, with similar visibility and operational ground clearance as standard models. The fifty-kilo tank capacity delivers approximately half a day of autonomy during normal operation, with an additional 15-liter gasoline reserve tank. The tractor's simple, three-way catalyst alone ensures Tier 4B compliance, without the need for additional after-treatment systems. When running on biomethane, the tractor's carbon footprint is virtually zero, with savings of 20-40% compared with the cost of conventional fuels.

With regard to new, more environmentally friendly fuels for internal combustion engines, FPT Industrial is widening the focus of its research to the adoption of several promising renewable fuels, in line with the scientific community's latest recommendations and with the needs of major markets.

The term **Biodiesel** usually refers to methyl esters (also known as FAME), produced through the transesterification of oils from crops such as rapeseed, sunflower, palm, and soy. All FPT Industrial engines are designed and warranted for optimal operation with diesel and biodiesel blends of up to 7%, according to EN590:2013 and ASTM D975-12 international standards.
For emission levels up to Euro V and Tier 4A/Stage IIIB, nearly all FPT Industrial engines sold globally are B20 or B100 compatible, provided that the biodiesel blend meets the requirements defined by standards. Case IH and New Holland Agriculture, which have been promoting and adopting biodiesel since 2006, approve the use of B20 biodiesel blends for all new Tier 4A/Stage IIIB ECOBlue™ SCR engines as long as they fully comply with the latest EN 14214:2009 and ASTM D6751-12 fuel specifications, and operate in accordance with operator manual guidelines. In 2014, in Europe and North America, FPT Industrial and CNH Industrial carried out operational and long-endurance field tests on Hi-eSCR Tier 4b/Stage IV engines using a wide variety of fuel blends. The objective was to verify the compatibility of these zero-emissions engines with FAME blends of 20-100%.

GLOSSARY
Biodiesel; Biomethane; Carbon footprint; CNG; EEV; Euro VI; LNG; SCR; Tier

FOCUS ON

CNH INDUSTRIAL'S COMMITMENT TO PROMOTING NATURAL GAS USE

As far back as 1995, CNH Industrial identified the benefits of natural gas in terms of supply security and reduced emissions. The reduced environmental impact of natural gas was also addressed during the recent G20 in Brisbane, where the G20 Energy Efficiency Action Plan was approved, the main objective being to build multilateral cooperation between states on energy efficiency. This action plan confirms the commitment of the world's most advanced economies to strategically increase the use of biofuels and natural gas in order to reduce the environmental impact of heavy vehicles.
During 2014, CNH Industrial promoted the use of natural gas as a fuel, actively participating in roundtable discussions and public events, and meeting with key industry stakeholders. Within the scope of Italy's Presidency of the EU Council, CNH Industrial organized themed technical workshops during which the most important regulatory issues and the Company's innovation priorities were discussed with representatives of the member states. In July, the Company participated, as a recognized leader in the sector, in the *Natural Gas Vehicles Summit 2014*, the annual event for the promotion of natural gas organized by NGVA Europe, the European association supporting the use of natural gas in transport. In October, CNH Industrial was invited to the *LNG Puts Italian Shipbuilding to the Test* conference, to speak about LNG in the transport sector. The conference was organized by the World Energy Council, accredited by the United Nations and one of the energy sector's most important international organizations. In November, the Iveco Brand President gave a keynote speech at the *Gas Visually* event before members of the European Parliament. It was an opportunity for CNH Industrial to explain the strategic role and importance of natural gas in achieving the objectives introduced by the measures adopted at European level in the transport sector.
The Company also demonstrated its leadership in the field of alternative propulsion at various European initiatives, such as: the European event dedicated to fleet managers held in Amsterdam; *Ecomondo*, the international trade fair in Rimini (Italy) dedicated to material and energy recovery and sustainable development; and *Smart Mobility World,* the annual sustainable mobility event in Turin (Italy), where methane's potential for sustainable mobility in agriculture and transport was put forward. Besides methane, CNH Industrial is also investing in promoting biomethane, a fuel already compatible with CNH Industrial engines. In December, the Company was present at the first ever *Biomethane Day*, an initiative attended by institutional stakeholders and an opportunity to witness, first hand, a concrete example of how biomethane production can improve the competitiveness of agricultural businesses, drive innovation, and create employment

In the North American market, FPT Industrial has been working on making its Tier 4B engines compatible with fuel blends up to B10, in line with the ASTM D7467-10 standard, as mandated and implemented in 2014 in the State of Minnesota (USA).

In Latin America, FPT Industrial has been testing and successfully validating its light-duty and heavy-duty engines for both on-road and off-road applications, using fuel blends of 7% biodiesel (Brazil) and 10% biodiesel (Argentina), in line with the respective legislations that came onto the market during 2014.

FPT Industrial is directing the focus of its research on second-generation biofuels, especially Hydrogenated Vegetable Oils (HVO). At its technical center in Arbon (Switzerland), and with the collaboration of external R&D and fuel suppliers, FPT Industrial has been performing a detailed evaluation of Euro VI heavy-duty engines for on-road applications, using HVOs as defined in the latest available draft of the EN 15940 specification for renewable fuels. The operational tests have produced positive results in terms of a potential reduction in both tailpipe and CO_2 emissions. Hydro-treating vegetable oils is a modern way of producing very high-quality bio-based diesel fuels via dedicated synthesis processes, without compromising fuel logistics, engines, exhaust after-treatment devices, or exhaust emissions. In addition to such extensive testing and development within CNH Industrial, FPT Industrial has been involved in several research projects in collaboration with external R&D suppliers and universities, focusing on the continual monitoring of the rapid evolution of biodiesel technology, and on potential breakthroughs from the early stages of development.

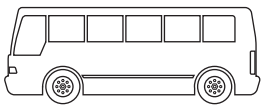
Considering the wide availability and environmental compatibility of sugarcane **ethanol** in the Brazilian market, FPT Industrial has been developing bi-fuel engines running on diesel with blends of up to 40% ethanol, and engines running on 100% ethanol. These renewable fuels were tested nationwide on machine and vehicle prototypes, both in agricultural and on-road applications, yielding positive results both in terms of Total Cost of Ownership for end customers and engine reliability.

GLOSSARY
Biodiesel; Biomethane; Euro VI; HVO; LNG; Stakeholders; Tier

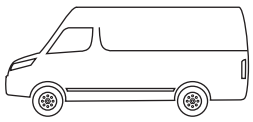
Alternative Traction Systems

The sustainable mobility of goods is the subject of much discussion, especially concerning the last leg of the supply chain, i.e., the *last mile* of urban deliveries. In 2011, the European Union recommended reorganizing the interface between long distance and last mile freights, suggesting the use of low emission urban trucks[2]. In line with the European Commission's recommendation, the Commercial Vehicles segment offers not only natural gas-powered engines, but also diesel-electric hybrid technology for combined goods and passenger transport, and pure electric drive vehicles for last miles. Hybrid traction can be generated by either an electric or diesel engine, or a combination of the two. For the transport of goods, Iveco offers its Eurocargo hybrid, designed for urban distribution and pickups while maintaining high-speed performance and saving up to 30% on urban driving fuel consumption compared to vehicles with conventional diesel engines.

Since 1990, Iveco Bus has offered a number of diesel-electric hybrid solutions for the transport of passengers. With the new Euro VI norms in force, at the beginning of 2014 both Iveco Bus and Heuliez Bus brands further developed their hybrid buses, in both 12 and 18 meter variants. The new full-hybrid buses were enhanced with new features such as the Arrive & Go system, which allows for fully electric arrivals and departures at bus stops, with no noise or gas emissions. The environmental impact of this urban passenger hybrid transport system has been greatly reduced: average fuel consumption and CO_2 emissions dropped by up to 35% compared with an equivalent diesel-only engine. A 35% decrease in CO_2 emissions equals approximately 500 grams less CO_2 per kilometer, or a reduction of approximately 25 tons per year for an annual mileage of 50 thousand kilometers (average value for a city bus). Customers acknowledge the excellence of Iveco's serial hybrid architecture, as demonstrated by the sales exceeding three hundred units across France, Spain, and Italy. Among these customers is the RAPT urban transport operator serving the Ile-de-France (Paris) region, which has committed to drastically changing its bus fleet by interrupting the purchase of diesel buses in favor of hybrid ones. CNH Industrial, a historical supplier of the operator, has won several tenders with hybrid buses by both Iveco Bus and Heuliez Bus brands, and is proud to a part of this evolution.



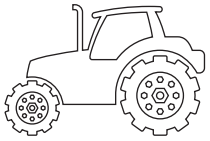
For twenty years now, Iveco has offered electric traction vehicles with close-to-zero emissions, ideal for urban goods deliveries; the first Daily Electric, in fact, dates back to 1986. In 2015, Iveco will launch its New Daily Electric, delivering significantly enhanced electric drive features. Particular attention was given to the choice of batteries, which are lightweight, high-performance, and maintenance-free; furthermore, all battery parts are completely reusable at end of life. The vehicle has up to 130 kilometers of autonomy on an urban cycle.



Technology and Telematics

CNH Industrial deploys telematics systems in precision agriculture, in monitoring construction equipment, and in on-road vehicles. This optimizes vehicle use, resulting not only in higher productivity levels, but also in lower environmental impacts through lower polluting emissions and the accurate dosing of fertilizers, pesticides, and irrigation.

Precision farming management revolves around intelligent farming solutions, and is based on the collection and application of a series of data to optimize the entire agricultural cycle: plowing, fertilizing, sowing, and harvesting. Agricultural equipment is fitted with a localization and data transmission system, and with a series of sensors. These sensors evaluate the composition and humidity of each square meter of soil, and read leaf color to determine chlorophyll content, which indicates the crop's maturity and estimated harvest quality and quantity. The system avoids skips and overlaps when harvesting, and ensures parallel tracking when working either in curved or straight tracks, on flat or undulating ground. Furthermore, single passes prevent excessive soil compaction. The system enables operations in dusty environments, in difficult weather conditions, and at night. The assisted driving system, if present, also provides for hands-free steering, thus enabling the operator to concentrate on maneuvering the apparatus. The data collected by the telematics system can assist in planning for maximum crop yields.

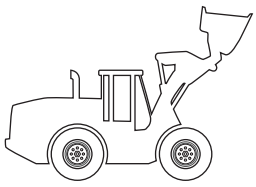


Case IH's Advanced Farming System™ (AFS) products are designed to maximize uptime and make the most of short field windows during critical seasons. In 2014, Case IH announced its new AFS Connect 2.0™. The system, which will become fully available in 2015, provides a simple, intuitive view of machine location and diagnostics, features maintenance and service alerts, and allows for two-way messaging between machine operators irrespective of location. Not only does AFS Connect 2.0 work on different types of equipment, it can also serve as a central unified system to monitor, control, and manage critical data for operations involving mixed fleets. Live Time provides AFS Connect 2.0 users with a real-time view of what is happening on the machine. With a reliable, consistent, one-minute data update rate, it supplies thirty minutes of Live Time streaming of the dashboard, per day per modem.

[2] *European Commission, White Paper, Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system, item33. /* COM/2011/0144 final */.*

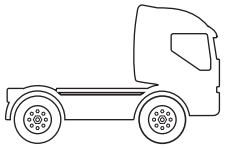
GLOSSARY
Euro VI;
Last mile

Additionally, the CAN Viewer provides another thirty minutes, per day per modem, of real-time visibility of machine performance data, also used for remote training and diagnostics. Moreover, users can send messages to the AFS Pro 700 control center via the system's web portal, which features a predetermined set of topics for easy operator selection. The browser interface is simple to use and accessible via desktop, laptop, tablet, or any other remote device. New Holland Precision Land Management® (PLM) also offers a full range of customizable precision farming solutions that help improve yields, control input costs, and increase productivity. Systems such as the IntelliRate® Section Control and Variable Rate Control are used to eliminate overlaps, increase yield potential, and reduce waste. Furthermore, PLM® Connect, provides a connectivity platform between central farm operations and the equipment fleet, enabling the remote monitoring of multiple machines via a web portal, either from a centralized office or from a tablet or smartphone device The settings of any given machine can be optimized via an online portal, and communicated to other fleet operators via the system's built-in messaging service. Another key aspect of PLM® Connect concerns actual equipment use: any machine within a fleet can be quickly examined, hence decreasing downtime and increasing performance, efficiency, and ultimately profitability. Despite being a 100% New Holland product, PLM® Connect is compatible with competitor products and with older machinery, which means that the system can be integrated into any existing fleet. New Holland's dealers see to the customization of PLM® Connect systems to suit individual customer needs, and PLM® End User training courses are provided to customers with more complex systems managing large or multiple fleets.



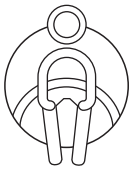
CNH Industrial has also devised an innovative telematics system for **construction equipment**, using a GPS satellite localizer for the remote monitoring of fleet equipment, identifying position and quantifying usage. This maximizes fleet distribution across construction sites, increasing efficiency and optimizing consumption and emissions. The GPS display installed in the cab provides the operator with most operation-critical data. The system enables positioning the equipment more accurately and reducing the amount of materials to be handled, thus cutting operating costs. It also allows monitoring vehicle status, facilitating maintenance and technical support.

In 2014, to further empower construction companies to improve productivity, run more efficiently, and decrease maintenance costs, Case Construction Equipment announced the introduction of its SiteWatch™ iPad app. Whether in the field, on the road, or on vacation, the SiteWatch app provides business owners and fleet managers with in-depth performance, productivity, and maintenance data, all conveniently delivered via iPad. The SiteWatch app provides actionable information to help manage fleet maintenance, optimize machine performance and use, lower fuel consumption and idle time, and lower total operating costs. SiteWatch employs an on-board communication device that monitors the machine's CAN-bus network, and transmits data to a designated user's web portal. New Holland Construction, on the other hand, launched its new FleetForce™ iPad app, delivering in-depth performance and productivity data via the iPad. This enables fleet managers who are temporarily in the field or away from their offices to run their fleets more efficiently, optimizing unit deployment and productivity, reducing maintenance costs, and improving security.



The IVECONNECT system, on the other hand, was realized for **on-road vehicles** to simplify and integrate infotainment, telephony, navigation, and driving assistance devices, as well as fleet management services. The ergonomic interface and the seven-inch touchscreen display make working on board safe, efficient, and comfortable. The system includes the Driving Style Evaluation software, which provides commercial vehicle drivers with real-time assistance to optimize fuel consumption. The system analyzes the signals and data transmitted by the propulsion system, vehicle, and GPS, sending them to the on-board display. It then provides an overall assessment of the impact of driving style on fuel consumption, as well as tips to reduce the latter. The fleet version allows for the remote assessment of fuel consumption associated with the driving style of each fleet driver. The navigator can automatically calculate the best route based on vehicle size and mass, and provide information on traffic conditions and on the nearest mechanic or dealer. Furthermore, if necessary, the system can connect to customer assistance with one click, and automatically provide useful information while receiving indications on the technician's estimated arrival time. The system is also connected to Driver Attention Support, which alerts the driver if tiredness is detected (see also page 211).

Supporting Responsible Use



CNH Industrial's focus on the customer is not just about the supply of products, but extends to the way customers use them. Indeed, using a product appropriately - whether for construction, farming, or transportation - significantly contributes to enhancing its efficiency and reducing emissions. Company brands therefore offer customers electronic systems, computer tools, and targeted training activities to ensure the most comprehensive knowledge of products and fuel consumption. Information on the safe use of CNH Industrial products and behavioral tips to optimize their use are available in every owner and maintenance manual supplied with each product (see also page 220). In addition to the manual and detailed information offered to customers by dealers, CNH Industrial provides additional training activities and dedicated support tools. In 2014, a total of 39,500 hours of training on the safe use of machines was delivered to agricultural and construction equipment operators.

In on-road vehicles, for example, an efficient driving style can save 5-12% on fuel at a given average speed. However, driving performance cannot be improved without comprehensive consumption information based on reliable data. In order to accurately quantify consumption, one must consider many factors, such as the vehicle and its components, driving style, road and weather conditions, vehicle run-in, maintenance, and load conditions. All of the above, along with the proper use of on-board devices and telematics, are systematically addressed by economy driving courses, known as **Iveco Driver Training**, held at Unetversity (see also page 219). The training courses are delivered by a qualified Driver Training team with an in-depth understanding of how to get the best from Iveco vehicles. The courses promote vehicle knowledge based on the ability to predict and anticipate typical driving situations on roads and motorways, providing professional drivers with comprehensive tips to improve driving style and reduce fuel consumption. Efficient driving is not only cost-effective, it also conveys a sense of responsibility to drivers, increasing their awareness and knowledge about vehicle mechanics and telematics supports.
Designed to benefit both drivers and fleet owners, Driver Training courses can be tailored to meet the needs of both, according to the mission and vehicle line, and are delivered both in classrooms and on the road. Indeed, they can be delivered to small groups directly at the locations of customers conducting daily missions, using their own vehicles and semitrailers. Programs, contents, and duration are flexible. Driver Training usually consists of:

- classroom sessions - face-to-face, practical, and interactive sessions focusing on the key factors that most affect fuel consumption. Their aim is to give drivers an in-depth knowledge of how to achieve the best driving style through the correct management of vehicle-related parameters based on various external conditions
- walk-arounds - at these sessions, participants *touch the iron*, learning how to perform the routine checks required to keep the vehicle roadworthy, and mastering the layout and deployment of vehicle components
- road tests - after acquiring the theoretical knowledge, drivers undergo an assisted road test to verify their actual driving style improvements. Following trainer instructions, the drivers learn hands-on about different fuel-saving driving techniques, according to mission and road morphology.

In 2014, Unetversity delivered 11,100 hours of driver training to key accounts, customers, dealer drivers, and Company demo drivers.

In addition to the driving courses, a **Driving Style Evaluation** system provides real-time assistance to commercial vehicle drivers to optimize fuel consumption. Based on algorithms that analyze the signals and data transmitted by the traction system, vehicle, and GPS, the system provides the driver with two indicators via the on-board display:

- an overall assessment of driving style impact on fuel consumption
- the main tips to reduce fuel consumption.

The Driving Style Evaluation system can be connected to the IVECONNECT FLEET telematics system. It also allows fleet managers to remotely assess the fuel consumption associated with the driving style of each fleet driver. Efficiency levels can be monitored via an advanced and easy-to-use telematics interface. The interaction between the driver, vehicle, and operating center allows all vehicles to be monitored, providing a real-time assessment of driving hours, fuel consumption, GPS position, and expected travel time. The customer benefits resulting from the IVECONNECT FLEET system include a reduction in total management costs while maintaining the same process efficiency.

In addition to training, CNH Industrial offers customers easy-to-use online tools, such as a calculator to quantify a vehicle's **Total Cost of Ownership** (TCO). New Holland Agriculture's **CarbonID™** calculator, independently certified, allows quantifying the carbon footprint of a farm's equipment fleet; by entering the cost of fuel and AdBlue, the tool also provides an estimate of actual savings. Meanwhile, Case IH offers an **SCR Fuel Savings Calculator**, i.e., an online tool to quantify savings in running costs achievable with SCR technology.
The hybrid buses by Iveco Bus and Heuliez Bus also feature a driver aid consisting of a highly visible indicator on the dashboard, which provides instant information on driving style and fuel consumption levels, and tips on how to optimize the regenerative braking energy to recharge the batteries.

GLOSSARY
Carbon footprint; SCR; TCO

PRODUCT ERGONOMICS AND SAFE USE

Keeping operators safe while they work has always been a key factor in CNH Industrial's product design and development (see also page 147). Indeed, the Company strives not only to set and comply with high safety standards, but also to direct its innovations according to users' understanding. The Company's products are used as work equipment, hence the simpler the interaction between operator and machine, the safer the task performed.

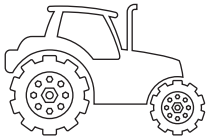
Furthermore, construction and agricultural equipment is often used under difficult conditions: steep slopes and extreme weather require products able to guarantee total safety and maximum comfort, minimizing the risk of human error caused by excessive fatigue. For this reason, all CNH Industrial products are designed to shift the user's focus from how a machine works to how a task is performed, combining ergonomics and comfort for increasingly intuitive and user-friendly controls. Spacious cabs, effective climate control, and Bluetooth-enabled radio systems for hands-free calls are some of the features that enhance working conditions for the operator. Significantly lower cab noise and vibration levels are also essential because they lessen operator fatigue, especially during long working days and on difficult terrain.

2014 STAKEHOLDER INTERVIEWS

> When innovation is truly **people-centered**, products will automatically be **safer**

C. Socol, *TechPro²* project, China

In the **Agricultural Equipment** segment, all CNH Industrial tractors are fitted with a Falling Object Protection System (FOPS) to protect the cab and operator from objects falling from above, which is a very common hazard when working with a front loader or in potentially hazardous areas. Tractors are also equipped with long-range video cameras, connected to the on-board display, that transfer rear and side view images of the tractor; this increases safety considerably when operating particularly large equipment or very long trailers, and avoids the need for the operator to continually turn around to check maneuvers. The owner and maintenance manuals include an entire chapter on the safe use of each machine (see also page 220).



In agriculture, safety is vital, not only when working in the fields, but also when travelling by road from one field to another. In this case, technologies such as ABS make tractors safer when on the road by enhancing brake performance, thus improving maneuverability and enhancing vehicle safety when working at an incline (see also table on page 211).

In 2014, New Holland Agriculture further enhanced the comfort levels of some of its tractors. For example, the New Holland Agriculture TD3.50 Series underwent a major upgrade, presenting a new fuel tank design. Safety, ergonomics, and styling were improved by separating the rear linkage and operator platform with a steel partition behind the seat. Ergonomics were enhanced by revising the layout of controls, moving the shuttle shift lever to the left of the steering wheel, repositioning the Lift-O-Matic™ and hand throttle controls for better comfort, and clustering the design of the draft and position controls, grouping functions for greater ease of use. The foot pedals were ergonomically redesigned and repositioned, the steering wheel was raised and tilted forward, and the seat was repositioned to improve operator posture when sitting. Stability was improved by the cast front-axle support, which is stronger and provides better weight distribution, together with the longer 2,057 mm wheelbase and the tractor's shorter overall dimensions.

Safe tractor parking is fundamental as operating conditions can include steep gradients of up to 45%. To this end, the mechanical park-lock is available in conjunction with the Dual Command™ transmission. This system, featured on T4 Medium and T4 LP tractors, prevents any forward or reverse creep when parked on steep slopes, even with a fully loaded trailer. To further enhance safety, it must be manually deactivated before driving can be engaged.

The best-in-class T4 PowerStar™ cab was further enhanced with the addition of an optional, dedicated baler bar, which is used to mount in-cab monitors such as those for balers and wrappers. Its position to the right of the operator puts it in the ideal line of sight during operations.

On the TD5 tractor, for maximum operator comfort, the layout of controls is now even more ergonomic and the new dashboard features vehicle speed and Power Take-Off indicators. The new exhaust position on the A-pillar provides fully unobstructed visibility, allowing the operator to work with even greater precision.

