CNH INDUSTRIAL

2015

SUSTAINABILITY REPORT

CNH INDUSTRIAL

WE HAVE ACHIEVED **MARKED PROGRESS** AS A **BUSINESS** WHILE KEEPING THE **PRINCIPLES OF SUSTAINABILITY** HIGH ON OUR GOVERNING AGENDA. AS WE HAVE **MOVED FORWARD**, WE HAVE REMAINED CONSCIOUS OF THE IDEAL THAT THE **TRUE VALUE** OF A **MULTI-NATIONAL** INCLUDES THE WAY IT CONDUCTS ITSELF, ITS **CONTRIBUTIONS** TO **SOCIETY** AS A WHOLE AND THE **COMMITMENTS** THAT IT CHOOSES TO MAKE.

SERGIO MARCHIONNE
CHAIRMAN

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LETTER TO STAKEHOLDERS

Dear Stakeholders,

Three years have passed since CNH Industrial first came into fruition with a governance committee overseeing four global regions and 12 brands. We have achieved marked progress as a business while keeping the principles of sustainability high on our governing agenda. As we have moved forward, we have remained conscious of the ideal that the true value of a multi-national includes the way it conducts itself, its contributions to society as a whole and the commitments that it chooses to make.

In 2015, our sustainability activities advanced our ambitious targets and, in turn, solidified our role as a global leader in this sphere, both within and external to our industry.

In this edition of the Sustainability Report, we have evaluated our Company along its entire value chain and have illustrated how we intend to approach new global sustainability challenges. The Report has been prepared according to the Global Reporting Initiative (GRI-G4) guidelines, the main international reporting standard, and the AA1000 Accountability Principles Standard.

During the year, we continued our stakeholder engagement activities and launched an analysis to identify megatrends, which are major external forces capable of shaping the future and influencing current and upcoming issues.

Among the sources used within this scenario analysis are the new UN Sustainable Development Goals (SDGs), published in 2015. The SDGs define global sustainable development priorities and aspirations for 2030, and seek to mobilize global efforts around a common set of goals and targets (2030 Agenda for Sustainable Development).

CNH Industrial is dedicated to do its part in achieving these SDGs. In the first phase of analysis, we focused on verifying the alignment of our existing targets established in the Sustainability Plan with those set by the UN. We ascertained that, to date, a number of our targets are related to specified UN goals. The actions implemented throughout 2015 signal that the commitments made in the Sustainability Plan were maintained. Furthermore, we are committed to updating some of our other targets to align them as closely as possible to the SDGs.

Looking back on 2015, we recorded a number of significant milestones in terms of sustainability. Our ongoing global efforts resulted in the Dow Jones Sustainability World and Europe indexes once again confirming us as the Industry Leader in the Machinery and Electrical Equipment industry for the fifth year running. Furthermore, they named us as one of the 24 most sustainable companies in the world (Capital Goods Industry Group Leader). This is an achievement that we take pride in, and it inspires us to aim even higher in our efforts to build a truly sustainable enterprise.

Our commitment to reducing carbon emissions was further recognized with the highest score in the CDP Climate Change assessment for the transparent communication of actions to fight climate change. CNH Industrial is dedicated to promoting sustainable development and tackling climate change and, as such, we are endorsing two of the commitments promoted by the CDP through its Commit to Action campaign, which was announced during the UN Climate Change Conference (COP 21), held in Paris in December 2015.

One of our major initiatives last year involved our role as a Global Partner of the universal exposition *Expo Milano 2015*. We used the six-month event as an important platform for many of our sustainability activities. We took the occasion to meet with stakeholders from around the world to highlight how CNH Industrial is contributing to feeding and safeguarding the planet's growing population, which is expected to reach nine billion people by 2050.

GRI G4-1

This was an opportunity for us to further raise awareness on our sustainability initiatives and areas of excellence, especially our work in the field of alternative fuel technologies, which include Compressed Natural Gas and Biomethane.

We also pledged our commitment to important agreements during Expo. We took an active role in drafting the Charter of Milan, Expo's legacy, which focuses on the world's major food issues and the sustainable use of the planet's resources. In addition, we signed a Joint Declaration with the United Nations Industrial Development Organization (UNIDO) to foster industrial cooperation in developing countries.

These endeavors do not stand alone. In order to achieve sustainability goals beyond our business, we have embraced the highest standards within our own organization. This year's Report highlights our progress in doing just that, from fostering the development of our people to improving upon our processes.

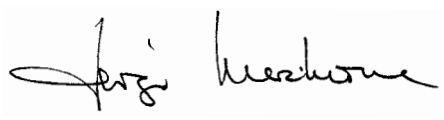
With 64 manufacturing sites in operation around the world, occupational health and safety is an ongoing concern. In 2015, we charted continued improvement in this area with a 9% reduction in the accident frequency rate. Our production processes are guided by the World Class Manufacturing (WCM) program, already in place at 54 CNH Industrial plants. We also actively promote WCM among our suppliers and, during 2015, 154 supplier plants adopted it. Thanks to more efficient energy management, we reduced CO_2 emissions by 4% per hour of production and 48% of our electricity consumption was derived from renewable sources.

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

2015 was a hugely important year for us in terms of sustainability initiatives. The results we have achieved do not give us an excuse to stand still, but rather an incentive to keep striving for continuous improvement, something that has always characterized our approach.

We thank you for your support and interest in CNH Industrial and hope that you will continue to follow our progress on our path being an ever more sustainable Company.

Sergio Marchionne



CHAIRMAN

Richard J. Tobin

CHIEF EXECUTIVE OFFICER

IN A NUTSHELL

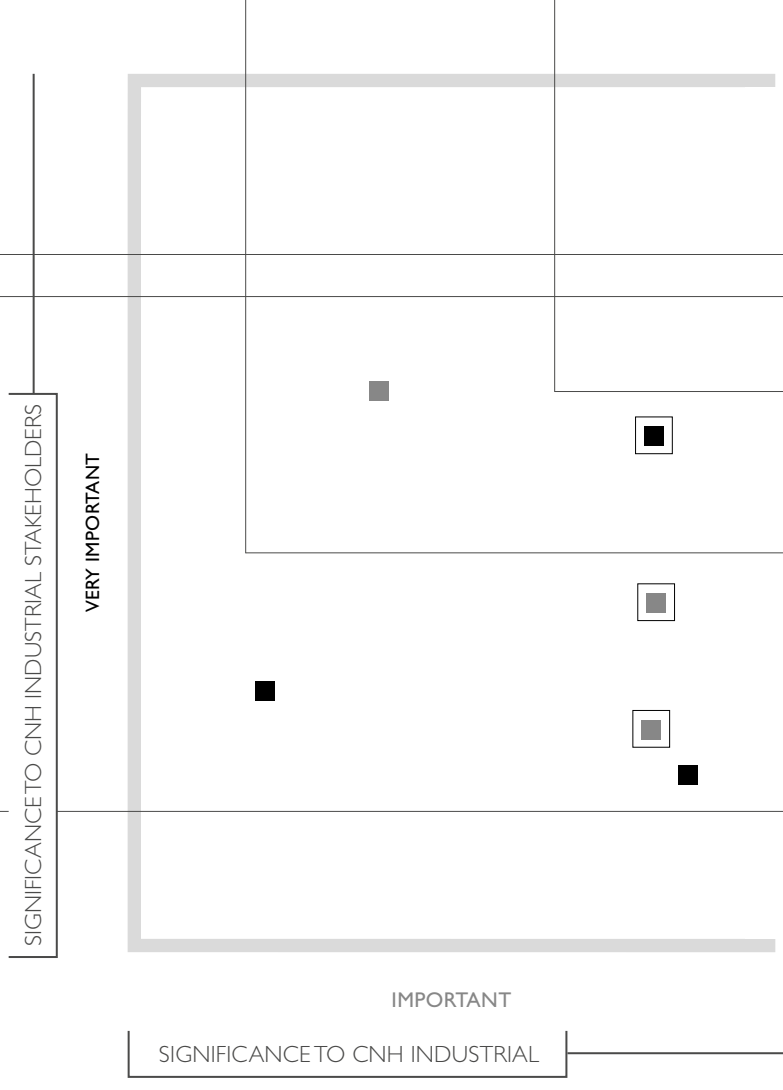
48% of electricity from **renewable sources**

+18% in **WCM** supplier plants

95% of **salaried** employees and above assessed via **PLM**

5th year as **Industry Leader** in Dow Jones Sustainability Indices

2 CDP commitments **endorsed**



Data refers to 2015; variations are compared with the previous year.

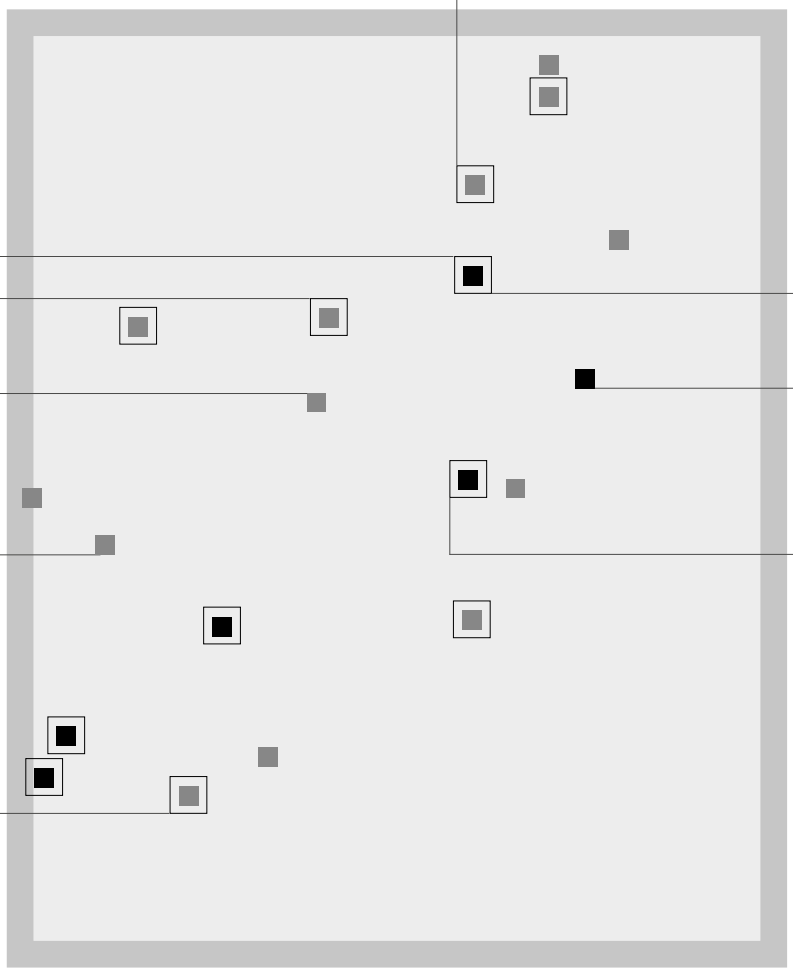
IN 2015, WE CONTINUED TO MAKE **PROGRESS** ON OUR JOURNEY TO BE A **SUCCESSFUL** AND **RESPONSIBLE** LONG-TERM COMPANY

