CNH INDUSTRIAL

2013 SUSTAINABILITY REPORT

ECONOMIC, ENVIRONMENTAL
AND SOCIAL RESPONSIBILITY

CNH INDUSTRIAL

THE **TRUE VALUE** OF A MULTINATIONAL SUCH AS **CNH INDUSTRIAL** IS DETERMINED BY HOW IT CONDUCTS ITS ACTIVITIES, ITS **CONTRIBUTION TO IMPROVING THE PRESENT, BUILDING THE FUTURE** AND BY ITS COMMITMENT **TO SOCIETY AS A WHOLE.**

Sergio Marchionne
Chairman

CONTENTS

01 OUR COMPANY

02 HOW WE GET THINGS DONE

03
LIFE CYCLE OF OUR PRODUCTS

04
APPENDIX

LETTERS TO STAKEHOLDERS

Dear stakeholders,

In 2013 our Company marked another historic milestone with the merger of Fiat Industrial and CNH to form CNH Industrial, a global leader in the capital goods sector.

That transaction represented the completion of a long process of simplification initiated around 3 years ago and a step fundamental to the future growth, autonomy and efficiency of the Company.

It marked the beginning of a new era.

The merger has unlocked the potential that comes from operating as a fully-integrated multinational, capable of competing at the very highest level and appealing to a broad base of international investors.

CNH Industrial now has the flexibility to pursue the most advantageous strategic options and to capitalize on opportunities for growth and consolidation consistent with its ambitions as a leader in the sector.

Our Company has a well-defined course ahead and it will continue to pursue its mission with responsibility and integrity, guided by the principles of sustainable development.

Climate change and food insecurity are just two of the challenges that the global community has to address in the near future and CNH Industrial is committed to making its contribution through a targeted offer of advanced products and solutions and environmentally-responsible operating practices.

Over the years, our research activities have been geared toward ensuring our products continue to achieve ever higher standards in terms of safety and eco-compatibility. Now that we have succeeded in reducing polluting emissions of our products, we are concentrating on further improvements in energy and fuel efficiency.

Rather than limiting customers to a choice between low operating costs or eco-efficiency, our strategy is to offer products that deliver both.

Scarcity of food resources is another issue that those who, like us, work in close contact with farmers in every region of the world are very well aware of. We have developed machines and equipment that help maximize crop yields and achieve more abundant harvests.

The decision to be an official partner of Expo Milano 2015 is consistent with our Clean Energy Leader strategy, which is an important element in our commitment to the global environment, as well as local communities and eco-systems. CNH Industrial will also participate as an exhibitor at the Expo – whose theme is "Feeding the Planet, Energy for Life" – where we will present concepts for sustainable farming that combine solutions for efficient production with the rational and sustainable use of resources.

Remanufacturing is another area where CNH Industrial is very active. The recovery and regeneration of components extends product life and sets in motion a virtuous circle that helps contain the extraction and use of raw materials, reduce waste and, at the same time, offer customers quality spare parts at competitive prices.

Our commitment is to significantly increase the quantity and range of remanufactured parts available to customers in all regions.

In the same way that we operate our plants with respect for the local ecology, we also participate actively in the development of local communities. For example, CNH Industrial provides vehicles and know-how to vocational schools, to help young people, particularly in disadvantaged areas, prepare for future employment as mechanics. By making those tools available, we are contributing to the creation of a virtuous circle that also involves the dealer network.

The Company also continued initiatives to transfer its culture of safety to those outside the organization which range from training on the safe use of our products to campaigns on road safety.

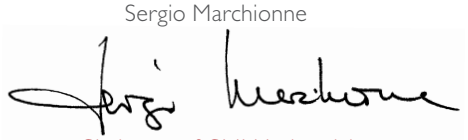
Although 2013 marked the beginning of a new era for our Company, it was also a year of continuity in several key areas.

Our proven track record in the sustainable management of our activities at all levels was once again recognized with CNH Industrial's inclusion in the most prestigious sustainability indexes, which admit only those companies judged best-in-class in the sustainable management of their businesses.

All these results are attributable to robust innovation and development processes, as well as major reductions in the environmental impact of our manufacturing and logistics processes.

However, I believe that the greatest merit goes to everyone in the Company for embracing the culture of sustainability and translating it day by day into concrete action. We are extremely proud of their contribution.

Sergio Marchionne



Chairman of CNH Industrial

Dear stakeholders,

Through the pages of this year's Sustainability Report, we are renewing our commitment to operating sustainably. Although there has been a change in corporate structure, our long-standing commitment to employees, the environment, customers, suppliers, local communities and all others with whom we interact on a daily basis remains unchanged.

The annual Sustainability Report provides an opportunity for us to describe the actions taken and results achieved during the year and to demonstrate our commitment through the targets for continued improvement we have set for the future.

This year's Report adopts a new structure that goes beyond the traditional three dimensions of sustainability to focus on the life cycle of our products (from concept to end-of-life) and those aspects having the greatest relevance for CNH Industrial, based on the results of our first materiality analysis. That analysis, which led to a ranking of sustainability-related aspects as a function of their importance for both stakeholders and business strategy, clearly showed that the areas of greatest importance are those directly related to our business activities: innovation related to the safety and environmental performance of our products, product quality, and customer engagement and support. Other aspects identified as material were: health and safety in the workplace, attention to the environment, management of the supply chain and dealer network, professional development of employees and local community initiatives. The analysis process involved the entire organization and the resulting materiality matrix was reviewed and approved by the Group Executive Council.

In addition to ensuring alignment of sustainability priorities with our strategic guidelines, the analysis has also led to more effective reporting driven by a focus on materiality.

In line with this materiality-based approach, we have also adopted the Global Reporting Initiative's new G4 guidelines for this year's Sustainability Report.

During 2013, our proven commitment to sustainable development led to significant results in several areas. CNH Industrial was reconfirmed as Industry Leader in the Dow Jones Sustainability Indices World and Europe . We reduced the accident frequency index for employees by 24%, which also reflected the benefits of some 386,000 hours of training. Our focus on R&D – which has consistently enabled the Company to meet emissions performance targets well in advance of regulatory requirements – continued in 2013 with €934 million invested and our intellectual property portfolio now totaling more than 7,000 patents. We continued to offer new, more efficient products in all segments that consume less and pollute less. In addition, continued efforts to reduce the environmental impact of our plants led to improvements in several key performance indicators, in line with our targets: -5% in energy consumption, -9% in CO_2 emissions, -16% in water withdrawal, -22% in the generation of hazardous waste. Contributing to these improvements were the World Class Manufacturing initiatives and some 375,000 suggestions from workers at plants worldwide. Engagement with stakeholders is also fundamental to the process of continuous improvement and, to date, 98 supplier plants have implemented WCM with the support of CNH Industrial's experience and know-how.

We are fully aware that these results are not an end in themselves. We consider them a challenge to set our sights even higher knowing that we can count on the commitment and passion of everyone at CNH Industrial in the fulfillment of those objectives.

Richard Tobin

Chief Executive Officer of CNH Industrial

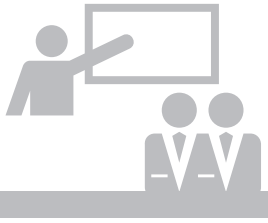
A YEAR OF SUSTAINABILITY: FACTS AND FIGURES

-24% in accident frequency rate

over €119 million spent on occupational safety

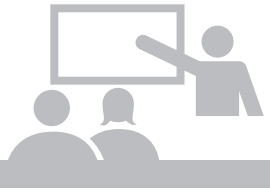
375 thousand employee suggestions under the WCM program

1.4 million hours of dealership training



+5.5% female employees

€8.7 million invested in employee training



almost 78% of employees covered by collective bargaining

€154.4 million saved through WCM projects

151 young people engaged in TechPro[2]

27% women on the Board of Directors

+18% in investments for local communities

CNH Industrial confirmed Industry Leader in Dow Jones Sustainability World and Europe Indices

Data refers to 2013; variations are compared with the previous year.

€37 million spent on environmental protection

-9% in CO_2 emissions per hour of production

16.1% of energy from renewable sources

1,200 tons of raw materials saved through remanufacturing

98 supplier plants implementing WCM

-16% in water withdrawals per hour of production

75% of engines compliant with the latest emission levels

€934 million invested in Research and Development

82.8% of waste recovered

+43% in natural gas-powered vehicles sold worldwide

+18% active patents owned

-5.3% in energy consumption per hour of production

100% Construction Equipment cabs equipped with Falling Object Protection System

190 thousand customer contacts

-2,260 tons of inbound and outbound CO_2 emissions in Europe

A YEAR OF SUSTAINABILITY: MAIN PROJECTS IN 2013

NAFTA

- Habitat for Humanity p. 84
- United Way p. 85
- Dire States p. 95
- Picture of Health p. 69

- New eco-friendly painting system p. 162
- Biofilter system for rainwater treatment p. 164
- Protecting biodiversity p. 169
- Revamping the lighting system p. 174

LATAM

- TechPro² p. 90
- Case Multiaçao p. 87
- Plantar & Construir p. 87
- Sementinha p. 91

- The future needs us p. 161
- Protecting biodiversity p. 169

Key

- Social
- Environment

EMEA

APAC

OUR REPORT

HOW WE GET THINGS DONE

- OUR GOVERNANCE MODEL
- MATERIALITY ANALYSIS
- STAKEHOLDER ENGAGEMENT
- OUR PEOPLE
- TRADE UNIONS AND EMPLOYEE REPRESENTATIVES

LIFE CYCLE OF OUR PRODUCTS

- INNOVATION
- PRODUCT DEVELOPMENT
- MANUFACTURING PROCESSES

This report is an account of what sustainable business means to us. The focus is on our products and their life cycles and, for each stage, we have described how we interact with our stakeholders. The report is complemented by the description of the organization that governs, steers and implements every one of our activities and that gives life to our vision.

At every stage or organizational phase, the outcomes of the materiality analysis will guide the reader through the aspects we most identify with.

LOCAL COMMUNITIES

SRI INVESTORS

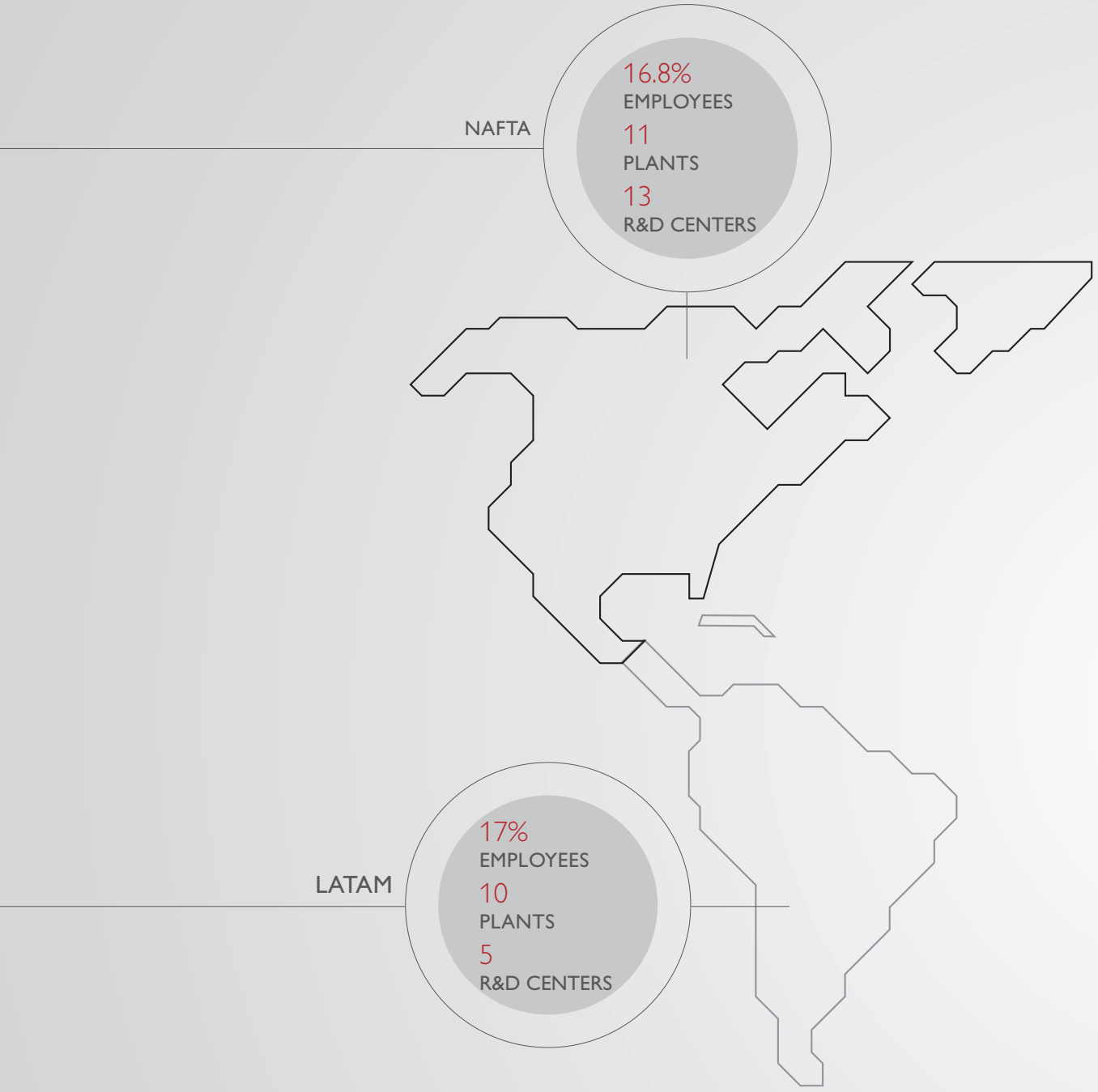
PUBLIC AND PRIVATE ENTITIES

OUR COMMITMENT TO SUSTAINABILITY

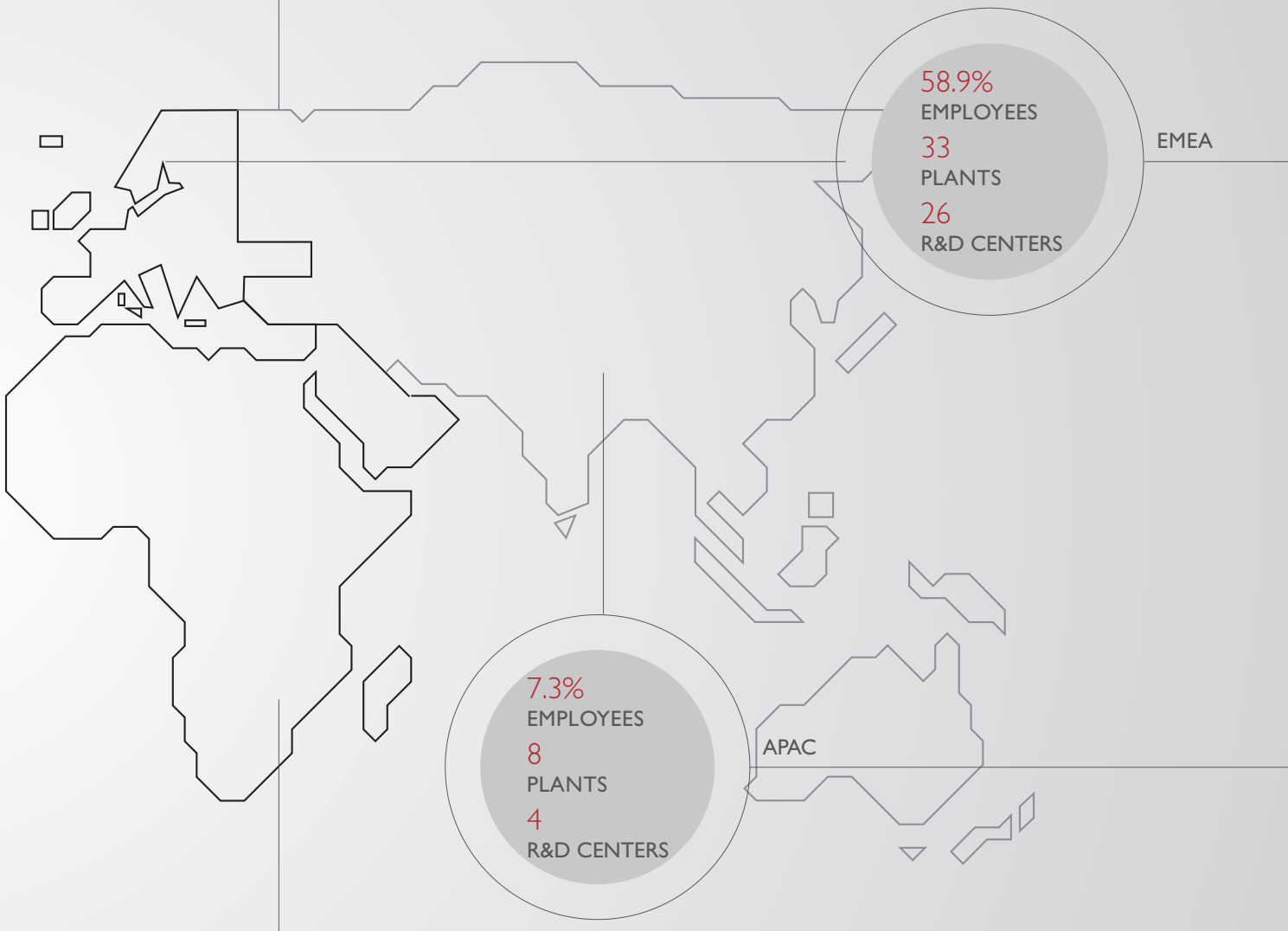
LOGISTICS PROCESSES

SALES AND POST-SALES

PRODUCT USE AND END-OF-LIFE


NAFTA
16.8%
EMPLOYEES
11
PLANTS
13
R&D CENTERS
LATAM
17%
EMPLOYEES
10
PLANTS
5
R&D CENTERS

01
OUR COMPANY



The following section contains a brief Company profile and the year's highlights and economic performance.

ORGANIZATION PROFILE

CNH Industrial was formed by the merger between Fiat industrial S.p.A. and its subsidiary CNH Global N.V., completed on 29 September 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.
CNH Industrial is a global leader in the capital goods sector. Through its various businesses the Company designs, produces and sells agricultural and construction equipment, trucks, commercial vehicles, buses, and specialty vehicles, in addition to a broad portfolio of powertrain applications.
CNH Industrial is present in 190 countries, with its key markets in Europe, the USA, Brazil, and China. It has 62 plants, 48 research and development centers, more than 71 thousand employees, and a network of approximately six thousand dealers and distributors. As at year-end 2013, revenues totaled €25,778 million, and trading profit were €1,985 million.

HIGHLIGHTS

CNH INDUSTRIAL WORLDWIDE (no.)

	2013	2012	2011
Employees at year end	**71,192**	68,257	66,998
Countries in which CNH Industrial operates	**190**	190	190
Plants	**62**	64	64
Research and development centers	**48**	49	51

ECONOMIC PERFORMANCE

CNH INDUSTRIAL WORLDWIDE (€million)

	2013	2012[1]	2011[1]
Net revenues	**25,778**	25,785	24,289
Trading profit/(loss)	**1,985**	2,063	1,690
Profit/(loss)	**917**	900	694
Investments in tangible and intangible assets[2]	**1,495**	1,349	993
R&D expenditure[3]	**934**	895	742
Net industrial cash/(debt)	**(1,592)**	(1,642)	(1,239)
Available liquidity	**6,318**	6,206	7,295

(1) For the years 2012 and 2011 figures have been recast following the adoption of IAS 19 Revised. There was no significant impact for any individual line item.
(2) Net of vehicles sold under buy-back agreements or leased out.
(3) Includes capitalized R&D, and R&D charged directly to the income statement.

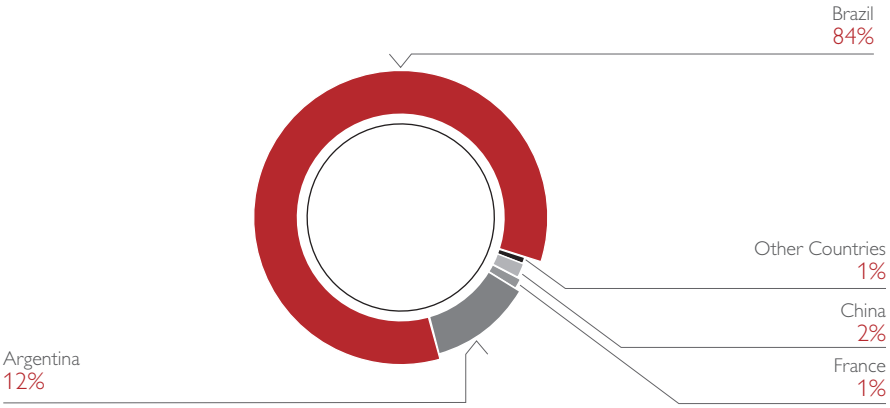
FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT

CNH INDUSTRIAL WORLDWIDE (€million)

	2013	2012	2011
Grants	**14**	3	3
Loans	**423**	561	204
of which subsidized loans	**423**	211	204
Total public funding	**437**	564	207

FINANCIAL ASSISTANCE BY COUNTRY

CNH INDUSTRIAL WORLDWIDE (%)



OUR PROJECTS

EXPO MILANO 2015

Expo Milano 2015 will be an extraordinary international event showcasing tradition, creativity and innovation in the food sector, where agriculture plays a vital role. As an Official Global Partner, CNH Industrial will be represented at Expo 2015 by its New Holland Agriculture brand in the purpose-built Sustainable Farm Pavilion, a 1,638 square meter space designed and created according to environmentally friendly and energy saving principles. The pavilion was designed for dismantling and rebuilding, and will be used for other purposes once the exhibition is over. Its construction materials and technologies offer maximum flexibility to enable their recycling and reuse. The building will be fitted with solar panels producing renewable energy, and a system for harvesting rainwater. New Holland Agriculture will be showcasing its vision of the present and future sustainable farm, where the generation of food, energy, and revenues creates a virtuous circle built on renewable resources and respect for the land and environment, in line with the company's Clean Energy Leader strategy.


OUR GOVERNANCE MODEL
MATERIALITY ANALYSIS
STAKEHOLDER ENGAGEMENT
OUR PEOPLE
TRADE UNIONS AND EMPLOYEE REPRESENTATIVES

02
HOW WE GET THINGS DONE

LOCAL COMMUNITIES

SRI INVESTORS

PUBLIC AND PRIVATE ENTITIES

OUR COMMITMENT TO SUSTAINABILITY

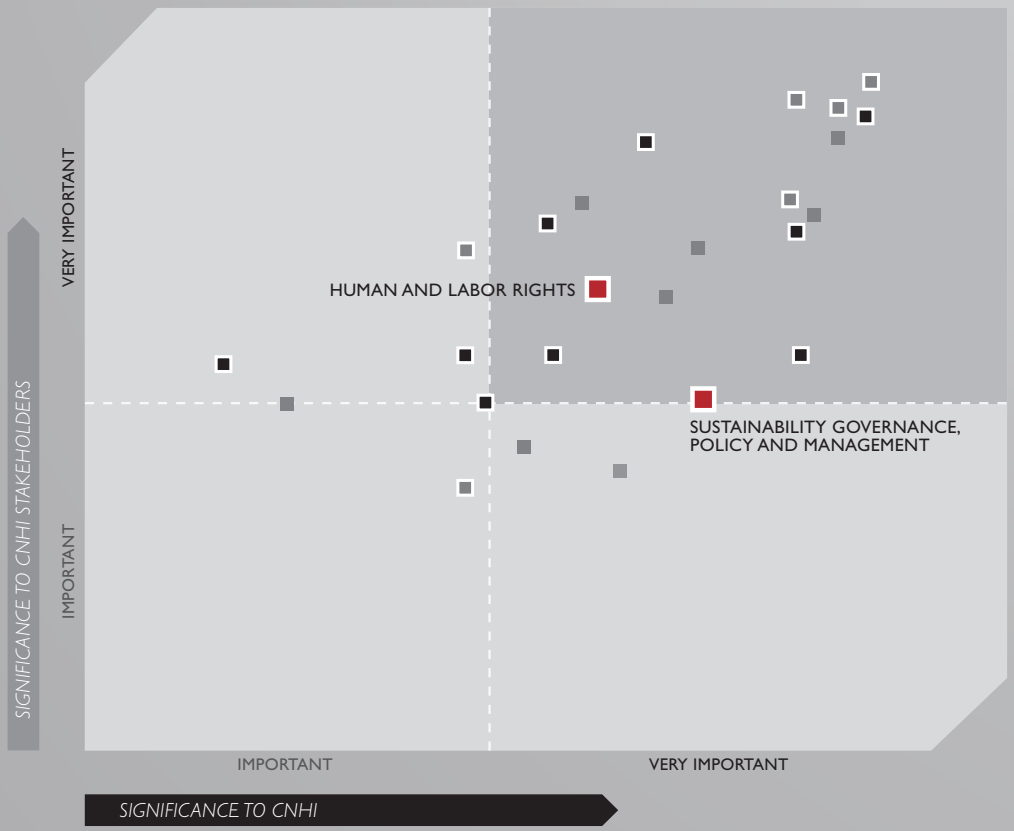
The following section describes the set of rules and tools, including the materiality matrix, adopted by CNH Industrial in its relationships with internal and external stakeholders. The focus is primarily on the employees, and secondly on the stakeholders that interact with CNH Industrial but do not play an active role in the life cycle of a product.

OUR GOVERNANCE MODEL

INVESTORS • PUBLIC INSTITUTIONS

DMA; G4-14 - G4-15; G4-34 - G4-39; G4-42 - G4-50; G4-56 - G4-58; EN34; EN29; HR3-HR6; HR8-HR9; HR12; LA12; LA16; SO3; SO5; SO7-SO8; PR2; PR4; PR7-PR9

27% women on the Board of Directors



Material aspect described in chapter. For further details, see Materiality Matrix, page 35.

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 pages 33-35). The Company's governance model for sustainability issues originated in Fiat Industrial, which, in turn, inherited the governance model adopted by Fiat S.p.A. prior to the demerger, effective 1 January 2011, of automobile operations from the capital goods operations (Agricultural and Construction Equipment, Trucks and Commercial Vehicles, and Powertrain) that now form the scope of CNH Industrial.
Specifically, the governance aspects that emerged as significant were: sustainability governance, which monitors and manages the organization's performance, particularly on social and environmental aspects; risk management of economic, environmental, and social issues; and the Code of Conduct and policy related to sustainability and monitoring (internally and for business partners).
Among stakeholders, Socially Responsible Investors (SRI) have a particular interest in this issue, followed by the sustainability rating agencies. For investors and analysts, a governance model that attaches sufficient importance to sustainability issues is a guarantee of a long-term outlook. A robust organizational 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 effective risk management is in place to safeguard the value of investments.

CORPORATE GOVERNANCE

The central pillars of CNH Industrial's governance model include: ongoing alignment with international best practice and the Dutch Corporate Governance Code; a clear and comprehensive Code of Conduct, with Guidelines for implementing the principles established within this Code; and an advanced risk management system.
The main elements of CNH Industrial's governance model are described below. The aspect is discussed in full in the Annual Report, pages 92-112, as well as in the governance section of the website (www.cnhindustrial.com), where all updates throughout the year are reported. The Annual Report can be downloaded from the CNH Industrial website.

CNH Industrial's Corporate Governance Model

The corporate governance system includes the Code of Conduct and its Guidelines:

- CNH Industrial Health and Safety Guidelines
- CNH Industrial Environmental Guidelines
- CNH Industrial Sustainability Guidelines for Suppliers
- CNH Industrial Human Rights Guidelines
- CNH Industrial Human Capital Management Guidelines
- CNH Industrial Business Ethics and Anti-Corruption Guidelines
- CNH Industrial Conflict of Interest Guidelines
- CNH Industrial Data Privacy Guidelines
- CNH Industrial ICT Assets Guidelines
- CNH Industrial Community Investment Guidelines
- CNH Industrial Green Logistics Principles.

An overview of the corporate governance structure is included in the Annual Report.

GRI-G4
DMA; G4-56

Sustainability Plan
Our commitments on pages 104-105

Glossary
SRI, Stakeholders

Composition of the Board of Directors

The composition of the Board of Directors, voted by the shareholders at the General Meeting on 9 September 2013, reflects 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 split; 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 subcommittees, including those relating to risk and sustainability.

The Board of Directors is supported by three Committees:

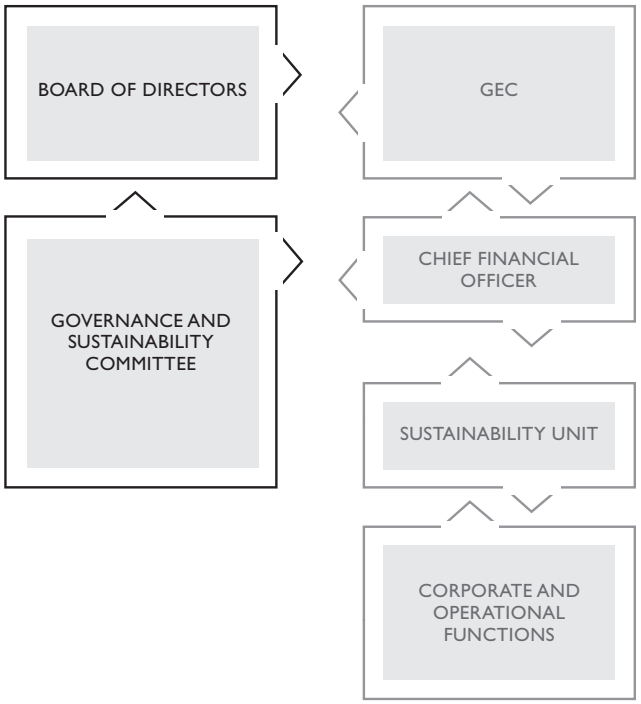
- Governance and Sustainability Committee
- Audit Committee
- Compensation Committee.

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

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 value creation.
To meet this commitment, CNH Industrial has adopted a robust sustainability governance model. From the outset, the Company's operational approach has been based on sustainability best practice, and on management methods and organizational structures already in place at Fiat Group prior to the demerger, adapting them to its own specific business and organizational requirements. Firmly rooted in the corporate culture of CNH Industrial, the model has evolved year after year, encompassing best practice benchmarking and implementing the recommendations of major rating agencies.

THE ORGANIZATIONAL MODEL



GRI-G4
G4-34; G4-35; G4-36; G4-37; G4-38; G4-39; G4-42; G4-43; G4-46; G4-47; G4-48; G4-49; LA12

Sustainability Plan
Our commitments on pages 104-105

Governance and Sustainability Committee

Sustainability is a core element of CNH Industrial's system of governance, with senior 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.

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 the strategic approach and evaluates the Sustainability Plan's alignment with business objectives, and receives regular updates on the Company's sustainability performance.
The GEC is headed by the Company Chairman and comprises four main groupings. The first of these is composed of four Regional Operating Groups (EMEA, NAFTA, LATAM, APAC) that oversee the production and sale of Agricultural Equipment, Construction Equipment, Trucks and Commercial Vehicles, and Powertrain (engines and transmissions). Each group is headed by a Chief Operating Officer (COO) that drives the organization via a regional management team, and reports to the CEO. The second grouping 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 grouping 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 grouping is made up of Company support functions, including the Chief Financial Officer and the Chief Human Resources Officer. In September 2013, after reviewing the operations and performance of each Region and brand, CNH Industrial announced a new position of COO for Trucks and Commercial Vehicles segment, providing a single point of full-time leadership for all operations within the segment.
The GEC has 19 members, including the Company Chairman; two members are women, representing 10.5% of the total. Nine members are in the thirty-to-fifty age group (47% of the total), ten members are in the over-fifty age group (53% 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.

Sustainability Unit

The Sustainability Unit has an operational role and reports to the Chief Financial Officer, who is a member of the GEC and is regularly 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, 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 the reaching of 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 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.
The Sustainability Unit also has a dedicated email address and phone number where stakeholders can make requests or leave 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. After assessing their importance and severity, they are submitted to the Governance and Sustainability Committee or to the Audit Committee of the Board of Directors.

GRI-G4
G4-34; G4-35; G4-36; G4-37; G4-38; G4-42; G4-46; G4-48; G4-49; LA12

Sustainability Plan
Our commitments on pages 104-105

Glossary
KPI, SRI, Stakeholders

Sustainability Representatives

The system also comprises company-level sustainability representatives who operate in the various business areas and are engaged in providing support. They play an operational role, bringing their expertise to specific aspects of the Company's reporting process as well as outlining proposals for improvement. Sustainability representatives provide a direct link between the Sustainability Unit and the Company's operations, acting as intermediaries from both a technical and an organizational point of view. Representatives for each operational Region were also appointed, tasked with coordinating and developing activities locally in support of communities and employee initiatives that go beyond legislative requirements.

In 2013, 145 social and environmental targets, also addressing climate change issues, were incorporated into the variable compensation system (see also page 47) for the majority of managers of projects included in the Sustainability Plan.

SUSTAINABILITY MANAGEMENT SYSTEM

The sustainability management system consists of the following tools:

- the Code of Conduct and Guidelines, approved by the Board of Directors (see also page 25), which set out the Company's approach to key issues
- a set of approximately 200 Key Performance Indicators (KPIs), designed to provide maximum coverage of all 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 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.

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 with best competitors and with the 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 approval to the General Executive Council (GEC), which evaluates alignment with Company strategy and makes appropriate recommendations. Responsibility for individual projects and achievement of agreed targets in the Sustainability Plan rests with the various segments 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).

GRI-G4
G4-34; G4-35; G4-36; G4-37; G4-42; G4-46; G4-49; HR12

Sustainability Plan
Our commitments on pages 104-105

Glossary
GRI, KPI, SRI

CODE OF CONDUCT

On 28 September 2013, the Board of Directors of CNH Industrial adopted the Code of Conduct issued in 2010 by Fiat Industrial (hereinafter referred to as 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 that directors, employees, consultants and partners are required to observe. In particular, the Code of Conduct includes specific guidelines on issues relating to the environment, health and safety, business ethics and anti-corruption, suppliers, management of human resources, and the respect for human rights. The Code of Conduct is available in the Corporate Governance section of the Company's website, at www.cnhindustrial.com.

The Code of Conduct is one of the pillars of the CNH Industrial Corporate Governance System, which regulates the decision-making processes and the approach used by the Company and its employees to interact 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 Universal Declaration on Human Rights, the Conventions of the International Labour Organization (ILO), the OECD Guidelines for Multinational Enterprises, and the US Foreign Corrupt Practices Act (FCPA). The Code was amended to include the Guidelines on: Environment; Health and Safety; Business Ethics and Anti-Corruption; Sustainability for Suppliers; Human Capital Management; Human Rights; Conflicts of Interest; Community Investment; Data Privacy; and ICT Assets, Green Logistics Principles.

APPLICATION AND MONITORING

Available in Italian and in eight other languages (English, French, German, Spanish, Polish, Flemish, Portuguese, and Chinese), the contents of the Code of Conduct are communicated to all employees. The Code can be viewed and downloaded through both the Company's website and intranet, and copies can also be obtained from Human Resources and the Legal and Compliance Department. The Code applies to the members of the CNH Industrial Board of Directors, to all employees of CNH Industrial companies, and to all other individuals or companies that act in the name and on behalf of one or more CNH Industrial companies.

The principles and values of good corporate governance established in the Code of Conduct are conveyed through periodic training and other information channels to all employees (including security personnel), irrespective of their level or role, who may also refer to Human Resources for any clarifications. 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. In fact, Company contracts worldwide include specific clauses relating to the recognition of, and adherence to, the fundamental principles of the Code of Conduct and related Guidelines, as well as compliance with local regulations, particularly those related to bribery, money laundering, terrorism, and other corporate criminal liabilities.

CNH Industrial manages complaints through a **whistleblowing** procedure, also referred to in the Code of Conduct, applied to all CNH Industrial companies across all countries.

Complaints concern suspected or alleged breaches of the Code of Conduct, fraud involving Company or financial assets, or harassment of employees or third parties. They also include those received from inside or outside the Company regarding accounting and internal or external accounting audits.

Complaints are generally submitted either to the senior management of the Company or segment; to the managers of the Human Resources, Legal or Internal Audit functions; or to a trusted manager of choice.

Following the merger of Fiat Industrial and CNH Global into CNH Industrial completed on 29 September 2013, a new whistleblowing procedure is currently under review, to be implemented in 2014 at all CNH Industrial companies. In this regard, the Legal and Compliance department is currently selecting a service provider to set up a dedicated helpline for employees worldwide, available in all languages spoken within the Company.

All employees will be provided with appropriate training and information as soon as the Company's new whistleblowing procedure is finalized.

GRI-G4
G4-15; G4-49; G4-56; G4-57; G4-58; EN34; HR12; LA16

Sustainability Plan
Our commitments on pages 104-105

Glossary
ILO

VIOLATIONS OF THE CODE OF CONDUCT

Violations of the code of conduct are essentially determined by means of:

- checks carried out during standard operational checks
- periodic audits carried out by Internal Auditors for each Company segment
- complaints received through whistleblowing procedures.

Standard operational checks

In 2013, standard operational checks exposed violations of the Code involving 111 employees.
Code violations are also identified by the Internal Audit function, in collaboration with the Legal and Compliance and Human Resources departments, through standard procedures and specific compliance audits regarding business ethics, anti-bribery and corruption, and health and safety.
Cases of fraud at any level within the organization and actual violations of the Code of Conduct by senior managers are submitted to the Audit Committee, a subcommittee of the CNH Industrial Board of Directors.
For all code violations reported during the year, disciplinary measures were commensurate with the severity of each case and compliant with local legislation. Regardless of whether criminal charges were brought by prosecuting authorities, all violations were communicated to the relevant corporate functions.
As reported by the Human Resources department, the main types of violation verified in 2013 that resulted in dismissal were:

BREACHES OF THE CODE OF CONDUCT

CNH INDUSTRIAL WORLDWIDE (no.)

	2013
misconduct (i.e., insubordination, violence)	27
unjustified absence	22
provision of false or misleading information	15
violation of alcohol or drug policy	15
harassment	14
misuse of company assets	9
fake travel expenses / violation of travel policy	4
dismissal following Whistleblowing verification	3
violation of safety policy	2
discrimination	0
violation of environmental policy	0
Total	**111**

Periodic audits

The Company conducted and disclosed the results of 28 compliance audits in 2013, of which four regarded business ethics issues, 16 environmental and occupational health and safety issues, and eight 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, with the exception of one case of conflict of interest.

Whistleblowing activities

During the year, 53 reports of alleged violations were received as per whistleblowing procedures. Two of these cases were confirmed as actual Code violations, resulting in disciplinary action; two cases led to the implementation of measures to strengthen the internal control system; and 43 cases were unfounded or lacked sufficient corroborating evidence. Investigations are still underway for the remaining seven cases.

WHISTLEBLOWING ACTIVITIES

CNH INDUSTRIAL WORLDWIDE (no.)

Region	Whistleblowing (Jan.-Dec. 2013)	of which: HR matter	Ongoing analysis	Closed	Action taken		
					No action	Disciplinary measures	Procedural measures
EMEA	15	5	4	11	10	0	1
APAC	5	2	2	3	3	0	0
LATAM	2	0	1	1	0	1	1
NAFTA	31	31	0	31	30	1	0
Total	**53**	**38**	**7**	**46**	**43**	**2**	**2**

GRI-G4
G4-49; G4-50; G4-56; G4-57; G4-58; EN34; HR3; HR6; HR12; LA16; SO3; SO5

Sustainability Plan
Our commitments on pages 104-105

Glossary
APAC, EMEA, LATAM, NAFTA

HUMAN AND LABOR RIGHTS

CNH Industrial is committed to the creation of long-term sustainable value for all its stakeholders, and is firmly convinced that the respect for fundamental human rights is a pre-requisite for achieving such results.
Respect for human rights is one of the Company's most significant material issues.
Given that CNH Industrial operates in 190 countries, has over 71 thousand employees, and more than 6 thousand suppliers, and that 92% of procurement spending is in favor of local suppliers, it is essential to ensure respect for the fundamental rights of all employees and other stakeholders. The Company must guarantee its employees on premises a safe, healthy, and protected working environment, where diversity and workers' rights are respected, and where there is freedom of thought and association. Fuorthermore, for those employed by suppliers and sub-suppliers, it is important that CNH Industrial to spread and foster a culture of respect for human rights among all its trading partners.
When drawing up the materiality matrix in 2013, the relevant functions carried out an assessment (see also pages 33-35) to identify key impacts of CNH Industrial's business and operations on human rights. A further 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.
In the second half of 2013, CNH Industrial's Internal Audit function launched a pilot project to monitor respect for human rights within the Company, involving the Human Resources functions of Italy, Spain, Belgium, France, and Germany, and covering about thirty thousand employees, representing 42% of the total CNH Industrial workforce. The pilot included a questionnaire on child labor, non-discrimination, freedom of association, and employment and working conditions, and will be extended to some APAC countries in 2014. The assessments complied with the requirements of Art. 17 and 18 of the Guiding Principles on Business and Human Rights, 2011[1].

The following emerged as important factors:
- non-discrimination
- freedom of association and collective bargaining
- child labor
- health and safety in the workplace.

The commitment to safeguarding these rights is stated in the CNH Industrial Code of Conduct, approved by the Board of Directors on 28 September 2013 together with the CNH Industrial Human Rights Guidelines. 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).

CNH Industrial's commitment to the respect for human rights along the supply chain is another key aspect, with supplier assessment on environmental and human rights emerging as particularly important in the materiality analysis. In its Code of Conduct, CNH Industrial is committed to encouraging its suppliers to introduce and implement the principles regarding human rights in their business operations. Specifically, the Company does not establish working relationships with suppliers that employ mandatory, forced or child labor, or that do not meet the requirements stated in the Guidelines.
See Supply Chain Management, pages 147-153 for aspects relating to non-discrimination, freedom of association and collective bargaining, child labor, and occupational health and safety along the supply chain.

Non-discrimination

CNH industrial does not tolerate any form of employee discrimination based on: race, gender, sexual orientation, social or personal status, health or physical condition, disability, age, nationality, religion or personal belief. CNH Industrial recruits employees because of their talents and skills, and is committed to providing equal opportunities to all employees, both in their work and career advancement.
Each Region's head of Human Resources is responsible for ensuring that, in every aspect of the employment relationship, be it recruitment, training, compensation, promotion, transfer or termination, employees are treated according to their abilities to meet job requirements, and that all decisions are free from any form of discrimination.
In 2013, no cases of discrimination were revealed through standard operational checks.
For further information on corporate diversity, see also page 55.

GRI-G4
DMA; HR3; HR4; HR6; HR9; HR12

Sustainability Plan
Our commitments on pages 104-105

Glossary
APAC, DMA, ILO, Stakeholders

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

Freedom of association and collective bargaining

According to the Code of Conduct, CNH Industrial employees are entitled to join a trade union in compliance with applicable regulations and local legislation. CNH Industrial recognizes and respects the right of its employees to be represented by trade unions or other elected representatives established in compliance with applicable local legislation and practice. When negotiating with such representatives, the actions and conduct of CNH Industrial aim at building a constructive approach and productive relations.
For further information on freedom of association and collective bargaining, see also pages 73-75.

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 permissible age for employment established by law 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.
During 2013, CNH Industrial surveyed 100% of its total workforce[1] to determine the level of compliance with the Code of Conduct with regard to child labor, confirming that none of its companies 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 a CNH Industrial company with a regular employment or apprenticeship contract was exposed to hazardous working conditions[2].
In addition, in order to verify supplier adherence to CNH Industrial sustainability standards, Fiat Group Purchasing[3] monitors the supply chain through a process based on two principal elements: self-assessment questionnaires and field audits conducted by Company personnel or external organizations (see also pages 151-153). To the Company's knowledge, there is no use of child or forced labor at the plants of its suppliers.

Occupational health and safety

Within the context of the Code of Conduct, CNH Industrial recognizes occupational health and safety as a fundamental employee right and a key element for achieving sustainability. All decisions made by CNH Industrial must respect health and safety in the workplace. CNH Industrial has adopted, and continues to develop, an effective occupational health and safety policy based on preventive measures, both individual and collective, to minimize the risk of injury in the workplace.
For further information on occupational health and safety see also pages 58-62.

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 & 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 carries out 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 its products, and if such minerals are contained in the products purchased from suppliers; and to identify their sources and to eliminate procurement, as soon as commercially practicable, of products containing tin, tungsten, tantalum, and gold obtained from sources that fund or support inhumane treatment in the Democratic Republic of Congo or the surrounding region.

GRI-G4
DMA; HR4; HR5; HR12

Sustainability Plan
Our commitments on pages 104-105

Glossary
DMA, Conflict minerals

(1) *Study conducted on the total workforce as at 31 October 2013.*
(2) *For the purposes of the study, hazardous working conditions include: work with dangerous machinery, equipment or tools, or that involves the manual handling or transport of heavy loads; exposure to hazardous substances, agents or processes, or to temperatures, noise levels, or vibrations damaging to health; and work under particularly difficult conditions (long hours or work at night).*
(3) *A Fiat Group company that also conducts purchasing activities for CNH Industrial to enable the global management of suppliers.*

CNH Industrial expects its suppliers to meet their commitments under its conflict minerals policy. In particular, the Company expects that its suppliers will perform a reasonable inquiry into the existence of tin, tantalum, tungsten, and gold in their supply chains and provide written evidence of the due diligence documentation. CNH Industrial will assess future business with suppliers who fail to comply with this policy.

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 Region. The Corruption Perception Index published by Transparency International is generally used as a guide by the Company's 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 conducts a risk assessment of factors such as the risks associated with the Company's 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 scenario-based classroom training. Company employees are encouraged to report compliance issues (including corruption) by any of multiple means (e.g. reporting to managers, or the Company compliance helpline). CNH Industrial regularly engages in benchmarking with competitors to assess its approach and ensure its continued adoption of best practice in preventing and detecting corruption.
CNH Industrial's internal audit program verifies, among others things, processes and controls for corruption prevention. The results are submitted to both the Company's Audit Committee and management so that any opportunities identified for strengthening controls may be implemented. The Company also investigates and tracks all allegations of corruption 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 declare that they are unaware of any violations to the Company's Code of Conduct.
The Company's Legal & Compliance Department created a Global Anti-Corruption Practice Team comprising internal legal advisors for each geographic Region that represent each Company product segment. The Team meets regularly to provide updates on new developments in corruption prevention, regulation and enforcement and to share best practice 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.

FINAL RULINGS

The following is a summary of the final sentences, out-of-court settlements and court orders handed down in 2013, and considered of significant value, against CNH Industrial companies (referred to as "final rulings").
There were no significant final rulings regarding violations of laws on environmental protection, unfair competition, antitrust, intellectual property, marketing and advertising, product and service information requirements, privacy, liability for defective goods, or liability for the violation of local community rights.
Of note, however, were final judgments in the following areas:

- contractual liability for defective goods, for a total value of approximately €400 thousand
- contractual liability (breach), for a total value of approximately €1.17 million.

Lastly, in 2013, final rulings against CNH Industrial companies for labor and social security disputes involved a total payment corresponding to 0.09% of labor costs for the year. The level of litigation was proportionately higher in Brazil, where final rulings, mainly relating to the interpretation of particularly controversial legislation, accounted for 96% of total final rulings, corresponding to approx. 88% of CNH Industrial's total payout. However, in the specific context of Brazil, these final rulings were not exceptional in nature or in number.
Moreover, none of the final rulings against the Company related to discrimination at work.
Only one pending judgment was reported for a case of alleged discrimination at work; however, the lower court rejected the claim of the employee, who filed an appeal.

GRI-G4
EN29; HR8; SO3; SO5; SO7; SO8; PR2; PR4; PR7; PR8; PR9

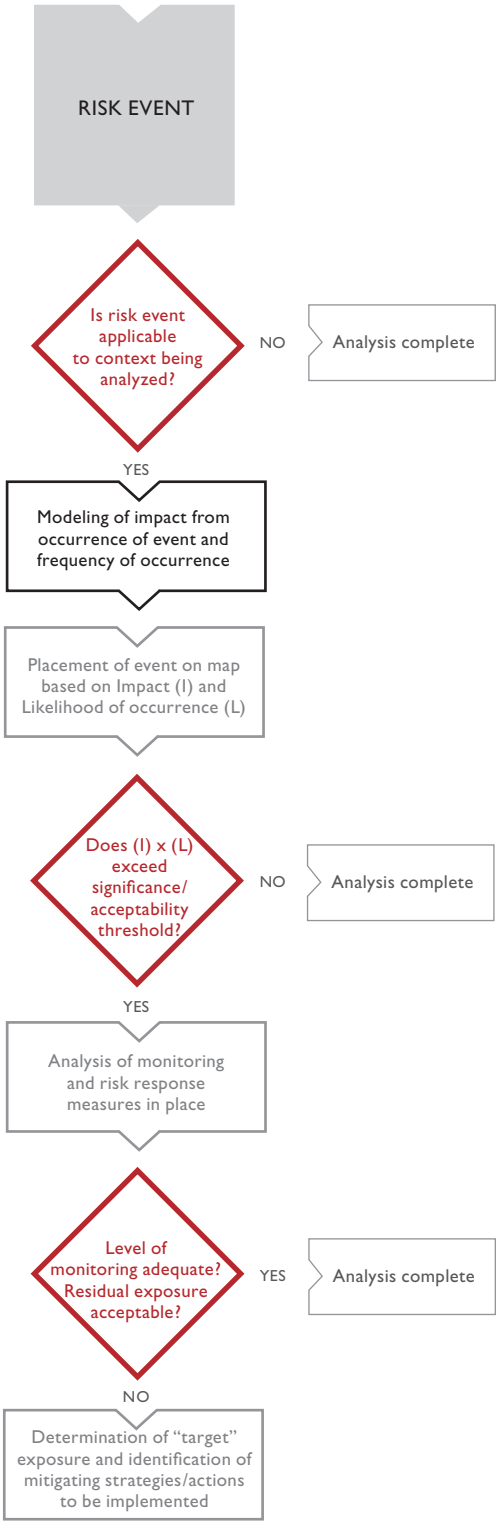
Sustainability Plan
Our commitments on pages 104-105

Glossary
Conflicts minerals

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.



The ERM process was also driven by the need for a systematic approach focusing on identifying the risk profile of business activities, and adopted to allow business performance to be managed 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 continues to employ an ERM methodology in which a risk is defined as any event that could impact the Company's ability to meet its objectives.
The model, developed internally in 2004 by Fiat Group prior to the demerger, and since adopted by all current CNH Industrial companies, enables the timely identification of risks and the evaluation of their significance, and allows action to be taken to mitigate and, where possible, eliminate these risks. 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 recently updated to incorporate the experience gained over the years and the best practice indicators which have emerged through comparison with other industrial groups. Specifically, risk driver mapping was redefined in response to new requirements and to better represent several significant issues (climate change, macro-economic developments, joint ventures, etc.).
The current catalogue consists of 52 risk drivers, further broken down into 85 possible events. The model continues to classify risks according to the probability of occurrence and potential impact on profitability, business continuity, and reputation (or on a combination of these elements), which, when analyzed as a whole, determine the significance of a risk. For events that exceed a predetermined significance threshold, 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, and enables assessment and summary reports to be generated for different companies, including any containment measures to be implemented. The heads of the business segments involved in this process are required to approve these evaluations and reports, while Corporate Control is responsible for their coordination and consolidation within the Company.

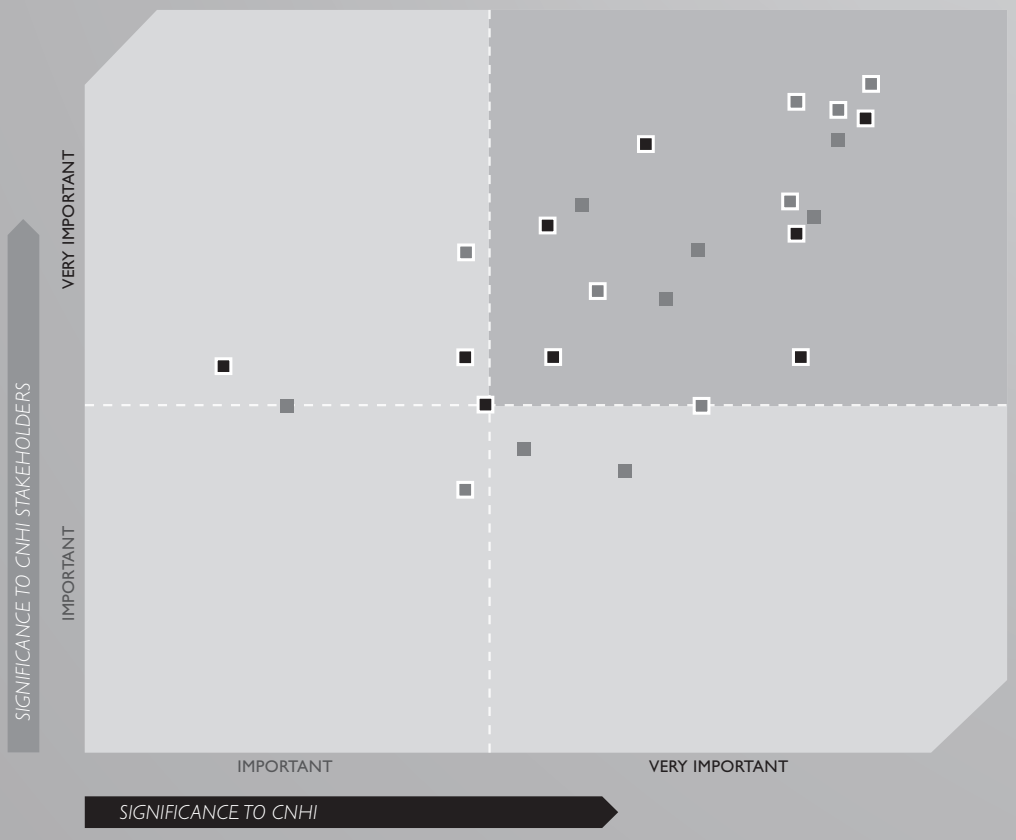
Precautionary principle

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 pages 133-135) 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 154).
Furthermore, innovation projects carried out in partnership with leading universities across the world ensure CNH Industrial privileged access to the latest scientific developments regarding product aspects (see also page 129).
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 2013, over €37 million was spent on environmental protection (a 5% increase compared to 2012), of which €14 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 204), and product disposal.

GRI-G4
G4-14
Glossary
WCM

MATERIALITY ANALYSIS

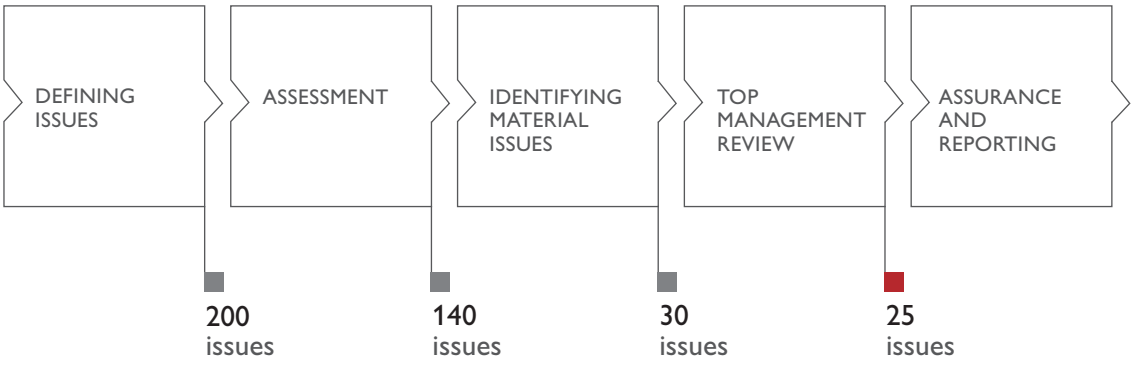
G4-18 - G4-21; G4-48



In 2013, CNH Industrial carried out its first materiality analysis aiming at identifying and prioritizing economic, environmental and social measures consistent with its business strategy, as well as at setting out the 2013 Sustainability Report according to GRI-G4 guidelines.
In terms of sustainability reporting, CNH Industrial defined material aspects as those that significantly impact business performance and that are perceived as most relevant by stakeholders. The evaluation was carried out by the Sustainability Unit, in accordance with both AA1000 criteria and GRI-G4 guidelines, with the support of a specialized consulting firm.
The 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 pages 208-209). The scope outside the organization was identified case by case and included in the table on pages 36-37.

The materiality analysis was subdivided in five phases:
- definition of all potential aspects relating to CNH Industrial
- assessment of potential aspects
- identification of material aspects
- revision by top management
- assurance and reporting.

MATERIAL ISSUE IDENTIFICATION PROCESS



The first **definition** phase focused on identifying potential material aspects through the analysis of different sources, the main ones being: corporate documents (such as the Code of Conduct, Policies and Guidelines, Fiat Industrial's 2012 Sustainability Report and related KPIs, and the Enterprise Risk Management Model), initiatives focusing on stakeholders' perceptions (such as employee and customer satisfaction surveys), sustainability issues assessed by rating agencies, sector studies, GRI-G4 guidelines, international standards, competitor benchmarking, and media search. It should be noted that, in 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. A total of approx. 200 issues were identified during the first phase.

During the **evaluation** phase, each issue was verified, analyzed, rationalized, and assigned priority by the organization's representatives for sustainability (about thirty people). These individuals were asked to serve as spokespeople for the global vision of CNH Industrial's processes and activities, evaluating each topic from both the corporate and stakeholders' perspective. In the scope of this first materiality analysis, in fact, they were called upon to represent the viewpoints of the various stakeholders, owing to their daily involvement with them.

GRI-G4
G4-18; G4-48
Sustainability Plan
Our commitments on page 104
Glossary
AA1000, GRI, KPI, Material aspects, Stakeholders

Every aspect was evaluated on a scale from 1 to 5, for both sides (corporate and stakeholders), according to different criteria: the alignment with business strategy, the economic and environmental impact, reputational risk, consistency with internal policies, and the Code of Conduct. In this first materiality analysis, all stakeholders were considered as equally important.
All aspects were also considered from a third angle: their individual significance to the supply chain; an issue, in fact, is material to the supply chain if it falls within the scope of the annual supplier-monitoring process. These aspects are highlighted in the matrix with a thicker outline.
At the end of this phase, the potential issues decreased from 200 to approx. 140.

The actual material issues were **identified** in the third phase. In fact, as a result of the Sustainability Unit's analysis of interview results and assessment of the priorities assigned to each issue by the sustainability representatives, 30 aspects were identified as most relevant and positioned in a first matrix draft.
The matrix was reviewed and **approved** by the members of the Group Executive Council, who further reduced the selection to 25 material issues. The final matrix was approved by the Chief Executive Officer.
The final phase involved the **assurance** of compliance by third parties; the development process of the matrix was in fact audited by the SGS and verified by the GRI. The material aspects identified represent the groundwork of the 2013 Sustainability Report. To highlight the link between matrix and Report contents, a materiality matrix reference was included at the beginning of every chapter, indicating the specific material aspect discussed in the chapter itself.

This process is not a static one, but rather in constant evolution; on the one hand, matrix outcomes will serve as a useful tool to corporate functions in identifying areas of intervention for the next Sustainability Plan; on the other, the analysis will continue, extending to other corporate functions and directly involving relevant stakeholders. The materiality analysis will be updated in 2014.

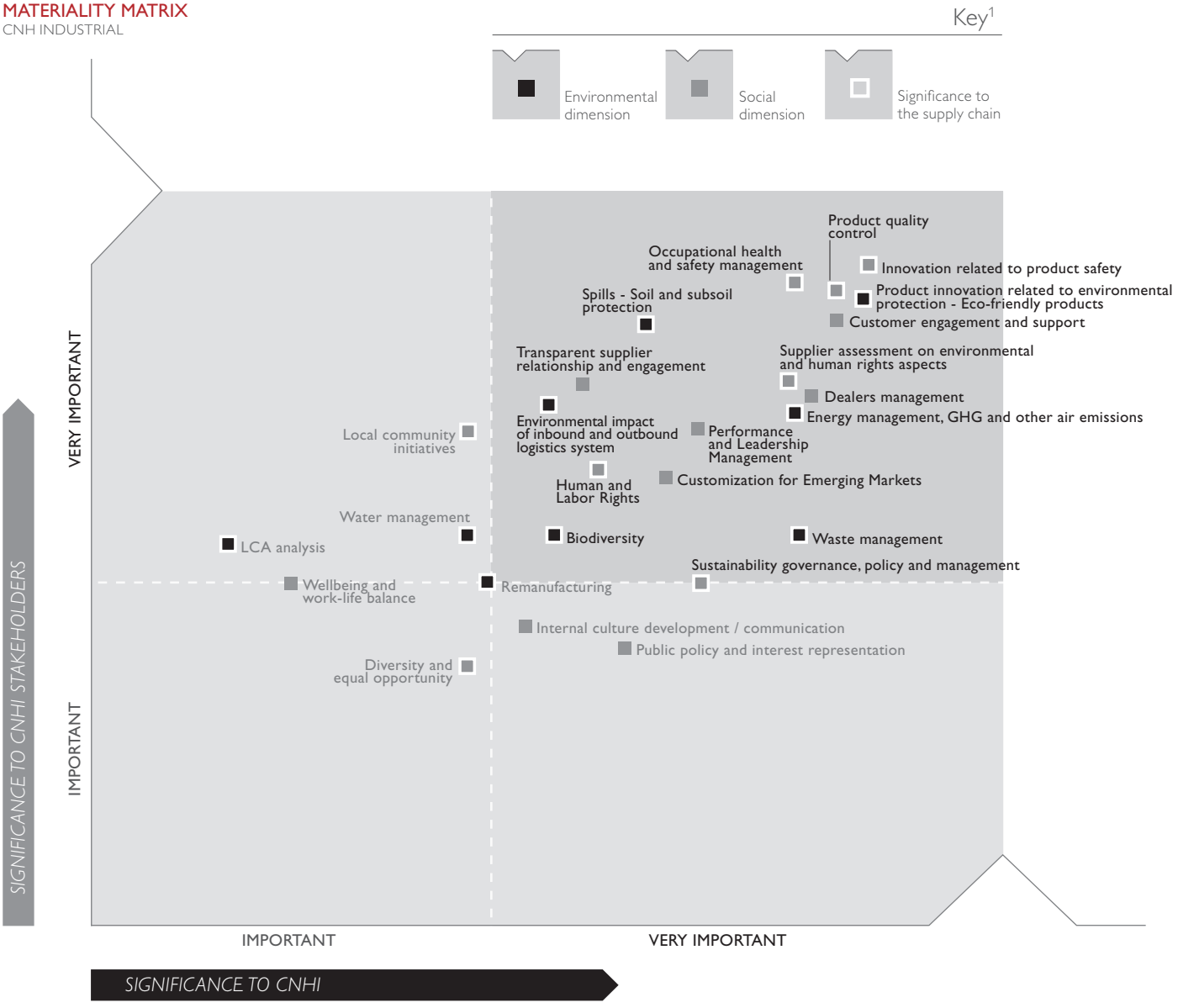
The matrix can be read in four different ways:
- the horizontal axis illustrates the degree of significance for CNH Industrial, in ascending order
- the vertical axis illustrates the importance to stakeholders, in ascending order
- the thickness of the outline indicates significance to the supply chain
- the graphics differentiate social aspects (in gray) from environmental aspects (in black). The economic aspect was not illustrated since all issues have economic implications.

The matrix also allows verifying the level of alignment between external expectations and the relevance of issues within the organization.

GRI-G4
G4-18; G4-48
Sustainability Plan
Our commitments on page 104
Glossary
Audit, Material aspects, Stakeholders

The in-depth analysis of the matrix suggests that greater importance is attached to business-related aspects and particularly to the ability to innovate in terms of safe use and environmental impact of products, product quality, and customer and dealer engagement. It also suggests that safeguarding health and safety in the workplace is an essential aspect of CNH Industrial's operations, and that environmental protection, although already an integral part of corporate management, is important in terms of continuous commitment to maintaining set targets and because of the marked interest it creates among stakeholders. CNH Industrial also considers a number of emerging social issues as material aspects, such as responsible supply chain management, relationships with local communities, respect for human rights, and professional development.

MATERIALITY MATRIX
CNH INDUSTRIAL



GRI-G4
G4-18; G4-19

Glossary
LCA, Material aspects, Stakeholders

[1] *Because all the issues have an economic impact, only the social and environmental dimension are represented.*

CORRESPONDENCE BETWEEN MATERIAL ASPECTS AND GRI-G4 ASPECTS

Material aspects	Boundary (inside and outside the organization)[1]		Link to GRI-G4 Aspects
Innovation related to product safety	Reporting organization	Customers (worldwide)	Product Responsibility - Customer Health & Safety
Product quality control	Reporting organization	Customers (worldwide)	(2)
Product innovation related to environmental protection - Eco-friendly products	Reporting organization	Customers (worldwide)	Environmental - Products & Services
Customer engagement and support	Reporting organization	Customers (worldwide)	Product Responsibility - Marketing & Communications Product Responsibility - Product & Service Labeling
Occupational health and safety management	Reporting organization		Labor Practices and Decent Work - Occupational Health & Safety
Supplier assessment on environmental and human rights aspects	Reporting organization	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
Performance and Leadership Management	Reporting organization		Labor Practices and Decent Work - Training & Education
Spills - Soil and subsoil protection	Reporting organization	Local communities (near the plants)	Environmental - Effluents & Waste
Dealership management	Reporting organization	Dealers and Customers (worldwide)	(2)
Energy management, GHG and other air emissions	Reporting organization		Environmental - Energy Environmental - Emissions
Waste management	Reporting organization	Local communities (near the plants)	Environmental - Effluents & Waste
Transparent supplier relationship and engagement	Reporting organization	Tier 1 suppliers (worldwide)	Economic - Procurement practices
Environmental impact of inbound and outbound logistics system	Reporting organization	Logistics providers (worldwide)	Environmental - Transport

GRI-G4
G4-19; G4-20; G4-21
Glossary
Aspect Boundary, DMA, Material Aspects

(1) *For details regarding the scope of reporting, see also pages 210-211.*
(2) *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.*

Material aspects	Boundary (inside and outside the organization)[1]		Link to GRI-G4 Aspects
Customization for Emerging Markets	Reporting organization	Customers (APAC and LATAM Regions)	(2)
Human and Labor Rights	Reporting organization		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
Sustainability governance, policy and management	Reporting organization		(2)
Biodiversity	Reporting organization	Local communities (near the plants)	Environmental - Biodiversity
Local community initiatives	Reporting organization	Local communities (near the plants)	Society - Local Communities
Remanufacturing	Reporting organization	Dealers and Customers (worldwide)	Environmental - Products & Services
Internal culture development / communication	Reporting organization		(2)
Public policy and interest representation	Reporting organization	Customers (worldwide)	Society - Public Policy
Water management	Reporting organization	Local communities (near the plants)	Environmental - Water Environmental - Effluents & Waste
Diversity and equal opportunity	Reporting organization		Labor Practices and Decent Work - Diversity and Equal Opportunity
Wellbeing and work-life balance	Reporting organization		Labor Practices and Decent Work - Employment
LCA analysis	Reporting organization	Customers (worldwide)	Environmental - Products & Services

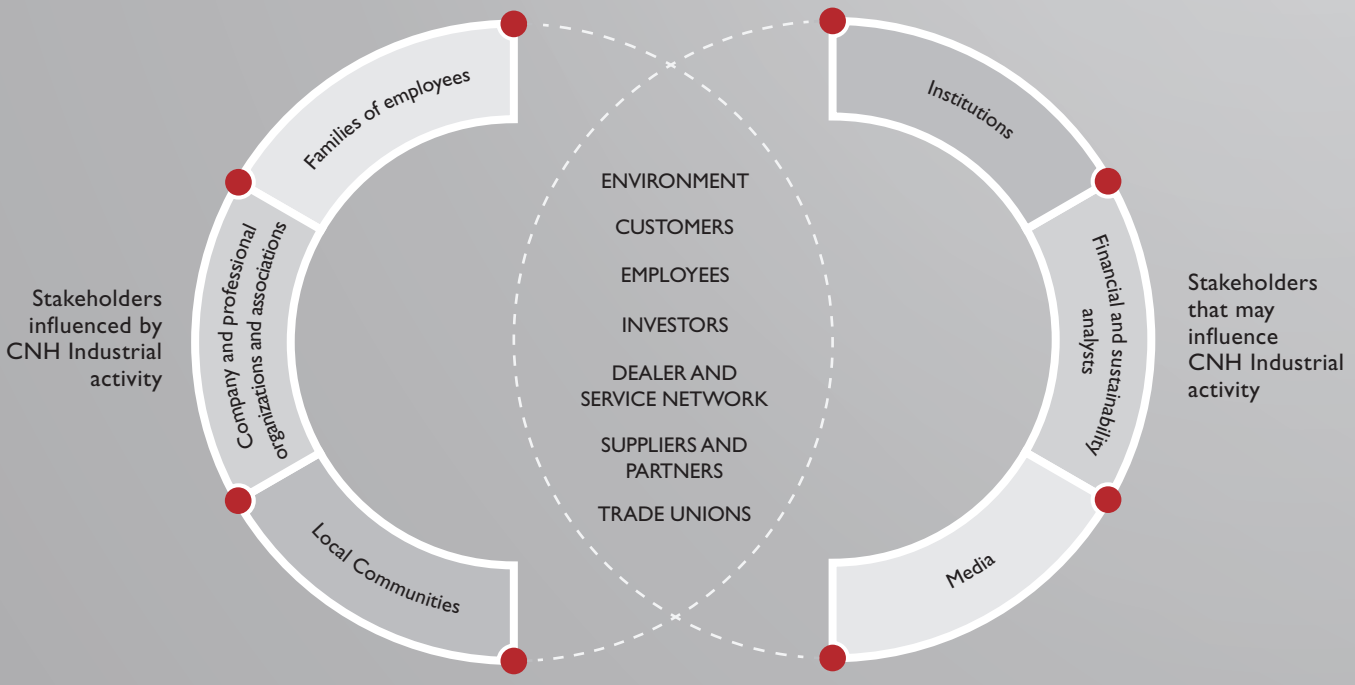
GRI-G4
G4-19; G4-20; G4-21

Glossary
APAC, Aspect Boundary, Biodiversity, DMA, LATAM, LCA, Material Aspects

(1) For details regarding the scope of reporting, see also pages 210-211.
(2) 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.

STAKEHOLDER ENGAGEMENT

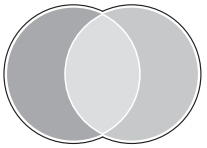
G4-24 - G4-27; EC1



With a presence in 190 countries worldwide, CNH Industrial's strategy is to maintain an ongoing, healthy relationship with all its stakeholders. The Company meets its responsibilities in the social sphere in which it operates through relationships founded on ongoing communication and active engagement. Stakeholders present a wide range of differing interests: 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 continuously monitoring expectations, needs and opinions. The Company continuously and proactively interacts with stakeholders worldwide through dedicated functions, promoting ongoing dialogue and remaining responsive to 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.

CNH Industrial identified and selected key stakeholders through an internal assessment performed by the corporate functions managing stakeholder relations on a daily basis. Each stakeholder was assessed in terms of importance for the Company and significance in terms of activities carried out. 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 identified channels, translating needs and areas for improvement into Sustainability Plan targets (see also pages 104-123).

In performing the materiality analysis (see also pages 33-35), the views of the concerned stakeholders were presented by the Company representatives who interact with them each day. In 2014, the analysis will engage stakeholders directly through targeted exchanges with selected groups; therefore, through the materiality matrix, they will play an active role in next year's Sustainability Report.



THE COMPANY CONTINUOUSLY AND PROACTIVELY INTERACTS WITH STAKEHOLDERS WORLDWIDE THROUGH DEDICATED FUNCTIONS, PROMOTING ONGOING DIALOGUE AND REMAINING RESPONSIVE TO 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

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

Sustainability Plan
Our commitments on page 104

Glossary
Stakeholders

Stakeholders	Corporate functions[1]	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) ■ strengthen environmental management through: dedicated organizational structure, environmental performance monitoring systems, management objectives and action plans
■ Employees 	Human Resources, Environment, Health and Safety	■ daily dialogue ■ people satisfaction surveys ■ meetings to communicate expected and actual performance levels and professional development path	■ clarity of organization and protection in periods of market uncertainty ■ clarity of 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 ■ developing sense of belonging ■ access to information
■ Employees' families		■ participation initiatives (Children's Christmas, Family Day, etc.) ■ targeted initiatives (nursery school, academic scholarships, FASIFIAT)	■ indirect participation in corporate life
■ Trade unions and employee representatives 	Industrial Relations	■ institutional meetings and other talks pursuant to legal or contractual provisions at the plant, company, regional, national or European levels ■ trilateral meetings (company, trade unions and government bodies) on matters of particular importance ■ ad hoc meetings at plant, company, 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	■ daily contacts and periodic meetings with the network ■ two-way communication through the web 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	■ complete and rapidly accessible product information ■ business profitability ■ developing 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
■ Prospective and existing customers, and opinion leaders 	Marketing and Customer Care Innovation 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)	■ 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)

GRI-G4
G4-24; G4-27
Glossary
Stakeholders

(1) 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.

Stakeholders	Corporate functions[1]	Tools and interaction channels	Key topics and concerns
■ Suppliers and commercial partners	Purchasing	■ daily relationship through buyers ■ conventions ■ Technology Days ■ Su.Per.	■ continuity of supply ■ fulfillment of contractual conditions
■ Local communities: religious, cultural, socio-political, scientific and technological research, health system, schools and universities, non-governmental organizations, non-profit organizations	Miscellaneous entities	■ meetings with representatives of associations, organizations or local communities ■ definition of actions or projects, managed directly or in partnership ■ collaboration on R&D projects ■ cultural exchange programs	■ responsiveness to project proposals and individual requests for assistance ■ contributions and support for initiatives over medium-to-long term ■ satisfaction of tender requirements for R&D projects ■ access to information
■ Financial community: traditional and socially responsible investors (SRI)	Investor Relations, Corporate Affairs and 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	■ expand and reinforce knowledge of the Company and its businesses ■ value creation (return on investment, sustainability of the business) ■ transparent and responsible management
■ Journalists and media	Communications	■ daily dialogue ■ presentations and press conferences ■ meetings ■ the Brand and Company websites	■ availability, timeliness and accuracy of information, transparency

BREAKDOWN OF ADDED VALUE

The value added through the activities of the Company and distributed to its various stakeholders totaled €5,732 million in 2013, equivalent to 22% of revenues (in line with 2012).

DIRECT ECONOMIC VALUE GENERATED

CNH INDUSTRIAL (€ million)

	2013
Consolidated 2013 revenues	25,778
Income of financial services companies	(725)
Government grants (current and deferred/capitalized), release of provisions, other income	173
Other income	758
Direct economic value generated	**25,984**
Cost of materials	(18,195)
Depreciation and amortization	(1,062)
Other expenses	(995)
Value added	**5,732**

GRI-G4
G4-24; G4-27; EC1

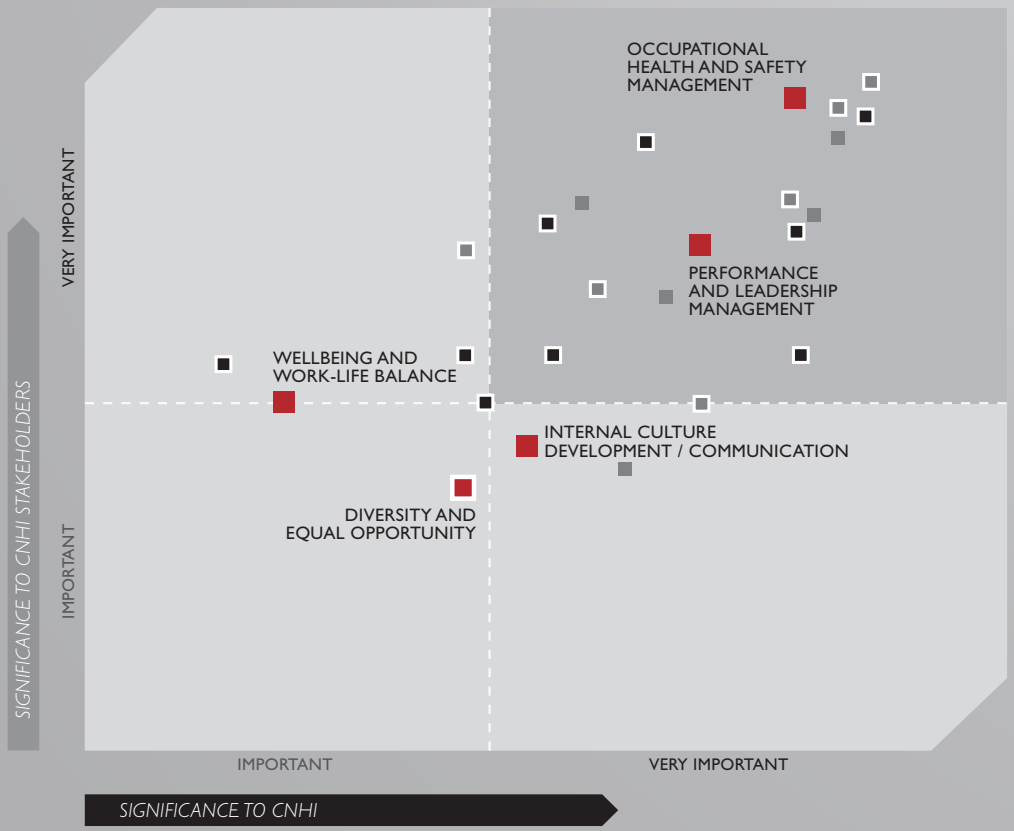
(1) *The names provided in the index for corporate functions have, in some cases, been altered to make them more self-explanatory and, therefore, do not necessarily coincide with the official name given to the corresponding activity or area of responsibility.*

OUR PEOPLE

EMPLOYEES

DMA; G4-10; G4-57; EC3; EC6; EN30; LA1-LA3; LA6; LA9-LA12; HR2; SO4

-24%
in accident frequency rate



Material aspect described in chapter. For further details, see Materiality Matrix, page 35.