The very latest New Holland CR combine harvesters include the new Harvest Suite™ Ultra cabin, providing very high levels of comfort when harvesting. To further enhance ergonomics and comfort, the 3.7 cubic meter cabin is larger than its predecessor and has a fully redesigned interior. The new CommandGrip™ multifunction control handle is intuitive to use and allows fine-tuning the harvesting speed to optimize performance. The new control panel was designed to provide ergonomic and user-friendly controls.

The ultra-wide 26.4 cm IntelliView™ IV color touchscreen puts all key parameters at the operator's fingertips, and is mounted on rollers for comfortable positioning. A second, optional IntelliView™ display is available for greater information and data requirements.

GLOSSARY Ergonomics; FOPS; Stakeholders

GRI G4-PR1

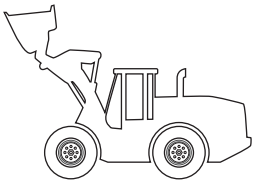
The new cab also surpasses previous models by offering 6.3 square meters of glass surfaces (7% more than previous models), that, combined with the floor sloping down into the front windscreen, give excellent all-round visibility and a clear view of the edge of the header. Three seat options are available to offer increasing levels of comfort: the standard, wide cloth-trimmed seat; the optional deluxe cloth-trimmed seat with heating and active ventilation; and the top-of-the-range leather-trimmed seat with extendable vertical travel and automatic weight adjustment. When harvesting continues into the night, the precision lighting package ensures a clear view of the entire header and of the field ahead. The auger light ensures unloading precision, while four rear work lights allow the operator to continue harvesting just as efficiently even after dark. Available HID and LED work lights enable long distance visibility.
The new Case IH Magnum Rowtrac tractors feature a restyled cab roof as well as new, better-positioned lighting packages, also found on the 2015 Magnum wheeled tractors, for reduced eye strain when working at night. The new lighting packages also offer optional LED lights at different intensities, including a 360° LED setup for superior nighttime operation.
The luxury cab in the Case IH Axial-Flow harvester provides an unrivaled working environment for the operator, featuring electronically-adjustable mirrors, generous storage space, a semi-active seat suspension option, and a refrigerated coolbox.

OUR PROJECTS

TAILOR-MADE PROTECTION KIT FOR FORESTRY APPLICATIONS

The new Steyr Multi tractor offers a new protection frame for forestry use, based on a modular concept that can be individually adapted to suit operating conditions. The levels of protection offered by the forestry frame are thus customizable, guaranteeing maximum safety for both operator and machine. The basic specification for forest work comprises a sturdy belly pan that protects the engine, transmission and rear axle, as well as the fuel and hydraulic oil tanks. The engine and hydraulic units are further protected by side guards. The cab frame is supported by four posts with reinforced mounting points. The new shatter-proof rear window is made of new materials that make the traditional protective grill unnecessary, and improves visibility of the rear working area, for example when loading or dragging logs. The optional contoured hood guard was completely redesigned, giving optimal all-round visibility and enough space to use an optional front loader with a log grapple. The basic model of the forestry frame is equipped with a detachable rearview mirror, movable steps, and steel cables serving as branch deflectors. In forestry operations, Nokian Multiplus tires are standard; they minimize ground pressure and damage to the forest soil during work.

The safe use of **construction equipment** is also greatly supported by ergonomics and comfort of use. With regard to passive safety, the cabs of all CNH Industrial brand models are supplied with a Falling Object Protection System (FOPS) against objects falling from above, and with Roll Over Protective Structures (ROPS) in the event of vehicle rollover. Additionally, the owner and maintenance manuals include an entire chapter on the safe use of each machine (see also page 220). Lastly, all potentially dangerous machine components are listed and decaled onto the side of the machine itself. Maintenance activities are performed from the ground, to minimize the risk of accidents.

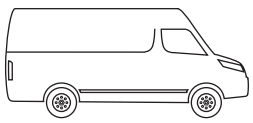


In 2014, Case Construction Equipment introduced the new F-Series line of compact wheel loaders. The new 21F, 121F, 221F, and 321F models feature increased attachment compatibility, new electronic controls exclusive to these models, and added cab comfort for improved machine performance and reduced operator fatigue. The two smaller units, the 21F and 121F, are available with two separate loader arm designs – a z-bar model for greater breakout force when using buckets and similar attachments, and a parallel lift arm for improved stability and balance when using forks and other lifting attachments for loading and transportation. All new F-Series compact wheel loaders feature exclusive new electronic controls that increase precision and reduce operator fatigue compared to mechanical controls. Using simple rocker switches and control dials, operators can increase engine speed and other operating parameters without affecting travel speed. This improves performance and productivity when using attachments such as cold planers and brooms, which require low travel speeds and high RPMs. All four models also feature the Case Automatic Ride Control feature, previously available only on larger machines, which engages at higher speeds to reduce spillage and machine looping.
New Holland Construction's 200 Series skid steer loaders and compact track loaders offer the anti-bounce Glide Ride option, which prevents the arm from bouncing when traveling, ensuring the bucket stays full even on rough terrain, thus enhancing operator comfort. The optional self-leveling system provides increased attachment control since the bucket stays parallel to the ground during loader-raising operations, preventing material spillage and improving precision when handling loads.

GLOSSARY
Ergonomics; FOPS; LED; ROPS

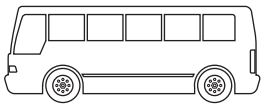
The 200 Series cab is designed for best-in-class comfort and outstanding all-round visibility, allowing the operator to work with confidence and get more done in less time. The low threshold offers an excellent front view, while the large side windows give the operator full control over the machine and the critical areas of the wheels and tracks. The rear window is even larger than before, providing, along with the Super Boom® design, unobstructed rear visibility. For improved safety, the ample roof window provides a clear view of the bucket at full extension. The sophisticated design of the 200 Series enables simple, intuitive maintenance, even on the models with advanced Tier 4 engine technology. Since the main service points are grouped and easily accessible at ground level, daily maintenance operations can be completed quickly and efficiently. The boom can be locked in the upper position from inside the cab, allowing such operations to be carried out safely. Moreover, the cab is automatically locked when tilted, ensuring the operator's safety.
The new M-Series line of dozers offered by Case Construction Equipment feature a cab-forward design with floor-to-ceiling glass doors for industry-leading visibility, right down to the blade. A sloped hood and the operator's position in the cab provide excellent ground visibility in front of the machine. Moreover, the M-Series features a sealed and pressurized cab minimizing the presence of dust and other materials in the operating environment. A significant noise reduction compared to previous models, down to 75 dBA, lessens operator fatigue, while additional features, such as the factory-installed radio and environmental controls, make this Case's most comfortable dozer cab.

As with all Case Construction Equipment machines, all service and maintenance points in the new CX350D hydraulic excavator are easily accessible. The new operator environment also features one of the largest monitors in the industry, giving operators real-time access to important performance parameters, such as fuel consumption, hours of operation, and machine data. It also features a camera for optimal job-site visibility and operator awareness.
The DV209 and DV210 high-frequency asphalt compactors feature a new and spacious operator environment designed to give operators better work visibility, while the intelligent positioning of controls and monitors makes the machines easier to control. A new operator station capable of turning and sliding across the entire width of the cab gives the operator visibility of the drum surfaces, edges, and spraying bars. Large front and rear mirrors (with optional enclosed cab configuration) help ensure optimal visibility. The new DV209 and DV210 also feature a color monitor conveniently located in the center of the steering wheel to give operators easy access to important operational information, as well as controls for speed, frequency, vibration, and sprinkler adjustments. The monitor remains in the same position even when the steering wheel is rotating, for easy reading and control.



Great care went into comfort in the **New Daily**, *Van of the Year 2014*. The interior of the cab was completely redesigned to make life on board more pleasant. The instrument panel was also redesigned to improve vehicle ergonomics, while the position and feel of both seat and steering wheel are comparable to that of a car. All controls and storage compartments are easily within reach, including five enclosed storage spaces and three cup-holders, plus purpose-designed compartments for everyday objects such as cellphones and tablets. Sound-absorbing materials improve cabin soundproofing, and the air conditioning is more efficient to optimize the quality of life on board whatever the load or mission.
Additionally, the IVECONNECT platform offers the driver a complete range of infotainment and telematics with radio, MP3 player, Bluetooth®, rear view camera, and navigator, activated via a touchscreen built into the dashboard. The vehicle's loading platform is 55 mm lower, making loading and unloading quick and straightforward.
The New Daily meets even more stringent safety standards: in addition to the standard Electronic Stability Program (ESP), the van now features a Lane Departure Warning System (LDWS), shown to be very effective in preventing accidents caused by distraction or dozing off at the wheel. The New Daily is also equipped with a pushbar and side protection bars for total protection, developed to improve active and passive safety for vehicles and pedestrians alike in the event of impact.
The new generation of Daily Minibuses offers all the advantages of the New Daily, but in four different versions for four main types of mission: long distance, tourist, urban, and school. The driver can depend on reliable safety systems, such as ESP and LDWS, and on a drive and level of comfort similar to a car. The new seat with lower H-point and a smaller steering wheel enable better vehicle handling. The new modern design guarantees passenger comfort, even on long-distance journeys, with an improved air conditioning and circulation system and factory-fitted air suspension.
The new Daily Camper provides the ultimate comfort however long the trip. The ergonomic position of both seat and controls, the adjustable steering wheel (45 mm longitudinal adjustment), and features such as cruise control reduce driver fatigue and aid concentration. Wide-angle visibility, both via the windshield and the large, wide-angle rearview mirrors, ensures the highest safety standards while driving, even with large motorhomes. Further comfort comes from the electronically-controlled air suspension on the rear axle, providing excellent shock absorption for a quiet and stable drive.

GLOSSARY
Ergonomics; Tier



Through its advanced technology and meticulous design, **bus** and **coach** manufacturer Iveco Bus ensures drivers and passengers industry-leading levels of safety. The brand's ongoing research and development has resulted in the production of vehicles that surpass safety standards and regulations.
Passive safety is reinforced by the robust bodywork acting as a safety cell in the event of vehicle overturn, in accordance with European Directive R66, and by the design of the passenger compartment, which was developed to reduce the risk of injury, and that integrates three-point seatbelts in all exposed areas. Additionally, the integrated independent front suspension with independent front wheels guarantees outstanding road grip and perfect directional stability, and minimizes vehicle pitching and rolling. Moreover, coaches for school transportation are fitted with an alcohol ignition interlock that requires the driver to exhale into a breathalyzer before the vehicle can be started. Numerous state-of-the-art features (see table below) ensure high levels of active and preventive safety.
Furthermore, the driver's field of vision on all Iveco Bus buses and coaches is entirely unobstructed thanks to large panoramic windshields and safety equipment enabling the continual monitoring of the vehicle's peripheral areas. External heated and electronically-controlled mirrors, an additional wide-angle mirror on the right-hand side, and a rearview video camera positioned behind the vehicle are all available as optional. For urban mobility, Iveco Bus launched an Urbanway with a special focus on the driver area, developed as per the latest standards (such as the UITP-recommended *European Bus System of the Future* (EBSF) and designed to enhance ergonomics, comfort, and safety. The Urbanway's driver area is 46 centimeters above ground level, which provides unique benefits such as long-distance visibility above passenger car level for safety, as well as an elevated position compared to bus passengers ensuring eye-to-eye contact for security purposes.

ADVANCED DRIVER ASSISTANCE SYSTEMS (ADAS)

			Light Range	Heavy Range	Bus	Tractor
ACC	Adaptive Cruise Control	ensures a safe distance from the vehicle ahead via a radar located on the front bumper, and automatically triggers the brakes when the safety distance is not maintained		✓	✓	
ABS	Anti-lock Braking System	allows the wheels on a motor vehicle to maintain tractive contact with the road surface according to driver inputs while braking	✓	✓	✓	✓
AEBS	Advanced Emergency Braking System	alerts the driver to a potential collision and automatically activates the brakes to help prevent impact or reduce impact speed		✓		
ASR	Anti-Slip Regulation	optimizes traction and directional stability under acceleration	✓	✓	✓	
BAS	Brake Assist System	reduces stopping distances and increases braking force in emergency situations. It also incorporates ABS, ASR, and EBL		✓	✓	
-	Bi-Xenon headlights	improve night time visibility		✓	✓	
DRL	Daytime Running Lights	low-power position lights that remain on during transit ensuring maximum vehicle visibility	✓	✓	✓	
DAS	Driver Attention Support	continuously monitors the driver's attention level. It processes steering wheel movements and, should any drowsiness be detected, alerts the driver with an acoustic or visual warning		✓	✓	
EBL	Electronic Brake Limiter	automatically varies the amount of force applied to each vehicle brake	✓	✓	✓	
ESP	Electronic Stability Program	corrects the vehicle's trajectory in case of loss of steering control	✓	✓	✓	
HH	Hill Holder	provides assistance when starting a vehicle on an incline, preventing it from rolling backwards for a few seconds after the foot brake is released	✓	✓	✓	✓
LDWS	Lane Departure Warning System	alerts the driver when the vehicle moves out of its lane if the turn signal is not in operation	✓	✓	✓	
TPMS	Tire Pressure Monitoring System	continuously measures tire pressure in each of the vehicle's wheels, monitoring it from the dashboard		✓	✓	

GLOSSARY
ADAS;
EBSF; Ergonomics

CUSTOMIZING FOR EMERGING MARKETS

DMA

As evidenced by the materiality analysis, both CNH Industrial and its stakeholders believe in the strategic value of the Company's activities in Emerging Markets. Stakeholders have numerous, high expectations of a global company such as CNH Industrial; they expect it to be an example of good practice and to provide guidance in developing regions.

CNH Industrial adopts the same standards and management systems across all countries in which it operates. Indeed, the WCM management system has been implemented at all 14 plants present in Emerging Markets. However, some aspects are managed according to the specific needs of local economies. These regional differences and market-specific aspects were evidenced by the materiality analysis, and will be considered within their regional context in order to give each the appropriate emphasis and provide a balanced overall picture.

A significant example of such differences can be found in the guidance CNH Industrial provides to local suppliers: from requesting the adoption of a code of ethics in defense of social issues, to working towards the best possible management of production sites through the dissemination of the World Class Manufacturing program (see also page 162). In parallel, the Company also promotes or actively participates in projects aimed at developing local communities (see also page 114), such as youth training projects, which have a dual purpose: to develop technical professionals for the Company itself or its service network, and to give young people the professional skills required by local labor markets (see also page 121).

2014 STAKEHOLDER INTERVIEWS

> Adapting existing products to local requirements is never as effective as designing new products that specifically address those requirements

L. Corrêa Carvalho, Associaçao Brasileira do Agronegócio, Brazil

As for products, CNH Industrial's approach is to meet market demand by offering products that are best suited to customer requirements; therefore, when necessary, some product lines are modified or entirely redesigned on site to better meet customer needs. To this end, CNH Industrial has set up research centers in Brazil, India, and China (see also page 137), which actively participate in knowledge development and technology transfer within the Company. These R&D centers, which are managed by the Product Development and Engineering function, endorse local talent-hiring as well as knowledge sharing, which occurs mainly through web platforms and IT systems.

Furthermore, Regional Operating Groups were created under the same function to develop products that specifically meet local needs in terms of technical requirements, assisted maintenance, and lower costs.

In July 2014, CNH Industrial built and inaugurated a new manufacturing complex in the same area as its previous assembly plant in the province of Heilongjiang, **China**. The vertically integrated production site features the latest fabrication technology and two state-of-the-art painting facilities. Automated Guided Vehicles are used to assemble and test finished products, so as to guarantee the highest quality standards. Within the complex is a Customer Center with a spacious showroom to provide support to dealers. In addition, there is a Research & Development Center, opened in September 2013, which has a dedicated outdoor test track and also houses the engineering team tasked with designing components and modifications for the domestic market. These facilities are complemented by the nearby Spare Parts depot and Training Center. The new manufacturing plant will produce a wide range of product lines: seeders, tractors, combine harvesters, and corn pickers, along with their headers, balers, and hay tools. It will host a complete line of equipment for the full mechanization of corn, wheat, soybean, and hay production cycles. Most of these products will be adapted for local conditions or entirely developed for the Chinese market.

In 2014, Case IH launched the Axial-Flow 4000 Series combines, designed to suit the specific needs of Chinese farmers and offer premium comfort, high capacity, and the unsurpassed grain quality consistently delivered by Axial-Flow technology. The two models, Axial-Flow® 4077 and 4088, are produced through global sourcing at the manufacturing site recently opened in Harbin, providing Chinese farmers and state farms with locally manufactured, first-class harvesting solutions.

CNH Industrial has a long tradition of actively contributing to the development of **Indian** agriculture, particularly through New Holland Agriculture's advanced products and high quality services, aimed at enhancing the efficiency, productivity, and prosperity of local farmers. In September, New Holland Agriculture launched the latest Excel series tractor, the 6010. Fitted with a 60HP 8000 series turbocharged engine, the Excels are expected to satisfy the more demanding requirements of Indian farmers, such as for higher horsepower tractors to further increase their productivity. New Holland launched the new tractor in Punjab, India's largest producer of wheat and a major rice producer. In 2014, Case Construction Equipment launched the new 96 horsepower 851 EX Backhoe Loader on the Indian market.

GLOSSARY
Emerging Markets; DMA; Stakeholders; WCM

GRI
G4-DMA

Designed and manufactured at the Pithampur plant, this backhoe loader is the most powerful model available in India, and ranks first in the three-model range that also includes the 770 EX and 770 EX Magnum. The reliable and reputable 96 horsepower 8000 engine, developed by Case's partner FPT Industrial, delivers powerful performance and fast response time, enabling operators to maximize productivity. Coupled with exceptional fuel savings (up to 13%) resulting from the air aftercooler system, this makes the 8000 series the most fuel-efficient engine on the market. The load sensing hydraulic system delivers maximum power where needed, while the simultaneous operation of the hydraulic receivers maximizes productivity and minimizes fuel consumption. The hydraulically-shifted clutches enable the operator to change direction and travel speed during operations, while the control valves deliver smooth shifts in speed and direction, resulting in seamless and accurate maneuvers.

Case Construction Equipment also upgraded its compactor line-up with the introduction of the 1107 DX vibratory soil compactor, now also available in **Africa** and the Middle East. This improved model is available in three configurations to meet every surface compaction need, and offers high performance and reliability, excellent productivity, an easy-to-service package, and extended operating life even in the most extreme conditions. The 1107 DX vibratory soil compactor offers high levels of operator comfort and safety. The operator cab is accessible via a 4-step ladder; a new two-post canopy structure enhances front and side visibility, while the redesigned tilting engine hood facilitates rear visibility. A front guardrail offers full protection against falls, while the easy-to-read instrument panel is completely sealed for better protection and features warning lights for clogged filters. The 90° rotating seat allows the operator to control both the rear wheel and front drum, and is well-suited to jobs requiring multiple forward and reverse passes. Finally, daily and regular maintenance can be performed at ground level thanks to the ease of access to all vehicle service check points.

In **Brazil**, Iveco Bus is known for its public transport solutions. These include models mounted on a chassis specifically designed for the Brazilian market to meet the demand in the 17-ton vehicle segment, one of the fastest growing in the country due to the renewal of public transit fleets in large cities. The 170S28U chassis is manufactured on a dedicated product development platform established for the bus and coach segment at the Iveco Sete Lagoas plant (Brazil). The two configurations available, urban bus and charter/intercity bus, offer transport operators greater flexibility during missions.
Moreover, Brazil's government chose Iveco's CityClass for its *Caminho da Escola* program, which provides school transportation for children, especially those living in rural areas. In collaboration with Brazilian company Neobus, the Commercial Vehicles segment developed a new school bus by updating its Daily 70C CityClass according to specific federal government requirements (including on price). The new features include 29+1 or 36+1 passenger seats, depending on the wheelbase, a modern and streamlined exterior, more spacious interiors, and greater passenger comfort. In addition, the drive system was specifically designed for Brazil's rural roads.
Another new model launched onto the Brazilian market by Iveco in 2014 was the medium range Tector 150E21 Economy 4X2 truck, designed, developed, and manufactured at the Sete Lagoas plant (Brazil). The model marked the launch of the Economy generation, featuring more efficient propellers, which give the new Tector the most power and torque in its class, and 15% more fuel savings than the segment sales leader. The vehicle maintains the traditional robustness of the Tector family. With a maximum allowable weight of 15,400 kilos, it has a rigid chassis and is compatible with any additional equipment.

FOCUS ON

COLLABORATION WITH THE BRAZILIAN GOVERNMENT

Once again, the Brazilian Government renewed its partnership with New Holland Agriculture for the *Programa Trator Solidário* in Paranà. The program, started in 2007, aims to give small producers access to agricultural mechanization by offering products at lower-than-market prices, with savings of up to 16-18%. The machines offered by the brand in 2014 included the TT 3840, TT 3840F, and TL 75 tractors and the TC5070 combine. The program offers particularly good value for group purchases among three or four producers. New Holland Agriculture is a long-standing partner of the project, and the only one accredited by the local government, because its products are particularly suited to Brazil's geographic characteristics and to soybean and wheat harvesting.
Additionally, Case Construction and New Holland Construction are involved in the *Programa de Aceleração do Crescimento* (PAC) to promote growth acceleration. The PAC is a major infrastructure program of the Brazilian federal government, essentially focused on improving Brazil's infrastructure through a variety of means.

PRODUCT QUALITY CONTROL

DMA

Stakeholders identified product quality as one of the key elements within the capital goods sector, emphasizing the impact of inefficiencies on the perception of both product quality and reliability. Furthermore, product safety and quality are clearly considered as priorities, to avoid product recall and reputational damage and to improve competitiveness. In order to overcome inefficiencies, stakeholders suggested assessing the manufacturing process through quality control and specific key performance indicators (KPIs).
Product Quality Control at CNH Industrial cuts across all Company departments and business segments and impacts all stages of the product's life, from conception to after-sales management. An effective quality system helps to improve product behavior and performance during usage to maximize customer uptime expectations in the field, and is an important factor to drive customer loyalty and increase the Company's competitiveness. At CNH Industrial, the robustness of the quality process is supported by the adoption of a quality system compliant with standards such as ISO 9001 or ISO TS16949, aiming to ensure and drive the continuous improvement of processes, products, and services through clear targets, responsibilities, and monitoring indicators (KPIs).

Activities concerning quality are overseen by the Quality and Product Support function, led by the Chief Quality Officer, permanent member of the Group Executive Council. The function's mission is to:
- ensure product quality throughout the entire product life cycle
- maximize the input of qualitative knowledge of product behavior into new product development processes (proactive approach)
- drive consistency of quality processes and methodologies across all brands and Regions
- optimize results, improving efficiency and speed in providing end user support to meet customers' quality expectations.

PRODUCT QUALITY LIFE-CYCLE PROCESSES

The Quality function sees that all quality aspects are built into the product life-cycle, with a focus on:
- New Product Quality - by supporting new product development phases through a proactive problem prevention approach
- Current Product Quality - by monitoring product behavior in the field and defining priorities that support solution development and enable verifying efficiency
- Supplier Quality - by ensuring the flawless launch, seamless production, and quality excellence of purchased components
- Manufacturing Quality - by setting quality targets based on benchmarking and performing end-of-line audits from a customer perspective
- Quality Systems - by ensuring central coordination, operational execution, and monitoring through the established methodology standards of the Company's quality management system.