-9%
in accident frequency rate

-4%
in CO_2 emissions
per hour of production

+3% in active patents owned

-9%
in waste generated
per hour of production



VERY IMPORTANT

OUR REPORT

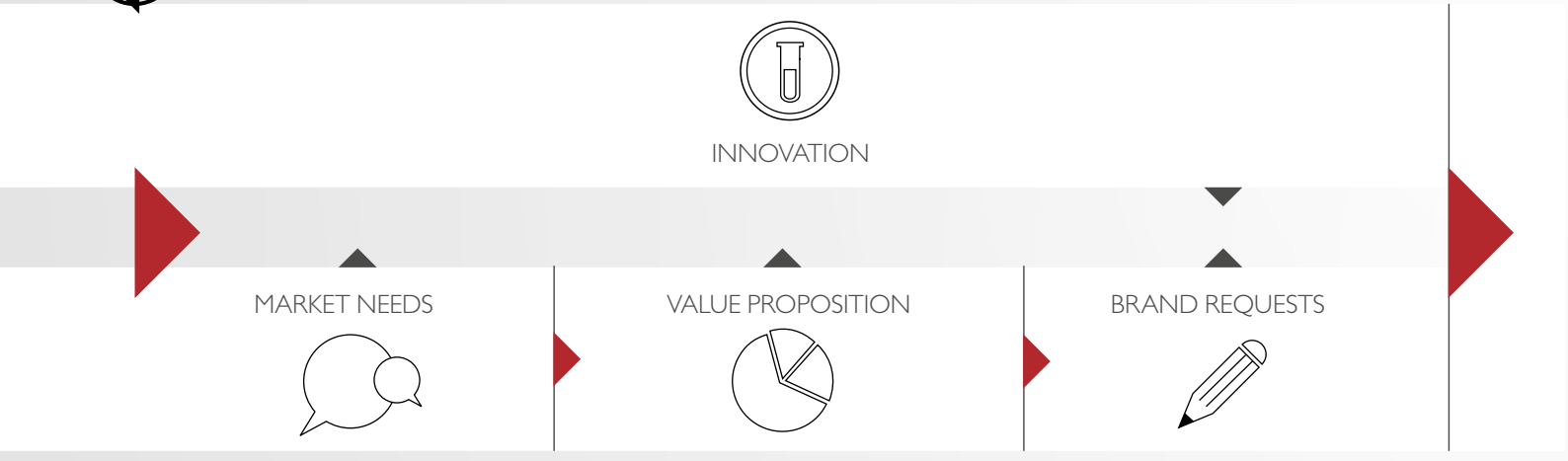
OUR SUSTAINABLE COMPANY

ORGANIZATION PROFILE

OUR COMMITMENT TO THE FUTURE

PRESENCE IN SUSTAINABILITY INDEXES

VALUE CHAIN



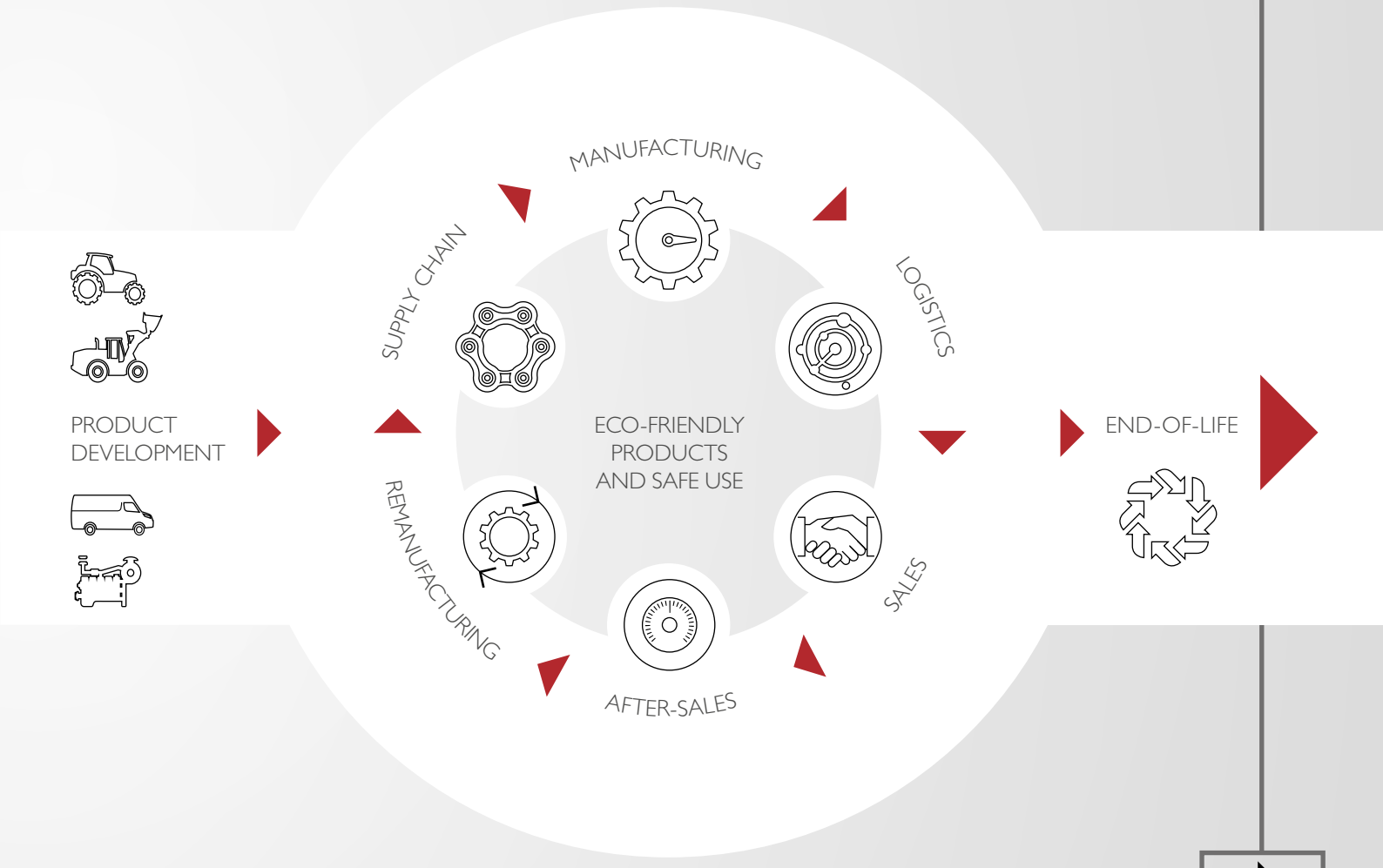
HOW WE GET THINGS DONE

OUR GOVERNANCE MODEL

HOW WE MANAGE OUR PEOPLE

ENGAGING LOCAL COMMUNITIES

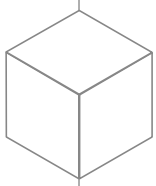
RELATIONSHIPS WITH PUBLIC AND PRIVATE ORGANIZATIONS



01

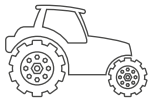
OUR SUSTAINABLE COMPANY

THE FOLLOWING SECTION CONTAINS A BRIEF COMPANY PROFILE AND THE YEAR'S ECONOMIC PERFORMANCE HIGHLIGHTS. IT ALSO INCLUDES A DESCRIPTION OF CNH INDUSTRIAL'S POSITION IN THE GLOBAL CONTEXT, AND THE ASPECTS THAT ARE MATERIAL TO THE COMPANY AND STAKEHOLDERS ALIKE. THE RESULTS CNH INDUSTRIAL ACHIEVED OVER THE YEAR AND ITS COMMITMENTS FOR THE FUTURE ARE ALSO PRESENTED IN THE SUSTAINABILITY PLAN.



AGRICULTURAL EQUIPMENT

- CASE IH AGRICULTURE
- NEW HOLLAND AGRICULTURE
- STEYR

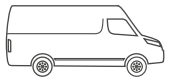


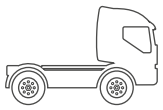
CONSTRUCTION EQUIPMENT

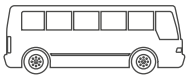
- CASE CONSTRUCTION EQUIPMENT
- NEW HOLLAND CONSTRUCTION

COMMERCIAL VEHICLES

- IVECO
- IVECO ASTRA
- IVECO BUS
- HEULIEZ BUS
- MAGIRUS
- IVECO DEFENCE VEHICLES

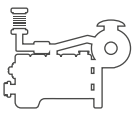




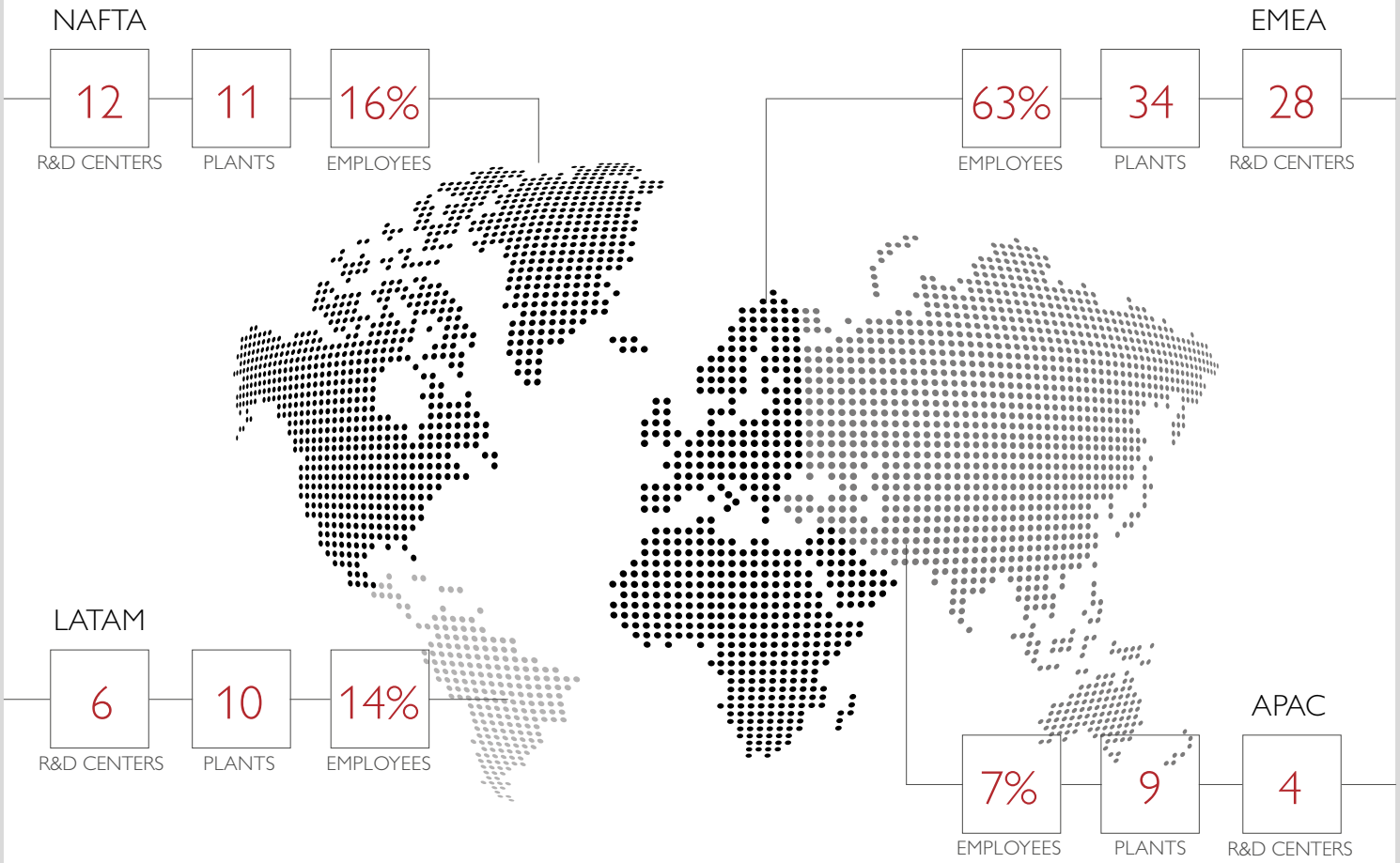


POWERTRAIN

- FPT INDUSTRIAL



ORGANIZATION PROFILE



CNH INDUSTRIAL AT A GLANCE

CNH Industrial is a global leader in the capital goods sector with established industrial experience, a wide product range, and worldwide presence. Through its 12 brands[1], the Company designs, manufactures, and sells agricultural equipment, construction machinery, trucks, buses, specialty vehicles, and powertrains. CNH Industrial, which is listed on the New York Stock Exchange and on the Milan Stock Exchange, was formed by the merger between Fiat Industrial S.p.A. and its subsidiary CNH Global N.V., completed on September 29, 2013. Across its 12 brands, 64 manufacturing plants, 50 Research and Development centers, together with a workforce of some 64,000 employees and a commercial presence in approximately 180 countries, CNH Industrial is in a unique competitive position.

CNH Industrial aims to be the global leader in next-generation industrial equipment and commercial vehicles. It is a pioneer of ultra-efficient machinery that enables other sectors of the global economy to operate at maximum potential, and it achieves this by harnessing new technology, its vast market reach, and its robust enterprise culture.

HIGHLIGHTS

CNH INDUSTRIAL WORLDWIDE (no.)

	2014	2014	2013
Employees at year end	**64,391**	69,207	71,192
Plants	**64**	64	62
Research and Development centers	**50**	49	48

The following figures are taken from the EU Annual Report, prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union. CNH Industrial reports results also under accounting standards generally accepted in the United States (U.S. GAAP) for U.S. Securities and Exchange Commission (SEC) reporting and investor presentation purposes. The U.S. GAAP results are included in the Annual Report on Form 20-F. The 2015 EU Annual Report and the 2015 Annual Report on Form 20-F are available on the Company website.

ECONOMIC PERFORMANCE

CNH INDUSTRIAL ($million in IFRS)

	2015	2014	2013[a]
Net revenues	**26,378**	32,957	34,231
Trading profit/(loss)	**1,543**	2,399	2,637
Profit/(loss)	**234**	916	1,218
Investments in tangible and intangible assets[b]	**1,116**	1,698	1,985
R&D expenditure[c]	**877**	1,122	1,240
Net industrial cash/(debt)	**(1,570)**	(2,874)	(2,195)

[a] Amounts recast in order to reflect the change in presentation currency from euro to US dollar.
[b] Net of vehicles sold under buy-back agreements or leased out.
[c] Includes capitalized development costs and R&D charged directly to the income statement.

PUBLIC FUNDING AWARDED TO CNH INDUSTRIAL

CNH INDUSTRIAL ($million)

	2015	2014	2013
Grants	**23**	35	19
Loans	**34**	133	562
of which subsidized loans	34	133	562
Total public funding	**57**	**168**	**581**

PUBLIC FUNDING AWARDED TO CNH INDUSTRIAL BY REGION

CNH INDUSTRIAL WORLDWIDE (%)

	2015
EMEA	**33.1**
NAFTA	**22.2**
LATAM	**33.7**
APAC	**11.0**

[1] Case IH Agriculture, Steyr, Case Construction Equipment, New Holland Agriculture, New Holland Construction, Iveco, Iveco Astra, Iveco Bus, Heuliez Bus, Magirus, Iveco Defence Vehicles, and FPT Industrial.

GLOSSARY
APAC; EMEA; LATAM; NAFTA

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

EMPLOYEES IN NUMBERS

As at December 31, 2015, CNH Industrial had 64,391 employees, a decrease of 4,816 from the 69,207 figure at year-end 2014. The change was mainly attributable to the difference between new hires (approximately 3,800) and departures (approximately 8,400) during the year. A further reduction of approximately 200 employees was due to changes of the scope of the operations, which mainly included approximately 300 employees as a consequence of the transfer of the Irisbus plant in Valle Ufita, Avellino (Italy), effective January 1, 2015, to an external entrepreneur in the framework of a transfer of undertaking, partially offset by insourcing of accounting activities from Fiat Chrysler Automobiles in EMEA and material handling activities in LATAM. Excluding the scope of the operations, the change compared to year-end 2014 is mainly attributable to:

- the reduction in the manufacturing workforce, including actions put in place by CNH Industrial to face the significant decrease in volumes for Agricultural Equipment (primarily in NAFTA and LATAM), and for Commercial Vehicles and Construction Equipment (primarily in LATAM)
- decrease in salaried employees due to a reduction in selling, general and administrative costs and business support costs in all Regions, as a result of the transition to CNH Industrial's regional structure
- the closure of Shanghai New Holland Agricultural Machinery Corporation Limited, a 60%-owned joint venture.

The greatest number of personnel is employed in EMEA (63%), followed by NAFTA (16%), LATAM (14%), and APAC (7%).

EMPLOYEES BY REGION

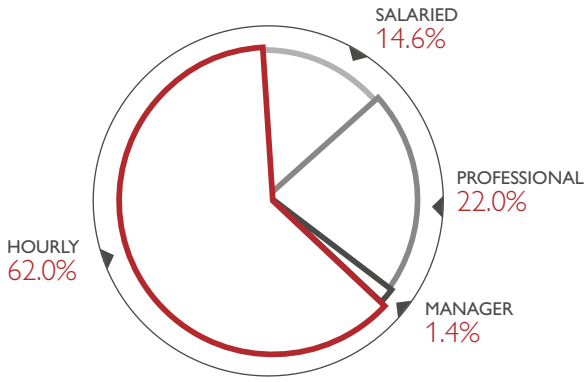
CNH INDUSTRIAL WORLDWIDE (no.)

	2015	2014	2013
EMEA	**40,801**	41,756	41,961
NAFTA	**10,022**	11,647	11,948
LATAM	**8,812**	10,485	12,081
APAC	**4,756**	5,319	5,202
World	**64,391**	69,207	71,192

Worldwide, 44% of the workforce has been employed for over 10 years. A total of 66% of employees[1] has a medium/high level of education (23% hold a university degree or equivalent, and 43% a high school diploma); the remaining 34% completed middle and elementary school.

EMPLOYEES BY CATEGORY[a]

CNH INDUSTRIAL WORLDWIDE



(a) For more information on employee categories, see page 242

For more information, see page 61 and the tables in the Appendix on page 247.

GLOSSARY
APAC; EMEA; LATAM; NAFTA

GRI
G4-10

(1) About 10,697 employees not mapped for 2015.

BREAKDOWN OF ADDED VALUE

The value added through the activities of the Company and distributed to its various stakeholders totaled $5,512 million in 2015, equivalent to 21% of revenues (in line with 2014).