CNH Industrial considers its people an essential asset. When operating in dynamic, highly competitive industries, success is achieved first and foremost through the talent and passion of skillful individuals in key positions. CNH Industrial is aware that managing and developing its people is fundamental to achieving this goal and to ensuring a safe and healthy work environment.

The materiality analysis has evidenced significant Human Resources topics, such as occupational health and safety, the management and development of expertise, the balance between professional and private life, the development of a common internal culture, diversity and the promotion of equal opportunities.

Occupational health and safety is one of the most important aspects of 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 the 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.

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 set personal career choices, and to have adequate support in terms of training specific to their goals.

The balance between professional and private life is a material aspect since achieving optimum balance between the two is essential to ensuring that employees are effective, productive, and satisfied in all dimensions of their lives. Improving this balance while continuing to deliver excellent performance is a challenge that the Company and its people share.

In a time of change, such as that following the merger of Fiat Industrial and CNH Global into CNH Industrial, and the subsequent reorganization, adequate internal communication is crucial to the Company for conveying the new image and meaning brought by a change of this kind. It is equally important for all employees as a tool to better understand how and where to focus their efforts and to better identify with the Company.

The respect for diversity and 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 by including and enhancing diversity, thus boosting its competitiveness, ability to attract resources, and reputation. From the stakeholders' viewpoint, it is important that the people who are part of the Company see their differences respected and valued. It is also important for investors, who increasingly consider this aspect as a reputational risk for companies, as well as a development opportunity owing to the new stimuli offered by an environment where different genders, races, ages, religious beliefs, and any other such factor or attribute are adequately respected and represented.

CNH Industrial's commitment to all of these aspects is stated in both its Code of Conduct - which complies with national laws, the UN Universal Declaration of Human Rights, and the fundamental conventions of the International Labour Organization (ILO) - and Human Capital Management Guidelines, which are an integral part of the Code itself. Both documents were approved by the Board of Directors, distributed to all employees, and made available on the corporate website.

From an operational point of view, the head of Human Resources is responsible for the management of human capital. The Chief Human Resources Officer is a member of the Group Executive Council (GEC), CNH Industrial's highest governing body after the Board of Directors. The process ensuring the control of all material aspects identified is managed by global representatives from Leadership Development, Internal Communications, and Human Resources, with one representative per department for each Region in which the Company is present. They are responsible for the management at regional level of diversity and equal opportunity issues and for work-life balance initiatives. On the other hand, health and safety protection in the workplace, 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 GEC has the highest responsibility for all initiatives.

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 105-110); their progress is regularly monitored to enable corrective actions, should they become necessary.

GRI-G4
DMA

Sustainability Plan
Our commitments on pages 105-110

Glossary
DMA, ILO, Material aspects, Stakeholders

EMPLOYEES IN NUMBERS

As of 31 December 2013, CNH Industrial had 71,192 employees, an increase of 2,935 over the 68,257 figure at year-end 2012. Part of this increase consisted in the difference between new hires (approximately 8,800) and departures (approximately 7,000) during the year. A change in the scope of operations, on the other hand, accounted for an increase of around 1,100 employees, of whom approximately 300 following the acquisitions of Trucks and Commercial Vehicles dealers in Romania, Portugal and the UK, and about 800 following the insourcing of manufacturing logistics activities at the Sete Lagoas plant (Brazil). The remaining increase over year-end 2012 was mainly ascribable to a growth in permanent and fixed-term workers for manufacturing activities, mainly in Latin America, associated with higher production levels for Agricultural Equipment and Trucks and Commercial Vehicles. Other minor increases included net new hiring for R&D, brand/commercial organizations and various functions in emerging countries.

EMPLOYEES BY REGION AND CATEGORY[1]

CNH INDUSTRIAL WORLDWIDE (no.)

2013	Total	Hourly	Salaried	Professional	Manager
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**

(1) 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 senior management roles (including those identified as "professional masters", "professional seniors" and "executives" under the CNH Industrial classification system).

The majority of personnel (59%) is employed in EMEA, 17% in NAFTA, 17% in LATAM and 7% in APAC.
The segment with the highest percentage of employees is Agriculture and Construction Equipment accounting for 50% of the Company's total headcount, followed by Trucks and Commercial Vehicles with 38.3%. Worldwide, the highest concentration of Company employees is in the 31 to 40 age group; 41.3% 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 21 % in comparison to 2012.
A total of 64.4% of employees[2] has a medium/high level of education (21.3% holds a university degree or equivalent, and 43.1% a high school diploma); the remaining 35.6% completed junior high school/elementary school.

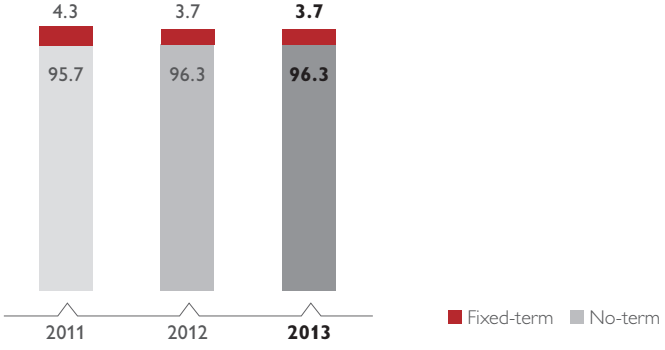
EMPLOYEES BY CONTRACT AND EMPLOYMENT TYPE

CNH INDUSTRIAL WORLDWIDE (no.)

		No-term		Fixed-term	
	Total	Full-time	Part-time	Full-time	Part-time
EMEA	**41,961**	40,317	456	1,188	-
NAFTA	**11,948**	11,866	3	79	-
LATAM	**12,081**	10,833	1	1,247	-
APAC	**5,202**	5,109	2	91	-
World	**71,192**	**68,125**	**462**	**2,605**	**-**

FIXED-TERM AND NO-TERM CONTRACTS

CNH INDUSTRIAL WORLDWIDE (%)



GRI-G4
G4-10

Glossary
APAC, EMEA, LATAM, NAFTA

(2) About 11,975 employees not mapped for 2013.

A total of 96% of the Company's current employment contracts are no-term, 99% of which full-time. Fixed-term contracts represent approximately 4% of all contracts. Throughout the year, more than 2,395 contracts were changed into no-term contracts, 10.9% of which refer to female employees. Around 1% of the Company workforce is employed part-time, of which approximately 72% are women (see also pages 214, 217-218).
Agency contracts as at 31 December 2013 were around 3,907, of which 60% in EMEA, 24% in NAFTA, 1% in LATAM and 15% in APAC; this type of contract is stipulated or renewed in relation to specific production requirements and is therefore subject to variations according to business needs.

Turnover

Approximately 8,753 people were hired in 2013. Most hiring occurred in LATAM for a total of 42% new hires. As many as 56% of new hires were in the age group up to 30 years. Female employees accounted for 16% of the year's new hires.

EMPLOYEE TURNOVER

CNH INDUSTRIAL WORLDWIDE (no.)

2013	
Employees at 31/12/2012	**68,257**
New Hires	**8,753**
Departures	**(6,967)**
Δ scope of operation	**1,149**
Employees at 31/12/2013	**71,192**

2012	
Employees at 31/12/2011	66,998
New Hires	8,100
Departures	(7,159)
Δ scope of operation	318
Employees at 31/12/2012	**68,257**

NEW HIRES BY REGION

CNH INDUSTRIAL WORLDWIDE (no.)

	2013	%
EMEA	**2,319**	27%
NAFTA	**1,565**	18%
LATAM	**3,706**	42%
APAC	**1,163**	13%
Total	**8,753**	100%

NEW HIRES BY AGE GROUP

CNH INDUSTRIAL WORLDWIDE (no.)

	2013	%
Up to 30 years	**4,940**	56%
31 to 40 years	**2,447**	28%
41 to 50 years	**947**	11%
Over 50 years	**419**	5%
Total	**8,753**	100%

As regards departures, the highest percentages were reported in EMEA (39%) and LATAM (30%), in the age group up to 30 years. Turnover data is available in the Appendix (see pages 215-216).
Approximately 62% of 2013's new hires were employed under no-term contracts. In the same period, approximately 7,000 people left the Company, 9% 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 plans, aimed at minimizing the impact on employees, established in collaboration with trade unions. Specifically, 41% of collective redundancies were managed through retirement/early retirement schemes, 11% through voluntary resignations with exit incentives, and the remainder 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. In 2013, about 200 employees from sites/plants affected by downsizing or restructuring projects, including those launched in previous years, were offered and accepted permanent transfers to other locations, thus limiting the potential impact of collective dismissals. CNH Industrial also provides opportunities for transfers between segments and countries. In 2013, more than 470 CNH Industrial employees transferred between segments, countries or companies within same segments.

GRI-G4
G4-10; LA1
Glossary
APAC, EMEA, LATAM, NAFTA

Talent attraction

The new graduates, among new hires, amounted to 343, a drop compared to the previous year due to the 650 fewer salaried employees hired in 2013.

TALENT ATTRACTION

CNH INDUSTRIAL WORLDWIDE (no.)

	2013	2012	2011
New graduates recruited	**343**	439	484
Traineeships	**3,256**	2,921	2,293

Managers of local nationality

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

MANAGERS OF LOCAL NATIONALITY BY REGION

CNH INDUSTRIAL WORLDWIDE (%)

	2013	2012	2011
EMEA	**81**	80	83
NAFTA	**91**	91	94
LATAM	**68**	57	70
APAC	**42**	42	52

Based on a CNH Industrial worldwide analysis, the figures in EMEA, APAC and NAFTA in 2013 were consistent with the previous year, whereas local managers in LATAM increased by more than 19%. For details, see also page 214.

MANAGEMENT AND DEVELOPMENT

One of CNH Industrial's key challenges is growing and adapting to a constantly changing environment. The Company realizes that the nature of today's socioeconomic context calls for leaders with the ability to evolve. A solid people management process is the key to success, as it includes employees in the Company's business goals, takes advantage of employee talent, and fuels workforce motivation. CNH Industrial is committed to supporting its employees with training initiatives, and recognizing and rewarding their achievements and contribution 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 the future.

Leadership Development function

The Leadership Development function is one of the centers of expertise directly reporting to the Chief Human Resources Officer (CHRO). It is composed of a corporate team, and has dedicated resources in all Regions that directly support the COO's Human Resource Business Partners (HRBP). The main responsibilities of the function are to manage 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 manage the talent management process. 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 to answer those specific needs. The goal is to help the organization develop an internal pipeline ready to fill critical leadership roles in the future, ultimately ensuring the long-term success of the Company.

PERFORMANCE AND LEADERSHIP MANAGEMENT

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

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

GRI-G4
DMA; EC6; LA11

Sustainability Plan
Our commitments on pages 105-110

Glossary
APAC, DMA, EMEA, LATAM, NAFTA, Stakeholders

These principles are embodied in the PLM appraisal system, adopted worldwide to assess employees (managers, professional 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.

To ensure implementation of the five human resource management principles, the CNH Industrial Leadership Development function operates according to the following pillars, which are also defined in the Guidelines:

- considering skills as 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 the development of employees and the continuous improvement in corporate performance are strictly interrelated, the Company's main objective is to increase the value of human resources through targeted programs. Training and knowledge management, in fact, ensure continuous improvement by developing cultural competencies, reinforcing the Company's identity and spreading its values.
- developing leaders as 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 means encouraging cultural change and enhancing leadership values to achieve outstanding results.
- focusing on Talent Management and Succession Planning. Talent Management is a key lever in achieving the Company's talent development goals and releasing the potential of 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.

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 the 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, which provides a brief assessment of the employee's results. Consistency in the evaluation process is ensured by comparison with the rating 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 a meeting between the manager and the employee, during which an open dialogue on areas identified for improvement contributes 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 senior management, etc.

145 target
applied to specific project leaders for sustainability projects

This unique skills-mapping and appraisal process is supported by information 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, the individual performance of each employee is accessible and can be examined by senior management within the organizational structure. During 2013, performance and leadership mapping was carried out for 21,131 employees (of whom 4,504 were women), including all managers and professionals, and 66% of salaried employees.

The number of salaried employees evaluated increased from 40% in 2012 to 66% in 2013. This significant increase comprised 5,410 new employees, mainly in Italy and Brazil. To accomplish this, a specific training plan was also rolled out, including 294 training sessions in Italy and twenty sessions in Brazil with more than 5 thousand participants (employees and managers). Additional web-based training has been made available to all managers and employees worldwide to support the process, and a leadership page was created on the new CNH Industrial intranet. The trend is set to continue, contingent on market and organizational developments.

CNH Industrial's Chairman and CEO firmly believe that an organization's success is based on its resources and, for this reason, are directly involved in the PLM process. Together, they spent a day analyzing the results of the PLM process, focusing on senior managers. In addition, the CEO spent two days with the regional and business COOs, 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 2013, such systems were applied to 2,619 men and 454 women, for a total of 3,073 employees (of which 86% were hourly).

GRI-G4
DMA; LA11

Sustainability Plan
Our commitments on pages 104-110

Glossary
DMA

In the past, the results of PLM assessments were used as the basis for the individual contribution component of eligible employees' variable compensation. In 2013, due to the specific circumstances, a discretionary approach was used, although still in line with our common *pay for performance* approach. In 2014, a review and integration of the performance-related compensation models was submitted to the Board of Directors for approval.

Top management seniority

The importance that CNH Industrial gives to the development of its internal resources is demonstrated by an average length of service within the Company of 19 years for the members of the GEC, ranging from four to 43 years. The 182 Business Leaders that report directly to GEC members have an average length of service of 15 years, ranging from zero to 43 years.
In 2013, 83 managers were promoted internally, while 47 were hired from outside the Company.

TALENT MANAGEMENT AND SUCCESSION PLANNING

Talent management program

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 senior management.

Talent Review

The first Talent Review after the demerger from Fiat Group was held in 2012. Following the evaluation of all managers and professionals, employee reviews were performed across ten professional teams.
The program focused on ensuring that all key leaders were developing both a short- 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. The Chairman, together with the Leaders of the organization and the various central corporate functions, dedicated one full day to Talent Management. Various issues were addressed, including the assignment of key roles, the analysis of talents and initiatives to support their development, and international/cross-functional career plans.
In 2013, as CNH Industrial focused its efforts on the crucial integration of CNH, Iveco and FPT Industrial in the Company's new regional organization, conditions did not favor a full, formal review across the entire Company. To avoid compromising the effectiveness of the Talent Review process, the decision was made to defer this activity to next year, enabling more meaningful and robust talent pipeline discussions, supported by a stable organizational structure. A fuller analysis can then be made of the people who have contributed to the Company's early successes.

Long-term incentive program

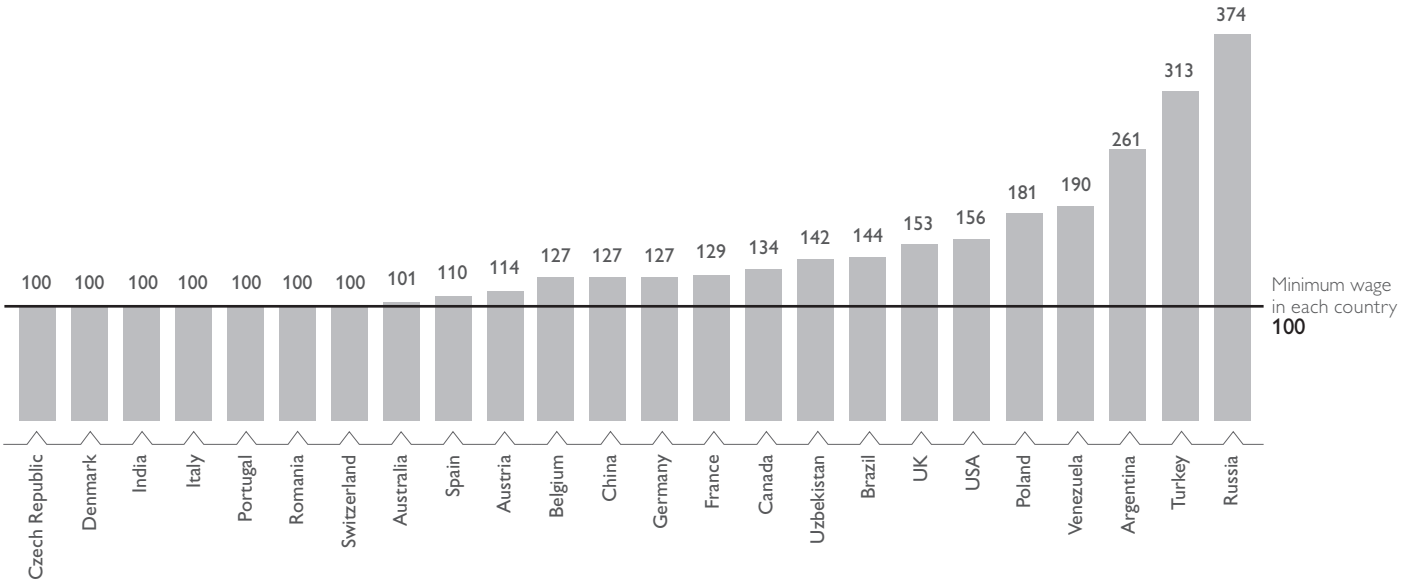
In 2011, the long-term incentive program, designed to ensure the involvement and retention of individuals who are key to the Company's continued development, was defined and delivered to 200 CNH Global top managers worldwide, and, in 2012, the extension of the plan to key talent in companies outside of CNH Global was approved. With the reorganization and merger of Fiat Industrial with CNH, no new grant activity occurred in 2013 under the former companies' plans. A new equity incentive plan, subject to approval by the Board of Directors and shareholders, will be introduced in 2014 to meet the new organizational needs of CNH Industrial.

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

GRI-G4
DMA; LA11
Sustainability Plan
Our commitments on pages 105-110
Glossary
DMA

COMPARISON BETWEEN ENTRY-LEVEL SALARY AND MINIMUM WAGE
CNH INDUSTRIAL WORLDWIDE (MINIMUM WAGE = 100)



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 2013, CNH Industrial carried out an analysis in a number of countries, representing 99.1% of its employees. In all countries, CNH Industrial entry-level salaries[1] were at or above the statutory minimum or the levels set by non-company collective labor agreements, as can be seen in the graph above.

JOB POSTING

With a view to promoting internal mobility, an internal Job Posting program is active in the majority of the countries in which CNH Industrial operates.
Job Posting works as an internal marketplace where the 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
- ensuring 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, ensuring 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 2013, the program advertised 2,319 positions (2,462 in 2012), and 5,829 internal candidacies (4,747 in 2012) were received from all over the world. The majority of the positions were posted in NAFTA, where, out of 1,471 positions posted, 241 were filled by internal applicants.
In an effort to continuously expand the program, seven additional countries were included over the course of 2013: China, Finland, Hungary, Lithuania, Luxemburg, Romania, and Slovakia.

OUTPLACEMENT

An internal analysis revealed that outplacement services, outsourced to external partners, are available in 16 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 2013, the service was utilized by approximately thirty people, mainly in the USA, Italy and Brazil.

GRI-G4
LA10

Sustainability Plan
Our commitments on pages 105-110

Glossary
NAFTA

(1) *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. Intern or apprentice wages are not considered. For each country, results are based on the sector with the lowest entry-level salary. Figures reported are as at 31 October 2013.*

EMPLOYEE BENEFITS

Benefits go beyond employee salaries and cash incentives, and can make up a significant part of the total remuneration package received. For this reason, CNH Industrial offers a competitive range of benefits normally available to all full-time employees, with many countries also providing 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 99.1% of its workforce worldwide, covering all major Company sites as at 31 October 2013, on the availability and adoption of various Company benefits (supplemental health plans, financial support for those with accident-related permanent disabilities, life insurance, and employee cafeterias or meal vouchers). According to the survey, approximately 85.2% of employees were eligible for a supplementary pension plan; 70.6% of them joined a supplementary plan, representing 60.2% of those surveyed (see the table below).

EMPLOYEES ENTITLED TO BENEFITS

CNH INDUSTRIAL WORLDWIDE (%)

	2013	2012	2011
Financial benefits:			
Pension plans	**85.2**	92.7	83.9
Supplemental health plans	**80.4**	82.8	80.9
Life insurance	**58.2**	55.5	57.5
Financial support for disability	**87.0**	78.8	56.6
Employee cafeterias or meal vouchers	**75.0**	78.3	60.5
Other[1]	**10.3**	10	7.2
Social benefits:			
Child care[2]	**7.0**	23.2	11.6
Gym/fitness courses[3]	**7.2**	21.4	17.5
Wellness & nutrition programs[4]	**47.2**	33.3	31.3
Other (e.g., flexible working scheme, emergency care/first aid, referral programs, leave of absence or other flexible benefits)	**46.1**	53.5	27.0

(1) Includes benefits such as company cars, housing, and interest-free loans.
(2) Includes kindergarten, free gymnasiums for children, assistance with homework, summer camps/holidays, and other child care services.
(3) Includes free gymnasium access, gym/fitness courses, and other sports initiatives.
(4) Includes nutrition coaching, training on stopping smoking, medical check-ups, medical screening, and other wellness programs.

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 companies are defined contribution plans.

Health care plans are also available for CNH Industrial employees, and about 47.6% of the total workforce has joined one (see also pages 68-71). There are also childcare services in place to meet employees' needs, therefore helping them be more effective in their working life (see also page 67). Finally, CNH Industrial promotes a healthy lifestyle through comprehensive wellness programs, and facilitates access to dedicated sports facilities (see also pages 68-71).

TRAINING

Training Management Model

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.

In 2013, CNH Industrial developed and applied 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.

CNH Industrial builds upon segment-specific training programs, in the belief that the most effective solutions should be specifically tailored to individual needs.

The Company manages training through a four-step process: training needs definition, content development, program delivery, and reporting.

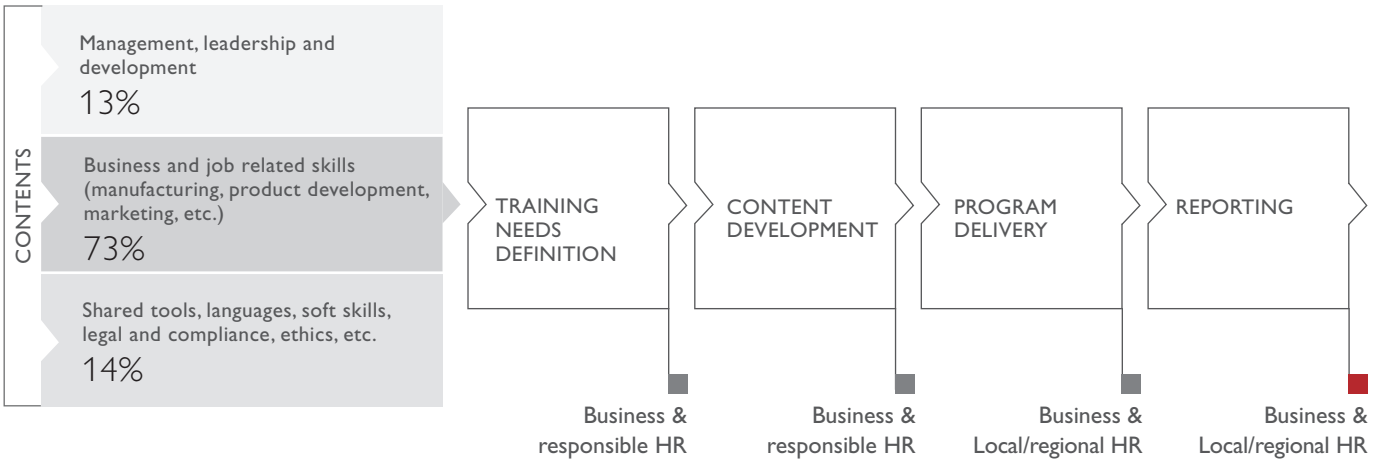
Ownership in each of the four steps lies with different corporate roles, depending on the areas of contents or competencies to be enhanced.

GRI-G4
DMA; G4-57; EC3; LA2; LA9; LA10

Sustainability Plan
Our commitments on pages 105-110

Glossary
DMA

CNH INDUSTRIAL TRAINING MANAGEMENT MODEL



As shown in the picture, the Model is very much business-oriented, therefore business departments are deeply involved in the four steps of the training process for content areas regarding management, leadership and development, business and job-related skills, and shared tools, languages, soft skills, legal aspects and compliance, ethics, EH&S, etc.

The Leadership and Development function of Human Resources enables the overall training process, supporting the business from a leadership, development, functional, and local perspective.

In order to manage the overall training process, CNH Industrial has implemented a global Learning Management System platform, an Internet-based corporate tool available to most employees through the corporate intranet. The Learning Management System allows setting and managing a comprehensive learning process for each employee based on business, location, or specific individual needs.

The HR Leadership and Development team serves as the Training Committee, specifically monitoring the implementation of the CNH Industrial Training Management Model. It comprises the HR Leadership and Development representatives of LATAM, APAC, NAFTA, EMEA, HR Training EMEA, and HR Leadership Development FPT Industrial.

The head of HR Leadership and Development, reporting to the Chief Human Resources Officer, serves as the Chairman of the Training Committee.

The effectiveness and efficiency of training activities are monitored and measured on an ongoing basis using a set of KPIs based on 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, training efficiency is monitored through:

- resources used for each training pillar
- hours of training provided for each training pillar
- hours of training provided by gender and by professional qualification.

Training in numbers

TRAINING EXPENDITURE AND ACTIVITIES

CNH INDUSTRIAL WORLDWIDE

	2013	2012	2011
Training costs[2] (€ million)	**8.7**	12.1	24.7
Percentage of personnel costs[3]	**0.25%**	0.35%	0.75%
Hours of training provided (thousands)	**969**	1,363	1,305
Employees involved (thousands)[4]	**50**	69	32

(2) Includes both direct and indirect costs.
(3) Personnel costs totaled €3,274 million in 2011, €3,440 million in 2012, and €3,511 in 2013.
(4) Includes people who have left the company.

GRI-G4
DMA; G4-57; LA9; L10

Sustainability Plan
Our commitments on pages 105-110

Glossary
APAC, DMA, EMEA, KPI, LATAM, NAFTA

(1) The Kirkpatrick scale is a methodology for evaluating training courses consisting in different levels of measurement, applicable to any organization.

TRAINING HOURS BY CATEGORY BY GENDER

CNH INDUSTRIAL WORLDWIDE (no.)

2013	women	men	**total**
Hourly	60,765	521,562	**582,327**
Salaried + Professional	78,136	302,051	**380,187**
Manager	715	5,477	**6,192**
Total	**139,616**	**829,090**	**968,706**

In 2013, CNH Industrial invested €8.7 million in training. The training strategy relies on the use of in-house experts in the teaching process, which has allowed cutting total investment. A total of 969 thousand training hours were provided to approx. 50 thousand individuals, of whom 86% were men and 14% were women. Of the total employees participating in training, 61% were hourly, 38% salaried and professionals, and 1% managers. Each employee received an average of approx. 13.9 hours of training (hourly employees averaged 13.3 hours, professionals and salaried employees 15.4 hours, and managers 7.2 hours, the latter mostly online) compared with the average of 19.9 hours in 2012. Female employees received an average of 14.3 training hours each, male employees an average of 13.9 each.

OUR PROJECTS

BOOSTING CAREER DEVELOPMENT IN MEXICO

In 2013, many alliances were made with several universities to offer CNH Industrial Mexico's employees the opportunity to continue developing their careers. To date, ten alliances have been sealed with educational institutes.
The Training Department organized an internal fair to promote these institutions and provide information on the benefits and support the Company can offer employees and their families. This strategy proved to be successful, benefiting many employees in their pursuit of professional development through language programs and various courses leading to certifications, master degrees, and executive careers.

In addition, around 386 thousand hours of training on health and safety topics were delivered to about 50.2 thousand employees (of whom 37.2 thousand were hourly), and approximately 52.1 thousand hours of training on environmental issues targeted around 25.5 thousand employees (see also page 161). Investments in classroom, online, and on-the-job training focused primarily on the development of job-specific expertise (73%), corporate campaigns (1%), language programs (13%), and management skills (13%).
Most corporate learning campaigns are delivered online, allowing individuals to pursue training when most convenient and minimizing 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 and including security personnel, through specific periodic training and other information channels.
In 2013, the training activity focusing on the principles of the Code of Conduct, the values of good corporate governance, and sustainability and non-discrimination involved approximately 8,254 employees. The course for managers worldwide on the Organizational Model (pursuant to Legislative Decree 231/2011) and legal risks was completed during the year.

TRAINING ON CORPORATE GOVERNANCE, NON-DISCRIMINATION, ANTI-CORRUPTION AND HUMAN RIGHTS

CNH INDUSTRIAL WORLDWIDE (thousands)

	2013	2012	2011
Hours of training provided	**10.0**	76.9	11.4
Employees involved	**9.2**	10.4	12.4

GRI-G4
G4-57; LA9; LA10; HR2; SO4

Sustainability Plan
Our commitments on pages 105-110

INTERNAL COMMUNICATION

With the merger of CNH Global and Fiat Industrial into CNH Industrial, the Company's primary focus in 2013 was on supporting change management and integration. This objective was met through the launch of several important internal communication campaigns, including people involvement initiatives. In addition, the Company promoted sustainable behaviors through a variety of ad hoc activities and events.

Organization and management

At CNH Industrial, internal communications 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 that is organized according to Company-wide processes and regional activities. The Company-wide processes are divided into three core areas: Corporate Messages and Publications, Intranet and New Media, and Special Projects and Events. The manager of each of these processes reports directly to the global head of internal communications, as do the four heads for the APAC, EMEA, LATAM and NAFTA Regions, each responsible for managing communications activities in their designated geographical areas. The regional heads of internal communications also functionally report to the regional heads of Human Resources.

Internal Communications

In 2013, several key internal communication initiatives were launched to communicate the new Company reality to employees, including the **Becoming One Company** campaign, which utilized an interactive infographic, available in 16 languages, to deliver high-level information about the new Company structure and strategic goals of the merger. To build upon this initiative, a **Feedback Campaign** was also launched to solicit questions and expectations from the entire salaried population worldwide, creating a two-way dialogue between the Company and its employees, and demonstrating an open and transparent approach. Inquiries were categorized into 14 topics and published anonymously in a 54-page question and answer document that was made available in 16 languages, and which delivered on the Company's commitment to treat employees as internal clients and, ultimately, to reinforce credibility.

In addition to these initiatives, in 2013, the Company laid the groundwork for building long-term, large-scale communication channels to unite its employee population across its Regions and segments. These included the launch of a new Company **intranet** that, for the first time, allows employees to respond to content through interactive features and comment areas. The new intranet site is increasingly customizable and allows employees to access content relevant to their areas and needs, and, for the vast majority of the workforce, to read items in their native tongue since a total of six languages are offered. These features improve the Company's capacity to reach employees and deliver information to them in a timely manner. In addition, CNH Industrial also launched a new **internal publication**, LINK – the magazine connecting people of CNH Industrial, aimed at both hourly and salaried employees. Printed quarterly in 14 languages and with a circulation of over seventy thousand, it delivers success stories from across the globe to unite the Company and align employees with common goals. On a regional level, a new magazine called *Juntos* (United) was also created for Argentina, Brazil, and Venezuela to bridge sites across the LATAM Region.

People Involvement Initiatives

In 2013, the Company continued to sponsor a variety of events to promote engagement and cohesion among employees.

To benefit employees and their families, CNH Industrial organized **Family Days** in many of its Regions.An event held at the CNH Industrial Village in Turin, Italy was attended by 12 thousand people, while a celebration at the Company's facility in Sankt Valentin, Austria welcomed 11 thousand. In China, a special day was arranged for fifty employees and their families at the Shanghai Auto show, where they visited the Iveco brand's booth and witnessed the launch of a new vehicle. In the USA, more than 560 people attended the annual family day celebration at the Chicago Children's Museum. The Company's corporate membership with the museum entitled employees and their children to free entrance; they also benefitted from food and ride vouchers at Chicago's Navy Pier, where the museum is located. In India, 571 employees took part in the family day celebration, held at the Case Construction plant since its inception, while in Brazil, a celebration reaching 6,800 employees was held for the sixth year.

In Italy, the **Break4you campaign** was launched as a chance for employees to engage in a variety of planned activities during their lunch hour to boost their motivation and support integration. In 2013, as part of this campaign's *Wellness in a Flash* series, employees participated in forty-minute wellness classes to improve balance, concentration, and breathing. Of the 57 participants surveyed during the year, 96% said they would attend another *Break4you* event.

GRI-G4
DMA

Sustainability Plan
Our commitments on pages 105-110

Glossary
APAC, DMA, EMEA, LATAM, NAFTA

Employees in Brazil were given the opportunity to showcase their musical talents in front of their colleagues during an after-hours **talent festival** organized by the Company. The festival in Curitiba, in its ninth year, was attended by 6,800 employees. Over time, the initiative's popularity has grown and, in 2013, it was extended to two additional sites in Brazil.
National holiday celebrations are important events that CNH Industrial organizes in each of its Regions. In India, 1,200 employees attended Company-organized events for the Holi and Diwali 2013 festivals.

Promoting sustainable behaviors

Throughout the year, CNH Industrial engaged employees through several sustainable behavior campaigns, such as the *Action for Road Safety*. Through a series of communication highlights, like the Ten Golden Rules of Road Safety, the initiative was aimed at building awareness among employees on best practices and safe driving etiquette (see also pages 92-93).
To celebrate *World Environment Day*, 11 thousand employees at plants throughout the LATAM Region were given information on the proper use of resources in the form of cards made out of seed paper, a sustainable material that generates a plant when buried in the ground. Employees at each plant further contributed to the initiative through the development of their own environmentally responsible initiatives, such as switching to making soap from recycled cooking oil, and delivering seedlings.

PEOPLE SATISFACTION SURVEY

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.
While the Company recognizes the importance of these activities, it also believes timing is key, especially if worthwhile conclusions are to be drawn. Due to the organizational changes taking place across the Company, and the integration of CNH, Iveco and FPT Industrial, the conditions in 2013 were not well suited to performing a thorough analysis, or to identifying appropriate solutions. The approach that CNH Industrial will follow in 2014 regarding the implementation of satisfaction and/or engagement surveys is currently under review.

CNH Industrial among best companies to work for in Brazil

In 2013, CNH Industrial was ranked as one of the 150 Best Companies to Work For in Brazil for the eighth year in a row. This forms part of the most important organizational climate survey in the country, 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 Sao Paulo, one of Brazil's leading higher education institutions, recognized throughout the world in a number of rankings. CNH made it through 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, 600 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.
In 2013, CNH Industrial Mexico was awarded for its culture of accountability and good working practices, as the result of an analysis conducted by Great Place to Work on 407 employees, or 30% of the workforce. The Institute also pointed out areas where company culture has improved, such as the reinforcing of working groups and cooperation between workers.

Sustainability Plan
Our commitments on pages 105-110
Glossary
LATAM

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 each Region is responsible for ensuring that, in every aspect of the employment relationship, be it recruitment, training, remuneration, 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 in particular discrimination based on race, gender, sexual orientation, personal and social status, health, physical condition, disability, age, nationality and religious or personal beliefs. 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 Guidelines approved by the Board of Directors and available on the corporate website. 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 Guidelines 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 Guidelines. CNH Industrial specifically focuses on the business processes relevant to recruiting, hiring, placement, and training activities to ensure the application of the principles of the Code of Conduct.
The management of this area is most developed in Regions such as NAFTA, where the Policy Statement is disseminated through Company bulletin boards and other internal communication channels, periodically discussed with management at meetings or training, and distributed to personnel involved in recruiting, hiring, placement, and training activities. The responsible of Human Resources at regional level oversees the development of Affirmative Action Plans and related governmental reporting, ensuring they are adequately implemented by the Company.

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 companies with more than 100 employees are required (under article 46 of Italian Legislative Decree no. 198 of 11 April 2006, and subsequent amendments) to present a report on male and female employment every two years. In 2012, the report for the period 2010/2011 was presented to union representatives and to the regional equal opportunities advisor. These complex and multifaceted reports contain information, among other things on training, rates of pay, promotion and turnover.
The specific collective labor agreement that came into force as of 1 January 2012 for all CNH Industrial companies in Italy, replacing the national collective labor agreement for metalworkers, envisages the setting up of an equal opportunities commission in each CNH Industrial company, 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 at 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 trade union agreements stipulated at Company level worldwide in 2013, 5% addressed equal opportunities.

GRI-G4
DMA; LA12

Sustainability Plan
Our commitments on pages 105-110

Glossary
DMA, LATAM, NAFTA

A study carried out in October 2013 on 97.7% of CNH Industrial's workforce globally showed that around 15% 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.

+5.5% female employees

Female employment in numbers

In 2013, the presence of women in the Company's workforce increased by 5.5% over the previous year, while the overall number of employees increased by 4.3%. Women represent approximately 14% of CNH Industrial's workforce worldwide. There was an increase in women in the workforce in all Regions compared with 2012, especially in LATAM where the increase was about 30%. Despite this increase, LATAM has the lowest proportion of female employees (11%), mainly due to the predominance of hourly employees which represent 75% of the Region's total workforce, and of which the majority are men.

WOMEN EMPLOYEES BY REGION

CNH INDUSTRIAL WORLDWIDE (%)

	2013	2012	2011
EMEA	**13.2**	13.1	12.6
NAFTA	**18.6**	18.2	18.4
LATAM	**10.7**	10.3	8.2
APAC	**13.3**	13.1	13.1
World	**13.7**	**13.6**	**13.0**

The highest female presence was recorded in Trucks and Commercial Vehicles (15%) and other businesses[1] (51%). Specifically, female employment is concentrated in the age group from 31 to 40 years, and among those with 6 to 10 years of employment at CNH Industrial.

The proportion of female workers in each employment category is in line with to the previous year. Other indicators on gender are available in the Appendix. (see pages 214, 217-218).

WOMEN EMPLOYEES BY CATEGORY

CNH INDUSTRIAL WORLDWIDE (%)

	2013	2012	2011
Hourly	**8.8**	8.6	8.0
Salaried	**29.4**	29.3	29.6
Professional	**17.1**	16.9	16.8
Manager	**10.7**	11.0	9.6

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 these elements of meritocracy, the Company has defined a compensation system that comprises a number of different components. This 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 objective 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 contribution, which is vigorously evaluated through a performance and leadership management program that is consistently deployed throughout the entire organization.

GRI-G4 LA12

Sustainability Plan
Our commitments on pages 105-110

Glossary
APAC, EMEA, LATAM, NAFTA

(1) *Other businesses include holdings and other companies.*

The same metrics and methodology are applied in this assessment of annual performance to all eligible employees worldwide. Additionally, the Company employs a formal process to monitor the application of its core equity and fairness principles to compensation levels, annual salary reviews and promotions. In particular, these reviews are based on standard criteria, and do not allow manager discretion for those receiving compensation actions. Combined together, all of these actions ensure the Company's total compensation system, in line with all other internal processes related to people management, effectively contributes to ensuring equal opportunities and treatment for all individuals regardless of age, gender, race, religious belief or other such factor or attribute.

MINORITIES

People with disabilities

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.

A survey monitoring the employment of disabled workers is performed every two years. The last survey[1] was carried out in 2012 (see also the 2012 Fiat Industrial Sustainability Report, pages 171-172) in 34 countries, covering about 98% of the Company's workforce. Regulations in certain countries (including Austria, Brazil, France, Germany, Italy, and Spain) require companies to employ a minimum percentage of disabled workers (which may vary in relation to the headcount of the company or plant). These laws also give employers alternative options, such as paying contributions into specific funds for the differently abled, or establishing agreements with relevant bodies for the phased-in hiring of this category of employees, etc. The survey showed that in these countries (14 mapped, accounting for 67% of the Company's global workforce), disabled workers made up **3.1% of total employees**. This average is the result of different scenarios and of local legislation that establishes minimum quotas ranging from 1.5% to 7%. These quotas are calculated on, or with reference to, company headcounts. The survey also showed that differently abled women account for 11% of the total surveyed, similar to 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 other forms of protection are available in some cases (i.e., related to working hours or workplace environment, specific grants/benefits for companies employing differently abled workers, etc.). In the countries where this latter form of protection applies, of which twenty were mapped in 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 aware of the personal status of employees only if they choose to disclose it.

Other minorities

In 2013[2], a survey involving 98% of CNH Industrial's workforce in the USA analyzed the number of employees belonging to **ethnic minorities** as recognized by local legislation. The mapping showed that 15% of employees (compared to 14% in 2012) belonged to ethnic minorities (26% of which were women), and specifically that 20% of female employees and 14% of male employees belonged to an ethnic minority. An employee nationality survey[3] was carried out in 11 countries at CNH Industrial companies that comprised a total headcount of 86% of the Company's workforce worldwide. The survey evidenced that 3% of employees (compared to 4% in 2012), evenly distributed between men and women, belonged to a nationality other than that of the country surveyed. As in 2012, Germany was once again the country where CNH Industrial companies employed the highest percentage of workers of a nationality other than that of the hosting country, with 9% of foreign employees (vs. 10% in 2012).

GRI-G4
LA12

Sustainability Plan
Our commitments on
pages 105-110

(1) The last survey was carried out on 31 October 2012, and is performed biannually.
(2) Survey carried out on 31 October 2013.
(3) Survey carried out on 31 October 2013 in Argentina, Belgium, France, Germany, Italy, Poland, Canada, USA, Brazil, Spain, and the UK.

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

OCCUPATIONAL HEALTH AND SAFETY

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 evidenced in the materiality matrix (see also page 35).
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 occupational health and safety ethical principles to achieve improvement targets (the proactive approach). 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 Guidelines, issued by Fiat Industrial in 2010 and later adopted by CNH Industrial in September 2013, following approval by the Board of Directors. The Guidelines are made 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. In order to be eligible for the *Bronze Level*, a plant's accident frequency index[1] must be less than one per 100,000 hours worked. More stringent requirements apply to silver and gold levels (see also page 158). CNH Industrial sets ambitious annual targets for occupational health and safety, aimed at continuous technical, educational, organizational, and procedural improvements. Continuous improvement is ensured 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 107), 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 ensures 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, 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 appointed by employers so that the areas of competence are unambiguously defined. Management at plants and in the workplace rests with local employers. Every manufacturing plant has an Environment, Health & 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

GRI-G4
DMA

Sustainability Plan
Our commitments on page 107

Glossary
DMA, Ergonomics, Frequency rate, OHSAS 18001, Stakeholders, WCM

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

other company processes. Plant EHS units are coordinated by Regional EHS units, which ensure adherence to Guidelines and compliance with all applicable regulations. In addition to overseeing this coordination, 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, making comments where appropriate.
Individual health and safety targets were included in the Performance and Leadership Management system (see also page 46) of both plant managers and most of the managers responsible for the projects indicated in the 2013 Sustainability Plan.

53 OHSAS 18001 certified plants

CERTIFICATION PROCESS

The certification of occupational health and safety management systems as per OHSAS 18001 international standard covers 53 CNH Industrial manufacturing plants worldwide, and more than 49 thousand people.
Certifications are awarded by accredited international bodies that are continuously and rigorously monitored themselves by international organizations such as Accredia and SAS, which ensure and certify their high levels of reliability, and operational and procedural standards.
In 2013, the occupational health and safety management systems at some non-manufacturing sites became OHSAS 18001 certified, involving about 1,300 people at six different sites and locations[1]. A total of 59 CNH Industrial sites worldwide (manufacturing and non-manufacturing) are now OHSAS 18001 compliant, covering more than fifty thousand people. By 2014, OHSAS 18001 certification will be extended to all joint venture plants in which CNH Industrial has at least a 50% interest.

PLANTS OHSAS 18001 CERTIFIED
CNH INDUSTRIAL WORLDWIDE (no.)

	2013	2012	2011
Certified plants	**53**[2]	56	57
Employees working at certified plants	**49,024**	45,933	47,040

(2) The drop is due to the closure of four certified plants and the inclusion of the Victoria plant (Venezuela), certified in 2013.

NON-MANUFACTURING SITES OHSAS 18001 CERTIFIED
CNH INDUSTRIAL WORLDWIDE (no.)

2013	
Certified non-manufacturing sites[1]	**6**
Employees working at certified sites	**1,291**

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

AUDITS AND EMPLOYEES COVERED
CNH INDUSTRIAL WORLDWIDE

	2013	2012	2011
Internal audits (no.)	**595**	565	384
External audits (no.)	**91**	106	147
Total employees covered by audits (thousands)	**53.16**	49.02	54.38
Audited employees out of total headcount (%)	**77.86**	78.35	87.71

GRI-G4
DMA
Sustainability Plan
Our commitments on page 107
Glossary
DMA, OHSAS 18001

(1) Certified non-manufacturing sites:
CNH facilities in Modena and San Matteo (Italy) - Spare parts warehouse, testing, corporate sites
CNH HEIDELBERG (Germany) - Spare parts warehouse
CNH DAVENTRY (UK) - Spare parts warehouse
IVECO OFFICINE BRENNERO VERONA (Italy) - Trucks and Commercial Vehicles Sales and Repairs
IVECO OFFICINE BRENNERO TRENTO (Italy) - Trucks and Commercial Vehicles Sales and Repairs
POWERTRAIN 2H Energy FECAMP (France) - Generator Construction.

TRAINING

Increasing employee awareness and promoting proactive behaviors to safeguard health and safety in the workplace are core elements of CNH Industrial's Guidelines. To achieve the challenging targets that the Company has set, all employees are involved in informational activities and in classroom and hands-on training consistent with their roles and responsibilities.

CNH Industrial provided over 386 thousand hours of training on occupational health and safety in 2013, about 45.8% more than in 2012. More than 50 thousand employees were engaged in training activities, 37 thousand of whom were hourly.

over 386 thousand
hours of training
on health and safety

HEALTH AND SAFETY TRAINING

CNH INDUSTRIAL WORLDWIDE (no.)

	2013	2012	2011
Hours of training	**386,104**	264,878	234,138
Employees involved in training activities	**50,196**	38,841	33,745

A crucial tool in this context is the *Health & Safety First* training platform, adopted in 2012 by all Italian plants and governed by the new collective labor agreement in Italy. *Health & Safety First* offers ongoing, structured training, shared across plants, based on learning models able to successfully impact behaviors, as per the rationale of the WCM safety pillar.

In 2013, the main training initiatives led to: the design and realization of a course catalogue illustrating 64 different training activities and relevant educational materials; trainer coaching, involving teachers, managers, and prevention and protection personnel; refresher specialist courses; the design and delivery of courses on the use of special equipment; and the introduction of an IT platform for the management of educational materials and course enrollments. In 2013, more than 8,600 CNH Industrial employees in Italy were engaged in *Health & Safety First* training.

Since CNH Industrial has also decided to export the tools and knowledge gained from the *Health & Safety First* platform to its plants worldwide, the informational booklets created as per the guidelines of the joint committee called *Organismo Paritetico Health and Safety* (OPHS) were translated into English.

SAFETY CULTURE

The Company's Health and Safety Guidelines foster individual participation through communication and awareness activities designed to stimulate and motivate staff to be an active part of the improvement process. This approach becomes all the more important in a multinational and interdisciplinary environment embracing multiple cultures and legal frameworks, and a large number of people.

Among the initiatives implemented in 2013 to promote a culture of safety, the *Top 15 Safety* project provided standardized methods to draw the attention of employees, visitors, and external companies on plant premises to the safeguard of health and safety in the workplace. This project was the successor of the *Top Ten Safety* initiative, completed in 2012 at all plants worldwide and involving approximately 47,800 employees in total. In 2013, the contents of the *Top Ten Safety* initiative were extended and incorporated into the *Top 15 Safety* project, defining new guidelines and introducing new universal standards relating to staircases, entrances and pedestrian passages, work attire for logistics departments, and the visual management of machine lock-out and testing. The application of the new guidelines will begin in 2014 at several plants, and rolled-out to all others in the years thereafter.

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).

GRI-G4
DMA

Sustainability Plan
Our commitments on page 107

Glossary
DMA, OHSAS 18001, WCM

CNH Industrial's plants have launched many initiatives worldwide to spread the culture of safety. In 2013, every plant manager in the EMEA Region took part in a two-day hands-on workshop on an internationally recognized safety management method. This workshop is expected to be extended to plant first-line supervisors in EMEA between 2013 and 2014. Seven training sessions will be organized at different locations in the EMEA Region, involving about 160 managers.
The Driveline plant in Turin (Italy) realized the *Environment & Safety LAB* project to promote safety and environmental awareness among salaried and hourly employees (see also page 161).
For the second year running, the Piacenza plant (Italy) organized the photography contest called *Un Istante di… Sicurezza e Ambiente* (An instant of... safety and environment), fostering awareness of safety and environmental issues among employees in all aspects of life, even outside plant premises. To be eligible, photos were required to depict the importance of safety in the prevention of injuries and accidents, and the relevance of ecological factors in everyday life.

OUR PROJECTS

DISCOVER SAFETY AND SAVOR BIODIVERSITY

In October, in accordance with World Class Manufacturing environment and safety pillars, the plant in Brescia (Italy) organized an event for the children of painting and steel bodywork employees. The event, called *Scopri la sicurezza, gusta la biodiversità* (Discover safety and savor biodiversity), offered a variety of activities including a play, a debate between puppets and children on safety and respect for the environment, a game on biodiversity, and an organic snack. Children were introduced to the issue of safety, receiving important basic information on how to avoid dangers.

In August 2013, the Sorocaba plant (Brazil) hosted the *Semana interna de prevenção de acidentes e meio ambiente* (Work accident prevention and environment week), an event raising awareness of the use of personal protection devices, safe behavior in traffic, and correct waste sorting, involving about one thousand people for 15 minutes every day.

OCCUPATIONAL HEALTH AND SAFETY PERFORMANCE

Despite the turbulent global economic situation, in recent years much has been done to improve the implementation of occupational safety principles. In 2013, over €128 million was spent on improving health and safety protection, about 32% more than in 2012.

over €128 million spent on occupational health and safety

SPENDING ON HEALTH AND SAFETY

CNH INDUSTRIAL WORLDWIDE (€ million)

	2013	2012	2011
Spending on occupational health and safety[1]	**128.54**	96.08	82.74
Percentage of personnel costs[2]	**3.66%**	2.79%	2.53%

(1) Includes spending on safety and working conditions (structural improvements, worker protection, inspections of plants and working environments) and on employee health (health care costs).
(2) Personnel costs totaled €3,511 million in 2013, €3,440 million in 2012, and €3,274 million in 2011. Personnel cost data for 2012 and 2011 was updated (see also page 212).

The improvements to occupational safety and working conditions (worker protection, structural improvements, inspections of plants and working environments) totaled €119.25 million in 2013, while approximately €9.29 million was spent on employee health (health care costs).
The investments in health and safety allowed saving on the insurance premiums paid to the Italian National Institute for Insurance against Accidents at Work (INAIL), for a total of over €3 million in 2013, and over €4 million in 2012. The difference in savings between the two years was determined by factors such as the decrease in wages insured against drops in production, temporary layoff benefits (CIGs), solidarity contracts, etc.

GRI-G4
DMA; LA6
Sustainability Plan
Our commitments on page 107
Glossary
EMEA, DMA

Accident rates

Accident rates are a clear indicator of a company's success in preventing industrial accidents.

Owing to the Company's many initiatives mentioned above, the overall frequency rate in 2013 was 0.28 injuries per 100,000 hours worked, a 24% drop compared to the previous year. The severity rate was 0.10 days of absence per 1,000 hours worked. The reporting scope covered 95.9% of the Company's total headcount.

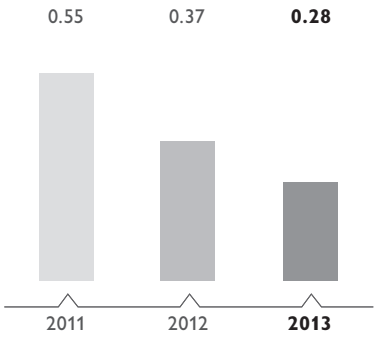
-24% in accident frequency rate

The breakdown by gender showed that the percentage of accidents causing an absence of at least three days among female employees was 5.7%[1] of total accidents, less than the percentage of female personnel in the total workforce mapped (10.6%) and a 14% decrease over the previous year.

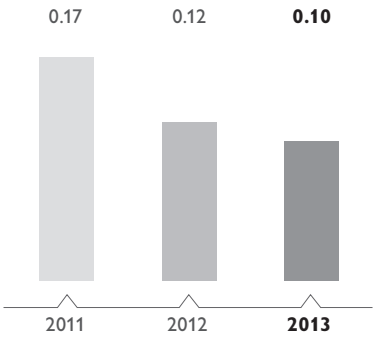
In 2013, CNH Industrial also monitored the accidents involving contractors operating at its plants worldwide, reporting an overall frequency rate of 0.65 injuries per 100,000 hours worked. As regards the breakdown by gender, the percentage of accidents causing an absence of at least three days among female employees of external companies was 1.8%[1] of total accidents.

No fatal accidents were reported in 2013 involving employees, contractors, or anyone else working at CNH Industrial facilities worldwide.

FREQUENCY RATE[2]
CNH INDUSTRIAL WORLDWIDE (accidents per 100,000 hours worked)



SEVERITY RATE[3]
CNH INDUSTRIAL WORLDWIDE (days of absence per 1,000 hours worked)



(2) 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.
(3) The severity rate is the number of days of absence divided by the number of hours worked, multiplied by 1,000.

In 2013, 4,823 near misses[4] were reported and analyzed, leading to remedial actions that further reinforced preventive measures.

Activities continued in 2013 across CNH Industrial to develop and disseminate tools overseeing the collection, analysis, and traceability of events (injuries, events requiring first aid, and near misses), unsafe acts, and unsafe conditions, to improve the management of such processes 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.

In 2013, 160 cases of occupational diseases were ascertained by the relevant insurance authorities within the countries of reference. The breakdown by gender showed that 1.8%[1] of the total verified cases of occupational disease affected female employees, which is less than the percentage of female personnel in the total workforce (10.6%) and a 22% decrease over the previous year.

GRI-G4
LA6

Sustainability Plan
Our commitments on page 107

Glossary
Frequency rate, Near miss, Severity rate

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

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 pages 68-69).

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, according to the principles of the *Network Italiano per la Prevenzione del Disagio Psicosociale* (Italian network for the prevention of psycho-social stress) in relation to the workplace, and in compliance with the specific regulations in each country. Work-related stress risk assessment is influenced by environmental, cultural and psychosocial factors, and 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.

OUR PROJECTS

UNDERSTANDING ERGONOMICS

In April 2013, the plant in Foggia (Italy) launched the *Know-How Sharing Project*, a training and hands-on initiative set up in the assembly operational unit, involving about thirty employees. The project aimed to enhance operator versatility and cross-functionality while increasing awareness of, and attention to, workstation ergonomics. In the coming months, the same project format will be extended to other areas of the plant.

Specifically, the **Agricultural and Construction Equipment** segment developed an IT tool for the ergonomic analysis of assembly lines (EM-MURI), with pilot projects at various plants around the world: Racine (USA), Antwerp (Belgium), Basildon (UK), and Sankt Valentin (Austria). Meanwhile, the Lecce plant (Italy) began trials on the ERGO UAS system[1]. As to the **Trucks and Commercial Vehicles** segment, the Suzzara plant (Italy) completed the implementation of the ERGO UAS system in 2013, as well as the preliminary ergonomic checks as per UNI EN 1005 standard (Safety of machinery) and ISO 11228 standard (Manual handling of loads) on the Daily assembly lines. In Brescia (Italy), the ERGO UAS system was implemented, and the ergonomic assessment process was updated with advanced methods. The Bolzano and Piacenza plants (Italy) completed their ergonomic mapping according to the ISO/TR 12295[2] system, and launched a training program for plant technicians, with the support of external specialists. In LATAM, ergonomic risks continued to be monitored through the extensive mapping of workstations, training, the intervention of specialists, and the introduction of electric, pneumatic, and hydraulic tools.
In 2013, an ergonomics work group was created within the **Powertrain** segment, made up of about thirty safety and ergonomics specialists working at corporate sites and plants in Italy and in France. The group took part in specific and in-depth training on the latest ergonomic analysis methods. Its objective is to improve ergonomics management and assessment standards, enabling continuous workstation improvement. In 2013, the Driveline plant in Turin (Italy) trialed the ERGO UAS system on a pilot assembly line, developing new ideas that improved the quality of work and employee proactivity. The study will be extended to other assembly lines. Meanwhile, at the plant in Sete Lagoas (Brazil), in-depth ergonomic assessments were performed using the NIOSH[3], RULA[4] and Job Strain Index[5] methods.

Glossary
Ergonomics, LATAM, Work-related stress

(1) *ERGO-UAS is a manual work planning technique that enables 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.*
(2) *The ISO/TR 12295 Technical Report uses a step-by-step procedure to simplify the identification and assessment of activities that involve manual load handling.*
(3) *Defines the recommended weight limits for load handling.*
(4) *Provides a practical standard for the rapid identification of workers vulnerable to upper limb disorders, indicating risk exposure levels and whether the risk is partial, involving single body parts, or total.*
(5) *A semi-quantitative method of assessment of the wrist-hand biomechanical overload.*

COMMUTING

CNH Industrial is committed to improving employees' commute to work by encouraging the fruition and integration of available transport systems and by subsidizing eco-friendly mobility solutions. This approach brings benefits not only in terms of lower environmental impact, but also of employee satisfaction and wellbeing owing to lower commute times and costs, risk of accidents, and stress, and to increased 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 transportation 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.

OUR PROJECTS

SUSTAINABLE MOBILITY IN CHINA

The manner in which the Harbin plant (China) manages the commuting of its employees reflects the Company's commitment to its people and the environment. The Company's various plants are strategically located in the city's development areas, about twenty kilometers from the city center. Harbin is known as the *city of ice*, owing to a winter that lasts six months with an average temperature of -20°C. It is also for this reason that the Company offers daily shuttle services to its three hundred employees. The service currently covers eight routes connecting the plant to strategic intersections with other means of public transportation, guaranteeing employees maximum comfort and safety. Additionally, even when selecting service providers, the Company remains faithful to continuous improvement and environmental protection by ensuring that national environmental standards are complied with, and that bus models are renewed regularly.

All initiatives related to mobility in **Italy** are encompassed in the project *Easygo - Muoversi con intelligenza* (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.

On the dedicated project website, employees can find comprehensive information on the means and services available to commute efficiently to and from corporate facilities, as well as a section to submit suggestions for service improvement. In 2013, on World Environment Day, *Easygo* was also extended to the Italian Powertrain plants in Pregnana Milanese and Foggia. Additionally, to tailor services to actual needs, the commuting plan for the district of Turin (Italy) was updated at the end of the year. Other initiatives in 2013 at the plants in Modena and San Matteo (Italy) made use of dedicated sustainable mobility notice boards and of a carpooling web platform to share useful information with all employees at both plants. Furthermore, the mobility manager at the Modena plant encouraged regular meetings with the city's *Agenzia per la Mobilità* (Mobility Agency) and Urban Planning representatives to identify ways to improve road access around the two sites. Meanwhile, the Powertrain plant in Bourbon Lancy (**France**) carried out an internal survey involving every employee, aimed at mapping commuting habits to and from the plant and at assessing the efficiency of the shuttle buses provided by the Company. The survey laid the groundwork for the upcoming commuting plan (to be developed in 2014), while identifying possible improvement measures. Still in France, the Trucks and Commercial Vehicle plants in Vénissieux and Saint Priest carried out a study on the local mobility policies, as well as an employee commuting survey focusing on mobility and accessibility. A 60% response rate was achieved, for a total of 226 questionnaires filled out. The study evidenced that 55% of the workforce in Vénissieux (132 employees) and 78% of the workforce in Saint Priest (94 employees) commuted to work exclusively in private cars. The analysis of responses allowed identifying possible intervention areas and measures, such as:

- a carpooling system
- the provision of Company cars for medium and long-distance commutes, and particularly for business trips to and from the plants in Annonay and Turin
- the enhancement of local public transportation for transfers to and from Lyon
- the redevelopment of dedicated bike lanes and parking areas.

GRI-G4 EN30
Sustainability Plan
Our commitments on page 108
Glossary
Carpooling

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**.

OUR PROJECTS

GREEN ICT

In compliance with its Environmental Guidelines, CNH Industrial is committed to minimizing the environmental impact of its ICT activities, and pursues this goal by using energy-efficient products and solutions. In fact, the Company implements the Green ICT plan precisely to reduce energy consumption and CO_2 emissions.

In 2013, approx. 5,300 **personal computers** and 500 technical workstations were replaced with new equipment featuring more efficient power supply units, optimizing the electricity drawn from the grid and preventing the emission of about 272 metric tons of CO_2 compared with 2010[1]. Additionally, approx. 7,700 computer monitors were replaced with new EnergyStar and EPEAT Silver/Gold rated units, which ensure compliance 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; once they are 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 2013, as part of the project to optimize **printing systems**, the management services contract for multifunction printers was extended until 2018. Since 2009, a total of 1,030 units have been replaced, with a reduction in annual consumption of more than 1,870 MWh (equivalent to approx. 975 metric tons of CO_2 saved). Additional units will be installed in 2013 under the new supply contract, according to a targeted replacement plan.

As regards the **Data Center**, which includes the computer systems that host applications and IT services, servers continued to be downsized, consolidated and virtualized so as to optimize energy consumption. In particular, approx. 90 physical servers were eliminated and replaced by 163 virtual ones, reducing annual consumption by about 2,950 MWh over 2010 (equivalent to approx. 1,375 metric tons of CO_2 saved).

BUSINESS TRAVEL

Corporate reorganization has led to an increase in business travel requirements among different Regions. In many cases, air travel continues to be unavoidable, in part because of the broad geographic dislocation of CNH Industrial sites. Emissions undoubtedly constitute the most significant environmental impact, as CO_2 is an inevitable end product of fuel combustion in aircraft. Furthermore, 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[2].

Since 2011, CNH Industrial has continuously monitored the CO_2 emissions deriving from employees' business travel by air to assess its impact. In 2013, the emissions resulting from the air travel of employees managed directly by Company headquarters totaled 12.8 thousand tons of CO_2, a 5% increase over the previous year. The CO_2 emissions recorded in 2013 are the result of 24,583 business trips (3% more than 2012), 70% of which were medium haul[3]. This figure was calculated according to the Defra/GHG Protocol and certified by Atmosfair, a climate change organization with a particular focus on the environmental impact of travel.

Business transfers are rationalized, and their environmental impacts contained, through computer technology that allows employees to interact worldwide using tools such as the Internet and electronic communication systems. In 2013, audio conferencing and instant messaging services were enhanced, reaching about 32 thousand users, with an average of approx. 3,400 desktop sharing sessions and 140 thousand instant messaging sessions per day. Since 2011, CNH Industrial has also been investing in the phase-in of video conference facilities, and in 2013 it further enhanced its high-quality TelePresence videoconferencing system. Ten specially-equipped rooms were added, reaching a total of 26 conference rooms; the facilities were used for more than 2,480 hours a month throughout the year.

Virtual tools contribute to reducing emissions and costs, while allowing employees to work from their offices rather than travel long distance.

GRI-G4
EN30

Sustainability Plan
Our commitments on page 108

Glossary
GHG Protocol

(1) *The conversion factor used is: 1 kWh = 0.52 kilos of CO_2 (source: Carbon Trust, Conversion Factors, 2011).*
(2) *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.*
(3) *Medium-haul transfers are those from 500 to 1,600 kilometers.*

EMPLOYEE WELFARE

CNH Industrial considers its people to be its most valuable asset. Besides fostering professionalism, offering opportunities for growth without discrimination, and ensuring a safe working environment, the Company promotes various initiatives aimed at striking a healthy balance between professional and private life and at optimizing employee welfare. The Company believes that enhancing employee wellbeing is essential to improving satisfaction at work, over and above wages and the requirements of local legislation.

CNH Industrial looks after the welfare of its employees through a two-fold approach: the first tackles work-life balance, by enabling flexible working arrangements using tools such as teleworking, schedule flexibility, and parental leave, which afford employees time to enjoy important life moments; the second focuses on wellbeing, by facilitating employee access to initiatives that improve the daily quality of life, such as health and wellness, recreational and sports events.

MANAGEMENT SYSTEM

As part of its Code of Conduct, CNH Industrial recognizes that motivated and highly professional people are an essential factor in maintaining competitiveness, creating value for stakeholders, and ensuring customer satisfaction. The principles outlined in CNH Industrial's Code of Conduct, in compliance with the UN Declaration of Human Rights and the relevant ILO Conventions, confirm the importance of respect for the individual, ensure equality of treatment, and exclude any form of discrimination. On a global level, the relationship between CNH Industrial and its employees is governed by the Chief Human Resources Officer, while on a regional level, appointed heads of HR for the APAC, EMEA, LATAM and NAFTA Regions are responsible for implementing the Company's polices in line with local norms and regulations. To ensure the keeping of uniform high ethical standards, CNH Industrial's Code of Conduct states that in jurisdictions where laws and regulations are more lenient than the provisions of the Code of Conduct (and of CNH Industrial Guidelines), the Code shall supersede.

WORK-LIFE BALANCE

CNH Industrial believes that work-life balance is an integral part of employee satisfaction, productivity, and efficiency. Through its policies, such as those related to flexible working and parental leave, the Company seeks to create an atmosphere that allows its employees the 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 or other time and money-saving initiatives.

Flexible working

Flexibility in working hours allows employees to balance their time when needs arise, such as those related to child or eldercare or other personal needs. CNH Industrial offers flexible working hours according to the customs and regulations in place in the Regions in which it operates. In Australia, France, Austria, and Switzerland, for example, CNH Industrial offers days and sick leave beyond that which is legally mandated. In the LATAM region, overtime hours are rigorously controlled and employees also benefit from flexible working policies, in accordance with local laws, and compensation hours for holidays. In the USA, regulations are in place to allow employees to work from home when necessary, while in Russia employees are permitted to work from home once a week, as agreed upon with their managers. Remote working stations are in place in China to assist field service engineers, and joint ventures support staff.

In 2013, 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 79% of the employees surveyed[1] took advantage of flextime, and that NAFTA and LATAM, at 100% and 93% respectively, are the areas where this system is most applied.

GRI-G4 DMA
Sustainability Plan Our commitments on pages 105-110
Glossary APAC, DMA, EMEA, ILO, LATAM, NAFTA, Stakeholders

(1) Survey of the Company's total workforce, excluding hourly employees, carried out on 31 October 2013.

The survey also showed that, between January and October 2013, 6% of employees took a 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), and for study and sabbatical leave; 4.4% 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 18% of them were granted to female employees. The type of leave most taken by employees was family-related (nearly 73% of the total), with 20% of this taken by female workers. Study leave comprised more than 18% of the total, 92% 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 2013 was negligible. These benefits are part of a corporate philosophy that aims to achieve a healthier, more motivated and sustainable workforce that actively participates in the Company's success.

Teleworking

Achieving the optimum balance between work and private life is essential to ensuring employees are effective, productive, and satisfied in all dimensions of their lives. CNH Industrial is committed to addressing this challenge in partnership with its employees, striving to improve this balance while continuing to deliver excellent performance at work. To help its personnel achieve the right balance between their professional and private lives, the Company launched the teleworking pilot project in September 2012, allowing employees at one of its site in Turin (Italy) with specific personal and private needs to work from home. Indeed, modern ICT systems allow these employees to work in a way that is both flexible and compatible with the nature of their jobs. In 2013, eight employees benefited from this service. The agreement on this issue, stipulated in 2012 with the works council, was extended until the end of July 2014.

Return to work after parental leave

The equal opportunities CNH Industrial offers in terms of maternity, paternity, and adoption is 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 the year, 2,013 employees[1], approximately 3% of Company personnel, took maternity, paternity, parental, adoption or breastfeeding leave.
In total, 71.5% of overall leave was in EMEA, 21.1% in LATAM, 4.8% in APAC, and 2.6% in NAFTA. In terms of gender, 62% of overall leave was taken by male workers. Paternity leave accounts for approximately 58% of the total, maternity leave 29%, while breastfeeding accounts for 13%. The percentage of leave for adoption is negligible. Over the total workforce, parental leave was most frequent in LATAM (3%) and EMEA (3%).

In October 2013, 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 38% of the Company's employees, 60% of those who took parental leave were male, 4% of whom were still on leave as of 31 October, compared with 12% of female employees still on leave at the same date. A total of 100% of men and 98% of women returned to work after taking parental leave, and 99% of men and 94% of women surveyed were still Company employees 12 months later.

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 collaborates with daycare centers in several of the locations in which it operates. In Turin (Italy), the Mirafiori Baby nursery was created in 2007 to assist parents with children aged three months to three years. In Venissieux (France), for the past five years, CNH Industrial has teamed up with other local companies to make three daycare centers available to be shared among their employees. In 2014, CNH Industrial plans to establish daycare options for children under the age of three in the city of Sankt Valentin (Austria), near its offices.

GRI-G4
LA2; LA3

Sustainability Plan
Our commitments on pages 105-110

Glossary
APAC, EMEA, Carpooling, LATAM, NAFTA

(1) *Survey covering the period from 1 January 2013 to 31 October 2013, including only leave of three days or more.*

Alternatively, CNH Industrial also offers direct childcare assistance to parents with young children, allowing employees to select their best daycare option. In Spain, 560 employees and a total of 590 children benefited from direct funds provided by the Company to parents with children under three years of age, to be used towards daycare centers of their choice. School kits are provided to children of employees aged 6 to 12 through a special program in place at the Sete Lagoas plant in Brazil. In Argentina, school kits from the Company benefited the children of 470 employees.

Time and money-saving services

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

At several of its locations, such as in Brazil, China, Italy, the USA, and Australia, CNH Industrial continues to offer on-site cafeterias or other forms of meal services for its employees. In Australia, the cafeteria service was renewed in 2013. 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 drivers' licenses at work.

Furthermore, in select Regions, CNH Industrial eases employees' commute to work by offering bus services or memberships in carpooling programs (see also pages 64-65).

Volunteering during working hours

CNH Industrial supports corporate volunteer programs in the various Regions in which it is present and, in 2013, organized several campaigns to encourage volunteering among employees.

In Brazil, *Children's Day* celebrations were organized in conjunction with employees from plants in Curitiba, Sorocaba, and Piracicaba to benefit children in need. Activities ranged from a performance put on by employees, to an arranged lunch and other recreational activities. In 2013, a total of 300 children benefited from the events that took place in the three cities. Other employee volunteer efforts in local communities included the *Warm Clothing* campaign in Argentina, with employee donations benefiting 1,900 people, and the *Programa Formare*, a training program encouraging employees to share their knowledge with local youth (see also page 91).

During regular work days, CNH Industrial provides a variety of volunteer opportunities for employees. In Curitiba (Brazil), a pilot project in 2012 offered employees the chance to meet during work hours to organize volunteer initiatives. Support for the program continued in 2013, and in 2014 the initiative will be extended to other plants in the Region. In the NAFTA Region, the Company organizes games and lively fundraising activities at its sites in favor of the *Relay for Life* and *United Way* charitable campaigns (see also page 85). In addition, during the annual *Habitat for Humanity* initiative in the USA, employees were able to spend several hours of their work day building houses for the homeless (see also page 84). In several Regions, CNH Industrial also offers employees the opportunity to participate in blood drives while at work. In Italy, more than 30,000 hours were dedicated to blood drives, resulting in the donation of more than 3,800 cases of blood.

QUALITY OF LIFE BENEFITS

As part of its commitment to promote respect for all employees as individuals, CNH Industrial also invests in initiatives aimed at helping its employees to live better. These quality of life benefits, which have been in place for several years, vary from supplemental health insurance and campaigns encouraging wellness and physical activity, to programs awarding scholastic excellence for children of employees.

Social health care services

Nearly all CNH Industrial companies 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 Brazil, for example, €9 million was invested in health insurance for employees and their families; 90% of the amount spent on health services was covered by CNH Industrial.

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, and cover a total of approximately ten thousand Company employees not including their family members. Two-thirds of expenses covered by the FASIF plan are funded by CNH Industrial and the remaining third by the employee. Hourly and salaried employees also pay the same amount for any family members enrolled. If an employee uses public facilities, the plan reimburses 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 provided as well.

In 2013, the healthcare plans in Italy provided services to more than ten thousand employees plus their family members: FASIF to 6,700 hourly and salaried employees and around 3,300 professionals, and FISDAF to more than 400 managers. FASIF came into effect on 1 January 2013 as the combination of the two previous plans: FASIFIAT for hourly and salaried employees and FASIQ for professionals. In addition to guaranteeing the continuity of the two previous healthcare plans in favor of the ten thousand who enrolled voluntarily, FASIF aims to provide all CNH Industrial hourly, salaried, and professional employees in Italy with check-ups and Long Term Care paid exclusively by the Company.

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.

In North America, since 2008, CNH Industrial has run the *Picture of Health* program, promoting a series of activities (physical exercise, nutritional education, etc.) aimed at **reducing health risks** such as high cholesterol, high blood pressure, stress, and low 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.
The program has been a success, with overall health risks of the cohort group decreasing by 23.6% since its inception. The overall wellness score for participants has increased by 12% since the start of the program, and 85.3% of the population has participated in at least one wellness activity. The relaunch of the *Picture of Health* program scheduled for 2014/2015 will focus on improving participation, and particularly on reducing the health risks posed by obesity.

Health screenings are also in place in the APAC Region, where a *Bone Density Camp*, held in India for employees over the age of 40, reached 123 people. Health check-ups have been taking place at the Company's New Holland plant in Greater Noida (India) for the last 15 years; in 2013, 469 hourly employees received vision, color blindness, pulmonary lung function, and audiometric tests.

GRI-G4
LA2
Sustainability Plan
Our commitments on page 110
Glossary
APAC, EMEA, LATAM

In the LATAM Region, the Company organizes 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 and cardiovascular diseases and hepatitis prevention. A special *Quality of Life* week is also held, during which employees can enjoy several wellness activities, including massages and relaxation exercises, and cultural presentations and shows. The program has been in place for seven years in Brazil and five years in Venezuela; in 2013, it reached a total of approximately 7,000 employees. In Curitiba (Brazil), the *Bem Nascer program* provides information and care to employees who are mothers-to-be. The program, which also serves contract workers and other members of the community, assisted 128 pregnant women in 2013. Throughout the year, the Company also supported efforts aimed at preventing specific diseases and health issues.

With regard to the prevention of **cardiovascular diseases**, in 2013, the *HealthFactory* campaign continued in the EMEA Region. Totally free of charge, this project was designed to raise awareness among employees to promote the prevention of medical conditions, particularly cardiovascular diseases.
At the plant in Bolzano (Italy), in partnership with *Santa Maria* private hospital, *HealthFactory* permitted 40% of plant employees to undergo cardiovascular screening. The initiative continues the work of the *CardioFactory* project, which was launched in 2010 at the Italian plants in Brescia, Suzzara and Turin, and at the French plant in Rorthais, involving more than 7,600 employees to date.

Seasonal flu prevention campaigns were organized at plants worldwide, advertised through posters and information on corporate bulletin boards and the intranet. The initiative, offering workers voluntary vaccinations, led to the administration of 5,900 vaccines. Meanwhile, **HIV** and **AIDS** campaigns continued in the LATAM Region against the spread of sexually transmitted infectious diseases, involving 1,000 employees.

CNH Industrial also contributed to the fight against tobacco use by launching several **anti-smoking** projects in 2013. In EMEA, the Suzzara plant (Italy) completed the *Smoking Cessation* pilot project, executed according to criteria approved by the ISS (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

OUR PROJECTS

GROWING FOCUS ON HEALTHY EATING

The focus on the role of healthy eating habits in wellness programs has grown in past years. To encourage employees to incorporate this important concept into their daily lives, CNH Industrial has engaged in several initiatives. In Australia, the Company makes eating healthy easier by providing free fruit on certain days of the week. In 2013, the *Eating Safe Project*, aimed at teaching employees about reducing fat and calories in food, was piloted in Austria reaching 550 people. Likewise, in Italy, an educational campaign for employees called *Al Lavoro, Non Divoro* (At work, I don't devour) was launched to spread awareness about the correct daily nutritional balance. In conjunction with local food providers, sites in Switzerland, Germany, the UK, and the USA have made a commitment to encouraging good nutrition by making low cost healthy options available to employees at lunchtime.

GRI-G4
LA2

Sustainability Plan
Our commitments on page 110

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 plants in Brescia and Piacenza (Italy), where it will continue in 2014. At the plant in Modena (Italy), an initiative organized by the ASL (local health authority), the city's general hospital, and other local organizations, continued for the third 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 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 of *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. 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 1,000 people. The *No Smoking* campaign will be extended to other plants in 2014, following the World Health Organization's guidelines on the risks posed by smoking.