Responsibility is shared across Production, Manufacturing Engineering, Quality, Purchasing, and other brand functions, to ensure the intrinsic quality of all product-related processes while promoting process improvements, flawless execution, problem solving, and decision making.
In addition, Quality Control is one of the ten technical pillars of World Class Manufacturing (see also page 166), whose objective is to maintain high quality standards throughout manufacturing processes. The pillar focuses on achieving Zero Defects, through quality root cause analysis, countermeasures, and performance checks to then standardize and expand improvements throughout the production process.

GLOSSARY
Audit; DMA; ISO 9001; KPI; Stakeholders; WCM

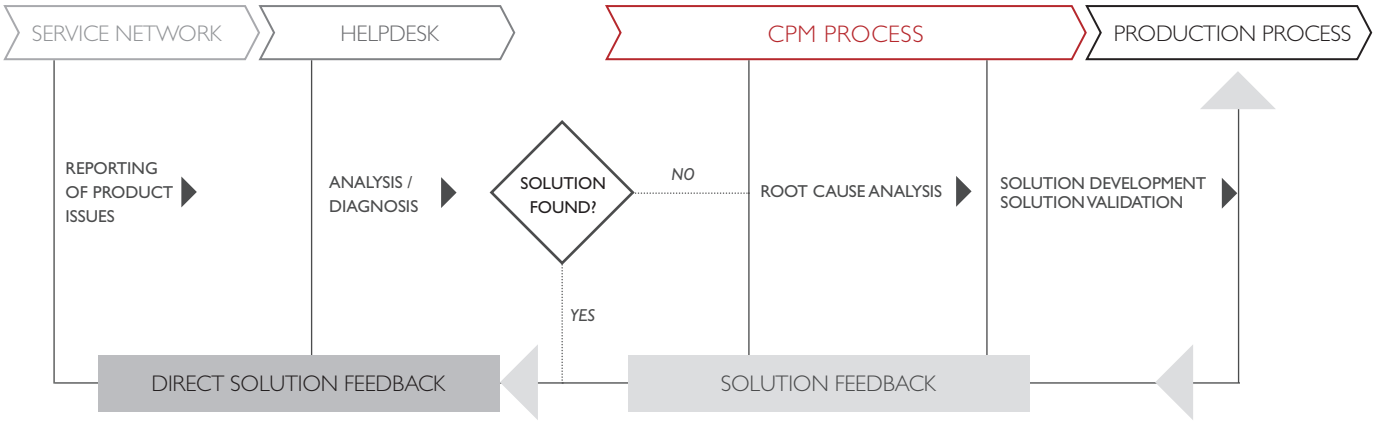
GRI
G4-DMA

Quality control is based on the ability to monitor and measure key quality performance indicators of the production process. The Quality Assurance Matrix is one of the tools available to guide the process of identifying the most critical areas of improvement. A detected defect is proactively removed from the next process step. One of the main KPIs monitored consists of Customer Quality Audit results, based on the testing performed during the product validation process to validate customer usability. Another important source of information is the Pre-Delivery Inspection procedure, carried out prior to vehicle registration to ensure the customer receives a quality-assured product.

CURRENT PRODUCT MANAGEMENT

Global Product Development (see also page 146) ends with the achievement of the Ok to Ship milestone, which authorizes the shipment of finished products to sales and service networks. The first few months thereafter are known as the Early Warning phase, in which a specific team is appointed to focus on and quickly assess product performance by collecting feedback from the service network and internal support functions, in order to implement required improvements quickly and effectively. After this initial period, the product is considered as current and its quality control and performance monitoring continues under the responsibility of the Current Product Management (CPM) process.

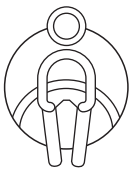
CURRENT PRODUCT MANAGEMENT PROCESS



At CNH Industrial, CPM is a systematic business process designed to maintain and improve the product throughout its full production life. The CPM team includes representatives from Quality, Engineering, Parts, Purchasing, Manufacturing and Brand Service, providing resources and expertise. The team has the responsibility to review all product information channeled to CPM from various sources such as: customer visits, dealer reports transmitted via product support tools, warranty claims information, and quality reports from manufacturing units and suppliers. Any product issue reported is analyzed and managed systematically in order to supply speedy technical resolutions to the production platforms to improve product design or fine-tune assembly methods, so as to meet customer needs and prevent any issue recurrence. The process is tracked through ad hoc tools.
The steps to resolve issues are in line with the industry's standard problem-solving process, and can be summarized as follows: secure a clear issue statement, confirm ranking and root cause, develop and validate a solution and finally, implement the solution on new models at the factory, as well as develop a service solution, if needed. The main performance indicators for CPM are Time to Fix (speed of resolution) and No Post-Fix Issues (solution effectiveness).
Resolution feedback is promptly provided to dealers through structured communication channels, to enable them to fully support customers using the product in the field. The customers' perception of quality is also monitored through recognized tools such as VQS and HTS Surveys (T&B) and internally-driven Quality Tracking surveys.

GLOSSARY
Audit; KPI

RECALL CAMPAIGNS



The decision to launch a recall campaign, also known as a Product Improvement Program (PIP), is made by the CPM team, considering both technical factors and the impact on customers. The CPM team evaluates the safety aspects of every PIP by using methods such as the Safety Risk Assessment tool. Based on the index obtained, the CPM team defines whether to launch a specific safety recall campaign. Once a recall campaign has been approved and prepared for launch, it is released to the network via the Quality and Product Support structure that, together with Brand Service and Parts and Service, ensures a rapid completion to minimize customer impact and to maximize customer vehicle availability.

The central Quality function coordinates the implementation of recall campaigns. When the need for a recall campaign has been identified, the functions that interact directly with customers are engaged, including the various brand managers and dealers. During recall campaigns that require vehicle repair, CNH Industrial utilizes different programs to inform customers through various channels on the interventions involving their vehicles. The Best Service Program, for example, is a tool for managing campaigns that are particularly sensitive due to the Region or product type. The program offers centralized support to dealers and other commercial entities, and fosters customer loyalty by reducing vehicle downtime at repair shops. A central call center coordinates activities and keeps both customers and dealers informed while ensuring spare parts are supplied as promptly as possible.

NUMBER OF RECALL CAMPAIGNS (PIPs)

CNH INDUSTRIAL WORLDWIDE (no.)

	2014	2013	2012
Mandatory campaigns	**155**	247	108
Safety campaigns	**15**	38	23
Total Products	**170**	285	113

2014 RECALL CAMPAIGNS (PIPs)

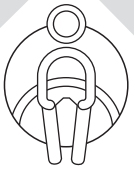
CNH INDUSTRIAL WORLDWIDE (no.)

2014	**Mandatory campaigns**	**Safety campaigns**	**Total**
Agricultural Equipment products	64	5	69
of which units involved	52,725	6,630	59,355
Construction Equipment products	30	1	31
of which units involved	13,793	195	13,988
Commercial Vehicles products	61	9	70
of which units involved	127,419	28,237	155,656
Total Products	**155**	**15**	**170**
Total Units	193,937	35,062	228,999

OUR PROJECTS

INCIDENT REPORT

Ensuring CNH Industrial customers safe and reliable products is a key aspect for the Company, so much so that the Quality Control System process includes a Reporting Procedure for Product Safety Problems that enables both the service network and all employees to report any product safety issues found. In a dedicated section on the Corporate Intranet, employees can report incidents involving one of the Company's brand products. The reports received are analyzed by the CPM team in line with the CPM process. In addition, to speed up the reporting of potential safety problems, the service network is provided with appropriate Incident Reporting Guidelines.



GRI G4-PR2; G4-PR4

DEALER MANAGEMENT

2014 STAKEHOLDER INTERVIEWS

> Having a service network that gives proper care to the people in its organization is key to a company's success

C. Socol, *TechPro*[2] project, China

CNH Industrial is aware that the dealer and service network provides a gateway for communication between the Company and its customers. Dealerships interact every day with the customers who use CNH Industrial products in their work, who need advice on the best purchasing options and assurance that they are investing the right amount on a product that best meets their business needs. This relationship must be one of mutual trust, so that CNH Industrial customers may rely on timely assistance and on as little downtime as possible, especially in agriculture where harvesting and sowing cannot be postponed.
The dealer network is managed by Region and by brand, with adequate structures in place to meet the needs of local markets. The dealer and service network is required to meet CNH Industrial's quality standards, which are verified periodically, and to adopt the Company's specific dealership development programs. The main goal of these programs is to enable dealerships to offer the best possible service to its customers, and to foster the creation of a stronger and more competitive dealer network, thus contributing to their growth.
In 2014 a new Compliance Helpline was established to address questions and concerns regarding CNH Industrial principles, as outlined in both the Code of Conduct and in other Corporate policies, and applicable laws; the Helpline is managed by a third party and is also available to entities outside the Company (for further information, see also page 57).

DMA

DEALER NETWORK[a]

CNH INDUSTRIAL WORLDWIDE (no.)

		2014
Agricultural Equipment	Full-line dealers	2,700
	Point of sale	6,600
	Proprietary dealerships	3
Construction Equipment	Full-line dealers	600
	Point of sale	1,500
	Proprietary dealerships	4
Commercial Vehicles	Dealers	639
	Proprietary dealerships	20
	Branches	13
Powertrain	Full-line dealers and points of sales	93

(a) *For each segment, the number of dealers was calculated by brand.*

DISTRIBUTION NETWORK QUALITY MANAGEMENT

Detailed quality standards are set for each brand and specified in the guidelines enclosed with the contract that each dealership signs when admitted into the Company's dealer network. These standards mainly concern:

- dealer identity
- sales
- service
- parts.

The identity section provides information on managing the physical appearance of the dealership, including posters, interiors, and staff uniforms. For all other aspects (sales, service, and spare parts), there is a detailed list of required facilities (meeting rooms and customer parking areas), compulsory equipment (Information Technology and a workshop), and the personnel expected. The equipment and KPIs to be monitored for each line of business are specified as well (response time in the event of downtime, recall campaign management procedures). The guidelines also concern the training of dealership personnel, indicating the number of hours and types of courses that CNH Industrial will provide for each professional profile (see also page 219).
The admission of a new dealership into the dealer and service network of a CNH Industrial brand requires an Electronic Network Action Approval Form (eNAAF). In order to be approved, the eNAAF must receive a green light from the Dealer Network, Region Sales VP, Service, Parts, CNH Industrial Capital, and Legal representatives, and possibly from other CNH Industrial legal entities should the dealer be interested in selling more than one brand. Once the contract is signed, Network Development and dealer agree on a start plan that defines the timing of all standards to be achieved, while the commercial area and dealer agree on a sales business plan.

GLOSSARY
DMA; KPI; Stakeholders

GRI
G4-DMA

Different contacts are assigned to new dealerships entering the CNH Industrial network, to provide guidance according to their areas of expertise:

- sales
- service
- spare parts
- CNH Industrial Capital
- network manager.

In addition, dealers may request the support of the Training function that follows the relevant market, and access many online courses specific to different dealership positions via the Training area.

The contacts, who visit dealerships regularly, are also responsible for communicating any changes in quality standards based on their area of competence, and for establishing a schedule for dealership compliance.

The dealer network is involved in regular events aimed at involving and providing the sales force with updates on quality standards.

For any non-compliance identified during an audit, an action plan is established and monitored through follow-ups (see also page 219).

In parallel with the quality standards set by the brands, CNH Industrial strongly encourages dealerships to pursue international quality standards, such as ISO 9001: 2008 for quality system management, and ISO 14000 for environmental management.

Dealer Portal

Once the contract is signed, the dealer's admission to the dealer and service network is codified, which entails the creation of a user name and the provision of credentials to access the Dealer Portal.

This web portal connects the global dealer network to CNH Industrial, and provides the tools to manage sales and after-sales. The Dealer Portal allows dealers to:

- order information material
- configure a vehicle and draw up a quote for the customer
- enter purchase orders
- download owner and maintenance manuals
- register new vehicle warranties
- order spare parts
- obtain technical information for repairs
- receive authorizations to perform warranty repairs
- receive information on recall campaigns.

All activities related to the technical management of products are overseen by Quality, which manages the Contact Management System (CMS) tool, accessible via the Dealer Portal. The CMS is the primary support system for any dealer facing an issue with a vehicle or a machine, through knowledge search or technical helpdesk requests. The CMS allows Quality to collect field information and to identify and solve global product issues in a timely manner, hence reducing warranty costs and improving customer satisfaction. The System provides extensive technical information on all products, and specifies how to perform repairs and which tools to use (tools and diagnostics). It also contains Service Bulletins illustrating how to address recurring problems and recall campaigns (PIPs), and a repair history for each vehicle or machine. The service network can therefore access specific technical information on repairs and receive authorizations to perform warranty repairs in real time. Furthermore, the CMS can identify the frequency of defects evidenced during interventions and provide the CPM Team with the information needed to immediately launch a recall campaign (see also page 216).

Geomarketing is another tool used by CNH Network Development to monitor the performance of dealerships in their respective areas of reference. The tool was rolled out to Agricultural Equipment brands in 13 countries, and to Construction Equipment brands in four. The tool can be accessed by CNH Industrial and dealers alike, allowing them a reciprocal exchange on potential growth and on specific performance within their area of reference.

Audits and Incentives

The dealer network is audited yearly, either by CNH Industrial, external agencies, or by the dealership itself through self-assessments. The audit checklist covers three main areas: sales, after-sales, and spare parts, as well as specific aspects for each of these areas. Dealerships are evaluated on: competitiveness, organizational structure, financial sustainability, customer service and satisfaction, visual identity, equipment and operations, administration and marketing, sales, spare parts, and training participation.

The programs implementing dealer quality standards are monitored and managed via a dedicated system known as AssessNet-NAT (Network Assessment Tool). This system is used by all CNH brands in the EMEA Region, and Iveco will join the program in 2015 using the same CNH platform. The AssessNet-NAT software manages information on all CNH Industrial brand dealers and sub-dealers, allowing each company to continually monitor their compliance with required qualitative standards, while overseeing the measures planned to meet them. The system also collects information on every dealership network audit performed and respective results. After analyzing dealer performance, the system provides an action plan to help improve the weaknesses evidenced by audits. Audit results determine dealership access to the incentive programs established by the relevant brands.
In fact, every CNH Industrial brand implements incentive programs that are developed in line with global market strategies, but tailored to meet specific local and regional needs. The main objective of these programs is to foster business growth among dealerships and the best possible customer service. Some of these programs, such as Case IH's *Red Excellence Program* and New Holland AG's *Top Partner Program*, establish different levels of compliance, offering the highest achiever among dealerships an opportunity to partner with the brand.

DEALERSHIP TRAINING

The Company believes it is very important to build the skills and know-how of all dealership personnel. This is why, every year, it designs and runs special training programs for technicians, sales people, and after-sales staff, tailored to the strategies and needs of the brands. Training courses are designed to develop and capitalize people's product knowledge, managerial skills, and technical know-how, and to raise awareness of a Corporate identity built on standards of excellence.
To meet dealer and service network training needs, CNH Industrial created Unetversity, a dedicated training facility to enhance the knowledge and expertise of its dealers. Unetversity's training approach aims at improving the dealer network's know-how and ability to meet customer demands, from offering products that meet their actual needs, to performing repairs in a timely fashion.

Unetversity offers customized solutions consistent with current market conditions, and a wide range of training activities in the languages spoken by dealers and customers. Training courses are provided in many forms, from traditional classroom lectures to online, face-to-face, or virtual training. Training methods are chosen by the users, and courses are calibrated according to their actual needs. Moreover, all educational material is designed to be shared with customers as well, as a tool to be integrated into daily work management.
In addition to training on innovative products, emissions reduction, and cutting-edge services to meet customers' every need, Unetversity also provided Driver Training courses, especially to Iveco dealers, teaching how to drive vehicles flawlessly (see also page 207). In 2014, Unetversity provided 90,200 hours of commercial training, for a total of 288 courses available in 19 different languages, across the Commercial Vehicles segment in the EMEA and APAC Regions.
Furthermore, over 295 thousand hours of technical training were delivered on vehicles and major units launched during the year.

GLOSSARY
Audit; APAC
EMEA

PRODUCT INFORMATION

DMA

CNH Industrial is well aware of customers' need for as much information as possible on the product they are about to purchase, and the Company makes such information available through a variety of channels: brand websites, call centers, the dealer network, and the owner and maintenance manual.
The dealer network plays a vital role in customer relations. Dealerships are, in fact, the main point of contact customers turn to when making a purchase, for scheduled maintenance, and for all service requests. The service network is consistently involved in training on safe and correct product use, encouraging good practice among customers (see also page 219).
In addition, brand websites offer customers specific tools to assess the environmental impact of products, by calculating, for example, the Total Cost of Ownership (TCO) of a road vehicle, or the carbon footprint of an agricultural fleet (see also page 207).

OWNER AND MAINTENANCE MANUAL

Each product sold comes with an owner and maintenance manual, through which CNH Industrial provides key product information to customers, and that is in every respect an integral part of the product itself. The manual provides extensive information on safe use and on behaviors to minimize environmental impact, such as the correct disposal of lubricating oils and additives, and efficient product use to reduce consumption and pollution.
The manual contains comprehensive information on:

- product identification data
- product functions (start-up and operation)
- correct product maneuvering
- safe product use
- human-machine interactions (controls and devices)
- on-board equipment
- technical features
- checks and routine and scheduled maintenance
- product approval standards (emissions, noise, electromagnetic compatibility, etc.)
- instructions for biodiesel use, if applicable
- safe product transportation (for off-road equipment).

Owner and maintenance manuals are compiled as per the ISO3600 standard, and the safety and accident prevention information contained therein is presented in line with the ANSI Z535 standard. They are available in all the languages of the markets where the products are sold, in compliance with applicable local regulations.
All manuals and their contents also comply with EU directives specific to vehicle type, such as 2006/42 EC and 2010/53 EC. To improve usability and reduce paper usage (a combine harvester manual can reach 700 A4 pages), all manuals are available on the dedicated service network webpage on the Dealers Portal (see also page 218). Repair shop manuals, which can reach up to 5,000 pages, are also available on DVD for the service network.

INFORMATION PROVIDED IN THE OWNER AND MAINTENANCE MANUAL

	Agricultural Equipment	Construction Equipment	Commercial Vehicles
Sourcing of components			
Presence of substances that could impact the environment	✓	✓	✓
Safe product use	✓	✓	✓
Product disposal			
Noise and vibration levels	✓	✓	

GLOSSARY
Biodiesel; Carbon footprint; DMA; TCO

GRI
G4-DMA; G4-PR1; G4-PR3

CUSTOMER ENGAGEMENT AND SUPPORT

2014 STAKEHOLDER INTERVIEWS

> It is important to have the right product at the right time

E. Schnelle, Dealer, USA

CNH Industrial's commitment to its customers is a cornerstone of the Code of Conduct, in which the Company undertakes to fully meet the expectations of end customers, stating that all CNH Industrial executives, managers, and employees shall strive to exceed customer expectations and continually improve the quality of the Company's products and services. Next in importance is the ability to manage customer relations across the board, ensuring accessibility in the event of information requests and problem reporting, as well as clear and timely answers. This aspect is also crucial in laying the foundations for future success because it provides an understanding of the degree of customer satisfaction; furthermore, the feedback and suggestions received help identify the changes to be made to existing product ranges, and the new product lines to be developed to meet future market needs. The Company considers this aspect important for building trust, while stakeholders view it as an opportunity to improve equipment use and to limit disruptions in the event of problems.

Commitments, actions, and targets are set out in the Sustainability Plan (see page 44).

As evidenced by the stakeholder engagement results, customer engagement and support is considered important to build strong relationships and to help customers get the most out of equipment. More transparency in communications and specific training courses on equipment use are required for customers and dealers. Stakeholders suggest a more localized approach to different markets by adapting CNH Industrial products and services to country-specific conditions. In EMEA, a company like CNH Industrial is expected to adapt its business lines to different market needs. Each country presents different economic challenges and technological requirements. Stakeholders demand engines with the same power and design specifications, but using different technology. Moreover, from a customer perspective, dealer skills and training are fundamental. Customers require high quality and reduced time-to-market, while dealers operate as a critical link between the Company and its customers. Customers' involvement in innovation has been prioritized in LATAM, both to tackle the lack of technical product knowledge and to provide training on the correct operation of engines and machinery. Moreover, CNH Industrial products target the agricultural and construction sectors, which are crucial to the development and infrastructures in Latin America. That is why stakeholders emphasize ongoing customer involvement and support. In APAC, on the other hand, stakeholders demand a more structured approach to customer engagement. Adequate training programs on the proper operation and best use of machinery are not usually available to farmers. Consequently, many tractor breakdowns are the result of farmers' mistakes, low quality fuel and oil, challenging field conditions, poor maintenance, and intensive use.

DMA

Each brand is responsible for managing customer relations and for defining main guidelines. Each Region has a Commercial Services function that reports directly to the Regional Chief Operating Officer, who is a member of the Global Executive Committee. Through the brands, the function provides the services required to implement defined customer strategies.

CUSTOMER RELATIONS

From the initial contact onwards, CNH Industrial interacts with and provides assistance to its customers to give them an experience that meets their expectations. The Company's Customer Care departments are dedicated to developing, managing, and promoting customer service solutions, fostering enduring relationships, and satisfying customer needs and expectations. Via the brand websites, toll-free numbers, emails, and smartphone applications, customers may directly request information or make a complaint 24 hours a day, 7 days a week. The Customer Care staff manages the entire process from initial customer contact to final feedback to the customer, ensuring a resolution in the timeliest manner. Each and every CNH Industrial brand, Region, and department has a reference person for each type of information request or complaint, ensuring issues are dealt with as quickly and accurately as possible.

A Compliance Helpline was activated in 2014, i.e., a web platform managed by a third party, enabling customers to ask questions or report possible violations of the Code of Conduct, Company policies, or applicable laws (see also page 57).

CNH Industrial's Customer Service centers work in close collaboration with brands, dealers, technical services, quality and other functions, providing services in the following areas:

- Customer Relationship Management (pre and post-sales): aimed at managing the overall customer experience by ensuring a direct and effective communication channel to assist customers with accurate and timely inquiry feedback and complaint management
- Lead Qualification (pre-sales): set up to enable interaction with customers and deliver a caring professional service while collecting customer feedback and measuring customer satisfaction with the services offered
- Breakdown Assistance and Assistance Non-Stop (post-sales): services designed to intervene by any means to ensure minimum downtime in the event of a breakdown.

GLOSSARY
APAC; DMA; EMEA; LATAM; Stakeholders

GRI
G4-DMA

Customer Relationship Management (CRM) effectively manages and facilitates customers' cross-channel exposure, transaction, and interaction with a company, product, brand or service through designed methods and processes throughout the entire life cycle of a product. At CNH Industrial, the customer experience should be positive, respectful, and attend to the needs and expectations of the customer purchasing new machinery. The complaints received through the CRM are organized by type or category, and assigned a target date or objective for completion. Most product complaints have an eleven-day target for completion. If a case goes beyond the target date, the Customer Relations manager reviews it and decides whether to escalate. Escalation usually involves external company resources, such as field services or dealerships. Customers who have filed a complaint are invited to take part in a phone survey.