DIRECT ECONOMIC VALUE GENERATED[a]

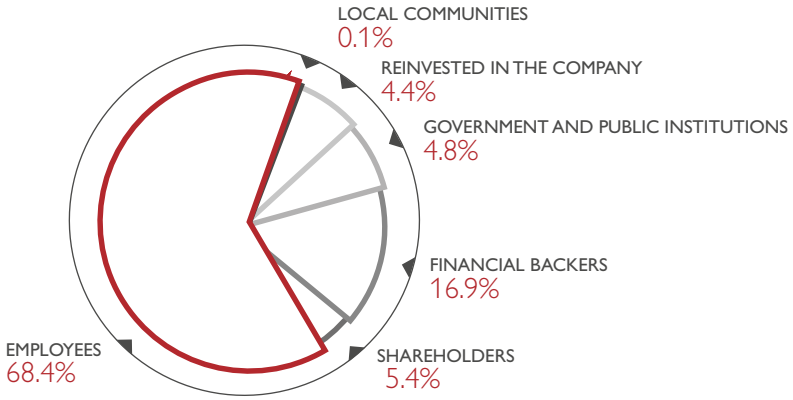
CNH INDUSTRIAL ($million in IFRS)

	2015
Consolidated 2015 revenues	26,378
Income of financial services companies	(856)
Government grants (current and deferred/capitalized), release of provisions, other income	137
Other income	975
Direct economic value generated	**26,634**
Cost of materials	(18,263)
Depreciation and amortization	(1,625)
Other expenses	(1,234)
Value added	**5,512**

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

BREAKDOWN OF VALUE ADDED

CNH INDUSTRIAL



EXPO MILANO 2015

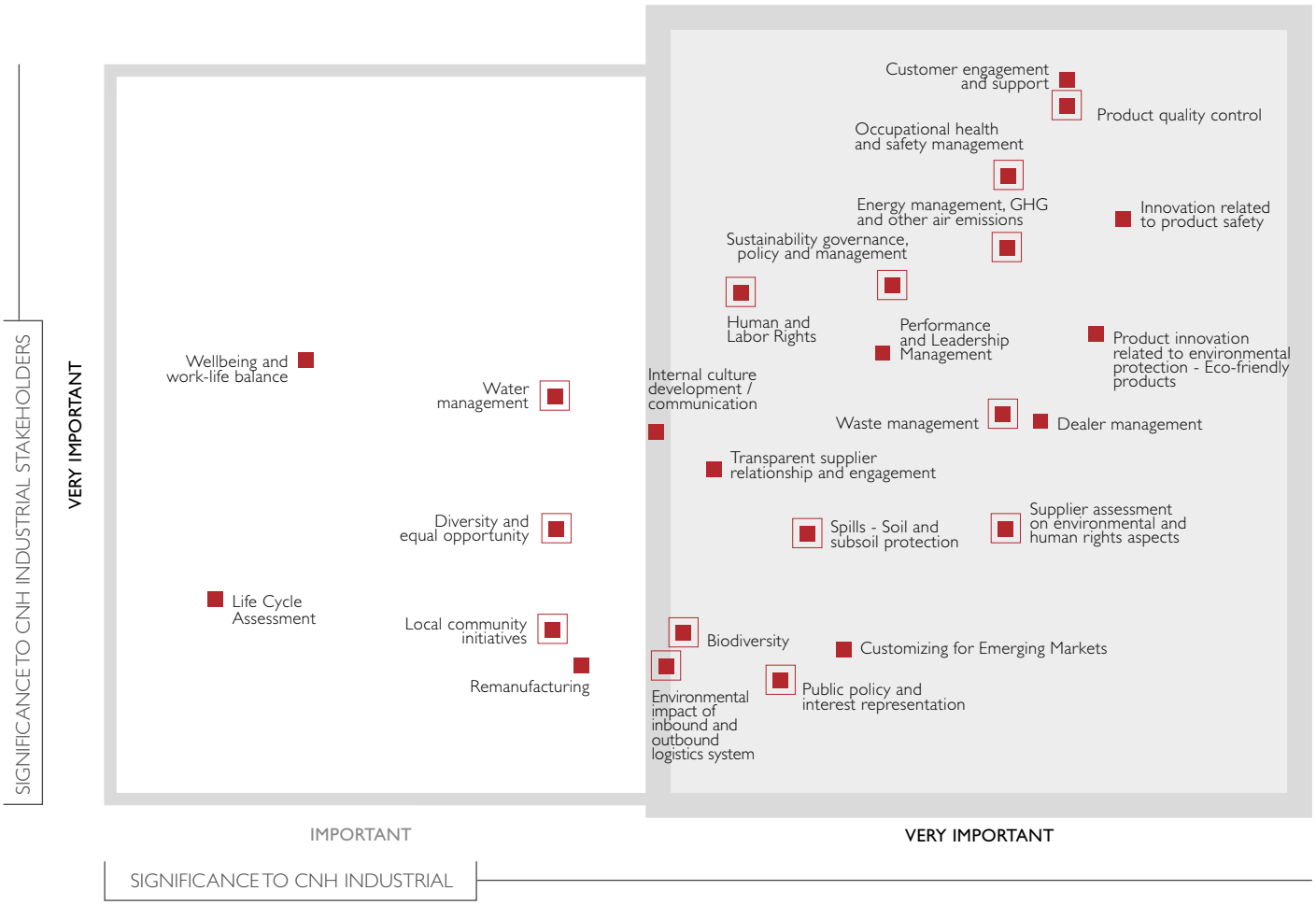
CNH INDUSTRIAL AT EXPO 2015

CNH Industrial was an Official Global Partner of *Expo Milano 2015*, the universal exhibition held in Milan (Italy) from May 1 to October 31. The Company attended the event through its brands: namely New Holland Agriculture, the only agricultural machinery brand with a pavilion (the *Sustainable Farm Pavilion*), visited by more than 850,000 people; FPT Industrial and Iveco, which provided power generators and vehicles throughout the event; Iveco Bus, which provided 7 buses for visitor transportation within the *Expo* site, powered by environmentally-friendly Compressed Natural Gas (CNG) engines; and CASE and Case IH, sponsors of the USA Pavilion.

GLOSSARY
CNG

GRI
G4-EC1

OUR COMMITMENT TO THE FUTURE



Material aspects described in chapter. For further details, see Materiality Matrix, page 23.

MANAGEMENT APPROACH

Companies face complex and interconnected challenges that demand an ever-evolving approach to sustainability. In this regard, CNH Industrial believes that sustainability is an important driver in creating long-term value for all its stakeholders. Indeed, the Company is recognized for its commitment from day one to continuously improving its performance by committing specifically to the most important aspects of sustainability. The Company's sustainability targets are made public through the Sustainability Plan (see also pages 26-39), included in the Sustainability Report, and are monitored, updated, and integrated on a yearly basis in line with both Company performance and social-economic changes.

In 2015, in order to fine-tune its commitments and investments, CNH Industrial started a scenario analysis of megatrends, drawing on several leading international sources in sustainability and on competitors' benchmarking. CNH Industrial sees megatrends as major external forces able to shape the future and influence the importance of current and future issues.

These megatrends will be used as a filter to update the 2016 materiality matrix, enabling the comparison of analysis results against the Company's ability to create value across the value chain (see also page 125).

Some of the key trends emerging from the scenario analysis are already monitored by CNH Industrial and linked to its public commitments, which demonstrates that the Company is on the right path.

Among the sources used within the scope of the scenario analysis are the new UN Sustainable Development Goals (SDGs), published at the end of 2015 and adopted by all 193 UN Member States. The SDGs define global sustainable development priorities and aspirations for 2030, and seek to mobilize global efforts around a common set of goals and targets (2030 Agenda for Sustainable Development). The SDGs call for worldwide action among governments, businesses, and civil society to end poverty and create a life of dignity and opportunity for everyone across the globe.

As a leader in sustainability, CNH Industrial aims to contribute to achieving the UN goals. Of the 17 macro themes described by the SDGs (see also page 18), the Company already monitors a number of aspects associated with 16 of them (see also page 18). In this first phase, the Company verified the alignment of its existing targets with those set by the SDGs. It ascertained that, to date, some of CNH Industrial's targets are related to 8 of the 17 UN goals. These targets relating to the 8 SDGs are clearly marked in the Sustainability Plan.

EXPO MILANO 2015

CHARTER OF MILAN

CNH Industrial officially subscribed to the Charter of Milan, an act of commitment signed by citizens, institutions, businesses, and associations alike, constituting the cultural legacy of *Expo Milano 2015*. The Charter of Milan is a shared manifesto calling on all those who sign it to assume responsibility for ensuring that future generations can enjoy the right to food. The Charter's key topics center on: access to sufficient, safe, and nutritious food, clean water, and energy; the fundamental role of women in nutrition and education; respect for the soil and natural resources; and the sustainability of production processes. The Charter of Milan is *Expo*'s contribution to furthering the development of the UN Sustainable Development Goals.

CNH Industrial's adherence and active contribution to the document reflects its commitment and that of its 12 brands to ensuring a better future for younger generations. CNH Industrial has always promoted the adoption of an integrated global approach shared by every public and private player involved in tackling the global challenges for sustainable development, giving top priority to fundamental human rights such as access to nutrition, water, and clean energy.

By subscribing to the Charter of Milan, CNH Industrial restated its commitment to overcoming the major challenges that food and agriculture face in the future, by offering products and solutions to mechanize agriculture and food transportation, and by continuously improving the environmental performance of its processes.

GRI G4-15

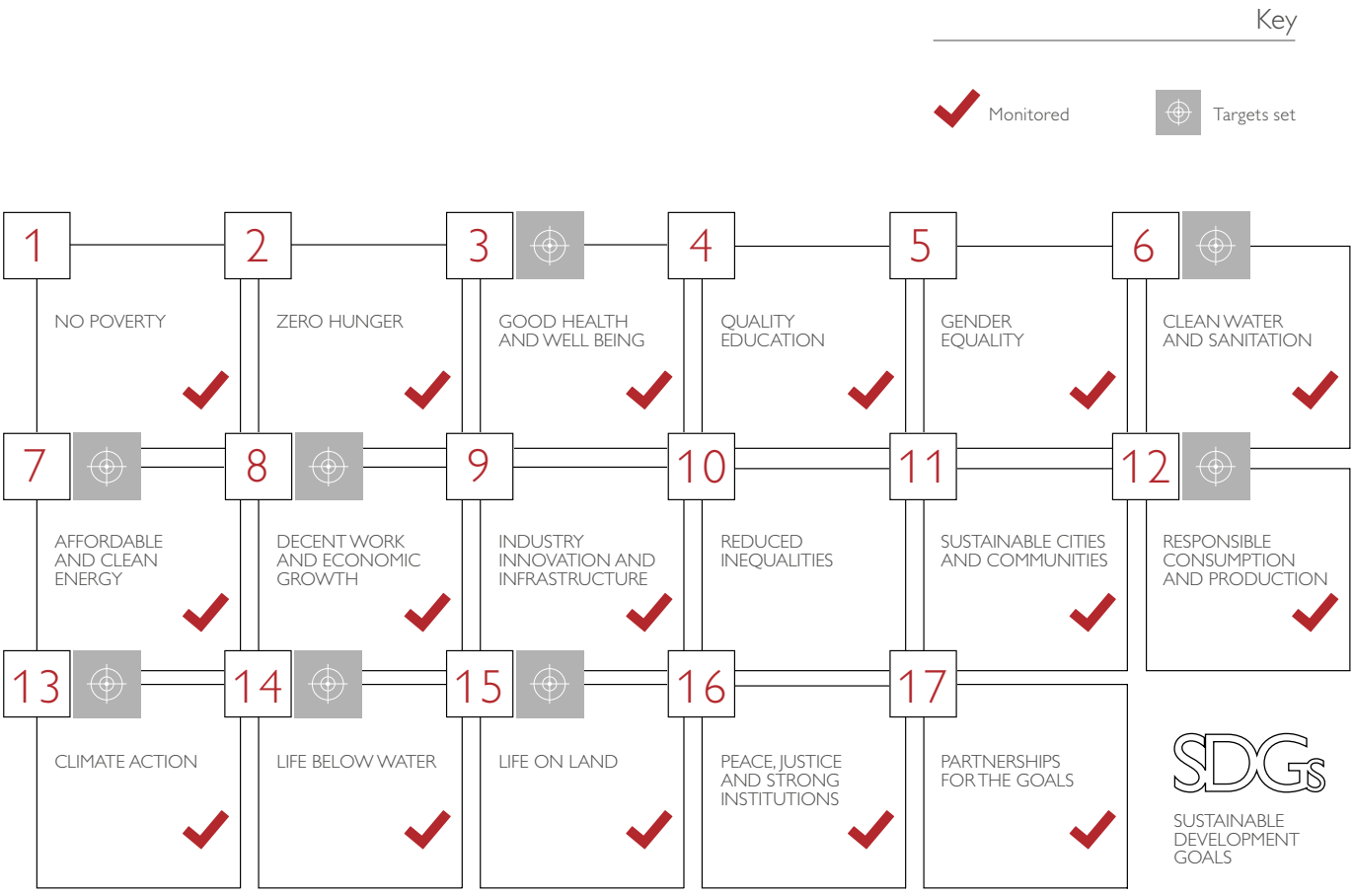
CNH Industrial is also committed to updating its targets to align its commitments as closely as possible to those stated in the SDGs, consistent with the results of the megatrend analysis.
As further evidence of its commitment to promote sustainable development and fight climate change, CNH Industrial decided to endorse 2 of the commitments promoted by the CDP[1] through its *Commit to Action* campaign during the *UN Climate Change Conference* (COP21) held in Paris in December 2015. CNH Industrial is determined to:

- produce and use climate change information in mainstream Corporate reports, out of a sense of fiduciary and social responsibility
- engage in national and international debates to contribute to progress on reducing greenhouse gas emissions.

In this general context, CNH Industrial continually dialogues with its various stakeholders to verify the alignment of its strategy with stakeholder needs (see also pages 20-21).
This dialogue, a key aspect of the materiality analysis (see also pages 22-25), helps the Company identify priority aspects requiring improvement, thus enabling it to concentrate its efforts accordingly.
The materiality matrix is updated annually to take into account the changes in stakeholder perceptions and incorporate any new aspects that become important for the Company.
In 2016, the megatrend analysis will provide the Company with a new means of interpreting results; it will also heighten the focus when identifying the material aspects to be reported and when defining the new targets to be included in the Sustainability Plan.

CURRENT SITUATION IN RELATION TO UN SUSTAINABLE DEVELOPMENT GOALS (SDGs)[a]

CNH INDUSTRIAL'S COMMITMENTS AND MONITORING COMPARED WITH SDGs



[a] *Sustainable Development Goals are set out in resolution A/RES/70/1, Transforming our World: the 2030 Agenda for Sustainable Development, adopted by the United Nations General Assembly on September 25, 2015.*

GLOSSARY
Material Aspect

GRI
G4-15

[1] *CDP is the international non-profit organization providing the only global system for companies and cities to measure, disclose, manage, and share essential environmental information.*

STAKEHOLDER ENGAGEMENT

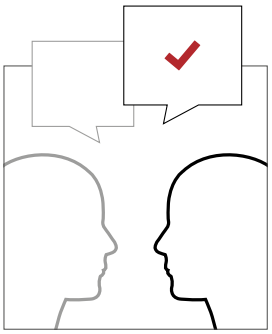
ENGAGING STAKEHOLDERS IN THE EVALUATION OF MATERIAL ASPECTS

The materiality assessment process is a genuinely valuable participation opportunity. It is used to engage people across the Company and external stakeholders alike, reinforcing the link between sustainability and core business operations.

CNH Industrial conducts the materiality analysis to identify and prioritize economic, environmental, and social measures consistent with its business strategy. In terms of sustainability reporting, CNH Industrial defines material aspects as those that significantly impact business performance and that are perceived as most relevant by stakeholders.

CNH Industrial's materiality analysis employs a multi-year approach to enable a more detailed analysis. The first year focused on defining and prioritizing material aspects with top management. In the following 2 years, the analysis was extended to involve stakeholders directly.

The stakeholders were divided into 2 groups, to be engaged over 2 years: in 2014, the analysis involved dealers, suppliers, local communities and NGOs, journalists and opinion leaders, public institutions, environmental experts, and investors, while in 2015 it focused on the perception of customers, employees, trade unions, and employee representatives. In total, 788 stakeholders were involved worldwide.



788
stakeholders
engaged
in 2 years

Results were analyzed giving all stakeholders equal importance. The choice of who to engage was made by the internal representatives interacting with stakeholders on a daily basis, and endorsed by the relevant Group Executive Council (GEC) members and the Chief Executive Officer (CEO).

Engagement occurred in different ways: through direct interviews (face-to-face or via conference call) or an online questionnaire, preceded by a detailed explanation of the activity.

Stakeholders were asked to examine the 25 material aspects identified by the Company via the internal assessment, and to evaluate their importance for a company such as CNH Industrial, from their point of view and with specific reference to their needs and expectations in relation to the Company.