Educational awards

The Company recognizes the academic excellence of its employees' children through several grants and scholarship programs at both the corporate and regional level.

The largest and most significant of these is the Company's *Student Achievement Awards*, which started in 1996 under the *Fiat Awards* name, and was re-launched in 2013, with the merger.

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 & Scholarship Committee, which implements this policy through regional committees that have contacts in all countries involved. In 2013, the Committee was headed by John Elkann, and its members included CNH Industrial's Chief Human Resources Officer, academics, and researchers. 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. The Awards policy was reviewed in 2013, and the decision was made to better align the program period with the respective academic calendars. As a result, awards for both 2012 and 2013 winners will be delivered in 2014.

On a regional level, CNH Industrial supports the *Niños de Mejor Promedio* program in Mexico, which awards the children of employees for excellent school performance. The main purpose of this award is to motivate children to develop positive work ethics and habits. For this event, 320 kids with final grades between 9 and 10 were awarded with gift packages consisting of an artisanal moneybox made by *Manos Capaces*, an association of workers with disabilities, an electronic card worth €23 good at a local bookstore, and a congratulatory letter signed by the General Director of CNH Industrial Mexico.

A program has also been in place in India for six years to honor the children of employees. In 2013, 21 children were recognized with *Special Talent* scholarships at a dedicated event.

Recreation and sport

As part of its commitment to wellness, CNH Industrial supports a culture of physical fitness and teamwork. The Company offers its employees a variety of opportunities to participate in recreational sports. A number of plants worldwide have provided on-site fitness equipment and classes where employees can exercise (Austria (Sankt Valentin), France (Trappes), Switzerland (Lugano), UK, and USA). In addition, the Company works with local fitness clubs to provide employees with discounted memberships.

Sports activities also provide a great opportunity for employees to interact. Since 2010, CNH Industrial has supported the participation of its employees in a variety of foot races, including the *Chase Corporate Challenge* in the USA and Australia, and the *Querétaro Maratón* 2013 in Mexico.

In Brazil, a *Sports Day* is organized yearly for 6,800 employees and their families, offering anything from volleyball to training facilities, gymnastics, dancing, and activities for children. In 2013, for the seventh year running, a (walking) tour was organized in Contagem to visit a museum and a park.

GRI-G4
LA2

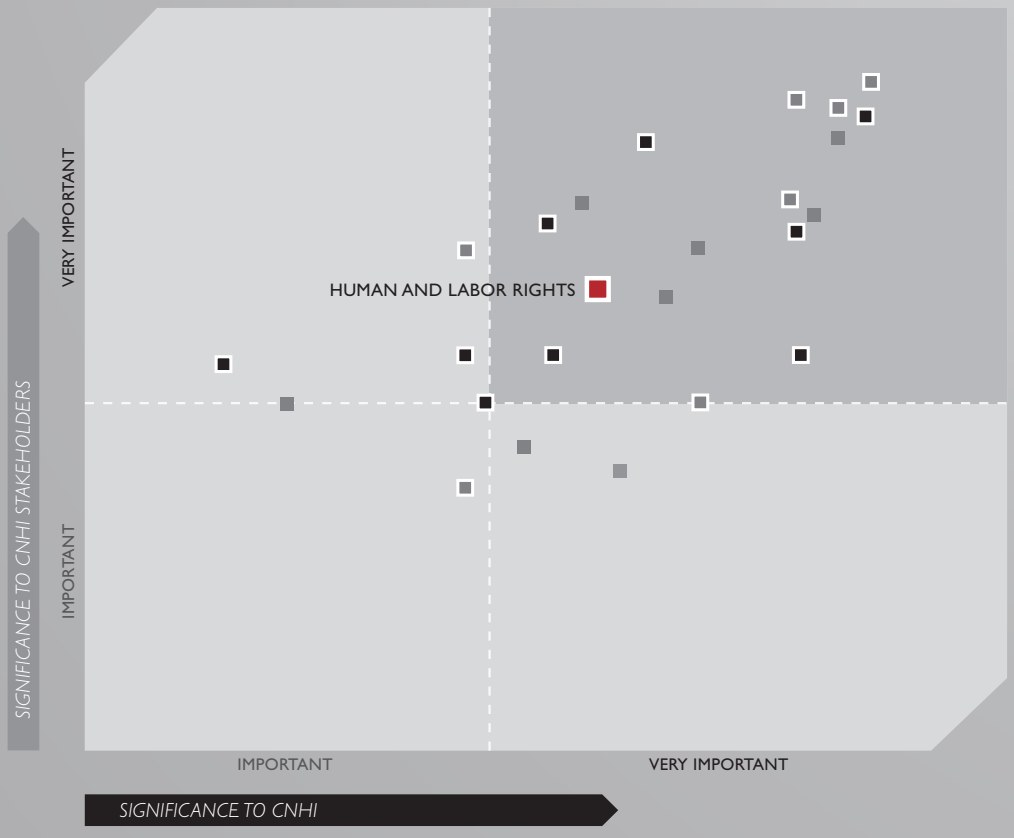
Sustainability Plan
Our commitments on page 110

TRADE UNIONS AND EMPLOYEE REPRESENTATIVES

EMPLOYEES • TRADE UNIONS

DMA; G4-11; LA4-LA5; LA8; LA16; HR9

80.6% of employees represented by occupational Health & Safety joint committees



Material aspect described in chapter. For further details, see Materiality Matrix, page 35.

FREEDOM OF ASSOCIATION AND REPRESENTATIVE BODIES

Freedom of association

Under the CNH Industrial Code of Conduct, CNH Industrial 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 2013 (figures as at 31 October 2013), a survey on unionization was carried out in 28 Countries where CNH Industrial companies operate, employing, at the time the data was collected, 84.2% of the total worldwide workforce. Freedom of association is regulated by country-specific legislation. In certain countries (such as Australia, France, Germany, and Switzerland) surveys cannot be conducted on the level of trade union representation 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.

The countries excluded by the survey due to privacy data protection employed, at the time the survey was conducted, 15.3% of CNH Industrial employees, whilst the remaining countries not included in the survey employed 0.5% of the total CNH Industrial global workforce.

UNION MEMBERSHIP

CNH INDUSTRIAL AT 31 OCTOBER 2013 (%)

	Union membership	non Union membership	mapping by Country
USA	20.88	79.12	100.00
CANADA	2.89	97.11	100.00
MEXICO	79.91	20.09	100.00
BRAZIL	7.77	92.23	100.00
ARGENTINA	65.57	34.43	100.00
CHINA	0.82	99.18	100.00
VENEZUELA	69.05	30.95	100.00
INDIA	7.42	92.58	100.00
AUSTRIA	71.92	28.08	68.35
BELGIUM	81.10	18.90	100.00
BULGARIA	0.00	100.00	100.00
CZECH REPUBLIC	41.42	58.58	100.00
HUNGARY	0.00	100.00	100.00
IRELAND	0.00	100.00	100.00
ITALY[1]	42.70	57.30	100.00
LITHUANIA	0.00	100.00	100.00
LUXEMBURG	0.00	100.00	100.00
NETHERLAND	0.00	100.00	100.00
POLAND	75.25	24.75	100.00
PORTUGAL	0.00	100.00	100.00
ROMANIA	0.00	100.00	100.00
RUSSIA	0.00	100.00	100.00
SLOVAKIA	0.00	100.00	100.00
SPAIN	68.96	31.04	100.00
UKRAINE	0.00	100.00	100.00
UK	58.05	41.95	100.00
ETHIOPIA	75.59	24.41	100.00
SOUTH AFRICA	33.33	66.67	100.00

(1) Figures for Italy updated as at 31 December 2013

It should be noted that those countries where none of the employees is a member of a union employed, at the time of the survey, 1.2% of the population mapped.

GRI-G4
DMA; G4-11; HR9
Glossary
DMA

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 in law or by applicable collective agreements, may include health and safety in the workplace, wages and benefits, organizational issues (working hours, shifts, collective vacation, 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 performed on 31 October 2013 in 38 countries, where 99.5% of CNH Industrial workers are employed, showed that in only 13 of these (comprising 0.8% of the sample surveyed) was no employee representative body present. It should be noted that in one of these countries, Romania (accounting for 0.3% of the headcount surveyed), internal elections are due to be held in February 2014. Worldwide, almost 78% of employees are covered by representative bodies.

Joint committees

In October 2013, a survey conducted on 97.7% of all Company employees located in 37 countries showed that more than 80.6% are 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, respectively, 15%, 8.3% and 8% of employees surveyed. Moreover, 49% of those surveyed are covered by joint committees that deal with other issues, such as:

- Peer Review Committees for Suspension and Termination, in place at several locations in the US and Canada. The Company provides the Review Panel procedure for 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 to see that the process is administered in a fair, consistent, and orderly fashion
- joint committees for the interpretation of collective agreements, the management of apprenticeships, and social issues relating to single workers, housing, employee transportation, and cafeterias, mainly established in the EMEA Region
- joint committees 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 in fields such as optimizing work station ergonomics, as well as joint committees to review absenteeism, established in Italy according to the Collective Labor Agreement (CLA)
- joint committees on job changes, in place in Spain, with the aim of finding a solution/mediation in the event of claims arising as a result of job changes.

DISTRIBUTION OF JOINT COMMITTEES BY TYPE

CNH INDUSTRIAL[1]

GRI-G4
DMA; LA5; LA8
Glossary
DMA, EMEA, Ergonomics

(1) *Data refers to the 37 countries covered by the survey.*

GRIEVANCES AND LABOR PRACTICE

In 2013, four formal labor grievances leading to collective disputes were filed worldwide against the Company by either works councils, employee representative bodies, or unions. Three of these disputes were addressed and resolved by the relevant conciliation bodies. In two cases (both in Venezuela), the body was established according to a Company agreement; however, its resolutions were later validated by the Labor Office. The third dispute was settled before the Commission for Conciliation, Mediation and Arbitration (CCMA), established by law in South Africa. The fourth and last collective dispute was filed and addressed, but not resolved, by a conciliation body established by the industry/area-specific CLA in Belgium. The issue was later resolved internally, through a series of meetings and discussions between the works council and management. 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 50% of approximately 190 grievances filed in North America in 2013 were related to attendance, 14% to discipline, 12% to termination, and 8.5% to overtime, while very few grievances were related to job performance. Only one case of harassment was recorded during the year, and the remaining 14% was related to other issues associated with either CLA or Company policy violations. In total, 72% of the grievances were resolved, with the highest percentage of resolution recorded in relation to harassment (100%), attendance (84%), and overtime (81%). If a grievance cannot be resolved by the conciliation body, the employee can appeal to an arbitrator. However, there have been very few similar cases in North America, and just one ruling in labor matters against CNH Industrial companies in the past three years. A similar practice is in place at US non-unionized locations, where conciliation bodies, known as Peer Review Committees for Suspension and Termination (see page 74), are established according to Company policy. In 2013, these committees dealt with 52 complaints, and resolved 51 of them.

INDUSTRIAL RELATIONS

In 2013, CNH Industrial continued to work with trade unions and employee representatives to reach consensus-based solutions for managing diverse market conditions.

In 2013, market conditions were favorable for agricultural businesses in all Regions. Compared to previous years, construction equipment volumes in the EMEA Region continued to contract, unit demand showed some weakness in the NAFTA Region, whilst in Brazil, production volumes increased. In EMEA, overall market demand for trucks and commercial vehicles slightly increased mainly in Q4 2013, in LATAM production increased compared to 2012, with the exception of Venezuela, which registered a sharp drop in volumes. FPT Industrial recorded business growth, especially in relation to engines, for both internal customers and third parties.

During the year, the Company was able to transform almost 2,400 contracts (10% of which with female employees) from fixed-term to no-term. In addition, intensive collective bargaining took place at various levels, resulting in agreements being reached with trade unions on, among other things, pay and employment conditions in the various countries where CNH Industrial companies operate.

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 the 2012 Fiat Industrial Sustainability Report, 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. The first hearing on this claim took place in February 2013. On 20 February 2013, the judge rejected the union's claim and, early in August, FIOM appealed against this ruling. The next hearing has been set for 7 May 2014.

In Italy, dialogue continued with the social partners who signed the Collective Labor Agreement of 13 December 2011, in force from 1 January 2012; the section of this agreement dealing with financial aspects was renewed on 8 March 2013.

GRI-G4
G4-11; LA16

Glossary
EMEA, LATAM, NAFTA

As widely reported, Fiom-Cgil, the only union that of its own free choice voted not to sign the CLA, filed sixteen lawsuits during 2012 against CNH Industrial companies across Italy, claiming anti-union behavior aimed at Fiom's exclusion from employee representation. Specifically, in addition to their freedom to act, a right granted to all trade unions and employees, Fiom also claimed entitlement to those rights that art. 19 and subsequent articles of Italian Law no. 300/1970 (also known as the Workers' Statute) only grants to unions that have signed the CLA applied in the Company.

Some of the judges called upon to rule on the matter raised the question of the constitutionality of art. 19, reputing it conflicts with articles 2, 3 and 39 of the Italian constitution. With judgment no. 231/2013, the Constitutional Court declared that art. 19 is unconstitutional because it does not recognize the specific union rights established by law no. 300/1970 as applying to those trade unions that, while not signatories to the collective labor contracts applicable to the Company, nonetheless participated in the negotiations on these contracts. However, the Constitutional Court stated that, until its judgment was given, art. 19 could not be interpreted in such a way as to allow these rights to also be applied to those unions only participating in the negotiations.

In consideration of this judgment, and with the sole intention of avoiding any possible exploitation of the situation, CNH Industrial decided to grant FIOM the union rights established by law as of 23 September 2013 (the date on which FIOM nominated its representatives), regardless of any judicial assessments about the participation of FIOM in the union negotiations on the specific CLA applied to each CNH Industrial company.

Collective bargaining agreements cover 96%[1] of the Company's workforce in EMEA. In Italy, all Company employees are covered by such agreements. A specific collective labor agreement signed on 23 December 2011 with the national union of managers (Federmanager), and valid for two years, applies to managers of both CNH Industrial and Fiat Group.

The Collective Labor Agreement of 13 December 2011, signed with Fim-Cisl, Uilm-Uil, UGL Metalmeccanici, Fismic and Associazione Quadri e Capi Fiat, applies to all other employees as of 1 January 2012. The aspects of the agreement renewed on 8 March 2013 encompass:

- Base pay increases. Effective 1 February, the CLA contractual minimum pay has been increased by €40 gross per month for entry-level employees in the third professional group, resulting in a minimum level of pay that is still higher than the corresponding minimum set by the National Collective Labor Agreement for the Metal Industry.
- The new productivity incentive bonus. A fixed amount has been set for each hour of effective presence during normal working hours. Particularly sensitive cases, such as hospitalization or serious illness, will not be penalized, being set against hours worked that count towards the bonus. Similarly, compulsory maternity leave, daily breaks granted to mothers (lactation) and fathers, as well as worker assemblies and leave for worker safety representatives will all be safeguarded.

It is worth underlining that employees of CNH Industrial companies in Italy whose income does not exceed a cap fixed by law may benefit from a reduced tax rate on payments due in relation to specific items agreed in the CLA (e.g., productivity incentives, payment for night shifts and overtime).

Negotiations to renew the CLA started in November 2013 and, as at 31 January 2014, are still ongoing.

Worldwide, excluding EMEA, more than 50% 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, out of approximately 10,500 employees, collective bargaining agreements cover approximately 2,200 personnel (i.e., 21%), in 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 companies where there is no trade-union representation. Collective bargaining takes place at different levels and using 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 in a variety of protected classes. 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 by means of 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.

GRI-G4
G4-11; LA8
Glossary
EMEA

(1) *Data are based on a survey of 99.5% of CNH Industrial's workforce in EMEA*

In Latin America, 96% of CNH Industrial employees are covered by collective bargaining agreements. In Brazil, a process of continuous negotiation with the unions has been established covering various operating issues, such as temporary contracts, overtime, flexible working, work shifts, health and safety at work and banked hours. Significant improvements have been made over the years to working conditions, partly thanks to the continuous dialogue between the Company and the unions on several aspects of the working environment. Collective bargaining between the Company and worker representatives is also ongoing in Argentina and Venezuela.

About 96% of the employees surveyed[1] 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.). In 2013, CNH Industrial signed a total of 196[2] agreements at either Company or plant level, 13 of which include agreed provisions on health and safety matters.

The main wage and regulatory agreements signed in 2013 at Company/plant level include:

- collective bargaining on wage and labor regulation, concluded at Iveco Spain in October. The four-year agreements for the plants in Madrid and Valladolid recognize a lump-sum payment in 2013, structural pay increases, and a variable payment for successive years. New flexible working time provisions have been introduced by the agreements including, for the Madrid plant, among others, overtime of up to forty Saturdays on the first shift, and six Saturdays on the second shift, and the possibility of a one-hour extension (from eight to nine hours) on Saturdays and of half an hour per day and per shift. Similar arrangements have been agreed for the Valladolid plant, although to a lesser extent, to best meet fluctuations in demand.
- the agreements reached through the annual negotiations in France, which resulted in salary increases varying from 0.8% up to a maximum of 2%, depending on business results. In some cases, lump sums were awarded.
- the agreement reached in February at CNH Industrial Poland on wage and flexibility rules, to come into force in 2013, and the agreement reached in December on the same issues, set for the year 2014. Both agreements stipulate annual increases higher than inflation, due to country specificities and positive business results.
- the agreement signed in March at Iveco Czech Republic, which provides for wage increases higher than inflation due to country specificities and positive business results
- in Brazil, collective bargaining for pay increases linked to growth in the domestic economy, and in line with salary increases within the Country's Industrial sector, and further agreement on one-off bonuses.

For completeness, it is worth reporting that in Germany an agreement was reached for the renewal of the metalworkers' contract, applied by most CNH Industrial companies in the country, setting salary increases at 3.4% from 1 July 2013 until 30 April 2014, and 2.2% from 1 May 2014 to 31 December 2014. At the end of October, the pay-related provisions of the CLA for Metal Automotive industries were also agreed in Austria, and applied to most of the employees of CNH Industrial, resulting in pay increases, effective from November 2013 and varying from 2.5% to 3.2%, depending on the employee's local grade.

MAIN ISSUES COVERED UNDER THE AGREEMENTS[3]

CNH INDUSTRIAL WORLDWIDE

GRI-G4
G4-11; LA8
Glossary
EMEA

(1) *Data are based on a survey of 99.7% of CNH Industrial's workforce worldwide.*
(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 N.V. in the name, and on behalf, of several CNH Industrial companies.*
(3) *There is no correlation between the number of agreements and the number of issues covered, as each agreement may deal with several issues*

MANAGEMENT OF PRODUCTION LEVELS

In 2013, several countries in EMEA were affected by plant stoppages, necessary to address fluctuations in production volumes. In Italy, compared to 2012, Powertrain and New Holland Construction Machinery carried out more temporary layoffs during the year, the other Agricultural and Construction Equipment plants made no use of this mechanism, while Trucks and Commercial Vehicles (excluding the stoppages due to the re-organization of the Suzzara plant) made slightly less use of temporary layoffs. On 23 July, at the Brescia plant, a contract was agreed with the signatory unions of the CLA that provides for a further 24 months' extension (until 21 August 2015) of the collective agreement, allowing for a reduction in hours worked per week for all plant workers – in accordance with the Solidarity Contract legislation.

In France, production stoppages through temporary layoff benefit schemes decreased compared to 2012, mainly for FPT Industrial, while such stoppages increased in Germany at the Magirus plant in Ulm; this was due to the suspension of operations during reorganization to accommodate the transfer of firefighting production from other plants. Production stoppages also increased at the Berlin plant due to lower production volumes. In Spain, at the Valladolid plant, the utilization of temporary layoffs remained almost unchanged compared to the previous year, while temporary layoffs ceased altogether at the Madrid plant due to the transfer of production from Ulm.
Meanwhile, flexible work-time agreements were applied to meet fluctuations in production requirements at the Agricultural Equipment plants in Belgium and Poland.

In North America, the continued strength of the agricultural segment mitigated a slightly weaker performance in the Construction Equipment segment. The result was a moderately favorable impact on employment levels, and overtime continued at similar levels to the previous year.

In Brazil, the business environment improved, particularly for the agricultural segment, due to increased demand; this was partly due to FINAME (a subsidiary of the Brazilian Economic Development Bank) providing financing programs for the purchase of machinery and equipment. At the Curitiba and Sorocaba plants there was extensive use of temporary contracts, while, in other CNH Industrial plants, companies made use of overtime as a result of the increases in production volumes, in addition to increasing the headcount.

In Venezuela, production decreased due to adverse market conditions and, as a result, there was also a reduction in the workforce, mainly in the form of voluntary layoffs.

RESTRUCTURING AND REORGANIZATION

In Italy, a work group set up in 2011 at the Ministry of Economic Development held several meetings throughout the year to verify investment plans and identify potential investors for the reindustrialization of the Valle Ufita plant (also known as the Flumeri plant).

On 1 August 2012, at the Ministry of Economic Development in the presence of Company representatives, national and local trade unions, the workers' council, the Councilor for Labor of the Campania Region, and representatives of the Ministry of Labor, the Vice Minister of Economic Development announced the joint commitment of the Government and of the Campania Region to drafting a Program Agreement; this was to be submitted for discussion no later than September, and was to focus on the sustainability of the site's redevelopment plan and on the identification of measures to safeguard jobs. It was also confirmed that the Government would continue to search for reliable potential investors with significant entrepreneurial skills. The Company confirmed its intention to cooperate with the Government in 2014 to obtain extraordinary temporary layoff benefits (which are funded and recognized by the Government in the absence of other specific financial support to employees), and the Company confirmed that it would not veto any investors operating in the bus manufacturing sector, in line with the preference of employees.

On 7 October 2013, given the lack of any intervention in this regard and the imminent expiration (on 31 December 2013) of the extraordinary temporary layoff period then underway, the Company started the collective dismissal procedure to guarantee the continuity of monetary support to employees through *mobilità* (a government benefit scheme with a duration up to 4 years for employees affected by collective redundancies in Southern Italy, where the Valle Ufita Plant is located), in favor of the 421 workers still employed at that time. On 14 October, the Ministry of Economic Development summoned a meeting to present a report on the ongoing talks with leading national and international companies operating in the business of commercial vehicles for urban and extra-urban transportation, potentially interested in the reindustrialization of the Valle Ufita site. As a consequence, the Government exceptionally agreed to grant additional extraordinary temporary layoff benefits, covering the employees for a maximum period of six months as of 1 January 2014. On 23 October, as per Government authorization, the Company and social partners convened at the offices of the Campania Region to sign a collective agreement enabling the Company to request the extraordinary temporary layoff benefits from 1 January to 30 June 2014. This agreement also fulfilled the information and consultation requirements deriving from the collective dismissal procedure initiated by the Company on 7 October 2013. Therefore, between 1 January and 30 May 2014, those employees, out of the 306 still employed as at 1 January 2014 (there were 658 employees when the plant closed in January 2012), who opt for dismissal with a severance payment will be entitled to benefit from the Government's benefit scheme (*mobilità*) for up to four years.

On 2 December, a further meeting was held at the Ministry of Economic Development focusing on ongoing contacts with companies interested in developing productive and commercial activities in the field of public bus transportation. Specifically, it was confirmed that the involvement of Italian companies already operating in the bus production sector and close to leading international players could enable the development of a new industrial project, supported by specific Government measures, in favor of the Valle Ufita plant.

In 2013, for the second year running, Valle Ufita plant workers resorted to extraordinary temporary layoff benefits due to the crisis deriving from business closure. During 2013, 184 employees were dismissed, most of whom will become eligible for retirement during the period covered by *mobilità*.

With regards to the Imola plant (Italy), 30 April 2013 marked the end of the two years of extraordinary temporary layoff benefits granted after the business closure on 1 May 2011. During the year, several meetings were held at the offices of the Emilia Romagna Region to evaluate possible initiatives to establish new businesses at the plant (subject to the commitment of new investors to incorporate the redundant workers), yet to no avail. In February 2013, when the Company started the collective dismissal procedure, 63 employees were still employed; all of these were offered the possibility of transferring to other Company sites/plants as an alternative to dismissal. The 46 workers still employed at Imola at the end of April were notified that the Company would proceed with the mandatory dismissal of those who elected not to transfer, effective 1 May 2013, to the Modena plant which is, among all CNH Industrial plants in Italy the one closest to Imola (about 90 Km of distance). One employee accepted the transfer, while the rest applied for severance payment, benefitting from Government *mobilità* for up to three years.

FPT Industrial initiated collective layoff procedures at both its Foggia and Torino Driveline plants (Italy), in April and July respectively, affecting 23 employees at the first, and 17 salaried employees at the second. An agreement with local unions FIM, UILM, FISMIC, UGL, and AQCF and with the plant's union representatives (RSA) was signed during each procedure, providing for the unilateral termination of employees reaching the retirement requirements within the time frame of the *mobilità* benefit period (four years in Foggia, and three years in Torino), and for the termination of other employees, granted their non-opposition to dismissal, by 31 December 2013.

The Calhoun plant, in Georgia (USA), produces excavators and dozers for the Construction Equipment segment. The plant was part of a joint venture with Kobelco throughout the end of 2012. Under a new, nonexclusive licensing and supply agreement, which took effect on 1 January 2013, the joint ownership with Kobelco Construction Machinery was unwound, as were the equity interests in all of the companies formed in connection with their previous alliance, along with any geographical exclusivity rights associated with their agreements were eliminated. A subsequent softening in demand for the products manufactured at the Calhoun plant resulted in the plant's workforce restructuring, impacting approximately sixty employees in two different restructuring events over the course of the year. An additional 25 employees will be impacted as part of a recently announced third restructuring in early 2014. The plant complied with all federal and state notification laws, and provided severance payments, benefit continuation, and other assistance consistent with Company policies applicable to non-union represented employees.

On 12 July 2013, a labor agreement was reached to request special temporary layoff benefits at the Suzzara plant (Italy), from 5 August 2013 to 4 August 2014, due to the need for reorganization. On that same day, a consultation procedure with employee representatives and unions was completed at the offices of the Lombardia Region. During the temporary layoff period, an investment plan worth more than €50 million will be developed to provide for the renewal of the plant's technical installations, production and assembly equipment, and for the definition of new logistics flows. The aforementioned investment, in addition to the €20 million previously spent for the same purpose, will be in preparation for the launch of the new Daily, the light vehicle manufactured by Iveco Brand.

During 2013, around eight hundred blue-collar workers were insourced at the Sete Lagoas plant in Brazil, within the framework of the Logistic Insourcing Program that ended in October, which aimed at improving the plant's efficiency and competitiveness.
No significant restructuring or reorganization initiatives were implemented in other countries during the year.

LABOR UNREST

In 2013, labor unrest in Italy was low: hours of work lost were about 38%, and 6% of that recorded in 2012 and 2011, respectively. As in past years, national strikes had an impact on CNH Industrial plants; specifically, industrial action took place in France and Belgium, in protest against government reforms, although with a much lower level of participation of CNH Industrial workers versus previous years. Only a few strikes took place in 2013 on local issues. Over the year, therefore, overall levels of labor unrest in CNH Industrial worldwide were negligible.

MINIMUM NOTICE PERIOD FOR OPERATIONAL CHANGES

In the **European Union** (EU), the Council Directive 01/23/EC stipulates that in the event of 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 a reasonable period of time prior to the transfer. Moreover, the Council Directive 98/59/EC on the approximation of the laws of the Member States relating to collective redundancies requires 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 companies comply with the regulatory provisions resulting from the adoption of the above directives 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 60-day 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 America LLC and International Union, United Automobile, Aerospace, and Agricultural Implement Workers of America, which cover the plants located in Racine (Wisconsin) and Burlington (Iowa), contain a letter of understanding stating that the Company will refrain from permanently shutting down either plant during the stated term of the agreement, which expires on 30 April 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 impair the Company's need for speed, flexibility and confidentiality, the Company may provide such notice no less than sixty (60) days prior to a full plant closure.

In **Canada** the collective bargaining agreement between CNH Canada LTD and United Steelworkers Local Union No. 5917, which covers the parts depot located in Regina, Saskatchewan (Canada), provides that the Company will provide 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 make a company-wide announcement to all employees of organizational changes related to outsourcing, with appropriate notice prior to the operation.

In **Brazil**, bargaining is not mandatory in the event of transfer of businesses, plants, or parts of businesses or plants, following a contractual sale or merger, but it is customary for CNH Industrial companies to implement a direct and formal communication process with both its 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 **China**, according to the Chinese Labor Union, all operational changes such as reorganizations, restructurings, collective agreements, 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.

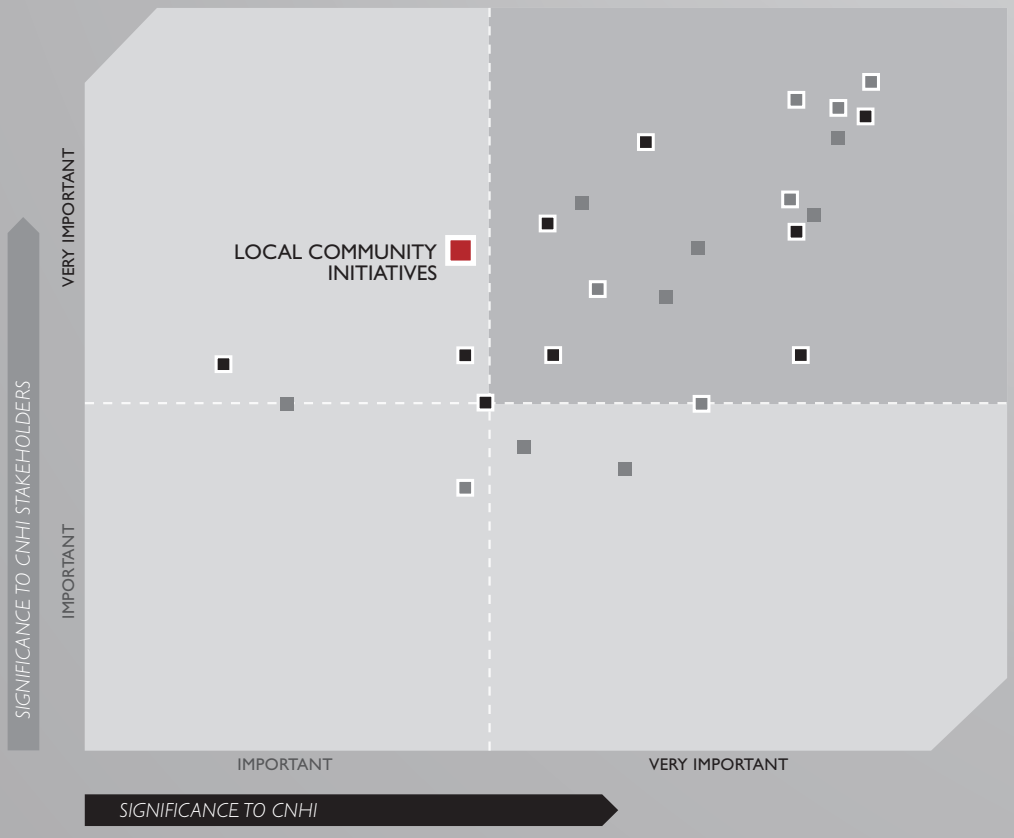
In **India**, a company-wide announcement is made to employees in the event of any major change pertaining to operations, business, the company, etc. Companies are also required to comply with regulatory provisions defined by Indian law according to the changes to be put in place.
According to Uzbekistan's labor legislation, operational changes must be notified at least two months in advance.

LOCAL COMMUNITIES

COMMUNITY • ENVIRONMENT • PUBLIC INSTITUTIONS

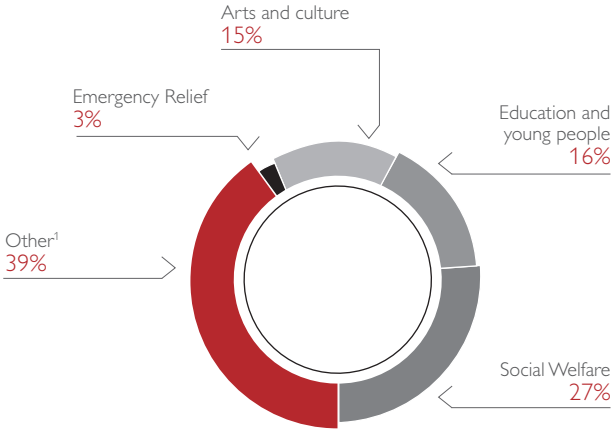
DMA; SO1

€4.5 million for local communities

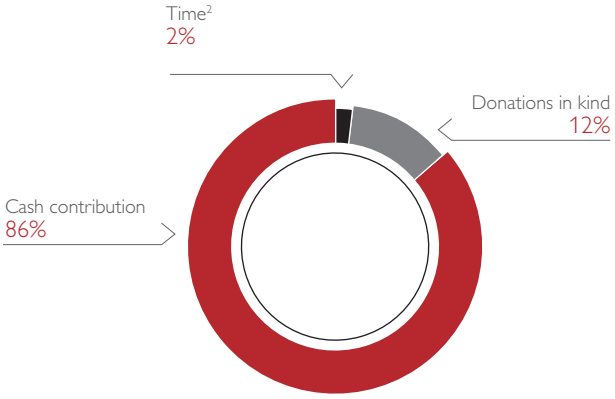


Material aspect described in chapter. For further details, see Materiality Matrix, page 35.

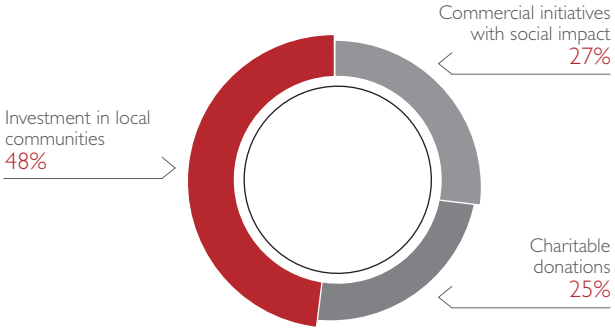
CONTRIBUTION BY SUBJECT



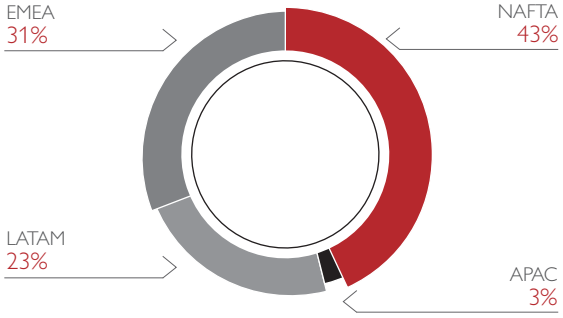
CONTRIBUTION BY TYPE



CONTRIBUTION BY CATEGORY



CONTRIBUTION BY DESTINATION



CNH Industrial's relationship with local communities is a key theme that emerged from the materiality analysis: living in synergy with the Region, working in harmony and collaborating on projects that benefit the community all help to increase the satisfaction of its employees, who often live close to plants, and to enhance their sense of belonging to the Company, as well as bringing economic advantages both to the Company and the community.

As stated in the Code of Conduct, CNH Industrial is aware of how its decisions can significantly impact the communities in which it operates, both directly and indirectly; it therefore voluntarily fosters projects and activities that encourage economic, social and cultural development within the community, both directly and through partnerships with local institutions or organizations working in the social sphere.

The Company has developed a strategy on which to focus its efforts in line with its business approach, identifying the following priorities: support for developing local communities, youth training, and safety on the road. Which projects to support in these three areas is decided by the individual Regions or brands, based on actual local needs, maxmizing open dialogue with local stakeholders and collecting their suggestions for improvement.

The Community Investment Guidelines ensure that activities are managed consistently, identifying methods and defining areas of application globally.

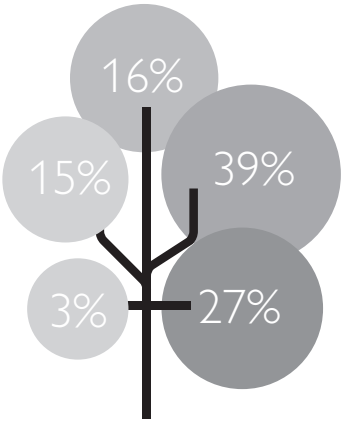
The real effectiveness of an initiative and its ability to address needs is measured using a social impact assessment tool. The model examines types of benefits gained in four major areas that the project may impact: people, organization, environment and business. After weighting each area, those who use the model rate the project's impact on each aspect.

GRI-G4
DMA; SO1

Glossary
APAC, DMA, EMEA, KPI, LATAM, NAFTA, Stakeholders

(1) Other includes investments in favor of economic development, road safety – and environment.
(2) Represents the monetary value of hours for volunteer work carried out by employees during working hours (also includes initiatives where companies are fully or partially reimbursed through public funds).

The assessment process employs a scale ranging from one (no impact) to five (very high impact). The final analysis provides an indicator (KPI) for assessing the project's impact on people, the organization, the environment and business.
Many of the volunteer projects for the welfare of local communities are listed in the Sustainability Plan (see also pages 111-112) and some of their targets are included as individual objectives in the Performance and Leadership Management system (see also page 46). Projects and their results are announced in the Sustainability Report and on the Corporate Website or other dedicated websites.



IN 2013, CNH INDUSTRIAL ALLOCATED APPROXIMATELY €4.5 MILLION[1] FOR LOCAL COMMUNITIES. OF THE INITIATIVES SUPPORTED, 27% WERE SOCIAL PROJECTS, 16% WERE FOCUSED ON EDUCATING YOUNG PEOPLE AND 3% ON EMERGENCY RELIEF; 39% WAS ASSIGNED TO VARIOUS OTHER INITIATIVES, IN PARTICULAR IN SUPPORT OF EVIRONMENT, ROAD SAFETY, AND THE REMAINING 15% WAS ALLOCATED TO CULTURE AND ART

LOCAL DEVELOPMENT INITIATIVES

INITIATIVES IN NAFTA

Charitable donations and volunteering are a key part of CNH Industrial's community involvement in the NAFTA Region. Requests for funding or charitable donations are reviewed quarterly by the Contributions Board, prioritizing causes that would benefit education, civic and community improvement, health services, or arts and culture in the communities where our employees live and work. 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 as well as making high-impact, one-off contributions such as the donation of farm equipment to the Forgotten Harvest organization in October 2013. **Forgotten Harvest** (www.forgottenharvest.org) is an organization based in Detroit, Michigan (USA) that assists families in difficulty by delivering fresh food and prepared meals. Case IH and New Holland Agriculture donated about €300 thousand worth of equipment to help increase the production capacity of the organization's farm. In support of cultural initiatives, CNH Industrial donated €126 thousand to the **Stuhr Museum Foundation** in Grand Island, Nebraska (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 53).

Fighting homelessness

Since 2007, CNH Industrial has supported **Habitat for Humanity** (www.habitat.org) by raising funds and building homes for those in need in American communities where the Company has plants. Habitat for Humanity is a non-profit organization that tackles poverty and builds housing for the homeless. First started in 1976, the Company has since built more than 800 thousand homes worldwide, providing shelter for over four million people.
Employees supporting the initiative step away from their desks during work hours to assist in the various building phases: laying foundations, fitting windows and doors, and carrying out electrical work. This year, CNH Industrial employees helped build one home in Racine, Wisconsin (USA) and one near its facility in Burr Ridge, Illinois (USA). In 2013, 105 employees came out to help in the build, dedicating 550 work hours. In addition, employee and Company donations raised nearly €18 thousand for the organization. Since 2007, CNH Industrial has donated more than €314 thousand to Habitat for Humanity. On a scale of one to five, the social impact assessment tool rated the project's beneficial impact as follows: 2.3 on people, 2.6 on the organization, 3.2 on business and no impact on the environment.

GRI-G4
DMA; SO1
Sustainability Plan
Our commitments on pages 109, 111
Glossary
DMA, KPI, NAFTA

(1) *Investment data for local communities is based on accounting data and calculation methods, and also includes estimates. Figures in currencies other than euros were converted at the exchange rate as at 31 December 2013. 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 companies worldwide.*

Aware of the problems that the homeless face, CNH Industrial also began a collaboration with the **Homeless Assistance Leadership Organization** (HALO - www.haloinc.org). The organization is committed to preventing homelessness in Racine County, Wisconsin (USA), and has a user base of a thousand people per year. In 2013, CNH Industrial donated nearly €38 thousand to create shelters and to fund services and support coordination activities. Since 2011, CNH Industrial has donated almost €113 thousand to HALO.

United Way

CNH Industrial carried on its long-standing support for **United Way** (www.liveunited.org) in 2013, a non-governmental organization present in 45 countries around the world that helps the needy gain 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 targeted at its USA employees (over 11 thousand workers), as well as holding several fundraisers run by employees including outings organized at the Company's various locations. Together, CNH Industrial and its employees donated more than €1.2 million in 2013. On a scale of one to five, the social impact assessment tool rated the project's benefits as follows: 3.7 for people, 4.1 for the organization, 2.9 for business and no impact for the environment.

OUR PROJECTS

FIGHTING CANCER TOGETHER

For four years, CNH Industrial and its employees have participated as a team in *Relay for Life* (www.relayforlife.org), a group-based, 24-hour fundraising walk for the American Cancer Society. In 2013, through employee fundraising and social contributions, CNH Industrial's team was able to raise nearly €75 thousand for the organization. *Digging For A Cure* is a parallel project conceived by Marvin Linder, a designer at Case in Burlington, **United States**. Marvin lost his wife to breast cancer, and wanted to do something worthwhile for the community and for Relay for Life, an event he participated in. Consequently, after seeing a pink fire truck, Marvin got an idea to paint a Case backhoe loader pink. The rose-colored machine displaying the slogan "Digging For A Cure" served the dual aim that of raising funds for research and raising awareness on the importance of cancer prevention. It was used in several fundraising charity events across the United States, before extending the fundraising to Europe. After the 2013 Bauma trade fair, pink toy models of the Case backhoe loader were put on sale to raise funds for cancer research. The initiative was taken up by the sales network in **Germany**, which donated €800 to the *Brustkrebs Deutschland* breast cancer organization for every new piece of Heavy-Line equipment ordered between the beginning of October and the end of December. This was a joint donation made by Case and the dealership, and did not affect the purchase price of the equipment. The same project was also adopted by New Holland Construction for the *Stiftung Deutsche KinderKrebshilfe* foundation, for children's cancer research.

In **Italy**, as always, Iveco sponsored the *Pro Am della Speranza* golf tournament, raising €183 thousand that went entirely to the Piedmontese Foundation for Cancer Research, for the purchase of high-tech equipment for the Anatomical Pathology Department at the Institute of Candiolo. In **Australia**, Iveco donated more than €2 thousand to the Otis Foundation (www.otisfoundation.org.au) in Melbourne. The Otis Foundation provides free accommodation to reduce the psychological impact that living with breast cancer has on women, their families and communities, through a national network of high-quality retreats.

INITIATIVES IN EMEA

In the EMEA Region, CNH Industrial puts greater emphasis on road safety (see also page 90) and projects that prioritize education, especially for young people (see also page 92). Activities centered around the theme of food were also given priority, taking the form of a collaboration with Slow Food (an organization linking the pleasure of good food with a commitment to local communities and the environment) and participation in Expo Milano 2015. During 2013, two projects were launched involving several CNH Industrial plants in Italy: *CiboAmico* at the plants in Modena and San Matteo, and *Siticibo* at the Trucks and Commercial Vehicles and Powertrain zone in Turin. The purpose of the project is to ensure that leftover food from the cafeterias is saved and distributed to those in need. The project was made possible thanks to a Memorandum of Understanding between the Company, the manager of Compass cafeterias, and *Porta Aperta*, a local, non-profit volunteer organization in Modena that deals with social development, human services, and tackling hardship. At the plant cafeterias in Modena, in one year this project saved nearly two tons of food, which is the equivalent of about 10 thousand meals (or over 23 thousand servings). In the Turin area on the other hand, surplus food is collected by the Fondazione Banco Alimentare (Food Bank Foundation), which organizes its redistribution.

GRI-G4
DMA; SO1
Sustainability Plan
Our commitments on page 111
Glossary
DMA, EMEA

For the fourth consecutive year, together with CNH Industrial the non-profit foundation *Fondazione Forma* organized the *Santa Claus on Wheels* initiative to raise money for the *Regina Margherita* Children's Hospital in Turin. On Sunday, 1 December, over 2,500 people, all wearing Santa Claus costumes, joined in the event at the Industrial Village in Turin. When the long parade of Santas riding quad bikes, scooters or bicycles arrived at the hospital, they were greeted by a crowd of 12 thousand, also all dressed up as Santa Claus. The funds raised selling costumes were donated to the advanced medical simulation project *Istruzioni per la vita* (Instructions for Life).

Iveco donated two Daily Combis to the Italian Paralympic Winter Sports Federation (FISIP) to accompany the athletes on their busy European schedule. From December 2013 until the Paralympics in Sochi in 2014, the Dailys are the official vehicles, transporting athletes to international sporting events from the Netherlands to Sweden via Germany and Austria. The bond between Iveco and the Paralympic champions was also demonstrated last summer when an Iveco Daily converted into a campervan was given to Vittorio Podestà. Vittorio Podestà is a hand cycle and Paralympic athlete in the Barilla Blue Team, as well as a multiple-medal winner.

The link between FPT Industrial and the Walkirye yacht is just as meaningful. The parents of Niky Frascisco, who has severe congenital bronchial asthma, built this yacht in their backyard in 2003. This way he could live a healthy life at sea, without having to take medicine or go to the hospital. In 2006, Niky was appointed UNICEF Junior Ambassador for educational rights, and in June of the same year, FPT Industrial gave the Frascisco family a NEF 370 330hp auxiliary engine for the yacht. To commemorate Niky's eighth year of sailing, FPT intends to show its support again by donating a Cursor8 330hp engine.

A Thousand Gardens in Africa

In 2013, CNH Industrial renewed its commitment to communities in Africa. Specifically, Iveco backed the *A Thousand Gardens in Africa* project (www.slowfoodfoundation.com/athousandgardens), promoted by the Slow Food Foundation for Biodiversity, a non-profit organization. The project focuses on bringing together the farming experience, community sharing, and educational and knowledge-spreading initiatives, while respecting different environments, socioeconomic scenarios and cultures. As part of this project, Iveco is supporting the Ethiopian Presidium for the camel milk of the Karrayyu shepherds, a cooperative made up of over forty herdsmen created to safeguard Karrayyu heritage and to support the production of their main product. One of the main obstacles to this project was the community's lack of means of transporting produce from farms to major cities. To solve the problem, Iveco donated one of its light-duty vehicles, the Leoncino, to the cooperative in Ethiopia. The Leoncino is designed for African and Middle Eastern markets; the Iveco dealer network in Ethiopia keeps spare parts in stock and provides assistance. It is equipped with a cold storage unit so that community members can transport up to a dozen 50-liter cans of milk from Matahara to Addis Ababa every day, a journey that takes over four hours.

Plant for the Planet

In partnership with Tree-Nation, New Holland planted 120 Moringa trees in the Dosso region of Niger as part of its Clean Energy Leader strategy. This initiative is part of a larger project aimed at planting over 50 thousand trees during 2013 to combat desertification and climate change, as well as helping to alleviate local poverty and malnutrition. The leaves of the Moringa tree are a rich source of protein and vitamin A, B and C, and contain more than four times the calcium of an equivalent quantity of milk. They can also be used as cattle feed, and test results show that when cattle are fed Moringa leaves, weight gain and milk output increase significantly.

Tree-Nation is a global community that manages a platform for financing reforestation projects that positively impact the local economy, creating jobs and promoting sustainable farming practices. Its *Plant for the Planet* campaign (www.plant-for-the-planet.org/en) was backed by the *United Nations Environment Program*.

GRI-G4
DMA; SO1
Sustainability Plan
Our commitments on page 111
Glossary
DMA

INITIATIVES IN LATAM

CNH Industrial has a strong presence in Brazil, with seven plants, and keeps close relations with local communities. Indeed, CNH Industrial companies have long made promoting local development a priority, creating special ad hoc programs. Social activities are selected according to three major themes: regional development, support for culture (art, music and literature) and the promotion of sports among disadvantaged young people (see also page 88). For example, in 2007, Case Construction Equipment and Case IH set up the **Case Multiação** program (www.casemultiacao.com.br) in the surroundings of the Sorocaba plant; in 2008, Iveco launched the **Proximo Passo** project (www.proximopassoiveco.com.br) for the communities of Sete Lagoas and Uberlândia. Finally, since 2012, New Holland Agriculture and New Holland Construction have supported the **Plantar & Construir** program in Minas Gerais.

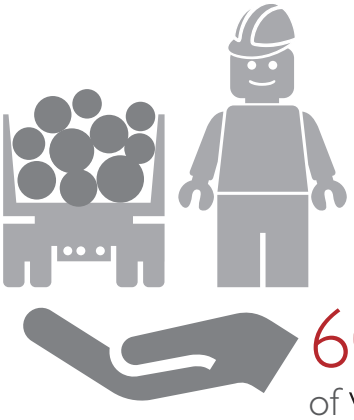
In 2013, there were various **regional development** activities. The *Case Multiação* program supported the *Pintura Solidária* cultural organization for the *Tom O Pintura* (The Tone of the Painting) project in Sorocaba. The project encourages children, adolescents, adults and the elderly to express their creativity through painting. Workshops are held at hospitals, daycare centers and organizations assisting children with psychological problems and in the care of social workers, to raise self-esteem, strengthen patients' immune systems and develop the motor skills of children with physical disabilities. In 2013, *Pintura Solidária* celebrated its first ten years. During this time-frame an average of 12 thousand people per month attended the organization, and over 500 thousand have taken part across sixty districts within the Region.

€176 thousand
invested in regional development

Case Multiação also backed the *São José* project, which runs centers in the outskirts of the city through the *Pastoral do menor* organization. These facilities are an open space where the local community can carry out its own educational and recreational activities. During 2013, more than 2,500 vulnerable people visited these centers, including families, children, and young people up to age 19. Again, to meet the needs of disadvantaged children, the program sponsored the *Centro de Equoterapia e Saúde Aziz*, enrolling three children for a year of therapeutic horse riding, a form of therapy that uses horses to benefit health, education and well-being. *Case Multiação* also donated resources to the *Amigos dos Autistas de Sorocaba* organization to fund work at the group's headquarters. In 2013, under the *Plantar & Construir* program, the *Oficinas de dança Contemporânea e de percussão* organization launched a contemporary dance and percussion initiative in Minas Gerais. The classes were made up of vulnerable young people aged between eight and thirteen.

In the Sete Lagoas region, Iveco backed the *Socio Educativo Integrado* project, aimed at offering young people in the public school system in disadvantaged areas workshops in art and culture, music, sports, languages and computation. The goal is to strengthen young people's relationship with family and society, as well as to provide extracurricular activities to boost intellectual and professional development. Since 2012, the FPT Industrial plant in Sete Lagoas joined a program organized by the *Chico Mendes Institute in Paraopeba* to donate wood leftover from packaging to carpentry workshops employing young people through social reintegration programs. The wood is reused to make furniture, toys and other objects for schools and organizations in need. In 2013, sixty tons of wood were donated.

CNH Industrial also made donations to *Pequeno Príncipe Hospital* in Curitiba and *Barretos Hospital* in the state of São Paulo. Finally, through postcards, emails and posters, the *Natal Solidário* (Christmas Solidarity) campaign encouraged CNH Industrial employees to help the surrounding communities. The campaign collected 1,800 gifts for needy children.



60 tons
of wood donated

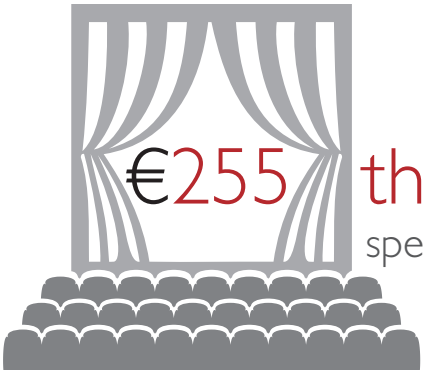
GRI-G4
DMA; SO1

Sustainability Plan
Our commitments on page 111

Glossary
DMA, LATAM

One of the **cultural activities** the Company promotes in this area is the CNH Economic Journalism Award, formerly the *Fiatallis Award*, created in 1993. The award is bestowed on members of the press and is intended to encourage quality news reporting and spark debate on the Brazilian economy by giving positive recognition to the material and industry relations that contribute to the country's development. On a related theme, the ninth edition of the New Holland Award for photojournalism was held. The competition received nearly 3,000 photos from about 670 professional or amateur photographers in Brazil, Uruguay, Paraguay, Argentina and Chile. The *Plantar & Construir* project continued to support the *Associação Cultural Sempre Um Papo*, which organizes regular lectures and discussions with leading writers and intellectuals.
The meetings are held in the state capital of Minas Gerais and elsewhere within the state.

Iveco also sponsored the restoration of Redemption Theater, one of the most important historical buildings in Sete Lagoas. Once the work is complete, the community will have a new space to hold cultural events and shows.



€255 thousand
spent on cultural activities

In 2013, the *Case Multiação* program backed the *Formação de Atletas Vânia e Vanira* center in Sorocaba to promote **sports** among disadvantaged young people. The center uses basketball classes as a tool for social inclusion and a way to access culture and spend free time constructively. This NGO assists around seven hundred children and young people. In addition to offering them sports, food, transportation, uniforms and training materials, it also provides cultural tours, counseling, teaching, medical assessments and guidance in health care and personal hygiene. To further encourage children from seven to 16 years old to play sports, *Case Multiação* is sponsoring the *Arremesso para o Amanhã* (Shoot for Tomorrow) project in partnership with the Basketball League (LSB). The project saw the participation of 170 children and, in the 16 years since its launch, more than a thousand young, promising future athletes have taken part. Again in the northern districts of Sorocaba, the program backed the *Bola da Vez* organization, which offered soccer training to 1,100 children and young people from seven to 17 years old.
For the second year in a row, *Case Multiação* supported *Kart Solidário* (Christmas without Hunger). One of the major sports festivals has turned a passion for karting into a charity event. This year the goal was to collect €70 thousand to be sent to 35 organizations in Sorocaba, Votorantim, Piedade and Salto. The event was attended by more than six hundred people, benefiting over thirty organizations by donating seventy tons of food.

€91 thousand
invested in promoting sports among young people

GRI-G4
DMA; SO1
Sustainability Plan
Our commitments on page 111
Glossary
DMA

INITIATIVES IN APAC

CNH Industrial has a strong presence in the emerging markets of the APAC Region, an opportunity for the Company to share expertise and solidarity with local communities. This close relationship has assumed a major role over the past year in terms of the initiatives developed. Key among these were those offering solidarity to the people of the areas affected by natural disasters, such as floods in India and the typhoon that hit the Philippines last November.

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 sugar cane farmers. Also in farming, 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 Chongqing (China), the SAIC-Iveco Hongyan Commercial Vehicle joint venture sponsored the *Keep the Desert Away, Art & Water* photographic exhibition organized by *Centro Studi Galileo*. The exhibition photos were auctioned and the money raised was donated to the Hope Primary School in Baojia Town.

PARTICIPATION IN EMERGENCY RELIEF EFFORTS

CNH Industrial always aims to respond rapidly to the needs of people struck by natural disasters. CNH Industrial companies channel resources (vehicles, and financial and technical support) to aid the communities affected, as well as liaise for employees who would like to assist in the relief efforts.

In spring 2013, many countries where CNH Industrial plants are located were hit by adverse weather conditions, putting them under considerable strain. CNH Industrial and its employees donated over €76 thousand to the American Red Cross to support relief for those affected by the devastating tornado that hit the **United States** Midwest in November 2013. CNH Industrial worked with its dealers to deploy recovery vehicles in Gilford, Illinois (USA) and also donated four pallets of basic necessities to the people of Peoria, Illinois (USA) including: toilet paper, trash bags, paper towels, work gloves, shovels, and rakes. CNH Industrial employees in Goodfield, Illinois (USA) donated €1,600 in vouchers to the local Red Cross to assist the families affected.

In Europe, Case Construction Equipment vehicles were at the forefront in efforts to return devastated areas back to normality; from the very start, they provided effective emergency relief, repaired damage and assisted the thousands of people displaced from their homes. In northern **Spain**, bridges, roads, houses and woods were affected by heavy rains, which led to the flooding of the Garonne River in the Catalan province of Val d'Aran (near Lerida). The emergency was dealt with quickly and effectively, the first relief workers arriving on the scene with Case Construction Equipment vehicles only shortly after the river had begun to flood.

In **Austria**, over 22 thousand hectares of farmland were seriously damaged by floods. To clear the particularly hard-hit area around the River Don of mud and debris, a Case 721F wheel loader and a Case IH tractor were used. The new Case dealership in Erlangen, Bavaria (**Germany**) rapidly dispatched a backhoe and an excavator to the Bavarian town of Deggendorf, one of the areas worst affected by the floods. Case also donated €5 thousand to one of the families in Deggendorf badly affected by the emergency. On the same day, NMB, a Case supplier specializing in attachments, provided a demolish grip to be used with the Case equipment in Deggendorf.

In June 2013, a severe storm hit the state of Uttarakhand in northern **India**, lasting several days and causing devastating floods and landslides; this was the worst natural disaster to strike the country since the 2004 tsunami. On this occasion, New Holland Agriculture, in line with past efforts, raised almost €13 thousand for victims of the storm; Case Construction Equipment India donated €7,800.

In the wake of Typhoon Haiyan hitting the **Philippines**, CNH Industrial teamed up with the United Nations Development Program (UNDP) to give concrete aid to the international relief effort with the supply of a fleet of five earth-moving vehicles and tractors. The equipment was used for the clearance and reconstruction of the affected areas. In addition, the Company launched a fund-raising campaign among its employees in support of the victims of the typhoon, and undertook to match the amount raised. At the same time, another fund-raising campaign was launched by the employees of the plant in Saskatoon (Canada). The Company matched the amount raised by employees for the Red Cross, donating a total of over €15 thousand.

In April, a violent storm hit the area of Buenos Aires (**Argentina**). The flood, which killed over 50 people, devastated the area of La Plata and left many families homeless and without possessions. In a show of solidarity, CNH Industrial employees working at the Garin plant collected and donated food, mineral water, mattresses, blankets and diapers, to give immediate help to people affected by the flooding.

GRI-G4
DMA; SO1

Sustainability Plan
Our commitments on pages 111-112

Glossary
APAC, DMA

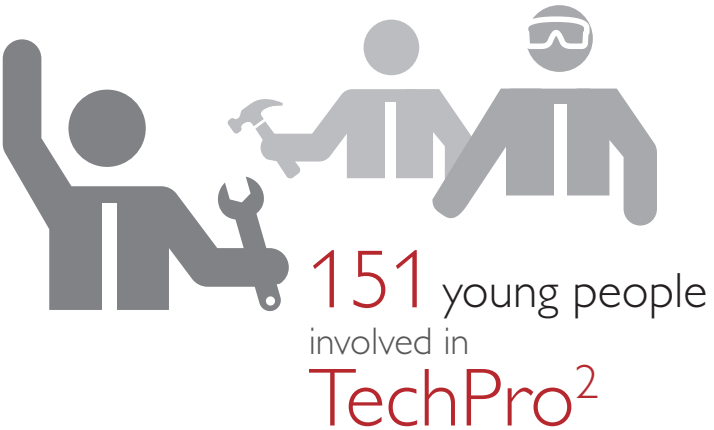
YOUTH TRAINING

CNH Industrial focuses its community efforts on young people, and in particular, on their education. In fact, in addition to the awards and scholarships given to the children of employees (see also page 71), the Company works hard to advocate youth education in association with private and public institutions and with other stakeholders. Activities range from promoting long-running educational projects to sponsoring associations that educate young people. One example is Case IH, which, in the United States, is a silver sponsor for Future Farmers of America, an association active in the field of farming education since 1928. Another way of investing in youth education is by providing scholarships. To this regard, €12 thousand were donated to 13 universities in the USA, while New Holland Agriculture in Australia sponsored the Dairy Farmers Milk Cooperative's scholarships with a donation of €18 thousand. In Italy, New Holland Agriculture established a strategic partnership with the University of Gastronomic Sciences in Pollenzo, Cuneo (Italy). The first in the world to create a course on gastronomic sciences, this university campus will receive the industry's most advanced information on sustainable farming practices, and on farming machinery for food production worldwide, from New Holland Agriculture. A complementary program for educational student tours of food processing companies so that they can experience the advantages of sustainable agriculture hands-on. In cooperation with New Holland, the students will also be given ad hoc lessons that explore modern production methods used in the food industry.

TechPro²

*TechPro*², a joint project with schools run by the Salesian Society, has the main objective of training professionals specialized in mechatronics for the engines and industrial vehicles industry and in construction equipment. The training course offered has a two-phase class curriculum: theory, taught at the Salesian training institutes, and hands-on learning at certain authorized CNH Industrial repair shops. This is a way of meeting the growing demand for skilled personnel. CNH Industrial provides the project with know-how 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, like complementary vehicles for practice exercises and essential parts like 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 adequately meeting the demand for specialized manual workers from workshops and dealerships. The positive impact of the project, evaluated using a social impact assessment tool, was quantified (on a scale of 1-5): 3.9 on people, 2.3 on the organization, and 3.7 on business. Its impact on the environment was deemed to be negligible.

The project began in **Italy** in 2011 with the inauguration of the center in Fossano. Now the training course offers both a two-year body repair program and a three-year motor vehicle repair program. In 2013, 97% of students earned their degree. Third-year students did a 320-hour internship at area repair shops and 78% of them scored over 80/100. Of the June 2012 graduates from the three-year course, 63% continued their studies or found a job, while the others are seeking employment.



In 2012, the *TechPro*² project was also extended to Belèm in **Brazil**. The Salesian school holds professional courses to help twenty young people in the field of motor vehicle repair enter the job market.

GRI-G4
DMA; SO1
Sustainability Plan
Our commitments on page 112
Glossary
DMA, Stakeholders

OUR PROJECTS

100 EMPLOYEES FOR 100 STUDENTS

Case CE China employees donated a hundred boxes of books, stationery and clothing to primary schools in the province of Sichuan, to assist children in poor districts, especially in the area affected by the devastating earthquake of 2008. Since then, Case CE China employees have donated study materials and other items to primary school children in Sichuan an average of three to four times a year. One hundred employees took part in this initiative, worth about €1,200.

In 2013, the project began in Addis Abeba in **Ethiopia** where at the *Bosco Children Center* a training course on engines and industrial vehicles was launched. Soon a second course on construction equipment will be added. In this specific context, the project also aims to establish more intense dialogue between public and private entities by creating a partnership that allows young people greater employment opportunities. The program involves twenty young interns who will become repair technicians, a highly specialized profession in the field of mechatronics. The course will last for nine months and guarantee a certificate officially recognized by the Ethiopian government, a title that will provide students an important competitive edge for entering the local job market. *TechPro*[2], given the positive results, will also be extended to other countries where CNH Industrial is present.

Agri Training Center

In 2012, New Holland Agriculture inaugurated the first Agri Training Centre in Bhubaneswar in **India**, in association with the Department of Agriculture of the Government of Odisha. The training center aims to provide young farmers and unemployed people with the specific skills necessary to find suitable employment in mechanized agricultural farming, under the Odisha Government program. The course covers tractor maintenance and the overhaul of the main related subgroups, as well as repair and maintenance of other mechanical farming equipment. The Agri Training Centre was equipped with special tools for specific training provided by New Holland, 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, in 2013, the center trained 180 young unemployed farmers, of which about 60 have found work in local workshops, some even managing their own facilities.

Programa Formare

Support for *Programa Formare* in Sete Lagos (**Brazil**) also continued in 2013. The goal of the program is to reintegrate disadvantaged young people by training them. In partnership with the *Fundação Iochpe*, twenty young apprentices were selected to participate in the program. Employee volunteers from Trucks and Commercial Vehicles and Powertrain segments teach this course, whose aim is to develop skills such as communication, teamwork, problem solving and manufacturing processes. The training program lasts about one year and, once completed, students receive a specialist technical degree in finishing and final assembly, as well as a diploma recognized by the Brazilian Ministry of Public Education.

Projeto Sementinha

This is the second consecutive year for the *Projeto Sementinha* (Small Seed Project), 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 years, visit the plant and take part in an interactive lesson on environmental issues. After the theory section, they are given two small plants: one to be planted near the FPT Industrial plant, and one to take home. The ultimate aim of the scheme is to promote awareness on environmental issues, recycling, and the protection of biodiversity and of non-renewable natural resources, with the hope that they will share their newfound awareness with friends and family. In 2012, 150 children were involved, planting three hundred seeds; in 2013, the number rose to 180 children. The initiative will continue in 2014.

400
tree seeds
planted

GRI-G4
DMA; SO1

Sustainability Plan
Our commitments on pages 109, 112

Glossary
DMA

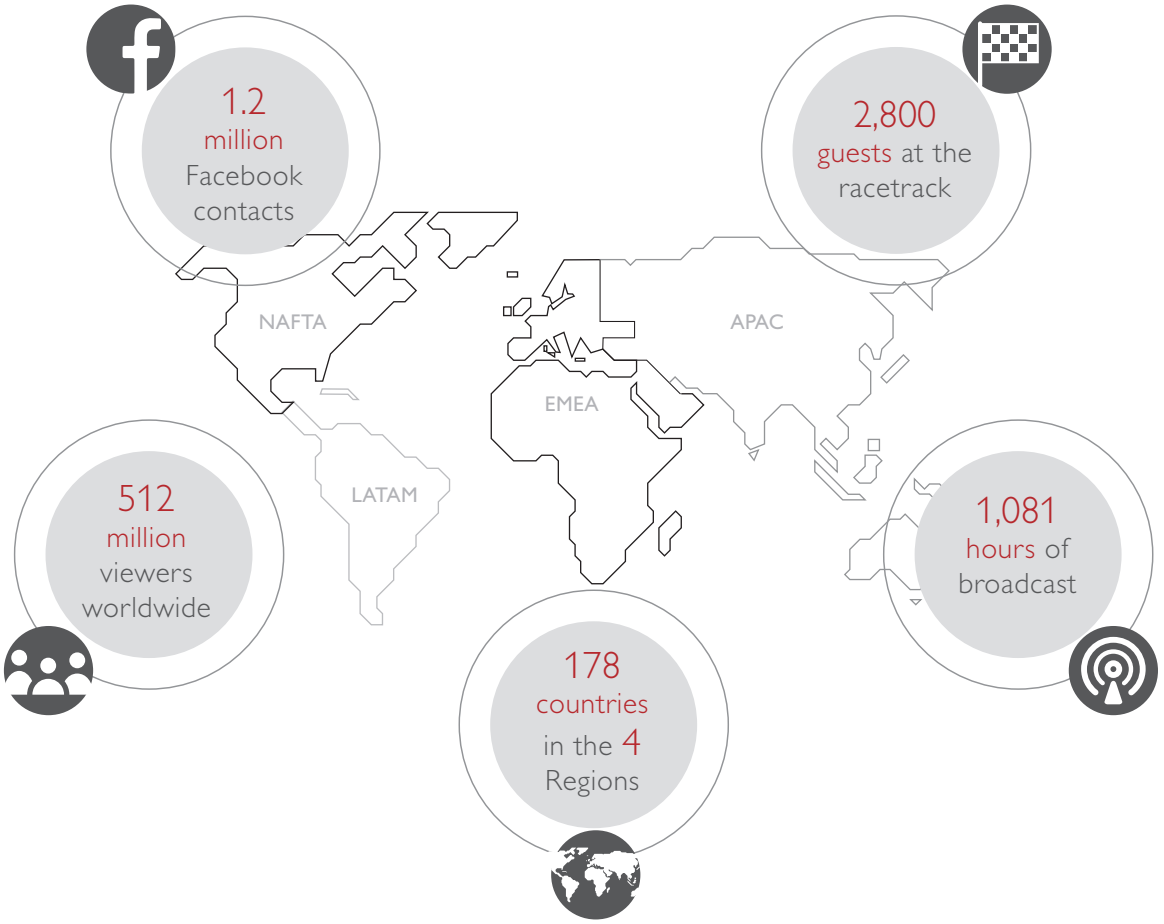
ROAD SAFETY

CNH Industrial believes that safety is fundamental: it is crucial to use state-of-the-art technology in producing 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 144), 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

In 2013, CNH Industrial established a collaboration with the *Fédération Internationale de l'Automobile* (FIA) to promote road safety, endorsing targeted projects and the *Action for Road Safety* campaign. 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 spreading safe road behaviors among drivers. Iveco and New Holland Agriculture were the first makers of commercial vehicles and agricultural equipment to support the campaign and promote

ACTION FOR ROAD SAFETY



GRI-G4
DMA; SO1

Sustainability Plan
Our commitments on pages 110, 112

Glossary
APAC, DMA, EMEA, LATAM, NAFTA

THE GOLDEN RULES

road safety awareness through their networks. The campaign focuses on ten *Golden Rules*, a list of essential safe driving behaviors, which are also shared with employees through the corporate intranet. Road safety was promoted through international events such as *iMobility Challenge Netherlands,* focusing on the advantages of new transportation systems in terms of mobility efficiency and safety, and the *Road Show,* organized to launch the Daily 4x4 in the southern part of Africa. The 45-day show travelled 11 thousand kilometers across six countries - South Africa, Swaziland, Mozambique, Zimbabwe, Botswana, and Namibia - and disseminated road safety information at 16 Iveco dealerships.

FIA has taken it upon itself to spread the contents of the *Action for Road Safety* at motorcycle events around the world. Iveco, New Holland and Iveco Parts & Service joined forces with FIA at the FIA World Touring Car Championship (WTCC), the premier championship reserved for touring cars that draws more than 500 million viewers worldwide. Moreover, the event reached more than one million people through Facebook, turning the project into a powerful communication tool. In addition to the distinctive presence of a corporate truck and tractor on the racetrack, the Company was present 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 FIA will continue over the next few years, involving other CNH Industrial brands and increasing the number of social media contacts to spread a culture of safety more widely.

GRI-G4
DMA; SO1
Glossary
DMA

Safe Schools

South African students often have to walk great distances to reach their schools, risking injuries from road accidents. Consequently, the *Safe Schools* project is committed to making their daily journey a safe one by creating new pedestrian infrastructures and upgrading existing ones, with the collaboration of local authorities, and by teaching proper road behaviors to students, teachers and entire communities alike, through educational material and reflective vests for students. The project is being implemented in three different South African locations: Khayelitsha, Nomzamo and Grassy Park (a suburb south of Cape Town). The project involved more than four thousand students, and its effectiveness will be assessed by the Safety and Peace Promotion Research Unit (SAPPRU) of South Africa's Medical Research Council.

Trainsaid

Iveco has long been working with Transaid, a non-governmental organization that supports local African communities by developing local transport solutions to offer them economic growth opportunities.
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, Iveco participated in this initiative in Ghana and provided concrete assistance to the project, which trained 270 drivers in 2013, giving each a daily two-hour driving lesson over more than four days, for a total of 2,160 hours of training.

Trans-Help Foundation

Awareness of road safety is also very high in Australia. Since 2008, Iveco has supported the Trans-Help Foundation (www.transhelpfoundation.com.au), established to enhance safety and wellbeing in the transport industry. In 2013, it donated a Daily van, the fourth since the collaboration started. This will be fitted out as a fully functional Mobile Health and Support vehicle, 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.

GRI-G4
DMA; SO1
Sustainability Plan
Our commitments on page 109
Glossary
DMA

Dire States

In September 2013, Case Construction Equipment launched the *Dire States* project - The Drive to Revive Ailing America's Infrastructure (www.direstates.com) in collaboration with journalist Dan McNichol, multiple award winner and infrastructure expert. Dan will tour the United States, visiting Case showrooms and identifying ageing infrastructure along the way, with the aim of raising awareness. The tour will make stops at dealerships, bringing together citizens, government officials and construction professionals to give life to new construction projects. The main objective in bringing together these groups is to identify innovative ways to stimulate the growth and development of American infrastructure and to showcase projects and communities that are already succeeding in this area. The tour will end in 2014 at ConExpo in Las Vegas.

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 driving awareness helps to reduce vehicle running costs and fuel consumption. The training courses, targeted at corporate fleet drivers, are divided into two parts: six hours of theory, and 3-4 days of practical driving. Since 2007, the project has already involved 75 companies.

OUR PROJECTS

SLEEP STOP, TAKE YOUR TIME

In 2013, Iveco partnered the *Sleep stop, take your time* pilot project for road safety. Dozing off is one of the main causes of road crashes: getting behind the wheel when you are sleep-deprived - that is, when you have not slept enough or have slept badly - is like drinking a liter of wine in an hour on an empty stomach. The project monitored the sleeping disorders of truck drivers on their way from Italy to France.

For five days, a team of doctors performed tests to detect sleep disorders and gave free medical advice in a visiting room that was set up in a vehicle hitched to a new Stralis Hi-Way parked at the entrance to the Mont Blanc tunnel (Aosta). The screening process provided sleep disorder diagnoses to 828 truck drivers (800 men and 28 women) with an average age of 45 years. The drivers who tested positive were referred to specialized centers. To prevent accidents caused by falling asleep behind the wheel, Iveco developed Driver Attention Support (see also page 145) that continuously monitors the driver's attention level and steering wheel movements, providing acoustic and visual warning signals if drowsiness is detected.

GRI-G4
DMA; SO1
Glossary
DMA

SRI INVESTORS

INVESTORS

5.12% of SRI investors own CNH Industrial Equity

Free Float

SOURCE: VIGEO

The presence of CNH Industrial shares in the portfolios of Socially Responsible Investors (SRI), i.e., those who integrate standard financials with environmental, social and governance considerations, is a clear index of appreciation of the Company's commitment to sustainability. As at 30 November 2013, 5.12%[1] of CNH Industrial's free float[2] was held by 32 asset owners[3] and by 30 socially responsible mutual funds[4]. This percentage, lower than in May 2013 (6.01%)[5], was slightly above the figure reported in the same period of 2012 (4.72%)[5]. It should be noted that CNH Industrial's free float recorded an increase in the second half of 2013: the value calculated considering a steady trend in float shares as at 30 November was in fact equal to 5.65%.

CNH Industrial's result is lower by about one percentage point than the benchmark, consisting of an average of SRI investor holdings calculated on five companies (CNH Industrial plus four of its competitors). However, CNH Industrial ranked second, because the score of the top ranking company was so high that it significantly raised the average.

CNH INDUSTRIAL'S PRESENCE IN SUSTAINABILITY INDEXES[6]

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM

Dow Jones Sustainability World Index
Dow Jones Sustainability Europe Index

CDP CLIMATE DISCLOSURE LEADER 2013

Carbon Disclosure Leadership Index

ROBECOSAM Sustainability Award Gold Class 2014

ROBECOSAM Sustainability Award Industry Leader 2014

MSCI Constituent of the MSCI Global ESG Indexes

MSCI Constituent of the MSCI Global SRI Indexes

NYSE EURONEXT vigeo World 120

NYSE EURONEXT vigeo Eurozone 120

NYSE EURONEXT vigeo Europe 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

FTSE ECPI ITALIA SRI INDEX SERIES

FTSE ECPI Italia SRI Benchmark
FTSE ECPI Italia SRI Leaders

(1) *Analysis conducted by Vigeo S.A. The Vigeo analysis covers the largest global asset owners (see also note 3), mainly pension funds (national, occupational, company specific, local governments), but also foundations and other institutional owners. 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, or uses SRI benchmarks. The analysis also covers green, social and ethical mutual funds (see also note 3) operating worldwide. 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 SRI and be available to the public (retail funds).*

(2) *Free float: percentage of shares remaining after block ownership and restricted shares adjustments, as calculated by STOXX Ltd. (cfr.http://www.stoxx.com/download/indices/rulebooks/stoxx_indexguide.pdf). 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 have to be reported to the domestic regulatory agencies.*

(3) *Large financial organizations investing their own assets, pension funds, foundations, public funds and insurance, endowments or sovereign funds. These do not include assets managed by management firms on behalf of their clients.*

(4) *The term is used in the same sense as for the European Fund and Asset Management Association (EFAMA) Statistical Releases: 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 – 2013 Review).*

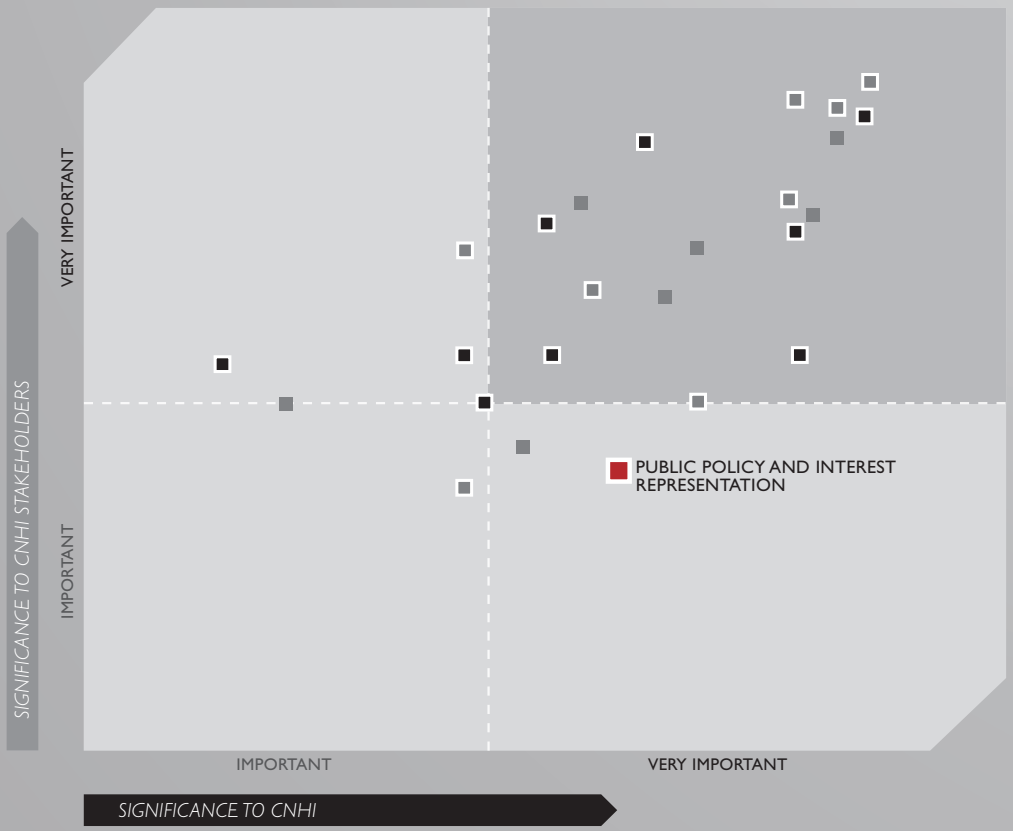
(5) *As reported by Fiat Industrial.*

(6) *Data as at 28 February 2014.*

PUBLIC AND PRIVATE ENTITIES

CUSTOMERS • PUBLIC INSTITUTIONS • COMMUNITY

G4-16; SO6



Material aspect described in chapter. For further details, see Materiality Matrix, page 35.