Lead Qualification is a process through which the sales leads gathered via brand websites are verbally qualified and assigned to the appropriate dealer. Before this assignment occurs, all leads are contacted via phone to confirm their dealer contact request. A follow-up call is made five days after qualification to confirm that the customer has been contacted.

Breakdown Assistance (BDA) intervenes in case of vehicle breakdown for Agricultural Equipment and Construction Equipment customers, to ensure that all necessary steps are taken to limit downtime as much as possible. Through BDA, equipment failures reported by customers are notified not only to the dealer but also to the brands, so that the latter may also help resolve the problem. A dedicated Parts Shipment and Delivery team oversees the location and delivery of parts, including overseas shipments. The BDA service tracks customers until all issues are resolved, allowing them to get back to work as soon as possible. In NAFTA and LATAM this process is carefully monitored; furthermore, once the issue has been solved, dealer and customer satisfaction surveys are carried out to evaluate service and process performance, measured in hours of Total Vehicle Downtime (see table on page 223).

Assistance Non-Stop (ANS) ensures a round-the-clock, 365 days per year service to Commercial Vehicles customers. Established to provide instant technical support for vehicle problems, the service is operational across 31 European countries, and is available in ten languages. All employees working within this service receive specific training and regular refresher courses. As soon as the customer and vehicle are identified and located, every assistance request is managed by an operator who carries out a pre-diagnosis of the problem. When the fault has been verified, the operator contacts the nearest mechanic, who is directed to the breakdown site. The operator continues to monitor the process until the repair is complete, assisting the mechanic, if needed, and keeping the customer updated until the vehicle is released. The Customer Center shares a database with relevant departments that lists faults by number and type, and matches them with the faulty model and duration of the breakdown. The ANS service can be contacted via a universal toll-free number or through the IVECONNECT system (see also page 206). In the event of a breakdown, the IVECONNECT system allows the driver to contact the Customer Center directly from the vehicle by sending an automatic breakdown assistance request. In turn, the Customer Center sends the driver regular updates on the status of his request and the estimated time of arrival of assistance, all directly through the on-board telematics system. The Customer Center can activate the nearest mechanic through ANS Mobile, an application available on Android and Blackberry devices, which can locate the nearest mobile repair van and its movements using GPS.

TRANSPARENT COMMUNICATION

CNH Industrial recognizes the social role played by advertising, and advocates positive and responsible values and conduct across all forms of communication. In 2013, the Commercial Vehicles segment released the new Charter for Ethical Advertising to promote responsible marketing and advertising in the markets in which it operates. Based on the applicable legal and advertising standards in these markets, the Charter sets out the basic principles of communication for those working in or with the segment, including advertising agencies. The Charter centers on three core values: respect for the customer, both personally and professionally; fairness and integrity in communicating and passing on product information that is accurate, truthful, and clear; and commitment to offering useful solutions to customers through the goods and services provided. The central role of the customer drives the business ideology of the Commercial Vehicles segment. Designed as an operational tool, the Charter uses clear, concise language to facilitate its application across the segment.

Moreover, the Iveco brand is an active member of the European Advertising Standards Alliance (EASA) and of the *Utenti Pubblicità Associati* (UPA), an Italian association of major companies investing in advertising and communication that supports the *Istituto di Autodisciplina Pubblicitaria* (the Institute for Advertising Standards).

GLOSSARY
LATAM; NAFTA

In 2014, no significant final rulings (as defined in the paragraph on Significant Final Rulings on page 62) were issued against the Company for non-compliance with regulations or voluntary codes concerning marketing communications, including advertising, promotions, and sponsorships.

GRI
G4-PR7

CUSTOMER DATA

As stated in the Data Privacy Policy, CNH Industrial strives to protect values such as confidentiality and personal data protection rights, in compliance with applicable laws. CNH Industrial processes customer databases for each brand through a single central system, adopting a unified approach for all brands and markets. The central database provides an integrated view of the customer information supplied by the different sources, and supports the operational management of both customers and leads (entered into the system by the brands or directly by dealers) in terms of distribution and follow-up. It also includes other information such as customer service interactions, requests for information, breakdown assistance, lead management, surveys, and anything else that may involve the customer. All information can be accessed by the marketing teams to create advertising campaigns and generate lists of sales prospects. In 2014, no significant final rulings (as defined in the paragraph on Significant Final Rulings on page 62) were issued against the Company for non-compliance with regulations regarding customer privacy and loss of customer data.

CUSTOMER SATISFACTION

Through extensive planning, execution, and evaluation of activities, Customer Relations Management aims to design, operate, and coordinate multiple interaction touch-points to deliver a real brand experience to the customer, and to define guidelines on how to listen to customer input and monitor satisfaction levels to improve the quality of the services offered.
Indeed, the Company continually monitors results and customer satisfaction levels, inviting every customer who has ever received assistance to participate in follow-up surveys.

Agricultural Equipment and **Construction Equipment** brands closely monitor specific factors at their customer service centers to ensure ongoing service improvement. These factors include response time, vehicle downtime, satisfaction with Breakdown Assistance, and information and compliant management. Customer satisfaction assessments are usually performed via an Internet survey recommended to every customer who has submitted an information request, and their frequency depends on the services offered.
To this end, other projects are carried out as well, as for example the *Red Select* and *5 Star Surveys* in NAFTA. They are managed directly by Customer Care, each consisting of three different surveys carried out during the first months after a purchase, to measure customer satisfaction with regard to both product and buying experience. Customer feedback is passed on to the relevant departments, providing opportunities to improve customer satisfaction and identify early trends. The results of these surveys are consolidated and submitted to the marketing research teams on a monthly basis.

Commercial Vehicles brands assess customer satisfaction with the ANS service (see also page 222) 72 hours after service delivery. The general level of satisfaction with the service is assessed based on three elements: the telephone service or call center, the on-site assistance, and the service dealer (winch or tow). Assessment results lead to a plan of action to be implemented by field services.

CUSTOMER SERVICE PERFORMANCE INDICATORS

CNH INDUSTRIAL WORLDWIDE

Agricultural Equipment and Construction Equipment	**EMEA**	**NAFTA[a]**	**LATAM**
Contacts managed[b] (no.)	150,380	74,898	18,494
Average Call Center response time (seconds)	18	36	8
Vehicles repaired within 48 hours (%)	54	41	79
Customer participation in satisfaction surveys[c] (%)	31	4	n.a
Satisfaction index (Scale 1-10)			
Information quality	7.6	5.7	n.a
Complaints	6.3	5.2	n.a
Breakdown Assistance[d]	n.a	9.2	8
Commercial Vehicles			
Contacts managed (no.)	74,569	-	63,891
Average Call Center response time (seconds)	40	-	20
Roadside repair under 2 hours (%)	75	-	72
Customer participation in satisfaction surveys[e] (%)	40	-	35
"Satisfied" or "Very satisfied" customers (%)	97	-	95

[a] Commercial Vehicles are not marketed in NAFTA.
[b] Breakdown Assistance contacts are not included.
[c] Based on customer information and complaint survey data.
[d] Data no longer collected in EMEA due to data protection legislation.
[e] Survey carried out to objectively evaluate and measure customer satisfaction with the Assistance Non-Stop service in case of vehicle breakdown.

GLOSSARY
EMEA; LATAM
NAFTA

GRI
G4-PR5;
G4-PR8

CUSTOMER FEEDBACK PROCESS

The Market Research department manages CNH Industrial's market research projects worldwide. It defines the objectives of each assignment in collaboration with internal customers (mainly Marketing and Product Development), and achieves them by applying dedicated methodologies to collect customer feedback and suggestions. The approaches used include in-depth interviews, focus groups, computer aids, telephone interviews, web surveys, and product tests.

Integrating Feedback into Product Development

CNH has always considered the customer's opinion as a fundamental basis for developing new projects and for defining a customer-oriented brand strategy. To meet these targets, the marketing research organization, both globally and regionally, supports all business units through **market research** with the aim of gaining and collecting customer inputs to use in future product developments.

Through various projects, the Market Research department compiles key information on:

- specific customer needs, based on different geographical, economic, and cultural backgrounds
- possible issues customers may encounter during product use
- customer interest in new solutions and features
- general brand perception.

All results are fully integrated into the Company's processes in order to build brand strategies in line with customer needs, and to provide them with the best-in-class products and services required for the growth of their businesses. Customer research complements the global product development process, with emphasis placed on incorporating customer needs and preferences early in the design stages. Research teams work closely with internal clients on both brand and technical sides to design projects that accurately and efficiently elicit customer input.

Research project methods vary based on the strategic questions to be addressed. The Company leverages leading-edge tools to effectively capture information and make the experience of participating in research a positive one. Research findings are incorporated into the product design process, creation of business cases, and overall strategy to ensure development and execution are customer-driven.

Through **Customer-Driven Product Definition** (CDPD), CNH Industrial customers actively participate in the development and testing of new models. CDPD consists in: visiting and collecting feedback from customers, analyzing their suggestions, meeting with product platform teams, customer testing on new model prototypes followed by a comparison of their main features, and, finally, integrating customer suggestions into final product specifications. All of these stages lead to product designs that not only ensure optimal performance and efficiency, but also meet the needs of the customers who work with CNH Industrial vehicles every day.

CNH Industrial also tracks parts' usage to support the Breakdown Assistance program (see also page 222). Usage is organized by product range for the current month, the last three months, and the year to date, and is passed on to the Company's Quality units on a monthly basis. By reviewing the data, the Quality units can identify developing trends and if previously identified and corrected trends have been addressed.

In the Powertrain segment, customer relations are managed by a new Technical Service and Customer Solutions function, which is guided by the **Continuous Improvement Process** (CIP). Through the CIP, customer feedback is received, analyzed, and then shared across the organization as a learning source. When applied to the Company's operations, this translates into the careful analysis of processes throughout their various stages, in order to identify and fine-tune the small, gradual, yet continuous improvements to be made. The CIP ensures the customer's voice is heard throughout the Company, allowing for the development of ever-more effective solutions that anticipate customer requirements and optimize the product range.

SUGAR CANE HARVESTER CAMP IN MAURITIUS

In 2014, at the *Africa Sugar Cane Harvester Camp* in Mauritius, Case IH presented its high-power agricultural equipment solutions for the sugarcane industry. The event was well attended by representatives of major Corporate customers and large agro-industrial farms operating in the sugarcane and bio-ethanol sectors in several African countries, including Sudan, Mozambique, Tanzania, Kenya, Zimbabwe, Nigeria, and Sierra Leone.

Mauritius was an ideal location to host the in-field demonstrations as sugar has been cultivated on the island for nearly four hundred years and remains one of the pillars of the country's economy. The tropical climate is particularly well suited to cultivating sugarcane, with high temperatures all year round, heavy rainfall, and plenty of sunlight during the growing season. However, the volcanic nature of the island means the stony soil needs regular de-rocking, requiring robust, reliable equipment to run non-stop throughout the entire harvesting season, from June to December.

The *Sugar Cane Harvester Camp* gave attendees insights into advanced farming practices for large-scale sugarcane production, along with presentations of Case IH's product offering. Attendees also had the chance to test-drive Case IH sugarcane harvesters and high-horsepower tractors during actual, in-field operations. The Camp was organized by Case IH in collaboration with its local dealership and with the support of the local contracting company, a Case IH customer for more than 40 years, which provided the demonstration machines.

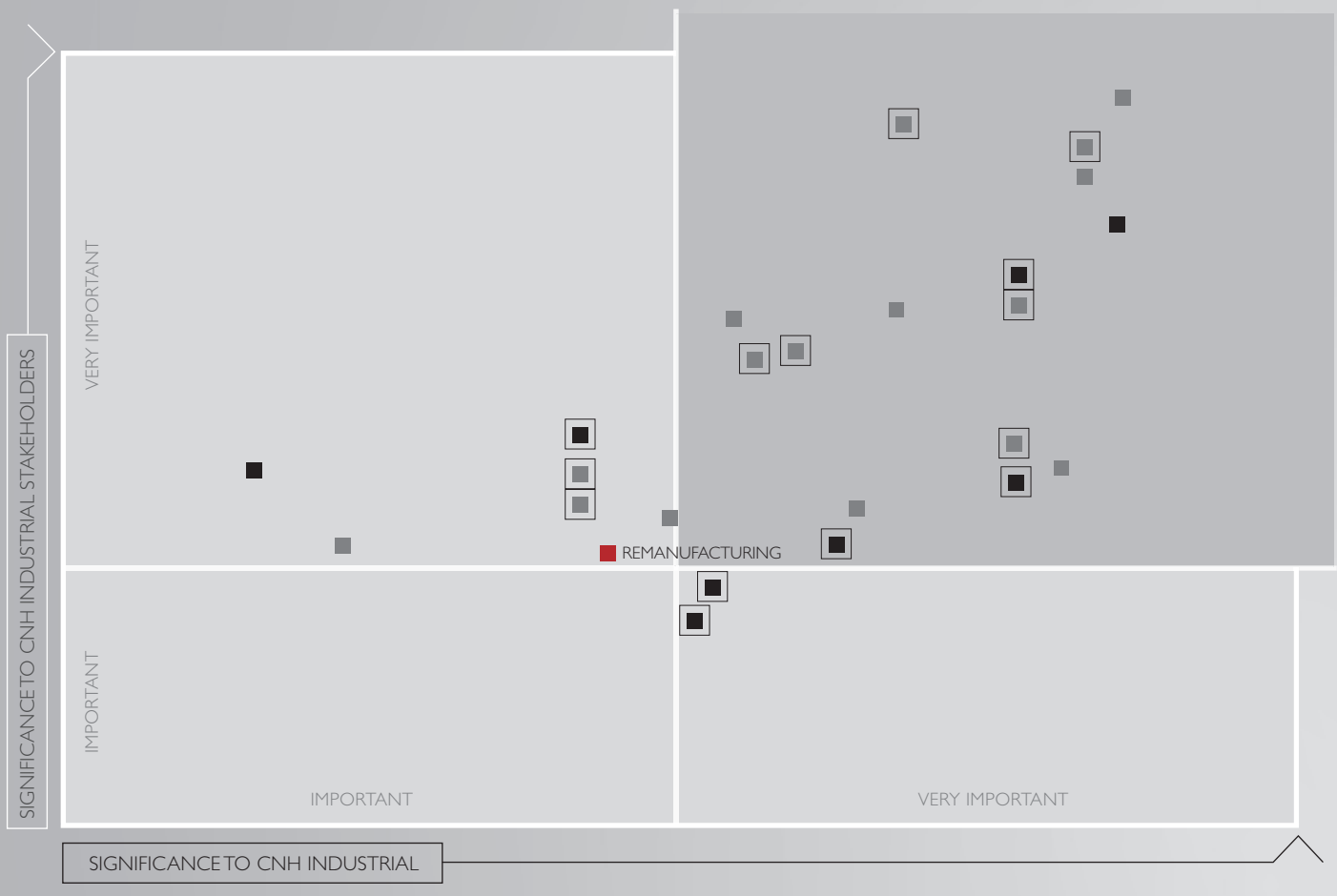
The *Sugar Cane Harvester Camp* demonstrates the brand's continued commitment to the sugarcane industry.

Case IH offers the high-capacity Austoft 8000® Series, built to perform well under demanding workloads; and the Austoft® 4000 Series, specifically designed for small to medium-sized landholdings, but also delivering versatility and excellent maneuverability for big plantations where row spacing is reduced. A few of the innovative features found on these machines are outlined below.
The SmartCruise adjusts the engine's revolutions according to load demand without the performance losses associated with hydraulics, and with consistently lower fuel consumption (around 20%), longer engine life, and reduced downtime for maintenance. This is crucial for most customers as they need to run harvesting operations 24/7, with some sugarcane harvesters working more than seven thousand engine hours per season. The unique Antivortex system improves the removal of extraneous matter, and reduces cane lost through the extractor fan.
The Auto Tracker automatically adjusts the harvester's base cutter height through sensors in the hydraulic suspension system, reducing sucrose losses by up to 33% and root damage by 27%, so safeguarding the following year's production.

FINANCIAL SERVICES

CNH Industrial Capital offers a range of financial products to dealers and customers in the various Regions in which it operates. Its goal is to maximize CNH Industrial sales by serving the brands with tailored financial solutions while securing an appropriate level of profitability defined in terms of Corporate equity remuneration. As a captive business, CNH Industrial Capital depends on the operations of Agricultural Equipment, Construction Equipment, and Commercial Vehicles, and its geographical presence is consistent with the industrial footprint of the Company.
In 2014, the total managed portfolio reached approximately $27 billion with contributions from all Regions. The main products offered consist in wholesale financing to dealers, and retail financing for the purchase or lease of new and used equipment and vehicles. CNH Industrial Capital serves more than 500 thousand customers and three thousand dealers worldwide, with a staff of around 1,300 employees.
During 2014, CNH Industrial Capital implemented a unique global structure in continuity and legacy with the pre-existing CNH Capital and Iveco Capital organizations. A significant effort was made to adopt a common and unified framework of operations consistent with CNH Industrial's internal Governance (Code of Conduct, Transparency, and Data Privacy), and to secure compliance with external regulations. Process standardization and system integration were carried out in parallel with the adoption of common and centralized credit policies, representing a significant instrument of governance as well as an essential element to improve both portfolio credit quality and operational efficiency.
Significant efforts in 2014 went into strengthening the customer selection process, not only as a consequence of external drivers (such as sanctions, applied on a selective basis up to individual customer level), but also as part of the continuous focus on portfolio quality improvement. Beyond ensuring the appropriate consideration of non-economic indicators in the credit approval practice, these efforts resulted in the upgrade of the Anti-Money Laundering (AML) standards (see also page 59).

END OF LIFE



Material aspect described in chapter. For further details, see Materiality Matrix, page 21.

REMANUFACTURING

2014 STAKEHOLDER INTERVIEWS

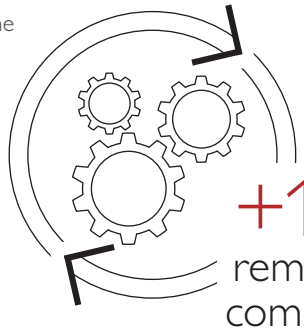
> The circular economy will become a central issue over the next few years and, for a business like CNH Industrial, increasing the level of remanufacturing means increasing the useful life of products

F. Iraldo, Bocconi University, Italy

As the materiality analysis shows, CNH Industrial recognizes the importance of reusing, recycling, and recovering components that could otherwise become landfill waste at their end of life.
Based on the outcomes of the stakeholder engagement activities conducted in 2014, (see also page 19), in EMEA and LATAM remanufacturing is considered a relevant aspect. Stakeholders believe it is important to reduce raw material usage and CO_2 emissions, cut costs by reusing recoverable materials, thus avoiding waste, and extend remanufacturing to other sectors. In NAFTA, remanufacturing is an expanding industry throughout the USA. However, stakeholders feel that more stringent standards are necessary to streamline the technical specifications of processes and to ensure reliable and consistently high quality end products. By regenerating, or remanufacturing, worn components (cores), CNH Industrial reduces waste, reuses materials, and encourages the recycling of recoverable materials. Additionally, by avoiding the extraction of new raw materials, it reduces both energy use and the production of greenhouse gases. Indeed, the reconditioning and reuse of components lessens environmental impact by contributing to reducing the use of raw materials by about 1,200 tons per year, with a corresponding reduction in CO_2 emissions.

DMA

Remanufacturing cores is an industrial process that allows granting the same standards of operational performance as new products, triggering a virtuous cycle of savings in raw materials and reductions in materials going to landfill. This process ensures customers reliability and reduced vehicle downtime at competitive prices.



+17% in range of remanufactured components available

The Parts and Service function leads the overall remanufacturing project in close cooperation with FPT Industrial for all driveline related parts, and the function head is a member of the Group Executive Council. There are various stakeholders involved in the remanufacturing process:

- customers
- dealerships, which propose remanufacturing solutions, salvage cores, and fit remanufactured parts on vehicles
- suppliers, which remanufacture cores and grant the same operational performance as new products
- Parts and Service, which manages product portfolio, commercial offer and communication, training to dealers, and logistics and reverse logistics processes.

Parts and Service manages the overall process, from the collection of cores from dealerships to the stocking and retailing of remanufactured products to end customers. CNH Industrial offers a full range of original spare parts to cover the entire life cycle of all products, alongside a broad selection of remanufactured parts. All brands can thus offer more environmentally friendly products, like-new quality, and good value, since remanufactured parts save the customer an average 30% on the purchase price.

As stated in the Sustainability Plan, CNH Industrial's objective is to ensure that, by 2016, 5-10% of spare parts sales will consist of remanufactured parts, with variable percentages according to Region.

GLOSSARY
DMA; EMEA; LATAM; NAFTA; Stakeholders

GRI
G4-DMA

OUR APPROACH

Specifically in EMEA, Parts and Service collects cores from dealerships and transfers them to the FPT Garchizy plants (France), or to one of its certified and approved suppliers. Indeed, the supplier's knowledge of components and their design guarantees the efficiency and quality of the remanufacturing processes, while all technological upgrades currently available on the market are also offered on the remanufactured product.

THE REMANUFACTURING PROCESS

Once delivered, cores are disassembled, cleaned, and inspected. After inspection, all unrecoverable parts are recycled or disposed of. Strict adherence to current laws is guaranteed throughout the process in terms of the proper disposal of products or parts thereof that are no longer usable and thus discarded.

Core recovery is key to achieving maximum efficiency in the remanufacturing process (*the replacement rate*), and is performed by professional experts who ensure final product quality.

Cores are remanufactured using parts that are either new or remanufactured themselves, as per the original design, technical specifications, and regulatory standards. Finally, the functional requirements of remanufactured components are certified following rigorous in-house benchmark testing, which gives customers the certainty of purchasing spare parts offering the same quality, performance standards, life expectancy, and emissions levels as the equivalent new components. As further proof of their high quality and reliability, the spare parts remanufactured by CNH Industrial are subject to exactly the same maintenance intervals and warranty conditions as new parts.

Products are remanufactured for Case IH, New Holland Agricultural and New Holland Construction Equipment, Case Construction Equipment and for Iveco products. They include a wide range of more than 2,000 parts, including: engines (blocks or components), transmissions, cylinder heads, turbines, starter motors, alternators, fuel injection systems, control units, flywheels, clutches, compressors, hydraulic components, and more, available across the board for all CNH Industrial brand products.

In 2014, the sales of remanufactured parts for the Commercial Vehicles segment increased by over 60% compared to 2013, demonstrating the potential for expansion, provided the offer is broad enough and marketed to customers seeking to contain costs.

REMANUFACTURED SPARE PARTS AVAILABLE

CNH INDUSTRIAL WORLDWIDE (no.)

	2014	2013	2012
Agricultural Equipment	**780**	720	680
Construction Equipment	**220**	180	160
Commercial Vehicles	**700**	550	450
Powertrain (engines)	**450**	380	350
Total	**2,150**	1,830	1,640

GLOSSARY
Core; EMEA

GRI
G4-EN27

RECYCLING AND RECOVERY

The commitment to reduce the environmental impact of end-of-life vehicles (ELVs) starts in the concept and design phase, through the selection of easily recyclable components, and continues every step of the way, from the remanufacturing of worn components (cores), to providing customer assistance in the scrapping of products that are no longer serviceable, but whose parts are suitable for remanufacturing.