The results of the stakeholder engagement activities carried out in 2014 and 2015 are illustrated in the 2015 Materiality Matrix, with the level of significance to stakeholders on the vertical axis (see also page 23).

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

EXPO MILANO 2015

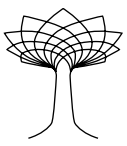
STAKEHOLDER ENGAGEMENT WITH VISITORS

During *Expo*, the CNH Industrial EMEA Market Research team conducted a series of interviews with visitors (more than 900, 20% of whom were farmers) and guests (about 430 New Holland Agriculture customers and dealers) of the Sustainable Farm Pavilion. The main focus of the survey was the Sustainable Farm Pavilion itself, but questions were also addressed concerning knowledge of sustainable agriculture and sensitivity to sustainability issues in general.

Out of the 729 respondents not employed in the agriculture sector (general visitors), 82% said they had heard about sustainability. Of these, however, only 19% said they were knowledgeable or very knowledgeable on the subject.

It also emerged that the majority of general visitors who had already heard about Sustainability (657) tended to think of it as more relevant for the future than the present and to associate it almost exclusively with environmental issues. In fact, of the 1,076 words used: *future* accounted for 11%; *next/future generation* 4%; *respect/care for the environment/eco-friendly* 11%; *ecology and resource saving/preservation* 6%; *resource saving/preservation, organic, no/less pollution* 5%, and *the environment* 4%.

Expectations regarding Corporate Social Responsibility were very high within the sample. Indeed, 98% considered it important or extremely important that companies make provisions for health and safety at work; 97% that they seek to adopt alternative and renewable energy sources, and promote policies and practices to minimize negative environmental impacts; 93% felt it important or very important that companies contribute to economic development in the countries where they operate; and 83% that they realize volunteer projects for the welfare of local communities.



GLOSSARY
Material Aspect

GRI
G4-18; G4-37

CONSTANT DIALOGUE WITH STAKEHOLDERS

CNH Industrial promotes ongoing communication and active engagement with its stakeholders worldwide. It interacts with them continually and proactively through dedicated functions, promoting ongoing dialogue and remaining responsive to their needs. The Company believes that such exchanges are opportunities for mutual growth and improvement, and that cooperation and trust are built on receptiveness and engagement. Stakeholders present a wide range of differing interests, so establishing and maintaining stable and lasting relationships is crucial for creating shared value over the long term. Understanding specific requirements and priorities enables CNH Industrial to deal with issues before they become critical, and to fine-tune its responses according to the interests of its stakeholders. The first step toward building effective engagement involves the clear and prompt identification of stakeholders in order to establish the most effective communication channels, while continually monitoring expectations, needs, and opinions.

CNH Industrial identified and selected key stakeholders through an internal assessment performed by the Corporate functions that manage stakeholder relations on a daily basis. Stakeholders were assessed in terms of importance for the Company and the significance of their respective activities. The table indicates: the functions responsible for ongoing dialogue with the various stakeholders, the engagement tools used, and the main stakeholder expectations. Corporate functions respond to stakeholder expectations through defined channels, translating needs and areas for improvement into Sustainability Plan targets (see also pages 26-39).

DIALOGUE WITH STAKEHOLDERS IN DETAIL

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

[a] The names provided in the Corporate functions column 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.

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

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

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

GLOSSARY
SRI; WCM

MATERIALITY ANALYSIS

IDENTIFYING AND PRIORITIZING MATERIAL ASPECTS

The materiality analysis carried out by CNH Industrial complies with AA1000 criteria and is used to set out the Sustainability Report contents according to GRI-G4 international reporting guidelines. The materiality analysis was performed within the organization on the same scope as that consolidated in the Annual Report, which encompasses every CNH Industrial segment worldwide (see also pages 238-239). The scope outside the organization was identified case by case and included in the tables on pages 24-25.
The material aspects were first identified in 2013, by analyzing different sources (Corporate documents, initiatives focusing on stakeholder perceptions, sustainability assessments by rating agencies, sector studies, GRI-G4 Guidelines, international standards, competitor benchmarking, and through media search). The analysis identified 200 potential material aspects, which were then internally verified, analyzed, rationalized, and assigned a priority, according to different criteria: alignment with business strategy, economic and environmental impact, reputational risk, and consistency with internal policies and the Code of Conduct. This internal analysis determined the 25 material aspects represented in the materiality matrix, published for the first time in the 2013 Sustainability Report.

MATERIALITY PROCESS

The 25 material aspects were the starting point of the analysis carried out in 2014 and in 2015 with the direct involvement of stakeholders (see also page 19). The matrix published in the 2015 Sustainability Report is the result of the 3-year analysis and takes into account the opinions of all stakeholders involved. The 2015 stakeholder engagement results were added to the findings of the previous year, and reported in the materiality matrix by repositioning the 25 material aspects along the vertical axis (significance to stakeholders). The significance within CNH Industrial of the individual aspects identified in 2013 (internal analysis) remained unchanged.
The results were shared with GEC members and with the CEO. The final phase involved the assurance of compliance by third parties: the matrix development process was audited by SGS, an independent company.
To highlight the link between matrix and Sustainability Report contents, a reference to the materiality matrix has been included at the beginning of every chapter, indicating the specific material aspect discussed in the chapter itself. Furthermore, some of the results that emerged from the stakeholder engagement activities have been highlighted in the Disclosures on Management Approach (DMA) contained in each chapter.
In 2016, the materiality matrix will be updated by reviewing the material aspects identified during the 2013 analysis, taking account of the developments in the scope of reference, the analysis of megatrends (see also page 17), and the insights and suggestions provided by the stakeholder engagement activities carried out in 2014 and 2015.

MATERIALITY MATRIX

CNH Industrial developed the matrix to simplify the reading of the results of the materiality analysis. The matrix can be read in 4 different ways:

- the horizontal axis illustrates the degree of significance to CNH Industrial, in ascending order
- the vertical axis illustrates the significance to stakeholders, in ascending order
- the thickness of the outline indicates the degree of significance to the supply chain[2]
- the graphics differentiate social aspects (in gray) from environmental aspects (in black). The economic aspect was not illustrated since all aspects have economic implications.

Within the scope of the analysis, aspects related to Corporate Governance, regulatory compliance, and economic value creation were considered as prerequisites, and therefore were not examined individually within the process. The matrix also allows verifying the degree of alignment between external expectations and the relevance of issues within the organization.

GLOSSARY
AA1000; Audit; DMA; GRI; Material Aspect

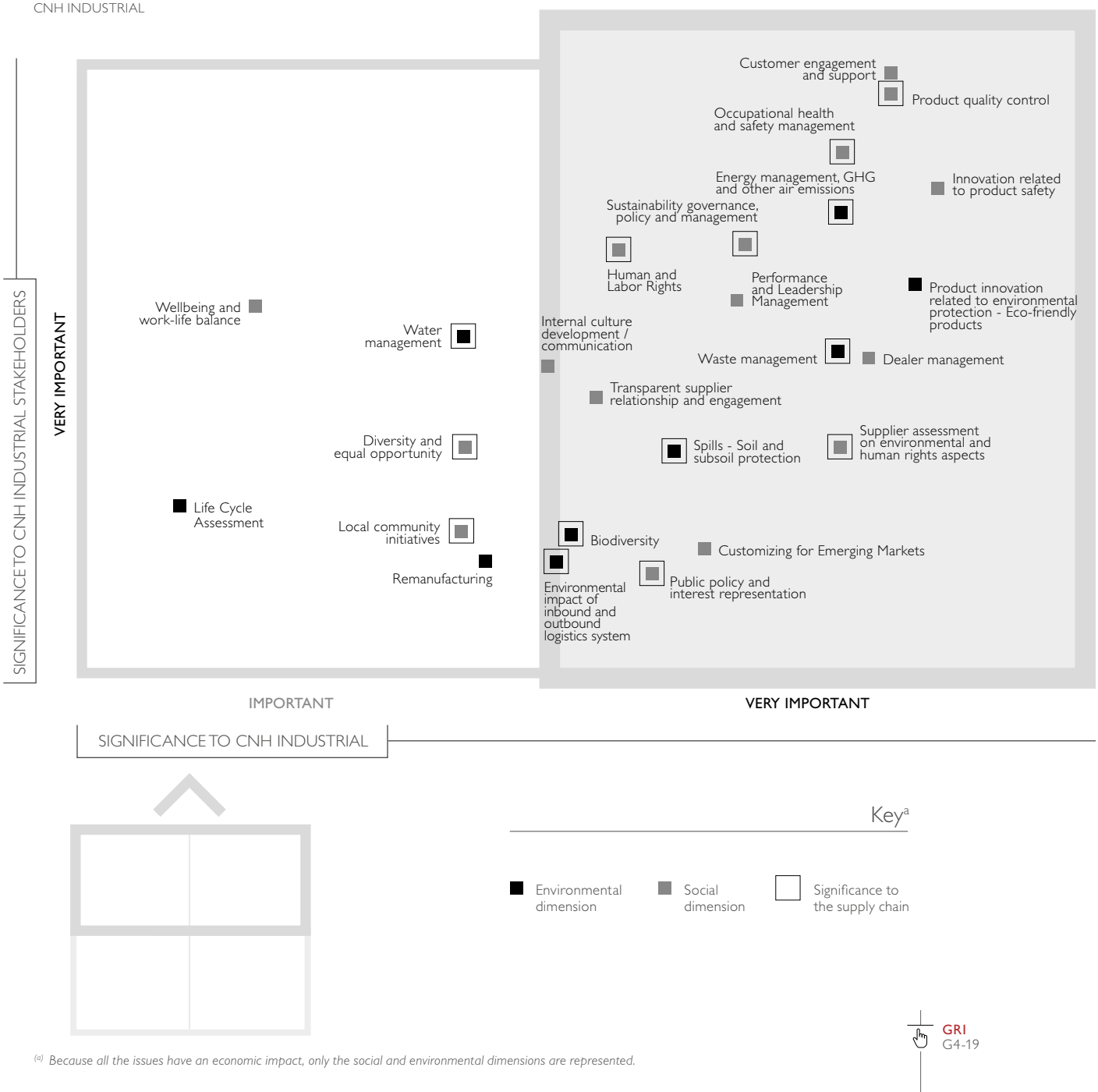
GRI
G4-18; G4-45; G4-48

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

The analysis confirms the greater relevance of business-related aspects. All 25 aspects are considered material; however, from a social point of view, the most relevant in terms of priority involve customer engagement, product quality, and occupational health and safety; the most relevant from an environmental point of view involve energy management, GHG and other air emissions, product innovation related to environmental protection, and waste management.
Results were assessed against those of the 2013 analysis, revealing some differences in stakeholder perceptions compared to the internal analysis. Of particular note is the increase in importance for *Sustainability governance, policy and management*, reflecting the need expressed by stakeholders to oversee sustainability issues in a systematic and comprehensive way, with clearly defined responsibilities and specific improvement targets. According to stakeholders, *Diversity and equal opportunity* is also of increasing relevance because, operating within a global context, the management of this aspect helps build a solid reputation and attracts talent. Stakeholders also put greater emphasis on *Internal culture development*, especially in relation to the direct involvement of stakeholders in decision-making processes. One aspect less important compared to 2013 is *Spills - Soil and subsoil protection*, based on stakeholders' belief that the high standards of equipment and processes used by large multinationals, such as CNH Industrial, considerably lessen the risk of potential accidents.

MATERIALITY MATRIX

CNH INDUSTRIAL



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

GRI G4-19

MATERIAL ASPECTS IN DETAIL

MATERIAL ASPECTS	BOUNDARY[a]				LINK TO GRI-G4 ASPECTS	SUSTAINABILITY REPORT PAGE	
	INSIDE	OUTSIDE	STAKEHOLDER[b]	GEOGRAPHICAL LOCATION		DMA[c]	RESULTS & TARGETS
INNOVATION AND PRODUCT DEVELOPMENT							
Innovation related to product safety	✓	✓	Customers	worldwide	Product Responsibility - Customer Health and Safety	135; 142	35
Product quality control	✓	✓	Customers	worldwide	(d)	148	-
Product innovation related to environmental protection - Eco-friendly products	✓	✓	Customers Environment	worldwide	Environmental - Products and Services	135; 142	33
Remanufacturing	✓	✓	Customers Environment	worldwide	Environmental - Products and Services	229	39
LCA analysis	✓	✓	Customers Environment	worldwide	Environmental - Products and Services	142	33
CUSTOMERS AND DEALERS RELATIONSHIP							
Customer engagement and support	✓	✓	Customers	worldwide	Product Responsibility - Marketing and Communications Product Responsibility - Product and Service Labeling	129	-
Customizing for Emerging Markets	✓	✓	Customers	APAC LATAM	(d)	132	-
Dealer management	✓	✓	Dealers Customers	worldwide	(d)	221	-
ENVIRONMENTAL MANAGEMENT							
Energy management, GHG and other air emissions	✓	✓	Environment	worldwide	Environmental - Energy Environmental - Emissions	172; 181	37
Waste management	✓	✓	Local communities	near the plants	Environmental - Effluents and Waste	181; 189	38
Spills - Soil and subsoil protection	✓	✓	Local communities	near the plants	Environmental - Effluents and Waste	181; 188	37
Biodiversity	✓	✓	Local communities	near the plants	Environmental - Biodiversity	181; 191	38
Environmental impact of inbound and outbound logistics system	✓	✓	Logistics providers	worldwide	Environmental - Transport	195	38
Water management	✓	✓	Local communities	near the plants	Environmental - Water Environmental - Effluents and Waste	181; 186	37

[a] For details regarding the scope of reporting, see also pages 238-239.
[b] Entities or group of entities for which the aspect is material.
[c] Disclosure on Management Approach.
[d] As regards this topic (although not directly related to an aspect identified by GRI-G4 Guidelines), the Sustainability Report specifies how CNH Industrial manages it (DMA) and its specific indicators.

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

GRI
G4-20; G4-21

MATERIAL ASPECTS	BOUNDARY[a]				LINK TO GRI-G4 ASPECTS	SUSTAINABILITY REPORT PAGE	
	INSIDE	OUTSIDE	STAKEHOLDER[b]	GEOGRAPHICAL LOCATION		DMA[c]	RESULTS & TARGETS
EMPLOYEE MANAGEMENT							
Occupational health and safety management	✓				Labor Practices and Decent Work - Occupational Health and Safety	61; 84	29
Performance and Leadership Management	✓				Labor Practices and Decent Work - Training and Education	61; 75	28
Human and Labor Rights	✓				Labor Practices and Decent Work - Labor/Management Relations Human Rights - Non-discrimination Human Rights - Freedom of Association and Collective Bargaining Human Rights - Child Labor Human Rights - Assessments	61; 69	28
Internal culture development / communication	✓				(d)	61; 82	-
Diversity and equal opportunity	✓				Labor Practices and Decent Work - Diversity and Equal Opportunity	61; 69	28
Wellbeing and work-life balance	✓				Labor Practices and Decent Work - Employment	61; 89	30
SUPPLIER MANAGEMENT							
Supplier assessment on environmental and human rights aspects	✓	✓	Tier 1 suppliers	worldwide	Environmental - Supplier Environmental Assessment Labor Practices and Decent Work - Supplier Assessment for Labor Practices Human Rights - Supplier Human Rights Assessments Society - Supplier Assessment for Impacts on Society	153; 158	36
Transparent supplier relationship and engagement	✓	✓	Tier 1 suppliers	worldwide	Economic - Procurement practices	153; 162	36
OTHER MATERIAL ASPECTS							
Sustainability governance, policy and management	✓				(d)	45	27
Public policy and interest representation	✓	✓	Customers	worldwide	Society - Public Policy	117	32
Local community initiatives	✓	✓	Local communities	near the plants	Society - Local Communities	103	31

(a) For details regarding the scope of reporting, see also pages 238-239.
(b) Entities or group of entities for which the aspect is material.
(c) Disclosure on Management Approach.
(d) As regards this topic (although not directly related to an aspect identified by GRI-G4 Guidelines), the Sustainability Report specifies how CNH Industrial manages it (DMA) and its specific indicators.