PUBLIC POLICY AND INTEREST REPRESENTATION

It emerged from the materiality analysis 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. For stakeholders, the community, customers, public institutions, and organizations it is important that technical experts contribute to the public debate on standards and guidelines to help identify innovative, shared solutions.

Policies and commitments

CNH Industrial aims to make 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 industry, including the automotive industry and other sectors related to the mobility of people and goods. CNH Industrial is committed to contributing to the technological advancement of society and to cooperating with public institutions, universities and other organizations on research and development into innovative solutions in the fields in which CNH Industrial 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 and in full compliance with the Company's Code of Conduct and other policies and procedures.

Resources and responsibilities

The Institutional Relations unit reports directly to the chief operating officer of each Region, except in the APAC Region where this area is managed directly by the regional 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 main goals and targets of the Institutional Relations unit are:

- 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 that deal with global and regional regulations
- protecting and enhancing Company and brand profiles by pro-actively 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 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 longer-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.

GRI-G4
DMA
Glossary
APAC, DMA, Stakeholders

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 association working groups, events, and initiatives
- stakeholder collaboration projects in various fields, for example natural gas infrastructure and urban logistics.

LOCAL ASSOCIATIONS AND INITIATIVES

CNH Industrial is a member of the major sector associations, either directly or through one of its companies.

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

- ACEA - *Association des Constructeurs Européens d'Automobiles* (Trucks and Commercial Vehicles)
- CEMA - European Agricultural Machinery (Agricultural Equipment)
- CECE - Committee for European Construction Equipment (Construction Equipment)
- EUROMOT - European Association of Internal Combustion Engine Manufacturers (Engines)
- NGVA Europe - the Natural Gas Vehicle Association.

Organization of, and participation in, institutional events and major initiatives in EMEA (2013):

- EU *Open Days,* Brussels - innovative traction vehicle demo – Trucks and Commercial Vehicles
- Green Week / *Imagin'air* event, Brussels and Turin – CNH Industrial and its brands
- Participation in CECE & CEMA Summit, Brussels – Agricultural and Construction Equipment
- Precision Farming exhibition at the EU Parliament, Brussels – Agricultural and Construction Equipment
- Hosting the EUROMOT General Assembly, Turin – FPT Industrial
- TEN-T Days exhibition, Tallinn - natural gas vehicle demo – Trucks and Commercial Vehicles
- Participation in Smart Mobility World conference, Turin – Trucks and Commercial Vehicles
- Defining a methodology for simulating CO_2 emissions from medium and heavy commercial vehicles, test and trial development -Trucks and Commercial Vehicles
- Hosting of institutional visits (2013):
  - EU policy officers, national delegations, and trade association delegations
  - EMEA Region diplomatic and business delegations.

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

- ANFAVEA (National Association of Motor Vehicle Manufacturers)
- NTC LOGISTICA (National Association of Cargo Transportation and Logistics)
- SAE Brazil (Mobility Association).

Organization of, and participation in, institutional events and major initiatives in LATAM (2013):

- Mobility Congress and International Technology Show (SAE)
- Symposium on Electric and Hybrid Vehicles (SAE)
- Sponsoring FENATRAN (the major transport fair in Latin America) and ANFAVEA, which represents trucking companies, logistics operators, truck manufacturers, and suppliers of goods for cargo transportation
- Agrishow – Latin America's leading agriculture fair.

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

- US Chamber of Commerce
- Business Roundtable
- National Association of Manufacturers
- Association of Equipment Manufacturers
- Organization for International Investment
- Diesel Technology Forum
- Engine Manufacturers Association.

GRI-G4 G4-16
Glossary EMEA, LATAM, NAFTA

The main initiatives carried out in NAFTA in 2013 involved:

- Coalition for Employment through Exports
- Trade Benefits America
- Coalition in support of the Keystone Pipeline
- Business Industry Political Action Committee
- American-Uzbekistan Chamber of Commerce
- Several bilateral business associations and councils (US-Kazakhstan, US-Russia, US-China, US-Turkmenistan, US-Poland, American-Romanian, US-Egypt, US-Ukraine, and US-Iraq)
- US-China Agriculture and Food Partnership
- Corporate Council on Africa
- Fuels America
- Campaign to Fix the Debt
- National Cattlemen's Beef Association
- Growth Energy.

POLITICAL PARTIES

Any relationships between CNH Industrial and political parties and 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 company. In 2013, **no contributions** were made to Political Parties. Any political association or financial contribution made by employees is considered to be a personal matter, and completely voluntary. This includes contributions made through a United States Political Action Committee (PAC). In accordance with US law, CNH Industrial provides support to the Case New Holland Excellence in Government Committee (a PAC) which collects voluntary personal contributions from company employees for donation to Political Parties. Information relating to these contributions is available on the US Federal Election Commission website (www.fec.gov).

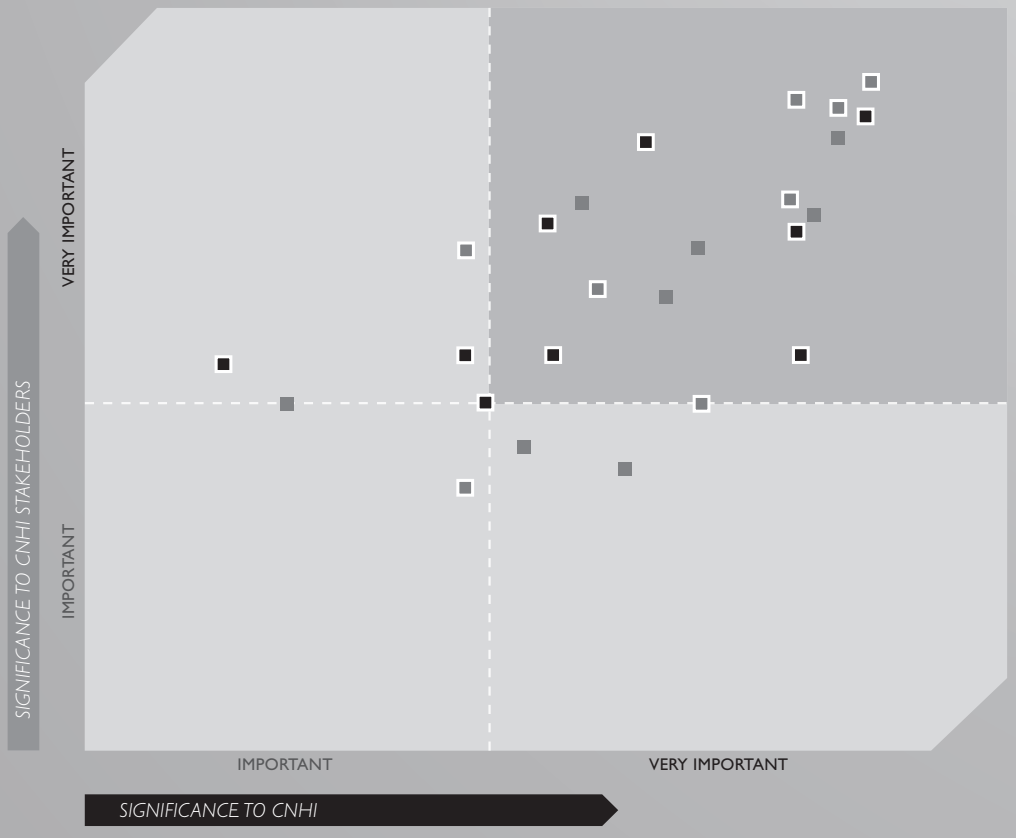
RELATIONS WITH PUBLIC ORGANIZATIONS ON SOCIAL ISSUES

In some countries, such as the USA, interest representation on **social issues** is managed separately by CNH Industrial companies, 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 United States government bodies is in accordance with applicable laws and government ethics and disclosure rules.
In other countries in Europe, these activities are carried out through the industrial and employers' associations to which CNH Industrial companies belong, 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 represent them in social dialogue with key political and administrative institutions, trade unions and other groups, both locally and nationally.
In Italy, as widely reported, CNH Industrial cancelled its Confindustria membership as of 2012 in order to negotiate its own labor contract and pursue its specific interests more effectively, allowing the Company to compete on a level footing with its competitors at an international level, during a particularly difficult period for the world economy.
In addition, Business Europe – the confederation of European businesses that, through 41 member federations from 35 countries, represents more than twenty million companies of all sizes – is a recognized Company partner, and participates in social dialogue across the European Union.
CNH Industrial in Latin America is committed to collaborating and maintaining an open dialogue with numerous organizations. It is an active member of the principal trade associations within the Region, and regularly participates in both national and international round-table discussions, in the firm belief that contributing to public policy development is an essential requirement for a responsible company. This dialogue focuses on economic issues, such as the performance of CNH Industrial companies, factors relating to growth and more general themes, labor policies (flexibility, training and pension schemes) and specific requirements associated with manufacturing and commercial activities.
In APAC, several CNH Industrial companies 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.

GRI-G4
G4-16; SO6
Glossary
APAC, NAFTA

OUR COMMITMENT TO SUSTAINABILITY

DMA



Key

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

CORPORATE GOVERNANCE AND SUSTAINABILITY

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

Commitment: Develop and spread a company culture of sustainability

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▸ Implementation of an integrated sustainability management system incorporating environmental and social issues in business decisions	■ List of sustainability representatives identified within the new organization	▸ 2014: consolidation of a sustainability management system within the new organization
	▸ Increase in the number of Key Performance Indicators (KPI) monitored and respective update based on information requested by sustainability rating agencies and reporting standards	■ Materiality analysis performed and GRI G4 Sustainability Report published	▸ 2014: update and broadening of the materiality analysis ▸ 2014: further integration of KPI list according to both the broadening of the sustainability context and the business plan
	▸ Alignment of sustainability issue reporting system with best practice	■ Study completed and decision made to gradually implement the system, in line with new financial reporting plans	▸ 2014: increase in non-financial information on operations in the Annual Report as a further step toward integrated reporting
	▸ Continuous improvement in sustainability performance	■ CNH Industrial named Industry Leader in the Dow Jones Sustainability World and Europe Indexes and included in main sustainability indices	

Commitment: Continuously update the corporate compliance program to remain aligned with best practice

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▸ Update design and oversight of Corporate Compliance Program		▸ 2014: harmonization and alignment of regional compliance programs
	▸ Continuous update of the corporate Code of Conduct		▸ 2014: review and update of CNH Industrial Code of Conduct and relevant policies/guidelines
	▸ Update of the Compliance Training Program		▸ 2014: evaluation of existing program and implementation of improvements where needed
	▸ Update of a corporate Whistleblowing System for the reporting and investigation of complaints/ allegations		▸ 2014: set up of a new helpline system
	▸ Continuous alignment of overall compliance system with international best practice and legal framework	■ 28 audits performed, including business ethics and specific anti-bribery and anti-corruption reviews	
	▸ Increase in awareness of Whistleblowing Procedures	■ 102 opening meetings (with approx. 700 attendees) held to present whistleblowing procedures	
	▸ Making reasonable efforts to know about, and to require each CNH Industrial supplier to disclose, the use of conflict minerals in the supply chain	■ Communications with supply chain regarding conflict mineral rules established, web-based data management tool deployed, and conflict minerals policy adopted	▸ 2014: start of preliminary conflict minerals reporting for Agricultural & Construction Equipment
	▸ Monitoring of the impact of business activities on human rights		▸ 2014: human rights assessment across some CNH Industrial companies in APAC

Commitment: Maintain sustainability as a key corporate objective

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▸ Incorporation of sustainability targets in the performance management system	■ 145 targets set for specific sustainability project leaders	▸ 2014: consolidation and implementation within the new organization

Commitment: Ensure best-in-class standards of Company governance

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▸ Provision of training and expertise to Board members	◧ One plant visited in July by a group of BOD members	▸ 2014: provision of regular updates on CNH Industrial's operations, and of training specific to Board committee tasks, risks and sustainability

Commitment: Continuously update the risk management system to remain aligned with best practice

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▸ Enhancement of Company's capabilities and tools for identifying, measuring, analyzing and managing pure risks, with a focus on risks related to climate change, earthquakes and other environmental factors	■ Climate Change Rainwater risks: first hydrogeological pilot study on rain disposal network carried out by specialized engineering company at large industrial site NE of Turin	
		■ Climate Change Meteo Alert: weather monitoring systems implemented in selected geographical areas with high concentration of CNH Industrial plants/sites (winter 2012-2013). Monitoring confirmed for winter 2013-2014	▸ 2014: ongoing monitoring and study of new potential risks posed by climate change
		■ Earthquakes: methodology (developed by Risk Management to identify potentially vulnerable sites) and practical risk mitigating guidelines upgraded and extended. 12 major industrial sites analyzed	▸ 2014: fine tuning and extension of methodology to significant Italian sites
		▲ Environment: methodology (developed to identify, analyze and quantify insurable environmental risks) applied to main sites worldwide, including significant Italian site, covering 46% of the Company's insured value	▸ 2014: assessment of other main industrial sites as per specific action plan

OUR PEOPLE

DEVELOPING HUMAN CAPITAL

Commitment: Enhance skills within the Company

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▸ Assessment of employees through Performance and Leadership Management appraisal system	▲ All managers and professionals and 66% of salaried employees evaluated	▸ 2014: ongoing evaluation of all managers and professionals and of 75% of salaried employees

Commitment: Manage succession plans and intragroup personnel transfers

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▸ Continuation of *Talent Review* program	▼ Target postponed to 2014	▸ 2014: launch of CNH Industrial *Talent Review* program

IMPROVING TRAINING AND KNOWLEDGE MANAGEMENT

Commitment: Develop a Company-wide culture of continuous change

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▸ Reformulation of training model and management process to enable a more effective and flexible response to strategic and tactical training needs according to changes in the economic environment	■ New Training Management Model formulated and applied	▸ 2014: consolidation and implementation within the new organization

Key

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

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

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▸ Provision of online training on Corporate governance	▼ Target postponed to 2014	▸ 2014: implementation within the new organization
	▸ Provision of online training on sustainability	▼ Target postponed to 2014	▸ 2014: implementation within the new organization

ATTRACTING, RETAINING AND ENGAGING EMPLOYEES

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

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▸ Regular execution of people satisfaction surveys	■ Approx. 1,000 employees surveyed in Brazil and Mexico	▸ 2015: continuous monitoring, extending the sample to significant locations selected after the reorganization

Commitment: Attract and retain the best talent

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▸ Implementation of long-term performance-related incentive plans	▼ Target postponed to 2014	▸ 2014: definition and implementation of long-term performance-related incentive plans for key talents for all segments

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

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▸ Encouragement of improvement proposals from employees	■ Average of 10 improvement proposals per person received from plant employees	▸ 2014: ongoing collection of suggestions from plant employees
		■ 375,000 suggestions developed into projects	▸ 2014: ongoing collection of suggestions leading to projects implemented at Company plants
		■ €154.4 million saved thanks to WCM projects	▸ 2014: ongoing tracking of cost savings from WCM projects

OFFERING EQUAL OPPORTUNITIES

Commitment: Promote internal professional development

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▸ Development of an *Internal Job Posting* program for salaried and professional positions	▲ 2,319 positions posted and 5,829 applications received worldwide	

Commitment: Promote diversity and non-discriminatory practices

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▸ Design of a course to promote a work environment driven by the highest principles and fundamental rights	■ Approx. 8,200 people trained	▸ 2014: continued delivery to existing and newly appointed professionals worldwide
	▸ Monitoring of the global implementation of equal opportunity principles in relation to: compensation levels, annual compensation review plan, performance and leadership appraisals, and promotions	◧ Regional monitoring performed in EMEA and LATAM	▸ 2014: continued analysis of outcomes and implementation of corrective actions as necessary
		■ External recruitment agencies made aware of the Company's role as Equal Opportunity Employer (EOE)	▸ 2014: continuous improvement and monitoring of recruitment processes across Regions to ensure performance as EOE
	▸ Promotion of job opportunities for workforce diversity	■ +5.5% female workers employed vs 2012	▸ 2014: increase in the number of diversity candidates employed by Region, in accordance with local requirements and limitations
		■ 5% of disabled workers employed in Brazil	

PROMOTING AND PROTECTING OCCUPATIONAL HEALTH AND SAFETY

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

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▸ Extension of OHSAS 18001 certification	■ 6 non-manufacturing sites OHSAS 18001 certified, employing approx. 1,300 people	▸ 2014: extension of OHSAS 18001 certification to additional non-manufacturing sites
			▸ 2014: extension of OHSAS 18001 certification to most relevant joint venture plants (in which CNH Industrial has at least a 50% interest) existing in 2011
	▸ Audit of safety management procedures at plants	■ +5.4% vs 2012 internal audits conducted: ▸ 595 internal and 91 external audits ▸ approx. 53,000 employees covered by external audits ▸ approx. 53,000 employees covered by internal audits	

Commitment: Promote a culture of health and safety in the workplace

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▸ Development and implementation of a Company-wide health and safety training project	■ Health and safety training and information platform launched across all plants in Italy, in accordance with *Organismo Paritetico Health & Safety* (OPHS) requirements: ▸ 64 different training courses provided with relevant educational materials ▸ more than 8,600 employees involved	
	▸ Definition and progressive implementation of training standards and information tools for Health and Safety specialists within the Company	■ Training standards and information tools extended to internal Health and Safety specialists in NAFTA, LATAM and Powertrain (extra-EMEA)	
	▸ Implementation of initiatives to increase employee health and safety awareness	■ Safety guidelines extended from *Top 10 to Top 15*	▸ 2014: implementation and application of *Top 15* safety guidelines at some plants ▸ 2014: implementation and launch of the 9 Safety Golden Rules in LATAM
	▸ Provision of online course on safety in the workplace for salaried employees (workstation ergonomics, emergency response, electric hazards, risks from over-exertion, correct use of video monitors)	■ Employee population at non-manufacturing sites in EMEA mapped in accordance with local requirements and constraints (involving approx. 5,350 employees)	▸ 2014: provision of an online pilot course to a team of European managers, professionals and salaried employees (at both manufacturing and non-manufacturing sites)
		■ Course materials translated and adapted to local legal requirements in Czech Republic, France, Germany, Poland, Netherlands, Spain, UK	
		■ Online course provided to European manufacturing managers, professionals and salaried employees, involving approx. 1,140 participants	

Key

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

IMPROVING EMPLOYEE COMMUTING

Commitment: Improve commuting for employees

	ACTIONS	2013 RESULTS	TARGETS
Trucks & Commercial Vehicles, Powertrain	▸ Development of mobility plans to improve commuting to/from select sites by broadening the use of public transport, carpooling and alternative mobility (cycling), and by improving entrances and loading/parking areas	■ *Easygo* web tool extended to Powertrain plants in Pregnana and Foggia (Italy)	▸ 2014: enhanced use of *Easygo* web tool across Powertrain plants in Pregnana and Foggia (Italy) through advertising campaign
		■ Mapping of employee commuting habits extended to Powertrain plant in Bourbon Lancy (France), covering 85% of employees worldwide	▸ 2014: development of a mobility plan at the Bourbon Lancy plant (France)
		■ Mobility plan for the district of Turin updated (Italy)	▸ 2014: ongoing implementation of mobility plans at all Italian Trucks & Commercial Vehicles and Powertrain plants
		■ *As Is* analysis of Trucks & Commercial Vehicles at two plants in France	▸ 2014: execution of *As Is* analysis at most important CNH Industrial plants in Europe
		■ Questionnaire distributed to all employees at Vénissieux and Saint Priest plants (France) and data collection and analysis completed	
Agricultural & Construction Equipment		■ Discount on public transportation tickets and other financial concessions endorsed to improve quality of service in Modena (Italy)	▸ 2014: ongoing implementation of mobility plans to improve employee commuting to/from the Modena plant (Italy)
		■ Company notice boards set up with information on public transport, carpooling, alternative mobility (cycling). Entrances improved at plants in Modena and S. Matteo (Italy)	
		■ Carpooling web platform extended to all employees at plants in Modena and S. Matteo (Italy)	

REDUCING ICT IMPACTS

Commitment: Reduce Information Communication Technology related energy consumption

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▸ Introduction of new low environmental impact hardware	■ -198 MWh vs 2008 (approx. 155 tons of CO_2) achieved through introduction of additional high-efficiency power supply units	▸ 2014: -198 MWh vs 2008 (approx. 155 tons of CO_2) through the introduction of additional high-efficiency power supply units
		▲ 7,700 video monitors replaced with eco-efficient devices (EnergyStar and EPEAT Silver/Gold)	▸ 2014: replacement of 3,500 additional video monitors with eco-efficient devices (EnergyStar and EPEAT Silver/Gold)
			▸ 2014: incorporation of sustainability requirements in tenders for new supplies and contract renegotiations

FOSTERING EMPLOYEE WELFARE

Commitment: Promote work-life balance

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▸ Promotion of initiatives enhancing work-life balance	■ Several activities offered at regional level: ▸ daycare assistance for children from 3 months to 3 years of age and/or child care allowance offered in Italy, Austria, France, USA, Spain, Portugal ▸ fitness facilities offered in Austria, France, Switzerland, UK, USA ▸ driving license renewal services offered at three plants in Italy ▸ on-site cafeteria or meal vouchers offered at sites in Australia, Italy, USA, China ▸ dry cleaning services offered at sites in Italy and USA ▸ overtime kept under rigorous control in LATAM	▸ 2014: continued implementation of work-life balance initiatives by Region
		■ Flexible working arrangements implemented by country and by Region: ▸ teleworking pilot project further implemented in Turin (Italy) ▸ employees in Russia allowed to work from home once a week, upon agreement with respective managers ▸ remote working stations set up in China to assist field service engineers and joint venture staff ▸ 6% of employees worldwide allowed to take more than three days for the care of family members and for personal treatment/care	
	▸ Support for volunteer work during paid working hours	■ Dedicated campaigns organized to promote volunteering opportunities and encourage employee participation, including *Warm Clothing and Children's Day* events in LATAM, and *Relay for Life and United Way* events in NAFTA	▸ 2014: continued implementation of corporate volunteer programs by Region
		■ Approx. 500 hours volunteered by employees in favor of the *Habitat for Humanity* initiative in USA	
		■ Meetings of volunteers held at Curitiba plant (Brazil) during working hours to organize and evaluate initiatives in place. 2012 pilot turned into ongoing project, with initiatives held during working hours	
		▲ *Programa Formare* completed in August 2013 by first 20 young participants, delivering approx. 800 hours of classroom and 110 hours of on-the-job training. New course started in September attended by 20 new participants	

Key

▲ Target exceeded
■ Target achieved or in line with plan
◧ Target partially achieved
▼ Target postponed

Commitment: Promote employees wellbeing

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▸ Dissemination of information and provision of medical support to employees to prevent the spread of infectious diseases and promote personal hygiene	■ Information and medical support related to seasonal flu prevention regularly supplied; 5,938 doses of vaccine administered	▸ 2014: ongoing dissemination of information and provision of medical support to employees related to seasonal flu prevention
		■ HIV/AIDS information campaign continued in Latin America, involving 1,000 employees	▸ 2014: ongoing HIV/AIDS information campaign in Latin America
	▸ Dissemination of information to employees on general health, smoking-related diseases and diabetes through targeted campaigns	■ *Tips on Health* section launched on corporate intranet sites worldwide in the following languages: Italian, English, French, German, Spanish, Portuguese, Czech, Polish, Dutch, Chinese, Hindi	▸ 2014: release of a new set of *Tips on Health*
		■ *Smoking Cessation* campaign launched at Italian plants in Brescia and Piacenza	▸ 2014: extension of the *Smoking Cessation* communication campaign to other plants, as per studies of the World Health Organization
		■ *Health Factory* campaign carried out at the Bolzano plant (Italy) involving 7,600 employees from 2011 to 2013	▸ 2014: ongoing *Health Factory* campaign
		■ NAFTA, the Picture of *Health* initiative: ▸ employee participation in at least one wellness activity increased from 83.6% to 85.3% ▸ employee wellness score increased to 66.8/100 (12% improvement since inception) ▸ 66% of population participated in biometric screening	
		■ LATAM: Health campaigns aligned and new campaigns advertised through global Company-wide publications	
	▸ Promotion of employee wellness through: ▸ the formulation and dissemination of Wellbeing Guidelines addressing the Company's commitment ▸ specific programs	■ Several initiatives implemented: ▸ two special features (Eyes and Sight Protection and Protecting Our Hearing) published in The Industry Post newsletter (February and May editions), under the *Well* section, to disseminate wellness guidelines and good practices ▸ key messages and graphic designs of the *Smoking Cessation* campaign defined and ready to be deployed across CNH Industrial EMEA sites, promoting smoke reduction and ad hoc meetings with specialized doctors ▸ in the scope of the *Action for Road Safety* campaign: employees involved in initiatives aimed at improving road safety awareness (e.g., safe-driving training course on a race track); sustainable behaviors promoted through the 10 *Golden Rules*; news and articles on CNH Industrial product safety published in various internal publications ▸ *quality of Life* campaigns delivered on a monthly basis to majority of LATAM sites ▸ avian flu protection guidelines communicated to all employees in China ▸ frequent email and poster communications on health tips from *Picture of Health* program delivered in NAFTA	▸ 2014: continuation of programs and further alignment across new organization

Commitment: Facilitate access to the best health care services

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▸ Continuation of the supplemental health care plan for the Company's hourly and salaried employees in Italy, as per agreements between the Company and trade unions	■ New FASIF Fund and Long Term Care plan set up	▸ 2014: continued operation of the FASIF Fund, providing basic and advanced health care services and a Long Term Care plan to all employees, covered by the Company

LOCAL COMMUNITIES

SUPPORTING LOCAL COMMUNITIES

Commitment: Promote social and economic development of local communities

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▸ Support for families in need of shelter	■ More than €23,000 donated to *Habitat for Humanity*	▸ 2014: ongoing support for initiatives to help those in need of shelter
		■ More than €37,000 donated to the HALO organization	
	▸ Support for the *United Way* initiative for the improvement of health, education and income stability in disadvantaged communities	■ More than €1.2 million donated to the organization (through employee fundraising and Company matching donations)	▸ 2014: ongoing support for the *United Way* initiative
	▸ Support for projects aimed at the development of socially vulnerable areas in Brazil	■ 7 main projects organized across the areas of São Paulo, Minas Gerais and Paraná: ▸ more than €176,000 invested	▸ 2014: ongoing support for all programs
	▸ Support for projects fostering sports among disadvantaged young people in Brazil	■ 3 main projects organized across the areas of São Paulo, Minas Gerais and Paraná: ▸ almost €91,000 invested	▸ 2014: ongoing support for all programs
	▸ Support for projects aimed at spreading culture (arts, music, literature) in Brazil	■ 7 national projects supported: ▸ almost €255,000 invested	▸ 2014: ongoing support for all programs
	▸ Donation of waste wood from packaging for craft activities in favor of organizations and schools in need the city of Paraopeba (Brazil)	■ 60 tons of wood donated	▸ 2014: ongoing support for all programs
	▸ Support for charitable initiatives for people with disabilities or diseases	◧ *Walkirye Project*: powertrain manufacturing completed	▸ 2014: final delivery and provision of service support
		■ 2 Iveco Daily Combi vans donated to the Italian Paralympic Winter Sports Federation (FISIP)	
		■ 1 Iveco Daily Camper donated to a paralympic handbike champion	
	▸ Support for the *A Thousand Gardens in Africa* initiative promoted by the Slow Food Foundation to help African local communities create sustainable agriculture models		▸ 2014: support for the initiative

Commitment: Aid populations affected by natural disasters

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▸ Provision of technical, financial and humanitarian support to populations affected by natural disasters	■ Philippines Typhoon Haiyan: ▸ more than €15,000 donated to the Canadian Red Cross by Saskatoon employees ▸ 5 machines between construction equipment and tractors (for a value of €86,600) provided for the extensive cleanup and rebuilding	▸ 2014: ongoing support for disaster relief, as needed
		■ India Uttarakhand Flood: ▸ €12,800 donated to the flood victims by New Holland Agriculture India ▸ €7,800 donated to the flood victims by Case Construction Equipment India	

Key

▲ Target exceeded
■ Target achieved or in line with plan
◧ Target partially achieved
▼ Target postponed

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▸ Provision of technical, financial and humanitarian support to populations affected by natural disasters	■ Midwest USA tornados: ▸ more than €76,000 donated to the American Red Cross to support disaster relief efforts following the devastation	▸ 2014: ongoing support for disaster relief, as needed
		■ Argentina flood: ▸ food, mineral water, mattresses, blankets, diapers, and more collected by employees at the Garin plant to help the flood victims	
		■ European floods: ▸ in Spain: heavy line equipment and mini equipment donated by Case Construction ▸ in Austria: 721F wheel loader and a tractor donated by Case ▸ in Germany: mini excavator and wheel loader donated by Case Erlangen Store to the city of Deggendorf. €5,000 also donated by Case to one of the affected families	

SUPPORTING YOUTH TRAINING

Commitment: Support the professional development of young people

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▸ Support for *TechPro²*, developed in collaboration with Salesian Institutes, by: ▸ providing funds, materials, training hours ▸ intensifying the dialogue between *TechPro²* locations and the authorized after-sales network in order to promote apprenticeship opportunities	■ In Italy: ▸ 111 young people trained in Fossano ▸ 1,337 training hours provided to young people ▸ 2 students employed at an Iveco authorized service center	▸ 2014: ongoing support for the initiative
		■ In Brazil: ▸ 20 young people trained ▸ 800 training hours provided to young people ▸ 184 Train the Trainer hours provided	▸ 2014: ongoing support for the initiative
		■ Project launched in Addis Abeba (Ethiopia): ▸ €130,000 worth of materials and support provided to the Bosco Children Center ▸ 20 young people selected ▸ 80 Train the Trainer hours provided to 3 teachers	▸ 2014: ongoing support for the initiative
			▸ 2014: extension of the project to China
			▸ 2014: extension of the project to South Africa
			▸ 2014: launch of new *TechPro²* website
	▸ Support for students		▸ 2014: support to local universities
	▸ Promotion of the *Sementinha Project* aimed at introducing children to environmental topics		▸ 2015: engagement of 200 children in the planting of 400 seeds

PROMOTING ROAD SAFETY

Commitment: Promote road safety

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▸ Support for the *Transaid* initiative	■ 2,160 training hours provided to 270 drivers, each trained over 4 days in blocks of 2 hours of driving per day	▸ 2014: ongoing financial support for the initiative
	▸ Support for the *Action for Road Safety* global campaign		▸ 2014: extension to other Brands; implementation of new initiatives; increase in the number of social media contacts

PRODUCT DEVELOPMENT

REDUCING POLLUTING AND CO_2 EMISSIONS

Commitment: Continue to reduce polluting emissions, fuel consumption, and CO_2 emissions

	ACTIONS	2013 RESULTS	TARGETS
Agricultural & Construction Equipment	▸ Early implementation of regulations for the reduction of polluting emissions (e.g., NO_x, particulates) through the development and introduction of new technology solutions	■ Construction Equipment: ▸ development of Tier 4B/Stage IV models completed	▸ Construction Equipment 2014: introduction of Tier 4B/Stage IV models
Trucks & Commercial Vehicles	▸ Compliance with Euro 6 for light vehicles, and Euro VI standard for medium and heavy commercial vehicles	▲ Trucks & Commercial Vehicles: ▸ Euro 6 compliace achieved for light vehicles ▸ Euro VI compliance achieved for medium and heavy commercial vehicles, through SCR and Hi-eSCR	
Agricultural & Construction Equipment	▸ Further reduction in Agricultural & Construction Equipment fuel consumption vs existing versions	■ Construction Equipment: ▸ Wheel Loader projects being developed for all models ▸ Skid Steer Loader T4A compliance achieved on several models ▸ Dozer T4A compliance achieved on all M-Series models	▸ Construction Equipment 2014: introduction of new Tier 4B/Stage IV models for Skid Steer Loaders, Tractor Loader Backhoes, Dozers and other products
		■ Agricultural Equipment: ▸ - 10% in fuel consumption achieved through *SCR Only* technology	▸ Agricultural Equipment 2014: launch of first Tier 4B/stage IV products 2014: definition of total cost of ownership (TCO) targets for all agricultural products
Trucks & Commercial Vehicles	▸ Reduction of CO_2 emissions through fuel consumption optimization	■ Heavy range: ▸ - 2.33% in fuel consumption achieved on New Stralis Hi-Way Euro VI vs Euro V	▸ Heavy range 2016: -10% in fuel consumption on new heavy vehicles
			▸ Light range 2014: -5% in fuel consumption on new light vehicles
	▸ Collaboration with the European Automobile Manufacturers' Association (ACEA) to develop a methodology for the measurement of CO_2 emissions from heavy commercial vehicles	■ Trucks & Commercial Vehicles: ▸ pilot test conducted to verify performance of new methodology. Test performed on schedule	▸ Trucks & Commercial Vehicles 2014: elaboration and validation of the Eurocargo test within first quarter. Execution of additional test on Stralis model by the end of the year
	▸ Promotion of use of longer vehicles to increase goods transport capacity	▲ Trucks & Commercial Vehicles: ▸ over 1.04 million km covered in road testing of trailers under the *DICIOTTO* project, reaching a total of 6.8 million km covered from May 2009 to June 2013	
	▸ Introduction and development of technology solutions to address impact of driver and driving style on vehicle emissions	■ Trucks & Commercial Vehicles: ▸ engineering study carried out for system extension to different vehicle architectures/ missions and for enhanced effectiveness	
Trucks & Commercial Vehicles, Powertrain	▸ Development of a carbon footprint assessment methodology	▲ Trucks & Commercial Vehicles: ▸ methodology tested on a light and a heavy vehicle pivot configuration ▸ methodology tested on a specific LPT fleet	▸ Trucks & Commercial Vehicles 2014: carbon footprint calculator available via web according to corporate road map and priorities
		■ Powertrain: ▸ cradle-to-gate carbon footprint calculated (i.e., from resource extraction to factory gate before delivery to the client)	▸ Powertrain 2014: completion of carbon footprint analysis (from cradle to grave) and LCA on F1 engine

Key

▲ Target exceeded
■ Target achieved or in line with plan
◧ Target partially achieved
▼ Target postponed

Commitment: Promote use of alternative and renewable energy sources

	ACTIONS	2013 RESULTS	TARGETS
Agricultural & Construction Equipment	▸ Promotion of energy independence concept for farms	▲ Agricultural Equipment: ▸ final field tests completed on hydrogen tractor ▸ further field tests performed on Steyr Profi 4135 Natural Power ▸ 2 new Methan Power prototypes built	▸ Agricultural Equipment 2014: extensive prototype testing 2016: launch of Methan Power tractor
Trucks & Commercial Vehicles, Powertrain	▸ Alternative fuels: evaluation, testing and promotion for specific product segments	▲ Heavy range: ▸ 87 new LNG vehicles sold, expanding the fleet of LNG heavy duty vehicles	▸ Heavy range 2014: +50% in sales of LNG Stralis vehicles
		■ Light range: ▸ targeted communication actions implemented to support sales of Daily CNG and Daily electric	▸ Trucks & Commercial Vehicles 2014: implementation of a communication plan (website, brochure, video) supporting the sale of natural gas vehicles
			▸ Trucks & Commercial Vehicles 2014: development of a complete natural gas product range compliant with Euro VI regulation (light, medium, heavy, bus)
			▸ Light and Heavy range 2014: launch of vehicle with new Euro VI NG engine
			▸ Heavy range 2014: European Type Approval for Stralis LNG
		■ Powertrain: ▸ new CNG engine class road-tested in non-European countries	
		■ Powertrain: ▸ functional tests with two biodiesel aromatics executed, with indication of critical situation associated with 20% blending ▸ functional tests with Hydrogenated Vegetable Oils and XTLs executed, with indication of good emission and CO_2 reduction potential	▸ Powertrain 2014: continuation of activity without testing on vehicles
Trucks & Commercial Vehicles	▸ Alternative propulsions: evaluation, testing and promotion for specific product segments	■ Heavy range: ▸ technological research for electric-diesel extension to heavier commercial haulage range performed	
		▲ Light range: ▸ feasibility study performed on plug-in hybrid solution for light commercial vehicle concept	
	▸ Evaluation and testing of other sustainable solutions for the future	▼ Trucks & Commercial Vehicles: ▸ concept study performed on photovoltaic panels solution for on-board electric power generation	

IMPROVING PRODUCT SAFETY

Commitment: Continue to improve safety, ergonomics and comfortable conditions

	ACTIONS	2013 RESULTS	TARGETS
Agricultural & Construction Equipment	▸ Increase in agricultural tractor safety		▸ Agricultural Equipment 2014: definition of new technical solutions for safety on tractors
Trucks & Commercial Vehicles	▸ Offering of a range of preventive safety and collision mitigation systems	■ Heavy range: ▸ AEBS introduced across range of heavy commercial vehicles	
		▲ Medium range: ▸ ESC system introduced across medium range vehicles	
		■ Light range: ▸ study performed on application of new technological contents (Electric Parking Brake / enhanced Electric Powered Steering) to Daily Electric	
Agricultural & Construction Equipment	▸ Reduction of noise level in the operator environment and of operator exposure to vibrations	■ Construction Equipment: ▸ Dozer cab completed with operator sound and vibration improvements	▸ Construction Equipment 2014: improvement of Wheel Loader, Compact Wheel Loader and Telehandler cabs for operator sound exposure
	▸ Improvement in ergonomics of operator controls to reduce operator stress and enhance comfort	■ Construction Equipment: ▸ Skid Steer Loader controllability improvements completed ▸ Wheeled Excavator controls repeatability and reliability completed	▸ Construction Equipment ▸ 2014: development of advanced control features for Skid Steer Loader ▸ 2014: enhancements of Wheeled Excavator controls ▸ 2014: improvement of Wheel Loader, Compact Wheel Loader and Telehandler cabs for operator ergonomics
Trucks & Commercial Vehicles			▸ Light range 2014: introduction of new ergonomic features on new range of light vehicles

MANUFACTURING PROCESSES

INCREASING SUPPLY CHAIN SUSTAINABILITY

Commitment: Promote a culture of sustainability among employees managing supplier relationships

	ACTIONS	2013 RESULTS	TARGETS
Fiat Group Purchasing (FGP)[1]	▸ Incorporation of environmental and social targets in variable compensation system	■ Environmental and social targets (sustainability audits and management of further self-assessment questionnaires for select suppliers) continued to be included in variable compensation system for Supplier Quality Engineer (SQE) Managers and respective team members	▸ 2014: ongoing application of environmental and social targets to variable compensation system (weight equal to 5%) for SQE Managers and respective team members, Commodity Managers and buyers

(1) *A Fiat Group company that also conducts purchasing activities for CNH Industrial.*

Key

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

Commitment: Promote social and environmental responsibility among suppliers

	ACTIONS	2013 RESULTS	TARGETS
Fiat Group Purchasing (FGP)[1]	▸ Formulation and dissemination of Sustainability Guidelines for Suppliers	■ Contractual clauses on adherence to Sustainability Guidelines introduced in new FGP purchase agreements	▸ 2014: ongoing introduction of contractual clauses on adherence to Sustainability Guidelines in new FGP purchase agreements
	▸ Distribution of self-assessment questionnaires on environmental and social performance to select suppliers	■ Sustainability self-assessment questionnaires managed through an IT platform administered by a third party	▸ 2014: ongoing distribution and analysis of questionnaires
		■ 32 questionnaires returned (representing approx. 2% of purchases by value)	
	▸ Preparation of a supply chain risk map to identify suppliers for audits		▸ 2014: development of a second-level risk map to identify and prioritize economic, environmental and social risks
Fiat Group Purchasing (FGP)[1], CNH Industrial	▸ Increase awareness on water-related issues, addressing and assessing exposure to risks relating to water usage in the supply chain	■ Sustainability self-assessment questionnaire improved by introducing specific questions on water management	▸ 2014: start of a collaboration with select Tier 1 suppliers to develop a water stewardship strategy
Fiat Group Purchasing (FGP)[1]	▸ Execution of environmental and social audits at suppliers worldwide	■ 62 audits of suppliers in China, India and Europe conducted by SQEs and third parties	▸ 2014: execution of 45 audits, including China and India, by internal SQEs and of 17 audits by third parties
	▸ Enhancement of sustainability awareness among suppliers	■ Course on responsible working conditions provided to Tier 2 suppliers of a select number of Tier 1 suppliers	
		■ Sustainability course provided to SMEs in EMEA	▸ 2014: extension of sustainability training courses and other learning opportunities for suppliers
		■ *Sustainability Suppliers of the Year* award assigned to one supplier in EMEA	▸ 2014: recognition of outstanding achievement in improving social and environmental responsibility performance across the supply chain
		■ 45 suppliers involved in Carbon Disclosure Project Supply Chain award	▸ 2014: involvement of approx. 100 select suppliers in the Carbon Disclosure Project Supply Chain survey
Fiat Group Purchasing (FGP)[1], CNH Industrial	▸ Promotion of supplier involvement in World Class Manufacturing (WCM) program	■ 98 supplier plants involved in the WCM program	▸ 2014: involvement of a total of 180 supplier plants in the WCM program
	▸ Review of certified direct material suppliers and extension of ISO 14001 certification	■ Mapping of ISO 14001 certified suppliers completed and KPIs for periodic monitoring identified	

FOSTERING CONTINUOUS IMPROVEMENT

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

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▸ Adoption of World Class Manufacturing (WCM)	◧ WCM system adopted at 56 plants (33 Agricultural & Construction Equipment, 16 Trucks & Commercial Vehicles, 7 Powertrain), collectively accounting for 90% of CNH Industrial plants. 18 plants achieved bronze level, 4 silver level	▸ 2014: further increase of WCM plants achieving bronze level (22), silver level (9) and gold level (1)

(1) *A Fiat Group company that also conducts purchasing activities for CNH Industrial.*

BOOSTING ENVIRONMENTAL AWARENESS

Commitment: Promote environmental awareness within the Company

	ACTIONS	2013 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	▸ 2014: development and implementation of new targeted training initiatives on environmental issues of particular interest

REDUCING ENVIRONMENTAL IMPACT AND OPTIMIZING ENERGY PERFORMANCE

Commitment: Optimize the Company's Environmental Management System

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▸ Extension of ISO 14001 certification	■ ISO 14001 certification achieved by the Powertrain Product Engineering organizational unit in Turin (Italy)	▸ 2015: extension of ISO 14001 certification to other non-manufacturing sites

Commitment: Optimize the Company's environmental performance

	ACTIONS	2013 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	■ Water consumption per production unit[1] vs 2009: ▸ -25% in Agricultural & Construction Equipment ▸ -59% in Trucks & Commercial Vehicles ▸ -58% in Powertrain	▸ 2014: up to -55% vs 2009 (with specific targets for each segment) in water consumption per production unit at Company plants worldwide, and consolidation of target until 2016
			▸ 2014: maintenance of BOD, COD and TSS levels in water discharge at Company plants worldwide below local regulatory requirements, even after water consumption reductions (with specific targets for each segment)
		■ Water Management Guidelines tested at pilot plants in the operating procedures of the Environmental Management System	▸ 2014: extension of the Water Management Guidelines to the operating procedures of the Environmental Management System at other plants
	▸ Protection of soil and subsoil	■ Guideline on the management of existing underground equipment (tanks) developed; policy on the use of above-ground systems for new industrial plants/upgrades developed and launched	▸ 2015: testing of the guideline on the management of existing underground equipment (tanks) at pilot plants
		■ Guideline on the management of existing underground equipment (canals and pipes) developed; policy on the use of above-ground systems for new industrial plants/upgrades developed and launched	▸ 2015: testing of the guideline on the management of existing underground equipment (canals and pipes) at pilot plants
	▸ Optimization of waste management based on specific characteristics of the countries in which each plant is located	■ 83% of waste recovered, specifically: ▸ 84% in Agricultural & Construction Equipment ▸ 77% in Trucks & Commercial Vehicles ▸ 85% in Powertrain	▸ 2014: up to 83% (with specific targets for each segment) of waste recovered at Company plants worldwide, and consolidation of target until 2016
		■ Waste generated per production unit[1] vs 2009: ▸ +1% in Agricultural & Construction Equipment ▸ -16% in Trucks & Commercial Vehicles ▸ -12% in Powertrain	▸ 2014: up to -11% vs 2009 (with specific targets for each segment) of waste generated per production unit at Company plants worldwide, and consolidation of target until 2016
		■ Hazardous waste generated per production unit[1] vs 2009: ▸ -49% in Agricultural & Construction Equipment ▸ -31% in Trucks & Commercial Vehicles ▸ -55% in Powertrain	▸ 2014: up to -35% vs 2009 (with specific targets for each segment) of hazardous waste generated per production unit at Company plants worldwide, and consolidation of target until 2016

(1) The production unit is the main parameter for production volumes for each segment: hour of production for Agricultural & Construction Equipment and Trucks & Commercial Vehicles; unit produced for Powertrain.

Key

▲ Target exceeded
■ Target achieved or in line with plan
◧ Target partially achieved
▼ Target postponed

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▸ Application of best available techniques for the reduction of Volatile Organic Compounds (VOC) in paint processes	■ -27% vs 2009 of VOC emissions reached, specifically: ▸ -32% in Agricultural & Construction Equipment ▸ -6% in Trucks & Commercial Vehicles ▸ -46% in Powertrain	▸ 2014: up to -15% vs 2009 (with specific targets for each segment) in VOC emissions per square meter at Company plants worldwide, and consolidation of target until 2016
	▸ Formulation of guidelines on the identification and safeguard of protected species and biodiversity	■ Improvement measures resulting from the BVI assessment at Bourbon Lancy plant (France) planned and started	▸ 2014: project start-up at plants in Sete Lagoas (Brazil), Madrid (Spain) and Foggia (Italy)
		■ Biodiversity Value Index (BVI) calculated for Curitiba plant (Brazil)	
		■ Biodiversity Value Index (BVI) calculated for plants in Suzzara (Italy) and Ulm (Germany)	
	▸ 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	▸ 2014: ongoing actions to reduce SSI
			▸ 2015: elimination of equipment containing ODS at Company plants worldwide

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

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▸ Implementation of an Energy Management System and certification of plants under international standard ISO 50001	▲ ISO 50001 certification achieved by 34 plants (representing about 90% of total energy consumption)	▸ 2014: extension of ISO 50001 certification (representing 93% of total energy consumption)
		▲ Energy Management System adopted at 49 plants (representing 99% of total energy consumption)	▸ 2014: roll-out of the Energy Management System to all plants (representing 100% of total energy consumption)
		■ GHG emissions representing more than 20% of total energy consumption verified according to ISO14064-3 standard, with reference to GHG Protocol requirements	▸ 2014: verification (according to ISO14064-3 standard) of GHG emissions representing more than 20% of total energy consumption
	▸ Identification of measures and technologies to reduce energy consumption and CO_2 emissions per production unit	■ Energy consumption per production unit[1] vs 2009: ▸ -22% in Agricultural & Construction Equipment ▸ -41% in Trucks & Commercial Vehicles ▸ -27% in Powertrain for small engines and transmissions ▸ -24% in Powertrain for large engines	▸ 2014: up to -30% vs 2009 (with specific targets for each segment) in energy consumption per production unit
		■ CO_2 emissions per production unit[1] vs 2009: ▸ -32% in Agricultural & Construction Equipment ▸ -51% in Trucks & Commercial Vehicles ▸ -47% in Powertrain for small engines and transmissions ▸ -40% in Powertrain for large engines	▸ 2014: up to -35% vs 2009 (with specific targets for each segment) in CO_2 emissions per production unit
		■ Public awareness campaign on energy saving disseminated to all employees through corporate intranet	
		■ *Energy Challenge* extended to all plants in EMEA	
		■ *Energy and EHS Days* organized in Turin (5-6 June) involving energy and EHS specialists of the EMEA Region	▸ 2014: organization of an energy event to raise awareness and employee engagement
		■ Feasibility study for the conversion of an existing plant into a green building performed in Rorthais (France)	▸ 2014: implementation of technical interventions at the green plant in Rorthais (France)

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

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▸ Promotion of renewable energy generation and use	▲ 16% of the total (direct and indirect) energy consumption derived from renewable sources	▸ 2014: 15% of the total (direct and indirect) energy consumption derived from renewable sources, with specific targets for each segment
	▸ 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)	■ One Trucks & Commercial Vehicles plant in Europe continued to participate in the EU-ETS scheme, accounting for approx. 90,000 GJ per year of total energy generation	▸ 2014: assurance of compliance with emission trading regulations in the countries of operation
		■ One Agricultural & Construction Equipment plant in the UK continued to participate in the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme	▸ 2014: purchase of CRC emission reduction credits and submission of the Evidence Pack under the UK CRC Energy Efficiency Scheme

LOGISTICS PROCESSES

MINIMIZING ENVIRONMENTAL IMPACT

Commitment: Reduce environmental impact of logistics[1]

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▸ Definition of a standard set of environmental KPIs	▲ -2,260 tons of CO_2 emissions achieved at European level	▸ 2014: -1,580 tons overall reduction in CO_2 emissions at European level
		■ Inbound -15 tons of cardboard achieved at European level	▸ Inbound 2014: -22 tons overall cardboard reduction at European level
		■ CO_2 emissions from air freight shipments monitored for Agricultural & Construction Equipment	▸ 2014: monitoring of CO_2 emissions from air freight shipments for Trucks & Commercial Vehicles and Powertrain
		◧ CO_2 emissions monitoring process extended partially to Trucks & Commercial Vehicles and globally to Powertrain	▸ 2014: completion of CO_2 emissions monitoring process for Trucks & Commercial Vehicles worldwide
			▸ 2014: setting of CO_2 emissions targets for all segments worldwide
			▸ Inbound 2014: completion of cardboard monitoring process for all segments worldwide
			▸ Inbound 2015: setting of cardboard targets for all segments worldwide
CNH Industrial	▸ Increase in low-emission transport	▲ Upgraded ecological clause (at least 70% of fleet compliant to Euro IV or more stringent standards) incorporated in new contracts: ▸ 93% at Agricultural & Construction Equipment ▸ 93% at Trucks & Commercial Vehicles ▸ 75% at Powertrain	▸ 2014: ongoing gradual introduction of upgraded clause (at least 75% of fleet compliant to Euro IV or more stringent standards) in transport supplier contracts (at European plants)
Agricultural & Construction Equipment, Trucks & Commercial Vehicles	▸ Use of intermodal solutions	▲ -3,468 tons of CO_2 emissions from Agricultural & Construction Equipment cut worldwide (including Europe)	▸ 2014: -1,540 tons overall reduction in CO_2 emissions worldwide (including Europe)
		■ -1,350 tons vs 2011 of CO_2 emissions from Parma-Lecce rail route achieved	
Powertrain		■ Inbound -410 tons of CO_2 emissions cut at European level	▸ Inbound 2014: -480 tons reduction in CO_2 emissions worldwide (including Europe)

(1) Unless otherwise specified, the results and targets refer to inbound and outbound flows.

Key

▲ Target exceeded
■ Target achieved or in line with plan
◧ Target partially achieved
▼ Target postponed

	ACTIONS	2013 RESULTS	TARGETS
Agricultural & Construction Equipment and Trucks & Commercial Vehicles	▸ Optimization of transport capacity	▲ -3,316 tons of CO_2 emissions from Agricultural & Construction Equipment cut worldwide	▸ 2014: -3,360 tons overall reduction in CO_2 emissions worldwide
Powertrain		■ Inbound Approx. 28% of cost of shipping in Europe managed through SDP	▸ Inbound 2014: management of approx. 19% of cost of shipping in Europe through SDP for Powertrain
Agricultural & Construction Equipment		◧ Inbound -0.5% vs 2012 achieved in weight of cardboard and wood for container shipments from Europe to North America and Latin America	▸ Inbound 2014: -0.8% vs 2013 in weight of cardboard and wood for container shipments from Europe to North America and Latin America
Trucks & Commercial Vehicles	▸ Reduction in the use of packaging and protective materials	■ Inbound -5% vs 2012 achieved in disposable wood packaging (from 10.8 to 10.3 kg/m^3) for shipments from Italy to Latin America under the WMF program	▸ Inbound 2014: -5% vs 2013 in disposable wood packaging (from 10.3 to 9.8 kg/m3) for shipments from Italy to Latin America under the WMF program
Powertrain			▸ Inbound 2014: -35% vs 2013 in disposable wood packaging for shipments under the WMF program

SALES AND POST-SALES

SPREADING PRODUCT ENVIRONMENTAL AND SAFETY KNOWLEDGE

Commitment: Enhance customer relations and satisfaction

	ACTIONS	2013 RESULTS	TARGETS
Agricultural & Construction Equipment	▸ Design and offer of targeted training courses to the sale force that leverage best practice within each segment and exploration of all potential synergies	■ 301,398 hours of instructor led training provided (+9.7 % vs. 2012)	▸ 2014: delivery of same number of training hours provided in 2013
		■ Latin America training team consolidated	▸ 2014: introduction of courses on products launched during the year
Trucks & Commercial Vehicles		▲ 65,600 classroom training hours provided on eco features (+30% vs. 2012)	▸ 2014: delivery of same number of training hours provided in 2013
		■ 4,800 students involved in product launches of Stralis Euro VI, complete Bus Range Euro VI, and Eurocargo Euro VI, including test drives and benchmark events	▸ 2014: introduction of courses on products and services launched during the year
			▸ 2014: improvement of training on selling-skills to develop dealer network best practice in product sales

Commitment: Improve skill level of network technicians in diagnosis, repair and maintenance of eco-efficient engines

	ACTIONS	2013 RESULTS	TARGETS
Agricultural & Construction Equipment	▸ Design and offer of targeted training courses that leverage best practice within each segment and exploration of all potential synergies	▲ 161,898 student hours of instructor led training provided (+22.6 % vs. 2012)	▸ 2014: delivery of same number of training hours provided in 2013
Trucks & Commercial Vehicles		▲ 118,761 student hours of instructor led training provided (+10.5 % vs. 2012)	▸ 2014: delivery of same number of training hours provided in 2013
		■ 3,714 technicians involved in the launch of the Eurocargo Euro VI and Stralis Hi-Way Euro VI models	▸ 2014: introduction of new courses on vehicles and major units launched during the year

Commitment: Promote decentralized training solutions

	ACTIONS	2013 RESULTS	TARGETS
Agricultural & Construction Equipment	▸ Offer of online training solutions and improved access to live training for dealership personnel	▲ 252,421 student hours provided online -out of which 168,903 for service technicians- (+29.4 % vs. 2012)	▸ 2014: +15% in online training hours vs 2013
CNH Industrial		▼ target postponed	▸ 2015: implementation, database migration, and dealer roll-out to be completed by end of year
		▼ target postponed	▸ 2015: ongoing development of *Learning Management System* as per plan
			▸ 2014: availability of online training for product launches, and increase in hours of dealer training on selling-skills

Key

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

ENHANCING CUSTOMER EXPERIENCE

Commitment: Enhance customer relations and satisfaction

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▸ Implementation of new contact channels to facilitate customer access	■ Customer Experience Service fully implemented in Brazil	▸ 2014: pilot project for the implementation of social media channels in EMEA
		■ Assistance Non Stop (ANS) Mobile software rolled-out on smartphone devices at more than 50% of Western European service points	▸ 2014: roll-out of ANS Mobile software on smartphone devices at more than 65% of Western European service points. Enhancement of customer satisfaction by improving time efficiency in technical support and feedback on repairs
Trucks & Commercial Vehicles	▸ Development of actions to improve service quality, communication, and monitoring of customer satisfaction and feedback	▲ Technical support services provided in less than 70 minutes from vehicle breakdown in at least 85% of cases (in major markets)	▸ 2014: introduction of new courses on vehicles and major units launched during the year
	▸ Development of enhanced customer self-help tools via web and Interactive Voice Response (IVR) technology to facilitate customer access to CNH Industrial resources and information	■ Options directing customers to self-help resources introduced in all IVR solutions, based on the types of assistance requested most frequently	▸ 2014: enhancement of customer experience by ensuring minimum 90% of first-call resolutions for all information requests, and complaint resolution in less than ten days
CNH Industrial	▸ Development of operational improvements to boost service quality, speed of problem resolution, and communication	■ All contacts covered by Customer Satisfaction survey ▸ Classification of customer contacts streamlined and standardized in EMEA ▸ Call center operator case management instructions improved (additional information to be requested, where and how to address requests)	
	▸ Enhancement of customer information across sales, field service management, and customer assistance		▸ 2014: creation of a common view of a customer record across Sales, Service and Customer Care.
	▸ Enhanced use of resources improving service delivery within Product Improvement campaigns through the Best Service function	■ Best Service used to increase serial numbers from 6,497 in 2012 to 16,228 in 2013, with an average campaign completion rate of 94%	
Trucks & Commercial Vehicles	▸ Review of customer survey methods to improve reliability of results, learning, and best practice to advance operating performance	■ Time required to carry out Break Down Assistance surveys reduced ▸ Process created to mitigate customer dissatisfaction in case of scores lower than 7.0 ▸ New survey model (CSI) created to identify customer perceptions of dealers providing services	▸ 2014: standardization and alignment of processes within Trucks & Commercial Vehicles operations using best practice

Commitment: Support and educate end users on the proper use of products

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▸ Provision of round-the-clock, all year-round technical support to end users, in person and via web	■ New methodology implemented to offer customers dedicated web video lessons, held by instructors and available in different languages	
	▸ Broadening of course contents to enhance offering to customers		▸ 2014: + 15% in online training hours vs 2013
Agricultural & Construction Equipment	▸ Improved ease of use of Advanced Farming System (AFS) and Precision Land Management (PLM) courses and applications through content redesign and reclassification.		▸ 2014: realignment of training content by product category to increase customer satisfaction and fruition

PRODUCT USE AND END-OF-LIFE

TRAINING FOR RESPONSIBLE USE

Commitment: Promote safe and eco-friendly driving

	ACTIONS	2013 RESULTS	TARGETS
Agricultural & Construction Equipment	▸ Design and offer of targeted courses for fleet and demo drivers at commercial vehicle dealers and for agricultural and construction equipment operators	▲ 12,500 hours of training delivered to construction equipment operators and 24,000 hours to agricultural equipment operators on the safe use of machines	▸ 2014: delivery of same number of training hours provided in 2013
Trucks & Commercial Vehicles		▲ 9,300 hours (+33% vs. 2012) of driver training delivered to our Key Accounts, customers, dealer drivers, and internal demo drivers	▸ 2014: extension of *Iveco Driver Training* initiative

PROMOTING REMANUFACTURING AND RECYCLING

Commitment: Increase use of remanufactured components

	ACTIONS	2013 RESULTS	TARGETS
Parts & Services	▸ Increase in number and distribution of remanufactured components	▲ Over 10,400 remanufactured components distributed in 2009-2013	▸ 2016: remanufactured components aiming at 10% of total spare parts sales

Commitment: Increase data on product recycling rate

Trucks & Commercial Vehicles	▸ Implementation of International Materials Data Sheet (IMDS) for medium and heavy vehicles	▼ Trucks & Commercial Vehicles: ▸ preliminary evaluation of the recycling rate of N2 and N3 pivot vehicles performed. Due to the development of the new Daily, priority in 2013 was given to the recyclability rate of the new Daily MY 2014. Activities on other vehicle categories scheduled for 2014	▸ Trucks & Commercial Vehicles 2014: preliminary evaluation of the recycling rate of N2 and N3 (or M3) pivot vehicles

INNOVATION

PRODUCT DEVELOPMENT

MANUFACTURING PROCESSES

03
LIFE CYCLE OF OUR PRODUCTS

LOGISTICS PROCESSES

SALES AND POST-SALES

PRODUCT USE AND END-OF-LIFE

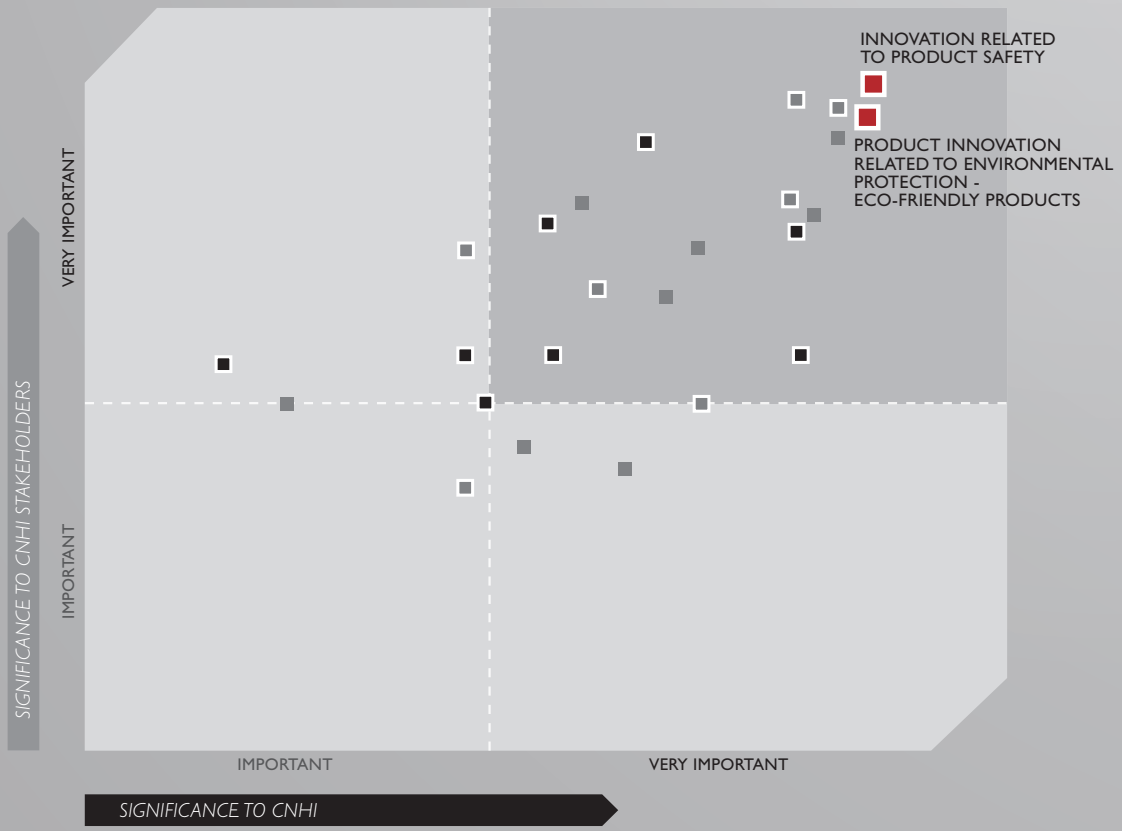
The following section describes the phases of the life cycle of our products, from conception to end of life. It also describes the impact of each phase on the environment, and the role played in each phase by the main external stakeholders, i.e., suppliers, dealer and service networks, and customers.

INNOVATION

SUPPLIERS • PUBLIC INSTITUTIONS • CUSTOMERS

G4-16; EN27

7,710 active patents owned



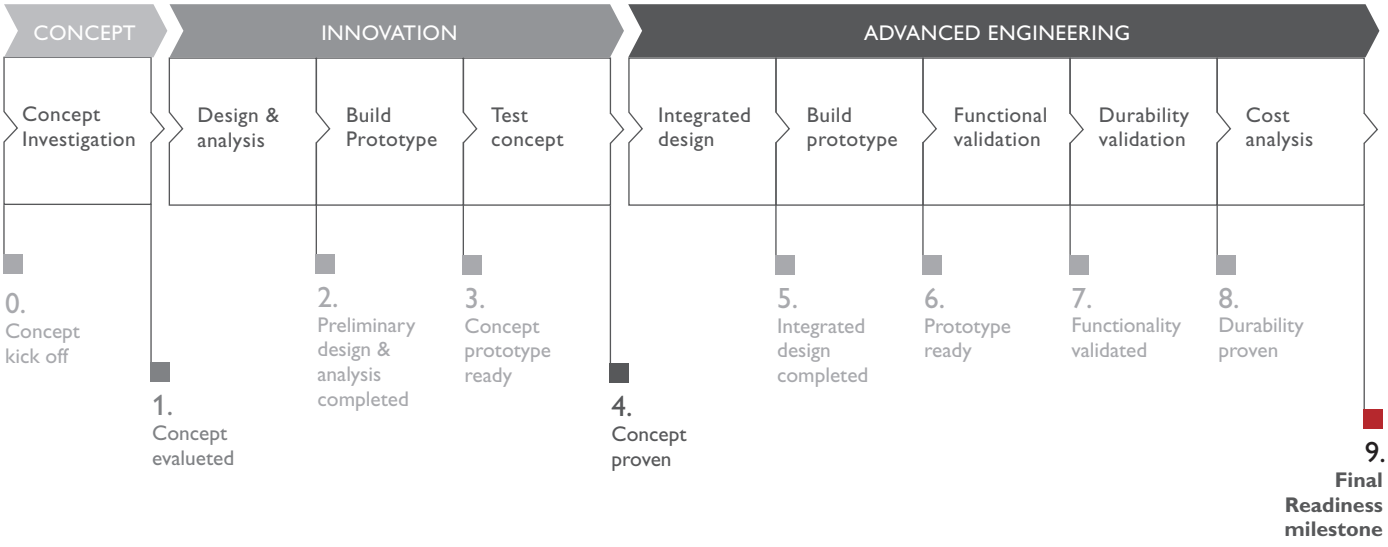
Material aspect described in chapter. For further details, see Materiality Matrix, page 35.

CNH Industrial believes that innovation is essential to offering products that are consistently high-tech, eco-friendly, ergonomic, safe and cost-effective. The new Company has established the Innovation function dedicated to research and development (R&D), as a part of Product Development and Engineering. It operates across the board, encompassing every business and every geographical area where dedicated teams are specifically developing innovative products related to the distinctive needs of the region, including in emerging markets.

OUR APPROACH

CNH Industrial's innovation process consists of a series of clear-cut steps, from the evaluation of innovative concepts up to the final step before product development (see also pages 133-135). 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



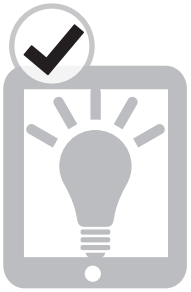
The **Concept** phase, the first in the innovation process, is the most creative and is deliberately unstructured. It mainly focuses on concept and elaboration, and on the assessment of one or more technologies and their potentials. At this point, collaborations are established with companies of excellence, 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 not yet 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 last step of the innovation process: if economic requirements are unmet, the project is discontinued. If the project meets the requirements, on the other hand, as in 90% of cases, it is handed over to the product development platform, where it is processed for subsequent production.

Glossary
Ergonomics

OPEN INNOVATION

Innovation at CNH Industrial welcomes the active contribution of all employees, customers, suppliers, public and private institutions, research centers and universities, within a tight information-sharing network.
Today, information is far more widespread and accessible than in the past, so that to remain competitive and successful, Company expertise must be paired with a willingness to open up to the outside world and find new ideas and skills wherever they may reside, irrespective of geography or sector. This approach enhances the capacity to solve problems while offering quick and innovative solutions. For this reason, the Company adopts the Open Innovation method, which aims at creating a global network among international partners from different professional fields, capable of boosting the efficiency and effectiveness of the idea generation process.



805
new patents
proposals

Employees are the Company's main resource, and they are engaged in many ways to suggest innovative ideas. For example, by using the online Innovation Portal accessible via Web and through the corporate intranet, employees can submit new patent proposals. The applications and patents entered in the database are regularly evaluated by designated teams, centrally managed by the Intellectual Property Department. The goal is to stimulate the generation of new product-enhancing ideas through an incentive plan that rewards employees whose ideas result in a patent or patent application. Each step of the process can be followed via the portal. The Innovation Portal was originally created for CNH companies, but it will be gradually extended to all employees worldwide after adequate training. In 2013, it was made available to Iveco and FPT Product Development employees in Turin (Italy) and Sete Lagoas (Brazil). The remaining Trucks and Commercial Vehicles and Powertrain centers will be trained at the beginning of 2014, enabling full portal access across all CNH Industrial sites. During 2013, employees submitted 805 new proposals.
Another important practice in the generation of ideas is the collection of employee suggestions for improvements within the scope of the World Class Manufacturing (WCM) program. In 2013, 375 thousand suggestions were submitted across WCM plants, an average of ten per person. Suggestions are collected at individual plant level, and cover many topics such as cost reduction, workplace organization, equipment safety and efficiency, and improvements to the work environment and to quality.

The Customer-Driven Product Definition (CDPD) process developed by CNH Industrial companies provides for the active engagement of **customers**, giving voice to their actual needs and enabling them to actively participate in the development and testing of new models. The CDPD process consists of customer visits and surveys, analysis of customer suggestions, meetings with product development teams, testing stages (during which customers try out new model prototypes and compare their main features) and, finally, the integration of customer feedback into final product specifications. This process results in the design of products that not only ensure optimal performance and efficiency, but also satisfy the requirements of those who will be using them on a daily basis.

As always, the Company also encourages **suppliers** to actively contribute to innovation proposals. In particular, the *Supplier Performance* (Su.Per) program advocates a proactive attitude to business, and allows sharing the economic benefits arising from the introduction of the innovative methods and technologies suggested (see also page 155). In 2013 several initiatives continued in order to promote the exchange of ideas and information, as the *Technology Days* (12 workshops held) attended by approximately 1,200 people. Suppliers that lead the industry in innovation, technology and quality met at *Technology Days* events to discuss particular topics and share information on the latest technological developments (see also page 154).

OPEN INNOVATION
CNH INDUSTRIAL WORLDWIDE (no.)

	2013	2012	2011
Innovation portal	**805**	624	424
WCM proposals	**375,000**	375,000	n.a.
Technology Days	**12**	10	17

INTELLECTUAL PROPERTY
CNH INDUSTRIAL WORLDWIDE (no.)

	2013	2012	2011
Patents (active)	**7,710**	6,488	5,983
of which approved during the year	**1,036**	887	911
Patents under examination	**2,242**	-	-
of which filed during the year	**672**	510	474

PARTNERSHIPS AND PROJECTS

CNH Industrial believes that working groups and research projects are a winning strategy for expanding the Company's wealth of knowledge and skills, and for stimulating a dynamic 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 companies collaborate with about thirty 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. FPT Industrial, for example, started a new collaboration with the *Fondazione Politecnico di Milano* focusing on computerized simulations of the combustion process, the spray action in exhaust gas after-treatment systems, and coating validation tests. This partnership joins those already in place with the *Politecnico di Torino*, *Politecnico di Milano* and *Politecnico di Zurigo*, focusing on combustion process optimization, and with Imperial College London, aiming at enhancing boosting systems. Trucks and Commercial Vehicles is also currently participating in 14 collaborative projects; it boasts partners of excellence including prestigious universities such as the *Universidad Politecnica de Madrid* (Spain), *Aristotle University of Thessaloniki* (Greece), and the *Centre National de la Recherche Scientifique - Laboratoire d'Economie des Transports* (France).

CNH Industrial has a long tradition of involvement in national and international working groups, and has played an active role in collaborative research for some years now. The main focus areas are: precision agriculture (see also page 143), fuel economy, alternative fuels (see also pages 138-142) and efficient use of alternative drives (see also page 142).
CNH Industrial is involved in two projects under the Seventh Framework Program of the European Commission, focusing on **precision agriculture** as a means towards more sustainable production. The first is called *Robot Fleets for Highly Effective Agriculture and Forestry Management* (RHEA), developed by a consortium of 19 partners. It aims at a 75% reduction in the use of chemicals, with subsequent improvements in crop quality and human health and safety, as well as at a reduction in production costs.

GRI-G4
G4-16; EN27
Glossary
WCM

The second project is called *Clever Robots for Crops* (CROPS), with 14 partners involved, and concerns the development of a highly configurable and modular platform capable of spraying substances onto foliage only, and of harvesting fruit selectively. CROPS also aims at developing techniques for the reliable detection and classification of obstacles and other objects, enabling autonomous navigation and effective platform operations in plantations and forests.

OUR PROJECTS

VECTOR 2015

The VECTOR 2015 project coordinated by Iveco and co-financed by the Ministry of Economic Development was concluded in 2013. The project, aimed at developing a mid-size eco-compatible vehicle for optimized and multi-role urban transport, was the result of a collaboration among twenty partners including Centro Ricerche Fiat, small and medium Italian enterprises, and the universities of Catania and Parma. The VECTOR project involved the creation of a network of innovative companies linked by the common goal of achieving industrial excellence and competitive growth.

Two **eco-sustainable** and cost-effective prototypes were created using alternative drives and other technological solutions. Both demo vehicles were hybrid: one equipped with a diesel-electric system, the other with a diesel-hydraulic propulsion system. The use of hybrid propulsion led to a significant reduction in fuel consumption and CO_2 emissions, especially by exploiting the energy recovery potential when braking. The demo vehicles, with an architecture optimized for urban transport, are fitted with new electric parking brakes and a new steering wheel with a fixed central hub. They also have an innovative CO_2 cooling system. To improve vehicle energy balance for refrigerated transport, pioneering photovoltaic solar panels were installed in the bodywork. Other innovative features relate to comfort: soundproof cabs and external noise reduction using recycled materials; air filtering systems using electrostatic filters; and new seats with anti-stain fabrics.

Safety features were not overlooked: both prototypes were equipped with preventive safety systems, including the Emergency Braking system extended to urban settings, for the prevention of frontal collisions, and a Vulnerable Road Users single-camera system, for the safety of pedestrians and cyclists during vehicle restart.

Another area of interest relates to integrated projects focusing on the transport of goods in urban areas, especially in the so-called **last mile**, where advanced logistics and the right vehicle can significantly contribute to reducing CO_2 emissions. In this regard, a key project is PIE VERDE, involving 27 companies, including large, medium, small, and micro-enterprises, two universities and a research center. The thirty partners involved are testing new engines with low environmental impact for use in urban settings.

The project entails the development of modular architectures capable of adapting to different use settings, advanced electric and hybrid drive systems, and an innovative storage and charging system. The project will also evaluate the use of innovative materials and explore new strategies for on-board loss reduction and energy recovery.

Research activities concerning **long-distance transport** include the *COmplete Vehicle Energy-saving Technologies for Heavy-Trucks* (CONVENIENT) project, involving 21 European partners.

The project aims at reducing vehicle fuel consumption by 30% using innovative architectures and solutions with enhanced component integration for on-board energy saving and recovery. Solutions include hybrid drives, electrified auxiliary systems, dual level cooling systems, energy collection and storage devices, solar photovoltaic roofs for trucks and trailers, and advanced active and passive aerodynamic devices for trucks and trailers.

The global approach to energy saving also entails the active engagement of drivers, while supporting them with adequate structures and systems.

In 2013, aiming at **optimizing transport capacity**, road tests continued on 18-meter long tractor and semitrailer systems in the scope of the DICIOTTO project, under the ANFIA association and in collaboration with the Ministry of Infrastructure and Transport. Between January and June 2013, these vehicles covered 1.04 million kilometers, bringing total road testing to over 6.8 million kilometers, surpassing the target set in the Sustainability Plan.

RESEARCH AND DEVELOPMENT IN NUMBERS

In 2013, CNH Industrial's expenditure on research and development reached a total of €934 million, or 3.8% of the Company's net revenues from industrial operations.
R&D activities involved 6,280 employees (+7.4% compared to 2012) at 48 centers worldwide, five of them located in the LATAM Region employing 787 people (+14% compared to 2012), and one that opened in China in 2013.