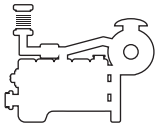
MAIN MATERIALS USED

Material type	Renewable material	Non-renewable material[a]	Recoverable material	Purchased from external suppliers[b]
Metals	-	✓	✓	✓
Polymers[c]	-	✓	✓	✓
Elastomers[c]	-	✓	✓	✓
Glass	-	✓	✓	✓
Fluids[c]	-	✓	✓	✓

[a] As per GRI standards, non-renewable materials are resources that do not renew in short time periods, such as minerals, metals, oil, gas, or coal.
[b] CNH Industrial does not always purchase raw materials directly (see also page 153).
[c] The actual level of recyclability depends on contingent factors such as the technologies available in a given country, chemical compatibility, and composition details.

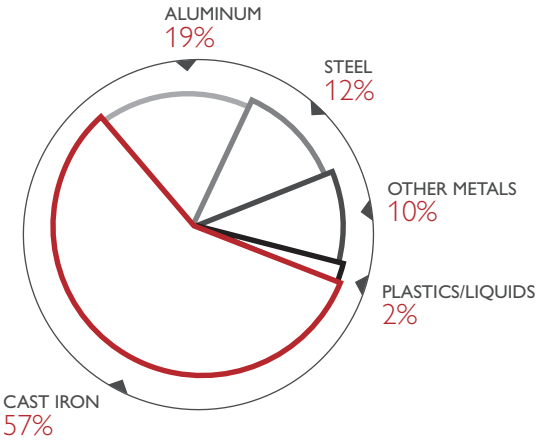
In Europe, for all new type-approved models, the European Directive 2005/64/EC (on Reusability, Recyclability, Recoverability) sets minimum levels of recoverability (95%) and recyclability (85%).
In July 2010, these regulations were extended to light commercial vehicles, hence including some of the Iveco product range. CNH Industrial monitors and optimizes recoverability and recyclability levels through the International Material Data System (IMDS, see also page 161), a database containing information on the composition of suppliers' products. In 2014, the first product Life Cycle Assessments performed (see also page 146) provided data on exact material composition and percentage breakdown, as well as an estimate of recyclability rates for each material.

As regards the F1 engine, the **recoverability** rate is **95%** of the total weight, in line with the minimum requirements of Directive 2000/53. It is, however, a conservative figure considering FPT Industrial's environmental policies, which favor the use of materials and design solutions enabling the production of components suitable for disassembly and remanufacturing.



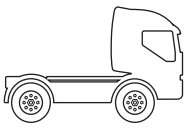
COMPOSITION OF F1C ENGINE

CNH INDUSTRIAL WORLDWIDE



GLOSSARY
GRI;
IMDS; LCA

GRI
G4-EN1

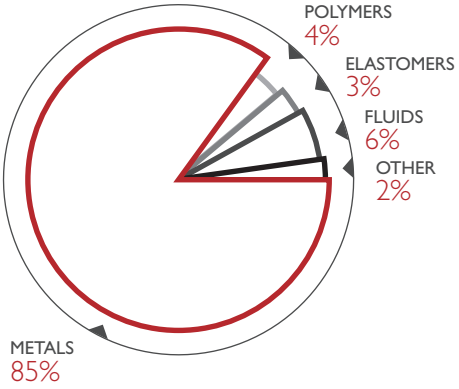


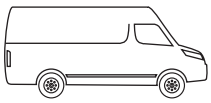
One of the main tools employed within the scope of the *Ecoconception* project (see also page 146) was the IMDS, used by the suppliers of Iveco Astra (by some for the first time) to collect comprehensive data on vehicle composition. This data enabled the brand to assess, from a *green procurement* perspective, the level of conformity of the vehicles involved with the regulations in force for light vehicles, particularly Directive 2000/53/CE with regard to the ban on heavy metals, and Directive 2005/64/CE on vehicle reusability, recyclability, and recoverability.

The IMDS database was also used to identify any Substances of Very High Concern, thus helping to achieve compliance with the REACH Regulation in terms of reporting obligations (Art. 33) and substance authorization and restriction requirements (annex XIV and annex XVII). During the year, suppliers were directly involved in a specific project devised to focus on substances on the Authorization List with a *sunset date* in 2015, and on vehicle recyclability and recoverability. The calculation method provided by Directive 2005/64/CE to determine the recyclability of light vehicles was simplified and applied to heavy vehicles, resulting in a **recoverability** rate of approximately **93%**.

COMPOSITION OF IVECO ASTRA HEAVY DUTY TRUCK

(PERCENTAGE OF TOTAL VEHICLE WEIGHT)

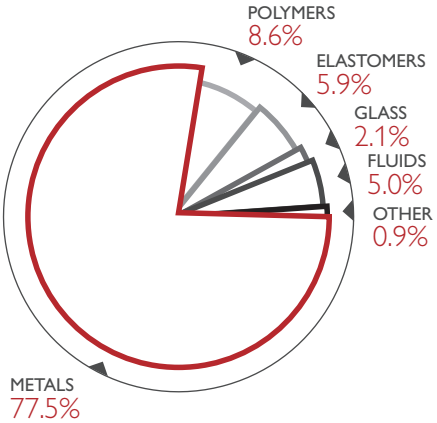




The New Daily has already reached and exceeded a **95% recoverability** rate. Furthermore, thanks to an agreement with Fiat Chrysler Automobiles, its end-of-life in Italy is handled through a network of approximately three hundred authorized agents, duly trained to recycle metals and separate polymers into different categories. The list of authorized dismantling agents is available on the Iveco website.

COMPOSITION OF IVECO DAILY CAB BY MATERIAL[a]

(PERCENTAGE OF TOTAL VEHICLE WEIGHT)

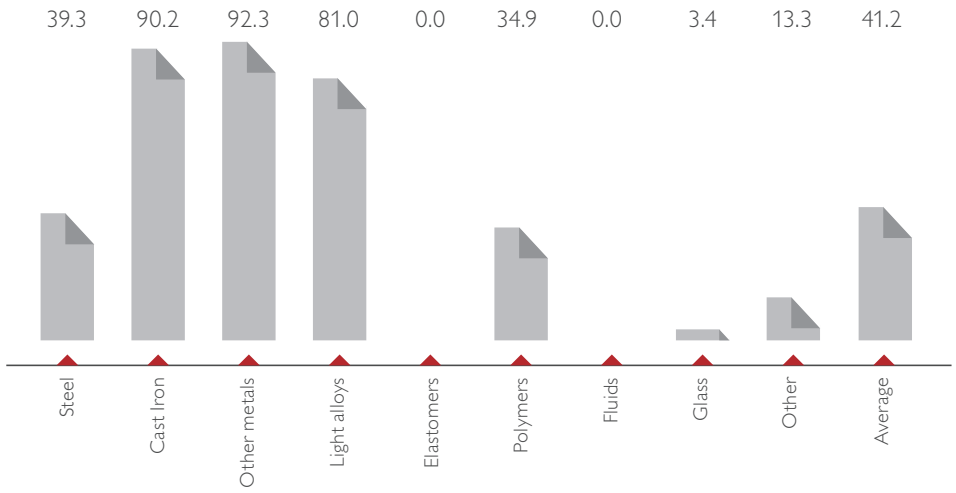


GLOSSARY
IMDS; REACH

[a] *Data refers to average values for Iveco's New Daily launched in 2014, as per European Directive 2005/64/EC.*

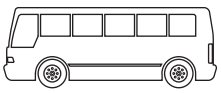
PERCENTAGE OF RAW MATERIALS RECYCLED[a]

IVECO NEW DAILY (% OF TOTAL RAW MATERIAL USED)



(a) Data refers to average values for Iveco's New Daily launched in 2014, as per European Directive 2005/64/EC.

Moreover, all of the Euro V Heuliez buses still manufactured in Rorthais (France) have stainless steel frames and composite panels. The lightness of these materials allows saving fuel, which reduces pollution. Furthermore, a recyclable material such as stainless steel allows limiting the use of solvents, while the adoption of composite panels, identified on the production line by standardized labeling, facilitates sorting and recycling when the product reaches its end of life.



According to ISO 22628 standards, the bus has a recyclability rate of 88% and a **recoverability** rate of **94%**.

APPENDIX

THE FOLLOWING SECTION CONTAINS: THE METHODOLOGY NOTE AND ALL PERFORMANCE INDICATORS RELATING TO HUMAN RESOURCES AND TO THE ENVIRONMENTAL IMPACT OF OUR MANUFACTURING PROCESSES; THE STATEMENT OF ASSURANCE; THE INDEX OF GRI-G4 CONTENTS; AND A GLOSSARY OF THE MAIN TECHNICAL TERMINOLOGY.

REPORT PARAMETERS

PERFORMANCE INDICATORS

STATEMENT OF ASSURANCE

INDEX OF GRI-G4 CONTENT

GLOSSARY

CONTACTS

REPORT PARAMETERS

OBJECTIVES AND SCOPE

CNH Industrial's Sustainability Report aims to give stakeholders a comprehensive overview of the Company's operations, integrating financial results and economic commitments with environmental and social ones.
This is the second CNH Industrial Sustainability Report. CNH Industrial was formed by the merger between Fiat Industrial S.p.A. and its subsidiary CNH Global N.V., completed on September 29, 2013. The merger had no impact on the consolidated activities of the former Fiat Industrial Group and the results presented herein are therefore consistent and comparable with those previously published by Fiat Industrial. Since CNH Industrial's operational scope coincides with that of Fiat Industrial, data for 2012 refers to Fiat Industrial.

This document was prepared in accordance with the GRI-G4 Global Reporting Initiative guidelines, core[1] option. The topics covered in the CNH Industrial Sustainability Report originate from the materiality analysis (see also page 19). As per the GRI-G4 reporting standard (core option), one or more indicators included in the guidelines were monitored for each material aspect (see also pages 260-264). The contents were integrated with the information requirements of Socially Responsible Investors (SRI) and financial and non-financial analysts who periodically review the Company's sustainability performance (see also page 47). CNH Industrial's strategic approach is set out in the Sustainability Plan, which identifies action priorities and defines commitments and improvement targets consistent with, and integrated into, the Company's business strategy. In 2014, the Sustainability Plan was updated and new targets were set for the health and safety, environmental, and energy aspects, in line with the 2014-2018 Business Plan. In 2014, the layout and structure of the Sustainability Plan was revised to make it easier to connect material aspects with their corresponding targets. Some targets have become part of routine improvement activities and no longer merit a special mention, and were thus excluded from the Plan.

SCOPE OF THE REPORT

Unless otherwise stated, the **scope** of the Sustainability Report covers information and data for the year 2014 - which coincides with the calendar year - for all CNH Industrial segments worldwide consolidated in the Annual Report as at December 31, 2014. Unless otherwise indicated, the terms Company and CNH Industrial refer to CNH Industrial including all its subsidiaries (also indicated as legal entities). The term segment refers to Agricultural Equipment, Construction Equipment, Commercial Vehicles, Powertrain[2], and Financial Services. From 2014, the Agricultural Equipment and Construction Equipment segments are considered separately; differently than in previous years, therefore, the environmental and energy performances are presented in aggregate form, i.e., at Company level. From 2014, the collection of this data is carried out at plant level to enable future aggregations by segment and/or Region. The Company is divided into the following Regions: EMEA, NAFTA, LATAM, and APAC. The countries that make up these Regions are listed in the Glossary (see pages 266; 268; 267; 265). It should be noted that the definition of plant used in the Sustainability Report is in line with that in the Annual Report.

The exclusion of any geographic area, legal entity or specific site from the scope of the report is attributable to the inability to obtain satisfactory quality data, or to the immateriality of activities (as is often the case for newly acquired legal entities, joint ventures, or manufacturing activities not yet fully operational). In some cases, subsidiaries not consolidated in the financial statements were included within the scope of the Report because of their significant environmental and social impact. Any significant variations in the scope of the Report or in the calculation of specific data are expressly indicated in the text or tables in the appendix.

(1) The Global Reporting Initiative (GRI) is a multi-stakeholder association for the development and disclosure of guidelines for non-financial reporting. The guidelines set out principles and indicators for reporting on economic, environmental, and social aspects, and provide content standards to assist the organization in preparing the Sustainability Report, enabling comparability over time and between similar organizations. In May 2013, the GRI launched new reporting guidelines (G4), introducing several changes to the previous G3.1 guidelines including increased focus on the principle of materiality and amendments regarding governance, ethics and integrity, supply chain and anti-corruption, and greenhouse gas emissions, as well as a general model for disclosures on management approach. The G4 guidelines introduced two options for disclosure: core and comprehensive.

(2) Following the creation of CNH Industrial, the scope of the Agricultural Equipment and Construction Equipment segments corresponds to that of CNH, the scope of the Commercial Vehicles segment corresponds to that of Iveco (including buses), and the scope of the Powertrain segment corresponds to that of FPT Industrial.

GLOSSARY
APAC; EMEA; GRI; LATAM; Material aspect; NAFTA; SRI; Stakeholders

GRI
G4-20; G4-28; G4-29; G4-32

PLANTS BY SCOPE

CNH INDUSTRIAL WORLDWIDE

Country	Plant	Segment[a]	WCM	Health and Safety	Environment	Energy
EMEA						
Austria	Graz	CV		✓		
Austria	Sankt Valentin	AG	✓	✓	✓	✓
Belgium	Antwerp	AG&CE	✓	✓	✓	✓
Belgium	Zedelgem	AG	✓	✓	✓	✓
Czech Republic	Vysoke Myto	CV	✓	✓	✓	✓
France	Annonay	CV	✓	✓	✓	✓
France	Bourbon Lancy	PWT	✓	✓	✓	✓
France	Coex	AG	✓	✓	✓	✓
France	Croix	AG&CE	✓	✓	✓	✓
France	Fecamp	PWT		✓	✓	✓
France	Garchizy	PWT		✓	✓	✓
France	Rorthais	CV	✓	✓	✓	✓
France	Tracy-Le-Mont	AG&CE	✓	✓	✓	✓
Germany	Berlin	CE	✓		✓	✓
Germany	Ulm	CV	✓	✓	✓	✓
Italy	Bolzano	CV	✓	✓	✓	✓
Italy	Brescia	CV	✓	✓	✓	✓
Italy	Brescia Special Vehicles	CV	✓	✓	✓	✓
Italy	Foggia	PWT	✓	✓	✓	✓
Italy	Jesi	AG	✓	✓	✓	✓
Italy	Lecce	CE	✓	✓	✓	✓
Italy	Modena	AG&CE	✓	✓	✓	✓
Italy	Piacenza	CV	✓	✓	✓	✓
Italy	Pregnana Milanese	PWT		✓	✓	✓
Italy	San Mauro Torinese	CE	✓	✓	✓	✓
Italy	Suzzara	CV	✓	✓	✓	✓
Italy	Torino Driveline	PWT	✓	✓	✓	✓
Italy	Torino Motori	PWT	✓	✓	✓	✓
Italy	Vittorio Veneto	CV		✓	✓	✓
Poland	Plock	AG	✓	✓	✓	✓
Spain	Madrid	CV	✓	✓	✓	✓
Spain	Valladolid	CV	✓	✓	✓	✓
UK	Basildon	AG	✓	✓	✓	✓

[a] *AG = Agricultural Equipment*
CE = Construction Equipment
CV = Commercial Vehicles
PWT = Powertrain

GLOSSARY
APAC; EMEA; LATAM; NAFTA; WCM

GRI
G4-17

Country	Plant	Segment[a]	WCM	Health and Safety	Environment	Energy
NAFTA						
Canada	Saskatoon	AG	✓	✓	✓	✓
Mexico	Queretaro	AG&CE	✓	✓	✓	✓
USA	Benson	AG	✓	✓	✓	✓
USA	Burlington	CE	✓	✓	✓	✓
USA	Calhoun	CE	✓		✓	✓
USA	Fargo	AG&CE	✓	✓	✓	✓
USA	Goodfield	AG	✓	✓	✓	✓
USA	Grand Island	AG	✓	✓	✓	✓
USA	New Holland	AG	✓	✓	✓	✓
USA	Racine	AG	✓	✓	✓	✓
USA	Wichita	CE	✓	✓	✓	✓
LATAM						
Argentina	Cordoba	AG	✓	✓	✓	
Argentina	Cordoba	CV	✓	✓	✓	✓
Argentina	Cordoba	PWT	✓			
Brazil	Contagem	CE	✓	✓	✓	✓
Brazil	Curitiba	AG	✓	✓	✓	✓
Brazil	Piracicaba	AG	✓	✓	✓	✓
Brazil	Sete Lagoas	PWT	✓	✓	✓	✓
Brazil	Sete Lagoas	CV	✓	✓	✓	✓
Brazil	Sorocaba	AG&CE	✓	✓	✓	✓
Venezuela	La Victoria	CV	✓	✓	✓	✓
APAC						
Australia	Dandenong	CV	✓	✓	✓	✓
China	Chongqing	PWT	✓	✓	✓	✓
India	Noida	AG	✓	✓	✓	✓
India	Pithampur	CE	✓	✓		

Specifically, regarding the scope of the Report:

- **World Class Manufacturing** (WCM) data relates to 53 plants consolidated in the Annual Report as at December 31, 2014, representing 98% of revenues from sales of products manufactured at CNH Industrial's plants
- **occupational health and safety** data relates to 64,456 employees, or about 95% of the total workforce
- information on **environmental** performance and management systems relates to 55 fully consolidated plants, representing 99% of revenues from sales of products manufactured at CNH Industrial's plants
- information on **energy** performance and management systems relates to 54 fully consolidated plants, representing 98% of revenues from sales of products manufactured at CNH Industrial's plants.

In addition, there are 53 ISO 14001 certified plants, representing 98% of revenues from sales of products manufactured at CNH Industrial's plants, with ISO 50001 certified plants accounting for 88%, and OHSAS 18001 certified plants accounting for 98%.

The plant in Berlin (Germany), running at reduced production capacity was not included within the scope of consolidation for ISO 14001 and OHSAS 18001 certification. The plant in Cordoba (Argentina), opened in 2013, was not included within the energy scope and is undergoing certification of the occupational health and safety management system. Compared to 2013, there were no changes in the number of plants falling within the scope of the Report, and no restatement of data was necessary.

GRI
G4-17;
G4-22; G4-23

DEFINING SUSTAINABILITY REPORT CONTENTS

Sustainability Report **contents are selected** through a process of exchange and comparison across CNH Industrial's internal structures, through a network of representatives within the different organizational areas that oversee the implementation of initiatives and the reporting of performance in terms of sustainability.

Defining the contents of the report is a process based on principles of materiality, stakeholder inclusiveness, sustainability context, and completeness. This complex and systematic process, which takes place during the Report's planning phase, in part through the materiality analysis (see also page 19), focuses on defining the topics and scope considered important for CNH Industrial's business and stakeholders owing to their economic, environmental, and social impact. The Report provides as complete a representation as possible of the relevant information, defining environmental and social action priorities and timeframes, to enable a thorough evaluation by stakeholders.

Ensuring the quality of information, on the other hand, is a process that concerns principles of balance, comparability, accuracy, timeliness, clarity, and reliability as per the GRI. Indeed, the annual Sustainability Report describes positive trends as well as weaknesses and areas for improvement, with the aim of presenting a clear and balanced picture of CNH Industrial's sustainability performance to its stakeholders. Furthermore, information and quantitative data is collected in such a way as to enable data comparability over several years and between similar organizations, with the aim of enabling an accurate reading of the information provided.

The **realization** of the Sustainability Report was contingent on a systematic information and data retrieval process, crucial to ensure the accuracy of sustainability performance reporting. Approximately two hundred Key Performance Indicators (KPIs) were reported in this document. Where available, computerized management and control systems (e.g., the SAP HR platform for employee data, and System 11 for financial data on communities) were used to ensure the reliability of information flows and data accuracy. Other indicators were monitored through electronic databases (e.g., Standard Aggregation Data for environmental, health and safety data) or spreadsheets, populated directly by the representatives of each thematic area worldwide and verified by their supervisors.

In order to substantiate the Company's commitment and the reliability of contents, the Sustainability Report was **verified, analyzed, and approved** by multiple parties. Indeed, it was:

- drawn up by the Sustainability Unit, which reports to the Chief Financial Officer and coordinates across all concerned functions
- approved by the members of the Group Executive Council, CNH Industrial's highest decision-making body after the Board of Directors
- reviewed by the Governance and Sustainability Committee, a subcommittee of CNH Industrial's Board of Directors
- submitted to SGS Nederland B.V.[3], an independent certification body, for verification as per Sustainability Reporting Assurance (SRA) procedures and in compliance with both the GRI-G4 guidelines and AA1000 APS 2008 standard. SGS is officially authorized to provide assurance as per AA1000. It also assured the alignment of CNH Industrial's sustainability management system with the ISO 26000 guidelines on social responsibility[4]
- presented along with the Annual Report at CNH Industrial's Annual General Meeting, to provide a complete, up-to-date overview of the Company's financial, environmental, and social performance
- published and made available in the sustainability section of the Corporate website.

GLOSSARY
AA1000; GRI; ISO 26000; KPI; Stakeholders

GRI
G4-18; G4-30; G4-33

(3) Sergio Marchionne and Peter Kalantzis, Chairman and Director of the CNH Industrial Board of Directors, are also, respectively, Non-Executive Chairman and Non-Executive Director of the Board of Directors of SGS S.A.

(4) The statement of assurance, describing the activities carried out and the opinions expressed, is available on pages 258-259.

METHODOLOGIES

FREE FLOAT ANALYSIS

The analysis, conducted by Vigeo S.A., covers the largest global asset owners (see below) as well as mutual funds.
Asset owners are: large financial organizations investing their own assets; national, occupational, company-specific, and local government pension funds; foundations; public funds; insurance funds; endowments; or sovereign wealth funds. Assets do not include those managed by firms on behalf of their clients.
An **asset owner** is identified as a Socially Responsible Investor (SRI) if at least one of these conditions is met:

- it adopts SRI principles in its investment policy (with regard to voting, engagement, activism, and screening)
- has dedicated SRI mandates
- uses SRI benchmarks.

The analysis also covers green, social, and ethical **mutual funds** operating worldwide (see below).
Mutual funds are defined as in the European Fund and Asset Management Association (EFAMA) Statistical Releases: i.e., publicly offered open-end funds investing in transferable securities and money market funds. However, data is not fully comparable as the report in question includes some life insurance and pension funds consistent with Vigeo definitions (Green, Social and Ethical Funds in Europe - 2014 Review).
To be eligible for analysis, a mutual fund must:

- perform ethical, social or environmental screenings for stock and bond issuer selection (negative screens and/or best-in-class)
- be marketed as an SRI
- be available to the public (retail funds).

The **free float** indicates the percentage of shares remaining after block ownership and restricted shares adjustments, as calculated by STOXX Ltd. Block ownership is defined as the sum of all holdings larger than 5% - held by companies, governments, families, and private investors, but excluding those by investment companies and funds - that must be reported to domestic regulatory agencies.