GLOSSARY
Aspect Boundary; DMA; GRI; Material Aspect

SUSTAINABILITY PLAN

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

Key

▲ Target exceeded
■ Target achieved or in line with plan
◧ Target partially achieved
▼ Target postponed
➡ See page
SDGs Related to UN Sustainable Development Goals

CORPORATE AND SUSTAINABILITY GOVERNANCE

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

Commitment: Continuously update the Corporate Governance and compliance systems to remain aligned with best practices

	ACTIONS	2015 RESULTS	TARGETS
CNH Industrial	▸ Enhancement of Board members' knowledge of Company operations	■ Board members trained on most relevant organizational aspects during dedicated meetings with top management and plant visits ➡ *46*	▸ 2016: ongoing provision of targeted training to Board members
	▸ Evaluation of Board activity and performance		▸ 2016: development and implementation of an improved performance assessment process
	▸ Implementation of an integrated sustainability management system incorporating environmental and social issues in business decisions	■ New sustainability governance model designed and presented to the Corporate Change Committee ➡ *48*	▸ 2016: implementation of new sustainability governance model
	▸ Identification and prioritization of economic, environmental, and social measures consistent with business strategy	■ Stakeholder engagement performed and materiality matrix updated ➡ *19*	▸ 2016: identification of megatrends that have an impact on Company strategy and update of the materiality matrix
	▸ Demonstration of climate leadership by providing climate change information in mainstream Corporate reports	■ Public endorsement of the relevant CDP commitment ➡ *18*	▸ 2017: use of a recognized international framework, i.e., the CDSB Reporting Framework, to produce and exchange climate change information
	▸ Demonstration of climate leadership by implementing best practices for responsible Corporate engagement in climate policy	■ Public endorsement of the relevant CDP commitment ➡ *18*	▸ 2016: introduction of internal audit processes for all Company activities that affect climate policy
	▸ Conception, design, and oversight of a Corporate Compliance Program	■ Standardized Compliance Helpline data reporting package developed to provide regular updates and information to both Audit Committee and Global Compliance and Ethics Committee ➡ *51*	
			▸ 2016: implementation of third-party due diligence processes, procedures, and technology
			▸ 2016: implementation of improved trade compliance processes, procedures, and technology
	▸ Maintenance of Code of Conduct alignment with best practices	■ Communication campaign on the new Code of Conduct and related Corporate policies implemented ➡ *50*	
		■ Targeted training on Code of Conduct and other critical issues provided as a result of compliance risk assessments ➡ *51*	
	▸ Update of the Corporate Whistleblowing System for the reporting and investigation of complaints/allegations	■ Communication campaign implemented to increase employee awareness of Compliance Helpline and obligation to report matters ➡ *50*	▸ 2016: implementation of initiatives to further increase awareness of global Compliance Helpline
	▸ Monitoring of the impact of business activities on human rights	■ Human rights assessments performed at the 5 main CHN Industrial legal entities in China, representing 50% of the workforce in China ➡ *53*	LATAM ▸ 2016: continuation of human rights assessments across CNH Industrial legal entities

Key

▲ Target exceeded
■ Target achieved or in line with plan
◧ Target partially achieved
▼ Target postponed
➡ See page
SDGs Related to UN Sustainable Development Goals

Commitment: Maintain a continuously updated risk management system

	ACTIONS	2015 RESULTS	TARGETS
CNH Industrial	▸ Enhancement of the Company's capabilities and tools for identifying, measuring, analyzing, and managing pure risks, focusing on risks related to climate change, earthquakes, and other environmental factors	■ Flood risk assessment methodology and tools developed and tested at CHN Industrial sites in EMEA ➡ *58*	▸ 2017: extension of flood risk assessment methodology and tools to other Regions
		■ Integrated Approach for earthquake assessment developed and applied at selected CNH Industrial plants worldwide ➡ *57*	▸ 2017: extension of earthquake assessment methodology to most significant sites (in terms of their economic relevance and potential economic damage to the Company's value chain)
	▸ Development of a methodology to evaluate key suppliers' procedures for risk assessment, mitigation, and management	■ Risk management evaluation tool developed to assign a risk management maturity index to suppliers' risk management processes. Evaluation tool tested at 4 selected suppliers ➡ *59*	

OUR PEOPLE

RESPECTING HUMAN AND LABOR RIGHTS

Commitment: Promote diversity and offer equal opport ies

	ACTIONS	2015 RESULTS	TARGETS
CNH Industrial	▸ Promotion of a work environment driven by the highest principles and fundamental rights, using multiple tools (e.g., training courses, Intranet portal)	■ 52,000 hours of training on fundamental rights and other Code of Conduct aspects delivered ➡ *79*	▸ 2016: continuous implementation of information and training activities
	▸ Monitoring of the global implementation of equal opportunity principles, in relation to performance and leadership appraisals and promotions	■ Same percentage of women as that employed by the Company engaged in the PLM ➡ *76*	▸ 2016: ongoing analysis of outcomes and implementation of corrective actions as needed
		■ External recruitment agencies made aware of the Company's role as Equal Opportunity Employer (EOE)	▸ 2016: continuous improvement and monitoring of recruitment processes across Regions to ensure performance as EOE
	▸ Promotion of job opportunities for workforce diversity	■ Several outcomes achieved: ▸ +4% in percentage of female employees vs. 2014 ▸ 11% females in management positions ▸ +6.5% disabled employed vs. 2012 in the countries surveyed ➡ *70-71*	▸ 2016: increase in the number of diversity candidates employed by Region, in accordance with local requirements and limitations

DEVELOPING HUMAN CAPITAL

Commitment: Enhance skills within the Company

	ACTIONS	2015 RESULTS	TARGETS
CNH Industrial	▸ Assessment of employees through Performance and Leadership Management appraisal system	■ 100% of managers and professionals and 87% of salaried employees evaluated ➡ *76*	▸ 2018: ongoing evaluation of all managers, professionals, and salaried employees
	▸ Development of programs to upgrade and improve employee skills and behaviors	■ Several development programs implemented: EMEA *Lead to Win* program continued NAFTA *Engage* program completed LATAM *Lider Up* program completed ➡ *80*	▸ 2018: ongoing targeted development and training programs customized to employees' individual needs

Commitment: Maintain sustainability as a key Corporate objective

	ACTIONS	2015 RESULTS	TARGETS
CNH Industrial	▸ Incorporation of environmental and social targets in the performance management system	■ 232 targets set for specific sustainability project leaders ➡ 47	▸ 2016: ongoing application of sustainability targets for: specific sustainability project leaders; Energy and EHS managers and respective team members at plant level; SQE managers and respective team members; Commodity managers; buyers

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

	ACTIONS	2015 RESULTS	TARGETS
CNH Industrial	▸ Execution of people satisfaction surveys	■ Exit surveys and/or interviews performed in EMEA, NAFTA, and LATAM ➡ 81 ■ CNH Industrial classified among the 150 *Best Companies to Work For* in Brazil (online satisfaction questionnaire completed by 900 employees) ➡ 82	▸ 2018: continuous monitoring, extending the sample to significant locations

Commitment: Attract and retain the best talent

	ACTIONS	2015 RESULTS	TARGETS
CNH Industrial	▸ Implementation of long-term performance-related incentive plans	■ Long-term performance-related incentive plans implemented for key talents ➡ 68	▸ 2018: ongoing implementation of long-term performance-related incentive plans for key talents

PROMOTING AND PROTECTING OCCUPATIONAL HEALTH AND SAFETY

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

	ACTIONS	2015 RESULTS	TARGETS
CNH Industrial	▸ Extension of OHSAS 18001 certification	■ 55 manufacturing sites, employing approx. 45,500 people, OHSAS 18001 certified ■ 8 non-manufacturing sites, employing approx. 2,100 people, OHSAS 18001 certified ■ All most relevant joint venture plants (in which CNH Industrial holds at least a 50% interest) as at 2011 OHSAS 18001 certified ➡ 85	▸ 2018: maintenance of OHSAS 18001 certifications existing as at 2014, and extension to additional manufacturing/non-manufacturing sites and most relevant joint venture plants (in which CNH Industrial holds at least a 50% interest)

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

	ACTIONS	2015 RESULTS	TARGETS
CNH Industrial	▸ Pursuit of a zero accident and injury rate	■ -9% in accident frequency rate achieved vs. 2014 ■ Zero fatal accidents reported (involving employees, contractors, or anyone else on CNH Industrial premises worldwide) ➡ 86	▸ 2018: -15% in accident frequency rate vs. 2014

Commitment: Promote a culture of safety in the workplace

	ACTIONS	2015 RESULTS	TARGETS
CNH Industrial	▸ Implementation of initiatives to increase employee health and safety awareness via multiple tools (e.g., training courses, Intranet, video tutorials)	■ Several initiatives implemented: ▸ 214,000 hours of training delivered to about 38,000 employees ▸ *Top 15 Safety* project implemented at all plants ➡ 85	▸ 2016: continuous implementation of information and training activities

Key

▲ Target exceeded
■ Target achieved or in line with plan
◧ Target partially achieved
▼ Target postponed
➡ See page
SDGs Related to UN Sustainable Development Goals

FOSTERING EMPLOYEE WELLBEING AND WORK-LIFE BALANCE

Commitment: Promote the health and wellbeing of employees

	ACTIONS	2015 RESULTS	TARGETS
CNH Industrial	▸ Dissemination of information to employees on general health and on the prevention of infectious diseases via multiple tools (e.g., targeted campaigns, Intranet portal, newsletters) and provision of medical support	■ Several initiatives implemented: ▸ information and medical support related to seasonal flu prevention provided ▸ *Well!* information campaign on health risks launched worldwide via posters and Corporate Intranet ▸ *Quality of Life* campaign on sexually transmitted infectious diseases continued in LATAM ➡ *90*	▸ 2016: ongoing implementation of health initiatives by Region
	▸ Promotion of employee wellbeing through specific programs, spreading a wellness-focused culture and encouraging the adoption of a healthy lifestyle	■ Several programs developed by Region ➡ *89*	▸ 2016: ongoing implementation of wellbeing programs by Region

Commitment: Promote work-life balance

	ACTIONS	2015 RESULTS	TARGETS
CNH Industrial	▸ Promotion of initiatives enhancing work-life balance	■ Flexible working arrangements implemented by Region ➡ *91* ■ Several campaigns organized by Region to promote volunteering opportunities and encourage employee participation ➡ *92*	▸ 2016: ongoing implementation of work-life balance initiatives by Region

IMPROVING EMPLOYEE COMMUTING

Commitment: Improve commuting for employees

	ACTIONS	2015 RESULTS	TARGETS
CNH Industrial	▸ Development of mobility plans to improve commuting to/from selected sites by broadening the use of public transport, carpooling, and alternative mobility (cycling), and by redeveloping entrances and loading/parking areas	■ Several initiatives implemented in Italy: ▸ mobility plans implemented at all Italian CNH Industrial plants ▸ agreement signed between CNH Industrial and local public transport company in Turin ▸ *Giretto d'Italia* cycling challenge attended by 10 CNH Industrial plants ➡ *93*	▸ 2016: mobility plan update at all Italian CNH Industrial plants ▸ 2016: participation in annual *Giretto d'Italia* cycling challenge
		■ Initiatives implemented in Europe: ▸ As-Is analysis completed and mobility plan developed at Ulm plant (Germany) ➡ *94*	▸ 2016: improvement of employee mobility (shuttle service and carpooling) at Madrid plant (Spain)
		■ Initiatives implemented in China: ▸ As-Is analysis completed at Harbin plant, including complete employee commuting survey. Areas of improvement and respective solutions identified ➡ *94*	▸ 2016: phase 2 implementation of mobility project at Harbin plant, including GHG emissions inventory and identification of GHG reduction measures

LOCAL COMMUNITIES

SUPPORTING LOCAL COMMUNITIES

Commitment: Promote social and economic development of local communities

	ACTIONS	2015 RESULTS	TARGETS
CNH Industrial	▸ Promotion of initiatives fostering the growth of local communities, including through partnerships with associations and non-profit organizations	■ Several initiatives supported: EMEA ▸ $50,000 donated to the *Food and Agriculture Organization of the United Nations* (FAO) for a 3-year Water Management Project in Tunisia, in collaboration with the Government of Tunisia ▸ $7,500 donated to *Reconstruir Moçambique* for the complete reconstruction of the Inhagóia neighborhood kindergarten (Mozambique) ➡ *107* NAFTA ▸ 348 volunteer hours donated by 58 employees to *Habitat for Humanity* in Racine, Lebanon, and Burr Ridge (USA) ▸ $48,000 raised by employees for the *American Cancer Society* through *Relay for Life* events and Company donations ▸ $924,000 donated to *United Way* through employee fundraising, events, and Company-matching donations ➡ *107-108* LATAM ▸ $260,000 invested in the *Proximo Passo* project to promote initiatives for environmental preservation, the strengthening of citizenship, and sustainability in Sete Lagoas (Brazil) ▸ $240,000 invested in refurbishing the building of the *Pastoral do Menor* organization, which works to reduce the number of children and teenagers living on the street ➡ *109* APAC Committee established in India to evaluate project proposals. Areas of intervention for 2016 identified ➡ *110*	▸ 2016: ongoing support for initiatives to promote the social and economic development of local communities

Commitment: Aid populations affected by natural disasters

	ACTIONS	2015 RESULTS	TARGETS
CNH Industrial	▸ Provision of technical, financial, and humanitarian support to populations affected by natural disasters		▸ 2016: ongoing support for natural disaster relief, as needed

Key

▲ Target exceeded
■ Target achieved or in line with plan
◧ Target partially achieved
▼ Target postponed
➡ See page
SDGs Related to UN Sustainable Development Goals

SUPPORTING YOUTH TRAINING

Commitment: Support the professional development of young people

	ACTIONS	2015 RESULTS	TARGETS
CNH Industrial	▸ Implementation of professional skills development initiatives, including scholarships and training courses	■ *TechPro²* project extended to New Holland Agriculture brand in Italy. New *TechPro²* website launched EMEA ▸ Italy: 110 students trained and 1,691 training hours provided ▸ Ethiopia: 18 students trained and 900 training hours provided ▸ South Africa: 8 students trained and 1,188 training hours provided LATAM ▸ Brazil: 20 students trained and 800 training hours provided APAC ▸ China: 117 students trained and 1,980 training hours provided ➡ *112*	▸ 2016: ongoing support for the initiatives and extension to other brands and countries
		■ $22,000 donated to 14 different US universities/university foundations for scholarships ➡ *111*	
Powertrain	▸ Implementation of professional skills development initiatives, including scholarships and training courses		▸ 2016: launch of professional requalification training courses for unemployed volunteers of the *Les Sauveteurs en Mer* association at dealership site in France

PROMOTING ROAD SAFETY

Commitment: Promote road safety

	ACTIONS	2015 RESULTS	TARGETS
CNH Industrial	▸ Dissemination of safe road behaviors, by sharing best practices and contributing to the prevention of accidents and/or dangerous situations	■ Several initiatives supported: EMEA ▸ Italy: participation in *Piemonte Strade Sicure*, road safety event in Turin, attended by 175 primary school children ▸ Italy: *How am I driving*? project implemented to improve road safety through driver behavior monitoring/reporting ▸ South Africa: $22,000 donated to FIA Foundation's *Safe School* project ➡ *114*	▸ 2016: ongoing support for the initiatives