RESEARCH & DEVELOPMENT HIGHLIGHTS

CNH INDUSTRIAL WORLDWIDE (€ million)

	2013	2012	2011
Number of research centers	**48**	49	51
Number of R&D employees	**6,280**	5,845	5,000
Total R&D expenditure[1]	**934**	**895**	**742**
of which on Agricultural and Construction Equipment	538	520	384
of which on Trucks and Commercial Vehicles	298	289	254
of which on Powertrain	98	86	104

(1) *Inclusive of capitalized R&D costs and R&D costs charged directly to the income statement.*

OUR PROJECTS

NEW R&D CENTER IN CHINA

In 2013, a Product Development Center was launched next to the plant in Harbin, province of Heilongjiang (northeastern China). The Center's aim is to turn the plant into the largest regional hub for agricultural equipment, with a particular focus on the specific requirements of the Chinese market. The Center, which is an integral part of the Company's global R&D network, implements the Global Product Development process (see also page 133) and an integrated product data management system, which allows sharing resources and know-how with all other R&D centers.
The development of a corn harvester began in 2013 to meet the demand of Chinese farmers.

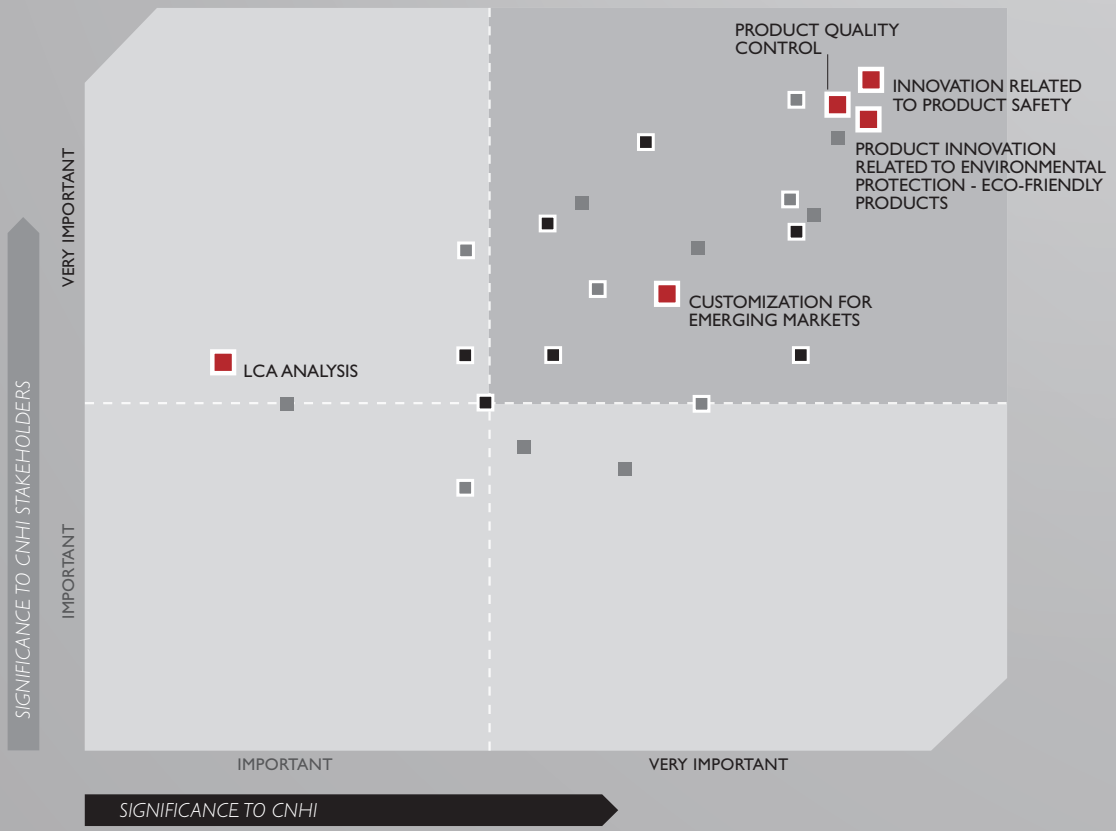
Glossary
ANFIA, LATAM

PRODUCT DEVELOPMENT

SUPPLIERS • CUSTOMERS • ENVIRONMENT

DMA; EN27; PR1

75% of engines compliant with the latest emission levels



Material aspect described in chapter. For further details, see Materiality Matrix, page 35.

CNH Industrial's commitment, as stated in the Code of Conduct[1] and in the Environmental Guidelines[2], is to develop and offer its customers high performing products with low fuel consumption, thus maximizing productivity and minimizing environmental impact. 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 are set out in the Sustainability Plan (see also pages 113-115) and are included as individual goals in the Performance and Leadership Management system (see also page 46).

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 the findings of the materiality analysis, environmental awareness, and safety standards are accounted for during product design, which is overseen by Product Development and Engineering. CNH Industrial adopts an ecodesign approach, employing solutions in the design phase that aid product dismantling and remanufacturing (see also page 204), and the recycling of end-of-life products differentiated by type of material.

The process of designing a new product is set out in Global Product Development (GPD), common to all brands, which guides and monitors all stages of the design process and evaluates their effectiveness. 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. The information on component composition is available in the International Material Data System (IMDS) online database (see also page 154), which also specifies the substances listed in the European regulation on Registration, Evaluation, Authorization and Restriction of Chemical substances (REACH), and flags the presence of Substances of Very High Concern (SVHC). The database monitors the data entered by suppliers in real time, and generates an alert if an SVHC is detected, while enabling the search for a substitute.
CNH Industrial is increasingly focusing on the environmental impact of the entire life cycle of its products. During 2013, FPT Industrial launched a pilot project to assess the carbon footprint of the F1C diesel engine. This project is the first step towards the adoption of a Life Cycle Assessment (LCA) methodology, which assesses the energy consumption and environmental impact throughout the product life cycle, and not just the greenhouse gas emissions as in carbon footprint calculations.

OUR APPROACH

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 management of the entire product life cycle, from development of new products to maintenance of existing products.
Each team is composed of representatives from the following functions:

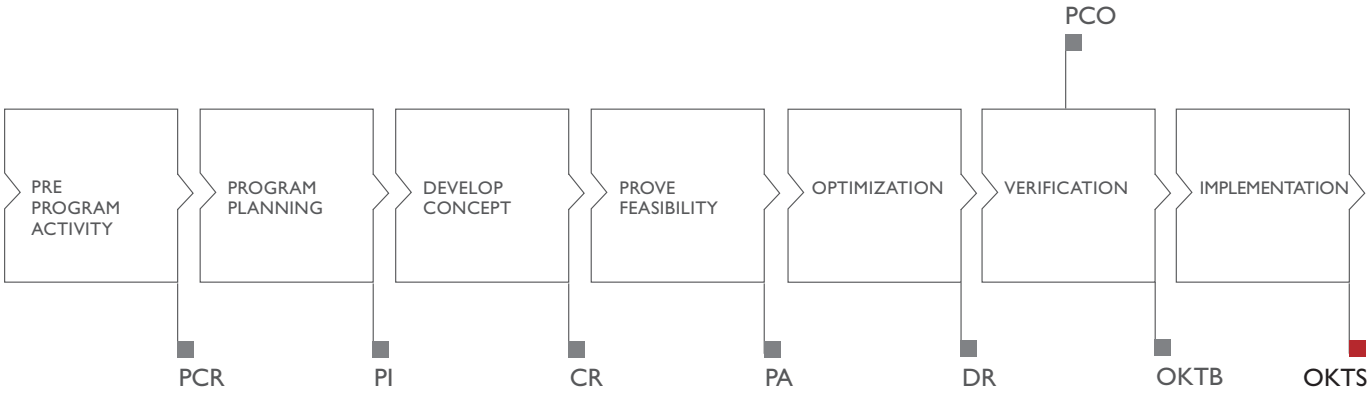
- Brand – definition of market requirements, including regional variations
- Product Engineering – product design and fulfillment of technical requirements
- Design Analysis & Simulation – virtual analysis of product
- Product Validation – product validation and certification
- Manufacturing – planning and preparation for production
- Purchasing – procurement of parts and materials from external suppliers (time, cost and quality)
- Parts & Service – management of spare parts
- Product Quality & 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.

GRI-G4
DMA

Glossary
Carbon Footprint, DMA, IMDS, LCA, REACH, SVHC, Stakeholders

(1) *The Fiat Group 2003 Code of Conduct was adopted by Fiat Industrial in 2011 and subsequently by CNH Industrial in September 2013, following approval by the Board of Directors. It is available on the Corporate website.*
(2) *The Environmental Guidelines were issued by Fiat Group in 2009 and subsequently by Fiat Industrial in 2010 and by CNH Industrial in September 2013, following approval by the Board of Directors. They are available on the Corporate website.*

GLOBAL PRODUCT DEVELOPMENT PROCESS



The platform teams follow a standardized Global Product Development (GPD) process, which itself is subject to continuous monitoring and revision. Although application is standardized across geographic regions, the process allows for variations in product specifications to meet local requirements, including those specific to emerging markets. GPD consists of six phases, each consisting of a set of activities and deliverables that are assigned to one or more functions. The milestones at the end of each phase consist of reviews to determine whether the objectives have been met before the decision is made to continue to the next phase. This approach facilitates optimized resource planning, allocation of investment, setting of clear objectives, improved ability to forecast and manage risk and, ultimately, development of a quality product.

Prior to the start of the GPD Process is **Pre Program Activity**, which includes an evaluation of customer requirements and a preliminary estimate of time and cost. The Customer-Driven Product Definition process (CDPD) – which analyzes the needs of and feedback from the brand's customers – plays a major role in this phase. At the Product Change Request (PCR) milestone, the first in the process, the product profile is formalized and a research and design budget established.

Following approval of the PCR, the **Program Planning** phase is then initiated. 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 (both R&D and launch) and an analysis of expected financial returns. A catalogue of key systems/components is also compiled and style theme is selected.
The deliverables for this phase are designed to enable 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 achievement milestone for this phase is Program Initiation (PI).

Once PI has been approved, the **Develop Concept** phase then begins. Deliverables for this phase include creation of the first virtual prototype for validation of technical content and review/identification of patent requirements. A critical parts list is prepared together with identification/analysis of potential supply issues/ constraints and the need to involve suppliers in the design process. The Manufacturing department begins planning actions necessary for configuration of the production line. Completion of all deliverables to be done in this Phase is verified as part of the Concept Review (CR) milestone, which marks/represents definition of the principal technical solutions for 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 the feasibility of the concept, finalization and release of parts plan, style design freeze and definition of the manufacturing project plan.

GRI-G4 DMA
Glossary DMA

The Program Approval (PA) milestone which completes this phase is particularly important because it serves as the decision point for proceeding with the full investment program and setting targets (time, cost, quality) that will be used as benchmarks for final evaluation of the project.

The next phase is **Optimization**, which includes deliverables for sub-system and component testing, software validation, as well as definition of the critical-for-launch components list. During this phase, Product Validation verifies the design on full prototypes called Development Builds, and Product Engineering then releases design details so that other functions (primarily Purchasing, Manufacturing and Parts & Service) can complete sourcing, production planning, and parts stocking based on the validated final design. Achievement of the Design Release (DR) milestone represents completion of this phase.

The next step, the **Verification** phase, consists of more than 20 deliverables which cover areas such as product safety, training of plant personnel, drafting of owner and maintenance manuals, and product certification. This phase includes the Production Change-Over (PCO) milestone, which formalizes production phase-out for existing components and production phase-in of components for the replacement product. This milestone is also critical because phase-out of production of components for the existing product could result in a suspension in production and supply to the sales network in the event of a delay in launch of the new product. Other activities during this phase include the evaluation of training needs for the sales network and customer product trials. The phase concludes with achievement of the OK to Build (OKTB) milestone, following verification that the plant, including equipment and employees, are ready for production launch.

The **Implementation** phase can then be launched with deliverables ranging from final validation of safety, product certification, quality and availability of spare parts. This phase concludes with achievement of the OK to Ship milestone (OKTS), which authorizes shipment to dealers and customers.
The length of the product development process varies by business line and amount of new content and can range from 18 to 36 months. Where necessary, further product improvement activities (i.e., cost reductions or resolution of any critical issues arising post-launch) may continue after product launch, until targets are met. The platform teams maintain responsibility for improvement of current products, establishing action plans for achievement of quality and cost reduction targets together with timing for implementation.

In all phases of the GPD, maximum priority has been given to:
- using recycled materials and eliminating hazardous substances
- reducing the environmental impact of products during use
- implementing high safety standards
- optimizing ergonomics and comfort.

OUR PROJECTS

THE F1 ENGINE CARBON FOOTPRINT

FPT Industrial launched a project in 2013 to assess the carbon footprint of the F1 engine, in order to quantify CO_2 emissions during the product's life cycle and implement mitigation measures. The F1 is a light diesel engine for commercial vehicles manufactured at the Foggia plant (Italy). The first phase of the project, completed at the end of 2013, focused only on cradle-to-gate emissions, i.e., from raw material extraction to the factory gate, excluding use and end-of-life phases.
The robustness of the assessment model has yielded reliable and qualitatively significant data; as a result, the study can serve as a foundation for a more in-depth analysis, to be followed by appropriate measures for reducing overall greenhouse gas emissions during the engine's manufacturing phase. The project will continue with the analysis of the engine's use and end-of-life phases, reaching completion in 2014.

GRI-G4
DMA

Sustainability Plan
Our commitments on page 113

Glossary
Carbon footprint, Ergonomics, DMA, LCA

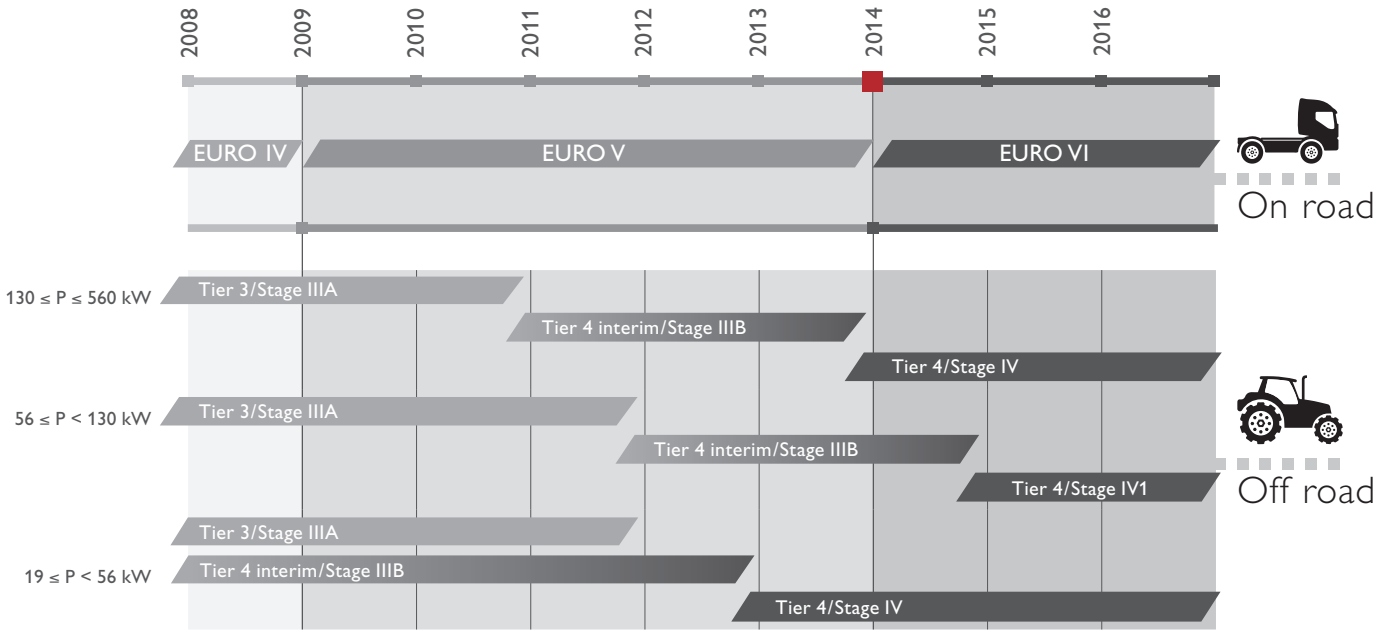
REDUCTION OF PRODUCT EMISSIONS

Since the use phase of its products can generate up to 85% of the CO_2 emissions of 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 by reducing consumption and subsequent polluting and CO_2 emissions. Given that the latest regulations in force have reduced polluting emissions, i.e., nitrogen oxides and particulate matter, to the minimum measurable levels, the challenge for the future is to reduce CO_2 emissions by optimizing the management of the energy produced by vehicles.

POLLUTING EMISSIONS

The quantity of **pollutants** produced by combustion is regulated by a series of standards that progressively reduce the maximum amounts of nitrogen oxides (NO_x) and particulate matter (PM) permitted. The European Union (EU) and the United States Environmental Protection Agency (EPA), along with emerging countries such as China, are adopting increasingly stringent standards to reduce air pollution. The body of laws regulating emission levels includes Euro standards for heavy commercial vehicles and buses, and EPA Tier standards and EU Stage standards for agricultural and construction equipment.

EMISSIONS STANDARD
ENGINES FOR ON-ROAD/OFF-ROAD VEHICLES

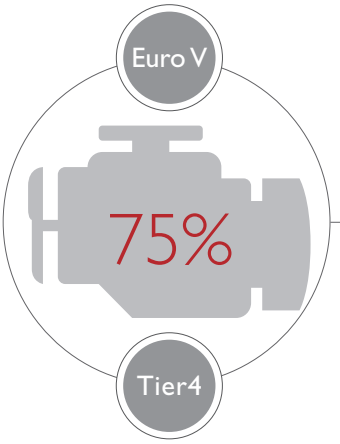


P = rated power

Diesel engine combustion produces a series of pollutants, including NO_x and PM; their levels in exhaust gases depend mainly on the temperature of the combustion chamber, determined in the design phase of the engine. NO_x gases are produced at about 1,600°C, while almost all PM particles burn at high temperatures. A choice must therefore be made between optimized combustion, producing less PM but more NO_x, or less efficient combustion, with the emission of fewer NO_x and more PM. Lower PM levels are achievable with a Diesel Particulate Filter (DPF), which must be periodically regenerated because of particulate build-up over time, while two systems allow cutting NO_x emissions. The first is Exhaust Gas Recirculation (EGR), in which exhaust gases are recirculated in the combustion chamber to lower its temperature, thus reducing NO_x.

GRI-G4
EN27
Sustainability Plan
Our commitments on page 113
Glossary
EGR, Euro VI, EPA, NO_x, PM, Tier

(1) *ACEA Position on Life Cycle Assessment, 2012.*



of engines compliant with the latest emission levels

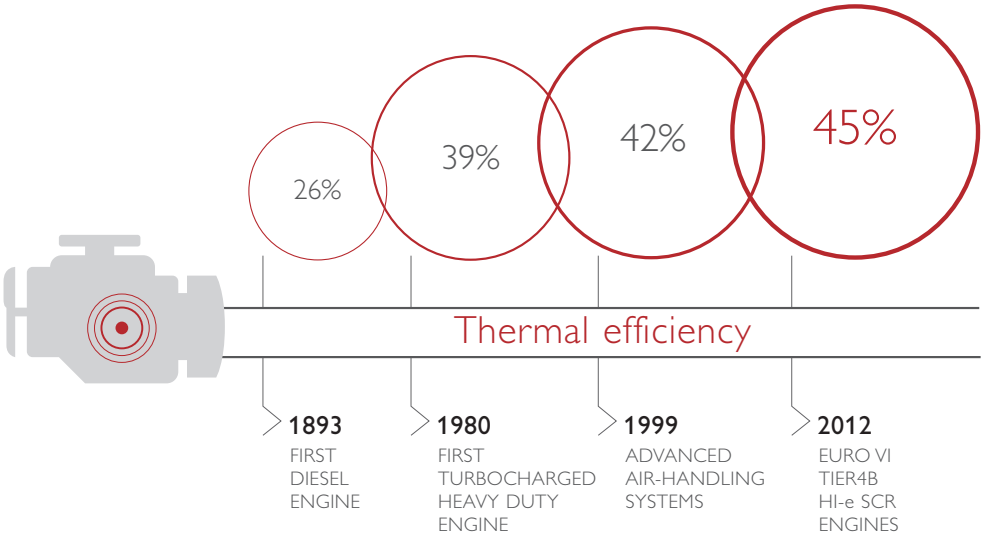
The system, however, penalizes engine efficiency and increases particulate production, thus requiring frequent DPF regeneration. The second system is Selective Catalytic Reduction (SCR), which maintains optimized combustion and reduces NO_x emissions through the addition of a reductant (ammonia, obtained from AdBlue). This produces little PM and requires less frequent DPF regeneration.
Since 2005, FPT Industrial has developed and introduced a SCR system that uses AdBlue, a urea and demineralized water solution, for NO_x reduction: the exhaust gases pass through the AdBlue, which reacts in the presence of a catalyst, decomposing NO_x into non-polluting molecules (O_2 and N_2). The solution, known as the ECOBlue™ HI-eSCR system and adopted by New Holland Agriculture on its high power tractors, received the AE50 award in 2013 from the American Society of Agricultural and Biological Engineers.

In the **off-road** engine sector, the Company will continue to rely on SCR technology for high-power engines, while Compact Light CEGR technology with an Exhaust Gas Recirculation system will be adopted for engines below 88 kW. Construction equipment sold by CNH Industrial complies with Tier 2 standards or above in all markets where the Company operates.
During 2013, the range of Tier 4A/Stage IIIB products sold comprised:
- 134 agricultural equipment models
- 91 construction equipment models.

For its **on-road engines**, FPT Industrial has patented the High Efficiency SCR (HI-eSCR) system, enabling compliance with Euro VI standards prior to their commencement date. HI-eSCR uses an innovative emission control system that enables active AdBlue dosing thanks to a network of integrated sensors that monitor the levels of nitrogen and ammonia. The main advantages consist in the increased reliability and low operating costs, owing to less engine wear and longer intervals between scheduled maintenance (up to 150 thousand kilometers) and oil changes. In addition, the Hi-eSCR engine and exhaust gas after-treatment system have a simple and compact design, reducing weight and installation space.

CO_2 EMISSIONS

CNH Industrial endeavors to manufacture products with ever-greater efficiency and ever-lower CO_2 emissions by:
- optimizing consumption and energy efficiency (see also page 138)
- increasing the use of alternative fuels (see also page 139)
- developing non-conventional propulsion systems (see also page 142)
- offering telematics systems that improve productivity (see also page 143)
- helping customers to use vehicles as efficiently as possible (see also page 203).

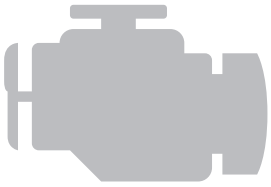


GRI-G4
EN27
Sustainability Plan
Our commitments on page 113
Glossary
Euro VI, NO_x, PM, SCRE, Tier

Optimizing energy consumption and efficiency

It is essential to increase product performance and reduce running costs for all CNH Industrial business segments, thus boosting customers' productivity.

With the aim of optimizing performance and reducing environmental impact, the series of on-road diesel **engines** compliant with Euro V and with the even more stringent Enhanced Environmentally Friendly Vehicles (EEV) standards were equipped with a closed suction system, a feature maintained in the Euro VI series as well. Furthermore, to prevent oil mist dispersion into engine blow-by gases, high performance oil-separation systems were introduced to minimize any risk of contamination of the Diesel Particulate Filter (DPF). Engine-out particulate emission rates are already low thanks to the optimized combustion regime, which makes forced DPF regeneration unnecessary. This is important in terms of fuel consumption and periodic servicing. In addition, since the engine only receives clean filtered air rather than recirculated exhaust gases, engine wear is minimal and oil change intervals are longer, reducing the environmental impact associated with waste oil disposal. Similar systems are also adopted in off-road diesel engines compliant with Tier 4A/Stage IIIB standards. It is important to note that 75% of currently manufactured FPT Industrial engines comply with the latest emission levels.



The CNH Industrial **Agricultural Equipment** segment continues to offer innovative products that increase productivity by decreasing the amount of work required to perform a task, hence cutting fuel consumption. In 2013, the Case IH Austoft Multi-Row sugarcane harvester received the Gold Gerdau Best of the Land award for its revolutionary advancement in sugarcane harvesting technology. Thanks to its unique patented line divider system, the A8800 sugarcane harvester offers the flexibility of accommodating a variety of row-spacings. The innovation is a first in sugarcane harvesting and an incredible advancement for sugarcane growers who can now vary row spacing to optimize yield and significantly reduce inputs like fuel, fertilizer, and pesticides at the same time. The A8800 also offers further fuel savings through the use of factory installed Case IH SmartCruise software, which optimizes fuel consumption at lower load levels. Previously, sugarcane growers were only able to use single-row sugarcane harvesters if experimenting with different row-spacing. For many farmers, this innovation means fuel-efficient harvesting while fully realizing the benefits and flexibility of optimized row spacing.

The Case IH Steiger Quadtrac 620 received the DLV (German Agricultural Publishers) award for Machine of the Year at Agritechnica 2013, and the Silver Innovation award at the InterAGRO 2013 trade show in Kiev, Ukraine. The revolutionary four-tracked design provides unbeatable control and traction even in wet conditions while reducing soil compaction at the same time. At nearly 700 maximum horsepower, the Case IH Quadtrac 620 is the flagship of the Case IH Efficient Power line-up: it is the highest horsepower tractor in the Case IH fleet and can pull the largest implements with incredible fuel efficiency. Bigger implements mean covering more rows in fewer passes, with impressive fuel and time savings.

In 2013, New Holland's Opti-Speed™ strawwalker technology received the silver medal in Innovation at Agritechnica. This new system increases productivity by up to 10%, automatically varying the speed of the strawwalker according to the slope of the land and the type of crop, giving the operator four preset options to choose from. The strawwalker's lower speeds make it particularly suitable for harvesting corn on flat ground, increasing productivity by as much as 20%. This technology also received an AE50 award from the American Society of Agricultural and Biological Engineers.

The innovative Cornrower for Maize Header also received the silver medal at Agritechnica. The system, which can also be installed on traditional corn headers, results in uniform windrows of finely cut stalks and leaves. Such fine shredding improves pressing and so boosts bale density by up to 15%, which also improves combustion and fermentation, ideal for producing energy from biomass. Moreover, this system enables biomass harvesting and windrowing in a single pass, thus saving fuel and keeping soil compaction to a minimum. Any lost grains fall directly onto the windrow, so bales used as fodder have a higher nutritional content. Because they are finely chopped, the corn leaves and stalks release their moisture more rapidly, thus reducing the time between chopping and baling. Shredded stalks and leaves can also be used as absorbent material in animal bedding, or as a supplement that, mixed with hydrated lime and water, can help reduce the cost of fodder by as much as 40% compared to conventional corn silage.

GRI-G4
EN27
Sustainability Plan
Our commitments on page 113
Glossary
EEV, Euro VI, Gas Blow-by, DPF, Tier

In the **Construction Equipment** segment, CNH Industrial's products also aim at working more efficiently with a lower environmental impact. In 2013, New Holland Construction introduced new products fitted with Eco mode, for fuel consumption control and regulation, and cutting-edge solutions for low emission transmissions. The E215C excavator, for example, consumes on average nine liters of fuel per hour, and seldom more than 11 liters per hour even during heavy excavations. Case's new CX75SR and CX80C midi excavators, on the other hand, have 9% more hydraulic power, and the presence of high capacity hydraulic pumps enable shorter cycle times and a 3% increase in digging force. The Case Construction Equipment M Series dozers are 9-16% more powerful, with over 10% savings in fuel consumption and a 19% increase in overall productivity.

In 2013, Case and New Holland unveiled new wheel loaders for waste management. Case launched two Waste Handler wheel loader models, also in Europe, capable of outstanding traction under any conditions, resulting in longer intervals between maintenance and prolonged tire life. In addition, these loaders are able to lift greater loads, allowing for the use of solid tires, increasingly in demand in waste and scrap handling sites to prevent the risk of flat tires. New Holland Construction, on the other hand, launched a new version of the W170C Recycler wheel loader, with exceptionally low fuel consumption (10 liters per hour, and the best payload in its class). Its most interesting new features include greater pushing power and faster work cycles, achieved through ECOSHIFT five-speed transmission, enhanced tire grip, and reduced tire wear thanks to heavy duty axles with open differentials and 100% front lock. In addition, the ECO mode and ECOSTOP function enable lower fuel consumption.

For **road transport**, the Stralis Hi-Way Euro VI offers a 2.33% reduction in fuel consumption compared to the previous Euro V version. These fuel savings were certified by TÜV, one of Europe's leading technical certification centers, and made possible by the HI-eSCR system and the aerodynamic streamlining introduced with the new cab. The tests carried out compared two EcoStralis models: the new Stralis Hi-Way on-road tractor, equipped with a 460 hp Euro VI Cursor 11 engine, and a similar vehicle of the previous generation, equipped with a 460 hp Euro V Cursor 10 engine.

For **passenger transport**, Iveco Bus launched the new Euro VI range in 2013, completely redesigned around the Total Cost of Ownership (TCO). The current range comprises three bus categories (city, intercity and tourist) and, depending on model and use, boasts savings in fuel consumption between 5 and 10% compared to Euro V vehicles. The TCO was reduced by making vehicles lighter, more efficient, and even more reliable and easier to service. Indeed, all components are designed to be easily and rapidly replaced, and many components are common across the entire range, hence easier to locate and competitively priced. Moreover, the adoption of innovative components means much longer servicing intervals (the DPF may not need replacing for up to four years), which helps keeping the TCO down. More efficient combustion enabled by the adoption of the Hi-eSCR system has improved fuel economy, so cutting emissions. In addition, passenger comfort has been enhanced by reducing noise by 50%, increasing space on board by 10%, and providing larger windows.

Alternative fuels

The main constituent of **natural gas** (NG) is methane (between 83% and 99%), and, for CNH Industrial, its immediate usability makes it the most promising alternative fuel. Whether in the form of gas (CNG) or liquefied (LNG), the basic fuel is the same; what changes is the method of storage, distribution, and use in vehicles. Its main features make natural gas a strategic fuel:

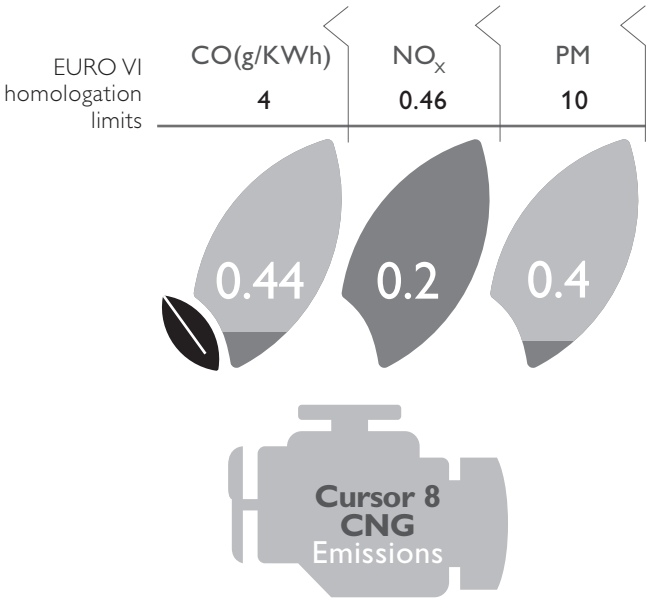
- minimal harmful emissions, from particulate matter (practically none) to aldehydes (-50% compared with diesel)
- minimal emission of air pollutants (-50% NO_x and -90% PM compared with diesel)
- more than 80% fewer ozone-generating agents than conventional fuels
- 5% fewer CO_2 emissions compared with 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).

GRI-G4
EN27

Sustainability Plan
Our commitments on pages 113-114

Glossary
CNG, Euro VI, LNG, NG, NO_x, PM, SCR, TCO, Well-to-wheel

CNH Industrial's interest in natural gas (NG) fuel goes back many years, as testified by Iveco's first investments in research on natural gas propulsion dating back to before 1988, the year when natural gas was first tested in heavy duty diesel engines, leading to the development of the first-ever methane powered Daily prototype in 1995.
FPT Industrial currently offers three series of NG engines, which are used for Iveco vehicles and those of third party customers. In 2013 alone, the company supplied 1,200 CNG engines (350 Cursor 8 engines and 850 NEF 6 engines), for an equivalent number of buses, to the Beijing Public Transportation Company (BPTC), with which the Company has collaborated for ten years.
All FPT Industrial NG engines (F1C, NEF 6 and Cursor 8) are equipped with Company-designed control systems, multi-point fuel injection systems to guarantee the highest level of precision fuel delivery, and a combustion chamber that ensures maximum stability of the combustion process. The use of methane significantly cuts operating costs, while the three-way catalyst reduces exhaust gases. Compared with traditional diesel engines, the NG engines manufactured by FPT Industrial cut particulate emissions by more than 90% and comply with Euro VI standards.



The variety of FPT industrial natural gas engines allows Iveco to offer the most comprehensive range of commercial and industrial natural gas vehicles on the market. Customers can find anything from light commercial vehicles, such as the New Daily Natural Power, to the Stralis LNG Natural Power, which received the 2013 *Europäischen Transportpreis für Nachhaltigkeit* award in Germany for transport sustainability. The advantages of natural gas are both environmental and financial: a Stralis LNG, for example, can reduce the Total Cost of Ownership (TCO) by 15% compared to a diesel truck, and is suitable for the distribution of goods at regional and national level. Market opportunities for these vehicles are particularly promising in sectors such as food and beverages, fuel transportation, logistics, and overnight deliveries, because electronic ignition engines reduce noise levels by three to six decibels compared with equivalent diesel engines.
The low environmental impact of natural gas also makes it the ideal fuel for public transport. Iveco Bus offers the option of a compressed natural gas powered Urbanway bus with Cursor 8 CNG engine. This Euro VI engine allows transport providers to extend their fleets with CNG buses that have the same technology as Euro V / EEV vehicles.

+43% in natural gas-powered vehicles sold worldwide

GRI-G4
EN27
Sustainability Plan
Our commitments on page 114
Glossary
CNG, EEV, Euro VI, LNG, NG, NO_x, PM, TCO

NATURAL GAS POWERED VEHICLES SOLD

CNH INDUSTRIAL WORLDWIDE (no.)

	2013	2012	2011
Bus CNG (Cursor 8 engine)	**308**	324	318
Heavy range (Stralis CNG – Cursor 8 engine)	**228**	164	170
of which Stralis LNG – Cursor 8 engine	**87**	15	-
Medium range (Eurocargo Natural Power – NEF 6 engine)	**65**	33	24
Light range (Daily Natural Power – F1C engine)	**1,451**	915	471
Total	**2,052**	1,436	983

Unfortunately, the lack of a consistent fueling infrastructure network across Europe remains an obstacle to realizing the full potential of natural gas as an alternative fuel. However, the growing commitment at European Union (EU), national, and regional levels to creating this infrastructure is encouraging, especially if real investments follow. As a first step, the European Union has set the objective of increasing the share of biofuels and alternative fuels in the transport sector by 10% and 20%, respectively, by 2020. To reach this objective, the European Commission has launched several initiatives including *Blue Corridors*, aimed at creating a distribution network with CNG and LNG fueling stations every 150 and 400 kilometers, respectively. The first of these will be the four-year *LNG Blue Corridors* project. It will connect twelve EU member states through 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, with the realization of 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. Iveco is participating by supplying approximately thirty Stralis LNG vehicles.

The current availability of technologies enabling the independent production of **biomethane** also makes natural gas engines an attractive option for tractors. In fact, biogas from waste agricultural biomass can easily be exploited to produce 98-99% pure methane. The biomethane currently produced on site is used to generate energy, but could also be used to fuel tractors, provided they are equipped with engines suitable for natural gas.
New Holland Agriculture unveiled a prototype T6.140 Methane Power tractor at Agritechnica 2013, which enjoys all of the features of a standard tractor, and is a key step toward the realization of an energy-independent farm powered by biomethane. The compressed methane is stored in nine tanks that are perfectly integrated into the overall design, guaranteeing the same visibility and operational ground clearance as standard models. The tanks' 50-kilo capacity delivers approximately half a day of autonomy during normal operation, backed up with a 15-liter reserve tank. The tractor's 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 25-40% compared with the cost of conventional fuels.

OUR PROJECTS

A TANK FULL OF CNG DIRECTLY TO YOUR DOORSTEP

At Transpotec 2013, BRC FuelMaker and Iveco presented fleet owners with an on-site tank refill system for CNG vehicles, which was well received by companies interested in autonomous supplies and in avoiding long waits at conventional fueling stations, or without easy access to them. The system consists of an electric compressor connected to the natural gas distribution network, and located on site at company facilities. Refills require a few hours, depending on capacity: the cylinders of a Daily CNG, for example, can be filled at night, on company premises. Furthermore, the installation safety requirements are simple and easy to implement.

GRI-G4
EN27

Sustainability Plan
Our commitments on page 114

Glossary
Carbon Footprint, CNG, LNG, NG, Tier

CNH Industrial also follows other technological trends related to fuels from renewable resources. Indeed, a number of its products can already be fueled with biodiesel, bioethanol and biogas. As regards **biodiesel**, the Tier 4A/Stage IIIB engines produced by FPT Industrial are compatible with biodiesel mixed with 20% diesel (B20), if the blend meets the requirements defined by the EN14214:2009 standard. New Holland Agriculture, which has used biodiesel since 2006, endorses the use of B20 blends for all new Tier 4 ECOBlue™ SCR engines, provided that the blends comply with the EN14214:2009 standard and are used according to the owner and maintenance manuals. All engines used by Case IH are compatible with B5 Biodiesel, and Case IH supports 100% biodiesel (B100) and B20 in most medium-to high horsepower tractors, combines, windrowers, sprayers and cotton pickers. When supplies are available, Case IH equipment even ships from the factory with a biodiesel blend in the tank. Iveco vehicles can use biodiesel mixed with up to 7% fossil diesel, without any modifications required. FPT Industrial is focusing its research on second-generation biofuels, particularly Hydrotreated Vegetable Oil (HVO) and Biomass to Liquid (BTL).

Alternative traction systems

The sustainable mobility of goods is the subject of much discussion, especially concerning the last leg of the supply chain: that is, 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. "The use of electric, hydrogen and hybrid technologies would not only reduce air emissions, but also noise, allowing a greater portion of freight transport within the urban areas to take place at night time. This would ease the problem of road congestion during morning and afternoon peak hours[1]". In line with the recommendation of the European Commission, Trucks and Commercial Vehicles segment offers not only natural gas powered engines, but also diesel-electric hybrid technology for combined driving 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 without sacrificing high-speed performance, while 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. In 2014, it will equip the hybrid version of the new Urbanway passenger bus with a Euro VI engine and enhance it 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 the urban passenger hybrid transport system has been very positive: average fuel consumption and CO_2 emissions have been reduced 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).

For twenty years now, Iveco has offered **electric traction** vehicles with emissions close to zero, ideal for urban goods deliveries: the first Daily Electric, in fact, dates back to 1986. Currently, Iveco's New Daily Electric offers significantly enhanced electric drive features. Particular attention was given to the choice of batteries, which are lightweight, high-performance, maintenance-free, and all parts are completely reusable at the end of battery life. The vehicle has up to 130 km of autonomy, as demonstrated on an urban cycle. After passing a number of tests, the Daily Electric won the Alternative Drives innovation award at the *KEP-Transporter des Jahres 2013* competition for courier, express, and parcel delivery vans. The Daily was selected based on a variety of criteria, especially the importance Trucks and Commercial Vehicles attributes to electric drives, including in the 3.5 - 5.2 ton segment. The vehicle also stood out for its wide product range, and for distinctive features such as the ease of vehicle outfitting, and the size and comfort of the internal cab. Moreover, with testing taking place in Brazil, the Daily Electric is destined to become the first zero-emission light commercial vehicle produced in Latin America.

GRI-G4
EN27
Sustainability Plan
Our commitments on page 114
Glossary
Biodiesel, BTL, Euro VI, HVO, Last mile, SCR, Tier

(1) *European Commission, White Paper, Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system, item 33. /* COM/2011/0144 final */)*

OUR PROJECTS

ELLISUP: TOMORROW'S BUS CONCEPT

During the 2013 Busworld Kortrijk trade fair, Iveco presented the ELLISUP Concept Bus project, controlled by the French Environment and Energy Management Agency (ADEME), and directed by Iveco Bus in collaboration with several partners. The objective of the project is to develop a new electric bus solution, capable of operating in full electric mode along an entire service line, and rapidly recharging in a matter of minutes at the end of the line. ELLISUP is equipped with electric motors developed by Michelin and housed above four of the eight wheels reduced in dimension, and uses an innovative energy storage solution characterized by high power density and great durability. The electric power allows for zero emissions and full noise abatement. Reduced wheel size enables a new architecture that differs completely from that of a traditional bus, with a larger and more functional interior space that optimizes the flow of passengers when boarding and exiting the bus.
The new design also allows for larger windows that further increase passenger comfort.

Technology and telematics

CNH Industrial deploys telematics systems in **precision agriculture**, in monitoring construction equipment and in on-road vehicles, so optimizing their use. The resulting increase in productivity also brings positive environmental impacts: from lower polluting emissions, to 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. Case IH Advanced Farming System® (AFS) products are designed to maximize uptime and make the most of short field windows during critical seasons. Case IH AFS comprises a complete offering of precision technologies to improve productivity and agronomic performance while minimizing input costs and managing risk. New Holland Precision Land Management™ (PLM) also offers a full range of precision farming solutions that can be tailored to suit the customers' needs, and that help improve yields, control input costs and increase productivity. PLM eliminates overlaps, increases yield potential, and reduces waste with IntelliRate™ Section Control and variable rate control. 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 colors to determine their chlorophyll content, which serves as an indicator of the crop's maturity, and of the estimated quality and quantity of the harvest. The system avoids skips and overlaps, and ensures parallel tracking when working both in curved and straight tracks, on either 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.

CNH Industrial has devised an innovative telematics system for **construction equipment** as well. It uses a GPS satellite localizer to monitor fleet equipment remotely, identifying its position and quantifying its usage. This allows maximizing fleet distribution across construction sites, therefore increasing efficiency and optimizing consumption and emissions. The GPS display installed in the cab provides the operator with most of the data required for an operation. The system enables positioning the equipment more accurately and reducing the amount of materials to be handled, cutting operating costs. It also allows monitoring the status of the vehicle, thus optimizing maintenance and technical support.
The IVECONNECT system, on the other hand, was realized for **on-road vehicles** to simplify and integrate the management of infotainment, telephony, navigation and driving assistance devices, and of fleet management services. The ergonomic interface and the 7-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, and sends 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 as to the estimated time of arrival of a technician. The system is also connected to the Driver Attention Support, which alerts the driver if tiredness is detected (see also page 145).

GRI-G4
EN27

Glossary
Ergonomics, GPS

PRODUCT ERGONOMICS AND SAFE USE

Protecting operators during their work has always been a key factor in CNH Industrial's design and product development. In fact, the Company strives not only to ensure and comply with high safety standards, but also to direct its innovations according to the cognitive understanding of users. Company products serve 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 circumstances: steep slopes and extreme weather conditions require products that guarantee total safety and maximum comfort, to minimize the risk of human error caused by excessive fatigue. For this reason, all CNH Industrial products are designed to shift the user's attention from how a machine works to how a task is done. Furthermore, ergonomics are combined with comfort for increasingly intuitive and user-friendly controls. Spacious and quiet cabs, fewer vibrations, good climate control, and radio systems with Bluetooth for hands-free calls are just some of the features that enable the operator to work with greater ease.

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. The individual components crucial for safety are identified right from the design phase, in the technical drawings, and subjected to closer and specific 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 200).

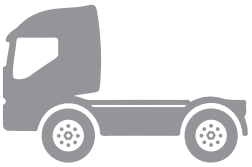
In **agriculture**, safety is vital, not only when working in the fields, but also when travelling by road from one field to another. In this case, technologies such as ABS make tractors safer when on the road by enhancing brake performance, thus improving maneuverability and enhancing vehicle safety when working at an incline. For tractors with trailers, the Intelligent Braking System automatically adjusts the braking force exerted onto the trailer according to the deceleration of the tractor, preventing the risk of skidding.

Systems such as Active StopStart by New Holland Agriculture, adopted especially for high-power tractors working in the fields, prevent the tractor from moving after coming to a halt, even if heavily loaded or on a steep slope. All CNH Industrial tractors are supplied with a Falling Object Protection System (FOPS) to protect the cab and operator from objects falling from above, which is a very common risk 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. New technologies are widespread in New Holland's new range of Braud 9000 multi-function harvesters. The operator's safety is enhanced by an on-board diagnostics system, which detects and alerts the operator in case of major anomalies, and automatically stops the machine or switches off the self-leveling system to prevent potentially dangerous situations. Vehicle stability is also continually monitored, and the operator alerted if the vehicle approaches its stability threshold. The machine's height and lateral position are also adjusted automatically, with zero operator input, to prevent possible accidents and to increase overall safety when harvesting, even when operating on the most challenging and undulating ground, and during road transportation. Operator fatigue and product complexity are leading causes of occupational accidents, so all Case IH products are designed for optimal comfort even after many hours, and with an intuitive design to simplify product use. Features like LED lights can double visibility for work performed at night, swivel seats reduce back and neck strain, and suspended cabs give operators a smoother ride to focus better and stay alert longer. The design of all CNH Industrial brands takes into account not only the need for safety when machines are running and in movement, but also the daily maintenance requirements. Almost all of the inspections on New Holland vehicles, for example, are performed from the ground; hoods and guards are secured by hydraulic shock absorbers; and the regulation of most harvesters is either fully automated or can be performed in a short time without the need for tools. The giant BigBaler (winner of the 2013 SIMA Innovation Award for industry-leading safety) minimizes every type of risk associated with maintenance activities: the front shield, for example, can be opened only if the baler is completely stopped, the power take-off turned off, and the flywheel brake engaged.

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

GRI-G4
PR1
Sustainability Plan
Our commitments on page 115
Glossary
ABS, Ergonomics, FOPS, LED, ROPS

of the machine. 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.
As far as comfort is concerned, cab quietness is a hallmark of all CNH Industrial brand products, as are reduced vibrations and maximized visibility. A rearview video camera connected to a large display is available on wheel loaders, avoiding the need for the operator to continually turn to look behind. The cab of the Case CX75 SR excavator and of the traditional CX80C model was completely redesigned to resemble that of larger Case Series C excavators; the internal space is 7% wider than previous models, and a larger glazed area improves both front and rear visibility. Video cameras are now a standard accessory in the CX80C series to ensure safety during visual inspections, and the new Midi has the same color display as the larger Case CX-C Series hydraulic excavator. For specific applications that require additional safety, Case offers two different front screen guards and a certified lifting and handling kit to lift objects safely.



As regards the **transport of goods**, especially long hauls, customer comfort is paramount. The cab of the new Stralis was designed around the driver to ensure the best working environment, and maximize productivity at each mission. The cab can be equipped with an IVECONNECT system, which uses a touchscreen display (integrated into the dashboard) to manage the *driving style evaluation* function (see also page 203), advanced telematics services, the audio system, and the satellite navigation system. The night area was redesigned to hold a bunk with wooden slats, as well as an additional low-noise, energy-efficient air conditioner built into the roof panel, which ensures a comfortable cab temperature even with the engine off. The number and capacity of interior storage compartments was increased; the cab was equipped with a fridge and two large stowage compartments that are illuminated and accessible from both the inside and outside; and two more external storage compartments were added for stowing tools and work clothes. Vehicles for the transport of goods are mostly equipped with *Advanced Driver Assistance Systems* (ADAS), which focus both on preventive safety (designed to help the driver prevent dangerous situations) and active safety (designed to help avoid collisions, or reduce the severity of impact). The main systems are:

Preventive safety

- *Daytime Running Light* (DRL): low-power position lights that remain on during transit to ensure maximum vehicle visibility, and xenon headlights to increase driver visibility
- *Hill Holder*: system providing assistance when starting a vehicle uphill, it stops it from rolling backwards for a few seconds after the foot brake is released. Hill Holder makes hill starts safe, prevents clutch riding, and reduces brake wear
- *Driver Attention Support*: system that continuously monitors the driver's attention levels. It monitors steering wheel movements and, should drowsiness be detected, alerts the driver with an acoustic and visual warning
- *Lane Departure Warning System* (LDWS): system that alerts the driver if the vehicle strays from its lane, provided that turn signals were not activated first. Extremely effective at preventing accidents caused by tiredness or distraction at the wheel
- *Tire Pressure Monitoring System* (TPMS): system that measures internal tire pressure to reduce fuel consumption and tire wear.

Active safety

- *Adaptive Cruise Control* (ACC): intelligent system enabling the driver to maintain a selected cruising speed and the safety distance from vehicles ahead. Should the safety distance not be maintained, the system automatically activates the engine brake, the retarder, and service brakes
- *Electronic Braking System* (EBS): additional functions are integrated into this system, namely the *Antilock Braking System* (ABS), the *Acceleration Slip Regulation* (ASR) and the *Electronic Brake Limiter* (EBL). The system combines the braking action of both the engine brake and retarder, which are activated automatically to enhance the effectiveness and minimize the use of the service brakes, delivering shorter braking distances and an even wear of brake pads
- *Advanced Emergency Braking System* (AEBS): available starting from Euro VI vehicles, the system alerts the driver to potential collisions and automatically engages the braking system to avoid, or reduce the speed of, impact
- *Electronic Stability Program* (ESP): the system intervenes in case of swerving, by adjusting the engine power and by braking selectively on the individual wheels until the vehicle regains stability. Effective during unexpected changes in trajectory, and for correcting understeer or oversteer resulting from improper curve entering.

As regards the **transport of passengers**, safety comes first for Iveco Bus. The new Euro VI Crossway intercity bus, for example, was designed in full compliance with the strictest European standards: R 66 rollover testing, accident prevention testing, seat anchoring, braking system power and effectiveness, ABS and ASR systems to prevent wheel spinning and arrest. Comfort on board was improved by reducing internal noise by more than 50%. The cockpit was enlarged, and the ergonomics of the driver's seating area were improved with a new dashboard and a swivel seat rotating up to 65 degrees.

GRI-G4
PR1

Sustainability Plan
Our commitments on page 115

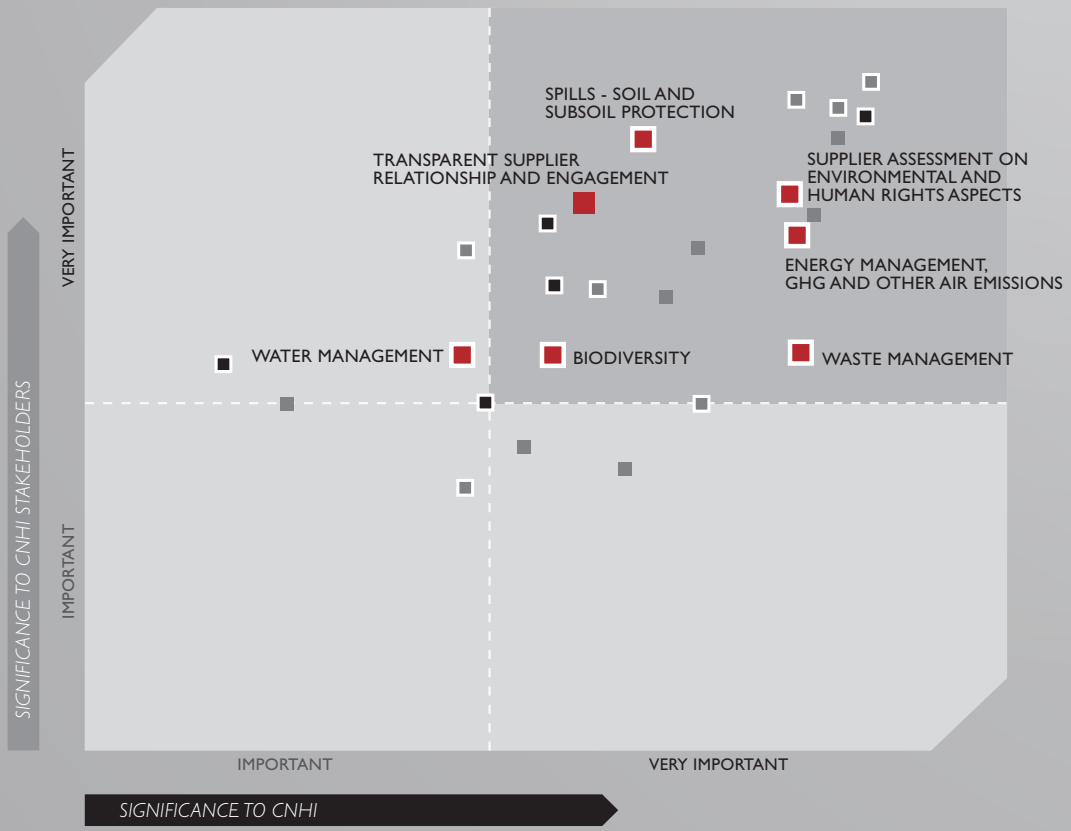
Glossary
ACC, ADAS, EBS, Ergonomics, Euro VI, Hill Holder, LDWS

MANUFACTURING PROCESSES

SUPPLIERS • ENVIRONMENT

DMA; G4-12; G4-13; EC9; EN3; EN5-EN6; EN8; EN11-EN16; EN18-EN24; EN31-EN33; LA14-LA15; HR4-HR6; HR10-HR11; SO9-SO10

€154.4 million
saved through WCM projects



Material aspect described in chapter. For further details, see Materiality Matrix, page 35.

SUPPLY CHAIN MANAGEMENT

SUSTAINABILITY IN THE SUPPLY CHAIN MEANS LOOKING BEYOND CORPORATE BOUNDARIES, STRATEGICALLY AND EFFECTIVELY PROMOTING A SENSE OF SHARED RESPONSIBILITY

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 along the entire supply chain is one of the Company's primary commitments, along with championing a culture of sustainability among 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 most important aspects for CNH Industrial and for its stakeholders is the process of evaluating suppliers on environmental issues, labor practices, management of human rights and the impact on society. Promoting and monitoring high sustainability standards 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 for 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.

Commitments to continuous improvement are realized through targets and actions, which also give an indication of how efficiently the supply chain is being managed. The targets are set annually on a voluntary basis and are included in the Sustainability Plan (see also pages 115-116); their progress is regularly monitored in order to implement any corrective actions deemed necessary. Targets and the results achieved are communicated to all stakeholders through the Sustainability Report and the corporate website. Management effectiveness is measured through periodic benchmarking with the main competitors and the 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 Guidelines were issued by Fiat Industrial in 2010, and subsequently adopted by CNH Industrial following approval by the Board of Directors in September 2013. The document, which also applies to subcontractors, is available on the Company website. In addition to compliance with local legislation, the Guidelines call for observance of

- human rights and working conditions:
  - rejection of forced or child labor in any form
  - recognition of the right to freedom of association in line with applicable laws
  - safeguarding of employee health and safety
  - guarantee of equal opportunities, fair working conditions and employees' right to training
- respect for the environment:
  - optimization of the use of resources
  - responsible waste management
  - elimination of potentially hazardous substances from the manufacturing process
  - development of low environmental-impact products
  - use of an environmentally-sustainable logistics system
- business ethics:
  - high standards of integrity, honesty and fairness
  - prohibition of corruption and money laundering.

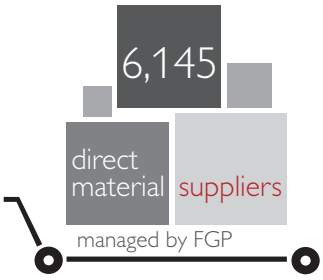
GRI-G4
DMA

Sustainability Plan
Our commitments on pages 115-116

Glossary
DMA, Stakeholders

The highest responsibility for CNH Industrial's supply chain management initiatives lies with the Group Executive Council (GEC). In 2013, supply chain management improvement targets were included in the Performance and Leadership Management system (see also page 46) for most managers of projects included in the Sustainability Plan. The information relating to the sustainable supply chain management model adopted 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



Fiat Group Purchasing (FGP)[1] manages purchases worth approximately €14.3 billion on behalf of CNH Industrial, and has a direct material supplier base of 6,145 companies. Suppliers are also classified through a formal process according to their importance within the supply chain. In 2013, 13 new suppliers were considered eligible, while there were no significant changes to supply chain structure or additional outsourcing of activities. As of 2014, CNH Industrial will also begin to monitor the relocation of plants from one country to another, through the reassessment of suppliers.
The top 150 suppliers that produce about 60% of the total value of purchases are considered by CNH Industrial as strategic suppliers, in part because of the length of these relationships.

HIGHLIGHTS

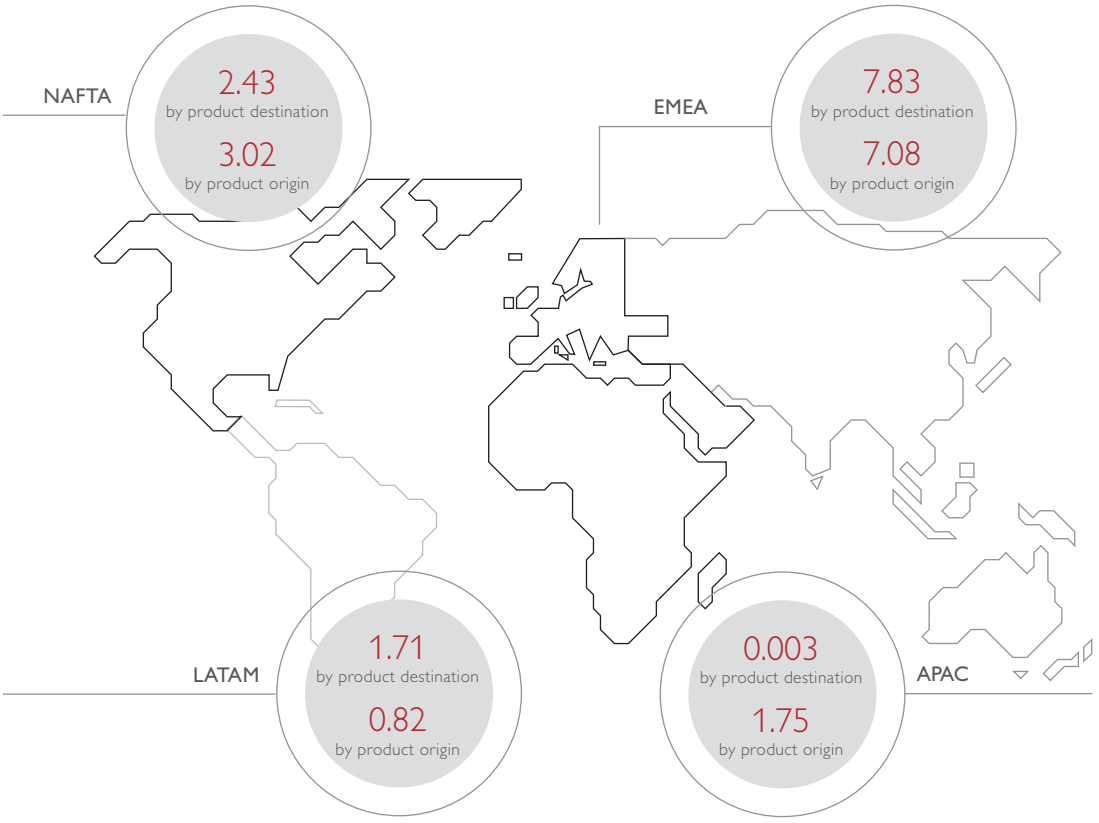
FIAT GROUP PURCHASING (FGP) WORLDWIDE

2013	
Direct and indirect material purchases managed by FGP[2] (% of total CNH Industrial purchases by volume)	85%
Direct material suppliers managed by FGP (no.)	6,145
Value of purchases from direct material suppliers[3] managed by FGP (€billion)	12.0
Value of purchases from indirect material suppliers[4] managed by FGP (€billion)	2.3

(2) Refers to value of purchases managed by FGP.
(3) Direct materials are preassembled components and systems used in assembly. The value of raw material purchases is considered marginal.
(4) Indirect materials are services, machinery, equipment, etc.

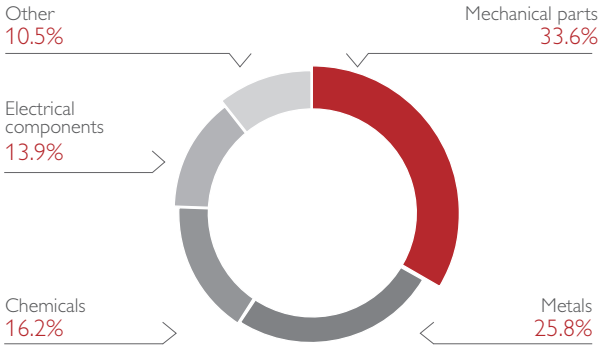
PURCHASE[5]

FIAT GROUP PURCHASING WORLDWIDE (€ billion)



(1) A Fiat Group S.p.A. company that also conducts purchasing activities for CNH Industrial.
(5) Refers to value of purchases managed by FGP.

PURCHASES[1] BY PRODUCT TYPE
FIAT GROUP PURCHASING WORLDWIDE



(1) Refers to value of direct material purchases managed by FGP.

The objectives that CNH Industrial sets for itself include developing local skills, by transferring its technical and managerial expertise, and strengthening local entrepreneurship. The creation of ongoing relationships with local suppliers has a positive impact in terms of reducing the risks associated with operational activities and optimizing costs.
The spending on local suppliers[2] is highly significant: in 2013, the contracts signed by CNH Industrial with local suppliers accounted for over 92% of procurement costs; specifically, 92.8% in EMEA and 92.1% in NAFTA, the significant locations of operations[3] for CNH Industrial.
Additionally, CNH Industrial promotes the World Class Manufacturing program (see also page 156) at local supplier plants, with a view to sharing best practices and methodologies.
Although CNH Industrial does not purchase raw materials directly (with the exception of steel used for direct processing), overall consumption and general price trends are constantly monitored.
The principal raw materials used in the semifinished goods purchased by CNH Industrial are steel and cast iron (approx. 2.4 million tons including scrap), plastics and resins (approx. 168 thousand tons) and other miscellaneous materials (approx. 82 thousand tons).

OUR PROJECTS

SUPPLIER DIVERSITY

In its policy CNH Industrial aims to promote, encourage and increase the participation of diversity-owned enterprises (such as small business, small disadvantaged business, veteran-owned small business, service-disabled veteran-owned small business, Hubzone and women-owned small business) 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. Adequate information is provided to these potential suppliers in the bidding process and reasonable delivery lead times are established to aid them, where possible, in achieving increased participation in the Company's procurement activity. The Company offers reasonable technical assistance to diversity-owned enterprises to support them in becoming more competitive and knowledgeable in today's market place. The Company provides on-site audits to assist diversity-owned enterprises to identify potential problem areas and help them in implementing an appropriate corrective action.
Purchasing personnel in CNH Industrial conduct regular reviews of material requirements and identify areas of potential participation by diversity-owned enterprises. Methods and procedures for administering these activities are part of buyer training seminars, which are conducted periodically. In 2013, CNH Industrial increased its expenditure with diversity-owned businesses by 1% and outlined a process to begin measuring sub-contracting efforts with certified Minority Business Enterprise suppliers in 2014.

GRI-G4
DMA, G4-12; G4-13; EC9

Sustainability Plan
Our commitments on pages 115-116

Glossary
DMA, EMEA, NAFTA, Material aspects

(2) Local suppliers are those operating in the same country as the CNH Industrial plant.
(3) The significant locations of operations are defined by total direct material purchases managed by FGP, which in EMEA are 65.4% of total value of purchases, and in NAFTA 20.3%.

SUSTAINABILITY IN SUPPLIER MANAGEMENT

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 their 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, so as to assess 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 have been relocated, or that have introduced new technologies and processes, or that have not supplied products for more than 24 months. PSA must be carried out prior to the procurement phase, to allow potential new suppliers to participate in tenders. This tool assesses the ability of the potential supplier to manufacture quality products using best practice. PSA evaluates systems and company processes directly at supplier plants.

Other PSA criteria to be met include: potential suppliers must prove they have adopted a program that promotes sustainability, both internally and along the supply chain, a code of conduct (with explicit references to fighting corruption, respect for human rights, etc.), a certified system for managing employee health and safety, and a certified environmental management system. These documents ensure their efforts to monitor and manage environmental aspects, labor practices, human rights, and the impact on society. All new suppliers are evaluated according to these criteria (13 in 2013).

Furthermore, based on the risk map, some of the new suppliers are included in the evaluation process to monitor their compliance with standards. Suppliers' sustainability is in fact assessed through indicators included in the self-assessment questionnaire, and subsequently confirmed by audit. This evaluation is one of the determining factors in the final decision on awarding supply contracts.

In addition, through clauses that are being progressively incorporated into new contracts, FGP requests compliance with the CNH Industrial Code of Conduct and the Sustainability Guidelines for Suppliers. Specifically, **contractual clauses** require that suppliers provide references, and demonstrate their competence, in relation to: fighting corruption, protecting and safeguarding the environment, promoting health and safety at work, ensuring freedom from discrimination, prohibiting forced labor and the economic exploitation of children, 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 8 June 2001 for Italian suppliers (or, for non-Italian suppliers, the specific regulations applicable to the administrative liability of legal persons), the Code of Conduct and the Sustainability Guidelines for Suppliers. With regard to orders issued, it should be noted that (both for the purchase of direct and indirect materials and for service contracts) they are subject to the General Purchasing Conditions that contain the aforementioned Clause. For direct materials, the unified General Purchasing Conditions of CNH Industrial are being finalized for the Agricultural and Construction Equipment, Trucks and Commercial Vehicles and Powertrain segments, and include the sustainability clause. 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, which is then verified through audits.

Assessing Risk

CNH Industrial places primary importance on the monitoring of obstacles that could potentially hinder the upholding of high product standards, both within the Company and along the supply chain. Furthermore, for corporations like CNH Industrial that operate on a global scale, social and environmental risks are continually rising. In recognition of this, since 2011, CNH Industrial has employed a **risk map** to identify suppliers whose compliance with sustainability criteria requires assessment. The four risk drivers used to create the risk map are: supplier turnover, risk of country where supplier is located (with particular focus on countries with poor human rights records[1]), supplier financial risk, and the results of the assessment of supplier adherence to sustainability principles (based on self-assessment questionnaires, on-site audits and level of implementation of action plans). The risk map classifies suppliers according to three levels of risk (high, medium and low), based on a weighted average of the four factors. The risk map covered 100% of strategic suppliers over the course of three years.

GRI-G4
DMA; EN32; LA14; HR4; HR5; HR6; HR10; SO9
Sustainability Plan
Our commitments on page 116
Glossary
Audit

(1) *For countries at risk of poor human rights, refer to the list published by EIRIS (EIRIS Human Rights Countries of Concern, October 2010).*

The results of the risk map identify suppliers that will be subject to monitoring (self-assessment questionnaires and on-site audits), and also consider human rights issues. If areas for improvement emerge from the audits carried out, joint action plans are drawn up together with suppliers to manage and eliminate critical issues identified. Specifically, in 2013, no issues were recorded regarding collective bargaining, or child or forced labor. Only in one case was there a potential risk relating to freedom of association, which will be dealt with in 2014, by means of an on-site 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 (FS 3), supply chain managers have access to the supplier financial assessment. This tool is continually updated based on confidential information provided by the suppliers themselves, and on that contained in any 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.

Monitoring conformity

In order to verify if suppliers meet the sustainability standards set by CNH Industrial and, if necessary, take steps towards improvement and realignment, Fiat Group Purchasing (FGP) has designed and initiated a monitoring process based on two main tools: self-assessment questionnaires on sustainability standards and follow-up audits on site.
Through the **self-assessment questionnaires**, managed through an IT platform administered by a third party, suppliers are requested to provide information on: environment, working conditions, human rights and impacts on the community.

SELF ASSESSMENT CRITERIA

ENVIRONMENTAL ISSUES

Environmental protection policy, management systems
Energy use
Greenhouse gases emissions
Ozone depleting substances (e.g. CFCs)
Other pollutant emissions
Water consumption and discharges
Waste management and disposal
Use of hazardous substances
Protecting Biodiversity
Waste recycling
REACH regulations
Use of recycled materials
Application of LCA (Life Cycle Assessment) methodology

LABOR PRACTICES ISSUES

Fair working conditions
Harassment
Monitoring overtime
Awareness of occupational health and safety challenges
Assessment of occupational health and safety risks
KPI for occupational health and safety performance
Performance improvement for occupational health and safety
Extension of H&S policy to contractors
Training and development

HUMAN RIGHTS ISSUES

Basic human rights
Discrimination
Freedom of association
Child labor
Forced or compulsory labor

SOCIETY ISSUES

Corruption and bribery
Sustainability in the Supply Chain

GRI-G4
DMA; HR4; HR5; HR6

Sustainability Plan
Our commitments on page 116

Glossary
Audit, Biodiversity, LCA, KPI, ODS, REACH

In the pursuit of continuous process improvement and supplier involvement on a number of issues important to CNH Industrial, two new sections were added to the 2013 questionnaire, relating to water management and logistics providers; these sections will not be assessed for the first year, but will serve for information purposes only. As further evidence of CNH Industrial's sense of responsibility toward the overall supply chain, the Company monitors how its Tier 1 suppliers manage their own supply chains in terms of sustainability. In addition to being an assessment tool, the self-assessment questionnaire serves as a gap analysis tool for suppliers, highlighting areas for improvement.
In 2013, the questionnaire was sent out to a total of one hundred suppliers. The 32 suppliers who completed it attained an evaluation confirming that social and environmental issues are 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.

ANALYSIS OF SUPPLIERS' SELF-ASSESSMENT QUESTIONNAIRES

Aspects	Number of suppliers identified as having significant actual and potential negative impacts	Significant actual and potential negative impacts
Environment	5	■ Protecting Biodiversity ■ REACH regulations ■ Application of LCA (Life Cycle Assessment) methodology
Labor practices	0	-
Human rights[1]	0	-
Impacts on society	4	■ Sustainability in Supply Chain Management

(1) One supplier has been identified as having potential negative impacts on freedom of association.

Following the self-assessment process, **audits** were carried out on a select group of major suppliers. Building on the activities undertaken the previous year, 62 further audits were performed in 2013 in China, India and Europe (46 by Supplier Quality Engineers and 16 by third party auditors), covering 13% of the total purchase value managed by FGP. The audits did not reveal any critical situations; in fact, no contracts were suspended or terminated.

GRI-G4
DMA, EN33; LA15; HR4; HR11; SO10
Sustainability Plan
Our commitments on page 116
Glossary
Audit, Biodiversity, DMA, LCA, REACH

However, **corrective action plans** for areas in need of improvement were formulated in collaboration with suppliers. In 2013, approximately 158 joint action plans were implemented after the audits, involving 35 suppliers.

ANALYSIS OF CORRECTIVE ACTION PLANS

Aspects	Percentage of suppliers identified as having significant actual and potential negative impacts, with which improvements were agreed upon[1]	Number of action plans identified	Main action plan topics
Environment	14.5	9	■ Definition of a formal environmental management system
Labor practices	45.2	66	■ Evidence of documentation on workplace safety (emergency plans/evacuation drills) ■ Further training activities
Human rights	35.5	40	■ Additions to the code of conduct
Impacts on society	37.1	43	■ Inclusion of monitoring activities and supply chain involvement

(1) The percentage is calculated based on the number of suppliers audited (62 in 2013).

The action plans were also developed with the contribution of the Supplier Sustainability Committee, set up within FGP, consisting of the Processes Compliance Manager, the General Counsel and the head of Supplier Quality Engineering. A follow-up between supplier and auditor takes place periodically, in order to monitor these plans. Any non-compliance on the part of the supplier is brought to the attention of the Committee, which determines the actions to be taken against the defaulting supplier (which may lead to contract suspension or termination).
The levels of supplier compliance and respective action plans are documented in the Supplier Quality Performance (SQP) system and the 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.

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 scale down 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 the environmental impact. For these reasons, an environmental management system certified according to international standards is always strongly advised. With this in mind, CNH Industrial concentrates its efforts on monitoring and raising awareness among suppliers. In 2013, the Company continued to map the suppliers that implemented an environmental management system certified by a third party (see also page 161).
Furthermore, in 2013, specific questions were incorporated in the suppliers' self-assessment questionnaire to monitor the risks associated with water consumption and discharges along the entire supply chain. The new section specifically focuses on:

- policies, strategies or strategic plans regarding water management and improvements to the quality of waste water management
- specific improvement targets
- data on water withdrawal, reuse and discharge
- bodies of water, wetlands or natural habitats affected by discharge or withdrawal of water
- operations located in water-stressed areas.

Two important initiatives fall within the scope of promotion and engagement efforts. In 2013, a series of activities was put in place in collaboration with a select group of suppliers to monitor water management, particularly at plants located in water-stressed areas, and to advance measures to minimize the risk associated with water use.
Furthermore, for the first year ever, 45 suppliers were selected to fill out the Carbon Disclosure Project (CDP) questionnaire, to get a clear picture of the strategies being implemented against climate change and of current or required initiatives to reduce their own 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 722 million tons of CO_2 emissions[2] to supply CNH Industrial. The activity will continue in 2014, involving a greater number of suppliers.

GRI-G4
EN33; LA15; HR4; HR11; SO10
Sustainability Plan
Our commitments on page 116
Glossary
Audit

(2) Including scope 1, 2 and 3 emissions.

CDP SUPPLY CHAIN

MAIN RESULTS OF THE ANALYSIS OF 2013

2013

- 62% of suppliers participated in the CDP survey (equal to 12% of total purchases)
- 91% of suppliers integrated climate change into their business strategy
- €572 million invested in emission reduction initiatives
- €150 million saved as a result of emission reduction initiatives
- 29% have proposed collaborative projects to members (especially regarding product design and setting of joint GHG targets)

Spreading an internal culture of sustainability

Initiatives targeting employees responsible for supplier relationships have been consolidated over the years, aiming at ensuring satisfactory awareness of sustainability and good governance through an ongoing dialogue with the suppliers in question.

Buyers and Supplier Quality Engineers (SQE), in fact, take part every year in training activities to explore some of the key issues of environmental and social responsibility.

Moreover, the 2013 variable compensation system for SQE Managers and their team members continued to incorporate sustainability criteria for the assessment of their performances.

OUR PROJECTS

IMDS: AN ENVIRONMENTAL MANAGEMENT TOOL

To provide support in managing the environmental aspects linked to the production of vehicles and components, CNH Industrial has extended the International Material Data System (IMDS) to its entire production. This system, in use for light vehicles since 2002, is an online platform that enables the input of detailed information on the materials and substances used in purchased components. The system also allows for the input of information regarding the use of recycled materials. In 2013, all of CNH Industrial's suppliers continued to enforce IMDS data entry to complete the task started in previous years. This allows monitoring of compliance with the REACH regulation, as well as with other aspects that are not mandatory for industrial vehicles (such as Directive 2000/53/EC on heavy metal restrictions or Directive 2005/64/EC on vehicle reuse, recycling and recovery), in response to customer requests relating to green procurement. In 2013, suppliers filled out approximately eight thousand data sheets.

ONGOING DIALOGUE WITH SUPPLIERS

Strongly convinced that suppliers are key partners for its growth, CNH Industrial is committed to engaging them and keeping them informed at all times. The Company continued to strengthen its relationships with suppliers in 2013, as evidenced by the many existing long-standing and mutually beneficial alliances and by the minimal number of disputes.

12 Technology Days

Numerous events and activities take place to encourage ongoing communication with suppliers. The primary tool used by CNH Industrial to share information is a dedicated **Internet portal** providing information on technical requirements, supply scheduling and quality, and the results of compliance tests carried out on new components. Suppliers, in turn, use the portal to provide CNH Industrial with details regarding technical specifications of supply contract bids, the origin of suggested components, updated contact details, and so on.

A dedicated **email address** was created, providing a further communication channel to request information or report non-compliances within the supply chain.

In line with previous years, several initiatives continued to promote the exchange of ideas and information, including **Technology Days** (12 events organized in 2013) attended by approximately 1,200 people. During these meetings, suppliers that are industry-leaders in innovation, technology and quality discussed specific topics and shared information on recent technological developments.

The first ever **Supplier Advisory Council** addressing CNH Industrial's suppliers in the EMEA Region was organized in July. Its goal is to promote the exchange of information and opinions with leading suppliers that account for a significant percentage of the value of annual purchases in each Region and for each segment. Suppliers were selected for their economic importance and for their ability to represent market trends and establish a benchmarking network with competitors.

GRI-G4
DMA
Sustainability Plan
Our commitments on page 116
Glossary
DMA, EMEA, IMDS, REACH

98 WCM supplier plants

Moreover, **World Class Manufacturing** activities carried out at suppliers' plants were given an extra boost in 2013 compared to previous years, partly thanks to a much closer collaboration between WCM Purchasing teams, FGP functions and the main WCM team. This joint effort has led to the achievement of the target stated in the Sustainability Plan for 2013, i.e., the involvement of 98 supplier plants in the WCM program. Activities were developed in two distinct but 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 the premises of suppliers. Secondly, supplier WCM teams were given the opportunity to visit some selected CNH Industrial plants, to share the Company's best practices.
This dual activity has allowed some of the most active suppliers to achieve good results during the year, especially in the so-called model area (i.e., the first area 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. At the best plant in the chemical sector, for example, there were zero accidents, and, in terms of engaging people on the issue of quality, an average of five improvement proposals were collected per operator. The best plant in the electricity sector saw a 40% reduction in activities with low added value, and a 25% increase in overall equipment effectiveness[1]. The best plant in the mechanical sector reported: a 40% abatement in set-up time through specific projects (Single Minute Exchange of Die[1]); the elimination of mechanical failure caused by the lack of basic conditions; and, in terms of environmental protection, a substantial reduction in fuel consumption of the electromotive force (-46%) and waste (-34%). These results demonstrate how plants are making better use of resources and equipment, in favor of increased long-term competitiveness.