DETAILS OF CALCULATIONS

- To enable comparability over time, the data presented refers to the three-year period from 2012 to 2014. The 2012 data refers to Fiat Industrial
- The **added value**, representing the value generated by Corporate business activities, was calculated via an internal method as the difference between production value and the associated intermediate costs, net of depreciation. The global net added value was then divided among beneficiaries as follows: employees (direct remuneration comprising salaries, wages, and severance pay; and indirect remuneration consisting of welfare benefits); government and public institutions (income taxes); financial backers (interest paid on borrowed capital); shareholders (dividends payable); Company (share of reinvested profits); and local communities
- Economic data was collected directly rather than extrapolated from the Annual Report, and converted into US dollars using the **average exchange rate** as at December 31, 2014. To calculate variations, the 2013 data was converted into US dollars using the average exchange rate as at December 31, 2013
- **Human resources** data refers to the entire Corporate scope, unless otherwise specified
- **Employees** are divided into four main categories: hourly, salaried, professional, and manager. Professional encompasses all individuals in specialized and managerial roles (including those identified as *professionals* and *professional experts* under the CNH Industrial classification system). Manager refers to individuals in top management roles (including those identified as *professional masters*, *professional seniors*, and *executives* under the CNH Industrial classification system)

- For 2012 and 2011, **labor cost** data was reformulated following the adoption of the revised International Accounting Standards (IAS) 19
- **Injury rates** were calculated excluding commuting accidents, i.e., those involving employees during normal commutes between place of residence and work
- Each manufacturing operative unit is required to report monthly safety data to the regional EHS department, which is accountable for data reporting and statistics on **safety** at Company level. Data collection and analysis is performed by means of specific information technology tools and software
- Investment data for **local communities** is based on accounting data and calculation methods, and also includes estimates. Figures in currencies other than dollars were converted at the exchange rate as at December 31, 2014. The stated figures also take into account the cost of employee time to manage and organize humanitarian initiatives promoted by the Company, and do not include brand promotion initiatives
- Regarding **environmental and energy performance**, normalized production unit indices were defined to evidence each segment's medium and long-term trends in environmental and energy performance. The purpose was in fact to highlight enhanced performances resulting from process improvements, and not simply linked to variations in production volumes. Production units are specific to each segment's nature and activity: hours of production for Agricultural Equipment, Construction Equipment, and Commercial Vehicles, and units produced for Powertrain. Improvement targets were set for each segment based on these normalized indices. The *hours of production* refer to the number of working hours of hourly employees required to manufacture a product. In 2014, CNH Industrial set new indicators and targets. The new targets indicated in the Sustainability Plan refer to a performance indicator calculated on the *total number of manufacturing hours*, defined as hours of presence of hourly employees within the manufacturing scope required to manufacture a product
- Values expressed in **tons** refer to metric tons (one thousand kilos)
- With regard to **environmental data**, Standard Aggregation Data (SAD) or similar systems were individually compiled for each production unit based on respective qualitative and quantitative data. Individual Standard Aggregation Databases only include data relevant to the activities of the production unit in question. Depending on data, the detection criterion was either measured, calculated or estimated[1]
- **NO_x**, **SO_x** and **dust** emissions were calculated based on historical average values
- The emissions of **Ozone Depleting Substances** (ODS), deriving from inevitable leaks from cooling and air conditioning equipment, were calculated based on the amount of R-22 refilling, and converted into kilos of CFC-11 equivalent considering an Ozone Depletion Potential of 0.055 (source: United Nations Environment Programme (UNEP), HCFCs controlled under the Montreal Protocol)
- The **water sources** (or water bodies) considered as significantly affected by water withdrawals and/or discharges fall into three categories: protected, with high biodiversity value, or affected by water withdrawals and/or discharges in excess of 5% of their average annual volume. A protected water body is a geographically defined area designated, regulated, and managed according to specific conservation objectives. A water body with high biodiversity value is an area that is not legally protected, but recognized by government and nongovernmental organizations for the presence of significant biodiversity

GLOSSARY
Biodiversity; NO_x; SO_x; ODS; SAD

GRI
G4-LA6; G4-EN8; G4-EN9; G4-EN10; G4-EN21; G4-EN22

(1) A value is considered as measured if detected using a certified measurement tool. This criterion remains valid even if a formula is applied to convert the detected value's unit of measurement. A value is considered as calculated if derived from two or more measured data items related by a formula or algorithm. A value is considered as estimated if based on at least one uncertain data item in addition to other measured quantities.

- **Energy** consumption was measured via specific measurement systems and converted into joules through specific equivalences based on energy carrier. For example, when monitored as a secondary carrier, compressed air is indicated in Nm^3 and, through conversion formulas, translated into kWh and then GJ. Direct energy refers to the forms of energy that fall within the scope of the organization's operations; it can either be consumed by the organization within its boundaries, or exported to other users. Indirect energy refers to the energy produced outside the scope of the organization's operations, supplied to meet the organization's needs (e.g., electricity, heating, and cooling)

- At CNH Industrial, the sources of **greenhouse gas** emissions, besides the CO_2 emissions from energy consumption, are associated with the use of HFC compounds with Global Warming Potential (GWP) present in air-conditioning, cooling, fire suppression, aerosol (e.g., propellants), and manufacturing equipment. The potential emissions from these substances (CO_2 eq) are negligible compared with emissions from energy production; in fact, with an incidence of less than 0.5%, they fall outside the reporting scope

- **CO_2 emissions** were calculated according to GHG Protocol standards, implemented through Company guidelines, whereas the indirect emissions associated with energy production emission factors were calculated as per the standards published in November 2014 by the International Energy Agency. Furthermore, calculations were made using the lower heat of combustion reference value and the emission factors specific to the energy industry's power generation stations, available in the second volume of the IPCC 2006 Guidelines. In terms of emission factors, only CO_2 was taken into account, as CH_4 and N_2O components were considered negligible and therefore *de minimis*.

OTHER INFORMATION

As regards the **infographics** included in the document and in Facts and Figures, the percentages indicate trends calculated against 2013, unless otherwise specified.
GRI-G4 indicators are referenced at the bottom of the pages in which they are disclosed. If a disclosure is explained over a number of consecutive pages, it is indicated only on the first page.

This icon indicates the sections explaining the management approach to a specific material aspect


This icon indicates a link with targets in the Sustainability Plan


This icon indicates a link with 2014 results in the Sustainability Plan


This icon indicates CNH Industrial's specific approach to the issue with regard to Emerging Markets, defined as low, lower-middle, or upper-middle income countries as per the 2014 World Bank list of economies


This icon indicates steps of the process in which the Quality function plays an important and/or mandatory role


This icon indicates CNH Industrial's specific approach to product safety


This icon indicates CNH Industrial's reference to human rights

GLOSSARY
CO_2 eq; Emerging Markets; GHG Protocol; HFCs; Indirect emissions; Material aspect

GRI
G4-EN3; G4-EN6 G4-EN15; G4-EN16

PERFORMANCE INDICATORS

Material aspect described in chapter. For further details, see Materiality Matrix, page 21.

HUMAN RESOURCES INDICATORS

EMPLOYEES IN NUMBERS

EMPLOYEES BY REGION AND CATEGORY[a]

CNH INDUSTRIAL WORLDWIDE (no.)

2014	**Total**	Hourly	Salaried	Professional	Manager
EMEA	**41,756**	26,935	6,372	7,830	619
NAFTA	**11,647**	6,823	1,549	3,059	216
LATAM	**10,485**	7,435	1,753	1,219	78
APAC	**5,319**	2,492	1,667	1,114	46
World	**69,207**	43,685	11,341	13,222	959
2013					
EMEA	**41,961**	27,228	6,709	7,431	593
NAFTA	**11,948**	6,989	1,573	3,193	193
LATAM	**12,081**	9,010	1,731	1,285	55
APAC	**5,202**	2,504	1,692	978	28
World	**71,192**	45,731	11,705	12,887	869
2012					
EMEA	**42,063**	27,551	6,633	7,259	620
NAFTA	**11,734**	6,851	1,541	3,135	207
LATAM	**9,663**	6,861	1,571	1,180	51
APAC	**4,797**	2,439	1,476	856	26
World	**68,257**	43,702	11,221	12,430	904

[a] *For more information on employee categories, see page 239.*

EMPLOYEES BY SEGMENT

CNH INDUSTRIAL WORLDWIDE (no.)

	2014	2013
Agricultural Equipment	**27,322**	27,972
Construction Equipment	**6,431**	6,800
Commercial Vehicles	**25,881**	27,011
Powertrain	**8,295**	8,232
Other Activities[a]	**114**	109
Financial services	**1,164**	1,068
Total	**69,207**	71,192

[a] *Other Activities include Corporate functions.*

GLOSSARY
APAC; EMEA; LATAM; NAFTA

GRI
G4-10

LABOR PRACTICES

EMPLOYEE TURNOVER BY REGION

CNH INDUSTRIAL WORLDWIDE (no.)

EMEA	2014	2013	2012
Employees at January 1	**41,961**	42,063	41,468
New Hires	**1,812**	2,319	3,048
Departures	**(2,359)**	(2,724)	(2,641)
Δ scope of operation	**342**	303	188
Employees at December 31	**41,756**	41,961	42,063

LATAM	2014	2013	2012
Employees at January 1	**12,081**	9,663	9,655
New Hires	**1,093**	3,706	2,166
Departures	**(2,852)**	(2,107)	(2,287)
Δ scope of operation	**163**	819	129
Employees at December 31	**10,485**	12,081	9,663

NAFTA	2014	2013	2012
Employees at January 1	**11,948**	11,734	11,248
New Hires	**1,041**	1,565	1,837
Departures	**(1,582)**	(1,372)	(1,352)
Δ scope of operation	**240**	21	1
Employees at December 31	**11,647**	11,948	11,734

APAC	2014	2013	2012
Employees at January 1	**5,202**	4,797	4,627
New Hires	**1,070**	1,163	1,049
Departures	**(1,007)**	(764)	(879)
Δ scope of operation	**54**	6	-
Employees at December 31	**5,319**	5,202	4,797

Total worldwide	2014	2013	2012
Employees at January 1	**71,192**	68,257	66,998
New Hires	**5,016**	8,753	8,100
Departures	**(7,800)**	(6,967)	(7,159)
Δ scope of operation	**799**	1,149	318
Employees at December 31	**69,207**	71,192	68,257

EMPLOYEE TURNOVER BY CATEGORY[a]

CNH INDUSTRIAL WORLDWIDE (no.)

Hourly	2014	2013	2012
Employees at January 1	**45,731**	43,702	43,877
New Hires	**3,149**	6,012	4,956
Departures	**(5,321)**	(4,729)	(5,021)
Δ change in category	**(100)**	(177)	(217)
Δ scope of operation	**226**	923	107
Employees at December 31	**43,685**	45,731	43,702

Salaried	2014	2013	2012
Employees at January 1	**11,705**	11,221	10,815
New Hires	**1,056**	1,665	1,726
Departures	**(1,239)**	(1,124)	(1,017)
Δ change in category	**(392)**	(273)	(467)
Δ scope of operation	**211**	216	164
Employees at December 31	**11,341**	11,705	11,221

Professional	2014	2013	2012
Employees at January 1	**12,887**	12,430	11,411
New Hires	**778**	1,029	1,354
Departures	**(1,128)**	(1,015)	(1,016)
Δ change in category	**347**	433	633
Δ scope of operation	**338**	10	48
Employees at December 31	**13,222**	12,887	12,430

Manager	2014	2013	2012
Employees at January 1	**869**	904	895
New Hires	**33**	47	64
Departures	**(112)**	(99)	(105)
Δ change in category	**145**	17	51
Δ scope of operation	**24**	-	(1)
Employees at December 31	**959**	869	904

[a] *For more information on employee categories, see page 239.*

GLOSSARY
APAC; EMEA; LATAM; NAFTA

GRI
G4-LA1

EMPLOYEE TURNOVER BY AGE

CNH INDUSTRIAL WORLDWIDE (no.)

Up to 30 years	2014	2013
Employees at January 1	**15,443**	14,533
New Hires	**2,678**	4,940
Departures	**(3,093)**	(2,659)
Δ age range	**(2,076)**	(2,000)
Δ scope of operation	**181**	629
Employees at December 31	**13,133**	15,443

31 to 40 years	2014	2013
Employees at January 1	**22,203**	21,189
New Hires	**1,304**	2,447
Departures	**(1,953)**	(1,724)
Δ age range	**(116)**	3
Δ scope of operation	**234**	288
Employees at December 31	**21,672**	22,203

41 to 50 years	2014	2013
Employees at January 1	**18,368**	17,828
New Hires	**681**	947
Departures	**(1,003)**	(1,013)
Δ age range	**520**	467
Δ scope of operation	**196**	139
Employees at December 31	**18,762**	18,368

Over 50 years	2014	2013
Employees at January 1	**15,178**	14,707
New Hires	**353**	419
Departures	**(1,751)**	(1,571)
Δ age range	**1,672**	1,530
Δ scope of operation	**188**	93
Employees at December 31	**15,640**	15,178

EMPLOYEE TURNOVER BY GENDER

CNH INDUSTRIAL WORLDWIDE (no.)

Men	2014	2013
Employees at January 1	**61,428**	59,005
New Hires	**4,089**	7,355
Departures	**(6,683)**	(5,963)
Δ scope of operation	**581**	1,031
Employees at December 31	**59,415**	61,428

Women	2014	2013
Employees at January 1	**9,764**	9,252
New Hires	**927**	1,398
Departures	**(1,117)**	(1,004)
Δ scope of operation	**218**	118
Employees at December 31	**9,792**	9,764

NEW HIRES BY REGION

CNH INDUSTRIAL WORLDWIDE (no.)

	2014	2013
EMEA	**1,812**	2,319
NAFTA	**1,041**	1,565
LATAM	**1,093**	3,706
APAC	**1,070**	1,163
World	**5,016**	8,753

NEW HIRES BY AGE

CNH INDUSTRIAL WORLDWIDE (no.)

	2014	2013
Up to 30 years	**2,678**	4,940
31 to 40 years	**1,304**	2,447
41 to 50 years	**681**	947
Over 50 years	**353**	419
Total	**5,016**	8,753

NEW HIRES BY GENDER

CNH INDUSTRIAL WORLDWIDE (no.)

	2014	2013
Men	**4,089**	7,355
Women	**927**	1,398
Total	**5,016**	8,753

GRI
G4-LA1

PROMOTIONS

CNH INDUSTRIAL WORLDWIDE (no.)

	2014			2013		
	Men	**Women**	**Total**	Men	Women	Total
Hourly	**133**	**26**	**159**	197	48	245
Salaried	**439**	**134**	**573**	425	129	554
Professional	**384**	**67**	**451**	202	38	240
Manager	**48**	**11**	**59**	51	8	59
Total	**1,004**	**238**	**1,242**	875	223	1,098

HUMAN AND LABOR RIGHTS

EMPLOYEES BY CATEGORY[a] BY GENDER

CNH INDUSTRIAL WORLDWIDE (no.)

	2014			2013		
	Total	**Men**	**Women**	Total	Men	Women
Hourly	**43,685**	**39,669**	**4,016**	45,731	41,700	4,031
Salaried	**11,341**	**8,019**	**3,322**	11,705	8,269	3,436
Professional	**13,222**	**10,874**	**2,348**	12,887	10,683	2,204
Manager	**959**	**853**	**106**	869	776	93
Total	**69,207**	**59,415**	**9,792**	71,192	61,428	9,764

[a] *For more information on employee categories, see page 239.*

EMPLOYEES BY CATEGORY[a] BY AGE

CNH INDUSTRIAL WORLDWIDE (no.)

	2014					2013				
	Total (no.)	**Up to 30 years**	**31 to 40 years**	**41 to 50 years**	**Over 50 years**	Total (no.)	Up to 30 years	31 to 40 years	41 to 50 years	Over 50 years
Hourly	**43,685**	**9,351**	**13,157**	**11,579**	**9,598**	45,731	11,257	13,753	11,489	9,232
Salaried	**11,341**	**2,903**	**3,729**	**2,479**	**2,230**	11,705	3,198	3,788	2,473	2,246
Professional	**13,222**	**878**	**4,613**	**4,232**	**3,499**	12,887	988	4,527	3,988	3,384
Manager	**959**	**1**	**173**	**472**	**313**	869	-	135	418	316
Total	**69,207**	**13,133**	**21,672**	**18,762**	**15,640**	71,192	15,443	22,203	18,368	15,178

[a] *For more information on employee categories, see page 239.*

FEMALE EMPLOYEES BY REGION

CNH INDUSTRIAL WORLDWIDE (no.)

	2014	2013	2012
EMEA	**5,657**	5,554	5,499
NAFTA	**2,213**	2,226	2,135
LATAM	**1,234**	1,290	991
APAC	**688**	694	627
World	**9,792**	9,764	9,252

GRI G4-10; G4-LA12

FEMALE EMPLOYEES BY CATEGORY[a]

CNH INDUSTRIAL WORLDWIDE (no.)

	2014	2013	2012
Hourly	**4,016**	4,031	3,767
Salaried	**3,322**	3,436	3,291
Professional	**2,348**	2,204	2,095
Manager	**106**	93	99
Total	**9,792**	9,764	9,252

[a] *For more information on employee categories, see page 239.*

NATIONALITY OF MANAGERS

CNH INDUSTRIAL WORLDWIDE (%)

	2014	2013	2012
Italian	**48.1**	48.9	49.8
American	**20.2**	20.3	20.8
Brazilian	**6.8**	5.8	4.8
British	**4.3**	3.9	4.0
French	**3.6**	4.8	4.5
Belgian	**3.4**	4.1	3.8
German	**3.2**	2.8	2.9
Spanish	**1.3**	1.2	1.1
Other nationalities	**9.1**	8.2	8.3

WORKFORCE GENDER DISTRIBUTION BY REGION

CNH INDUSTRIAL WORLDWIDE

	2014		2013		2012	
	Total (no.)	**of which women (%)**	Total (no.)	of which women (%)	Total (no.)	of which women (%)
EMEA	**41,756**	**13.5**	41,961	13.2	42,063	13.1
NAFTA	**11,64 7**	**19.0**	11,948	18.6	11,734	18.2
LATAM	**10,485**	**11.8**	12,081	10.7	9,663	10.3
APAC	**5,319**	**12.9**	5,202	13.3	4,797	13.1
World	**69,207**	**14.1**	71,192	13.7	68,257	13.6

WORKFORCE GENDER DISTRIBUTION BY CATEGORY[a]

CNH INDUSTRIAL WORLDWIDE

	2014		2013		2012	
	Total (no.)	**of which women (%)**	Total (no.)	of which women (%)	Total (no.)	of which women (%)
Hourly	**43,685**	**9,2**	45,731	8.8	43,702	8.6
Salaried	**11,341**	**29,3**	11,705	29.4	11,221	29.3
Professional	**13,222**	**17,8**	12,887	17.1	12,430	16.9
Manager	**959**	**11,1**	869	10.7	904	11.0
Total	**69,207**	**14,1**	71,192	13.7	68,257	13.6

[a] *For more information on employee categories, see page 239.*

GRI
G4-10;
G4-EC6;
G4-LA12

WORKFORCE GENDER DISTRIBUTION BY AGE

CNH INDUSTRIAL WORLDWIDE

	2014		2013		2012	
	Total (no.)	**of which women (%)**	Total (no.)	of which women (%)	Total (no.)	of which women (%)
Up to 30 years	**13,133**	**13.7**	15,443	12.7	14,533	12.6
31 to 40 years	**21,672**	**16.3**	22,203	15.8	21,189	15.7
41 to 50 years	**18,762**	**13.7**	18,368	13.4	17,828	13.1
Over 50 years	**15,640**	**12.0**	**15,178**	**12.1**	**14,707**	**12.0**

WORKFORCE GENDER DISTRIBUTION BY LENGTH OF SERVICE

CNH INDUSTRIAL WORLDWIDE

	2014		2013		2012	
	Total (no.)	**of which women (%)**	Total (no.)	of which women (%)	Total (no.)	of which women (%)
Up to 5 years	**24,698**	**16.0**	29,414	15.3	29,368	15.7
6 to 10 years	**15,416**	**16.7**	12,328	16.1	10,216	15.4
11 to 20 years	**15,182**	**12.9**	15,139	12.7	14,191	12.0
21 to 30 years	**8,693**	**8.9**	8,732	8.9	8,749	8.8
Over 30 years	**5,218**	**9.9**	**5,579**	**10.2**	**5,733**	**10.2**

WORKFORCE GENDER DISTRIBUTION BY LEVEL OF EDUCATION

CNH INDUSTRIAL WORLDWIDE

	2014[a]		2013[b]		2012[c]	
	Total (no.)	**of which women (%)**	Total (no.)	of which women (%)	Total (no.)	of which women (%)
University degree or equivalent	**12,805**	**22.4**	12,609	21.5	11,271	21.4
High school	**25,022**	**11.5**	25,554	11.4	22,928	11.3
Elementary/middle school	**20,028**	**9.7**	21,054	9.1	20,542	8.9

(a) About 11,352 employees not mapped for 2014.
(b) About 11,975 employees not mapped for 2013.
(c) About 13,516 employees not mapped for 2012.

WORKFORCE GENDER DISTRIBUTION BY CONTRACT TYPE

CNH INDUSTRIAL WORLDWIDE

	2014		2013		2012	
	Total (no.)	**of which women (%)**	Total (no.)	of which women (%)	Total (no.)	of which women (%)
Fixed-term	**1,144**	**11.6**	2,605	9.5	2,527	13.3
No-term	**68,063**	**14.2**	68,587	13.9	65,730	13.6
Total	**69,207**	**14.1**	71,192	13.7	68.257	13.6

WORKFORCE GENDER DISTRIBUTION BY REGION BY CONTRACT TYPE

CNH INDUSTRIAL WORLDWIDE

2014	No-term				Fixed-term			
	Full-time		Part-time		Full-time		Part-time	
	Total (no.)	of which women (%)	Total (no.)	of which women (%)	Total (no.)	of which women (%)	Total (no.)	of which women (%)
EMEA	40,352	12.8	541	72.6	863	9.8	-	-
NAFTA	11,608	19.0	-	-	39	30.8	-	-
LATAM	10,298	11.6	-	-	187	18.7	-	-
APAC	5,261	13.0	3	100.0	55	1.8	-	-
World	**67,519**	**13.7**	**544**	**72.8**	**1,144**	**11.6**	**-**	**-**

2013	No-term				Fixed-term			
	Full-time		Part-time		Full-time		Part-time	
	Total (no.)	of which women (%)	Total (no.)	of which women (%)	Total (no.)	of which women (%)	Total (no.)	of which women (%)
EMEA	40,317	12.6	456	72.4	1,188	11.2	-	-
NAFTA	11,866	18.7	3	33.3	79	7.6	-	-
LATAM	10,833	10.9	1	100.0	1,247	8.3	-	-
APAC	5,109	13.4	2	100.0	91	6.6	-	-
World	68,125	13.5	462	72.3	2,605	9.5	-	-

2012	No-term				Fixed-term			
	Full-time		Part-time		Full-time		Part-time	
	Total (no.)	of which women (%)	Total (no.)	of which women (%)	Total (no.)	of which women (%)	Total (no.)	of which women (%)
EMEA	40,061	12.3	420	77.9	1,582	16.6	-	-
NAFTA	11,606	18.3	4	25.0	124	5.6	-	-
LATAM	8,852	10.5	2	-	809	7.5	-	-
APAC	4,785	13.0	-	-	12	50.0	-	-
World	65,304	13.2	426	77.0	2,527	13.3	-	-

OCCUPATIONAL HEALTH AND SAFETY

NUMBER OF INJURIES BY REGION

CNH INDUSTRIAL WORLDWIDE (no. of persons)

	2014	2013	2012
EMEA	**181**	178	232
NAFTA	**41**	37	68
LATAM	**31**	83	80
APAC	**7**	13	10
Total	**260**	311	390

DAYS OF ABSENCE[a] BY REGION

CNH INDUSTRIAL WORLDWIDE (no.)