RELATIONSHIPS WITH PUBLIC AND PRIVATE ORGANIZATIONS

COLLABORATING WITH TRADE ASSOCIATIONS

Commitment: Collaborate to reduce polluting emissions and improve product safety

	ACTIONS	2015 RESULTS	TARGETS
Commercial Vehicles	▸ Collaboration with sector associations and institutions to develop a methodology for the measurement of CO_2 emissions from product use		Collaboration with ACEA on use of VECTO tool: ▸ 2018: application of internal CO_2 measurement draft procedure on heavy range vehicles ▸ 2019: application of CO_2 measurement draft procedure on medium range vehicles, and of certified CO_2 measurement procedure on heavy range vehicles
Agricultural Equipment		Ongoing collaboration with CEMA: ■ standard test procedure for CO_2 measurement suitable for setting industry-specific CO_2 reduction targets defined	

	ACTIONS	2015 RESULTS	TARGETS
Commercial Vehicles	▸ Collaboration with sector associations on initiatives to improve vehicle safety		Collaboration with CEMA: ▸ 2020[a]: development of safety measures for long cabs vehicles as per revised General Safety Regulations on masses and dimensions, in collaboration with ACEA
Agricultural Equipment		Ongoing collaboration with CEMA: ■ analysis of virtual testing of foldable Rollover Protection System (ROPS) on tractor completed	

INNOVATION AND PRODUCT DEVELOPMENT

REDUCING POLLUTION

Commitment: Continue to reduce polluting emissions

	ACTIONS	2015 RESULTS	TARGETS
Powertrain	▸ Early implementation of regulations for the reduction of polluting emissions (e.g., NO_x, particulates)	■ Second generation HI-eSCR (HI-eSCR2) technology finalized for AG and CE applications ➡ 202	▸ 2016: commercial launch of HI-eSCR2 technology ▸ 2018: HI-eSCR2 Start of Production (SOP)
Agricultural Equipment			▸ 2016: pilot installation and testing of Stage V engine and after-treatment system on tractors and combines ▸ 2017: installation of Stage V engine and after-treatment system on all agricultural vehicles (legal deadline for Stage V compliance: January 2019)
Construction Equipment		EMEA ■ Stage IV graders introduced	LATAM ▸ 2017: introduction of Tier 3 dozers in Brazil (all models)

REDUCING CO_2 EMISSIONS

Commitment: Optimize energy consumption and efficiency

	ACTIONS	2015 RESULTS	TARGETS
Commercial Vehicles	▸ Development of a carbon footprint assessment or Life Cycle Assessment (LCA) methodology	Light range ▲ LCA on Daily Electric completed ➡ 143	Light range ▸ 2017: preliminary LCA on Daily Diesel and Daily NG ▸ 2018: complete LCA on Daily Diesel
Powertrain		■ Life Cycle - Environment Management System (LC-EMS) developed to manage environmental information ➡ 143	▸ 2017: application of LC-EMS from cradle to gate, supporting production and development processes
Agricultural Equipment / Powertrain	▸ Reduction of CO_2 emissions through fuel consumption optimization		▸ 2016: application of Total Cost of Ownership (TCO) to other harvesters ▸ 2020: use of TCO targets to measure and compare machine efficiency
Construction Equipment / Powertrain		■ CVT grader tested with 6.7L NEF6 885 engine, confirming better performance than with more powerful engines	
Commercial Vehicles / Powertrain			Light range ▸ 2018: up to -8% in consumption and CO_2 emissions on Daily vs. 2014 model

[a] Target postponed from 2016 to 2020.

Key

▲ Target exceeded
■ Target achieved or in line with plan
◧ Target partially achieved
▼ Target postponed
➡ See page
SDGs Related to UN Sustainable Development Goals

	ACTIONS	2015 RESULTS	TARGETS
Commercial Vehicles / Powertrain	▸ Reduction of CO_2 emissions through fuel consumption optimization	Medium range ■ Up to -8% in consumption and CO_2 emissions achieved on new Eurocargo vs. previous model ➡ *205*	
			Heavy range ▸ 2016: up to -10% in fuel consumption and CO_2 emissions on Stralis vs. 2013 model, depending on mission and product configuration SDGs ▸ 2019: up to -5% in fuel consumption and CO_2 emissions on heavy vehicles vs. 2016 models SDGs

Commitment: Promote use of alternative fuels

	ACTIONS	2015 RESULTS	TARGETS
Agricultural Equipment	▸ Expansion of the natural gas-powered vehicle offering (Compressed Natural Gas and Liquefied Natural Gas)	■ Methane Power tractor tested to confirm market potential ➡ *207*	
Commercial Vehicles		Medium range ■ Euro VI Eurocargo NG launched ■ First orders received ➡ *207*	Medium range ▸ 2016: Start of Production (SOP) at year's beginning
		Heavy range ◧ +6% in Stralis CNG and LNG invoiced ➡ *207*	Heavy range ▸ 2016: +50% in sales in EMEA ▸ 2016: first CNH Industrial logistics flow with Stralis LNG
		Heavy range ■ Size of Stralis CNG and LNG demo fleets increased across Europe ➡ *208*	Heavy range ▸ 2016: 15 articulated demo units across Europe
		Heavy range ■ Stralis CNG promoted in Israel and Algeria. First vehicles sold (Stralis and Daily) ■ Stralis CNG and LNG vehicles exhibited at all major truck events in Europe	
		Heavy range ■ First orders for Stralis LNG rigid models received	Heavy range ▸ 2016: first international mission in Europe with LNG vehicles ▸ 2016: launch of new Stralis 294 kW
		Heavy range ◧ Product and sales training delivered to product managers, district managers, and key accounts sales staff in France and Italy	Heavy range ▸ 2016: training of 100% of heavy vehicles sales staff in Europe
Powertrain			▸ 2016: launch of new 9-liter CNG engine (Cursor 9 CNG) enabling, for the first time, the replacement of the 294 kW (400 hp) diesel engines used in public transport
Commercial Vehicles / Powertrain	▸ Evaluation, testing, and promotion of alternative fuels		▸ 2016: launch of first products running on Hydrotreated Vegetable Oil (HVO, second-generation renewable biofuel)

Commitment: Promote use of alternative propulsion systems

	ACTIONS	2015 RESULTS	TARGETS
Commercial Vehicles	▸ Evaluation, testing, and promotion of alternative propulsion systems and of other sustainable solutions for the future	Light range ■ New Daily Electric launched ➡ *209*	Light range ▸ 2016: extension of electric range to include right hand drive vehicles and minibuses
			Heavy range ▸ 2016: development of first long haul hybrid prototype
		Buses ■ Fully electric 12m bus presented at COP21 ➡ *210*	Buses ▸ 2016: presentation of Euro VI zero-emission hybrid bus prototype

IMPROVING PRODUCT SAFETY

Commitment: Continue to improve safety, ergonomics, and comfort

	ACTIONS	2015 RESULTS	TARGETS
Agricultural Equipment	▸ Increase in agricultural equipment safety		▸ 2017: compliance with Tractor Mother Regulation to meet new safety requirements
			▸ 2016: virtual biomechanical analysis and testing of operator and passenger safety
Construction Equipment	▸ Reduction of noise level in the operator environment and of operator exposure to vibrations		▸ 2020: cab enhancement on dozer models 850-2050 for improved noise and vibration performance
Commercial Vehicles	▸ Offering of a range of preventive safety and collision mitigation systems (ADAS[b])	Medium range ■ Lane Departure Warning System (LDWS) and Advanced Emergency Braking System (AEBS) introduced in new Eurocargo ➡ *218*	
			Heavy range ▸ 2016: testing of automated driving on interstate road (*EU Truck Platooning Challenge*)
	▸ Enhancement of occupant safety level acting on body structure and restraint systems		Heavy range ▸ 2016: evaluation by simulation of possible improvements to increase the crashworthiness of heavy vehicle cabs during multiple types of impact (frontal collision, rollover) ▸ 2018: development of a restraint system on heavy vehicle cabs to improve driver biomechanics in case of frontal impact
			Buses ▸ 2016: rollover protection enhancement on minibuses through lightweight solutions developed by simulation
Agricultural Equipment	▸ Improvement in ergonomics of operator controls to reduce operator stress and enhance comfort		▸ 2017: further reduction in tractor cab noise level (-2 dB(A)) and in tractor vibration
Construction Equipment			NAFTA ▸ 2024[c]: testing of electro-hydraulic (EH) controls on graders to validate improved ergonomics and operator fatigue reduction

[b] For details regarding Advanced Driver Assistance Systems (ADAS), see also table on page 218.
[c] Target postponed from 2020 to 2024.

Key

▲ Target exceeded
■ Target achieved or in line with plan
◧ Target partially achieved
▼ Target postponed
➡ See page
SDGs Related to UN Sustainable Development Goals

SUPPLY CHAIN

INCREASING SUPPLY CHAIN SUSTAINABILITY

Commitment: Promote social and environmental responsibility among suppliers

	ACTIONS	2015 RESULTS	TARGETS
CNH Industrial	▸ Ongoing introduction of contractual clauses on adherence to sustainability principles	■ Contractual clauses on adherence to Sustainability Guidelines incorporated in new CNH Industrial purchase agreements ➡ *157*	▸ 2016: introduction of contractual clauses on adherence to both Supplier and CNH Industrial Codes of Conduct in new CNH Industrial purchase agreements
	▸ Distribution of self-assessment questionnaires on environmental and social performance to select suppliers	■ Self-assessment questionnaire distributed to 1,254 suppliers ➡ *161*	▸ 2016: ongoing distribution and analysis of questionnaires, with +10% in response rate vs. 2015
	▸ Execution of environmental and social audits at suppliers worldwide	■ 65 audits of suppliers worldwide conducted by SQEs and third parties ➡ *161*	▸ 2016: execution of 70 audits (60 by internal SQEs and 10 by third parties)
	▸ Enhancement of sustainability awareness among suppliers	■ *Sustainability Supplier of the Year* award assigned to 4 suppliers worldwide ➡ *162*	▸ 2016: implementation of sustainability training and information activities for suppliers
		■ *Sustainability Supplier of the Year Guidelines* defined and included in the Sustainability for suppliers - Process Monitoring internal procedure no.37 ➡ *162*	
		■ Dedicated sustainability section on the new supplier portal developed ➡ *162*	
		■ 153 suppliers involved in the *CDP Supply Chain* ➡ *164*	▸ 2016: involvement of selected suppliers in the *CDP Supply Chain*
	▸ Promotion of supplier involvement in the World Class Manufacturing (WCM) program	■ 154 supplier plants involved in the WCM program ➡ *163*	▸ 2016: involvement of 176 supplier plants in the WCM program
		■ KPIs monitored at 10 select supplier plants ➡ *163*	

MANUFACTURING PROCESSES

FOSTERING CONTINUOUS IMPROVEMENT

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

	ACTIONS	2015 RESULTS	TARGETS
CNH Industrial	▸ Adoption of World Class Manufacturing (WCM)	◧ WCM system adopted at 54 plants, collectively accounting for 98% of revenues from sales of products manufactured at Company plants. 4 plants achieved silver level, 6 bronze level ➡ *171*	▸ 2016: further increase in number of WCM plants achieving bronze level (30), silver level (21), and gold level (3)

REDUCING ENVIRONMENTAL IMPACT AND OPTIMIZING ENERGY PERFORMANCE

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

	ACTIONS	2015 RESULTS	TARGETS
CNH Industrial	▸ Implementation of an Energy Management System and certification of plants under international standard ISO 50001	■ ISO 50001 certification achieved by 44 plants (representing about 96.4% of total energy consumption) ➡ *173*	▸ 2020: extension of ISO 50001 certification to all CNH Industrial plants worldwide[a]
		■ Energy Management System adopted at all plants (representing 100% of total energy consumption) ➡ *175*	▸ 2020: roll-out of Energy Management System to all plants, monitoring secondary energy vectors (representing 100% of total energy consumption)[d]
		■ GHG emissions representing more than 20% of total energy consumption verified according to ISO 14064-3 standard, with reference to GHG Protocol requirements ➡ *174*	▸ 2015: verification (according to ISO 14064-3 standard) of GHG emissions representing more than 20% of total energy consumption, with reference to GHG Protocol requirements
	▸ Identification of measures and technologies to reduce energy consumption and CO_2 emissions per production unit	■ -1.9% in energy consumption per production unit[b] achieved vs. 2014 ➡ *176*	▸ 2018: -6.5% vs. 2014 in energy consumption per production unit[e] at Company level (with specific targets for each segment for internal use) SDGs
		■ -3.8% in CO_2 emissions per production unit[f] achieved vs. 2014 ➡ *179*	▸ 2018: -7.5% vs. 2014 in CO_2 emissions per production unit[g] at Company level (with specific targets for each segment for internal use) SDGs
		■ Energy workshops and training sessions organized at several plants to raise WCM and ISO 50001 awareness ➡ *174*	▸ 2018: organization of energy events to raise employee awareness and engagement
		■ Phase 1 implementation of technical interventions completed according to schedule at the green plant in Rorthais (France) ➡ *176*	▸ 2016: phase 2 implementation of technical interventions at the green plant in Rorthais (France)
	▸ Promotion of renewable energy generation and use	■ 47.7% of electricity consumption derived from renewable sources ➡ *177*	▸ 2020: 50% of total electricity consumption derived from renewable sources SDGs
Powertrain	▸ Identification of measures and technologies to reduce energy consumption and CO_2 emissions at non-manufacturing sites		▸ 2017: achievement of zero CO_2 impact at Cascinette Testing Facility (Italy)

Commitment: Optimize the Company's environmental performance

	ACTIONS	2015 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	■ +8% vs. 2014 in water withdrawal per production unit achieved at Company plants worldwide ➡ *187*	▸ 2018: -3% vs. 2014 in water withdrawal per production unit[h] at Company plants worldwide SDGs
		■ Project launched in collaboration with a supplier in Noida (India) to minimize risks related to water quantity and quality and to conflicts with stakeholders ➡ *188*	
	▸ Protection of soil and subsoil	■ Guidelines on the management of existing underground equipment (tanks) tested in EMEA ➡ *188*	

[d] The scope of reference is 2014.
[e] [f] [g] [h] Total manufacturing hours are used to calculate the indicator per hour of production. For the definition of total manufacturing hours, see page 242.