OUR PROJECTS

A SUSTAINABILITY AWARD

In 2013, CNH Industrial's first ever *Sustainability Supplier of the Year* award was assigned to one of the Company's suppliers in the EMEA Region, in recognition of the excellent results regarding its activities in favor of sustainability. With this initiative, CNH Industrial is aiming at encouraging good stewardship practices within its supply chain. The initiative will also continue in 2014, extending to all suppliers worldwide.

CNH Industrial also continues to promote numerous initiatives to encourage innovation among suppliers; in particular, the Supplier Performance (**Su.Per**) program advocates a proactive attitude to business, and allows sharing the economic benefits arising from the introduction of the innovative methods and technologies suggested. In 2013, six suppliers benefited from the program and six proposals were actually realized; the economic benefits generated during the year in favor of suppliers were estimated at €400 thousand. One example of a joint project developed by CNH Industrial and suppliers is the modified structure of the F1A engine oil cooler, manufactured at the Foggia plant (Italy), which cut costs by €1.4 per unit.
Moreover, a **training course** was organized in October for small and medium-sized suppliers in the EMEA Region, to illustrate sustainability issues and their implications within the supply chain, with a view to shared responsibility. The course was attended by 13 very enthusiastic suppliers, who learnt how their activities could contribute to the sustainability of CNH Industrial. In addition, the CO_2 emissions generated by participants traveling to the event were offset by the purchase of 15 credits in favor of the reforestation project of the Veneto Regional Park in the Po Delta (Italy)[2].
Respect for human rights and working conditions along the entire supply chain is another major issue that CNH Industrial is focused on. In 2012, an **online training course** developed with the Automotive Industry Action Group (AIAG) was provided to educate and raise awareness among suppliers on responsible working conditions in various countries, tackling topics such as child labor, forced labor, freedom of association, discrimination, health and safety, wages and working hours. In 2013 the training included several suppliers that do not have a direct contractual relationship with CNH Industrial (Tier-2 suppliers).

GRI-G4
DMA

Sustainability Plan
Our commitments on page 116

Glossary
AIAG, Audit, DMA, EMEA, ISO 14064, KPI, Tier-2 suppliers, WCM

(1) *Methodologies integrated in the Lean Production theory.*
(2) *Emissions calculated according to IPCC (International Panel on Climate Change) methodologies, based on the transport of participants; the Ecoinvent database is the key source of reference. The CO_2 emission inventory method arranged and used by AzzeroCO2 complies with the requirements of the UNI EN ISO 14064-1:2012 standard, and was verified by RINA Services S.p.A.*

OUR PROJECTS

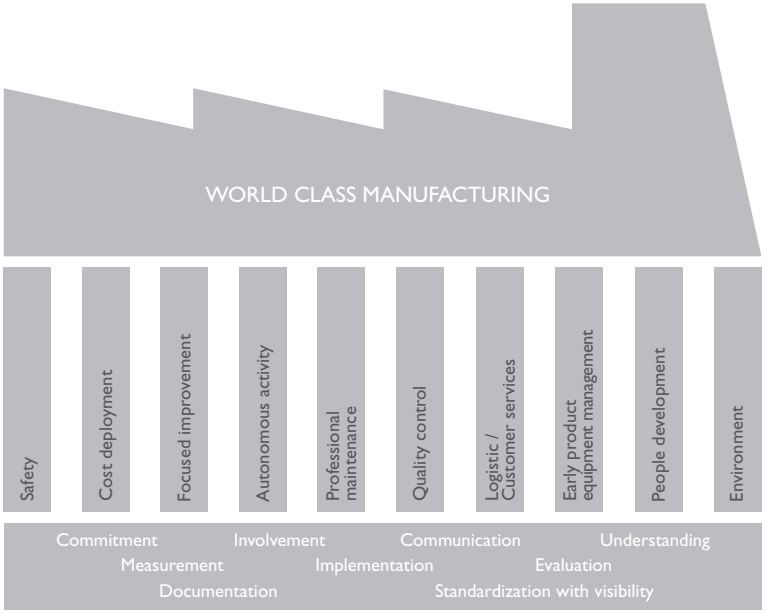
SUPPORTING SUPPLIERS IN DIFFICULTY

The global financial meltdown and the continued economic crisis in Europe have demanded the close monitoring and management of the 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 actions are carried out, when possible, in partnership with other manufacturers, and offer support to restructuring projects and temporary financial aid, while also attempting to safeguard jobs.

WORLD CLASS MANUFACTURING

CNH Industrial, in striving to consolidate and maintain high standards of excellence in its manufacturing systems, applies principles of World Class Manufacturing (WCM), an innovative program for continuous improvement originating from Japan.
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). By applying precise methods and standards, WCM seeks to eliminate all types of waste and loss; in fact, it has identified objectives such as: zero injuries, zero defects, zero breakdowns, zero waste, reduced inventories, and punctual delivery of parts by suppliers to plants, and thereafter to dealers and end users. These objectives require a strong commitment from plant management and all concerned departments, reinforced by continuous communication between all organizational levels.

WCM PILLARS



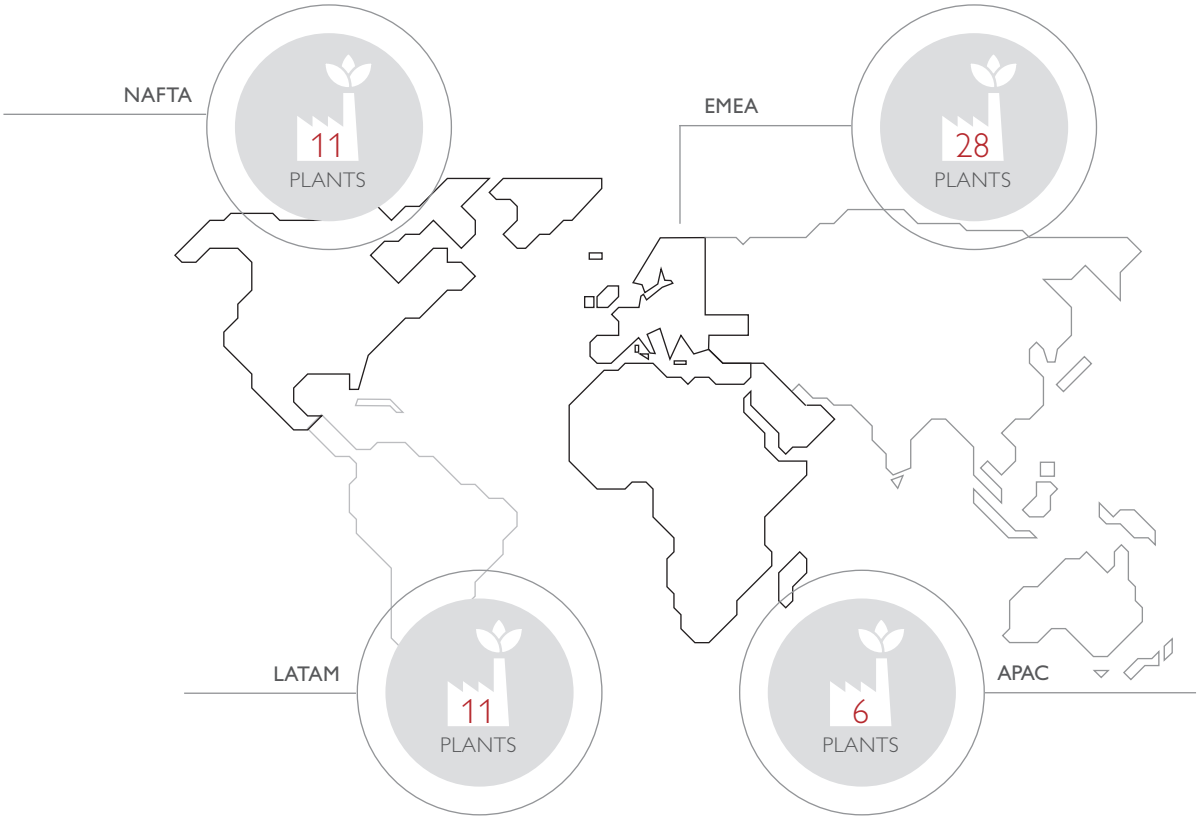
One of the main features of the WCM program is the direct relationship between an activity or project and its cost benefits. Actions for continuous improvement, in fact, are driven by the Cost Deployment pillar, which precisely identifies all plant wastes and losses, guides the activities of the corporate functions in charge

GRI-G4 DMA
Sustainability Plan
Our commitments on page 116
Glossary
WCM

of 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 a genuinely effective process to evaluate interventions, in that it measures and correlates all factors affected by the intervention itself.

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 in all plants and countries in which CNH Industrial operates.
The WCM system is also integrated outside the Company since, on the one hand, it must be able to meet its customers' needs with maximum flexibility and effectiveness and, on the other, it must be shared with its suppliers (see also page 155) to ensure product quality and efficient processes. 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, regarding 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.

WCM PLANTS
CNH INDUSTRIAL WORLDWIDE



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).

GRI-G4
DMA

Sustainability Plan
Our commitments on page 116

Glossary
APAC, EMEA, LATAM, KPI, NAFTA, Stakeholders, WCM

€154.4 million
saved through WCM projects

One of the system's strengths is the way it incentivizes people, who are an intrinsic part of the model, to engage and take responsibility, contributing directly to process optimization via a well-established system of collecting suggestions. They are an integral part of target achievement, as they are involved throughout the entire improvement project (universally known as *kaizen*), from definition to realization.
This allows individuals 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 engaged and free of barriers, where ideas, knowledge and talent are shared between working groups, both within and across different plants.
At CNH Industrial, the use of tools for sharing information and collecting suggestions is well established; in 2013, about 375 thousand suggestions were collected across the plants where WCM principles are applied, with an average of ten per employee. In 2013, the projects implemented within WCM generated savings of €154.4 million.

4 plants
awarded silver and **18**
plants awarded bronze

Each pillar involves a seven-step approach and auditing process, culminating in several 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.
In December 2013, 56 plants were participating in the program (33 in Agricultural and Construction Equipment, 16 in Trucks and Commercial Vehicles, and 7 in Powertrain), involving 90% of Company plants, 98% of plant personnel, and 99% of industrial revenues; 18 of them received bronze awards (11 in Agricultural and Construction Equipment, 3 in Trucks and Commercial Vehicles and 4 in Powertrain) and four received silver awards (Bourbon Lancy, Madrid, Suzzara and Valladolid).

During 2013, courses were held to train plant managers in internal auditing, so supporting the continued spread of WCM.
A *steering committee* (established in March 2012), consisting of Top Manufacturing management and CNH Industrial's WCM managers, coordinates WCM initiatives, driving the relevant strategies and developing the required methodologies for the entire Company.

GRI-G4
DMA
Sustainability Plan
Our commitments on pages 106, 116
Glossary
Audit, DMA, Kaizen, WCM

ENVIRONMENTAL MANAGEMENT

CNH Industrial is committed to continuously improving the environmental performance of its production processes, adopting the best technologies available and acting responsibly to preserve natural resources. Environmental protection at CNH Industrial is ensured through criteria of prevention, protection, information and people engagement, thus guaranteeing long-term management.

The materiality analysis has identified the use of water, the protection of biodiversity, and waste and effluent management as the most significant environmental aspects[1], both internally and from the stakeholders' perspective. The management of both waste and effluents is particularly relevant because it is linked to the efficiency of disposal and to the reduction of pollution risks (and hence reputational risks), which have greater economic and social implications than all other environmental aspects.

Water management and the protection of biodiversity are also of great importance, given the increasing relevance they are gaining among the international community. These two aspects 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.

The Environmental Guidelines, available on the Company website, were issued in 2010 by Fiat Industrial, and adopted by CNH Industrial in September 2013 following approval by the Board of Directors. They describe the short, medium, and long-term commitments toward the responsible management of the environmental aspects of production (particularly energy, natural resources, raw materials, hazardous substances, polluting emissions, waste, natural habitats and biodiversity).

All of the aforementioned 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 approach ensures the effective management of environmental aspects, and the adequate evaluation of the results achieved (even with respect to estimated targets); it also ensures that results are duly shared, including through the Sustainability Report and the corporate website.

All environmental aspects are monitored, measured and quantified to set improvement targets at both corporate and segment level. As further evidence of the Company's commitment toward protecting the environment, all 2013 targets set in the 2010-2014 Environmental Plan and included in the Sustainability Plan (see also pages 117-118) were reached, while indicators have confirmed the continuous improvement of the previous years.

CNH Industrial's determination to manage the environmental impact of its business in a sustainable way was recognized globally in 2013 by the results obtained in the assessment for inclusion in the Dow Jones Sustainability Index (see also page 97).

Activities are carried out in compliance with the agreements and international standards governing environmental protection, and with the laws and regulations in force.

The building of any new plant abides by environmental protection criteria, taking into account territory-specific needs and the impact of construction.

The path toward reducing the Company's environmental footprint, which encompasses every aspect affecting the environment (from the selection, use and processing of raw materials and natural resources, to product end-of-life and disposal), continued to require significant commitment in 2013, both financially and in terms of improving technical and management performance.

CNH Industrial's overall expenditure on environmental performance improvement in 2013 exceeded €37 million (+5% compared with 2012), broken down as follows: €23.3 million for waste disposal and emissions treatment and €14 million for prevention and environmental management. The cost breakdown by segment was: €15.5 million for Agricultural and Construction Equipment, €14.2 for Trucks and Commercial Vehicles and €7.6 for Powertrain.

GRI-G4
DMA; EN31

Sustainability Plan
Our commitments on pages 117-118

Glossary
Audit, Biodiversity, DMA, Stakeholders

(1) *As regards emissions, see page 171.*

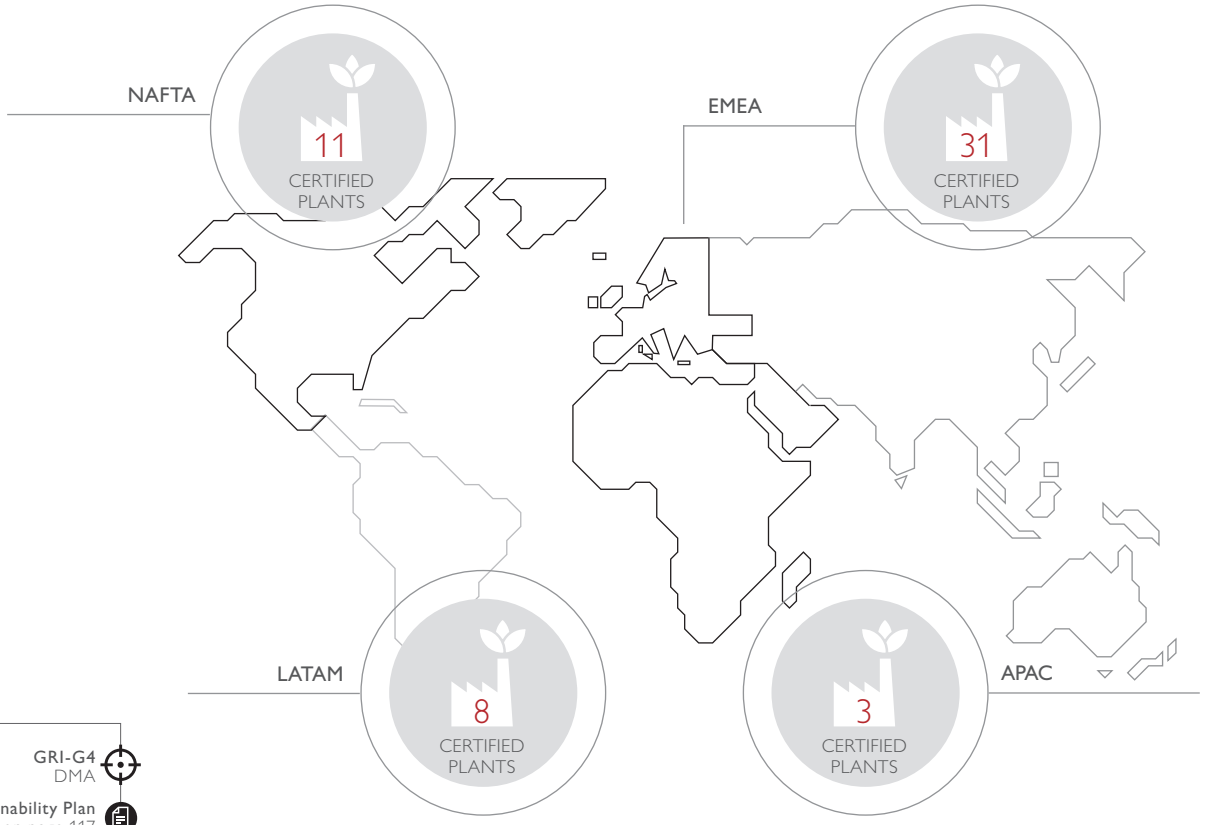
RESPONSIBILITY AND ORGANIZATION

The Group Executive Council (GEC) has the highest responsibility for initiatives focusing on environmental protection at CNH Industrial. Plant managers are responsible for fulfilling specific projects aiming at the environmental improvement of the production process.
Individual environmental impact reduction targets were included in the Performance and Leadership Management system (see also page 46) of both plant managers and most of the managers responsible for the projects indicated in 2013 Sustainability Plan.
In order to ensure policy consistency with Environmental Guidelines, each Region coordinates and manages issues relating to the environment and to occupational health and safety through the EHS (Environment, Health and Safety) function, which establishes environmental policies, ensures that commitments are met locally, periodically verifies performance against targets, and proposes new initiatives. An important role is also played by every plant employee involved with environmental issues in various capacities and belonging to other functions/bodies (production line, logistics, manufacturing engineering, etc.).
Furthermore, the Company avails itself of centralized systems such as 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 and reporting guidelines, etc.). Approximately 350 people from Company sites worldwide have access to the platform.

PROCESS CERTIFICATION

The environmental management system of CNH Industrial's manufacturing processes is certified and maintained according to the ISO 14001 standard, through accredited external organizations and bodies. In 2013, the Company continued to pursue and maintain the certifications for its manufacturing plants.

ISO 14001 CERTIFIED PLANTS
CNH INDUSTRIAL WORLDWIDE



GRI-G4
DMA

Sustainability Plan
Our commitments on page 117

Glossary
APAC, DMA, EMEA, ISO 14001, LATAM, NAFTA, SAD

In 2013, in line with Sustainability Plan targets, the environmental management system certification process also continued to be pursued for Italian non-manufacturing sites, as in the successful case of the Powertrain Product Engineering organizational unit in Turin (Italy), which develops engines and transmissions.

53 ISO 14001 certified plants

The mapping of direct material suppliers certified as per ISO 14001 standard was completed during the year by means of a questionnaire, delivered within the scope of an environmental awareness campaign. The results evidenced a good level of environmental certifications among CNH Industrial suppliers.

Lastly, a course for ISO 14001 internal auditors was organized for the EHS staff members of Italian plants, to create a cross-sector team for the auditing of environmental management systems. The purpose of this team is to facilitate the exchange of experiences, ensuring that standards are applied consistently across different manufacturing plants.

ENGAGEMENT AND AWARENESS ACTIVITIES

One of the most effective tools used by CNH Industrial to engage people and share information is World Class Manufacturing (see also page 156), a program fostering good practice and the implementation of improvement projects suggested directly by employees.

With regard to training activities in 2013, various courses were organized for staff members involved with environmental issues, to increase knowledge, expertise and awareness. More than 46 thousand training hours on environmental issues (+3% compared with the previous year) were provided to more than 25 thousand employees.

As regards awareness and communication activities, on the occasion of World Water Day (celebrated every year on 22 March), a summary of CNH Industrial's efforts toward the sustainable management of water resources was published on the corporate intranet. As part of this initiative, in line with the United Nations' declaration of 2013 as the International Year of Water Cooperation, the Company reported its main water-related initiatives and results.

46,000 hours of training on environmental issues

Additionally, as part of the 41st World Environment Day (5 June 2013), CNH Industrial addressed employees and suppliers with a series of internal communication and awareness campaigns worldwide, to highlight the relevance of this matter and to promote environmental protection. On this occasion, Turin's Industrial Village (Italy) hosted the Energy & EHS Days event, where energy specialists and EHS experts shared policies, strategies, objectives and initiatives of mutual interest (see also page 173).

Many other initiatives were implemented at local level, such as the project at the Driveline plant in Turin (Italy) to promote awareness and information among salaried and hourly employees on workplace safety and the environment. The project set up so-called **Environment & Safety LABs** within the plant's shops, furnished with tables and chairs made of materials derived from recycled and reused packaging.

OUR PROJECTS

AN ORCHARD AT THE BRESCIA PLANT

In line with World Environment Day, whose motto for 2013 was *Think, Eat, Save*, the plant in Brescia (Italy) created a green orchard within its industrial zone, planting a number of ancient fruit tree species linked to the history of Brescia. The initiative aimed at rediscovering and reviving old traditions and at promoting a sustainable food and environmental culture. The plant has become a sustainability reference point for the local community, fostering an environmental culture linked to biodiversity and to the daily choice of sustainable food. The plant also organized the first communication event in October, engaging employees' children accompanied by their parents. Gathered at the orchard, they participated in fun activities and games centered on traditional fruits, learning the importance of healthy and sustainable nutrition. At the end of the day, the children were invited to the first ever recyclable snack, organized to raise their awareness on proper waste separation and differentiation.

At these labs, employees were invited to focus on specific topics such as waste sorting, waste recycling, protection equipment and its use, and labeling of dangerous products both at work and at home. Participants were engaged through videos, posters, practical examples and interactive tests, to stimulate their attention and expedite learning.

A further educational project called **The Future Needs Us** was initiated at the plant in Contagem (Brazil), focusing on reforestation. Implemented in the city of Betim, State of Minas Gerais, it focused on associating respect for the environment with the concept of sustainable development. A similar activity was also implemented by the Plock plant (Poland); **trees** were planted near a number of schools to raise awareness and involve the local community. Employees were involved in the planting, to strengthen their engagement and commitment in addressing environmental issues in their everyday lives.

GRI-G4
DMA

Sustainability Plan
Our commitments on pages 116-117

Glossary
Audit, Biodiversity, DMA, ISO 14001

ENVIRONMENTAL PERFORMANCE

The Standard Aggregation Data (SAD) monitoring and reporting system is 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 Key Performance Indicators (KPI). These indicators can be analyzed at different aggregate levels (plant, segment or corporate), which allows for Company intervention as well as the engagement of different corporate functions at various levels, simultaneously and in parallel, to ensure that targets are met.

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, both in the manufacturing process and in the production and use of energy, is critical to ensure that the improvement targets set by the Company are met. The main atmospheric emissions are monitored according to specific programs to ensure that existing regulations are complied with, and results are systematically recorded by means of the SAD monitoring system.

Volatile Organic Compounds (VOC)

Of all manufacturing processes, painting has the greatest environmental impact owing to the presence of Volatile Organic Compounds (VOC). For this reason, CNH Industrial is committed to monitoring and reducing VOC emissions per square meter painted. In 2009, chosen as the base year[1], the Company's average emissions were approximately 67 g/m^2 painted; in 2013, the value dropped to 48.6 g/m^2 (-27.5%), achieving the reduction target of -15% compared with 2009 one year in advance.

Aiming at reducing emissions into the atmosphere, the plant in Goodfield (USA) has developed a **new painting system** with low environmental impact. The system consists of a pretreatment line equipped with a multi-stage washer, an electrophoresis immersion basin, and an enamel powder coating system replacing the previous solvent-based one. The new system enhances the quality of the painted product, while reducing the plant's environmental impact. VOC emissions were in fact abated by 97%. It is also equipped with a system for the treatment and recovery of the wastewater from washing, increasing water recycling by 55%.

An intervention on painting processes was also carried out at the plant in Curitiba (Brazil), allowing for a considerable reduction in VOC emissions. The plant's two-component mixture used until 2012, presenting a VOC content of about 52%, was replaced with a new system using a single-component paint containing about 35% VOC.

EMISSIONS OF VOLATILE ORGANIC COMPOUNDS

CNH INDUSTRIAL WORLDWIDE (g/m^2)

	2013	2012	2011
Average VOC emissions	**48.6**	49.4	53.8

Ozone Depleting Substances (ODS)

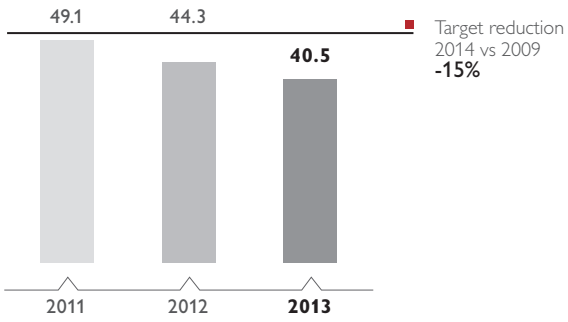
At CNH Industrial plants, Ozone Depleting Substances (ODS) are only present in certain equipment used for cooling, air conditioning and climate control.
The Company regularly updates the inventory of systems and equipment containing ODS, to monitor the quantity of these substances within plants. Other interventions and actions are being implemented to completely replace them with more eco-compatible gases and/or technologies by the end of 2014.
Ahead of the aforementioned deadline, the plant in Ulm (Germany), in conjunction with the renovation of its facilities, eliminated all of the existing ODS, removing a total of approximately three hundred kilos. Similarly, the Zedelgem plant (Belgium) carried out an important initiative providing for the complete removal of the existing 335 kilos of ODS by early 2014, to be replaced with eco-friendly gas. These two activities have cut ODS by almost 30% at CNH Industrial plants in the EMEA Region.
Furthermore, as part of the Company's information initiatives on environmental issues, specific guidelines regarding legal requirements and the proper handling of refrigerant gases were developed and disseminated in 2013 to the plants in the EMEA Region, to inform and make employees aware of the regulatory requirements and environmental aspects associated with the substances present in plants.
No accidental ODS leaks were reported in 2013 (for details on ODS emissions see page 220).

GRI-G4
DMA; EN20; EN21
Sustainability Plan
Our commitments on page 118
Glossary
DMA, EMEA, KPI, ODS, SAD, VOC

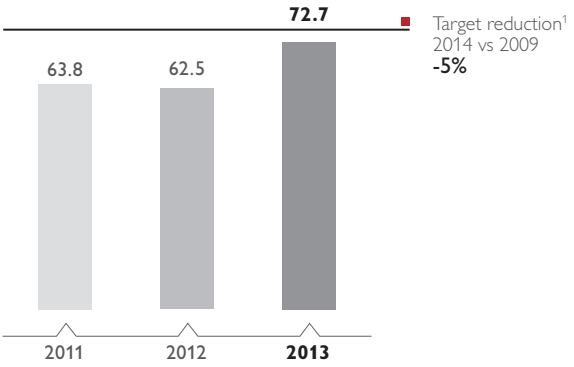
(1) *In 2010, consistently with the industrial plan, the decision was made to use 2009 as the base year for setting targets for 2014.*

EMISSIONS OF VOLATILE ORGANIC COMPOUNDS

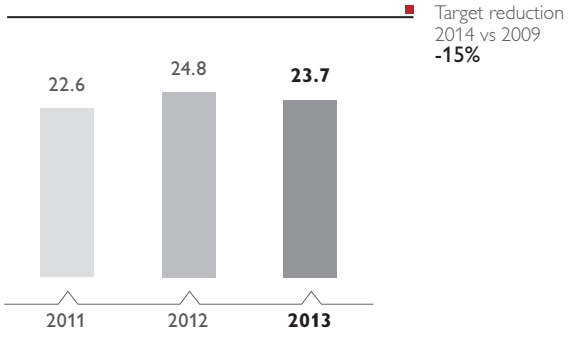
AGRICULTURAL AND CONSTRUCTION EQUIPMENT
(g/m^2)



TRUCKS AND COMMERCIAL VEHICLES
(g/m^2)



POWERTRAIN
(g/m^2)



REDUCING AIR EMISSIONS IS ONE OF THE STRATEGIC GOALS THAT CNH INDUSTRIAL PURSUES BY APPLYING THE BEST MANUFACTURING TECHNOLOGIES AVAILABLE

Emissions of NO_x, SO_x and Dust

CNH Industrial also monitors emissions of nitrogen oxides, sulfur oxides and inorganic particulate matter, all deriving from fossil fuel combustion, since these pollutants can impact the climate, ecosystems and human health.

Emissions of NO_x, SO_x and Dust

CNH INDUSTRIAL WORLDWIDE (tons)

	2013	2012[2]	2011
Nitrogen Oxides (NO_x)	**443.0**	418.8	439.5
Sulfur Oxides (SO_x)	**41.2**	50.6	64.9
Dust	**5.7**	5.3	6.4

(2) The data for 2012 have been adjusted compared with those in 2012 Sustainability Report.

WATER MANAGEMENT

CNH Industrial considers the sustainable management of water a strategic commitment in a global context where the growth in population and in subsequent water demand is met by a marked scarcity of water resources in an increasing number of areas 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 always ensuring high quality standards.

In 2013, the Water Management Guidelines, extended to all CNH Industrial plants during the previous two year period, were used to implement new tools that are integrated with the environmental management system documentation, and that support the management of water resources and effluents at individual plant level; the plants in Piacenza, Suzzara and Lecce (Italy) have actively collaborated in the development of these tools, and initiated their implementation.

GRI-G4
DMA; EN21

Sustainability Plan
Our commitments on pages 117-118

Glossary
DMA, NO_x, SO_x, VOC

(1) The target was updated for several reasons, including: change in production activities (processes and volumes), relocation of some production activities and conversion of some plants, change in reporting scope and interruptions in production. The increase in VOCs in the Trucks and Commercial Vehicles segment is mainly due to their increased use at the Sete Lagoas plant (Brazil), where VOC emissions account for about 40% of the segment's total global emissions. In 2013, in response to demand, the plant enlarged production of vehicle chassis of different colors, leading to an increase in the number of wash cycles (with solvent) of painting systems and, consequently, to a growth in VOC emissions.

In 2014, the project is expected to be extended to other plants, further enhancing the Company's commitment to optimizing the management of water resources across its production sites.
Plants currently optimize water use by:

- analyzing the consumption, make-up 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 efficiency and reduce consumption
- recycling water within individual manufacturing processes and reusing it in multiple processes
- raising staff awareness of responsible water use.

in water withdrawals per hour of production

In 2013, thanks to joint and coordinated efforts across Company segments, overall water use performance (in terms of water withdrawal per production unit) improved, in line with the targets set for 2014. Particularly noteworthy is the increasing reduction in water withdrawal per hour of production, which was cut by half compared to 2009 (base year) going from 0.32 m^3/h to 0.16 m^3/h.

A measure was implemented at the Antwerp plant (Belgium) to reduce water withdrawals by collecting and using **rainwater** in the production process; in 2013, the amount of rainwater recovered was approximately 275 m^3.

Another optimization project was carried out at the Curitiba plant (Brazil), where the painting line pretreatment system was refurbished by reducing the volume of process tanks and by including an oil-water separator, which ensures better quality and increased the duration of the degreasing bath (located downstream of the separator). The project significantly reduced the consumption of water and chemicals used in the degreasing bath. The intervention, in fact, cuts annual water consumption by about 13 thousand m^3 (more than 12% of consumption) and the total cost of water withdrawal and chemical consumption by about €24 thousand.
CNH Industrial plants do not use wastewater from other organizations.

WATER WITHDRAWAL AND DISCHARGE

CNH INDUSTRIAL WORLDWIDE (thousands of m^3)

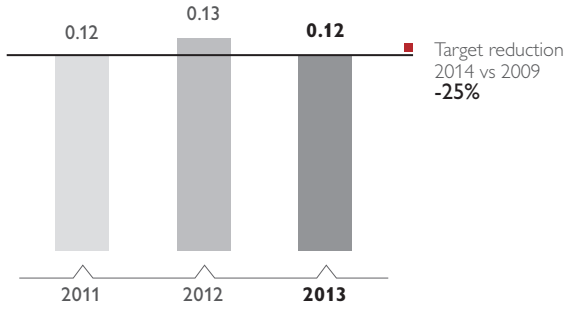
	2013	2012	2011
Plants	**55**	59	61
Withdrawals			
Groundwater	**4,067**	4,724	5,278
Municipal water supply	**2,496**	2,436	2,357
Surface water	**23**	23	30
of which salt water	**-**	-	-
Rainwater	**1**	n.a.	n.a.
Other	**-**	1	9
Total water withdrawal	**6,587**	7,184	7,674
Discharge			
Surface water	**1,244**	1,195	1,338
of which salt water	**-**	-	-
Public sewer systems	**3,389**	3,439	3,901
Other destinations	**76**	40	47
Total water discharge	**4,709**	4,674	5,286

Safeguarding the water bodies that receive the wastewater from industrial processes is equally important. For this reason, all plants are fitted with suitable internal systems for the treatment of their production wastewater. These systems, which are managed by internal staff or by specialized industry partners, purify the water discharged outside the plant primarily through physical and chemical processes; depending on wastewater quality, biological treatments may be required as well.
The effluents of CNH Industrial plants are not channeled for reuse in other organizations.
For each Company segment, 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 2013 exceeded the expected targets.
Among the activities carried out in 2013, the plant in Racine (USA) created a **biofilter** system for the treatment of run-off rainwater of part of its plant. After collection in a suitable tank, the rainwater percolates into a green area of the plant set up with native plants serving as biological filters, retaining and removing impurities. Once filtered, the water is discharged into the internal rainwater collection network and drained outside the plant. This intervention was carried out to improve the quality of discharged water while reducing the environmental impact.

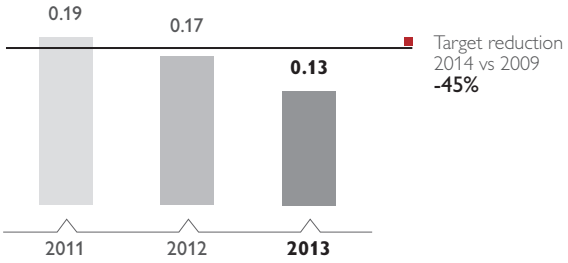
GRI-G4
DMA; EN8; EN22
Sustainability Plan
Our commitments on page 117
Glossary
DMA

WATER WITHDRAWAL PER PRODUCTION UNIT

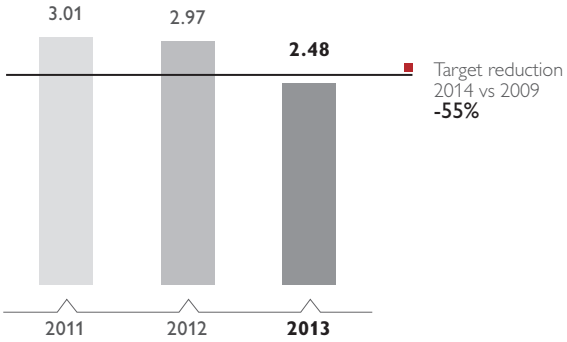
AGRICULTURAL AND CONSTRUCTION EQUIPMENT
m³/hour of production



TRUCKS AND COMMERCIAL VEHICLES
m³/hour of production



POWERTRAIN
m³/unit produced



CNH INDUSTRIAL OPERATES LOCALLY TO REDUCE WATER REQUIREMENTS AND WASTEWATER VOLUMES, WHILE AT THE SAME TIME ENSURING HIGH QUALITY STANDARDS

Plants in water-stressed areas

Following the adoption of the Water Management Guidelines in 2011, three plants were identified as sensitive in terms of availability and use of water resources across the areas in which the Company operates. The areas in question were identified by using the map of worldwide water-stressed regions, defined by the Food and Agriculture Organization (FAO) in 2008, according to which the countries considered as water-stressed are those where water availability per capita is less than 1,700 m³/year. Following this principle, the plants concerned are those in New Delhi (India), Plock (Poland), and Vysoke Myto (Czech Republic). Specific actions to reduce water withdrawal and water needs were identified and implemented at all three plants, to minimize their impact on the water demand of their hosting countries, in the attempt to preserve and safeguard water resources (see also page 223).

SOIL AND SUBSOIL PROTECTION

In the scope of activities aimed at reducing the environmental impact, and in line with the goals of the Sustainability Plan, specific guidelines for the management of existing underground systems were developed and disseminated in 2013 across all plants in the EMEA Region. These operational guidelines concern the monitoring of existing underground reservoirs, tanks, drains and pipes, for further improving environmental protection.

A policy was also developed and disseminated for new product storage installations, specifying the construction requirements of new above-ground reservoirs, tanks, drains and pipes.

Furthermore, targeted efforts continued to be pursued to minimize possible sources of contamination for soil and subsoil: the plant in Annonay (France) removed two underground tanks containing a total of 12 m³ of fuel, while the plant in Antwerp (Belgium) removed an underground 120 m³ tank containing oil coolant. The number of underground tanks at plants in the EMEA Region went from 91 in 2012 to 68 at the end of 2013, reducing total cubic meters stored by almost 20% compared to the previous year. In 2013, no significant spills of pollutants occurred at CNH Industrial, apart from three events of negligible impact in the NAFTA Region: 0.07 m³ and 0.06 m³ of oil spilt at the Benson plant (USA) and 3 m³ of jetting fluids spilt at the Racine plant (USA), which were all cleaned up to acceptable standards.

GRI-G4
DMA; EN24
Sustainability Plan
Our commitments on page 117
Glossary
DMA, EMEA, NAFTA

WASTE MANAGEMENT

CNH Industrial strives to optimize manufacturing processes and activities across all plants, with a view not only to enhancing the final product and eliminating wastefulness, but also to improving management of waste produced, which is one of the key aspects of the Environmental Guidelines.
Every plant carries out in-depth analyses of the entire production chain to improve waste management at every stage, limiting the quantities produced and reducing the risks posed by these materials. In addition, particular emphasis is placed on interventions that increase waste recovery and reuse, through the systematic application of waste sorting at the source where waste is produced. The Company's commitment to optimizing waste management is shared by all plants alike, dedicated as a whole to finding solutions that facilitate waste recovery and minimize the amount of material sent to landfills. These, in fact, should always be considered a last resort, to be used only in exceptional or emergency cases when other options such as recovery, thermal utilization and treatment are unavailable. The waste disposal method has been determined directly by the organization or otherwise directly confirmed.

Results from 2013 testify to this remarkable effort, since the percentage of recovered waste materials (equal to approximately 83%) increased by almost 9% compared with 2009, while the percentage of waste sent to landfill dropped even further, to around 5%.
With regard to waste generated per production unit[1], Trucks and Commercial Vehicles recorded a total drop of 16% with respect to 2009; as regards hazardous waste, the drop compared with 2009 was almost 50% for Agricultural and Construction Equipment and approximately 55% for Powertrain.

WASTE GENERATION AND MANAGEMENT

CNH INDUSTRIAL WORLDWIDE (tons)

	2013	2012	2011
Plants	**55**	59	61
Waste generated			
Non-hazardous waste	**277,200**	252,002	257,487
Hazardous waste	**26,807**	30,247	36,381
Total waste generated	**304,007**	**282,249**	**293,868**
of which packaging	**119,620**	77,035	79,220
Waste disposed			
Waste-to-energy conversion	**12,208**	10,081	10,843
of which hazardous	**4,949**	2,600	n.a.
Treatment	**24,892**	32,500	33,816
Sent to landfill	**15,244**	15,964	15,977
Total waste disposed	**52,344**	**58,545**	**60,636**
Waste recovered			
Total waste recovered	**251,663**	**223,704**	**233,232**
of which hazardous	**5,060**	4,749	n.a.
Waste recovered	**82.8%**	79.3%	79.4%
Waste sent to landfill	**5.0%**	5.7%	5.4%

Numerous initiatives were rolled out in 2013 to optimize waste management. The Piacenza plant (Italy) completed the installation of a new system for the treatment of industrial wastewater (resulting from chassis and finished vehicle washing), authorized for subsequent discharge into the public sewer system. This process will allow reducing the total amount of waste produced by the plant by over 24%, and the amount of hazardous waste by about 80%. It will also generate cost savings worth more than €15 thousand per year since the aqueous cleaning solutions, once disposed of as waste, will now be treated through the new system.
A significant intervention carried out at the Engine plant in Turin (Italy) has allowed reducing the use of raw materials and the generation of hazardous waste. The activity focused on the centralized systems returning the oil coolants used by production machinery, specifically on the progressive replacement of the emulsifiable product with a new high-performance one, and on the subsequent installation of a filtration system with permanent self-cleaning filters to replace the traditional disposable paper ones.

GRI-G4
DMA; EN23
Sustainability Plan
Our commitments on page 117
Glossary
DMA

(1) *The production unit is the main parameter for production volumes for each segment: hours of production for Agricultural and Construction Equipment and Trucks and Commercial Vehicles; units produced for Powertrain.*

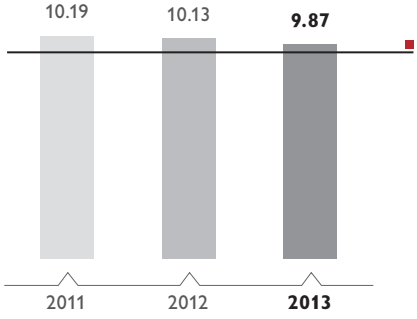
The intervention allowed for a 56% reduction in hazardous waste generated by exhaust oil disposal (57 tons per year), and 55% less hazardous waste from the use of absorbent materials (65 tons per year). Another positive aspect of the initiative was the 15% reduction (approximately 1,600 m³) in annual industrial water consumption in the production of oil coolant, and the 63% reduction (equal to 324 m³) in emulsifiers. The total financial benefit in 2013 was about €700 thousand. In 2014, the pilot filtration system will be extended to the remaining sections of the plant, thus completing the project.
A similar intervention, which has yielded interesting results in terms of reduction of both waste generation and product consumption, was carried out at the plant in Suzzara (Italy), where the electrophoresis process was enhanced by installing a control system detecting tank bacterial loads through continuous irradiation of high-frequency electromagnetic waves. This intervention led to the elimination of bactericides (about 8,500 kg per year), and to the subsequent reduction, in terms of hazardous waste production, by more than 800 kg per year of packaging containing bactericide residues. It also resulted in over €100 thousand in annual savings.

-22%

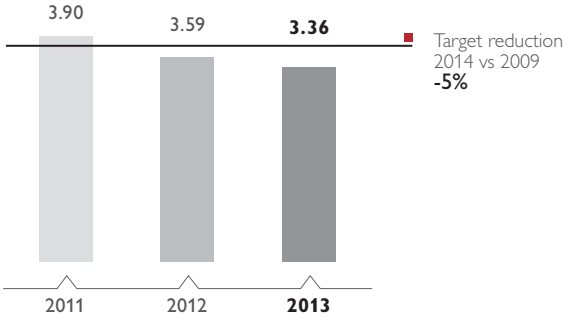
in hazardous waste generated
per hour of production

WASTE GENERATED PER PRODUCTION UNIT

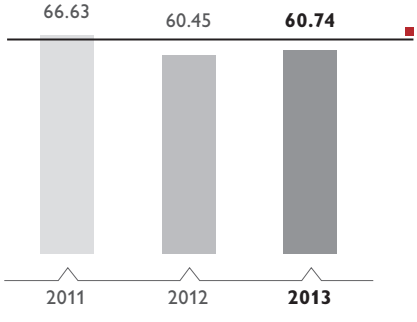
AGRICULTURAL AND CONSTRUCTION EQUIPMENT
kg/hour of production



TRUCKS AND COMMERCIAL VEHICLES
kg/hour of production



POWERTRAIN
kg/unit produced

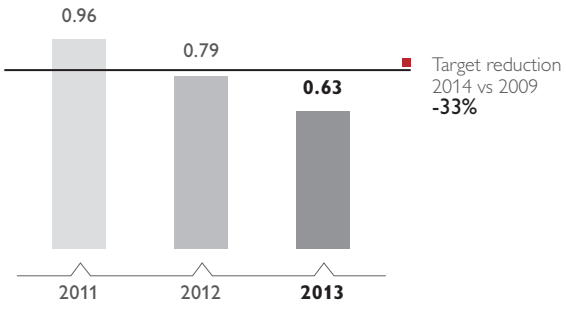


CNH INDUSTRIAL'S COMMITMENT TO FINDING SOLUTIONS THAT FACILITATE WASTE RECOVERY AND MINIMIZE THE AMOUNT OF MATERIAL SENT TO LANDFILL IS SHARED ACROSS ALL PLANTS

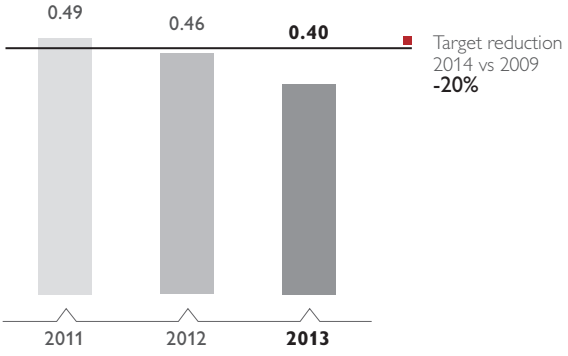
At the plant in Sete Lagoas (Brazil), used fluorescent lamps ready for disposal are now successfully recovered through gas regeneration technology, which reduces both the amount of waste generated (about 500 kilos per year) and the volume of new lamp procurements, with total annual savings of approximately €4,500.
An important activity consists in the recovery by regeneration (rather than disposal) of exhaust solvents deriving from painting processes; this allows reducing both the quantity of waste disposed of and the volume of new solvent procurements. This activity was initiated at a number of plants worldwide, including those in Sorocaba and Piracicaba (Brazil). The Sorocaba plant reported a reduction in exhaust solvent production of almost 2,500 tons per year, with savings of about €12,800.

HAZARDOUS WASTE GENERATED PER PRODUCTION UNIT

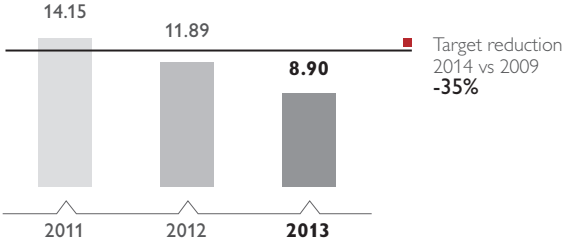
AGRICULTURAL AND CONSTRUCTION EQUIPMENT
kg/hour of production



TRUCKS AND COMMERCIAL VEHICLES
kg/hour of production



POWERTRAIN
kg/unit produced



CNH INDUSTRIAL FIRMLY BELIEVES THAT CARING FOR OUR ENVIRONMENT AND THE SPECIES THAT LIVE WITHIN IT IS ESSENTIAL TO ENSURING A SUSTAINABLE FUTURE FOR OUR PLANET

PROTECTING BIODIVERSITY

Consistently with the provisions stated in the Environmental Guidelines, CNH Industrial is strongly committed to preserving wildlife and biological diversity through the adoption of sustainable development strategies. Activities in this regard have focused on the application of the *Biodiversity Value Index* (BVI) methodology, developed in 2010 with the scientific support of the Department of Life Sciences and Systems Biology of the University of Turin (Italy) and of a professional consultancy firm. The BVI methodology aims at assessing the level of biodiversity in the areas where CNH Industrial plants are located (which are identified based on position and possible proximity to protected areas of particular interest whether for their environmental context or biodiversity), and at identifying possible interventions to improve existing ecosystems. It tackles issues relating to biodiversity through the two-fold evaluation of:

- anthropic pressures (Anthropic Pressure Index - API) generated by industrial, agricultural, urban, and infrastructural activities within the concerned area
- biodiversity (Biodiversity Index - BI), measuring the most common biological indicators of land and aquatic ecosystems.

GRI-G4
DMA; EN11; EN12
Sustainability Plan
Our commitments on pages 117-118
Glossary
Biodiversity, DMA

In this regard, a close partnership was established between the plant in **Curitiba** (Brazil), a city close to a protected area of high natural value (*Parque Passaúna*), and the University of Turin, the University of Paranà and other Brazilian research institutes. The evaluation carried out evidenced a good level of biodiversity, but a high level of anthropic pressure. It also confirmed that the contribution of the plant's activities to global anthropic pressure was marginal and negligible, therefore requiring no environmental or improvement measures. Despite the absence of specific recommendations, the plant decided to carry out an intervention in favor of biodiversity, planting approximately two thousand species of local plants and shrubs within the large green area within its industrial zone.

A similar case occurred at the plant in **Bourbon Lancy** (France), where the application of the BVI methodology evidenced a low level of anthropic pressure and an excellent biodiversity index, as indicated by the presence of numerous protected animal and plant species with high diversity value. Nevertheless, even in this case, the plant decided to implement a series of actions within its perimeter and surrounding area, aiming at further improving biodiversity; these interventions, initiated in 2013, involved the planting of hedges and native shrubs on premises, and measures to contain the *Reynoutria japonica,* a highly invasive plant of Asian origin posing a threat to biodiversity. The hedges foster biodiversity by serving as ecological corridors within the agricultural context and anthropized territory. The overall area subject to containment and eradication interventions measures about 500 m^2.

In 2013, the plants at **Ulm** (Germany) and **Suzzara** (Italy) completed their assessments of biodiversity indicators. The Ulm plant is located in Baden-Württemberg, an area rich in forests and hills near the border with Bavaria; it is crossed by the Danube River and located in the proximity of four protected areas. The BVI assessment evidenced that the plant is positioned in a zone of low anthropic pressure (API) and intermediate biodiversity index (BI). The Suzzara plant, in the province of Mantua, is located on the right bank of the Po River, and is close to a significant protected area that is part of the *Natura 2000*[1] network. The plant's BVI assessment was positive for both anthropic pressures and biodiversity. As in previous cases, after the application of the BVI methodology, the Ulm and Suzzara plants were not required to implement any specific actions for biodiversity recovery, just to maintain the index values measured.
These results confirm the high level of focus CNH Industrial plants place on environmental issues, and demonstrate the effectiveness of environmental policies across the territory, supported by local community awareness of environmental protection.
At present, the method has been implemented at the above-mentioned plants. Over the coming years, the application at plants meeting the necessary criteria will be assessed. Specifically, for 2014, the method will be implemented at the plants in **Foggia** (Italy), **Madrid** (Spain), and **Sete Lagoas** (Brazil).

The plant in **Saskatoon** (Canada) continued to collaborate with local authorities in favor of biodiversity. The study initiated by the two parties enabled identifying plant species subject to protection (such as the *typha angustifolia*). On the basis of this study, in 2013, the municipality initiated the drafting of a policy for the protection and integration of the city's local wetlands.
Lastly, the initiatives in favor of biodiversity launched by the **New Delhi** plant (India), which were paired with staff engagement and awareness, provided for the planting of over one thousand native plants, shrubs and flowers (such as *tringa totanus*, *leucophaeus atricilla, gruidae*, etc.) and for the creation of an area on the site serving as a safe haven for migratory birds from Siberia and China.

GRI-G4
EN11; EN12; EN13

Sustainability Plan
Our commitments on page 118

Glossary
Biodiversity

(1) *Natura 2000 is the EU's main tool for biodiversity preservation. It is an ecological network encompassing every geographical area of the EU, established under the Habitats Directive 92/43/EEC to ensure the long-term preservation of natural habitats and of threatened or rare flora and fauna across the Community.*

PLANTS NEAR, BORDERING OR WITHIN PROTECTED OR HIGH BIODIVERSITY AREAS[1]

CNH INDUSTRIAL WORLDWIDE

Company segment and plant	Type of activity	Total surface area of plant [m²]	Position in relation to protected area	Species on IUCN Red List and on national lists [no.]
Agricultural & Construction Equipment ■ Curitiba (Brazil)	Production of agricultural equipment	792,824	Adjacent to/containing portions of the protected area	101 species listed, of which: ■ 0 critically endangered ■ 0 endangered ■ 0 vulnerable ■ 4 nearly threatened ■ 97 of least concern
Trucks & Commercial Vehicles ■ Ulm (Germany)	Production of industrial vehicles (heavy and special vehicles)	679,000	Adjacent to the protected area (2,000 m away)	153 species listed, of which: ■ 0 critically endangered ■ 2 endangered ■ 1 vulnerable ■ 3 nearly threatened ■ 147 of least concern
Trucks & Commercial Vehicles ■ Suzzara (Italy)	Production of industrial vehicles (light vehicles)	520,000	Adjacent to the protected area (4,000 m away)	110 species listed, of which: ■ 0 critically endangered ■ 2 endangered ■ 0 vulnerable ■ 0 nearly threatened ■ 108 of least concern
Powertrain ■ Bourbon Lancy (France)	Production of heavy-duty diesel engines	210,090	Adjacent to the protected area (500 m away)	193 species listed, of which: ■ 0 critically endangered ■ 2 endangered ■ 1 vulnerable ■ 1 nearly threatened ■ 189 of least concern

(1) In all cases where the method was applied, the impact of the plant's operations on biodiversity was negligible; indeed, the contribution to the Anthropic Pressure Index (API) of each of the four plants analyzed is less than 1%.
Protected areas (national, regional, site of Community interest, special protection zone, oasis, etc.) are geographically defined areas designated, regulated or managed to achieve specific preservation objectives. Areas of high biodiversity value are not subject to legal protection, but they are recognized by a number of governmental and non-governmental organizations as having significant biodiversity.

OTHER ENVIRONMENTAL INDICATORS

CNH Industrial also focuses on other indicators, such as the reduction of hazardous substances and of the external noise generated by equipment and manufacturing processes.
As regards PCBs and PCTs, CNH Industrial completed the elimination process of these hazardous substances in 2012.

Substances of particular relevance to health and the environment

In 2013, CNH Industrial continued to examine the research into and application of alternative solutions to replace the substances used at Company plants identified as particularly relevant to health and the environment. These substances were significantly reduced in all Company processes by reformulating products, and by introducing nano-ceramic products and silane compounds to replace products containing heavy metals. These measures have specifically led to the total elimination of nickel salts in almost every Agricultural and Construction Equipment plant.

External noise generated by plants

In 2013, CNH Industrial confirmed its commitment to minimizing the impact of the noise emissions generated by its plants, as per the provisions of the Guidelines, according to the procedures of the environmental management systems adopted at plant level, and in line with the specific policies issued in recent years (such as the guideline for the design and purchase of new equipment with lower noise emissions).

GRI-G4
EN11; EN12; EN14
Sustainability Plan
Our commitments on page 118
Glossary
Biodiversity, IUCN Red List, PCB

ENERGY MANAGEMENT

Climate change mitigation is one of the major challenges facing the international community today; the approach adopted by CNH Industrial focuses on 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 activities that CNH Industrial must embrace to ensure the continuous improvement of its performance and the protection of the local environment in which it operates.

As evidenced by the materiality analysis, the management of energy and air emissions are crucial aspects for CNH Industrial and for its stakeholders. The reasons for this can be sought in the nature and extent of their environmental and economic impact, as well as in the increasing importance the international community places on these issues, closely linked to global warming. In addition, the political, technological and economic implications draw attention to these issues, both in terms of sustainable procurement and impact mitigation.

As stated by the energy policy that forms the framework of every plant's 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, not only by cutting energy consumption, but also by adopting innovative technical solutions.

The 2009-2014 Energy Action Plan defines the short and medium term targets for the main actions affecting energy performance, CO_2 emissions, renewable energy, and emissions trading. These targets are incorporated in the Sustainability Plan (see also pages 118-119) and reflect CNH Industrial's voluntary commitment to improving its daily energy performance across all areas of production.

The improvement process is supported by a consolidated energy management system and by the adoption of World Class Manufacturing standards. Both methodologies are applied at every plant to set standards, define energy targets, and carry out evaluation and monitoring processes. Furthermore, the systematic approach of management systems allows continuously monitoring that results achieved are accurately evaluated against stated targets, and subsequently shared through proper communication channels.

In 2013, a total of 7.6% of CNH Industrial's energy spending was invested in improving energy performance, leading to a reduction in energy consumption of over 194 thousand GJ, equal to 12,437 tons of CO_2 emissions saved[1].

OUR PROJECTS

THE GREEN PLANT IN RORTHAIS

In 2013, a feasibility study was carried out for the conversion of the plant in Rorthais (France) into a green building, aiming at reducing its environmental impact by lowering energy consumption and subsequent greenhouse gas emissions, and at training plant personnel on how to save energy.

A plant is defined as green according to a methodology that identifies four key factors: independent energy generation, energy recovery, energy efficiency of the building, and energy efficient technologies.

A preliminary audit enabled the definition of a plant energy profile and the identification of potential areas for improvement, providing a clear picture of the key initiatives to implement, both from a technological point of view and with regards to the incentives available. Solutions put forward for the conversion into a green plant included the construction of a wind turbine, a solar heating system, a heat pump, a Canadian well[2], an electric vehicle charging station, building insulation using organic coating, LED neon lighting, and rainwater harvesting. The inclusion of several hives in the green spaces surrounding the plant, together with a project for the production of honey, and the installation of outdoor tables and benches ensure that environmental concerns remain a priority.

RESPONSIBILITY AND ORGANIZATION

The Group Executive Council (GEC) has the highest responsibility for initiatives related to energy efficiency and the management of CO_2 emissions at CNH Industrial.

In 2013, specific targets for environmental impact reduction were incorporated in the Performance and Leadership Management programs (see also page 46) of most of the managers of the projects included in

GRI-G4
DMA; EN6; EN19

Sustainability Plan
Our commitments on pages 118-119

Glossary
Audit, DMA, LED, Stakeholders, WCM

(1) *The types of energy included were fuel, electricity, and heating. The energy consumption reduction value was estimated on the basis of the International Performance Measurement and Verification Protocol (IPMVP), volume 1 (January 2012). The CO_2 value includes scope 1 and scope 2 emissions, and was also an estimate.*

(2) *Geothermal system, known as a surface system, serving primarily as a natural air conditioner.*

the Sustainability Plan: specifically, the targets for energy managers and plant managers were linked to energy efficiency and CO_2 emissions reduction.

At CNH Industrial, a dedicated internal structure is in place to oversee issues related to the conservation of energy resources and to the fight against climate change. Indeed, there is a department responsible for energy management activities, both centrally, through the Manufacturing Engineering Council (MEC) and the Industrial Energy Management Committee, and at plant level.

Activities are coordinated by the Industrial Energy Management committee, consisting of the energy managers of individual segments; this interfaces, on the one hand, with the MEC and the Sustainability Unit and, on the other, directly with the plants. Based on the strategies defined by the GEC, the committee sets out CNH Industrial's guidelines and objectives, together with the MEC, and the best strategies for achieving them; it also oversees the progress of the Energy Action Plan through constant monitoring. A dedicated IT platform allows energy managers to share data reports and energy performance results at all times.

The overall energy management structure is based on a professional team of 79 individuals, located at both corporate sites and plants.

ENERGY MANAGEMENT SYSTEM

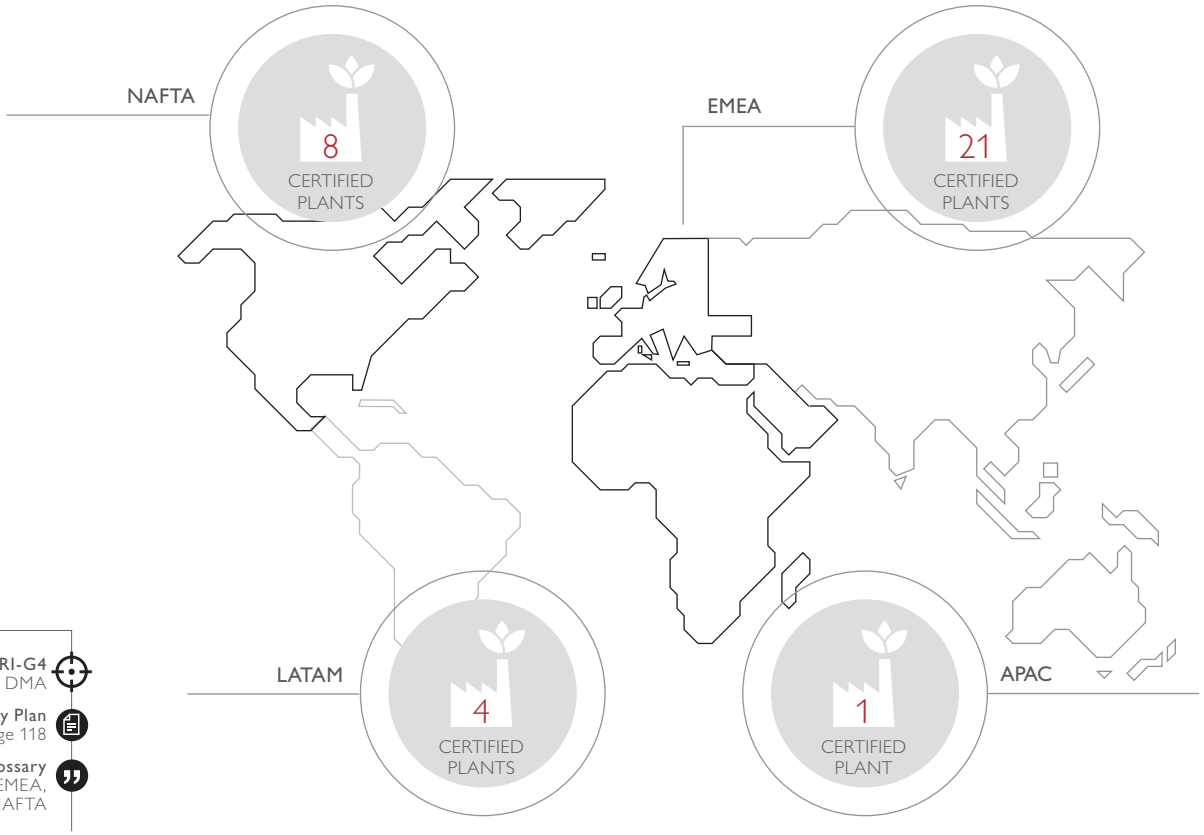
The system developed and implemented by CNH Industrial aims at reducing the energy impact of processes and the risks associated with new legislation and rising energy costs.

In 2013, as evidence of its quest to reduce its energy impact, CNH Industrial continued to pursue the certification of its manufacturing processes according to the ISO 50001:2011 standard.

The main advantage of the ISO 50001 certification is that it offers a systematic approach in the continuous improvement of energy performance; in other words, a more efficient and rational use of energy, which translates into economic benefits and fewer greenhouse gas emissions.

CNH Industrial's energy management system was rolled out to 34 plants, which represent about 90% of energy consumption, achieving the certification of one plant more than the targets estimated for 2013.

ISO 50001 CERTIFIED PLANTS
CNH INDUSTRIAL WORLDWIDE



GRI-G4
DMA
Sustainability Plan
Our commitments on page 118
Glossary
APAC, DMA, EMEA, ISO 50001, LATAM, NAFTA

Specifically, the energy management system was extended to the plants in Piacenza and San Mauro Torinese (Italy), Burlington, New Holland and Wichita (USA), Contagem, Curitiba, Sete Lagoas and Sorocaba (Brazil), and Bourbon Lancy and Garchizy (France). CNH Industrial's new target is to continue extending certifications to other plants during 2014, to achieve a coverage of 93% of energy consumption.
Voluntary compliance with the new ISO 50001 standard reflects CNH Industrial's determination to manage the Company sustainably, as recognized globally by the results obtained in the Dow Jones Sustainability Index and the Carbon Disclosure Project (see also page 97).
Furthermore, in 2013, the reporting and monitoring of greenhouse gas (GHG) emissions continued through voluntary compliance with the Corporate Accounting and Reporting Standard of WBCSD[1] and WRI[2] (GHG Protocol) and ISO 14064 standards, covering 100% of CNH Industrial energy consumption.

OUR PROJECTS

ENERGIZED TOGETHER

For World Environment Day, CNH Industrial confirmed its commitment to fighting climate change by organizing an awareness-raising and training event on energy, the environment and safety. After the success of Iveco's Energy Day in 2012, the event was revived this year and extended to include CNH Industrial's Environment, Health and Safety experts from the EMEA Region. The workshop, organized by the Industrial Village in Turin (Italy), was an exchange of ideas and practices to make real contributions to energy saving, environmental protection and safety in the workplace. The event also hosted the award ceremony for 2012 Energy Challenge, launched by Iveco last year. The plants in Valladolid (Spain) and Vittorio Veneto (Italy) won the Zero Consumption Trophy and the Green Plant Trophy, respectively. The third prize (the Super Energy Trophy), for the best energy saving idea, went to the energy specialist, from the Vysoke Myto plant (Czech Republic).
Finally, further demonstrating CNH Industrial's commitment to combating climate change, an initiative is already planned to offset the 12 tons of CO_2 generated by participants who traveled to the workshop venue. It will provide for the protection of a 2,300 m^2 area of growing rainforest in Costa Rica, under the Zero Impact® program with the backing of LifeGate. Furthermore, each participant has also become the safekeeper of 50 m^2 of Brazilian rainforest.

SHARING AND AWARENESS ACTIVITIES

The ongoing promotion of staff involvement and awareness on the importance of energy resource conservation is key to reaching improvement targets. Thanks to a well-established system for collecting suggestions, typical of the World Class Manufacturing methodology, employees can directly contribute to process optimization. The WCM system also allows best practices to be standardized and disseminated across plants, ensuring the kind of synergy that is crucial for the development and continuous improvement of any global company.
In 2013, 5,932 hours of training were provided to 9,945 people, three times the figures of 2012 owing to a significant expansion of the energy management system. Indeed, training courses mainly focused on the distinctive features of the system, compliant to the ISO 50001 standard, and on the proper monitoring and management of energy performance. One of the most important training events, the *EHS & Energy Days*, took place on the 5 and 6 June in Turin (see box above). In addition, an energy conservation awareness campaign, inspired by the *M'illumino di Meno* initiative, was launched in February 2013 with the creation on the corporate intranet of specific interactive energy pills, accessible to all CNH Industrial employees, providing tips on how to save energy in the office through the responsible use of lighting, elevators, and climate control all year round.

GRI-G4
DMA

Sustainability Plan
Our commitments on page 118

Glossary
DMA, EMEA, GHG Protocol, ISO 14064, ISO 50001, WCM

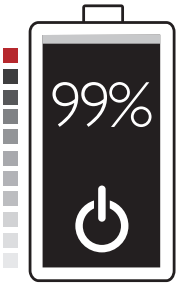
(1) *World Business Council for Sustainable Development.*
(2) *World Resources Institute.*

ENERGY PERFORMANCE

An efficient energy management system depends on the effective monitoring of energy performance, by means of specific Energy Performance Indicators (EnPI).

This system allows CNH Industrial to measure the benefits and effectiveness of ongoing initiatives, plan improvement measures, and establish new and ever-more challenging targets. Energy performance and the achievement of the targets specified in the Action Plan continued to be monitored through the Energy Monitoring & Targeting (EMT) management system, in addition to the comparison of performance levels at the various plants. EMT was extended to 49 CNH Industrial plants, reaching and surpassing the stated target of covering 95% of energy consumption, thanks to the system's full deployment across all Trucks and Commercial Vehicles plants. The target for EMT coverage in 2014 is to reach 100% of energy consumption, demonstrating CNH Industrial's strong commitment to monitoring consumption.

In order to meet the targets set in the 2009-2014 Energy Action Plan, in addition to the monitoring of energy performance, the dialogue and communication between plants was enhanced by adopting a shared IT platform in every segment to identify solutions to energy-related challenges. This led to the identification and implementation of 149 improvement programs, in both technical and management spheres, while increasing individuals' awareness and level of engagement. The methodologies applied to monitor the savings generated by the various initiatives were mainly standardized according to the International Performance Measurement and Verification Protocol (IPMVP), volume 1 (January 2012).



of energy consumption monitored

During 2013, CNH Industrial implemented the following short to medium-term management and engineering initiatives aimed at reducing energy consumption:

- solar thermal systems for domestic water heating from renewable energy sources
- high-efficiency lighting systems (T5 fluorescent or dimmable LED technology) for production facilities, offices and external areas, combined with dimmers and motion sensors (see box below)
- high-efficiency engines, electric motor inverters and variable speed air compressors;
- detection and repair of compressed air leaks, and implementation of CROV pneumatic transformer in the Powertrain segment (see also page 179)
- intensification of machinery shutdown when idle (see also page 179)
- intelligent stand-by equipment on machining centers and transfer lines
- exhaust gas heat recovery systems or air compressors
- use of radiant panels to optimize heating efficiency in large buildings and management of space heating in workshops through the accurate analysis of energy consumption and temperature
- painting booth air recovery
- building insulation
- hardware and software innovations for metal component processing machines.

OUR PROJECTS

LIGHTING SYSTEM RENEWAL IN SASKATOON

During 2013, the lighting system of the plant in Saskatoon (Canada) was completely revamped, replacing the 955 mercury and metal halide lamps with next-generation LED ceiling lights, equipped with presence detectors. This led to a 36% reduction in power requirements (from 471.6 kW to 303 kW). Moreover, the presence sensors mean the estimated working time was reduced from 8,256 to 4,140 hours per year. This improves efficiency, providing the desired illumination when and where it is needed and eliminating waste at the source, as per the principles of World Class Manufacturing. The lighting system is also an improvement from an environmental and occupational safety point of view (it is mercury-free), is more performant (better light quality), and easier and cheaper to maintain, with a useful life of 133 thousand hours as certified by the U.S. Department of Energy, compared to 10-20 thousand hours in the previous system. The result is an annual saving of 1,939,817 kWh, equivalent to about €180 thousand per year, and a reduction of 1,629 tons of CO_2 emissions per year. The plant invested about €735 thousand in the system, but the incentives granted to the project by the electricity provider reduced expenditure to €392 thousand, with a payback period of just over two years.

GRI-G4
DMA; EN6
Sustainability Plan
Our commitments on page 118
Glossary
DMA, Inverter, LED, WCM

Direct and indirect energy consumption, by source, and associated CO_2 emissions continued to be reported throughout 2013. For each source a clear specification of renewable and non-renewable energy sources was indicated. CO_2 emissions were calculated according to the standards set out in the GHG Protocol and incorporated in the Company guidelines, while the indirect emissions from energy production emission factors were quantified according to the standards published in November 2013 by the International Energy Agency.

At CNH Industrial, the only sources of greenhouse gas emissions, besides CO_2 emissions from energy consumption, are associated with the use of HFC substances with global warming potential (GWP) present in air-conditioning, cooling, and manufacturing equipment. Potential emissions from these substances (CO_2 eq) are negligible compared with emissions from energy production: with an incidence of less than 0.5%, these emissions fall outside the reporting scope[1].

ENERGY CONSUMPTION

in energy consumption per hour of production

In 2013, CNH Industrial reported a total energy consumption[2] of 8,209 TJ, a 4% increase over the previous year; however, this occurred in parallel with an average 11% increase in hours of production, evidence of the significant contribution made by the efficiency initiatives implemented.
Regarding energy performance, measured as the Company's total internal energy consumption divided by unit value (hours of production for Agricultural and Construction Equipment and Trucks and Commercial Vehicles, and units produced for Powertrain), CNH Industrial closed 2013 with highly satisfactory results thanks to the fall in energy consumption, attributable in part to the energy-saving measures carried out and to more efficient energy use and management.

TOTAL ENERGY CONSUMPTION

CNH INDUSTRIAL WORLDWIDE (GJ)

Non-renewable sources	**2013**	2012	2011
Plants	**54**	59	63
Direct energy consumption			
Natural gas	**3,662,770**	3,468,732	3,623,116
Coal	**225,854**	195,905	229,407
Diesel	**68,237**	65,242	91,670
Liquefied petroleum gas (LPG)	**121,039**	85,083	81,061
Other (HS and LS fuel oil)	**-**	7,135	10,613
Total	**4,077,900**	**3,822,097**	**4,035,867**
Indirect energy consumption			
Electricity	**1,839,124**	1,932,457	2,194,242
Thermal energy	**854,693**	860,121	981,879
Other energy sources	**112,804**	104,991	134,073
Total	**2,806,621**	**2,897,569**	**3,310,194**
Total energy consumption from non-renewable sources	**6,884,521**	6,719,666	7,346,061

Renewable sources	**2013**	2012	2011
Plants	**54**	59	63
Direct energy consumption			
Biomass	**36,396**	61,032	63,979
Solar-thermal	**275**	100	-
Total	**36,671**	**61,132**	**63,979**
Indirect energy consumption			
Electricity	**1,193,823**	985,694	895,885
Thermal energy	**94,087**	73,547	81,034
Total	**1,287,910**	**1,059,241**	**976,919**
Total energy consumption from renewable sources	**1,324,581**	1,120,373	1,040,898
Total energy consumption	**8,209,102**	7,840,039	8,386,959

GRI-G4
DMA; EN3; EN15, EN16

Sustainability Plan
Our commitments on page 118

Glossary
CO_2 eq, DMA, GHG Protocol, GWP, HFCs, Indirect emission

(1) *The reporting scope is explained in the chapter Report Parameters (see also pages 210-211).*
(2) *The types of energy included are: electricity, heat, steam, cooling, natural gas, coking coal, diesel and other fuels.*

ENERGY CONSUMPTION BY ENERGY TYPE

CNH INDUSTRIAL WORLDWIDE (GJ)

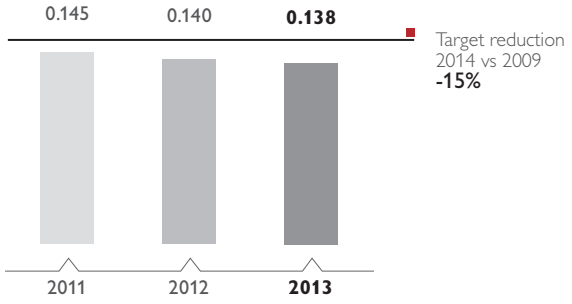
	2013	2012	2011
Plants	54	59	63
Electricity[1]	3,056,505	2,937,193	3,109,919
Heat	949,055	933,768	1,062,913
Coking coal	89,247	85,949	114,281
Steam[2]	-	-	-

(1 Electricity also includes compressed air.
(2 Steam is included in heat.

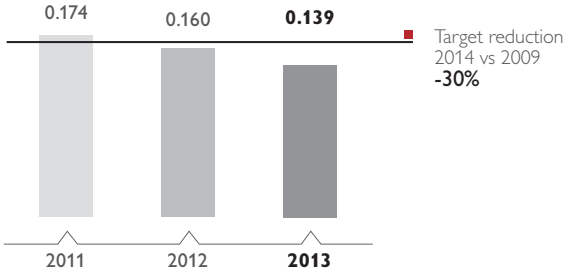
Annual global performance (in terms of energy consumption per unit of production) in the Agricultural and Construction Equipment segment fell by 22% compared with 2009[3], while for Trucks and Commercial Vehicles it fell by 41%. For Powertrain, energy consumption per production unit was down 27% compared with 2009 for the small cylinder engines and transmission division, and down 24% for the large cylinder engine division. For the sake of consistency when describing CNH Industrial's performance, notwithstanding the variety of Company product lines (vehicles, engines, components, etc.), KPIs were standardized: in 2013 the energy performance within the organization was 0.1505 GJ per hour of production, a drop of more than 5% over the previous year. CNH Industrial does not sell energy.

ENERGY CONSUMPTION PER PRODUCTION UNIT[4]

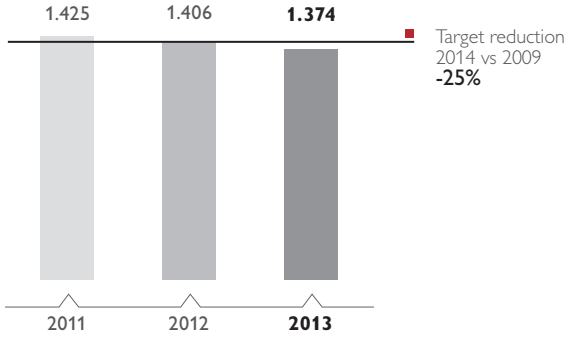
AGRICULTURAL AND CONSTRUCTION EQUIPMENT
GJ/hour of production



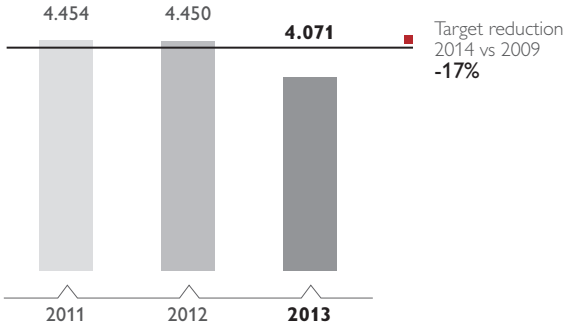
TRUCKS AND COMMERCIAL VEHICLES
GJ/hour of production



POWERTRAIN (SMALL ENGINES AND TRANSMISSIONS)
GJ/unit produced



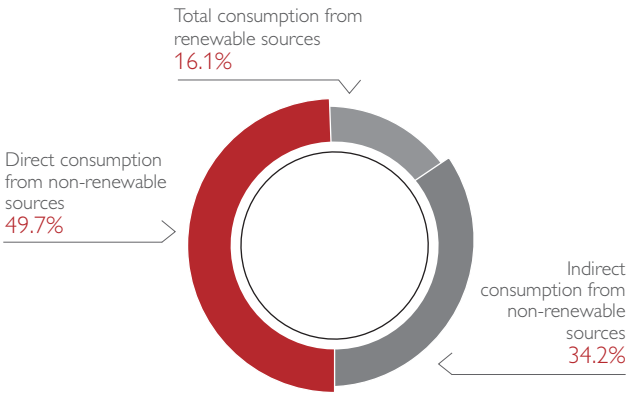
POWERTRAIN (LARGE ENGINES)
GJ/unit produced



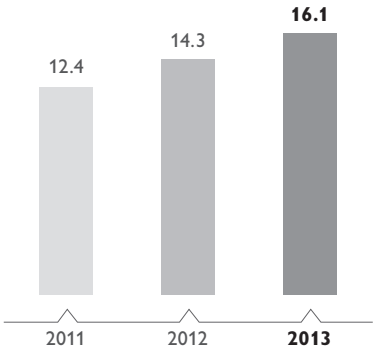
GRI-G4
EN3; EN5
Sustainability Plan
Our commitments on page 118
Glossary
KPI

(3) 2009 was chosen as the base year for the 2010-2014 global planning, in line with the business plan.
(4) The types of energy included are: electricity, heat, steam, cooling, natural gas, coking coal, diesel and other fuels.