	2014	2013	2012
EMEA	**6,876**	7,506	8,710
NAFTA	**1,712**	2,176	2,016
LATAM	**686**	1,527	1,312
APAC	**178**	338	105
Total	**9,452**	11,547	12,143

(a) *Days lost due to accidents – more than 3 days.*

GLOSSARY
APAC; EMEA; LATAM; NAFTA

GRI
G4-10; G4-LA6

FREQUENCY RATE BY REGION

CNH INDUSTRIAL WORLDWIDE (accidents per 100,000 hours worked)

	2014	2013	2012
EMEA	**0.32**	0.30	0.39
NAFTA	**0.19**	0.17	0.30
LATAM	**0.18**	0.39	0.47
APAC	**0.09**	0.13	0.16
World	**0.25**	0.28	0.37

SEVERITY RATE BY REGION

CNH INDUSTRIAL WORLDWIDE (days of absence per 1,000 hours worked)

	2014	2013	2012
EMEA	**0.12**	0.13	0.15
NAFTA	**0.08**	0.10	0.09
LATAM	**0.04**	0.07	0.08
APAC	**0.02**	0.03	0.02
World	**0.09**	0.10	0.12

OCCUPATIONAL ILLNESS FREQUENCY RATE (OIFR)[a] BY REGION

CNH INDUSTRIAL WORLDWIDE (cases of occupational Illness per 100,000 hours worked)

	2014	2013	2012
EMEA	**0.03**	0.04	0.04
NAFTA	**0.01**	-	0.01
LATAM	**-**	-	-
APAC	**-**	-	-
World	**0.02**	0.02	0.03

(a) 2012 and 2013 data restated with respect to the 2013 Sustainability Report.

MEDICAL TREATMENTS

CNH INDUSTRIAL WORLDWIDE (number of persons)

	2014	2013	2012
Total visits (thousands)	**196.83**	189.77	83.59
Visits per employee[a]	**2.84**	2.78	1.34

(a) 2012 and 2013 data restated with respect to the 2013 Sustainability Report.

OCCUPATIONAL HEALTH AND SAFETY - CONTRACTORS

NUMBER OF INJURIES BY REGION

CNH INDUSTRIAL WORLDWIDE (no. of persons)

	2014	2013
EMEA	**37**	19
NAFTA	**1**	11
LATAM	**16**	78
APAC	**-**	-
Total	**54**	108

FREQUENCY RATE BY REGION

CNH INDUSTRIAL WORLDWIDE (accidents per 100,000 hours worked)

	2014	2013
EMEA	**0.52**	0.29
NAFTA	**0.17**	0.90
LATAM	**0.43**	0.96
APAC	**-**	-
World	**0.44**	0.65

GLOSSARY
APAC; EMEA; Frequency rate; LATAM; NAFTA; OIFR; Severity rate

GRI
G4-LA6

ENVIRONMENTAL INDICATORS

AIR EMISSIONS

VOLATILE ORGANIC COMPOUNDS (VOC)

CNH INDUSTRIAL WORLDWIDE (kg)

	Target 2018 vs. 2014	2014	2013	2012
Average VOC emissions (g/m^2)	**-2%**	**43.4**	48.6	49.4
Total VOC emissions (kg)		**2,295,135**	3,003,682	2,552,009

EMISSIONS OF NO_X, SO_X AND DUST

CNH INDUSTRIAL WORLDWIDE (tons)

	2014	2013	2012
Nitrogen Oxides (NO_X)	**372.6**	443.0	418.8
Sulfur Oxides (SO_X)	**36.7**	41.2	50.6
Dust	**5.1**	5.7	5.3

PRESENCE OF OZONE DEPLETING SUBSTANCES (ODS)[a]

CNH INDUSTRIAL WORLDWIDE (kg)

	2014	2013	2012
Plants	55	55	59
CFCs	**10.50**	355.70	26.01
HCFCs	**2,362.54**	5,523.81	6,193.72
Halons	**-**	-	-
Methyl bromide	**-**	-	-
Other CFCs fully halogenated	**-**	-	-
Total	**2,373.04**	5,879.51	6,219.73

[a] Data includes quantities of ozone depleting substances found in office air conditioning equipment, equal to approximately 4,309 kilos in 2012, 3,981 in 2013, and 1,669 in 2014.

EMISSIONS OF OZONE DEPLETING SUBSTANCES (ODS)[a]

CNH INDUSTRIAL WORLDWIDE (kg CFC-11-equialent)

	2014	2013	2012
Total	**16.94**	13.86	23.71

[a] ODS emissions derive from inevitable leaks from cooling and air conditioning equipment. Therefore, they are calculated based on the amount of R-22 refilling, and converted into kilos of CFC-11 equivalent considering an Ozone Depletion Potential of 0.055 (source: United Nations Environment Programme (UNEP), HCFCs controlled under the Montreal Protocol).

GLOSSARY
ODS; NO_X; SO_X; VOC

GRI
G4-EN20; G4-EN21

WATER MANAGEMENT

WATER WITHDRAWAL PER PRODUCTION UNIT

CNH INDUSTRIAL WORLDWIDE (m^3/hour of production)

	Target 2018 vs. 2014	2014	2013	2012
Water withdrawal	-3%	0.14	0.16	0.19

WATER WITHDRAWAL AND DISCHARGE

CNH INDUSTRIAL WORLDWIDE (thousands of m^3)

	2014	2013	2012
Plants	55	55	59
Withdrawal			
Groundwater	**3,512**	4,067	4,724
Municipal water supply	**2,159**	2,496	2,436
Surface water	**18**	23	23
of which salt water	**-**	-	-
Rainwater	**3**	1	n.a.
Other	**-**	-	1
Total water withdrawal	**5,692**	6,587	7,184
Discharge			
Surface water	**836**	1,244	1,195
of which salt water	**-**	-	-
Public sewer systems	**3,146**	3,389	3,439
Other destinations	**45**	76	40
Total water discharge	**4,027**	4,709	4,674

WATER RECYCLING INDEX

CNH INDUSTRIAL WORLDWIDE (thousands of m^3)

	2014	2013	2012
Plants	**55**	55	59
Total water requirement	**7,858**	8,332	8,860
of which covered by recycling	**2,166**	1,745	1,676
of which water withdrawal	**5,692**	6,587	7,184
Recycling Index[a]	**27.6%**	20.9%	18.9%

[a] The recycling index is calculated as a percentage of the total water requirement. The index for 2013 and 2012 was modified according to this formula.

QUALITY OF WATER DISCHARGES

CNH INDUSTRIAL WORLDWIDE (milligram/liter)

	2014	2013
Biochemical Oxygen Demand (BOD)	**90.6**	96.5
Chemical Oxygen Demand (COD)	**244.0**	195.7
Total Suspended Solids (TSS)	**110.9**	104.8

GLOSSARY
BOD; COD
TSS

GRI
G4-EN8;
G4-EN10;
G4-EN22

MAIN PLANTS LOCATED IN WATER-STRESSED AREAS[a]

CNH INDUSTRIAL WORLDWIDE

Segment and plant	2014 water intensity[b] (m^3/COGS)	Discarge water quality (mg/l)	2009 fresh water consumption (m^3/h)	2014 fresh water consumption (m^3/h)	Reduction target (2014 vs. 2009)
Agricultural Equipment ■ Noida (India)	0.00049	BOD: 19 COD: 132 TSS: 87	0.270	0.166	-38% ✓
Agricultural Equipment ■ Plock (Poland)	0.00033	BOD: 258 COD: 676 TSS: 63	0.160	0.079	-47% ✓
Commercial Vehicles ■ Vysoke Myto (Czech Republic)	0.00028	BOD: 94 COD: 332 TSS: 112	0.070	0.017	-59% ✓

✓ *Target achieved.*
[a] *Water-stressed area: area with water disposal < 1,700 m^3/person per year (source: FAO).*
[b] *Water-intensity: fresh water consumption in m^3/Cost of Goods Sold (COGS) in $.*

WATER SOURCES SIGNIFICANTLY AFFECTED BY PLANTS' WATER WITHDRAWAL AND/OR DISCHARGE

CNH INDUSTRIAL WORLDWIDE

Segment and plant	Water source	Size of water source	Use	Protected water body	High biodiversity value water body	Water withdrawals accounting for more than 5% of annual average volume	Water discharges accounting for more than 5% of annual average volume
Powertrain ■ Bourbon Lancy (France)	Withdrawal of industrial water from ground water and discharge to river (Loire)	Loire average flow[a] = 135 m^3/sec	Industrial water	yes[b]	yes[c]	no	no

[a] *Monthly average of the last 46 years (1969-2014).*
[b] *The section of the Loire that flows near the plant falls within three protected areas:*
- SIC - FR8301020: Vallée Alluviale de la Loire (left bank)
- SIC - FR2600967: Vallée de la Loire entre Devay et Digoin (right bank)
- ZPS - FR2612002: Vallée de la Loire de Iguerande à Decize.
In this context, the river is an important environmental resource for the local community, providing the water supply for the area's agriculture and grazing land.
[c] *There is a high level of biodiversity in the stretch of the Loire near the plant (see also page 179). According to official data from the Natura 2000 network, the area surrounding the Loire boasts 27 species of interest at EU level, of which 16 are included in Annex II of the Habitats Directive 92/43/EEC; one of these, the European eel (Anguilla anguilla), is listed as Critically Endangered (CR) by the International Union for Conservation of Nature (IUCN). Other important species include the European pond turtle (Emys orbicularis) and the Eurasian beaver (Castor fiber).*

GLOSSARY
Biodiversity; BOD; COD; TSS

GRI
G4-EN9; G4-EN26

WASTE MANAGEMENT

WASTE GENERATION AND MANAGEMENT

CNH INDUSTRIAL WORLDWIDE (tons)

	2014	2013	2012
Plants	55	55	59
Waste generated			
Non-hazardous waste	243,479	277,200	252,002
Hazardous waste	23,130	26,807	30,247
Total waste generated	266,609	304,007	282,249
of which packaging	79,145	119,620	77,035
Waste disposed			
Waste-to-energy conversion	13,100	12,208	10,081
of which hazardous	4,401	4,949	2,600
Treatment	21,568	24,892	32,500
Sent to landfill	11,208	15,244	15,964
Total waste disposed	45,876	52,344	58,545
Waste recovered			
Total waste recovered	220,733	251,663	223,704
of which hazardous	4,584	5,060	4,749
% waste recovered	83%	83%	79%
% waste sent to landfill	4%	5%	6%

WASTE AND HAZARDOUS WASTE GENERATED PER PRODUCTION UNIT

CNH INDUSTRIAL WORLDWIDE (kg/hour of production)

	Target 2018 vs. 2014	2014	2013	2012
Waste generated	-3%	6.46	7.27	7.65
Hazardous waste generated	-5%	0.56	0.64	0.82

WASTE RECOVERED[a]

CNH INDUSTRIAL WORLDWIDE (%)

	Target 2018	2014	2013	2012
Waste recovered	87	83	83	79

(a) Percentage of waste recovered on waste generated.

HAZARDOUS WASTE MANAGEMENT

CNH INDUSTRIAL WORLDWIDE (tons)

	2014	2013[a]	2012
Plants	55	55	59
Waste transported to external waste management service suppliers in the same country	23,100	26,642	30,039
Waste transported to external waste management service suppliers abroad	-	154	208
Total hazardous waste transported	23,100	26,796	30,247
Total treated hazardous waste	30	11	-
Total hazardous waste produced	23,130	26,807	30,247

(a) The amount of hazardous waste transported abroad is 0% of the total hazardous waste generated.

GRI G4-EN23; G4-EN25

BIODIVERSITY

PLANTS NEAR, BORDERING OR WITHIN PROTECTED[a] OR HIGH-BIODIVERSITY AREAS

CNH INDUSTRIAL WORLDWIDE

Plant	Plant activity	Plant's total surface area (m²)	Location with respect to protected area	Species on IUCN Red List of threatened species and on national lists (no.)
Bourbon Lancy (France)	Production of heavy-duty diesel engines	210,090	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
Curitiba (Brazil)	Production of agricultural equipment	792,824	Adjacent to/contains part of the protected area	101 species listed, of which: ■ 0 critically endangered ■ 0 endangered ■ 0 vulnerable ■ 4 near threatened ■ 97 of least concern
Foggia (Italy)	Production of engines	601,680	Adjacent to the protected area (3,500 m)	Under evaluation
Madrid (Spain)	Production of trucks	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
Sete Lagoas (Brazil)	Production of trucks (medium and heavy vehicle range)	2,000,000	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)	Production of trucks (light vehicles)	520,000	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
Ulm (Germany)	Production of special vehicles (fire-fighting)	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 recognized by governmental and non-governmental organizations as having significant biodiversity.

GLOSSARY
Biodiversity, IUCN Red List

GRI
G4-EN11; G4-EN12; G4-EN14

ENERGY CONSUMPTION AND CO_2 EMISSIONS

TOTAL ENERGY CONSUMPTION

CNH INDUSTRIAL WORLDWIDE (GJ)

Non-renewable sources	**2014**	2013[a]	2012
Plants	54	54	59
Direct energy consumption			
Natural gas	**3,089,485**	3,662,770	3,468,732
Coal	**201,292**	225,854	195,905
Diesel	**60,110**	68,237	65,242
Liquefied petroleum gas (LPG)	**106,547**	121,039	85,083
Other (HS and LS fuel oil)	**-**	-	7,135
Total	**3,457,434**	**4,077,900**	**3,822,097**
Indirect energy consumption			
Electricity	**1,485,087**	1,839,070	1,932,457
Thermal energy	**578,090**	854,693	860,121
Other energy sources	**125,202**	112,804	104,991
Total	**2,188,379**	**2,806,567**	**2,897,569**
Total energy consumption from non-renewable sources	**5,645,813**	**6,884,467**	**6,719,666**

Renewable sources	**2014**	2013	2012
Plants	54	54	59
Direct energy consumption			
Biomass	**19,762**	36,396	61,032
Solar-thermal	**349**	275	100
Total	**20,111**	**36,671**	**61,132**
Indirect energy consumption			
Electricity	**1,342,755**	1,194,778	985,694
Thermal energy	**56,325**	94,087	73,547
Other energy sources	**9,538**	-	-
Total	**1,408,618**	**1,288,865**	**1,059,241**
Total energy consumption from renewable sources	**1,428,729**	**1,325,536**	**1,120,373**
Total energy consumption	**7,074,542**	8,210,003	7,840,039

[a] 2013 data restated with respect to the 2013 Sustainability Report.

ENERGY CONSUMPTION BY ENERGY TYPE

CNH INDUSTRIAL WORLDWIDE (GJ)

	2014	2013[a]	2012
Plants	54	54	59
Electricity[b]	**2,927,191**	3,057,405	2,937,193
Heat	**634,765**	949,055	933,768
Steam[c]	**-**	-	-
Cooling coal	**35,390**	89,247	85,949
Natural gas	**3,089,485**	3,662,770	3,468,733
Other energy sources	**387,711**	451,526	414,396
Total energy consumption	**7,074,542**	**8,210,003**	**7,840,039**

[a] 2013 data restated with respect to the 2013 Sustainability Report.
[b] Electricity also includes compressed air.
[c] Steam is included in heat.

ENERGY CONSUMPTION FROM RENEWABLE SOURCES

CNH INDUSTRIAL WORLDWIDE (%)

	2014	2013	2012
Energy consumption from renewable sources	**20.2**	16.1	14.3

ENERGY CONSUMPTION PER PRODUCTION UNIT[a]

CNH INDUSTRIAL WORLDWIDE (GJ/hour of production)

	Target 2018 vs. 2014	**2014**	2013	2012
Energy consumption per production unit	**-6.5%**	**0.131**	0.151	0.159

[a] 2014 was chosen as the base year for 2014-2018 global planning, in line with the Business Plan.
Types of energy included: electricity, heat, steam, cooling, natural gas, metallurgical coal, diesel, and other fuels.
The 2013 and 2012 figures are estimates.

GRI G4-EN3

CO_2 EMISSIONS

DIRECT AND INDIRECT CO_2 EMISSIONS[a]

CNH INDUSTRIAL WORLDWIDE (tons)

	2014	2013[b]	2012
Plants	54	54	59
Direct emissions (scope 1)	**191,361**	226,748	212,833
Indirect emissions (scope 2)	**264,936**	308,198	318,288
Total emissions (scope 1 + 2)	**456,297**	**534,946**	**531,121**
Direct emissions from landfill gas	**1,079**	1,987	3,332
Total CO_2 emissions	**457,376**	**536,933**	**534,453**

(a) CO_2 is the only greenhouse gas significant to CNH Industrial's processes (see also page 241).
For CNH Industrial, biogenic CO_2 emissions are those released by the combustion of landfill gases.
2014 was chosen as the base year for 2014-2018 global planning, in line with the Business Plan.
The direct and indirect CO_2 emissions in the base year are those in the table.
There were no significant changes in emissions requiring the recalculation of base year emissions.
GHG emissions were consolidated and reported using an operational control approach.
For the methodologies and emission factors used, see also page 241.
(b) 2013 data restated with respect to the 2013 Sustainability Report.

DIRECT AND INDIRECT CO_2 EMISSIONS PER PRODUCTION UNIT[a]

CNH INDUSTRIAL WORLDWIDE *(tons of CO_2/hour of production)*

	Target 2018 vs. 2014	2014	2013	2012
Direct and indirect CO_2 emissions per production unit	**-7.5%**	**0.0085**	0.0098	0.0108

(a) CO_2 is the only greenhouse gas significant to CNH Industrial's processes (see also page 241).
2014 was chosen as the base year for 2014-2018 global planning, in line with the Business Plan.
The indicator includes scope 1 and scope 2 emissions.
The 2013 and 2012 figures are estimates.

GLOSSARY
Direct emissions;
Indirect emissions

GRI
G4-EN15;
G4-EN16

STATEMENT OF ASSURANCE

SGS

ASSURANCE STATEMENT

ASSURANCE STATEMENT FOR THE CNH INDUSTRIAL N.V. SUSTAINABILITY REPORT 2014

SGS Nederland B.V. was commissioned to conduct an independent assurance of the CNH Industrial N.V. ("CNH Industrial" or "Company") 2014 Sustainability Report.

Responsibility and Scope of Assurance

SGS Nederland B.V. is responsible for expressing its opinion on information, graphs, tables and statements in the Sustainability Report, within the assurance scope described below, for the purpose of informing all interested parties.

SGS Nederland B.V. expressly disclaims any liability or co-responsibility for the preparation of any of the material included in this document or for the process of collection and treatment of the data therein.

The information in the Sustainability Report is the exclusive responsibility of CNH Industrial.

SGS Nederland B.V. affirms its independence from CNH Industrial, being free from bias and conflict of interests with the Organization, its subsidiaries and stakeholders.

The Company is responsible for the identification of stakeholders and of material issues, for defining objectives with respect to sustainability performance and for establishing and maintaining appropriate performance management and internal control systems.

SGS Nederland B.V. was asked to express an opinion in relation to the assurance scope, which includes the following aspects:

- evaluate the Report against the Global Reporting Initiative Guidelines (**GRI-G4**), 'in accordance' core option;
- review the Company's approach to materiality analysis and stakeholder engagement processes and initiatives;
- assess the robustness of the data management systems, information flow and controls;
- perform a type 2 evaluation of the application of the AA1000 AccountAbility Principles Standard (2008) and of the reliability of the information reported;
- complete a high level assurance review of the information in the "Supply chain management" section, with reference to KPIs related to supply chain processes.

SGS Nederland B.V. was also asked to confirm the adherence of the sustainability model adopted by CNH Industrial to the requirements of ISO 26000 Guidance.

Methodology and Limitations

The verification process started from materiality analysis and stakeholder engagement methodology validation activities and was performed through examination of records, procedures and documents, and interviews with personnel and management.

The texts, graphs and tables included in the Report were verified by selecting, on a significant sample, qualitative and/or quantitative information to confirm the accuracy of the data collection and consolidation process.

Auditing activities were carried out during February and March 2015 at Company sites in Brazil (Sete Lagoas), India (Noida), Italy (Turin and Foggia) and the United States (Fargo) to assess the reliability of the data reporting process.

The audit team was assembled based on their technical know-how, experience and the qualifications of each member in relation to the various dimensions assessed.

Financial data are drawn directly from the independently audited CNH Industrial Annual Report at December 31, 2014, prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and adopted by the European Union.

GP5008 Issue 1

Assurance Opinion

On the basis of the verification work performed, we are satisfied that the information contained in the CNH Industrial 2014 Sustainability Report is accurate, balanced and reliable, representing a relevant summary of the activities carried out by CNH Industrial in 2014 and an essential tool in communicating with stakeholders.

SGS Nederland B.V. confirms that information included in the Report provides a material and complete representation of the Company's sustainability performance.

The verification process confirmed that the Report was prepared based on rigorous processes.

With regards to the level of adherence to the AA1000 Principles (Inclusivity, Materiality and Correspondence), and to the approach of the Company to materiality analysis and stakeholder engagement processes and initiatives, the Audit team provides the following opinion:

- The 2014 Materiality analysis and the Stakeholder Engagement activities carried out are tangible signs of CNH Industrial's commitment and integration of Sustainability issues into the activities of the Company. Each aspect was assessed in terms of importance to the Company and significance to stakeholders. In 2014, the analysis was broadened to directly involve stakeholders through targeted exchanges with selected groups. The ongoing dialogue with some stakeholder categories allowed CNH Industrial to realign its priorities to match stakeholders' expectations and represents a further step towards the continuing goal to identify and prioritize economic, environmental and social aspects, as well as their related impacts.
- The integration of the new Sustainability Plan targets with the 2014-2018 Business Plan demonstrates the Company's commitment to continuous improvement. The data measurement techniques and basis for calculations have been adequately described to SGS Nederland B.V. and no material inaccuracies in the data verified were observed.
- The Company has again demonstrated this year its commitment to a complete and transparent communication of its organizational carbon footprint, through an additional verification of greenhouse gas emissions, carried out according to ISO 14064-3 criteria.
- The Company has included more GRI-G4 indicators than specified by the minimum requirements of the 'in accordance' core option.

With reference to the high-level assurance review of sustainability performance specified in the section dedicated to suppliers, the audit team is of the opinion that the evaluation of suppliers according to sustainability criteria is consistent throughout the Company, by means of an accurate screening process which has been strengthened with the introduction of new tools assuring the rigorousness of the assessment process.

Furthermore, we confirm that the sustainability governance model – integrated in the Company's business model - and methodologies are in line with the requirements of ISO 26000 guidance.