Key

▲ Target exceeded
■ Target achieved or in line with plan
◧ Target partially achieved
▼ Target postponed
➡ See page
SDGs Related to UN Sustainable Development Goals

	ACTIONS	2015 RESULTS	TARGETS
CNH Industrial	▸ Protection of soil and subsoil	■ Guidelines on the management of existing underground equipment (canals and pipes) tested in EMEA ➡ *188*	
	▸ Optimization of waste management based on the specific characteristics of the country in which each plant is located	■ 89% of waste recovered at Company plants worldwide ➡ *189*	▸ 2018: 91% of waste recovered at Company plants worldwide[i] SDGs
		■ -9% vs. 2014 in waste generated per production unit at Company plants worldwide ➡ *190*	▸ 2018: -5% vs. 2014 in waste generated per production unit[j] at Company plants worldwide[k] SDGs
		■ -7% vs. 2014 in hazardous waste generated per production unit at Company plants worldwide ➡ *190*	▸ 2018: -9% vs. 2014 in hazardous waste generated per production unit[l] at Company plants worldwide[m] SDGs
	▸ Application of best available techniques for the reduction of Volatile Organic Compounds (VOC) in paint processes	■ -5% vs. 2014 in VOC emissions per square meter achieved at Company plants worldwide ➡ *185*	▸ 2018: -7% vs. 2014 in VOC emissions per square meter at Company plants worldwide[n] SDGs
	▸ Formulation of guidelines on the identification and safeguard of protected species and biodiversity	■ Improvement measures carried out at plants in Bourbon Lancy (France) and Curitiba (Brazil) ➡ *191*	▸ 2018: implementation of improvement measures (if required) identified by BVI assessments at plants where such activity has been carried out
			▸ 2016: evaluation of potential methodology extension to other plants
		■ BVI assessment carried out at the Foggia plant (Italy) ➡ *191*	
	▸ Reduction in the use of Ozone Depleting Substances (ODS) and other Substances of Significant Impact (SSI) on health and environment at Company plants worldwide	■ ODS completely removed from all plants in EMEA, NAFTA, and APAC; approximately 95% of ODS removed from plants in LATAM ➡ *186*	

LOGISTICS PROCESSES

MINIMIZING ENVIRONMENTAL IMPACT

Commitment: Reduce the environmental impact of logistics[o]

	ACTIONS	2015 RESULTS	TARGETS
CNH Industrial	▸ Definition of a standard set of environmental KPIs	▲ -12,519 tons in CO_2 emissions achieved worldwide ➡ *196*	▸ 2016: -4,600 tons overall reduction in CO_2 emissions worldwide SDGs
		INBOUND ■ Cardboard targets set for all segments worldwide ➡ *197*	
	▸ Increase in low-emission transport	■ Upgraded ecological clause (at least 80% of fleet compliant to Euro IV or more stringent standards) incorporated in new contracts at European plants ➡ *198*	
	▸ Optimization of transport capacity	INBOUND ▲ Approx. 24.6% of cost of shipping in Europe managed through the *Streamlined Delivery Project* (SDP) in the Powertrain segment ➡ *199*	INBOUND ▸ 2016: management of approx. 20% of the purchased material value in Europe through the SDP for Powertrain

[i] [k] [m] [n] The 2018 target was revised relative to that indicated in the 2014 Sustainability Report, in light of production projections, anticipated changes in the scope, and results achieved to date.
[j] [l] Total manufacturing hours are used to calculate the indicator per hour of production. For the definition of total manufacturing hours, see page 242.
[o] Unless otherwise specified, the results and targets refer to inbound and outbound flows.

	ACTIONS	2015 RESULTS	TARGETS
CNH Industrial	▸ Reduction in the use of packaging and protective materials	INBOUND ◧ -0.41% vs. 2014 achieved in weight of cardboard and wood for container shipments from Europe to North America and Latin America in the Agricultural Equipment and Construction Equipment segments ➡ *199*	INBOUND ▸ 2016: -0.3% vs. 2015 in disposable cardboard and wood packaging for container shipments from Europe to North America and Latin America in the Agricultural Equipment and Construction Equipment segments
		INBOUND ▲ -6.6% vs. 2014 achieved in disposable wood packaging for shipments from Italy to Latin America under the *World Material Flow* (WMF) program in the Commercial Vehicles segment ➡ *199*	INBOUND ▸ 2016: -2.0% vs. 2015 in disposable cardboard and wood packaging for shipments from Italy to Australia under the WMF program in the Commercial Vehicles segment
			INBOUND ▸ 2016: -4.0% vs. 2015 in disposable cardboard at the Bourbon Lancy plant (France) in the Powertrain segment

PRODUCT REMANUFACTURING AND END-OF-LIFE

PROMOTING REMANUFACTURING AND RECYCLING

Commitment: Increase use of remanufactured components

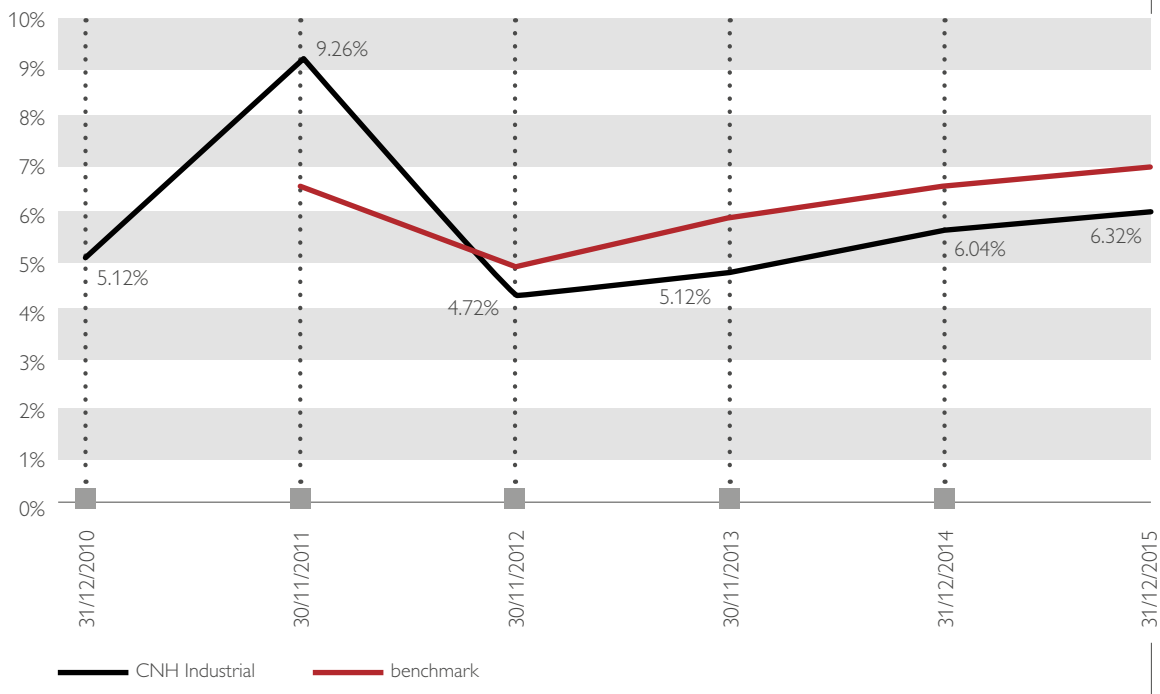
	ACTIONS	2015 RESULTS	TARGETS
Parts & Services	▸ Increase in number and distribution of remanufactured components		▸ 2016: remanufactured components aiming at 10% of total spare parts sales

Commitment: Increase data on product recycling rate

	ACTIONS	2015 RESULTS	TARGETS
Commercial Vehicles	▸ Implementation of International Material Data Sheet (IMDS) for medium and heavy vehicles		▸ 2017: +20% in datasheets

PRESENCE IN SUSTAINABILITY INDEXES

FREE FLOAT



Source: VIGEO

Inclusion in sustainability indices, and the ratings received from the specialized sector-specific agencies, further reflects the robustness of CNH Industrial's sustainable Governance model. In 2015, CNH Industrial was reconfirmed as Industry Leader in the Dow Jones Sustainability Indices (DJSI) World and Europe, for the fifth consecutive year. It received a score of 91/100 (+4 points compared to 2014) against an average of 52/100 for the overall sector. In addition, for the first time, DJSI named CNH Industrial as Capital Goods Industry Group Leader, a category that includes 246 companies from 7 manufacturing sectors. This result means that CNH Industrial is one of the 24 most sustainable companies within the investable universe used by Dow Jones Indexes. Furthermore, CNH Industrial received a top score in the CDP assessment for its actions to tackle climate change, resulting in its inclusion on the *Climate A List* for its performance in reducing carbon emissions. It also earned a score of 100/100 for its transparent reporting.

☐ As at December 31, 2015, CNH Industrial is included in the following indices:

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM

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

CDP CLIMATE DISCLOSURE LEADER 2015

- Carbon Disclosure Leadership Index

CDP A LIST 2015 CLIMATE

- Carbon Disclosure Performance Index - A LIST

MSCI 2015 Constituent MSCI Global Sustainability Indexes[1]

STOXX Member 2015/2016 ESG LEADERS INDICES

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

STOXX Member 2015/2016 SUSTAINABILITY INDICES

- STOXX Europe Sustainability Index
- EURO STOXX Sustainability Index

FTSE4Good

FTSE ECPI ITALIA SRI INDEX SERIES

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

EURONEXT vigeo INDICES

EURONEXT vigeo INDICES

ECPI Sense in sustainability

- ECPI Global Agriculture Equity
- ECPI Global Developed ESG Best in Class Equity

☐ The Company has received the following ratings agency evaluations:

ROBECOSAM Sustainability Award Industry Leader 2016

ROBECOSAM Sustainability Award Gold Class 2016

Corporate Responsibility Prime rated by oekom research

FREE FLOAT

The presence of CNH Industrial shares in the portfolios of Socially Responsible Investors (SRIs), i.e., those who integrate standard financials with environmental, social, and governance (ESG) considerations, is a clear indication of appreciation of the Company's commitment to sustainability.

As at December 31, 2015, 6.32%[2] of CNH Industrial's free float[2] was held by 30 (31 in 2014) asset owners[2] and by 59 (59 in 2014) socially responsible mutual funds[2], showing a slight improvement over 2014.

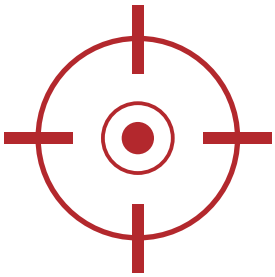
CNH Industrial's result, as for the previous year, was lower than the benchmark by about 80 basis points. The benchmark consists of an average of SRI investor holdings calculated on 5 companies (CNH Industrial plus 4 of its main competitors). CNH Industrial ranked second. The Company's result was below the benchmark only because the score of the top-ranking company was so high it significantly raised the benchmark. Excluding this competitor from calculations, CNH Industrial's percentage of equity would be more than 150 basis points higher than the benchmark.

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

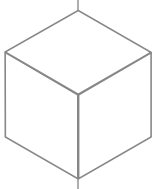
(2) For details on the methodology used, see p. 241, Report Parameters.

02

HOW WE GET THINGS DONE



THE FOLLOWING SECTION FOCUSES PRIMARILY ON EMPLOYEES, FOLLOWED BY THE STAKEHOLDERS THAT INTERACT WITH CNH INDUSTRIAL: LOCAL COMMUNITIES AND PUBLIC AND PRIVATE ORGANIZATIONS.



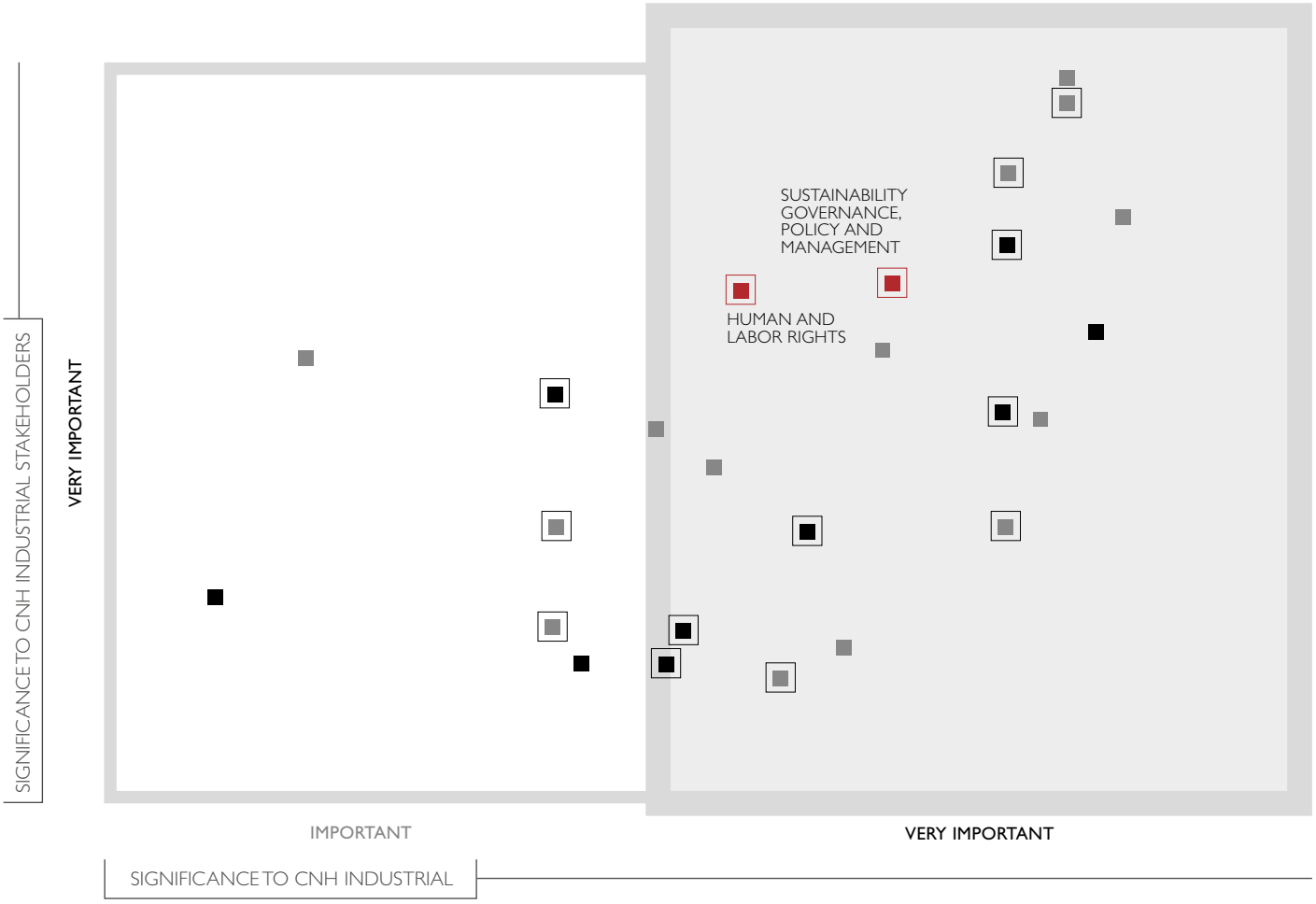
OUR GOVERNANCE MODEL

HOW WE MANAGE OUR PEOPLE

ENGAGING LOCAL COMMUNITIES

RELATIONSHIPS WITH PUBLIC AND PRIVATE ORGANIZATIONS

OUR GOVERNANCE MODEL



Material aspects described in chapter. For further details, see Materiality Matrix, page 23.

MANAGEMENT APPROACH

DMA

CNH Industrial believes that a robust Corporate Governance model is essential to effectively manage the interests of all its stakeholders, as emerged from the materiality analysis (see also page 22). The Company's Governance model for sustainability issues originated within Fiat Industrial S.p.A., which, in turn, inherited the governance model adopted by Fiat S.p.A. prior to the demerger, effective January 1, 2011, of automobile operations from the capital goods operations (Agricultural Equipment, Construction Equipment, Commercial Vehicles, and Powertrain) that now form the industrial segments of CNH Industrial.

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 policies for implementing the principles established within this Code; and an advanced **risk management system**.

As emerged during the stakeholder engagement (see also page 19), sustainability governance, policy, and management need to be embedded in the corporate system and in company operations, going beyond current rules and regulations and creating added value. Socially Responsible Investors (SRIs) have a particular interest in this aspect, as do the sustainability rating agencies. For investors and analysts, a governance model that attaches sufficient importance to sustainability issues promotes a long-term corporate outlook and contributes to risk-adjusted returns. A robust Governance model ensures that the Company's performance is not due to chance or random behavior and that continuous improvement is possible, based on analysis and results achieved each year. In addition, it ensures that risk management controls are in place to safeguard the value of investments. In EMEA, the stronger demand for transparency from governments and regulators in non-financial information highlights the importance of integrating governance and sustainability factors.