ENERGY CONSUMPTION BY SOURCE
CNH INDUSTRIAL WORLDWIDE



TOTAL ENERGY CONSUMPTION FROM RENEWABLE SOURCES
CNH INDUSTRIAL WORLDWIDE (%)



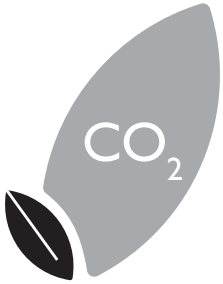
CO_2 EMISSIONS

CNH Industrial's CO_2 emissions were about 537 thousand tons, similar to last year, despite a slight increase in energy consumption. This value was due to the greater share of renewable energy in CNH Industrial's energy mix.

DIRECT AND INDIRECT CO_2 EMISSIONS[1]
CNH INDUSTRIAL WORLDWIDE (thousands of tons)

	2013	2012[2]	2011
Plants	**54**	59	63
Direct emissions (scope 1)	**226,748**	212,833	229,360
Indirect emissions (scope 2)	**308,210**	318,288	370,402
Direct emission from landfill gas	**1,987**	3,332	n.a.
Total CO_2 emissions	**536,945**	534,453	599,762

(1) CO_2 is the only greenhouse gas significant to CNH Industrial's processes (see also page 175).
CNH Industrial considers biogenic CO_2 emissions to be those released by landfill gases combustion.
2009 was chosen as the base year for the 2010-2014 global planning, in line with the business plan. Direct CO_2 emissions in 2009 were 199,545 tons.
Indirect CO_2 emissions in 2009 were 346,158 tons.
There were no significant changes in emissions that triggered the recalculation of base year emissions.
The approach used to consolidate GHG emissions reporting is operational control.
For methodologies and emission factors used, see also page 213.
(2) The data for 2012 have been adjusted compared with those in 2012 Sustainability Report.

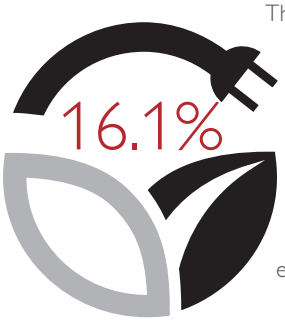


-9% in
CO_2 emissions
per hour of production

GRI-G4
EN15; EN16

Sustainability Plan
Our commitments on page 118

Glossary
Direct emissions, Indirect emissions



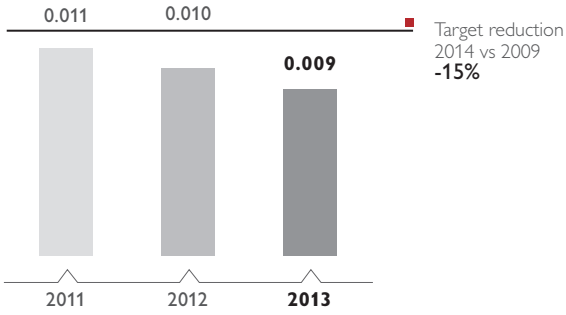
of energy from
renewable sources

The improvement in CO_2 performance[1] per production unit with respect to 2009 was, for each segment: 32% for Agricultural and Construction Equipment; 51% for Trucks and Commercial Vehicles; 47% for the Powertrain small cylinder engines and transmissions; and 40% for large cylinder engines. In 2013, the KPI standardized across the Company was 0.0098 tons per hour of production, a drop of 9% over the previous year.

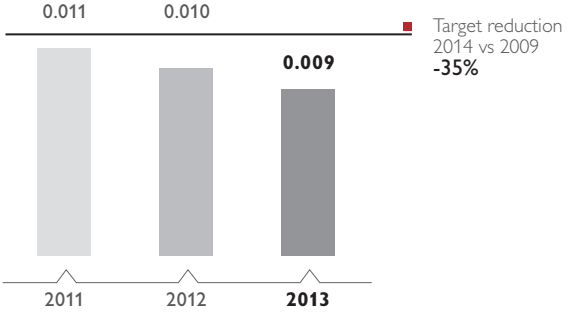
Such significant results were mainly due to a reduction in energy consumption per unit value, but also to a greater use of renewable energy sources, which reached 16.1% of the total energy consumed by CNH Industrial in 2013, exceeding the 14% target set for 2013. The reduction in emissions due to the increased use of renewable energy was equivalent to 87 thousand tons of CO_2.

CO_2 EMISSIONS PER PRODUCTION UNIT[1]

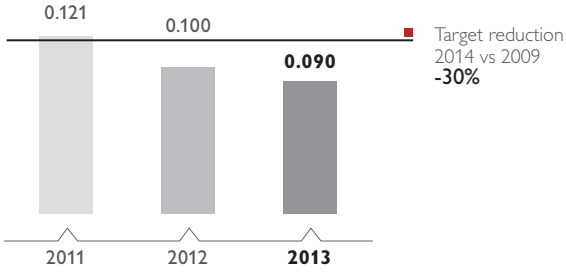
AGRICULTURAL AND CONSTRUCTION EQUIPMENT
tons of CO_2/hour of production



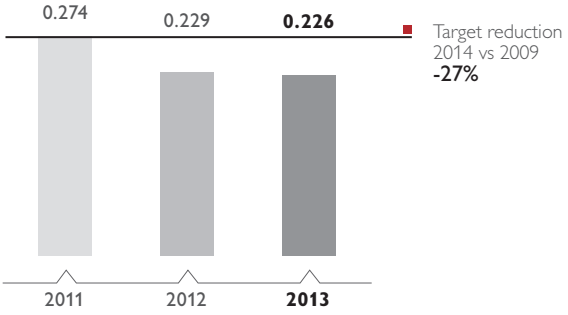
TRUCKS AND COMMERCIAL VEHICLES
tons of CO_2/hour of production



POWERTRAIN (SMALL ENGINES AND TRANSMISSIONS)
tons of CO_2/unit produced



POWERTRAIN (LARGE ENGINES)
tons of CO_2/unit produced



GRI-G4
EN18

Sustainability Plan
Our commitments on page 118

Glossary
KPI

(1) CO_2 is the only greenhouse gas significant to CNH Industrial's processes (see also page 175). 2009 was chosen as the base year for the 2010-2014 global planning, in line with the business plan. The indicator includes Scope 1 and Scope 2 emissions.

OUR PROJECTS

ENVIRONMENTAL MANAGEMENT OF TOUCH-UP SPRAY BOOTH AT SUZZARA

One of the noteworthy projects for 2013 involved the paint department at the plant in Suzzara (Italy), which aimed at reducing the operation times of the Air Handling Unit (AHU) of the touch-up spray booth, limiting operation to the periods of use (eight hours per day), taking account of the time required to power on and off. Through this environmentally friendly approach, the AHU is powered to maximum capacity by the operator, and for a predefined period. At the end of this period, the AHU is brought to below maximum capacity, unless a new request is made by the operator. To ensure the correct use of the system and of the specially designed control panel, a training course was provided for both the touch-up booth operators and painting department maintenance personnel.
The project led to savings of over €60 thousand, due to the reduction in energy consumption (50%) for air treatment and lighting. The payback time is estimated at one year.

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 system of *emission trading* (EU-ETS). 2013 marked the start of the third phase of the ETS, which sets a single emission cap for the whole of the European Union, a limit that will decrease linearly over time, even after the end of the third trading period (2013-2020). The energy generated in 2013 by the plant was approx. 90 thousand GJ, putting the plant in debt with regards to its CO_2 emission allowance for that year, acquiring the necessary 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 United Kingdom, is the plant in Basildon, one of the most energy-consuming in Europe. For the second year running, the site renewed its participation in the reporting and evaluation system (CRC - Performance League Table) in 2013, acquiring the necessary credits to offset its CO_2 allowances.

OUR PROJECTS

SUCCESSFUL ENERGY RECOVERY AT TURIN ENGINE PLANT

Of particular interest is the CROV pneumatic transformer project at the Engine plant in Turin (Italy). The technology, now patented worldwide, is based on the principle of reducing lamination, responsible for the energy consumption of a fluid. The compressed air is in fact produced by the compressors and stored at a pressure of 8-12 bar, while operating pressure is 4-6 bar. This causes pressure jumps within the pneumatic network, where the excess energy is dissipated in the form of heat, due to the phenomenon of lamination. The CROV pneumatic transformer uses this excess energy to draw air from outside, recompressing and reusing it. This enables significant savings on the energy required by air compressors.
Monitoring activities showed energy savings of 89%, equivalent to 422 GJ/year. The investment of about €24 thousand led to economic benefits worth €15 thousand, with a payback period of a little over a year and a half. Following the first phase in 2013, a second one will be developed in 2014 to apply this technology to the second of two loops of the assembly line.

GRI-G4
EN6

Sustainability Plan
Our commitments on page 119

Glossary
Emission trading

PURE RISK MANAGEMENT

CNH Industrial strongly believes in risk management and loss prevention, aimed at avoiding property damage and any resulting interruptions to business operations.

CNH Industrial's Pure Risk Management Policy[1] is based on four fundamental pillars:
- implementing measures that prevent accidents or limit their effect
- adopting the highest international reference standards for the prevention of risks to property
- minimizing the cost of risks by optimizing prevention/protection investments, self-insurance, and risk transfer programs
- centralizing relationships with domestic and international insurance markets.

The pure risk management process is subdivided into five stages:
- identification of risks, areas, processes and key activities
- quantification of the probability of occurrence of incidents and subsequent potential economic impact, calculated on the basis of direct damage and interruption of Company activities
- risk analysis using mapping and benchmarking tools, to identify operational priorities based on cost/benefit ratios
- implementation of risk management measures designed to reduce the probability of incidents, control their effects, and minimize their economic impact
- constant monitoring of risk levels within existing operational units and for new projects.

The overall risk management process is carried out by a dedicated center of competence, supported by a consulting company specialized in industrial risks whose field audits ensure an in-depth, continuous, and objective assessment of risk levels across the entire Company.

€9.1 million
invested in **prevention** and **mitigation** measures

In 2013, this process involved 49 plants (covering approximately 62% of CNH Industrial insured value[2]) and 178 new projects, in line with international prevention standards.

During the year, the Company invested around €9.1 million[3] in prevention and mitigation measures, saving approximately €1.05 billion in potential losses, with a global efficiency index of 0.86[4], in line with the highest international standards.

The synergy between the Company's strategic approach to loss prevention and corporate Risk Management, which focuses on developing forward-looking engineering solutions to risk, has proven to be a key element of the Company's overall sustainability approach, as demonstrated by specific projects that highlight the contribution of risk management in addressing climate change issues.

Sustainability Plan
Our commitments on page 105

(1) *Pure risks are risks resulting from natural causes or accidental or malicious acts that may result not only in damage to goods or facilities, but also lead to a short or long-term interruption of operations.*
(2) *Calculation based on replacement value of property insured and cost associated with interruption of activity.*
(3) *Figures relate to the period from 1 July 2012 to 30 June 2013 (Insurance Year).*
(4) *In the management of major industrial risks, efficiency indices equal to or less than 1 are considered "a best practice", and are equivalent to an investment of €1 to eliminate a potential loss of €100.*

The Company is currently working on the following key projects:

New approach to **insurable environmental** risks; Risk Management teamed up with the Environment, Health & Safety (EH&S) Department to develop an innovative risk management methodology to:
- obtain objective and quantifiable information on insurable environmental exposures
- improve risk profiles according to the Company EH&S strategy
- understand and clearly communicate priorities and benefits
- effectively inform the insurance market about the loss prevention activities in place to prevent and mitigate potential environmental losses
- obtain environmental insurance coverage in line with corporate strategies, commensurate with risk exposures and current loss prevention activities.

The methodology is scientifically-based and avails itself of certified self-assessment tools; already used in 2012 to assess and analyze 46% of CNH Industrial total insured value, it led to the development of the Company's first environmental maps quantifying the overall levels of risk.

The self-assessment data is verified and validated by specialized environmental risk engineers sent by each regional EH&S department at a selected number of representative sites. The field visit campaign started in the second half of 2013, and will continue in 2014.

The new methodology and its outcomes – the accurate identification, quantification and management of environmental risks – were very well received by the insurance market, and have significantly affected CNH Industrial's risk category assignment.

Earthquake risk reengineering; in 2011, a workgroup consisting of Risk Management, a leading insurance company, and Naples University launched a three year research project to develop a scientific earthquake risk evaluation process. This quantitative analysis takes into account the combination of hazard, structure vulnerability, and exposure/exposed values, and is based on multiple data sources.
Seismic risk measurements:
- relative, mainly for prioritization purposes - Level 1
- absolute, based on fragility curve analyses from literature - Level 2a
- absolute, based on analysis of fragility curve computations - Level 2b

The goal of the earthquake risk evaluation process is to assess, quantify, and proactively manage the seismic risks that manufacturing plants are exposed to. It has allowed CNH Industrial to classify and prioritize plants, identifying those in need of further appraisal and/or analysis.

Climate change potential impacts analysis; this project was launched to evaluate potential new risks posed by climate change, with three goals in mind:
- raise awareness within the entire organization about the new potential risks posed by climate change
- explain the nature of the risks associated with climate change
- verify that all existing and new risk management processes take climate change into consideration

One methodology in particular is being developed in the scope of the **rainwater** project, which focuses on the potential rainwater risk to plants based on the gap analysis of their initial construction design data compared to current design data according to occupancy and latitude (as per internationally recognized construction standards).
This analysis will allow to:
- identify "relevant" data about plants' rain disposal networks
- create an *ad hoc* form to compile and report key data
- develop a methodology to identify and extract current design data based on specific occupancy and latitude
- develop specific gap analysis software (to compare construction design data with current design data)
- identify intervention priorities based on both the gap and values at risk.

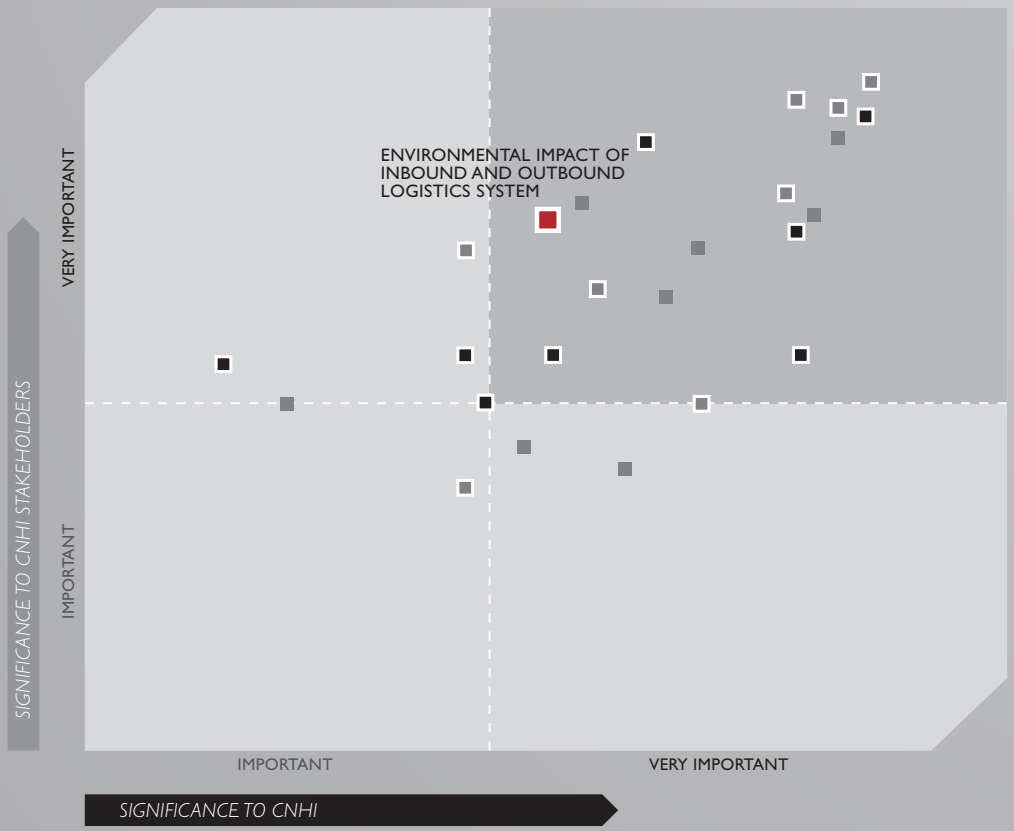
Sustainability Plan
Our commitments on page 105

LOGISTICS PROCESSES

SUPPLIERS • ENVIRONMENT

DMA; EN30

-2,260
tons of CO_2 emissions in Europe



Material aspect described in chapter. For further details, see Materiality Matrix, page 35.

THE COMPANY'S MAIN IMPROVEMENT TARGETS FOCUS ON REDUCING CO_2 EMISSIONS ASSOCIATED WITH THE HANDLING OF FINISHED COMPONENTS AND PRODUCTS, AND ON MINIMIZING THE USE OF NON-REUSABLE PACKAGING MATERIALS

When managing logistics processes, CNH Industrial is unrelenting in its search for sustainable solutions to combat climate change, preserve natural resources, and safeguard health.
The Company manages its improvement efforts related to logistics through the Green Logistics Principles, published by Fiat Industrial in 2011, and adopted by CNH Industrial in September 2013 by resolution of the Board of Directors. These principles, available on the Corporate website, are designed to coordinate all Company initiatives, and to support different corporate functions in performing effectively, in collaboration with suppliers, to ensure indicators are continuously monitored and that targets are met.

CNH Industrial's approach focuses on four areas:
- increasing low-emission transport
- minimizing non-reusable packaging and protective materials
- adopting intermodal solutions
- optimizing transport capacity.

Engaging suppliers is an integral aspect of this course of action, as their active involvement is key to achieving an effective, sustainable logistics system. This commitment became evident when a number of logistics suppliers participated in the *Carbon Disclosure Project Supply Chain* (see also page 153), aimed at monitoring the CO_2 emissions of a few selected suppliers and at promoting initiatives to reduce them, including through joint ventures and partnerships. The *Carbon Disclosure Project Supply Chain* will continue in 2014, involving more suppliers.
This approach testifies the importance of sustainable logistics within CNH Industrial's materiality matrix; the issue is of increasing interest for stakeholders too, owing to the economic, environmental, and social implications involved. In fact, sustainable logistics are considered important because of their impact on cost optimization, on the reduction of emissions, on the use of resources and management of packaging, and because of their indirect effect on employee health and traffic congestion.

The Company's main improvement targets focus on reducing CO_2 emissions associated with the handling of finished components and products, and on minimizing the use of non-reusable packaging materials. These targets are all set voluntarily and included in the Sustainability Plan (see also pages 119-120). Targets are evaluated twice a year to monitor progress toward their achievement and, if necessary, to adopt corrective measures. Results are shared annually through the Sustainability Report and the Corporate website.

The logistics system is managed according to *World Class Logistics* (WCL) standards that, based on the World Class Manufacturing (WCM) program, define the integrated logistics processes affecting plants and supplier network planning, while pursuing safety, ergonomics, eco-compatibility, and transport flow optimization. WCL standards allow for lean processes both inside and outside plants, involving all employees in the improvement processes. With the active participation of all parties, stock quantities are significantly reduced, production volumes and mix are evened out, and logistical know-how at plants is enhanced. Another significant aspect of WCL is the systematic reduction of both internal and external handling, deriving from the integration of the production and distribution networks. This approach ensures management effectiveness, 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 through up-to-date internal benchmarking.
All of the projects indicated in the 2013 Sustainability Plan were incorporated in the Performance and Leadership Management system, among the individual targets of the managers involved (see also page 46).

GRI-G4
DMA

Sustainability Plan
Our commitments on pages 119-120

Glossary
DMA, Erogonomics, Stakeholders, WCM

The Group Executive Council (GEC) has the highest responsibility for initiatives focusing on the reduction of the environmental impact of logistics systems at CNH Industrial.
For issues related to business travel see page 65.

MONITORING OF ENVIRONMENTAL PERFORMANCE

Operatively speaking, the inbound flow (i.e., the transport of production components and materials to Company plants) is handled either by external transport providers engaged by the Company or directly by material suppliers, while the outbound flow (i.e., the distribution of finished goods from plants to the sales network) is handled by external transport providers.
Spare parts are managed by CNH Industrial Parts & Services. Their inbound flow (to warehouses and distribution centers) is handled either by external providers engaged by CNH Industrial or directly by the suppliers. Their outbound distribution (including to dealerships) is handled by: specialized transport companies in the case of Agricultural and Construction Equipment; external companies coordinated by a logistics operator in the case of Trucks and Commercial Vehicles; and external providers engaged by the Company in the case of the Powertrain segment.
In 2013, some of the environmental aspects considered most significant[1] to logistics processes continued to be monitored in order to substantiate the targets included in the Sustainability Plan and the improvement projects that followed.

tons of inbound and outbound CO_2 emissions in Europe

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 activities 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 2013, the worldwide monitoring of CO_2 emissions was completed for both the Agricultural and Construction Equipment and Powertrain segments, adding up to 327 thousand tons of CO_2 in total (Europe excluded); monitoring activities for Trucks and Commercial Vehicles in Latin America and Australia will be completed in 2014.
In 2013, anticipating one of the goals envisaged by the Sustainability Plan, the Agricultural and Construction Equipment segment extended the monitoring of CO_2 emissions associated with air transport to all of its plants worldwide, for a total of 47.3 thousand tons of CO_2. In 2014, the same monitoring will be extended to two additional business segments. The inbound and outbound CO_2 reduction achieved in Europe was 2,260 tons, i.e., more than the target set for 2013 (1,710 tons). This figure corresponds to the emissions savings associated with the improvement projects implemented in 2013. CNH Industrial has set an equally challenging target for 2014 of 1,580 tons.

GRI-G4
DMA; EN30
Sustainability Plan
Our commitments on pages 119-120
Glossary
DMA

(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[1]

CNH INDUSTRIAL EUROPE (thousands of tons)

	2013	2012	2011
Inbound	**71.6**	75.5	65.6
Outbound	**50.1**	47.2	54.8
Spare parts	**12.8**	7.9	5.2
Total	**134.5**	130.6	125.6

(1) CO_2 emissions have been quantified as per the Greenhouse Gas (GHG) Protocol, revised edition, for road transport and the IFEU Heidelberg methodology for environmental calculations for sea and rail transport.
The increase in CO_2 emissions is due to the extended reporting scope (in line with the targets stated in the Sustainability Plan) and the moving of the production hub.

The management of the environmental aspects associated with logistics also aims at 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 may be less significant than atmospheric emissions, a monitoring process was started to create a reliable database to develop future improvement plans.

Material recovery processes are the solution of choice within the Trucks and Commercial Vehicles segment, where activities aiming at optimizing packaging for shipments to Latin America continued in 2013.
This led to a decreased use of wood crates (-5% compared with 2012, from 10.8 to 10.3 kilos of wood packaging per m^3 shipped) and to a reduction of approximately 147 tons in wood shipped.
The Powertrain segment, included in the scope of the World Material Flow (WMF) program in 2013, also began to pursue a progressive reduction of non-reusable packaging for shipments from Italy to plants in Latin America in favor of metal crates, setting a wooden crate reduction target of 35% for 2014. In 2013, the Agricultural and Construction Equipment segment continued to monitor the quantity of cardboard and wood used to consolidate the shipments of materials by sea to plants in North and South America within the scope of the WMF program.

CNH Industrial continued to monitor the disposal of cardboard packaging in European plants, reporting an average of 7.43 kilos of cardboard disposed of per unit produced. Furthermore, the Powertrain segment ended 2013 with an average of six kilos of wood disposed of per unit produced.

GRI-G4
DMA; EN30

Sustainability Plan
Our commitments on pages 119-120

Glossary
DMA, GHG Protocol

INCREASE IN LOW-EMISSION TRANSPORT

CNH Industrial continues to promote the use of low-emission vehicles to reduce CO_2 emissions associated with the transportation of components and goods. During 2013, all segments gradually introduced specific environmental contractual clauses obliging external transport providers to utilize fleets in which at least 70% of vehicles comply with Euro IV standards or higher. Preempting its own objective, the Powertrain segment has begun to introduce clauses stipulating a fleet with at least 75% of vehicles compliant to Euro IV or higher, with the other two segments to follow suit in 2014.

In 2013, vehicle emission standards continued to be monitored for a sizable sample of material and component suppliers; this will enable extending to outsourced transportation the same emission standards applied to transport directly managed by CNH Industrial. In 2013, 93% of all vehicles used for inbound and outbound transport in the Agricultural and Construction Equipment and Trucks and Commercial Vehicles segments in Europe conformed to Euro III standards or higher.
In North America, the Agricultural and Construction Equipment segment continued to engage its logistics partners in the SmartWay Transport program, an Environmental Protection Agency (EPA) initiative; participation in the program is a factor in evaluating potential suppliers. In 2013, 91.6% of service providers (rail and road transport) participated in the Smart Way program.

93% of vehicles compliant with Euro III standards or higher

USE OF INTERMODAL SOLUTIONS

Inbound and outbound transport can generate significant levels of road traffic, depending on geographical features, infrastructures and production volumes. CNH Industrial has always strived to promote alternative methods of transport (by rail and/or sea) using intermodal solutions, with the aim of reducing traffic congestion and lowering 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.

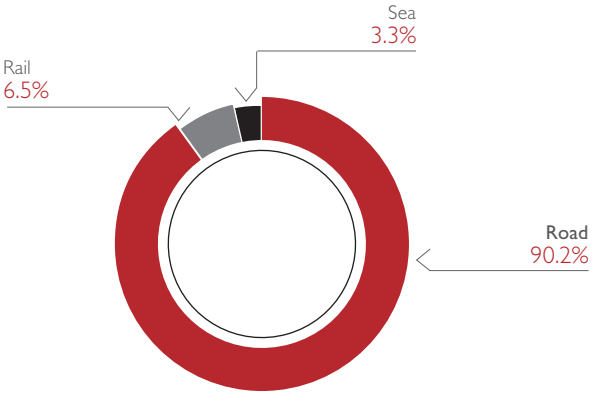
The *Freccia Gialla*, a combined inbound and outbound biweekly rail service launched in July 2012 at the Lecce plant (Italy), cut CO_2 emissions in 2013 by 1,350 tons.

From July 2013, with the Trucks and Commercial Vehicles segment directly managing inbound transport, intermodal solutions were found by exploiting the existing shipping connections between Italy and Spain. This initiative reduced CO_2 emissions by 1,151 tons.

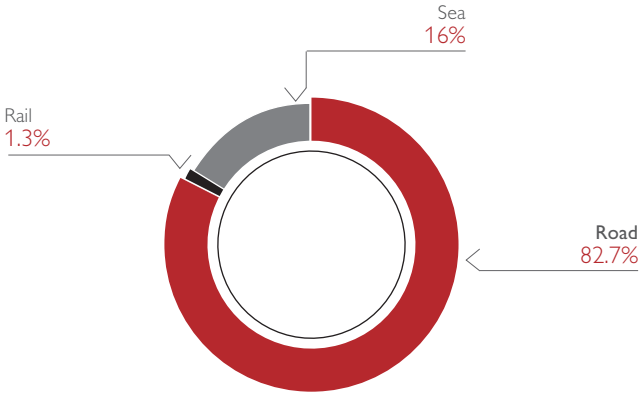
In line with the 2013 Sustainability Plan, the Powertrain segment achieved its target of reducing CO_2 emissions by launching its first regular inbound rail transport service to the Foggia plant (Italy). There are plans to extend railway use in 2014 by adding suppliers in Central Europe to the existing transportation network, and by launching the first intercontinental railway connection from China to the plant in Bourbon Lancy (France). This initiative is expected to reduce total CO_2 emissions by 480 tons.

GRI-G4
DMA; EN30
Sustainability Plan
Our commitments on page 119
Glossary
DMA, EPA, Euro VI

BREAKDOWN OF INBOUND TRANSPORT
CNH INDUSTRIAL EUROPE



BREAKDOWN OF OUTBOUND TRANSPORT[1]
CNH INDUSTRIAL EUROPE



(1) *Percentages refer to Agricultural and Construction Equipment and Trucks and Commercial Vehicles segments, and are based on the principal mode of transportation used for each vehicle.*

OPTIMIZING TRANSPORT CAPACITY

Optimizing transport capacity is one method CNH Industrial employs to reduce the costs and environmental impact of transportation. *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.

The estimated coverage was achieved in the Agricultural and Construction Equipment and Trucks and Commercial Vehicles segments. In 2011, the project was also launched within the Powertrain segment, reaching a coverage of 25% in 2012. Other plants will join the *Streamlined Delivery* project in 2014, and targets will be readjusted according to future volumes.

OUR PROJECTS

CNH INDUSTRIAL PARTS AND SERVICES RESEARCH ACTIVITIES

In 2013, CNH Industrial Parts and Services Europe started a collaborative study with the Warehousing Center of Bologna University focusing on the analysis, optimization, and strategic planning of warehouse activities. This €36 thousand study, using IT tools supplied by Bologna University, offered a number of insights into possible improvements to machinery, equipment, procedures, staff management and energy savings. In 2014, a first strategic project will be launched aiming to save an estimated €180 thousand per year in warehouse handling costs. During this collaboration, the Company gave four students the opportunity to complete an internship, working side by side with three corporate tutors (namely the Quality, Outbound and Inbound Managers, responsible for a team of almost two hundred people), for a total of six hundred hours of training each. They were requested to write their dissertations on targeted operational aspects and issues, identifying improvement plans and innovative solutions sustainable over time. One of the students, for example, developed a stock picking improvement plan that will save around €40 thousand per year in operational costs. Internships have also proven useful in identifying talent pools of prospective highly qualified professionals who already possess an understanding of the values of CNH Industrial.
The program, whose first phase will end in January 2014, will respond to a challenge: to establish a new spirit of collaboration between University and Company, potentially extending to all plants in the EMEA Region.

GRI-G4
DMA; EN30

Sustainability Plan
Our commitments on page 120

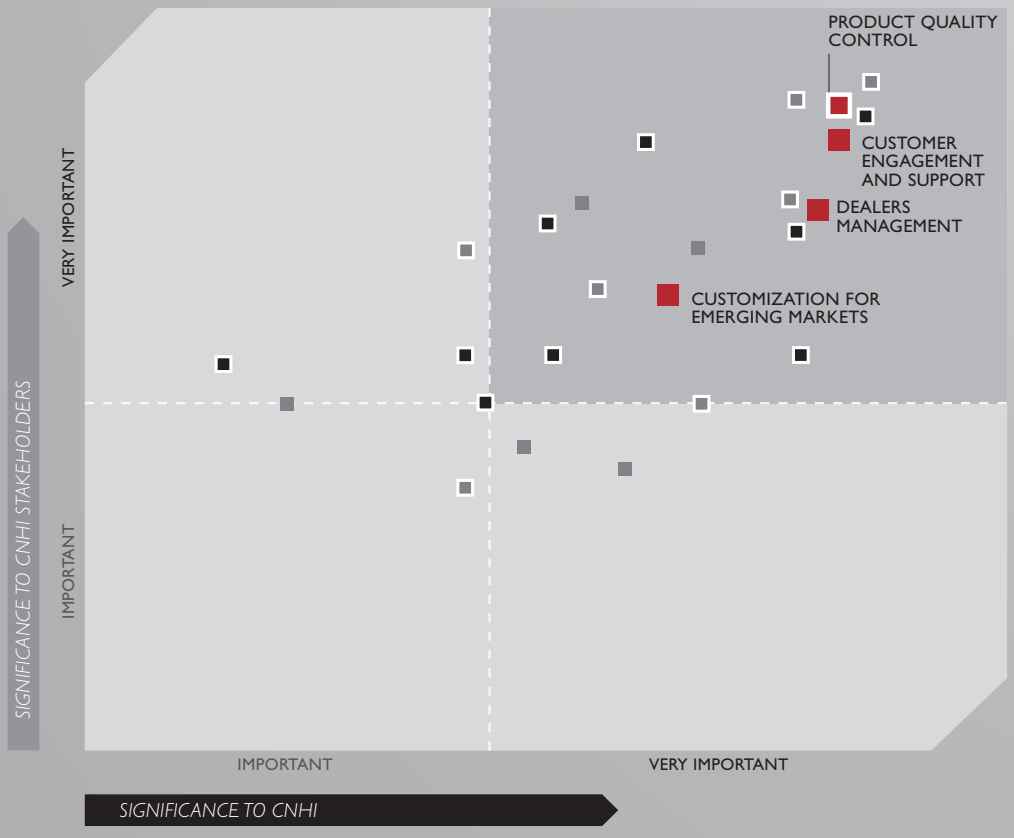
Glossary
DMA, EMEA

SALES AND POST-SALES

CUSTOMER • DEALER

DMA; PR3-PR5

190 thousand
customer **contacts**



Material aspect described in chapter. For further details, see Materiality Matrix, page 35.

Customer relations

All the work that goes into designing products of excellence is bought to fruition in the phases of sales and post-sales assistance. The objective is to establish a relationship of trust with customers, first enabling them to choose the best product to meet their needs, and then to carry out their work as effectively and with as few stoppages as possible.

From the materiality analysis, customer relations emerged as important with regard to various aspects, above all concerning the management of product quality assurance. This aspect involves the product development stage (see also pages 132-135) and the post-sales phase. In the latter, the ability to respond quickly and resolve product defects is essential for the Company to build trust and customer loyalty. For customers, minimizing the risk of downtime is crucial.

Next in importance is the ability to manage customer relations across the board, ranging from the Company's accessibility regarding requests for information and problem reporting, to the ability to provide clear answers as quickly as possible. This phase is also important in laying the foundations for future success by gaining an understanding of the degree of customer satisfaction, and, based on feedback and suggestions received, enabling changes to be made to existing product ranges, and new product lines to be developed that meet future market needs. For the Company, this aspect is important for building trust, while for stakeholders it means improving the use of their equipment, and limiting disruption in the event of problems.

A further crucial aspect emerging from the materiality analysis is the relationship with dealers, since they represent the Company in their interactions with customers. During the sales phase, it is essential to communicate the full range of technical capabilities of the Company's products and the principles that led to their realization. During the post-sales phase, it is important to assist customers in the best use of equipment and machinery, reducing downtime in the event of damage. A network of well-trained dealers that understand the specific needs of customers is key to achieving these objectives.

A final issue of fundamental importance is the customization of products to the needs of emerging economies. The Company operates in 190 countries, and for this reason it is important to consider the specific characteristics of each individual market, customizing its products to local requirements. In this way, CNH Industrial can win market share while at the same time promoting economic and social development in emerging economies.

Policies and commitments

Its commitment to its customers is a cornerstone of the Code of Conduct, in which CNH Industrial undertakes to fully meet the expectations of end customers and states 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. It specifically sets out employees' obligations to pursue this goal by building and maintaining fruitful and lasting relationships with customers, through safety, assistance, quality and value supported by ongoing innovation.

This commitment is extended to dealers through Company contracts, which include a clause by which dealers undertake to abide by the Code of Conduct and its Guidelines.

Commitments, actions and targets are set out in the Sustainability Plan (see pages 120-123).

Organization

Customer relations are managed by each of the brands, which define the main guidelines. Each Region has a Commercial Services function that reports directly to the Regional Chief Operating Officer (each Regional COO is a member of the Global Executive Committee). Through the brands, the Commercial Services function provides the services needed to implement the defined customer strategy. The Quality function, whose head is also a member of the GEC, operates centrally, and pursues the following objectives: to ensure the quality of Company products over their entire life cycle; to drive consistent processes and methodologies across product lines, Regions and product support functions; to assist Regions in achieving their objectives; and to drive optimization across product lines and Regions to improve results, efficiency and speed.

Each Regional Commercial Services function has a department that deals with the management and development of the dealer network, in compliance with the guidelines defined by each brand.

GRI-G4
DMA
Sustainability Plan
Our commitments on pages 120-123
Glossary
DMA

DEALER AND SERVICE NETWORK

The dealer and service network is directly managed by the individual CNH Industrial brands and supported at regional level by Network Development. This function designs tools and defines processes to monitor the relationship with dealerships, ensuring a consistent approach across the Company.
Specific dealer development programs ensure that CNH Industrial's dealer network complies with its customer service and quality standards. The main objective of these programs is to drive best-in-class customer support across the dealerships and to build a stronger and more competitive dealer network, so contributing to dealer business growth. Competitiveness, organizational structure, financial sustainability, as well as customer support and satisfaction, are examined through the following operational areas:

- visual identity
- facilities and operations
- administration and marketing
- sales
- parts
- service.

SERVICE QUALITY STANDARDS

The monitoring of programs for dealer quality standards is managed via a dedicated system known as **AssessNet- NAT** (Network Assessment Tool). Thus far, this system has been used in the EMEA and NAFTA Regions, with extension further afield planned from 2014 onwards. The AssessNet-NAT software is used to manage information on CNH Industrial brand dealers, and allows each company to continually monitor the compliance of its dealers with the required qualitative standards, while also overseeing the measures planned to meet these standards. The system also collects information on the various audits performed on the dealership network, along with the results.
CASE IH *Pinnacle Excellence* and *Red Excellence*, New Holland Agriculture *President's Club* and *Blue Ribbon* are some of the programs developed in line with strategies for global markets, and customized to respond to the precise local and regional requirements. The CASE IH *Pinnacle Excellence Program* strives to improve the quality and competitiveness of CASE IH dealers in terms of brand representation, performance, customer service and technical support. For *Pinnacle Excellence*, Case IH performed an overall assessment of the strengths of its own customer support services, those of its dealers, and those of dealers in comparable industries, with a view to identifying industry best practice. The results of this comprehensive survey were then used to design the *Pinnacle Excellence Program*, with the goal of driving best-in-class brand representation and customer service across the dealerships. Both are factors that can greatly improve competitiveness and the customer experience, so enhancing dealer profitability and brand performance. In 2011, in NAFTA, CASE IH introduced the *Pinnacle Excellence Program* to seven hundred dealers, employing 25 best practices with measurable guidelines, assessing the Sales, Marketing, Operations, Parts, and Service functions, and evaluating overall levels of expertise at the dealerships. To support *Pinnacle Excellence*, several in-depth dealer-training programs were developed and implemented:

- the *Sales Excellence Program*, a comprehensive training scheme that helps dealers to define a professional and organized sales process and to grow their business
- the *Parts and Service Profitability Program*, an advanced training workshop focused on increasing dealership profitability
- the *Financial Leadership for Growth Program*, a training workshop for dealer stakeholders and financial managers to help them examine and plan performance and growth targets
- *Business Management Services*, a web-based program that collects and analyzes dealers' key monthly financial data taken directly from their management systems
- the *Customer Satisfaction Measurement Program*, a turnkey service that measures customer experience and satisfaction at a particular dealership in terms of purchases, operation of new vehicles, and repairs under warranty.

The New Holland *Dealer Standards Program* was re-established in 2010 and sets guidelines and measures to increase the dealer's customer base and enhance customer satisfaction with New Holland products and services. Standards selected directly reflect the brand's priorities, although they are not intended as the sole criteria for excellence, but rather set the framework within which dealers should strive for further improvement. The program has two achievement levels: the President's Club and the Blue Ribbon. While the Blue Ribbon level sets the minimum standards for dealers, the President's Club level recognizes dealers who reach a higher level of service excellence, as well as a preset product target. The New Holland *Dealer Standards Program* will continue in 2014 with improved guidelines and raised targets to drive dealers to strive for excellence in the market and in the community.

GRI-G4
DMA
Sustainability Plan
Our commitments on pages 120-123
Glossary
EMEA, NAFTA

In Europe, New Holland Agriculture's business activities are customer-focused. The New Holland brand and its dealers are committed to sustaining a lasting relationship based on trust and confidence, and indeed the company considers its dealers to be business partners. The *Top Partner Program* promotes the continuous development of all parties involved and helps to assess dealer expertise, as well as identify areas for improvement, giving guidance on how this can be achieved. It is based on three main principles: leadership and management, customer acquisition and support, and personnel management and retention. These principles are applied through Sales and Marketing, and Service, areas in which New Holland has defined a series of best practice objectives to give dealers a competitive market advantage. A series of specific standards form the basis of the *Top Partner Program*, according to three levels of compliance: certified, advanced and premium. First level compliance demonstrates a dealer's ability to deliver a unique and consistent New Holland Agriculture experience to the customer, whereas premium level compliance reflects systematic implementation of recommended dealer best practice.

Case IH Europe believes in building the industry's most professional dealer network and, through the *Red Excellence Program,* trains dealers to a very high professional level to meet the increasingly demanding requirements of existing and future customers. The scheme was launched in 2009 in five key markets and has since been extended to all European plants. The aim is to foster a successful and sustainable partnership with dealers and continuously raise the quality of customer service. *Red Excellence* supports each dealer, identifying critical business areas and driving best practice to achieve continuous improvement. Key areas for dealerships are:

- HR and Training
- Sales, Service, and Marketing
- Dealership buildings and signage
- Tools and equipment
- Harvesting and Advanced Farming Systems.

There are three levels of *Red Excellence* compliance for Case IH dealers: the certified level recognizes the fulfillment of minimum Case IH quality requirements for a consistent brand experience; the professional level demonstrates above-average quality standards for an outstanding customer experience; and the master level recognizes best-in-industry standards, excellent performance, and outstanding customer service through the adoption of best practice.

Another dealer network management tool is *geomarketing*; it monitors the performance of different dealerships and provides key operational guidelines for both CNH Industrial companies and dealerships, providing information useful to directing its operations.

OUR PROJECTS

SUSTAINABLE DEALERSHIPS

In 2013, the Steyr brand launched a project to produce a practical guide on how to make dealership buildings more efficient and sustainable. The key elements identified were: to favor the use of wood, to encourage the use of natural light, to adopt solar power technology, and to install heating systems powered by renewable sources (e.g., biomass). Adopting these principles may lead to certification with the klima:aktiv building standard[1] or other major sustainable building specifications. The preliminary study was carried out in collaboration with ten dealerships in Austria and aimed at evaluating best practice. The next draft of the guide has been discussed by the CNH Industrial team together with the four main brand dealers. The guide is currently being circulated throughout the organization.

Since the end of 2013, the **Parts function** has been working closely with the Agricultural brands to build sustainable and efficient processes, with the aim of improving dealer efficiency and performance. Dealer standards for the Parts function are completely integrated into the *Top Partner* and *Red Excellence* programs, and focus on certain high-impact areas, centered on Parts best practice and based on five key pillars. Working together with the dealer network through this robust program, CNH Industrial continues to build strong relations whilst remaining customer focused and striving to exceed expectations.

GRI-G4 DMA
Glossary DMA

(1) *klima:aktiv is the Austrian climate protection initiative launched by the Federal Ministry of Agriculture, Forestry, Environment and Water Management, and is embedded in the Austrian federal climate strategy.*

At critical times, CNH Industrial customers turn to the Parts function with an expectation of the best solutions from the brands, in terms of both products and service; the Company is best placed to achieve this by building a profitable and sustainable network and by focusing on customer satisfaction and loyalty. Only a satisfied customer is loyal and returns time after time.
CNH Industrial Parts understands that the process starts with product purchase and is re-enforced in the workshop. Dealers must welcome customers in a professional manner, communicate the right brand image, and remain customer-focused, extending this approach to sub-networks and warehouse management.
Targets for the network are to improve assessment and aftersales resource allocation, plan and implement marketing strategy, and capitalize on each moment of contact between dealership personnel and the final customer.

Quality control

The quality assurance standards adopted by the various CNH Industrial companies have also been implemented across the dealer network. In Trucks and Commercial Vehicles segment, for example, customer service quality standards are regularly verified by external audits based on ISO 9001; 80% of the Trucks and Commercial Vehicles dealer network in major European countries is ISO 9001 certified.

POWERTRAIN – DEALER AND SERVICE NETWORK

FPT Industrial believes it is vital to develop the skills and knowledge of all its dealership personnel. Every year, technicians and sales and post-sales employees attend specially designed training programs that are in line with Company strategies and requirements. The courses are focused on developing and enhancing the managerial skills and technical knowledge of personnel, as well as on raising awareness of a corporate identity based on standards of excellence.
The FPT Industrial dealer network comprises about one hundred autonomous businesses tasked with the sale of its engines and spare parts. Globally, the post-sales network is present in over one hundred countries, with 1,300 service outlets.
Our dealers are either single-brand vendors of FPT Industrial products, or multi-brand dealers that sell FPT Industrial engines alongside other products from non-competitors. In North America, the dealer network is organized into major distributors and multi-brand dealers, and supported by 250 dealerships.
Training provided to the dealer and service network is key to strengthening the dealers' technical and business skills and to keeping them updated on the latest product innovations. Over the years, the specific training initiatives for the Powertrain network have kept pace with the evolutions in technology, giving dealers and workshops a full grounding in the installation, maintenance and repair of both mechanical and electronic engines, as well as after-treatment systems.
Dealer training sessions are planned centrally and can be provided at FPT Industrial headquarters, at the dealership, or at the end-customer's premises, should an engine require a specific type of installation. Technical training is available in five languages (Italian, English, French, Spanish, and German) and is supported by regularly updated training books available online for distance learning. Part of the FPT Industrial training strategy for 2011-2013, the **Customer and Commercial Excellence School** project is a course aimed at Sales, Marketing, and Product Marketing and is provided together with the SDA Bocconi School of Management.
The heads of sales, key account managers, and marketing managers are among the professionals involved. The course is aimed at strengthening the customer focus culture, enhancing business skills within FPT Industrial, and promoting comparison and benchmarking through the experiences of companies from different sectors, but nonetheless analogous to FPT and recognized as advocates of best practice. Where sales are managed through dealerships, and to support continuous improvements in customer satisfaction and as part of the quality certification process, customers are given questionnaires requesting feedback on the network. Analysis of the results and the generation of statistics lead to improvements in the sales process and a better understanding of end users' needs.

Sustainability Plan
Our commitments on pages 120-123

TRAINING FOR THE NETWORK

CNH Industrial is committed to ongoing investment in the dealer and service network, with a view to offering customers an expert service. With this in mind, the Company believes that training employees to understand and respond appropriately to customer needs is essential.

Building the skills and know-how of all dealership personnel is of fundamental importance. Every year, CNH Industrial designs and runs special training programs for technicians, sales people and after-sales personnel, tailored to Company strategies and requirements. These training courses focus on developing managerial skills and technical expertise, as well as promoting a corporate identity built on excellence.

CNH Industrial has created **Unetversity,** a professional training organization which aims to enhance the knowledge and expertise of its dealers. It is made up of 270 professionals and 52 training centers across the world, and offers a catalogue of around 5,600 courses, available in various languages, and customized according to the specific needs of dealership personnel. In 2013, Unetversity delivered around 1.4 million training hours, including online and instructor-led courses. Investment in dealer network training totaled €31 million in 2013.

Unetversity's training approach contributes to dealer network business growth, providing customized solutions that reflect the current market environment and offering a wide range of training activities, based on both traditional classroom-based approaches and online. Each segment also develops courses tailored to meet the training needs of the dealer and service network.

In 2013, Unetversity further developed and extended training opportunities, making significant improvements in two areas:

- expansion of the training program with the addition of new materials
- increase in training coverage through online training worldwide, with a stronger training presence in developing regions.

In 2013, the Agricultural and Construction Equipment segment provided 949 thousand hours of instructor-led courses on technical and commercial aspects.

In 2013, the Trucks and Commercial Vehicles segment provided 119 thousand hours of instructor-led courses on technical aspects, and more than 83 thousand hours of training to the dealer network across all markets, of which 65 thousand hours covered energy conservation, ecology, and safety, with about 30% more time devoted to the latter two topics.

The Trucks and Commercial Vehicles segment operates through Iveco-Unetversity Commercial Training, a vocational training scheme that aims to strengthen the knowledge and expertise of the Trucks and Commercial Vehicles Network and make it the benchmark for excellence in the Trucks and Commercial Vehicles segment. It also aims to raise awareness across the network of the importance of conducting all its dealings in a context of respecting the environment, promoting best practice for driving economically, and disseminating information on reducing emissions.

Iveco Unetversity offers a range of up-to-date courses on innovations within the sector, in line with the most effective training methods for classroom and online teaching. All Iveco-Unetversity courses are available in several languages and are tailored to the specific needs of dealership personnel.

The continual search for topics of special interest to the network saw, in 2013, the entire sales team, along with the owners, engaged in an in-depth study of the characteristics of Euro VI engines and their application during the Stralis Experience Test Camp. This was a major international event involving all heavy vehicle retailers, dealers, and international key account managers. The event provided a complete grounding in the product ranges of major competitors in the heavy vehicle sector, was full of detail and even offered the chance to test drive the vehicles: to see, touch, and try out all that the industry has to offer, with the aim of renewing and strengthening the profile of Trucks and Commercial Vehicles segment and of the quality of its products.

Product training focused on technologies that save energy and reduce maintenance requirements, in line with a responsible business approach. Participants were also given the chance to talk over the issues, thus enabling them to discuss such topics with customers in a more professional and knowledgeable way.

At the same time, training also focused on aspects of responsible selling, requiring all dealers to manage customer relations in a transparent manner, especially with regard to financing agreements and maintenance and repair.

As well as innovative products, emissions reduction, and cutting-edge services attending to the customer's every need, Iveco Commercial training also provided experiential courses on telephone recalls, supervising and monitoring the sales force on, among other things, the proper use of Customer Relationship Management data, and the making of calls in a professional manner according to a structured and shared methodology. Helping dealers to improve on current sales methods, training them to increase new customer penetration in the area, and reducing competitors' market share through targeted training, builds a network that is ready for future challenges.

Sustainability Plan
Our commitments on pages 120-121; 123

ON SITE TRAINING

In 2013, Unetversity took further steps to decentralize its training offer, extending the use of structures located in various countries and increasing online training delivery. In NAFTA, the Agricultural and Construction Equipment segment has now achieved a training footprint of six training centers, with nine partner colleges at additional training locations in proximity to the dealer network. In North America, these efforts saved seven million kilometers in travel for participants, in addition to saving 5.5 million kilometers worldwide through the use of online training solutions. In Europe, two partnership schools in the Netherlands and Denmark saved 1.5 million kilometers in travel, extending the Company's network of training centers, present in all major European countries.

The Trucks and Commercial Vehicles segment is further decentralizing its training presence, with the completion of two new training centers in China and the Middle East. The training organization was expanded in this region in order to meet the growing need for training in some developing regions, and now includes courses in additional languages.

In 2013, the Trucks and Commercial Vehicles segment continued its *On Dealer Site* training. Trainer and vehicle spent the day at the dealership, conducting the course on site. This system allows dealers greater accessibility to information, significantly reducing the cost and time of travel for participants. Time spent on such training is more than compensated for by enabling the dealer to continue sales operations and customer service uninterrupted.

In 2013, 252 million hours of **online training** were delivered to CNH Industrial salespeople and aftersales personnel, 243 thousand hours were delivered to Agricultural and Construction Equipment dealers and over nine thousand hours delivered to the Trucks and Commercial Vehicles segment sales and service network on product services and sales skills.

Furthermore, since 2012, content is also available on tablet computers, thanks to the development of new product training apps specifically for network personnel. This content, the new technologies, and the approach to the customer within the scope of the Total Cost Of Ownership (TCO) summarizes the philosophy through which the Trucks and Commercial Vehicles segment promotes and distributes information to technicians and salespeople on themes including commitment to safety, reduction of emissions and individual wellbeing.

Finally, each segment constantly monitors the quantitative results of the training it provides to the network, using a dedicated system to assess course satisfaction levels and measure learning levels.

TRAINING ON SAFETY AND THE ENVIRONMENT

Significant attention is given to training to enhance dealer and customer awareness of the environmental and safety-related features of CNH Industrial products. Training programs include an overview of brand environmental strategy in line with the recent Tier 4 regulations, along with related technical solutions applied to the products, field demonstrations, and training on proper machine use to increase efficiency, reduce fuel consumption, and optimize safety.

The training organization is also dedicated to improving customer driving skills, with respect to both safety and the environment. In 2013, over 12 thousand hours of training were delivered to construction equipment operators and 24 thousand hours to agricultural equipment operations. Specifically, in France and Germany, New Holland Agriculture rolled out the Harvester Master program for combine and forage harvester operators, in which over three thousand participants were trained on topics related to safety and sustainable driving techniques. Particular focus was placed on avoiding machine fluid leaks and soil contamination during operation, and on maximizing equipment efficiency while minimizing fuel consumption.

Training programs are designed to facilitate the introduction of new technicians into the dealer network. In collaboration with local government, CNH Industrial organizes training for young technicians, giving them the skills necessary to find work at Company dealerships. Dealers are also involved in these initiatives, making a commitment to hire the technicians trained.

In 2013, Trucks and Commercial Vehicles devoted significant resources to marketing products with low environmental impact. Network dealers had the chance to explore issues such as the reduction of emissions, noise pollution, and maximizing vehicle payload, in order both to satisfy customers and to respond to the needs of the community.

Not all those working in this field understand that truck fuel consumption is affected by traffic, environmental conditions, and driving style. The role of the Segment Commercial Training is to help drivers understand how it is possible to save more fuel by modifying their behavior. It does this by providing a definitive response: *Driver Training courses* are aimed at all those who drive Trucks and Commercial vehicles and who want to get the best user experience possible. This type of training has been provided for over three years, and is customized to the product range and to the client.

In all major markets, the driving courses are supervised by a team of specialist teachers and demo drivers, and provided 9,300 hours of assisted driving in 2013.

Sustainability Plan
Our commitments on pages 120-123
Glossary
NAFTA, TCO

CUSTOMER CARE

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, helping to foster enduring relationships and satisfy customer needs and expectations.
Specifically, CNH Industrial customer care operates through four customer service centers located in the main Regions: EMEA (Arese and Turin, Italy), NAFTA (Racine, USA) and LATAM (Sete Lagoas, Brazil).
Customers can contact the Company via the Web or by phone, which are the main channels of communication. Most CNH Industrial customer centers are operational 24 hours a day, seven days a week.
The dealerships are also an important interface for handling requests from customers in each of the Company's main Regions of operation, since they offer a variety of services, including information, complaints management, and assistance to customers in case of breakdown.
At CNH Industrial, the customer service center works in close collaboration with brands, dealers, technical services and other functions, and resolves to:

- give clients easy access to the Company and its brands through various channels of communication
- manage relationships with customers and provide them with the necessary support
- monitor and measure customer satisfaction and collect customer feedback.

MAIN SERVICES PROVIDED

CNH Industrial believes that customer satisfaction and, consequently, customer loyalty are closely linked to the quality and efficiency of the services it provides. The main services set up by the Company to manage the various aspects of customer relations are:
CRM relations (Info and complaints) - effectively manages and facilitates a customer's cross-channel exposure, interaction and transaction with a company, product, brand or service through studied methods and processes throughout their full life cycle; the customer experience should be positive, respectful, and attend to their needs, in line with their expectations when looking to purchase new machinery. Through CRM relations the Company receives complaints that are organized by type or category, and assigned a target date or objective for completion. Most product complaints are given an 11 day target for completion. If a case goes beyond the target date, the Customer Relations manager reviews the case and decides whether to escalate. Escalation usually involves external company resources, such as field services and/or dealerships. Each customer that files a complaint is asked if they wish to take part in a phone survey.
Breakdown Assistance (BDA) - intervenes in case of vehicle breakdown for Agricultural and Construction Equipement clients, ensuring all necessary steps are taken so that the client can resume work as soon as possible. Through BDA, when a customer experiences equipment failure, not only the dealer but also the whole company is alerted to help the dealer resolve the problem. A dedicated parts shipment and delivery team oversees the location and delivery of parts, including overseas shipments. The service tracks customers until all issues are resolved, allowing them to get back to work as soon as possible. In NAFTA and LATAM, the process is carefully monitored, and, following resolution, dealer and customer satisfaction surveys are conducted to evaluate service and process performance, measured in hours of Total Vehicle Downtime (TVD). In 2013, for BDA in LATAM, a Daily Report for BDA incidents was implemented (organized by regional targets in BDA hours in Brazil) to record whether the incident was first notified to the Field Service, Vice Presidents, Parts, or Product Support functions. The aim is to involve all personnel in finding a fast solution to reduce repair time. In parallel, a specific initiative was carried out with the Parts function to increase stock levels for parts requested through BDA.
Assistance Non-Stop (ANS) - ensures a round-the-clock service to Trucks and Commercial Vehicles customers, 365 days a year. Established to provide instant technical support for vehicle problems, the service is operational across 31 European countries, and is available in ten languages. The ANS service can be contacted on a universal toll-free number, or through the Iveconnect system. All employees working in this service receive specific training, with regular refresher courses. Every assistance request is managed by an operator who, once the customer and vehicle have been identified and located, 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 containing faults by number and type, and matches those with the faulty model and duration of the breakdown. Through the Iveconnect system, available across the new Stralis range, access to the Assistance Non-Stop service is even simpler and quicker. Indeed, in the case of a vehicle breakdown, the driver can contact the customer center directly from the vehicle, automatically sending a breakdown assistance request. The customer center then sends updates on the open order number, and the estimated time of arrival of assistance at the

Sustainability Plan
Our commitments on pages 120-123

Glossary
EMEA, LATAM, NAFTA

customer vehicle, directly to the on-board telematics system. The customer center can activate the nearest mechanic through ANS Mobile, an app available on Android and Blackberry devices, which can locate the nearest mobile repair van and its movements using GPS. The project, which started as a pilot in 2012, is now being extended at European level, the most important markets for the Trucks and Commercial Vehicles segment, with the aim of further reducing assistance and repair times. Furthermore, the software interface allows the ANS technician to visualize all relevant order data directly on the device, along with GPS maps, and permits real-time interaction with the customer center, directly supplying information on repair status.
The ANS system managed more than seventy thousand cases of assistance in EMEA in 2013 (over 16% more than in 2012), and 14,200 in LATAM. This is partly because the customer center, to better meet customer needs, focused on launching new dedicated services such as Store Assist, a non-urgent breakdown service for incidents at the customer's depot rather than roadside.
Excellent results were achieved in 2013, with more emphasis given to mechanics' arrival times at a breakdown: in 2012, 69% of arrival times were under 70 minutes, rising to 80% in 2013. In terms of repair time, in 2013, 75% of total breakdowns were resolved in under 8 hours, while 74% of total roadside breakdowns were resolved in less than 2 hours. Furthermore, 98% of customers declared themselves satisfied or very satisfied with the service offered by the customer center.
Lead Qualification - is a process that verbally qualifies sales leads, gathered via CNH Industrial websites, and distributes them to the appropriate dealer. The leads are contacted by phone to confirm their request for a dealer contact, before distributing to the dealer. A follow up call is then made (five days post qualification) to confirm the customer has been contacted.

Customer care figures

The Trucks and Commercial Vehicles customer center employs around one hundred staff members in Europe who receive continual training. It offers continuous assistance through the ANS program and also manages the Contact Us Service. To request information or to report a complaint from anywhere in the world, customers can simply access the Iveco website and communicate directly with the company.
The entire process is supervised by specially-trained personnel, from the first contact with the customer to the company's response, ensuring the speedy resolution of all issues. This service is available to both existing and potential customers, and is primarily used to request information about vehicles and parts, prices, technical documentation, type-approvals, as well as brochures, gadgets, etc. Contact is made through an easily-accessible form on the Iveco website. Every query is carefully analyzed and referred to the appropriate body, depending on the issue and country from which it originates; in this way, customers receive personalized information or are directly contacted by specialized personnel. In 2013, the customer center managed approximately nine thousand inquiries.
The call center in Racine, USA, addresses retail customers' complaints and the general public's information requests using a closed loop, documented system. The contact center is open five days a week, 11 hours a day for customer support, and deals with five brands, also addressing issues via email and postal mail. Agents interact with dealers and other Company employees to help document and resolve complaints. The closed loop system means all cases have a start, middle, and end, and are all concluded in a timely manner, the majority in under 12 days. In 2013, 6,425 information requests and 2,349 complaints were dealt with, each case requiring multiple contacts, for a total of 63,584 contacts (35,493 by phone, 28,091 by email). 88% of the cases were closed in 2 days, a 2% increase over 2012. The BDA contacts were 109,947 (45,522 by phone, 64,425 by email). 62% of cases met Company targets, compared to 66% in 2012, although the Total Vehicle Downtime performance improved by 3% over 2012. For customer complaints, 69% of cases were closed within 12 days or less, exceeding the goal of 60%, and with a 3% increase over 2012.
The APAC Region is creating a customer relations structure, with services directly managed by the Commercial Services function. In 2013, initial performance data revealed the following: in India, for New Holland Agricultural Equipment, there was an average call center response time of ten seconds; in Turkey, for New Holland Agricultural Equipment, 15% of customers participated in the satisfaction survey, with a score of 75/100; and in Russia, for Trucks and Commercial Vehicles, 85% of vehicles were repaired within 48 hours.

Sustainability Plan
Our commitments on page 122
Glossary
EMEA, LATAM, NAFTA

CUSTOMER SERVICE CENTERS – HIGHLIGHTS
AGRICULTURAL & CONSTRUCTION EQUIPMENT

2013	EMEA	LATAM	NAFTA
Personnel[1] (no.)	**34**	**18**	**22**
Personnel training (hours)	**2,728**	**n.a.**	**419**
Contacts managed (no.)	**50,339**	**11,374**	**63,584**
2012			
Personnel[1] (no.)	32	17	22
Personnel training (hours)	1,870	90	880
Contacts managed (no.)	51,724	16,708	55,302
2011			
Personnel[1] (no.)	up to 31	12	up to 30
Personnel training (hours)	2,500	2,550	4,800
Contacts managed (no.)	47,358	13,308	72,197

(1) *Personnel count varies during the year due to seasonality.*

CUSTOMER SERVICE CENTERS – HIGHLIGHTS
TRUCKS & COMMERCIAL VEHICLES

	2013	2012	2011
Personnel (no.)	**101**	100	101
Personnel training (hours)	**7,930**	7,840	7,270
ANS dossier/Contacts managed (no.)	**70,787**	60,571	56,300

Customer database
The CNH Industrial customer database processes customer information in a single central system for all brands, adopting a unified approach for all companies and markets, and providing an integrated view of customer data from different sources; the database supports the operational management of customers and leads (coming from brand sites or loaded directly onto the system by dealers) in terms of distribution and follow-up. In 2013, the database assisted in the creation of loyalty programs (e.g., the 2013 Harvesting Master program) and marketing initiatives aimed at activating, and better supporting, relations with customers and prospective customers. CNH Industrial is also putting a new social media service in place, to provide customer care and to effectively monitor and track conversations on products and services.

A corporate database is available for the Agricultural and Construction Equipment segment in NAFTA, containing over 5.5 million customer and industry records, including all CNH Industrial customers registered for warranties. UCC1 (Uniform Commercial Code-1) file data and demographic information from Farm Journal are also available. These three sources of information provide a record of all industry transactions over the last ten years. CNH Industrial also records customer relations interactions, requests for information, breakdown assistance, lead management, and Red Select surveys and cases as they occur. All of this information can be accessed by our marketing teams to create advertising campaigns and generate lists of sales prospects.

CUSTOMER CARE AT POWERTRAIN

In the Powertrain segment, customer relations are managed by a new **Technical Service and Customer Solutions** function, with the aim of putting the focus firmly on the customer.

The new function is guided by CIP (Continuous Improvement Process), which embodies the Company's ongoing commitment to improvement. This approach is based on three fundamental elements: to learn, to analyze, and to optimize. Through CIP, customer feedback is received, analyzed and then shared across the organization as a lesson learned. When applied to the Company's operations, this translates into processes being carefully analyzed to identify and fine-tune their various stages, with improvements made in small, gradual yet continuous steps. CIP ensures the customer's voice is heard throughout the Company, allowing ever-more effective solutions to be developed, anticipating their requirements and optimizing the product range.

The new Service function is divided into six teams:

- *Training School* for providing an appropriate training and technical offering
- *Technical Diagnostic Tools Management* for managing technical assistance methods, tools and manuals
- *Technical Customer Support* for an expert response to customer queries and urgent requests
- *Field Engineering* for resolving the technical issues of customers and dealers in the field
- *Service Engineering for Serviceability* for setting standards that ensure serviceability
- *Warranty Management* for managing warranty authorizations, methods and standards.

GRI-G4
PR5

Sustainability Plan
Our commitments on pages 120-123

Glossary
APAC, NAFTA

Workshops were also organized with major FPT Industrial customers, including Mitsubishi Fuso, Claas, Tigercat, and Ford. These workshops were met with great enthusiasm from participants and provided a more in-depth understanding of the market. All this translates into the standardization of processes and services, such as warranty policies covering all products, training sessions and workshops for all customers and dealers.

CUSTOMER INSIGHT AND 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 by monitoring satisfaction levels to improve the quality of services offered.

Indeed, results and customer satisfaction levels are continually monitored by the Company. For example, the Agricultural and Construction Equipment brands constantly monitor specific factors at their customer service centers to ensure the ongoing improvement of services. These factors include response time, time taken to resolve a problem and time taken to achieve customer satisfaction. In NAFTA, the **Red Select/5 Star Surveys** are managed directly by customer care, and are made up of three different surveys carried out in the first months after product purchase, to measure customer satisfaction with regard to both the product and the buying experience. Customer responses are passed on to the relevant departments and provide opportunities to improve customer satisfaction and identify early trends. In 2013, levels of customer satisfaction remained constant, and were particularly high in LATAM, with an average score of nearly nine out of ten for the information service. The results of these surveys are consolidated and passed on to the marketing research teams on a monthly basis. The frequency of customer satisfaction assessment depends on the services offered: customers that open an information request are given the opportunity to take a survey via the Internet; dealers are offered the opportunity to complete a survey on their experience with Breakdown Assistance; in LATAM, for Non-Stop Assistance, customer satisfaction is assessed 72 hours after service delivery. Three elements are evaluated: the telephone service or call center, assistance in loco, the service dealer (winch or tow), and, afterwards, general satisfaction with the service. Assessment results lead to a plan of action, to be implemented by field services.

CUSTOMER SERVICE CENTERS – KEY INDICATORS

AGRICULTURAL & CONSTRUCTION EQUIPMENT - WORLDWIDE

2013	EMEA	LATAM	NAFTA
Average call center response time (seconds)	12.0	15.0	24.0
Customers participating in satisfaction surveys[1] (%)	20.0	39.0	12.4
Satisfaction index (scale 1-10)			
information	8.0	8.9	5.9
complaint	6.5	7.2	6.0
breakdown assistance[2]	n.a.	7.8	8.6
Vehicle downtime (% of vehicles repaired within 48 hours)	36	46	47
2012			
Average call center response time (seconds)	13.0	12.0	31.0
Customers participating in satisfaction surveys[1] (%)	16.0	17.0	11.0
Satisfaction index (scale 1-10)			
information	7.9	9.0	6.8
complaint	5.9	7.0	6.0
breakdown assistance	7.7	8.0	8.4
Vehicle downtime (% of vehicles repaired within 48 hours)	39	16	48
2011			
Average call center response time (seconds)	12.0	12.0	23.2
Customers participating in satisfaction surveys[1] (%)	17.0	18.0	9.5
Satisfaction index (scale 1-10)			
information	8.0	8.5	9.0
complaint	6.0	7.1	8.0
breakdown assistance	7.8	8.3	8.2
Vehicle downtime (% of vehicles repaired within 48 hours)	46	17	49

(1) Data refers to information and complaint survey data.
(2) Data no longer collected, in EMEA, because of data protection legislation.

GRI-G4 PR5
Sustainability Plan
Our commitments on pages 120-123
Glossary
EMEA, LATAM, NAFTA

CUSTOMER SERVICE CENTER – KEY INDICATORS
TRUCKS & COMMERCIAL VEHICLES

	2013	2012
Average call center response time (seconds)	**24.5**	17.7
Customers participating in satisfaction surveys (%)	**33**	21
"Satisfied" or "very satisfied" customers[1] (%)	**98**	97
Arrival time under 70 minutes (%)	**77.9**	6.9
Roadside repair under 2 hours (%)	**73.6**	71.1

[1] *Survey carried out to objectively evaluate and measure the satisfaction of customers using the Assistance Non-Stop service when in a broken down vehicle, by contacting the Customer Center to request roadside assistance. As of January 2012, evaluation criteria were changed, in order to measure the percentage of customers who declare themselves to be satisfied or very satisfied with the service.*

Integrating customer feedback

CNH Industrial customers are central to product design, and their involvement at this early stage is essential to provide the right response to their actual needs. Through Customer-Driven Product Definition (CDPD), CNH Industrial customers actively participate in the development and testing of new models. CDPD consists of: visiting and collecting feedback from customers, analysis of their suggestions, meetings with product platform teams, customer testing on new model prototypes followed by comparison of their main features, and, finally, integration of customer suggestions into final product specifications. All these stages lead to product designs that not only ensure optimal performance and efficiency, but also meet the needs of customers that use CNH Industrial vehicles every day in their work.

CNH Industrial also tracks parts' usage to support the Breakdown Assistance program. 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 unit on a monthly basis. By reviewing the data, the Quality units can identify developing trends, and whether previously identified and corrected trends have been addressed.

Information on the products

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 contains exhaustive information on safe use and on behaviors to minimize environmental impact, such as 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 ordinary and scheduled maintenance
- product approval standards (emissions, noise, electromagnetic compatibility, etc.)
- instructions for using biodiesel, if applicable
- safe product transportation (for construction equipment).

Owner and maintenance manuals are compiled as per the ISO3600 standard, and the safety and accident prevention information contained therein is presented according to 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 enhance usability and reduce paper usage (the manual of a combine harvester can reach seven hundred A4 pages), all manuals are available on the dedicated service network webpage. Repair shop manuals, which can reach up to five thousand pages, are also available on DVD for the service network.

Information in the owner and maintenance manual	Agricultural Equipment	Construction Equipment	Trucks & Commercial Vehicles
Sourcing of components	n.a.	n.a.	n.a.
Presence of substances with potential for environmental or social impact	yes	yes	yes
Safe use of product	yes	yes	yes
Disposal of consumables	yes	yes	yes
Other (noise and vibration levels)	yes	yes	no

GRI-G4
PR3

Sustainability Plan
Our commitments on pages 120-123

PRODUCT QUALITY SUPPORT AND RECALL CAMPAIGNS

Another important element of customer proximity and care is the way CNH Industrial manages its recall campaigns.

The goal is to intervene as effectively as possible to maximize vehicle availability, while also collecting important information for future product improvement.

The central Quality function coordinates the various recall campaigns.

When the need for a recall campaign has been identified, those functions that interact directly with customers are engaged, including the dealers and managers of the various brands.

CNH Industrial's Current Product Management (CPM) process introduces improvements to current production units and responds quickly to issues at units in the field. The CPM team includes representatives from Quality, Engineering, Parts, Purchasing, Manufacturing, and Brand Service.

During recall campaigns requiring vehicle repair, CNH Industrial implements a series of programs to inform customers through various channels on the interventions involving their vehicles.

The **Best Service Program** is a tool for managing campaigns that are particularly sensitive due to the region or product type. The program is managed centrally by Quality and aims at offering centralized support to dealers and other commercial entities and at fostering customer loyalty during recall campaigns. Prolonged vehicle downtime can be financially damaging for customers, above all for farmers during their most productive periods of the year. To reduce vehicle downtime at repair shops, Customer Care coordinates the different bodies centrally, in order to keep both customers and dealers updated and to ensure spare parts are supplied as promptly as possible.

The decision to launch a PIP (Product Improvement Program) is taken by the CPM team, which considers both technical and customer-impact factors. Once the PIP has been approved and prepared for launch, it is released to the network via the Product Support structure that, together with Brand Service, ensures rapid completion and maximizes customer satisfaction.

Below is a summary of Mandatory and Safety PIPs approved in 2013.

NUMBER OF PRODUCT IMPROVEMENT PROCESSES (PIPS) LAUNCHED

CNH INDUSTRIAL

2013	PIPs	Safety PIPs	Total
Agricultural and Construction equipment	140	20	**160**
Trucks & Commercial Vehicles	107	18	**125**
Total	**247**	**38**	**285**

NUMBER OF UNITS INVOLVED IN PRODUCT IMPROVEMENT PROCESS (PIPS)

CNH INDUSTRIAL

2013	PIPs	Safety PIPs	Total
Agricultural and Construction equipment	44,661	5,838	**50,499**
Trucks & Commercial Vehicles	126,848	46,700	**173,548**
Total	**171,509**	**52,538**	**224,047**

CUSTOMIZATION FOR EMERGING MARKETS

CNH Industrial believes in meeting each client's needs with the right product, and, for this reason, its brands in emerging markets opt to develop products on-site to meet the needs of local economies. In fact, in addition to the R&D centers present in all Company Regions (see also pages 14-15), Regional Operating Groups are identified within Product Development and Engineering, to develop and customize products not only according to the Company's global specifications, but also to local markets.

Trucks and Commercial Vehicles segment, for example, was involved in *Caminho da Escola*, a government program in **Brazil** established by the *Fundo Nacional de Desenvolvimento from Educação*. The program aimed to improve student transportation from rural areas, help reduce absenteeism especially among students up to 13 years of age, standardize school transport vehicles, harmonize and lower prices, and increase safety on board. In collaboration with Brazilian company NEOBUS, the Trucks and Commercial Vehicles segment developed a new school bus by updating its Daily 70C CityClass according to specific federal government requirements (including those on price). The new features included 29 +1 or 36 +1 passenger seats, depending on the wheelbase, a modern and streamlined exterior, a larger size with more spacious interiors and greater passenger comfort. In addition, the drive system was specifically designed for Brazil's rural roads.

In **Kazakhstan,** where vehicles are manufactured in partnership with SAP, a new range of PowerDailys and Tractors was developed focusing on type-approval and performance standardization with the specific needs of the country (fuel type, etc.). Specifically designed for the Chinese market, the PowerDaily is now being adapted to the demands of the Kazakh market.

Transparent communications

The Trucks and Commercial Vehicles segment recognizes the social role played by advertising, and advocates positive and responsible values and conduct across all forms of communication. In 2013, the company 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 the fundamental principles of communication for those working at or with the segment, including advertising agencies. The Charter is centered on three core values: personal and professional respect for the customer, fairness and integrity in communicating and passing on accurate, truthful, and clear product information, and commitment to offering useful solutions to customers through the goods and services provided. The customer's central role guides the Trucks and Commercial Vehicles segment business ideology. Created to serve as an operational tool, the Charter uses clear, concise language to facilitate its application across the company. 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*, an organization focused on advertising standards.

FINANCIAL SERVICES

CNH Industrial also places great importance on the sales process, crucial to building a relationship of trust with the customer. CNH Industrial Capital offers customers a range of financial products, including loans and leases, combined with auxiliary services (insurance, management of maintenance and repair contracts, etc.), to assist and facilitate purchases of both new and used CNH Industrial products, primarily through the authorized dealer network. CNH Industrial Capital has extensive processes and systems in place to ensure compliance with all laws and regulations on transparency, disclosure, data privacy, anti-money laundering, and sustainable financing. CNH Industrial Capital is committed to high quality standards, to focusing on customer needs, and to financial product and service innovation. In this regard, various initiatives have been undertaken at Company level, including customer satisfaction surveys, and ongoing training and effectiveness campaigns for sales representatives and internal employees, all designed to enhance the quality of products and services offered to customers.

Sustainability Plan
Our commitments on pages 120-123

PRODUCT USE AND END-OF-LIFE

CUSTOMERS • DEALERS • SUPPLIERS • ENVIROMENT

EN27

1,200 tons of reused raw materials

■ *Material aspect described in chapter. For further details, see Materiality Matrix, page 35.*

CNH Industrial's focus on the customer does not end with the mere supply of products, rather it 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. In commercial vehicles, for example, a proper driving style allows for 5-12% savings at the same average speed. Company brands offer customers electronic systems, computer tools, and targeted training activities to ensure the complete 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. In addition to the manual and detailed information offered to customers by dealers, CNH Industrial supplies additional training activities and dedicated support tools.