Statement of conclusion

On the basis of the verification performed, we are satisfied that the information contained in the 2014 Sustainability Report is accurate and reliable, and provides stakeholders a fair and balanced representation of the activities of CNH Industrial.

With reference to the GRI-G4 Guidelines, the organization satisfies the principles for defining report content and the principles for ensuring the quality of reported information.

We confirm that the Report is aligned with the requirements of the GRI-G4, '**in accordance' core option**.

Spijkenisse, March 23, 2015

André Siraa
Business Manager

AA1000
Licensed Assurance Provider
000-8

INDEX OF GRI-G4 CONTENT

The index of GRI-G4 contents is made up of two parts. The first contains references to the indicators reported in accordance with the core option, based on the materiality analysis carried out in the reporting year (see also pages 19-23). The second contains references to other GRI-G4 indicators that complete the outline of CNH Industrial's performance.
For each indicator, the page number refers to the 2014 Sustainability Report; however, where specifically stated, the reference is to the 2014 EU Annual Report as at December 31, 2014, available on the Corporate website.

GRI CONTENT INDEX FOR 'IN ACCORDANCE' - CORE

GENERAL STANDARD DISCLOSURES

General standard disclosures	Page reference	External assurance (pages)
STRATEGY AND ANALYSIS		
G4-1	4-5; Annual Report pages 8-9	yes (258-259)
ORGANIZATIONAL PROFILE		
G4-3	15	yes (258-259)
G4-4	15; Annual Report pages 16-17	yes (258-259)
G4-5	270; Annual Report page 242	yes (258-259)
G4-6	15	yes (258-259)
G4-7	15; Annual Report pages 14; 28	yes (258-259)
G4-8	15; Annual Report pages 24-25; 45-66	yes (258-259)
G4-9	15; Annual Report pages 24-28	yes (258-259)
G4-10	16; 70; 243; 246-249	yes (258-259)
G4-11	103	yes (258-259)
G4-12	153	yes (258-259)
G4-13	15; 153; Annual Report pages 14-15	yes (258-259)
G4-14	67	yes (258-259)
G4-15	56	yes (258-259)
G4-16	128; 143	yes (258-259)
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17	236-237	yes (258-259)
G4-18	19; 238	yes (258-259)
G4-19	21	yes (258-259)
G4-20	22; 235	yes (258-259)
G4-21	22	yes (258-259)
G4-22	237	yes (258-259)
G4-23	237	yes (258-259)
STAKEHOLDER ENGAGEMENT		
G4-24	24	yes (258-259)
G4-25	24	yes (258-259)
G4-26	24	yes (258-259)
G4-27	24	yes (258-259)

General standard disclosures	Page reference	External assurance (pages)
REPORT PROFILE		
G4-28	235	yes (258-259)
G4-29	235	yes (258-259)
G4-30	238	yes (258-259)
G4-31	270	yes (258-259)
G4-32	235; 260	yes (258-259)
G4-33	238; 258-259	yes (258-259)
GOVERNANCE		
G4-34	52-55; Annual Report pages 94-103	yes (258-259)
ETHICS AND INTEGRITY		
G4-56	56-57	yes (258-259)

SPECIFIC STANDARD DISCLOSURES

Material Aspects (DMA and Indicators)	Page reference	Identified Omissions	External assurance (pages)
CATEGORY: ECONOMIC			
MATERIAL ASPECT: PROCUREMENT PRACTICES			
G4-DMA	152	-	yes (258-259)
G4-EC9	153	-	yes (258-259)
CATEGORY: ENVIRONMENTAL			
MATERIAL ASPECT: ENERGY			
G4-DMA	181	-	yes (258-259)
G4-EN1	153; 229	-	yes (258-259)
G4-EN2	231	-	yes (258-259)
G4-EN3	186; 241; 256	-	yes (258-259)
G4-EN5	187	-	yes (258-259)
G4-EN6	181; 183-185; 187; 189; 241	-	yes (258-259)
MATERIAL ASPECT: WATER			
G4-DMA	168; 173	-	yes (258-259)
G4-EN8	174; 240; 252	-	yes (258-259)
G4-EN9	240; 253	-	yes (258-259)
G4-EN10	240; 252	-	yes (258-259)
MATERIAL ASPECT: BIODIVERSITY			
G4-DMA	168; 178	-	yes (258-259)
G4-EN11	179; 255	-	yes (258-259)
G4-EN12	178; 255	-	yes (258-259)
G4-EN13	178	-	yes (258-259)
G4-EN14	179; 255	-	yes (258-259)
MATERIAL ASPECT: EMISSIONS			
G4-DMA	168; 181	-	yes (258-259)
G4-EN15	185; 188; 241; 257	-	yes (258-259)
G4-EN16	185; 188; 241; 257	-	yes (258-259)
G4-EN18	188	-	yes (258-259)
G4-EN19	181	-	yes (258-259)
G4-EN20	172; 251	-	yes (258-259)
G4-EN21	171; 172; 240; 251	-	yes (258-259)

Material Aspects (DMA and Indicators)	Page reference	Identified Omissions	External assurance (pages)
MATERIAL ASPECT: EFFLUENTS AND WASTE			
G4-DMA	168; 176	-	yes (258-259)
G4-EN22	174; 240; 252	-	yes (258-259)
G4-EN23	176; 254	-	yes (258-259)
G4-EN24	175	-	yes (258-259)
G4-EN25	254	-	yes (258-259)
G4-EN26	253	-	yes (258-259)
MATERIAL ASPECT: PRODUCTS AND SERVICES			
G4-DMA	145; 197	-	yes (258-259)
G4-EN27	197; 228	-	yes (258-259)
MATERIAL ASPECT: TRANSPORT			
G4-DMA	99-100; 191	-	yes (258-259)
G4-EN30	99-100; 192	-	yes (258-259)
MATERIAL ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT			
G4-DMA	152; 156	-	yes (258-259)
G4-EN32	155	-	yes (258-259)
G4-EN33	159	-	yes (258-259)
CATEGORY: SOCIAL			
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK			
MATERIAL ASPECT: EMPLOYMENT			
G4-DMA	69; 95	-	yes (258-259)
G4-LA1	71; 244	-	yes (258-259)
G4-LA2	73	-	yes (258-259)
G4-LA3	97	-	yes (258-259)
MATERIAL ASPECT: LABOR/MANAGEMENT RELATIONS			
G4-DMA	59; 69; 77	-	yes (258-259)
G4-LA4	107	-	yes (258-259)
MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY			
G4-DMA	69; 90	-	yes (258-259)
G4-LA5	82	-	yes (258-259)
G4-LA6	92-93; 240; 249-250	-	yes (258-259)
G4-LA8	82; 105	-	yes (258-259)
MATERIAL ASPECT: TRAINING AND EDUCATION			
G4-DMA	69; 83	-	yes (258-259)
G4-LA9	86	-	yes (258-259)
G4-LA10	87	-	yes (258-259)
G4-LA11	84	-	yes (258-259)
MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY			
G4-DMA	69; 77	-	yes (258-259)
G4-LA12	52-53; 78-79; 246-247	-	yes (258-259)
MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES			
G4-DMA	152; 156	-	yes (258-259)
G4-LA14	155	-	yes (258-259)
G4-LA15	159	-	yes (258-259)

Material Aspects (DMA and Indicators)	Page reference	Identified Omissions	External assurance (pages)
SUB-CATEGORY: HUMAN RIGHTS			
MATERIAL ASPECT: NON-DISCRIMINATION			
G4-DMA	59; 69; 77; 152	-	yes (258-259)
G4-HR1	155	-	yes (258-259)
G4-HR3	58; 61	-	yes (258-259)
MATERIAL ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
G4-DMA	59; 69; 77; 152	-	yes (258-259)
G4-HR4	59-61; 80; 159	-	yes (258-259)
MATERIAL ASPECT: CHILD LABOR			
G4-DMA	59; 69; 77; 152	-	yes (258-259)
G4-HR5	59-61; 80; 159	-	yes (258-259)
MATERIAL ASPECT: ASSESSMENT			
G4-DMA	59	-	yes (258-259)
G4-HR9	59-61	-	yes (258-259)
MATERIAL ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT			
G4-DMA	152; 156	-	yes (258-259)
G4-HR10	155	-	yes (258-259)
G4-HR11	159	-	yes (258-259)
SUB-CATEGORY: SOCIETY			
MATERIAL ASPECT: LOCAL COMMUNITIES			
G4-DMA	111	-	yes (258-259)
G4-SO1	112	-	yes (258-259)
G4-SO2	114	-	yes (258-259)
MATERIAL ASPECT: PUBLIC POLICY			
G4-DMA	127	-	yes (258-259)
G4-SO6	133	-	yes (258-259)
MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY			
G4-DMA	152; 156	-	yes (258-259)
G4-SO9	155	-	yes (258-259)
G4-SO10	159	-	yes (258-259)
SUB-CATEGORY: PRODUCT RESPONSIBILITY			
MATERIAL ASPECT: CUSTOMER HEALTH AND SAFETY			
G4-DMA	148	-	yes (258-259)
G4-PR1	148; 208; 220	-	yes (258-259)
G4-PR2	62; 216	-	yes (258-259)
MATERIAL ASPECT: PRODUCT AND SERVICE LABELING			
G4-DMA	220-221	-	yes (258-259)
G4-PR3	220	-	yes (258-259)
G4-PR4	62; 216	-	yes (258-259)
G4-PR5	223	-	yes (258-259)
MATERIAL ASPECT: MARKETING COMMUNICATIONS			
G4-DMA	220-221	-	yes (258-259)
G4-PR7	62; 222	-	yes (258-259)

OTHER GRI-G4 INDICATORS THAT SUPPLEMENT THE 'IN ACCORDANCE' - CORE OPTION

DMA and Indicators	Page reference	External assurance (pages)
G4-2	Annual Report pages 30-43; 190-193	yes (258-259)
G4-35	52-54;	yes (258-259)
G4-36	53-54	yes (258-259)
G4-37	53	yes (258-259)
G4-38	52-53; 55 Annual Report pages 94-103	yes (258-259)
G4-39	52; Annual Report pages 94-95	yes (258-259)
G4-40	52	yes (258-259)
G4-41	Annual Report pages 94-97; 99-100	yes (258-259)
G4-42	52-55; Annual Report page 99	yes (258-259)
G4-43	52	yes (258-259)
G4-44	53; Annual Report page 106	yes (258-259)
G4-45	53	yes (258-259)
G4-46	53; 64	yes (258-259)
G4-47	52-53	yes (258-259)
G4-48	19; 53; 55	yes (258-259)
G4-49	55; 57	yes (258-259)
G4-50	58	yes (258-259)
G4-51	Annual Report pages 108-114	yes (258-259)
G4-53	(a)	yes (258-259)
G4-57	57	yes (258-259)
G4-58	57-58	yes (258-259)
G4-EC1	17	yes (258-259)
G4-EC2	63	yes (258-259)
G4-EC3	74; Annual Report pages 134-135; 174-178	yes (258-259)
G4-EC4	15	yes (258-259)
G4-EC5	72	yes (258-259)
G4-EC6	80; 247	yes (258-259)
G4-EN29	62; 180	yes (258-259)
G4-EN31	168	yes (258-259)
G4-EN34	58	yes (258-259)
G4-LA16	57; 76	yes (258-259)
G4-HR1	155	yes (258-259)
G4-HR2	77; 86	yes (258-259)
G4-HR6	59-60; 152; 159	yes (258-259)
G4-HR7	161	yes (258-259)
G4-HR8	62	yes (258-259)
G4-HR12	58; 61	yes (258-259)
G4-SO3	58-59	yes (258-259)
G4-SO4	59; 86	yes (258-259)
G4-SO5	58; 62	yes (258-259)
G4-SO7	62; Annual Report pages 71; 186	yes (258-259)
G4-SO8	62	yes (258-259)
G4-PR8	62; 223	yes (258-259)
G4-PR9	62	yes (258-259)

(a) Available on the Corporate website after the AGM.

GLOSSARY

A

AA1000: framework published by AccountAbility providing sustainability management tools to companies.

ACEA (European Automobile Manufacturers' Association): association founded in 1991 to promote, publicize, and protect the interests of supporting manufacturers for all issues affecting the car industry and transportation in general.

ADAS: Advanced Driver Assistance Systems.

AIAG (Automotive Industry Action Group): non-profit association of companies operating in the automotive industry.

APAC (Asia-Pacific): Region including the following countries: Australia, China, India, Pakistan, Russia, Singapore, Thailand, Turkey, Turkmenistan, and Uzbekistan.

Aspect Boundary (or scope): description of where impacts occur for each material aspect. When setting aspect boundaries, an organization should consider impacts within and outside the organization. Aspect boundaries vary based on the aspects reported.

Audit: systematic, documented and independent check to verify compliance with the explicit requirements of applicable regulations.

B

Biodiesel: non-polluting alternative fuel extracted from renewable, freely available resources such as vegetable oils. Biodiesel does not contain petroleum, but can be mixed with diesel in various proportions. It can be used in place of gasoline in suitably adapted engines.

Biodiversity: all life forms on Earth. It comprises every biological variation of genetic inheritance (breeds or varieties of species, both wild and cultivated), species (animals, plants, fungi, microorganisms), and ecosystems (natural habitats such as aquatic, forest or alpine environments).

Biomethane: gas produced by the biological decomposition of organic material in the absence of oxygen, subsequently refined to achieve a methane concentration of 95%. Used as a biofuel for motor vehicles in the same way as natural gas (or fossil methane).

BOD (Biochemical Oxygen Demand): total mass of oxygen used by microorganisms, over a specific time period at 20°C, to decompose (oxidize) the organic material present in a liter of water (normally expressed in mg/l). The standard test period for BOD is 5 days (BOD_5).

C

Carpooling: transport under sustainable mobility by which private vehicles are shared by a group of people taking the same route.

Carbon footprint: term expressing the total greenhouse gas (GHG) emissions, in CO_2 equivalents, of a product, service or organization.

CNG (Compressed Natural Gas): natural gas, composed mainly of methane, compressed and stored in special containers at high pressure. Used as a fuel for vehicles able to run on natural gas.

CO_2 eq (carbon dioxide equivalent): parameter used to compare various greenhouse gas emissions according to their Global Warming Potential (GWP). The CO_2 equivalent of a gas is calculated by multiplying the total weight of gas by its corresponding GWP.

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

Conflict minerals: minerals mined in conditions of armed conflict and human rights abuses, notably in the Democratic Republic of Congo and neighboring states. Their use in the USA is regulated by the Dodd-Frank Act.

Core: a worn component that can be remanufactured.

D

Direct emissions (scope 1): air polluting emissions originating from combustion processes involving equipment controlled or owned by the organization.

DMA (Disclosures on Management Approach): information on how an organization identifies, analyzes, and responds to its material economic, environmental, and social impacts, both actual and potential.

E

EBSF (European Bus System of the Future): European Commission initiative aiming at developing a new-generation urban bus system adapted to the distinctive features of European cities.

EEV (Enhanced Environmentally Friendly Vehicles): the most stringent among European regulations on emissions.

Emerging Markets: defined as low, lower-middle or upper-middle income countries as per the 2014 World Bank list of economies.

EGR (Exhaust Gas Recirculation): system that recirculates exhaust gas back to the engine's intake to reduce NO_x emissions.

EMEA (Europe, Middle East, Africa): Region including the following countries: Austria, Belgium, Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Hungary, Ireland, Italy, Lithuania, Luxemburg, Netherlands, Norway, Poland, Portugal, Romania, Slovenia, Spain, Sweden, Switzerland, Ukraine, the UK, Ethiopia, and South Africa.

Emissions trading: mechanism enabling the exchange of emission quotas between countries belonging to the Organization for Economic Co-operation and Development (OECD) and Economies in Transition (EIT), to meet their commitments to reduce greenhouse gas emissions. The system, introduced by EC Directive 2003/87/EC, defines a maximum level of acceptable emissions for each member state. According to the levels set, emission permits expressed in tons of CO_2 are assigned to, and may be exchanged among, participating members.

EPA (Environmental Protection Agency): agency of the United States Government charged with the protection of the environment and public health.

Ergonomics (or human factors): scientific discipline focusing on the interactions among human and other elements of a system. Through the application of theory, principles, data and design methods, it aims at optimizing human wellbeing and overall system performance.

Euro VI: series of European standards on polluting emissions applied to newly registered road vehicles sold in the EU as of September 1, 2014.

F

FOPS (Falling Object Protection System): system protecting the cab and operator from objects falling from above.

Frequency rate: the ratio of the number of injuries reported (resulting in more than three days of absence) to the number of hours worked, multiplied by 100,000.

G

GHG Protocol (Greenhouse Gas Protocol): international standards and guidance regarding corporate greenhouse gas accounting and reporting.

GRI (Global Reporting Initiative): multi-stakeholder association for the development and disclosure of guidelines for non-financial reporting.

H

HFCs (Hydrofluorocarbons): halocarbons containing only hydrogen, fluorine and carbon atoms. Because HFCs contain no chlorine, bromine, or iodine, they do not deplete the ozone layer. Like other halocarbons, they are potent greenhouse gases.

HVO (Hydrotreated Vegetable Oil): next generation biodiesel derived from vegetable oils.

I

ILO (International Labour Organization): international organization responsible for drawing up and overseeing international labor standards.

IMDS (International Material Data System): online platform enabling the input of detailed information on the materials and substances used in purchased components.

Indirect emissions (scope 2): air polluting emissions originating from combustion processes external to the organization, over which the latter has no control.

ISO 9001: series of voluntary regulations and guidelines, developed by the International Organization for Standardization (ISO), defining the requirements of a quality management system within an organization.

ISO 12100: voluntary regulations developed by the International Organization for Standardization (ISO), defining principles and a methodology for achieving safety in the design of machinery.

ISO 14001: voluntary regulations developed by the International Organization for Standardization (ISO), defining the requirements of environmental management systems.

ISO 14064: voluntary standard developed by the International Organization for Standardization (ISO), specifying the international best practice in the management, reporting, and verification of data and information on greenhouse gases (GHG).

ISO 26000: guidelines developed by the International Organization for Standardization (ISO), defining socially responsible behaviors and possible actions. This is not a certification.

ISO 50001: voluntary regulations developed by the International Organization for Standardization (ISO), defining energy management requirements.

IUCN Red List: the most comprehensive information source on the global conservation status of plant and animal species, managed by the International Union for Conservation of Nature (IUCN).

K

Kaizen: project of continuous improvement identified within World Class Manufacturing.

KPI (Key Performance Indicator): measurement of the performance of a process.

L

Last mile: final stage in the transport of goods, up to the point of sale or the end user's home.

LATAM (Latin America): Region including the following countries: Argentina, Brazil, and Venezuela.

LCA (Life Cycle Assessment): analytical method to evaluate every interaction between a product/component and the environment, determining the direct or indirect impact over its entire life cycle - from production to recycling and final disposal.

LED (Light-Emitting Diode): semiconductor (diode) that emits light when an electric current passes through a suitably treated silicon junction.

Lobby: formal, identifiable, and recognizable body acting on behalf of specific interests to influence decision makers (i.e., the representatives of legislative and executive powers, of authorities and control bodies, and of government organizations).

LNG (Liquefied Natural Gas): gas obtained by subjecting compressed natural gas (CNG), previously purified and dehydrated, to subsequent phases of cooling and condensation. The technology of liquefaction allows reducing gas volumes by 600 times under standard conditions, enhancing fuel range.

M

Material aspects: aspects that reflect the organization's significant economic, environmental and social impacts, or that substantively influence the assessments and decisions of stakeholders. Qualitative analysis, quantitative assessment and discussion are required to determine if an aspect is material.

N

NAFTA (North American Free Trade Agreement): Region including the following countries: USA, Canada, and Mexico.

Nanotechnology: the science of manipulating materials on an atomic or molecular scale.

Near miss: event that did not result in injury, illness, or damage but had the potential to do so.

NO_x (Nitrogen Oxides): range of oxides that can be produced during the combustion of nitrogen-containing compounds.

O

ODS (Ozone Depleting Substances): potentially harmful substances in the ozone layer that, as such, contribute to the depletion of stratospheric ozone. The most important and harmful are chlorofluorocarbons (CFCs), generally used as refrigerants, solvents and propellants, and hydrochlorofluorocarbons (HCFCs), used to replace CFCs.

OHSAS 18001: voluntary standard published by the British Standards Institution, defining the requirements of occupational health and safety management systems.

OIFR (Occupational Illness Frequency Rate): cases of occupational illness per 100,000 hours worked.

P

PCB (Polychlorinated Biphenyls): group of extremely stable chemical compounds with excellent dielectric and heat transfer properties, widely used in the past in both the industrial and commercial sectors (e.g., in capacitors and transformers). Because of their toxicity to humans and to the environment, PCBs are among the most dangerous pollutants.

PM (Particulate Matter): category of particles, solids and liquids with a diameter ranging from a few nanometers (nm) to a few tens or hundreds of micrometers (μm). Their physical and chemical properties allow them to remain suspended in the atmosphere for long periods (hours, days or years), retaining their physical and/or chemical reactivity as distinct entities.

R

REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals): European Community Regulation on chemicals and their safe use.

ROPS (Roll Over Protective Structure): structure protecting against the rollover of construction equipment.

S

SAD (Standard Aggregation Data): IT platform used to monitor and report performance by means of indicators.

SCR (Selective Catalytic Reduction): chemical process for reducing NO_x levels in exhaust gases.

Severity rate: ratio of the number of days of absence to the number of hours worked, multiplied by 1,000.

SO_x (Sulfur Oxides): term indicating the sulfur oxides in the atmosphere; usually sulfur dioxide (SO_2) and sulfur trioxide (SO_3).

SRI (Socially Responsible Investors): financial operators who integrate standard financials with environmental, social, and governance considerations.

Stakeholders: parties and individuals holding a legitimate interest in the activities of an organization, and that influence and are influenced by the organization's decisions.

T

TCO (Total Cost of Ownership): approach used to calculate all costs in the life cycle of a device (purchasing, management, maintenance and disassembly).

Tier: standard issued by EPA regulating polluting emissions.

TSS (Total Suspended Solids): 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.

V

VOC (Volatile Organic Compounds): compounds such as hydrocarbons containing only carbon and hydrogen, as well as compounds additionally containing oxygen, chlorine or other elements. A VOC is defined as any organic compound with a vapor pressure of 0.01 KPa or more, at 293.15 K (20 °C) as defined in art. 268 of Italian Legislative Decree 152/2006.

W

WCM (World Class Manufacturing): integrated production model focusing on excellence across the entire logistics and production cycle, and on the prevention of accidents, waste, and breakdowns via continuous performance improvements engaging all levels and functions within the company.

Well-To-Wheel: analysis concerning the energy life cycle.

Work-related stress: a condition that may be associated with physical, psychological and/or social disorders or dysfunctions, affecting individuals who do not feel capable of meeting set requirements or the expectations of others.

X

XTLs (Anything-To-Liquids): group of synthetic fuels including Biomass-to-Liquids (BTL), Coal-to-Liquids (CTL), Gas-to-Liquids (GTL), and Petroleum-coke-to-Liquids (PTL).

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