TRAINING AND SUPPORT SYSTEMS FOR RESPONSIBLE USE

The economy driving courses called **Iveco Driver Training** provide customers with in-depth vehicle information and tips on how to improve driving style, to reduce fuel consumption and running costs while respecting the environment. There are two types of courses: Vehicle technology and EcoDrive. Mainly intended for Iveco Stralis drivers, courses are held at Unetversity and consist of three training modules: classroom training, static *walkaround* of the vehicle, and road testing with the assistance of a demo driver.
A thorough knowledge of vehicle fuel consumption, based on reliable data, is important to improve vehicle performance and efficiency. Despite being one of the parameters that most affecting running costs, fuel consumption is complex and multifaceted. In fact, 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. These aspects are all systematically addressed during the course, as is the correct use of on-board devices, which can significantly enhance one's driving techniques and reduce fuel consumption.

OUR PROJECTS

NEW HOLLAND CONSTRUCTION TRAINS OPERATORS

New Holland Construction has delivered a first consignment of 58 graders to the Brazilian Ministry of Agrarian Development. The machines will be used to reconstruct roads connecting the northern rural areas of Minas Gerais to urban areas, with the aim of strengthening local, family-owned agricultural enterprises, combating drought, and developing infrastructures. Besides supplying graders, which will be 459 in total, New Holland will provide technical support and equipment maintenance, and will oversee the training of operators. The first training course was held in April 2013, qualifying the first 110 professionals.

The **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 through the on-board display:
- the overall assessment of the impact of driving style on fuel consumption
- the main tips to reduce fuel consumption.

The Driving Style Evaluation system can be connected to the IVECONNECT FLEET telematics system, and also allows for the remote assessment of fuel consumption associated with the driving style of each fleet driver. The system is available on the new Stralis Hi-Way.

In addition to training, CNH Industrial offers customers easy-to-use online tools, such as the calculator to quantify the **Total Cost of Ownership** (TCO) of a vehicle, or the **CarbonID™** calculator by New Holland Agriculture, certified by a third party, to quantify 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. Case IH offers a **SCR Fuel Savings Calculator** as well: an online tool to quantify savings in terms of running costs achievable by using SCR technology.

GRI-G4
EN27
Sustainability Plan
Our commitments on page 123
Glossary
Carbon Footprint, TCO

REMANUFACTURING AND RECYCLING

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, while actively protecting the environment and allowing customers to save 30% on average in purchase costs.
CNH Industrial's remanufacturing process guarantees high quality products compliant to the same technical specifications and standards of the components' original designs. Furthermore, the functional requirements of remanufactured components are certified after rigorous in-house benchmark testing, which gives customers the certainty of purchasing spare parts of the same quality, performance, life expectancy, and emissions of the equivalent new components. As further proof of their high quality and reliability, the spare parts remanufactured by CNH Reman are subject to the same maintenance intervals and warranty conditions as new parts. In light of the increasing relevance of remanufacturing, CNH Industrial's target for 2016 is to see remanufactured components make up for 10% of total spare part sales.

THE REMANUFACTURING PROCESS

As a part of its joint venture, CNH Industrial has established several CNH Reman centers of excellence worldwide, including in the United States and in Europe, namely the remanufacturing plant in Garchizy, France. Products are remanufactured for Case and New Holland agricultural and construction equipment, and to replace Iveco Truck and Bus parts. Two thousand components were added to the remanufacturing portfolio in 2013 alone, allowing the CNH Reman joint venture to reach 10,446 units since the beginning of activities, easily exceeding the target of 3,800 units remanufactured since 2008. The trend of remanufactured spare parts is on the rise, especially with regard to variety and number of markets of reference. The offer of a wide range of remanufactured products translates into high added value for customers: the previous knowledge of components and their respective designs allows developing efficient, qualitative and solid remanufacturing processes, while offering all of the technical upgrades applied to the components' latest updated versions on the market. The broad product range includes engines (in block or components), transmissions, cylinder heads, turbines, starter motors, alternators, fuel injection systems, control units, fly-wheels, clutches, compressors, hydraulic components, and much more, offered across-the-board for all brands of CNH Industrial equipment.

1,200 tons of raw materials saved through remanufacturing

13 AL 26 FE

The recovery of disassembled parts is key to achieving maximum remanufacturing process efficiency (replacement rate), and is performed by professional experts who ensure the quality of final products. Furthermore, the overall process rigorously complies with the standards in force regarding the disposal of products, or parts thereof, that are non-reusable and therefore to be discarded. The lower environmental impact deriving from the regeneration and reuse of components is impressive: approximately 1,200 less tons of raw materials used each year, with a subsequent reduction in CO_2 emissions. Brand Parts & Service manages the logistics involved in the overall process: from collecting parts to be remanufactured at dealerships, to hauling them to plants, to delivering them back to dealers after remanufacturing. Thanks to this centralized management, customers can count on reliability and short retrieval times at a competitive price, while dealers can rely on a streamlined collection of used vehicles.

GRI-G4 EN27

Sustainability Plan
Our commitments on page 123

COMPONENT REMANUFACTURING

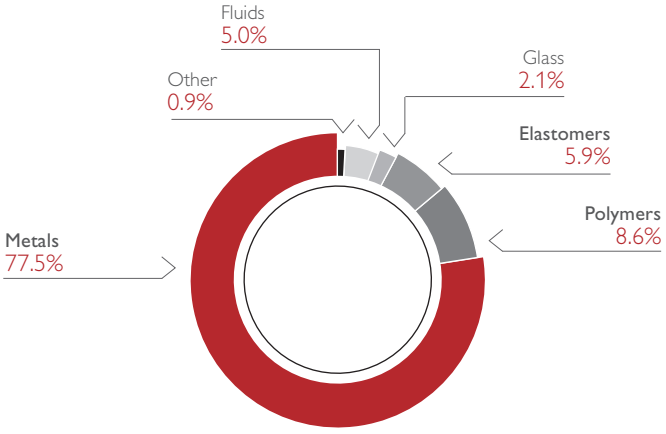
CNH REMAN NORTH AMERICA (no.)

	2013	2012	2011	2010	2009
Engines	**86**	514	470	395	280
Engine components	**26**	1,048	855	680	485
Drivetrains	**67**	626	532	482	295
Electronics	**65**	197	120	66	10
Hydraulics	**212**	563	293	233	144
Rotating electrical components	**45**	460	430	398	322
Turbines	**17**	-	-	-	-
Fuel injection systems	**30**	-	-	-	-
Total	**548**	3,408	2,700	2,254	1,536

In July 2010, European regulations on recovery and recycling were extended to light commercial vehicles, hence including some of Iveco's product ranges. For all of new type-approved models, European Directive 2005/64/EC (Reusability, Recyclability, Recoverability) sets minimum levels of recoverability (95%) and recyclability (85%). In order to monitor and optimize these levels, CNH Industrial has adopted the International Material Data System, a database used directly by suppliers (see also page 154) to enter information regarding the composition of their products. The recoverability of light commercial vehicles has already reached and exceeded 95%. Furthermore, thanks to an agreement with Fiat Group Automobiles, their end-of-life demolition in Italy occurs 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.

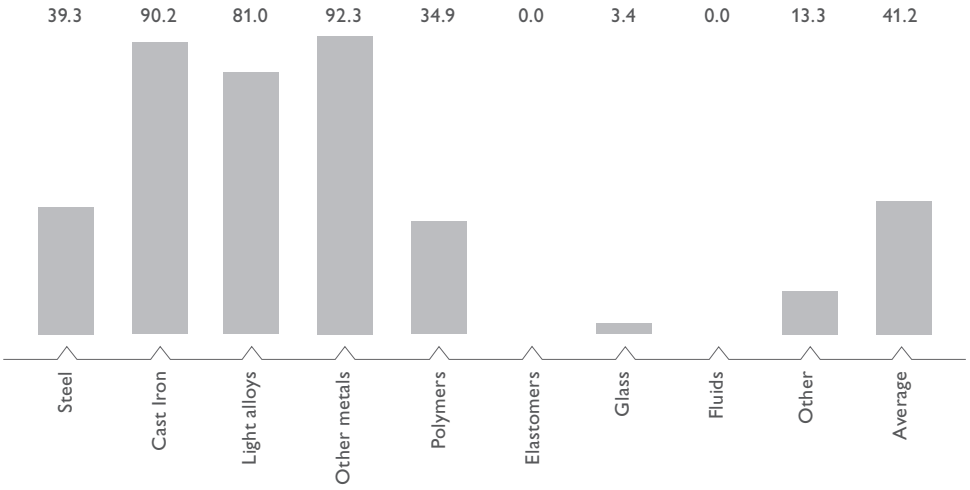
COMPOSITION OF IVECO DAILY CAB BY MATERIAL[1]

(% TOTAL VEHICLE WEIGHT)



PERCENTAGE OF RAW MATERIALS RECYCLED[1]

IVECO LIGHT COMMERCIAL VEHICLES (% TOTAL RAW MATERIAL USED)



(1) *Data refers to the average value of Iveco's existing range of vehicles type-approved for launch in 2014, based on European Directive 2005/64/EC.*

04
APPENDIX

The following section contains: the methodology note and all indicators relating to our people and to the environmental impact of our production processes; the index of GRI-G4 contents; and a glossary of the main technical terminology.

REPORT PARAMETERS

Plants within the scope

CNH INDUSTRIAL WORLDWIDE

Below are listed the CNH Industrial plants included within the Report's scope for aspects regarding environmental management, energy management and World Class Manufacturing. Further details are given in the following pages, including those regarding changes in scope compared to last year.

Key

- Environment
- Energy
- WCM

NAFTA

- Benson - USA
- Burlington - USA
- Calhoun - USA
- Fargo - USA
- Goodfield - USA
- Grand Island - USA
- New Holland - USA
- Queretaro - MEX
- Racine - USA
- Saskatoon - CDN
- Wichita - USA

EMEA

- Annonay - F
- Antwerp - B
- Basildon - UK
- Berlin - D
- Bolzano - I
- Bourbon Lancy - F
- Brescia - I
- Brescia Special Vehicles - I
- Coex - F
- Croix - F
- Fecamp - F
- Foggia - I
- Garchizy - F
- Jesi - I
- Lecce - I
- Madrid - E
- Modena - I
- Piacenza - I
- Plock - PL
- Pregnana M.se - I
- Rorthais - F
- San Mauro - I
- Sankt Valentin - A
- Suzzara - I
- Torino Driveline - I
- Torino Motori - I
- Tracy-le-Mont - F
- Ulm - D
- Valladolid - E
- Vittorio Veneto - I
- Vysoke Myto - CZ
- Zedelgem - B

APAC

- Chelny - RUS
- Chongqing - CN
- Dandenong - AUS
- New Delhi - IND
- Pithampur - IND
- Shanghai - CN

LATAM

- Contagem - BR
- Cordoba (AG) - RA
- Cordoba (T&CV) - RA
- Cordoba (FPT) - RA
- Curitiba - BR
- La Victoria - YV
- Piracicaba - BR
- Sete Lagoas (FPT) - BR
- Sete Lagoas (T&CV) - BR
- Sorocaba - BR

GRI-G4
G4-17

Glossary
APAC, EMEA, LATAM, NAFTA, WCM

OBJECTIVES AND SCOPE

CNH Industrial's Sustainability Report aims to provide stakeholders a comprehensive overview of the Company's operations, integrating financial results and economic commitments with environmental and social ones.
An internal materiality analysis identified the important aspects for sustainability, which were summarized in the Annual Report along with evidence, where possible, of their main financial impacts.
This is the first CNH Industrial Sustainability Report. Since CNH Industrial's operational scope coincides with that of Fiat Industrial, data for 2012 and 2011 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, conducted for the first time in 2013 (see also pages 33-35). As per the new GRI-G4 reporting standard (core option), one or more indicators included in the guidelines were monitored for each material aspect (see also pages 232-235). 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 97). 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.

Sustainability Report **contents are selected** through a process of sharing 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 pages 33-35), 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 permit 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.

Unless otherwise stated, the **scope** of the Sustainability Report covers information and data for the year 2013 - which coincides with the calendar year - and for all CNH Industrial segments worldwide consolidated in the Annual Report as at 31 December 2013. Unless otherwise indicated, Company refers to CNH Industrial, while segments refer to Agricultural and Construction Equipment, Trucks and Commercial Vehicles, or Powertrain[2]. The Company is divided into the following Regions: APAC, EMEA, LATAM and NAFTA. The countries that make up these Regions are listed in the glossary (see pages 237, 238, 239, 240). It should be noted that the definition of plant used in the Sustainability Report is in line with that of the Annual Report.

GRI-G4
G4-18; G4-20; G4-28; G4-29; G4-30; G4-32

Glossary
APAC, EMEA, GRI, LATAM, Material aspects, NAFTA, Stakeholders, SRI

(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), with 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, greenhouse gas emissions, as well as introducing a general model for disclosures on management approach. The G4 guidelines have introduced two new options for disclosure: core and comprehensive.

(2) Following the creation of CNH Industrial, the scope of the Agricultural and Construction Equipment segment corresponds to that of CNH, the scope of the Trucks and Commercial Vehicles segment corresponds to that of Iveco (including buses), and the scope of the Powertrain segment corresponds to that of FPT Industrial.

The exclusion of any geographic area, company 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 companies, joint ventures, or manufacturing activities not yet fully operational). In some cases, companies 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.

Specifically, regarding the scope of the Report:

- **World Class Manufacturing** data relates to 56 plants consolidated in the Annual Report as at 31 December 2013. Within the scope of WCM, Sete Lagoas (Brazil) accounts for two plants owing to the manufacturing of two different types of products
- **occupational health and safety** data relates to 68,276 employees, or about 95.9% of the total workforce
- **environmental performance** relates to 55 fully consolidated plants, representing over 99% of CNH Industrial's industrial revenues[1]. The plant in Berlin (Germany), running at reduced productive capacity, is not included within the scope of consolidation for ISO 14001 certification
- **energy performance** relates to 54 fully consolidated plants, representing over 98% of industrial revenues.

The difference in the number of plants compared with the previous year is due to the reorganization of Trucks and Commercial Vehicles production in EMEA, leading to the concentration of production of the Heavy vehicles range at the plant in Madrid (Spain), and to the termination of these activities at one of the two plants in Ulm (Germany). At the same time, the production of firefighting vehicles was rationalized by closing the plants in Chambery (France) and in Gorlitz and Weisweil (Germany), and transferring production to the Ulm plant (Germany). The plant in Graz (Austria) was not operational in 2013, while a plant was opened in Cordoba (Argentina) for the Agricultural and Construction Equipment segment (not included within the scope of energy performance). These changes were due to a reorganization of manufacturing operations, so no restatement of data was necessary.

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* (KPI) 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.
To enable comparability over time, the data presented refers to the three-year period from 2011 to 2013. The 2012 and 2011 data refers to Fiat Industrial.
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 and Construction Equipment and Trucks 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 hourly-employee working hours required to manufacture a product.

GRI-G4
G4-17; G4-20; G4-22; G4-23

Glossary
EMEA, ISO 140001, SAD, WCM

(1) *Industrial revenues are those attributable to the operations of plants directly controlled by CNH Industrial.*

In order to substantiate the Company's commitment and the reliability of contents, the Sustainability Report was **verified, analyzed and approved** by multiple parties. In fact, 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 Italia S.p.A.[1], 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 CHN Industrial's sustainability management system with ISO 26000 guidelines on social responsibility[2]
- 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.

METHODOLOGIES

DETAILS OF CALCULATIONS

- The **added value**, representing the value generated by corporate business activities, was calculated using 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 euros using the **average exchange rate** as at 31 December 2013

- **Human resources** data refers to the entire corporate scope, unless otherwise specified

- For the years 2012 and 2011, **labor cost** data was reformulated following the adoption of IAS (International Accounting Standards) 19 Revised

- **Injury rates** were calculated exclusive of commuting accidents, i.e., those happening to employees during normal commutes between place of residence and work

- Each manufacturing operative unit is required to report monthly safety data to the EHS regional 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 euros were converted at the exchange rate as at 31 December 2013. 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 companies worldwide

GRI-G4
G4-33; LA6
Sustainability Plan
Our commitments on pages 32
Glossary
AA1000, ISO 26000

(1) Sergio Marchionne and Peter Kalanzis, 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.
(2) The statement of assurance, describing the activities carried out and the opinions expressed, is available on pages 230-231.

- With regard to **environmental data**, Standard Aggregation Data (SAD) was 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 fine dust **emissions** were calculated based on historical average values

- The **water sources** considered as significantly affected by water withdrawals and/or discharges are water bodies that are protected, have high biodiversity value, or are 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 non-governmental organizations for the presence of significant biodiversity

- **Energy** consumption is measured with specific measurement systems and converted into joules through specific equivalences based on the 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 be consumed either by the organization within its boundaries, or it can be exported to other users. Indirect energy refers to the energy produced outside the scope of the organization's operations, supplying energy for the organization's needs (e.g., electricity or heating and cooling)

- For CNH Industrial, the only sources of **greenhouse gas** emissions, besides the CO_2 emissions deriving from energy consumption, are related to the use of substances with Global Warming Potential (GWP) present in air conditioning and cooling equipment in production areas and machinery. The potential emissions from these substances (CO_2 eq) are negligible compared to the emissions from energy production; with an incidence of less than 0.5%, they were not included within the scope of reporting

- **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 according to the standards published in November 2013 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*.

As regards the **infographics** included in the document and in Facts and Figures, the percentages indicate trends calculated compared with 2012, unless otherwise specified.
Values expressed in **tons** refer to metric tons (1,000 kilos).

This **icon** indicates CNH Industrial's specific approach to the issue with regard to emerging markets as defined by World Bank list of economies (2013).

GRI-G4
EN3; EN6; EN8; EN9; EN10; EN15; EN16; EN21; EN22

Glossary
CO_2 eq, GHG Protocol, Indirect emission, NO_X, SAD, SO_X

(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 unit of measurement of the value detected as previously indicated. 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.*

EMPLOYEES IN NUMBERS

EMPLOYEES BY REGION AND CATEGORY[1]

CNH INDUSTRIAL WORLDWIDE (no.)

2013	Total	Hourly	Salaried	Professional	Manager
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
2011					
EMEA	**41,468**	27,500	6,606	6,754	608
NAFTA	**11,248**	6,695	1,416	2,930	207
LATAM	**9,655**	7,182	1,430	986	57
APAC	**4,627**	2,500	1,363	741	23
World	**66,998**	43,877	10,815	11,411	895

NATIONALITY OF MANAGERS

CNH INDUSTRIAL WORLDWIDE (%)

	2013	2012	2011
Italian	**48.9**	49.8	49.7
American	**20.3**	20.8	21.0
Brazilian	**5.8**	4.8	4.8
French	**4.8**	4.5	4.5
British	**3.9**	4.0	4.1
Belgian	**4.1**	3.8	3.5
German	**2.8**	2.9	3.0
Spanish	**1.2**	1.1	1.2
Other nationalities	**8.2**	8.3	8.2

EMPLOYEES BY CATEGORY BY GENDER[1]

CNH INDUSTRIAL WORLDWIDE

	2013				
	Total (no.)	Women (no.)	(%)	Men (no.)	(%)
Hourly	45,731	4,031	8.8	41,700	91.2
Salaried	11,705	3,436	29.4	8,269	70.6
Professional	12,887	2,204	17.1	10,683	82.9
Manager	869	93	10.7	776	89.3
Total	**71,192**	**9,764**	**13.7**	**61,428**	**86.3**

EMPLOYEES BY CATEGORY BY AGE[1]

CNH INDUSTRIAL WORLDWIDE (no.)

	2013				
	Total (no.)	Up to 30 years	31 to 40 years	41 to 50 years	Over 50 years
Hourly	45,731	11,257	13,753	11,489	9,232
Salaried	11,705	3,198	3,788	2,473	2,246
Professional	12,887	988	4,527	3,988	3,384
Manager	869	0	135	418	316
Total	**71,192**	**15,443**	**22,203**	**18,368**	**15,178**

(1) Employees are divided into four main categories: hourly, salaried, professional and manager. Professional encompasses all individuals that perform specialized and managerial roles (including "professional" and "professional expert" under the CNH Industrial classification system). Manager refers to individuals in senior management roles (including those identified as "professional masters", "professional seniors" and "executives" under the CNH Industrial classification system).

EMPLOYEE TURNOVER BY REGION

CNH INDUSTRIAL WORLDWIDE (no.)

EMEA	2013	2012	2011
Employees at 1 January	**42,063**	41,468	40,685
New Hires	**2,319**	3,048	2,962
Departures	**(2,724)**	(2,641)	(2,910)
Δ scope of operation	**303**	188	731
Employees at 31 December	**41,961**	42,063	41,468

LATAM	2013	2012	2011
Employees at 1 January	**9,663**	9,655	7,973
New Hires	**3,706**	2,166	2,929
Departures	**(2,107)**	(2,287)	(1,346)
Δ scope of operation	**819**	129	99
Employees at 31 December	**12,081**	9,663	9,655

NAFTA	2013	2012	2011
Employees at 1 January	**11,734**	11,248	9,957
New Hires	**1,565**	1,837	2,791
Departures	**(1,372)**	(1,352)	(1,500)
Δ scope of operation	**21**	1	0
Employees at 31 December	**11,948**	11,734	11,248

APAC	2013	2012	2011
Employees at 1 January	**4,797**	4,627	3,508
New Hires	**1,163**	1,049	1,131
Departures	**(764)**	(879)	(748)
Δ scope of operation	**6**	0	736
Employees at 31 December	**5,202**	4,797	4,627

Total worldwide	2013	2012	2011
Employees at 1 January	**68,257**	66,998	62,123
New Hires	**8,753**	8,100	9,813
Departures	**(6,967)**	(7,159)	(6,504)
Δ scope of operation	**1,149**	318	1,566
Employees at 31 December	**71,192**	68,257	66,998

EMPLOYEE TURNOVER BY CATEGORY

CNH INDUSTRIAL WORLDWIDE (no.)

Hourly	2013	2012	2011
Employees at 1 January	**43,702**	43,877	41,404
New Hires	**6,012**	4,956	6,495
Departures	**(4,729)**	(5,021)	(4,248)
Δ change in category	**(177)**	(217)	(311)
Δ scope of operation	**923**	107	537
Employees at 31 December	**45,731**	43,702	43,877

Salaried	2013	2012	2011
Employees at 1 January	**11,221**	10,815	9,681
New Hires	**1,665**	1,726	1,901
Departures	**(1,124)**	(1,017)	(1,120)
Δ change in category	**(273)**	(467)	(206)
Δ scope of operation	**216**	164	559
Employees at 31 December	**11,705**	11,221	10,815

Professional	2013	2012	2011
Employees at 1 January	**12,430**	11,411	10,248
New Hires	**1,029**	1,354	1,317
Departures	**(1,015)**	(1,016)	(1,034)
Δ change in category	**433**	633	454
Δ scope of operation	**10**	48	426
Employees at 31 December	**12,887**	12,430	11,411

Manager	2013	2012	2011
Employees at 1 January	**904**	895	790
New Hires	**47**	64	100
Departures	**(99)**	(105)	(102)
Δ change in category	**17**	51	63
Δ scope of operation		(1)	44
Employees at 31 December	**869**	904	895

EMPLOYEE TURNOVER BY AGE GROUP
CNH INDUSTRIAL WORLDWIDE (no.)

Up to 30 years	2013
Employees at 1 January	14,533
New Hires	4,940
Departures	(2,659)
Δ age range	(2,000)
Δ scope of operation	629
Employees at 31 December	**15,443**

31 to 40 years	2013
Employees at 1 January	21,189
New Hires	2,447
Departures	(1,724)
Δ age range	3
Δ scope of operation	288
Employees at 31 December	**22,203**

41 to 50 years	2013
Employees at 1 January	17,828
New Hires	947
Departures	(1,013)
Δ age range	467
Δ scope of operation	139
Employees at 31 December	**18,368**

Over 50 years	2013
Employees at 1 January	14,707
New Hires	419
Departures	(1,571)
Δ age range	1,530
Δ scope of operation	93
Employees at 31 December	**15,178**

EMPLOYEE TURNOVER BY AGE GROUP
CNH GLOBAL WORLDWIDE (no.)

Up to 30 years	2012	2011
Employees at 1 January	8,058	6,261
New Hires	2,916	3,799
Departures	(1,955)	(1,508)
Δ age range	(882)	(748)
Δ scope of operation	21	254
Employees at 31 December	**8,158**	**8,058**

31 to 40 years	2012	2011
Employees at 1 January	9,224	8,202
New Hires	1,493	1,872
Departures	(1,078)	(1,063)
Δ age range	37	(44)
Δ scope of operation	13	257
Employees at 31 December	**9,689**	**9,224**

41 to 50 years	2012	2011
Employees at 1 January	8,076	7,490
New Hires	653	919
Departures	(529)	(577)
Δ age range	143	95
Δ scope of operation	3	149
Employees at 31 December	**8,346**	**8,076**

Over 50 years	2012	2011
Employees at 1 January	7,335	6,878
New Hires	300	404
Departures	(702)	(701)
Δ age range	702	697
Δ scope of operation	(2)	57
Employees at 31 December	**7,633**	**7,335**

EMPLOYEE TURNOVER BY GENDER
CNH INDUSTRIAL WORLDWIDE (no.)

Men	2013
Employees at 1 January	59,005
New Hires	7,355
Departures	(5,963)
Δ scope of operation	1,031
Employees at 31 December	**61,428**

Women	2013
Employees at 1 January	9,252
New Hires	1,398
Departures	(1,004)
Δ scope of operation	118
Employees at 31 December	**9,764**

EMPLOYEE TURNOVER BY GENDER
CNH GLOBAL WORLDWIDE (no.)

Men	2012	2011
Employees at 1 January	28,288	24,738
New Hires	4,692	6,199
Departures	(3,839)	(3,314)
Δ scope of operation	20	665
Employees at 31 December	**29,161**	28,288

Women	2012	2011
Employees at 1 January	4,405	4,093
New Hires	670	795
Departures	(425)	(535)
Δ scope of operation	15	52
Employees at 31 December	**4,665**	4,405

WORKFORCE GENDER DISTRIBUTION BY REGION

CNH INDUSTRIAL WORLDWIDE

	2013		2012		2011	
	Total (no.)	**of which women (%)**	Total (no.)	of which women (%)	Total (no.)	of which women (%)
EMEA	**41,961**	**13.2**	42,063	13.1	41,468	12.6
NAFTA	**11,948**	**18.6**	11,734	18.2	11,248	18.4
LATAM	**12,081**	**10.7**	9,663	10.3	9,655	8.2
APAC	**5,202**	**13.3**	4,797	13.1	4,627	13.1
World	**71,192**	**13.7**	68,257	13.6	66,998	13.0

WORKFORCE GENDER DISTRIBUTION BY CATEGORY[1]

CNH INDUSTRIAL WORLDWIDE

	2013		2012		2011	
	Total (no.)	**of which women (%)**	Total (no.)	of which women (%)	Total (no.)	of which women (%)
Hourly	**45,731**	**8.8**	43,702	8.6	43,877	8.0
Salaried	**11,705**	**29.4**	11,221	29.3	10,815	29.6
Professional	**12,887**	**17.1**	12,430	16.9	11,411	16.8
Manager	**869**	**10.7**	904	11.0	895	9.6

WORKFORCE GENDER DISTRIBUTION BY SEGMENT

CNH INDUSTRIAL WORLDWIDE

	2013		2012		2011	
	Total (no.)	**of which women (%)**	Total (no.)	of which women (%)	Total (no.)	of which women (%)
Agricultural & Construction Equipment	**35,605**	**13.8**	33,826	13.8	32,693	13.5
Trucks & Commercial Vehicles	**27,246**	**15.4**	26,307	15.1	26,202	14.2
Powertrain	**8,232**	**7.4**	8,029	7.0	8,008	6.5
Other activities[2]	**109**	**51.4**	**95**	**52.6**	**95**	**45.3**

WORKFORCE GENDER DISTRIBUTION BY AGE

CNH INDUSTRIAL WORLDWIDE

	2013		2012		2011	
	Total (no.)	**of which women (%)**	Total (no.)	of which women (%)	Total (no.)	of which women (%)
Up to 30 years	**15,443**	**12.7**	14,533	12.6	14,648	11.5
31 to 40 years	**22,203**	**15.8**	21,189	15.7	20,333	15.2
41 to 50 years	**18,368**	**13.4**	17,828	13.1	17,409	13.0
Over 50 years	**15,178**	**12.1**	14,707	12.0	14,608	11.4

WORKFORCE GENDER DISTRIBUTION BY LENGTH OF SERVICE

CNH INDUSTRIAL WORLDWIDE

	2013		2012		2011	
	Total (no.)	**of which women (%)**	Total (no.)	of which women (%)	Total (no.)	of which women (%)
Up to 5 years	**29,414**	**15.3**	29,368	15.7	28,778	14.7
6 to 10 years	**12,328**	**16.1**	10,216	15.4	9,592	16.2
11 to 20 years	**15,139**	**12.7**	14,191	12.0	13,394	11.2
21 to 30 years	**8,732**	**8.9**	8,749	8.8	8,560	9.0
Over 30 years	**5,579**	**10.2**	**5,733**	**10.2**	**6,674**	**9.5**

WORKFORCE GENDER DISTRIBUTION BY LEVEL OF EDUCATION

CNH INDUSTRIAL WORLDWIDE

	2013[3]		2012[4]		2011[5]	
	Total (no.)	**of which women (%)**	Total (no.)	of which women (%)	Total (no.)	of which women (%)
University degree or equivalent	**12,609**	**21.5**	11,271	21.4	9,711	21.0
High school	**25,554**	**11.4**	22,928	11.3	22,772	11.1
Elementary/middle school	**21,054**	**9.1**	20,542	8.9	21,105	8.0

(1) Employees are divided into four main categories: hourly, salaried, professional and manager. Professional encompasses all individuals who perform specialized and managerial roles (including "professionals" and "professional experts" under the CNH Industrial classification system). Manager refers to individuals in senior management roles (including those identified as "professional masters", "professional seniors" and "executives" under the CNH Industrial classification system).

(2) Other activities include holdings and other companies.

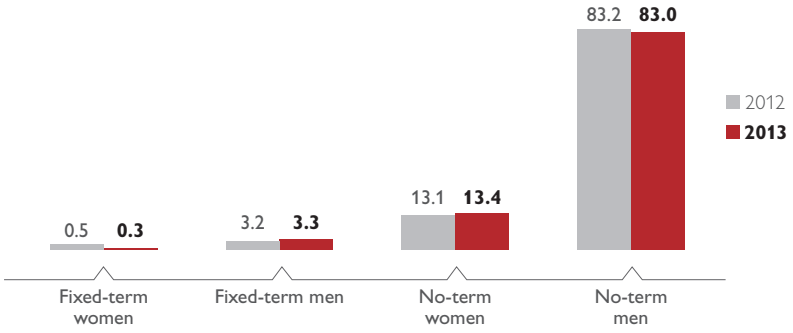
(3) About 11,975 employees not mapped for 2013.

(4) About 13,516 employees not mapped for 2012.

(5) About 13,410 employees not mapped for 2011.

WORKFORCE GENDER DISTRIBUTION BY CONTRACT

CNH INDUSTRIAL WORLDWIDE (%)



WORKFORCE GENDER DISTRIBUTION BY CONTRACT AND EMPLOYMENT TYPE

CNH INDUSTRIAL WORLDWIDE

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	-	-
Total	**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	0,0	809	7.5	-	-
APAC	4,785	13.0	0	0.0	12	50.0	-	-
Total	**65,304**	**13.2**	**426**	**77.0**	**2,527**	**13.3**	**-**	**-**

PROMOTIONS

CNH INDUSTRIAL WORLDWIDE (no.)

	Men	Women	Total
Hourly	197	48	**245**
Salaried	425	129	**554**
Professional	202	38	**240**
Managers	51	8	**59**
	875	**223**	**1,098**

OCCUPATIONAL HEALTH AND SAFETY - EMPLOYEES

NUMBER OF INJURIES BY REGION

CNH INDUSTRIAL WORLDWIDE (no. of persons)

	2013	2012	2011
EMEA	**178**	232	441
NAFTA	**37**	68	50
LATAM	**83**	80	79
APAC	**13**	10	6
Total	**311**	390	576

DAYS OF ABSENCE[1] BY REGION

CNH INDUSTRIAL WORLDWIDE (no.)

	2013	2012	2011
EMEA	**7,506**	8,710	15,150
NAFTA	**2,176**	2,016	1,572
LATAM	**1,527**	1,312	1,148
APAC	**338**	105	63
Total	**11,547**	12,143	17,933

FREQUENCY RATE BY REGION

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

	2013	2012	2011
EMEA	**0.30**	0.39	0.72
NAFTA	**0.17**	0.30	0.23
LATAM	**0.39**	0.47	0.48
APAC	**0.13**	0.16	0.11
Total	**0.28**	0.37	0.55

SEVERITY RATE BY REGION

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

	2013	2012	2011
EMEA	**0.13**	0.15	0.25
NAFTA	**0.10**	0.09	0.07
LATAM	**0.07**	0.08	0.07
APAC	**0.03**	0.02	0.01
Total	**0.10**	0.12	0.17

OCCUPATIONAL ILLNESS FREQUENCY RATE (OIFR) BY REGION

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

	2013	2012	2011
EMEA	**0.05**	0.09	0.05
NAFTA	**0.57**	0.31	0.31
LATAM	**0.03**	0.10	0.04
APAC	**-**	-	-
Total	**0.14**	0.13	0.10

MEDICAL TREATMENTS

CNH INDUSTRIAL WORLDWIDE (number of persons)

	2013	2012	2011
Total visits (thousand)	**189.77**	83.59	85.58
Visits per employee	**2.7**	1.3	1.4

OCCUPATIONAL HEALTH AND SAFETY - CONTRACTORS

NUMBER OF INJURIES BY REGION

CNH INDUSTRIAL WORLDWIDE (no. of persons)

	2013
EMEA	**19**
NAFTA	**11**
LATAM	**78**
APAC	**-**
Total	**108**

FREQUENCY RATE BY REGION

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

	2013
EMEA	**0.29**
NAFTA	**0.90**
LATAM	**0.96**
APAC	**-**
Total	**0.65**

(1) *Days lost due to accidents – more than 3 days.*

ENVIRONMENTAL INDICATORS

AIR EMISSIONS

VOLATILE ORGANIC COMPOUNDS (VOC)
CNH INDUSTRIAL WORLDWIDE (kg)

	2013	2012	2011
Agricultural and Construction Equipment	**1,751,196**	1,504,194	1,483,138
Trucks and Commercial Vehicles	**1,205,856**	1,009,659	1,244,516
Powertrain	**46,630**	38,156	39,595
Total	**3,003,682**	2,552,009	2,767,249

NITROGEN OXIDES (NO_x)
CNH INDUSTRIAL WORLDWIDE (tons)

	2013	2012[1]	2011
Agricultural and Construction Equipment	**303.6**	282.3	286.5
Trucks and Commercial Vehicles	**107.2**	107.8	125.2
Powertrain	**32.2**	28.7	27.8
Total	**443.0**	418.8	439.5

SULFUR OXIDES (SO_x)
CNH INDUSTRIAL WORLDWIDE (tons)

	2013	2012	2011
Agricultural and Construction Equipment	**7.4**	7.9	10.9
Trucks and Commercial Vehicles	**32.6**	41.6	53.1
Powertrain	**1.2**	1.1	0.9
Total	**41.2**	50.6	64.9

DUST
CNH INDUSTRIAL WORLDWIDE (tons)

	2013	2012	2011
Agricultural and Construction Equipment	**0.6**	0.7	0.9
Trucks and Commercial Vehicles	**5.0**	4.5	5.4
Powertrain	**0.1**	0.1	0.1
Total	**5.7**	5.3	6.4

PRESENCE OF OZONE DEPLETING SUBSTANCES (ODS)[2]
CNH INDUSTRIAL WORLDWIDE (kg)

2013	CNH Industrial	Agricultural and Construction Equipment	Trucks and Commercial Vehicles	Powertrain
Plants	**55**	30	16	9
CFCs	**355.70**	333.00	22.50	0.20
HCFCs	**5,523.81**	3,793.48	1,582.56	147.77
Halons	**-**	-	-	-
Methyl bromide	**-**	-	-	-
Other CFCs fully halogentated	**-**	-	-	-
Total	**5,879.51**	4,126.48	1,605.06	147.97
2012				
Plants	**59**	29	21	9
CFCs	**26.01**	3.31	22.50	0.20
HCFCs	**6,193.72**	3,437.96	2,234.82	520.94
Halons	**-**	-	-	-
Methyl bromide	**-**	-	-	-
Other CFCs fully halogentated	**-**	-	-	-
Total	**6,219.73**	3,441.27	2,257.32	521.14
2011				
Plants	**61**	29	23	9
CFCs	**38.28**	15.00	23.08	0.20
HCFCs	**7,755.47**	4,958.66	2,275.87	520.94
Halons	**-**	-	-	-
Methyl bromide	**-**	-	-	-
Other CFCs fully halogentated	**-**	-	-	-
Total	**7,793.75**	4,973.66	2,298.95	521.14

EMISSIONS OF OZONE DEPLETING SUBSTANCES (ODS)[3]
CNH INDUSTRIAL WORLDWIDE (kg CFC-11-equialent)

	2013
Agricultural and Construction Equipment	**9.02**
Trucks and Commercial Vehicles	**4.84**
Powertrain	**-**
Total	**13.86**

(1) The data for 2012 have been adjusted compared with those in 2012 Sustainability Report.
(2) Data include quantities of ozone-depleting substances found in office air conditioning equipment, equal to approximately 3,600 kilos in 2011, 4,309 kilos in 2012 and 3,981 in 2013.
(3) 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 kilograms of CFC-11 equivalent considering an Ozone Depletion Potential of 0.055 (source: United Nations Environment Programme (UNEP), HCFCs controlled under the Montreal Protocol).

WATER MANAGEMENT

WATER WITHDRAWAL PER PRODUCTION UNIT

CNH INDUSTRIAL WORLDWIDE (m^3/hour of production)

	2013	2012	2011
CNH Industrial	**0.16**	0.19	0.20

WATER WITHDRAWAL AND DISCHARGE

CNH INDUSTRIAL WORLDWIDE (thousands of m^3)

2013	**CNH Industrial**	Agricultural and Construction Equipment	Trucks and Commercial Vehicles	Powertrain
Plants	**55**	30	16	9
Withdrawal				
Groundwater	**4,067**	982	1,441	1,644
Municipal water supply	**2,496**	1,405	619	472
Surface water	**23**	-	23	-
of which salt water	**-**	-	-	-
Rainwater	**1**	1	-	-
Other	**-**	-	-	-
Total water withdrawal	**6,587**	2,388	2,083	2,116
Discharge				
Surface water	**1,244**	532	426	286
of which salt water	**-**	-	-	-
Public sewer systems	**3,389**	1,391	580	1,418
Other destinations	**76**	67	9	-
Total water discharge	**4,709**	1,990	1,015	1,704
2012				
Plants	**59**	29	21	9
Withdrawal				
Groundwater	**4,724**	1,061	1,706	1,957
Municipal water supply	**2,436**	1,381	654	401
Surface water	**23**	-	23	-
of which salt water	**-**	-	-	-
Other	**1**	1	-	-
Total water withdrawal	**7,184**	2,443	2,383	2,358
Discharge				
Surface water	**1,195**	429	548	218
of which salt water	**-**	-	-	-
Public sewer systems	**3,439**	1,336	618	1,485
Other destinations	**40**	30	10	-
Total water discharge	**4,674**	1,795	1,176	1,703
2011				
Plants	**61**	29	23	9
Withdrawal				
Groundwater	**5,278**	969	2,094	2,215
Municipal water supply	**2,357**	1,168	766	423
Surface water	**30**	-	30	-
of which salt water	**-**	-	-	-
Other	**9**	2	-	7
Total water withdrawal	**7,674**	2,139	2,890	2,645
Discharge				
Surface water	**1,338**	410	772	156
of which salt water	**-**	-	-	-
Public sewer systems	**3,901**	1,153	858	1,890
Other destinations	**47**	34	13	-
Total water discharge	**5,286**	1,597	1,643	2,046

WATER RECYCLING INDEX

CNH INDUSTRIAL WORLDWIDE (thousands of m^3)

2013	CNH Industrial	Agricultural and Construction Equipment	Trucks and Commercial Vehicles	Powertrain
Plants	55	30	16	9
Total water requirement	8,332	2,524	2,122	3,686
of which covered by recycling	1,745	136	39	1,570
of which water withdrawal	6,587	2,388	2,083	2,116
Recycling Index[1]	**26.5%**	**5.7%**	**1.9%**	**74.2%**
2012				
Plants	59	29	21	9
Total water requirement	8,860	2,670	2,472	3,718
of which covered by recycling	1,676	227	89	1,360
of which water withdrawal	7,184	2,443	2,383	2,358
Recycling Index[1]	**23.3%**	**9.3%**	**3.7%**	**57.7%**
2011				
Plants	61	29	23	9
Total water requirement	9,410	2,391	3,003	4,016
of which covered by recycling	1,736	252	113	1,371
of which water withdrawal	7,674	2,139	2,890	2,645
Recycling Index[1]	**22.6%**	**11.8%**	**3.9%**	**51.8%**

QUALITY OF WATER DISCHARGES

CNH INDUSTRIAL WORLDWIDE (maximum level under applicable regulation = 100)

	Target 2014	2013	2012	2011
Biochemical Oxygen Demand (BOD)[2]				
Agricultural and Construction Equipment	90.0	18.1	15.5	n.a.
Trucks and Commercial Vehicles	50.0	28.3	23.2	33.9
Powertrain	60.0	18.3	23.6	28.0
Chemical Oxygen Demand (COD)[2]				
Agricultural and Construction Equipment	90.0	20.7	25,9	n.a.
Trucks and Commercial Vehicles	50.0	28.8	32.4	37.9
Powertrain	60.0	17.2	17.9	40.0
Total Suspended Solids (TSS)[2]				
Agricultural and Construction Equipment	90.0	8.8	11.2	n.a.
Trucks and Commercial Vehicles	50.0	34.8	18.2	18.4
Powertrain	60.0	25.2	19.5	38.0

QUALITY OF WATER DISCHARGES

CNH INDUSTRIAL WORLDWIDE (milligram/liter)

	2013	2012	2011
Biochemical Oxygen Demand (BOD)[2]			
Agricultural and Construction Equipment	49.7	36.4	n.a.
Trucks and Commercial Vehicles	120.4	73.5	100.8
Powertrain	38.7	52.1	64.8
Chemical Oxygen Demand (COD)[2]			
Agricultural and Construction Equipment	114.5	126.8	n.a.
Trucks and Commercial Vehicles	228.9	196.6	218.1
Powertrain	74.8	80.9	189.1
Total Suspended Solids (TSS)[2]			
Agricultural and Construction Equipment	16.8	22.1	n.a.
Trucks and Commercial Vehicles	148.8	85.3	73.7
Powertrain	48.3	37.7	74.4

(1) The recycling index is calculated as a percentage of the total withdrawal. The index for 2012 and 2011 has been modified according to this formula.
(2) Figures take into account worst level registered for all plants in each segment. Data refer to plants situated in regions where binding legislation defines limits for the three parameters monitored.

MAIN PLANTS LOCATED IN WATER STRESSED AREAS[1]

CNH INDUSTRIAL WORLDWIDE

Segment and plant	2013 water intensity[2] (m^3/COGS)	Discarge water quality (mg/l)	2009 fresh water consumption (m^3/h)	Reduction target (2014 vs 2009)	Measures taken
Agricultural and Construction Equipment ■ New Delhi (India)	0.00052	BOD: 15 COD: 80 TSS: 79	0.27	-38%	■ setting-up of a task force to monitor consumption ■ installation of new water meters ■ monitoring of overflows ■ reduction of water pressure at times of low demand ■ reuse of treated wastewater from purification plants for the irrigation of green areas
Agricultural and Construction Equipment ■ Plock (Poland)	0.00049	BOD: 385 COD: 992 TSS: 351.5	0.16	-47%	■ optimization of the metal pre-treatment system in paint production lines
Trucks and Commercial Vehicles ■ Vysoke Myto (Czech Republic)	0.00036	BOD: 105 COD: 327 TSS: 102	0.07	-59%	■ creation of a new system for monitoring water withdrawal ■ reduction of water consumption in lavatories ■ personnel awareness ■ installation of new flow meters in high water consumption areas ■ creation of a database for analyzing trends and identifying measures for making improvements ■ optimization of water use in the pre-wash stage for cleaning vehicles

WATER SOURCES SIGNIFICANTLY AFFECTED BY WATER WITHDRAWAL AND/OR DISCHARGE AT PLANTS

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[3] = 135 m^3/sec	Industrial water	yes[4]	yes[5]	no	no

(1) *Water-stressed area: area with water disposal < 1,700 m^3/person per year (source: FAO).*
(2) *Water-intensity: fresh water consumption in m^3/Cost of Goods Sold (COGS) in €.*
(3) *Month average last 44 years (1969-2012).*
(4) *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.
(5) *There is a high level of biodiversity in the stretch of the Loire near the plant (see also page 170). 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).*

WASTE MANAGEMENT

WASTE GENERATION AND MANAGEMENT

CNH INDUSTRIAL WORLDWIDE (tons)

2013	CNH Industrial	Agricultural and Construction Equipment	Trucks and Commercial Vehicles	Powertrain
Plants	55	30	16	9
Waste generated				
Non-hazardous waste	277,200	184,083	48,879	44,238
Hazardous waste	26,807	12,539	6,675	7,593
Total waste generated	**304,007**	**196,622**	**55,554**	**51,831**
of which packaging	119,620	79,813	28,220	11,587
Waste disposed				
Waste-to-energy conversion	12,208	10,157	1,025	1,026
of which hazardous	4,949	3,072	905	972
Treatment	24,892	12,858	5,482	6,552
Sent to landfill	15,244	8,556	6,410	278
Total waste disposed	**52,344**	**31,571**	**12,917**	**7,856**
Waste recovered				
Total waste recovered	**251,663**	**165,051**	**42,637**	**43,975**
of which hazardous	5,060	2,678	1,952	430
Waste recovered	82.8%	83.9%	76.7%	84.8%
Waste sent to landfill	5.0%	4.4%	11.5%	0.5%
2012				
Plants	59	29	21	9
Waste generated				
Non-hazardous waste	252,002	169,381	44,021	38,600
Hazardous waste	30,247	14,298	6,499	9,450
Total waste generated	**282,249**	**183,679**	**50,520**	**48,050**
of which packaging	77,035	47,456	23,046	6,533
Waste disposed				
Waste-to-energy conversion	10,081	7,989	1,179	913
of which hazardous	2,600	843	874	883
Treatment	32,500	18,872	5,200	8,428
Sent to landfill	15,964	11,132	4,606	226
Total waste disposed	**58,545**	**37,993**	**10,985**	**9,567**
Waste recovered				
Total waste recovered	**223,704**	**145,686**	**39,535**	**38,483**
of which hazardous	4,749	2,599	1,931	219
Waste recovered	79.3%	79.3%	78.3%	80.1%
Waste sent to landfill	5.7%	6.1%	9.1%	0.5%
2011				
Plants	61	29	23	9
Waste generated				
Non-hazardous waste	257,487	159,744	51,552	46,191
Hazardous waste	36,381	16,566	7,365	12,450
Total waste generated	**293,868**	**176,310**	**58,917**	**58,641**
of which packaging	79,220	39,806	31,625	7,789
Waste disposed				
Waste-to-energy conversion	10,843	7,667	2,136	1,040
Treatment	33,816	17,545	5,335	10,936
Sent to landfill	15,977	9,445	6,302	230
Total waste disposed	**60,636**	**34,657**	**13,773**	**12,206**
Waste recovered				
Total waste recovered	**233,232**	**141,653**	**45,144**	**46,435**
Waste recovered	79.4%	80.3%	76.6%	79.2%
Waste sent to landfill	5.4%	5.4%	10.7%	0.4%

WASTE GENERATED PER PRODUCTION UNIT

CNH INDUSTRIAL WORLDWIDE (kg/hour of production)

	2013	2012	2011
CNH Industrial	**7.27**	7.65	7.82

HAZARDOUS WASTE GENERATED PER PRODUCTION UNIT

CNH INDUSTRIAL WORLDWIDE (kg/hour of production)

	2013	2012	2011
CNH Industrial	**0.64**	0.82	0.97

HAZARDOUS WASTE MANAGEMENT

CNH INDUSTRIAL WORLDWIDE (tons)

2013[1]	CNH Industrial	Agricultural and Construction Equipment	Trucks and Commercial Vehicles	Powertrain
Plants	**55**	30	16	9
Waste transported outside to suppliers of waste management service, in the same country	**26,642**	12,374	6,675	7,593
Waste transported outside to suppliers of waste management service, abroad	**154**	154	-	-
Total hazardous waste transported	**26,796**	12,528	6,675	7,593
Total treated hazardous waste	**11**	11	-	-
Total hazardous waste produced	**26,807**	12,539	6,675	7,593
2012				
Plants	59	29	21	9
Waste transported outside to suppliers of waste management service, in the same country	30,039	14,090	6,499	9,450
Waste transported outside to suppliers of waste management service, abroad	208	208	-	-
Total hazardous waste transported	**30,247**	14,298	6,499	9,450
Total treated hazardous waste	**-**	-	-	-
Total hazardous waste produced	**30,247**	14,298	6,499	9,450
2011				
Plants	61	29	23	9
Waste transported outside to suppliers of waste management service, in the same country	36,381	16,566	7,365	12,450
Waste transported outside to suppliers of waste management service, abroad	-	-	-	-
Total hazardous waste transported	**36,381**	16,566	7,365	12,450
Total treated hazardous waste	**-**	-	-	-
Total hazardous waste produced	**36,381**	16,566	7,365	12,450

WASTE RECOVERED[2]

CNH INDUSTRIAL WORLDWIDE (%)

	Target 2014[3]	2013	2012	2011
CNH Industrial	**up to 83**	**82.8**	**79.3**	**79.4**
Agricultural and Construction Equipment	80	**83.9**	79.3	80.3
Trucks and Commercial Vehicles	78	**76.7**	78.3	76.6
Powertrain	83	**84.8**	80.1	79.2

(1) The amount of hazardous waste transported abroad is 0.6% of the total hazardous waste generated.
(2) Percentage of waste recovered on waste generated.
(3) The target for Trucks and Commercial Vehicles has been updated due to several reasons, such as: change in production activities (processes and volumes), relocation of some production activities and conversion of some plants, change in reporting scope and interruptions in production.

ENERGY CONSUMPTION

DIRECT ENERGY CONSUMPTION BY SOURCE

CNH INDUSTRIAL WORLDWIDE (GJ)

2013	CNH Industrial	Agricultural and Construction Equipment	Trucks and Commercial Vehicles	Powertrain
Plants	54	29	16	9
Non-renewable sources				
Natural gas	3,662,770	2,572,775	826,589	263,406
Coal	225,854	-	225,854	-
Diesel	68,237	54,794	4,786	8,657
Liquefied petroleum gas (LPG)	121,039	119,520	1,519	-
Other (HS and LS fuel oil)	-	-	-	-
Total non-renewable sources	**4,077,900**	2,747,089	1,058,748	272,063
Renewable sources				
Biomass	36,396	36,396	-	-
Photovoltaic	-	-	-	-
Solar-thermal	275	207	68	-
Total renewable sources	**36,671**	36,603	68	-
Total direct energy consumption	**4,114,571**	2,783,692	1,058,816	272,063
from renewable sources	0.9%	1.3%	0.01%	0.0%
2012[1]				
Plants	59	29	21	9
Non-renewable sources				
Natural gas	3,468,732	2,397,260	836,595	234,877
Coal	195,905	-	195,905	-
Diesel	65,242	55,245	2,055	7,942
Liquefied petroleum gas (LPG)	85,083	83,592	1,491	-
Other (HS and LS fuel oil)	7,135	-	7,135	-
Total non-renewable sources	**3,822,097**	2,536,097	1,043,181	242,819
Renewable sources				
Biomass	61,032	61,032	-	-
Photovoltaic	-	-	-	-
Solar-thermal	100	-	100	-
Total renewable sources	**61,132**	61,032	100	-
Total direct energy consumption	**3,883,229**	2,597,129	1,043,281	242,819
from renewable sources	1.6%	2.3%	0.01%	-
2011				
Plants	63	31	23	9
Non-renewable sources				
Natural gas	3,623,116	2,426,206	968,241	228,669
Coal	229,407	-	229,407	-
Diesel	91,670	82,576	2,829	6,265
Liquefied petroleum gas (LPG)	81,061	79,689	1,372	-
Other (HS and LS fuel oil)	10,613	-	10,613	-
Total non-renewable sources	**4,035,867**	2,588,471	1,212,462	234,934
Renewable sources				
Biomass	63,979	63,979	-	-
Photovoltaic	-	-	-	-
Solar-thermal	-	-	-	-
Total renewable sources	**63,979**	63,979	-	-
Total direct energy consumption	**4,099,846**	2,652,450	1,212,462	234,934
from renewable sources	1.6%	2.4%	-	-

(1) *The data for 2012 have been adjusted compared with those in 2012 Sustainability Report.*

INDIRECT ENERGY CONSUMPTION BY SOURCE

CNH INDUSTRIAL WORLDWIDE (GJ)

2013	CNH Industrial	Agricultural and Construction Equipment	Trucks and Commercial Vehicles	Powertrain
Plants	54	29	16	9
Electricity				
Non-renewable sources	1,839,124	926,317	402,360	510,447
Renewable sources	1,193,823	709,205	325,668	158,950
Total electricity	**3,032,947**	**1,635,522**	**728,028**	**669,397**
Thermal energy				
Non-renewable sources	854,693	55,025	414,960	384,708
Renewable sources	94,087	39,076	55,011	-
Total thermal energy	**948,780**	**94,101**	**469,971**	**384,708**
Other energy sources				
Non-renewable sources	112,804	-	39,953	72,851
Renewable sources	-	-	-	-
Total other energy sources	**112,804**	**-**	**39,953**	**72,851**
Total indirect energy consumption	**4,094,531**	**1,729,623**	**1,237,952**	**1,126,956**
from renewable sources	31.5%	43.3%	30.8%	14.1%
2012[1]				
Plants	59	29	21	9
Electricity				
Non-renewable sources	1,932,457	951,218	460,751	520,488
Renewable sources	985,694	620,589	260,809	104,296
Total electricity	**2,918,151**	**1,571,807**	**721,560**	**624,784**
Thermal energy				
Non-renewable sources	860,121	52,194	418,615	389,312
Renewable sources	73,547	37,178	36,369	-
Total thermal energy	**933,668**	**89,372**	**454,984**	**389,312**
Other energy sources				
Non-renewable sources	104,991	-	40,946	64,045
Renewable sources	-	-	-	-
Total other energy sources	**104,991**	**-**	**40,946**	**64,045**
Total indirect energy consumption	**3,956,810**	**1,661,179**	**1,217,490**	**1,078,141**
from renewable sources	26.8%	39.6%	24.4%	9.7%
2011				
Plants	63	31	23	9
Electricity				
Non-renewable sources	2,194,242	1,014,337	552,424	627,481
Renewable sources	895,885	542,017	285,770	68,098
Total electricity	**3,090,127**	**1,556,354**	**838,194**	**695,579**
Thermal energy				
Non-renewable sources	981,879	59,394	546,328	376,157
Renewable sources	81,034	39,631	41,403	-
Total thermal energy	**1,062,913**	**99,025**	**587,731**	**376,157**
Other energy sources				
Non-renewable sources	134,073	-	40,970	93,103
Renewable sources	-	-	-	-
Total other energy sources	**134,073**	**-**	**40,970**	**93,103**
Total indirect energy consumption	**4,287,113**	**1,655,379**	**1,466,895**	**1,164,839**
from renewable sources	22.8%	35.1%	22.3%	5.8%

(1) *The data for 2012 have been adjusted compared with those in 2012 Sustainability Report.*

DIRECT AND INDIRECT ENERGY CONSUMPTION BY SOURCE

CNH INDUSTRIAL WORLDWIDE (GJ)

2013	CNH Industrial	Agricultural and Construction Equipment	Trucks and Commercial Vehicles	Powertrain
Plants	54	29	16	9
Electricity	3,032,947	1,635,522	728,028	669,397
Natural gas	3,662,770	2,572,775	826,589	263,406
Other fuels	451,526	210,710	232,159	8,657
Other energy sources	1,061,859	94,308	509,992	457,559
Total energy consumption	**8,209,102**	4,513,315	2,296,768	1,399,019
2012[1]				
Plants	59	29	21	9
Electricity	2,918,151	1,571,807	721,559	624,785
Natural gas	3,468,732	2,397,260	836,595	234,877
Other fuels	414,397	199,869	206,586	7,942
Other energy sources	1,038,759	89,372	496,030	453,357
Total energy consumption	**7,840,039**	4,258,308	2,260,770	1,320,961
2011				
Plants	63	31	23	9
Electricity	3,090,128	1,556,355	838,193	695,580
Natural gas	3,623,116	2,426,206	968,241	228,669
Other fuels	476,730	226,245	244,220	6,265
Other energy sources	1,196,985	99,025	628,701	469,259
Total energy consumption	**8,386,959**	4,307,831	2,679,355	1,399,773

ENERGY CONSUMPTION FROM RENEWABLE SOURCES

CNH INDUSTRIAL WORLDWIDE (%)

2013	Target 2014	2013	2012	2011
Agricultural and Construction Equipment	17.5	17.4	16.9	15.0
Trucks and Commercial Vehicles	15.0	16.6	13.1	12.2
Powertrain	12.0	11.4	7.9	4.9

(1) The data for 2012 have been adjusted compared with those in 2012 Sustainability Report.

CO_2 EMISSIONS

DIRECT AND INDIRECT CO_2 EMISSIONS

CNH INDUSTRIAL WORLDWIDE (tons)

2013	CNH Industrial	Agricultural and Construction Equipment	Trucks and Commercial Vehicles	Powertrain
Plants	54	29	16	9
Direct emissions (scope 1)	226,748	143,141	68,188	15,419
Indirect emissions (scope 2)	308,210	161,256	74,373	72,581
Direct emissions from landfill gas	1,987	1,987	-	-
Total CO_2 emissions	**536,945**	306,384	142,561	88,000
2012[1]				
Plants	59	29	21	9
Direct emissions (scope 1)	212,833	132,804	66,264	13,765
Indirect emissions (scope 2)	318,288	167,918	75,823	74,547
Direct emissions from landfill gas	3,332	3,332	-	-
Total CO_2 emissions	**534,453**	304,054	142,087	88,312
2011				
Plants	63	31	23	9
Direct emissions (scope 1)	229,360	138,929	77,138	13,293
Indirect emissions (scope 2)	370,402	176,177	95,944	98,281
Direct emissions from landfill gas	n.a	n.a	n.a	n.a
Total CO_2 emissions	**599,762**	315,106	173,082	111,574

GRI-G4
EN15; EN16

(1) The data for 2012 have been adjusted compared with those in 2012 Sustainability Report.

STATEMENT OF ASSURANCE

SGS

ASSURANCE STATEMENT

ASSURANCE STATEMENT FOR THE CNH INDUSTRIAL N.V. SUSTAINABILITY REPORT 2013

SGS Italia S.p.A. was commissioned to conduct an independent assurance of the CNH Industrial N.V. 2013 Sustainability Report.

Responsibility and Scope of Assurance

SGS Italia S.p.A. 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 Italia S.p.A. 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 N.V.

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 Italia S.p.A. 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 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 reliability of the information reported;
- complete a high level assurance review of the information in the "Supply chain management" section, with reference to KPI's related to supply chain processes.

SGS Italia S.p.A. was also asked to confirm the adherence of the sustainability model adopted by CNH Industrial N.V. 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, 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 2014 at Company sites in Italy (Turin), United Kingdom (Basildon) and the United States (Wichita) 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 as at 31st December 2013.

GP5008 Issue 1

Assurance Opinion

On the basis of the verification work performed, we are satisfied that the information contained in the CNH Industrial N.V. 2013 Sustainability Report is accurate, balanced and reliable, representing an important summary of the activities carried out by CNH Industrial N.V. in 2013 and an essential tool in communicating with stakeholders.
SGS Italia S.p.A. 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), the audit team provides the following opinion:

- CNH Industrial N.V. carried out its first materiality analysis aimed at identifying and prioritizing economic, environmental and social measures through an internal assessment. Each aspect was assessed in terms of importance to the Company and significance to stakeholders. In 2014, the analysis will directly involve stakeholders through targeted exchanges with selected groups.
- The data measurement techniques and basis for calculations have been adequately described to SGS Italia S.p.A. and no material inaccuracies in the data verified were observed.
- The Company has demonstrated, continuity in 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 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.
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

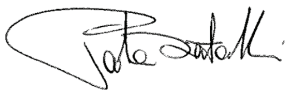
On the basis of the verification performed, we are satisfied that the information contained in the 2013 Sustainability Report is accurate and reliable, and provides stakeholders a fair and balanced representation of the activities of CNH Industrial N.V..
With reference to the new GRI-G4 Guidelines, the 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**.

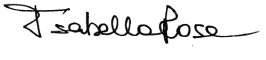
Milan, 27th March 2014

SGS ITALIA S.p.A.

Paola Santarelli
Business Manager

Isabella Rosa
Project Leader





AA1000
Licensed Assurance Provider
000-8

INDEX OF GRI-G4 CONTENT

The index of GRI-G4 content is made up of two parts. The first part 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 33-35). The second part 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 2013 Sustainability Report; however, where specifically stated, the reference is to the Annual Report as at 31 December 2013, available online at www.cnhindustrial.com.

GRI CONTENT INDEX FOR 'IN ACCORDANCE' - CORE

GENERAL STANDARD DISCLOSURES

General standard disclosures	Page reference	External assurance (page)
Strategy and analysis		
G4-1	6-7; Annual Report page 8	230-231
Organizational profile		
G4-3	16	230-231
G4-4	16; Annual Report page 16	230-231
G4-5	242; Annual Report page 102	230-231
G4-6	16	230-231
G4-7	16; Annual Report pages 14, 26-29	230-231
G4-8	16; Annual Report pages 24-25	230-231
G4-9	16; Annual Report pages 24-28	230-231
G4-10	44-45, 56, 214, 217-218	230-231
G4-11	73, 75-77	230-231
G4-12	148-149	230-231
G4-13	149; Annual Report page 14	230-231
G4-14	31	230-231
G4-15	25	230-231
G4-16	100-101, 129-130	230-231
Identified material aspects and boundaries		
G4-17	208-209, 211	230-231
G4-18	33-35, 210	230-231
G4-19	35-37	230-231
G4-20	36-37, 210-211	230-231
G4-21	36-37	230-231
G4-22	211	230-231
G4-23	211	230-231
Stakeholder engagement		
G4-24	39-41	230-231
G4-25	39	230-231
G4-26	39	230-231
G4-27	39-41	230-231
Report profile		
G4-28	210	230-231
G4-29	210	230-231
G4-30	210	230-231
G4-31	242	230-231
G4-32	210, 232-235	230-231
G4-33	212, 230-231	230-231
Governance		
G4-34	22-24; Annual Report pages 92-101	230-231
Ethics and integrity		
G4-56	21, 25-26	230-231

SPECIFIC STANDARD DISCLOSURES

Material Aspects (DMA and Indicators)	Page reference	Identified Omissions	External assurance (page)
CATEGORY: ECONOMIC			
Material aspect: procurement practices			
G4-DMA	147-149, 154-155	-	230-231
G4-EC9	149	-	230-231
CATEGORY: ENVIRONMENTAL			
Material aspect: energy			
G4-DMA	118, 171-175	-	230-231
G4-EN3	175-176, 213, 226-228	-	230-231
G4-EN5	176	-	230-231
G4-EN6	171, 174, 179, 213	-	230-231
Material aspect: water			
G4-DMA	117, 156-161, 163-165	-	230-231
G4-EN8	164, 213, 221	-	230-231
G4-EN9	213, 223	-	230-231
G4-EN10	213, 222	-	230-231
Material aspect: biodiversity			
G4-DMA	118, 156-161, 168	-	230-231
G4-EN11	168-170	-	230-231
G4-EN12	168-170	-	230-231
G4-EN13	169	-	230-231
G4-EN14	170	-	230-231
Material aspect: emissions			
G4-DMA	118, 162, 171-175	-	230-231
G4-EN15	175, 177, 213, 229	-	230-231
G4-EN16	175, 177, 213, 229	-	230-231
G4-EN18	178	-	230-231
G4-EN19	171	-	230-231
G4-EN20	162, 220	-	230-231
G4-EN21	162-163, 213, 220	-	230-231
Material aspect: effluents and waste			
G4-DMA	117, 156-161, 166-168	-	230-231
G4-EN22	164, 213, 221, 222	-	230-231
G4-EN23	166-167, 224	-	230-231
G4-EN24	165	-	230-231
G4-EN25	225	-	230-231
G4-EN26	223	-	230-231
Material aspect: products and services			
G4-DMA	113-114, 123, 133-135	-	230-231
G4-EN27	129, 130, 136-143, 203-204	-	230-231
Material aspect: transport			
G4-DMA	108, 119-120, 183-187	-	230-231
G4-EN30	64-65, 184-187	-	230-231
Material aspect: supplier environmental assessment			
G4-DMA	116, 150-152	-	230-231
G4-EN32	150	-	230-231
G4-EN33	152-153	-	230-231

Material Aspects (DMA and Indicators)	Page reference	Identified Omissions	External assurance (page)
CATEGORY: SOCIAL			
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK			
Material aspect: employment			
G4-DMA	43, 66, 109-110	-	230-231
G4-LA1	45, 215-216	-	230-231
G4-LA2	50, 67, 68-71	-	230-231
G4-LA3	67	-	230-231
Material aspect: labor/management relations			
G4-DMA	27, 43	-	230-231
G4-LA4	80-81	-	230-231
Material aspect: occupational health and safety			
G4-DMA	58-61, 74, 107	-	230-231
G4-LA5	74	-	230-231
G4-LA6	61-62, 212, 219	(1)	230-231
G4-LA8	74, 76-77	-	230-231
Material aspect: training and education			
G4-DMA	43, 46-48, 50-51, 104-106	-	230-231
G4-LA9	50-52	-	230-231
G4-LA10	49-52	-	230-231
G4-LA11	46-48	-	230-231
Material aspect: diversity and equal opportunity			
G4-DMA	43, 55, 106	-	230-231
G4-LA12	22-23, 55-57, 214, 217-218	-	230-231
Material aspect: supplier assessment for labor practices			
G4-DMA	116, 150-152	-	230-231
G4-LA14	150	-	230-231
G4-LA15	152-153	-	230-231
SUB-CATEGORY: HUMAN RIGHTS			
Material aspect: non-discrimination			
G4-DMA	27, 104	-	230-231
G4-HR3	26-27	-	230-231
Material aspect: freedom of association and collective bargaining			
G4-DMA	27-28, 73-74, 150	-	230-231
G4-HR4	27-28, 150-153	-	230-231
Material aspect: child labor			
G4-DMA	27-28, 104, 150	-	230-231
G4-HR5	28, 150-151	-	230-231
Material aspect: assessment			
G4-DMA	27, 104	-	230-231
G4-HR9	27, 73	-	230-231
Material aspect: supplier human rights assessment			
G4-DMA	116, 150-152	-	230-231
G4-HR10	150	-	230-231
G4-HR11	152-153	-	230-231

(1) *For contractors, occupational disease rate and lost days rate are currently unavailable. CNH Industrial started collecting such data in 2013, and will begin disclosure in 2015.*
Indicators concerning gender have not been reported for reasons of confidentiality, related to regulations on discrimination in the NAFTA Region.

Material Aspects (DMA and Indicators)	Page reference	Identified Omissions	External assurance (page)
SUB-CATEGORY: SOCIETY			
Material aspect: local communities			
G4-DMA	83-95, 111-112	-	230-231
G4-SO1	83-95	-	230-231
Material aspect: public policy			
G4-DMA	99	-	230-231
G4-SO6	101	-	230-231
Material aspect: supplier assessment for impacts on society			
G4-DMA	116, 150-152	-	230-231
G4-SO9	150	-	230-231
G4-SO10	152-153	-	230-231
SUB-CATEGORY: PRODUCT RESPONSIBILITY			
Material aspect: customer health and safety			
G4-DMA	120-123, 189-191	-	230-231
G4-PR1	144-145	-	230-231
G4-PR2	29	-	230-231
Material aspect: product and service labeling			
G4-DMA	120-123, 189-191	-	230-231
G4-PR3	199	-	230-231
G4-PR4	29, 200	-	230-231
G4-PR5	197-198	-	230-231
Material aspect: marketing communications			
G4-DMA	120-123, 189-191	-	230-231
G4-PR7	29	-	230-231

OTHER GRI-G4 INDICATORS THAT SUPPLEMENT THE 'IN ACCORDANCE' - CORE OPTION

DMA and Indicators	Page reference	External assurance (page)
G4-35	22-24	230-231
G4-36	22-24	230-231
G4-37	22-24	230-231
G4-38	22-23; Annual Report pages 92-97	230-231
G4-39	22; Annual Report pages 92-93	230-231
G4-41	Annual Report pages 92-95, 97	230-231
G4-42	22-24; Annual Report page 97	230-231
G4-43	22, 105	230-231
G4-46	22-24	230-231
G4-47	22	230-231
G4-48	22-23, 33-34	230-231
G4-49	22-26	230-231
G4-50	26	230-231
G4-51	Annual Report pages 106-112	230-231
G4-53	(1)	230-231
G4-57	25-26, 50-52	230-231
G4-58	25-26	230-231
G4-EC1	41	230-231
G4-EC3	50; Annual Report pages 34-35, 131-132, 172-178	230-231
G4-EC4	17	230-231
G4-EC6	46, 214	230-231
G4-EN29	29	230-231
G4-EN31	159	230-231
G4-EN34	25-26	230-231
G4-LA16	25-26, 75	230-231
G4-HR2	52	230-231
G4-HR6	26-27, 150-151	230-231
G4-HR8	29	230-231
G4-HR12	25-28	230-231
G4-SO3	26, 29	230-231
G4-SO4	52	230-231
G4-SO5	26, 29	230-231
G4-SO7	29	230-231
G4-SO8	29	230-231
G4-PR8	29	230-231
G4-PR9	29	230-231

(1) Available on the Corporate web site after the AGM.

GLOSSARY

A

AA1000: framework published by AccountAbility providing sustainability management tools to companies.

ACC (Adaptive Cruise Control): system that allows the driver to maintain the cruising speed selected, as well as the safety distance from the vehicle ahead. If the safety distance is not maintained, the system automatically activates, in sequence: engine braking, intarder/retarder and service brakes.

ACEA (European Automobile Manufacturers' Association): association founded in 1991 whose main aim is 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): not-for-profit association of companies operating in the automotive industry.

ANFIA (Italian Association of the Automotive Industry): trade association representing Italian manufacturers and fitters of vehicles for the transport of people and goods.

APAC (Asia Pacific): Region including the following countries: Australia, China, India, Pakistan, Russia, Singapore, Thailand, Turkey, Turkmenistan, Uzbekistan.

Aspect Boundary (or scope): description of where impacts occur for each material aspect. In setting the aspect boundaries, an organization should consider impacts within and outside of 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 in various proportions with diesel. 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): the 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). When a single value is given, it is usually BOD5 (5-day BOD).

BTL (Biomass To Liquid): next generation biodiesel derived from biomass.

C

Carpooling: type of 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 powered by 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), this 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.

D

Direct emissions (scope 1): atmospheric emissions of polluting substances originating from combustion processes in which the equipment is under the control and ownership of the organization.

DMA (Disclosures on Management Approach): information on how an organization identifies, analyzes and responds to its actual and potential material economic, environmental and social impacts.

E

EBS (Electronic Braking System): electronic system that controls the braking functions of both tractor unit and semi-trailer, and integrates the Anti-lock Braking System (ABS), Acceleration Slip Regulation (ASR) and Electronic Brake Limiter (EBL) functions.

EEV (Enhanced Environmental-Friendly Vehicles): the most rigorous among European regulations on emissions.

EGR (Exhaust Gas Recirculation): system that recirculates exhaust gas back to the engine's intake to reduce NOx 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, South Africa.

Emission trading: mechanism enabling the exchange of emission quotas, available to countries belonging to the Organization for Economic Co-operation and Development (OECD) and Economies in Transition (EIT) to meet their commitments on reducing 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 level 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 concerned with the understanding of the interactions between 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.

ESC (Electronic Stability Control): system activated in the event of swerving, which adjusts engine power and selectively brakes each wheel individually until the vehicle regains stability.

Euro VI: series of European standards on polluting emissions that will apply to newly registered road vehicles sold in the EU from 1 September 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

Gas blow-by: flow of gas between the piston ring and the barrel of an engine's cylinder.

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.

Hill Holder: system that provides assistance when starting a vehicle on an incline, preventing it from rolling backwards for a few seconds after the foot brake is released, hence avoiding the need to ride the clutch

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 that enables 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 and over which it has no control.

Inverter: static electronic device that converts direct current into alternating current.

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 14001: voluntary regulations published by the International Organization for Standardization (ISO), defining the requirements of an environmental management system.

ISO 14064: a voluntary standard published by the International Organization for Standardization (ISO), specifying international best practice in the management, reporting and verification of data and information on greenhouse gases (GHG).

ISO 26000: guidelines published by the International Organization for Standardization (ISO), defining socially responsible behaviors and possible actions. This is not a certification.

ISO 50001 voluntary regulations published 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 consumer's home.

LATAM (Latin America): Region including the following countries: Argentina, Brazil, 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.

LDWS (Lane Departure Warning System): system that alerts the driver if the vehicle strays from its lane, provided that turn signals were not activated first. Extremely effective at preventing accidents caused by tiredness or distraction at the wheel.

LED (Light-Emitting Diode): semiconductor (diode) that emits light when an electric current passes through a suitably treated silicon junction.

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 in 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, Mexico

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 the occupational health and safety management system.

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, today PCBs are considered to be some of 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 Chemical substances): European Community Regulation on chemicals and their safe use.

ROPS (Roll Over Protective Structures): structure protecting against the rollover of construction equipment.

S

SAD (Standard Aggregation Data): IT platform used to monitor and report indicator performance.

SCR (Selective Catalytic Reduction): chemical process for reducing NO_X levels in exhaust gas.

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 meaning the sulfur oxides in the atmosphere; usually sulfur dioxide (SO_2) and sulfur trioxide (SO_3).

SRI (Socially Responsible Investing): socially responsible investors are financial operators who, in their investment decisions, also take account of environmental, social and governance factors as well as traditional considerations.

Stakeholders: all those that have a legitimate interest in the activities of an organization and that both influence and are influenced by its 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-2 supplier: a business that supplies direct suppliers.

Tier: standard issued by EPA that regulates polluting emissions.

TSS (Total Suspended Solids): parameter used in the management of water quality and in purification which indicates the quantity of solids present in suspension and that can be separated by vigorous mechanical means such as vacuum filtration or centrifugation of a sample of liquid.

V

VOC (Volatile Organic Compounds): compounds classified as VOCs include both hydrocarbons containing carbon and hydrogen as the only elements, as well as compounds containing oxygen, chlorine or other elements together with carbon and hydrogen. Volatile Organic Compounds are defined as any organic compound that has a vapor pressure of 0.01 KPa or more, at 293.15 K (20 °C) as defined in art.268 of Legislative Decree 152/2006.

W

WCM (World Class Manufacturing): integrated production model which aims at achieving excellence in the entire logistical and productivity cycle, striving to eliminate accidents, waste and breakdowns via continuous performance improvements with the engagement of 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 social disorders or dysfunctions, affecting individuals who do not feel capable of meeting set requirements or the expectations of others.

CONTACTS

CORPORATE OFFICE

Cranes Farm Road, Basildon, Essex, SS14 3AD - United Kingdom
Tel. +44 1268 29 2468
website: *www.cnhindustrial.com*

INVESTOR RELATIONS

Europe Tel. +39 011 00 62 756
North America Tel. +1 630 887 3745
e-mail: *investor.relations@cnhind.com*

SUSTAINABILITY

Tel. +39 011 00 62 627
e-mail: *sustainability@cnhind.com*

CORPORATE COMMUNICATIONS

United Kingdom Tel. +44 1268 29 2468
Italy Tel. +39 011 00 72 122
e-mail: *mediarelations@cnhind.com*

This document is printed on eco-responsible CyclusPrint, a 100% recycled paper produced by Arjowiggins Graphic. The internal pages are printed on 100 gsm paper and the cover is 300 gsm.

ARJOWIGGINS
GRAPHIC

By using this paper, rather than a non-recycled paper, the environmental impact was reduced by:

298
kg of landfill

44
kg of CO_2

440
km of travel in the average European car

6,195
liters of water

571
kWh of energy

484
kg of wood

NOTES

Graphic design

Sunday
Turin, Italy

Editorial coordination

Sunday
Turin, Italy

Printing

Graf Art - Officine Grafiche Artistiche
Venaria Reale (TO), Italy

Printed in Italy
April 2014

This document is printed on environmentally-friendly paper

CNH Industrial N.V.
Corporate Seat: Amsterdam, The Netherlands
Corporate Office: Cranes Farm Road, Basildon, Essex SS14 3AD, United Kingdom
Share Capital: €18,245,478.06 (as of December 31, 2013)
Amsterdam Chamber of Commerce: reg. no. 56532474