CORPORATE AND SUSTAINABILITY GOVERNANCE

At CNH Industrial, the integration of economic decisions with those of a social and environmental nature constitutes a fundamental commitment towards long-term stakeholder value creation. To meet this commitment, CNH Industrial has adopted a robust Governance model. Firmly rooted in the Corporate culture of CNH Industrial, the model has evolved year on year, incorporating best practice benchmarking and implementing the recommendations of the major sustainability rating agencies.

The main elements of CNH Industrial's Governance model are described below, while full disclosure on this aspect is available in the Annual Report, pages 72-84, as well as in the Governance section of the Company's website (www.cnhindustrial.com), where all updates throughout the year are reported. The Annual Report can be downloaded from the CNH Industrial website.

The Board of Directors

The criteria used to select and appoint members of the Board of Directors are contained in the relevant Guidelines, available on the Company website. The Guidelines stipulate that, in consideration of the size of the Company, the complexity and specific characteristics of the segments in which it operates, and the geographic distribution of its businesses, the Board of Directors should be composed of individuals with: skills, experience, and cultural backgrounds, both general and specific, acquired in an international environment and relevant to an understanding of the macro-economy and global markets, more generally, as well as the industrial and financial sectors, more specifically. An appropriate and diversified mix of skills, professional backgrounds, and genders is fundamental to the proper functioning of the Board as a collective body. There should also be an appropriate balance between the number of executive directors (i.e., those vested with representative and executive powers) and non-executive directors.

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

GLOSSARY
DMA; EMEA; SRI

GRI
G4-DMA; G4-34; G4-35

DMA

Additionally, with regard to gender diversity, it is recognized by different stakeholders, such as sustainability rating agencies, that diverse boards are more effective in performing their monitoring and advisory activities, due to the variety of professional experience, perspectives, insights, skills, and connections to the outside world that gender diversity can bring.

The composition of the Board of Directors, elected by the shareholders at the General Meeting on April 15, 2015, reflects these Guidelines and international best practice:

- there are 11 directors, ensuring the effective functioning of the Board and its Committees
- 7 of the 11 directors (64% of the total) are independent as per the criteria of the NYSE Listing Standards and the Dutch Corporate Governance Code
- the independence of Audit Committee members is further verified under Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the Exchange Act)
- the Board is composed of 3 women and 8 men, women making up 27% of the total
- 1 Board member is in the 30-50 age group, and 10 are in the over-50 age group
- the roles of the Company Chairman and Chief Executive Officer are separated; both are executive directors, with responsibility for the day-to-day management of the Company.

A **skill matrix** of the Board members appointed during the General Meeting of April 15, 2015 is available on page 245.

To improve the performance of the Board of Directors, regular updates are provided at meetings on CNH Industrial's operations and on the activities of the Board's Committees, including those relating to risk and sustainability. In 2015, in conjunction with Board meetings, the Directors held several meetings with management (brand, product, and segment leaders) and visited some operative plants to learn about operating environments, organizational aspects, and market scenarios. In December 2015, the Audit Committee held a dedicated meeting where external consultants advised the Committee on international best practices in enterprise risk management. Furthermore, all Board members were informed about CNH Industrial's Code of Conduct and on the Dutch Corporate Governance Code.

The Board of Directors is advised by 3 Committees:

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

For these Committees, a minimum number of meetings per year is stipulated in the relevant charter: once a year for the Governance and Sustainability Committee, 4 to 6 times for the Audit Committee, and once for the Compensation Committee.

Performance Evaluation of the Board of Directors

Among its functions, the Governance and Sustainability Committee assists the Board of Directors in its periodic assessment of the performance of the Board and its Committees, reporting on this to the Board of Directors itself. The Committee is provided with the resources, funding, and authority, at its sole discretion and without requiring approval from the Board of Directors, to obtain, select, and retain the advice of external advisors as necessary or appropriate to assist with the execution of its duties and responsibilities.
The last assessment was performed in late 2015-early 2016.

The Governance and Sustainability Committee

Sustainability is a core element of CNH Industrial's system of Governance, with top management playing a direct and active role. The Governance and Sustainability Committee is a subcommittee of the Board of Directors, and is the highest decision-making body on sustainability. Among other things, the Governance and Sustainability Committee is responsible for: assisting the Board of Directors in monitoring and evaluating reports on the Company's sustainable development policies and practices, management standards, strategy, global performance, and Governance; for reviewing, assessing, and making recommendations on strategic guidelines for sustainability issues,; and for looking over the annual Sustainability Report.
The Committee has 3 members, 2 of whom are women; 2 are in the over-50 age group, and 1 in the 30-50 age group.

DMA

The Group Executive Council (GEC)

On certain key industrial matters, the Board of Directors is advised by the Group Executive Council (GEC). The GEC is an operational decision-making body of CNH Industrial responsible for reviewing the businesses' operating performance and making decisions on certain operational matters.
The GEC reviews strategic approach, evaluates the Sustainability Plan's alignment with business objectives, and receives regular updates on the Company's sustainability performance. The GEC, as at December 31, 2015, is headed by the Company Chairman and its membership is composed of 4 main groupings. The first of these comprises the 4 Regional Operating Groups (EMEA, NAFTA, LATAM, and APAC) that oversee the production and sale of Agricultural Equipment, Construction Equipment, Commercial Vehicles, and Powertrain (engines and transmissions). Each Regional Operating Group is headed by a Chief Operating Officer (COO) that drives the regional organization via a regional management team, and reports to the CEO. The second group reflects the Company's focus on its brands: each manager is tasked with enhancing and developing an appropriate product portfolio for each brand and with implementing commercial and marketing strategies tailored to each of the Company's operating Regions. The third group is composed of industrial leaders that drive a rigorous and consistent business approach across the 4 operating Regions, optimizing Company decisions on capital allocation. The fourth group is made up of Company support functions, including the Chief Financial Officer and the Chief Human Resources Officer.

The GEC (at December 31, 2015) has 18 members, including the Company Chairman: 2 members are women, representing 11% of the total; 11 members are in the 30-50 age group (61% of the total); 7 members are in the over-50 age group (39% of the total); and no member is under 30 years of age.
The GEC was directly involved in defining the materiality matrix approved by the CEO.

The Sustainability Team

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

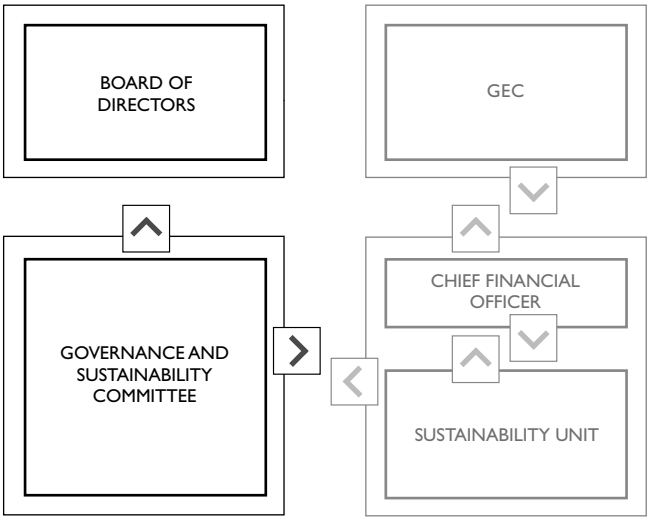
The **Sustainability Unit** has an operational role and reports to the Chief Financial Officer, who is a member of the GEC and is usually invited to attend the meetings of the Board of Directors. The Unit is responsible for: regularly updating the sustainability management system by monitoring developments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

Sustainability Business Points of Reference are appointed, as representatives from within the various operating areas, to ensure the support and alignment required across the Company, bring expertise to specific issues relating to the Company's reporting process, and formulate proposals for sustainability improvements. They provide a direct link between the Sustainability Unit and the various operating areas, giving both technical and organizational support.
In addition, a **Regional Sustainable Development Owner** is also appointed for each operating Region, to support and track activities having a social or environmental impact on local communities, employee welfare, and employee commuting.

In 2015, 232 targets, covering social, environmental, and climate change issues, were incorporated into the variable compensation system for specific sustainability project leaders, Energy and Environmental Health and Safety (EHS) managers, and relevant staff at plant level.

GLOSSARY
APAC; EMEA; KPI; LATAM; NAFTA; SRI

THE ORGANIZATIONAL MODEL



DMA

The Regional Sustainability Committees

In 2015, Regional Sustainability Committees were established in EMEA and LATAM to address key strategic decisions on sustainability at regional level. These Committees are responsible for the alignment and integration of different processes in each Region, with a focus on fostering, developing, and improving actions related to sustainability (whether economic, social or environmental), and for approving specific regional initiatives.
Each Committee is chaired by the COO of the Region, who reports directly to the CEO, and consists of the COO's direct reports.

Responding to the needs arising from CNH Industrial's organizational model, in December 2015, a new sustainability governance model was presented to the Corporate Change Committee.

The Global Compliance and Ethics Committee

CNH Industrial's Global Compliance and Ethics Committee (GC&EC) provides assistance to management and the Company's Audit Committee to enable the Company and its operating subsidiaries to continue to operate according to the highest ethical business standards and in accordance with applicable laws and regulations. The Committee facilitates the development, implementation, and operation of an effective compliance and ethics program; promotes an organizational culture that encourages law-abiding and ethical conduct; and considers and resolves any issues of interpretation regarding any aspect of the compliance and ethics program.

The Committee consists of the following members: the Company Chief Executive Officer, Chief Financial Officer, Chief Human Resources Officer, General Counsel, Chief Compliance Officer, Chief Internal Audit Officer, and the heads of the Company's Financial Services business and ICT function. The Company's Chief Executive Officer serves as the chair of the Committee. In the absence of the Chief Executive Officer, the Chief Compliance Officer serves as chair of the Committee.
The Committee meets at least quarterly, or more frequently as deemed necessary or appropriate by its members.
The Committee reports to the Audit Committee of the Board of Directors, at least quarterly, on:

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

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

THE SUSTAINABILITY MANAGEMENT SYSTEM

The sustainability management system consists of the following tools:

- the Code of Conduct and related Corporate policies, approved by the Board of Directors (see also page 46), which set out the Company's approach to key issues

GLOSSARY
APAC; EMEA; LATAM; NAFTA

- a set of guidelines to manage specific issues - the Human Capital Management Guidelines, Green Logistics Principles, and the Supplier Code of Conduct (which replaces the former Sustainability Guidelines for Suppliers)
- a set of approximately 200 sustainability-related Key Performance Indicators (KPIs), designed to provide maximum coverage of all the key environmental, social, and governance aspects, in line with GRI-G4 Guidelines and those of the major sustainability rating agencies
- the Sustainability Plan, which identifies action priorities and confirms commitments undertaken
- the annual Sustainability Report, which discloses the Company's performance on sustainability aspects, expanding on and completing the information provided in the Annual Report
- a summary included in the Annual Report of material sustainability-related issues, supplementing the financial data
- the CNH Industrial website, which includes a dedicated top-level sustainability area presenting the contents of the most recent Sustainability Report, along with regular updates throughout the various reporting cycles.

The Sustainability Unit also has a dedicated email address and phone number that stakeholders can use to make requests, ask questions or provide feedback. Both can be found on the Corporate website. Emails are checked daily and any requests that cannot be managed directly are forwarded to the appropriate office.

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 benchmarking throughout the year and takes account of the feedback and assessments of the major sustainability rating agencies, international organizations, and Socially Responsible Investors (SRIs) with whom CNH Industrial has established relations. It also considers the results of the Materiality Analysis.
The Sustainability Plan draft is then submitted for review and approval to the Group Executive Council (GEC), which evaluates alignment with Company strategy and makes appropriate recommendations. Once approved by the GEC, the Plan is submitted to the Governance and Sustainability Committee, a subcommittee of the Board of Directors. Responsibility for individual projects and achievement of agreed targets in the Sustainability Plan rests with the various operating and Corporate functions, which have the resources, tools, and expertise required for their implementation (management phase). To further ensure adherence to commitments made, the Sustainability Unit is periodically updated on the progress of projects (control phase).

CODE OF CONDUCT

The new code of conduct (hereinafter, Code of Conduct) adopted in 2014 by the Board of Directors forms an **integral part of the Company's internal control system**; it sets out the principles of business ethics that CNH Industrial adheres to and that directors, employees, and those acting for or on behalf of CNH Industrial are required to observe.

The new global Corporate policies implemented as of 2014 in relation to the new Code of Conduct include:

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

The Code of Conduct is available in the Corporate Governance section of the Company's website, at www.cnhindustrial.com.

GLOSSARY
KPI; SRI

GRI
G4-56

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 in interacting with stakeholders. The Code encompasses the values that the Company recognizes, adheres to, and fosters, in the belief that diligence, integrity, and fairness are important drivers of social and economic development.
The Code of Conduct addresses the ethical aspects of economic, social, and environmental issues. Explicit reference is made to the **UN's Declaration on Human Rights**, the relevant **International Labour Organization (ILO) Conventions**, and the **OECD Guidelines for Multinational Companies**. In addition to the Code of Conduct, CNH Industrial has established Corporate policies and internal and business processes that supplement the Code.

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

In 2015, the Company also issued its **Supplier Code of Conduct**, available in multiple languages on both the Company's website (in the Suppliers section) and Intranet site. The Supplier Code of Conduct covers numerous topics including: labor and human rights (child and/or forced labor, wages and working hours, freedom of association, health and safety, and discrimination); the environment; trade restrictions and export controls; business ethics (improper payments, accurate records, confidential information, conflicts of interest, fair competition, anti-money laundering); supplier relations; and the reporting of violations. The Supplier Code of Conduct summarizes the Company's expectations of all its suppliers. Compliance with the Supplier Code of Conduct is a mandatory requirement for continuing business relations with the Company.

APPLICATION AND MONITORING

Available in 16 languages (Chinese, Czech, Danish, Dutch, English, French, German, Hindi, Italian, Polish, European Portuguese, Latin American Portuguese, Russian, European Spanish, Latin American Spanish, and Turkish), the Code of Conduct can be viewed and downloaded via the Company's website and Intranet, and hard copies are available from the Human Resources Department. The Code of Conduct applies to the members of the CNH Industrial Board of Directors, to all employees of CNH Industrial companies, and to all other individuals or companies that act in the name or 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 communication channels, to all employees irrespective of their level or role, with Human Resources providing any clarifications as required. The dissemination of the Code of Conduct and the respective training activities were supported and reinforced during the year through a comprehensive communications campaign.

In 2015, **56,995 employees** received **training on the Code of Conduct** and related matters, both online and face-to-face, for a total of **approximately 52,000 hours** (see also page 79).

The Company also advocates the Code of Conduct and the Supplier Code of Conduct as best practice standards in business ethics among the partners, suppliers, consultants, agents, dealers, and other parties with whom it has long-term relationships. Company contracts include specific clauses relating to the recognition of, and adherence to, the fundamental principles of the Code of Conduct and related policies, as well as compliance with local regulations, particularly those related to bribery, money laundering, terrorism, and other corporate criminal liabilities. In addition, compliance with the Supplier Code of Conduct is a requirement for continuing to do business with CNH Industrial.

INVESTIGATIONS AND REPORTING

Compliance Helpline and Investigation Process

The new Compliance Helpline was launched globally in January 2015 and is available in 14 languages. The Compliance Helpline is a reporting tool that provides CNH Industrial employees, customers, suppliers, and other third parties with an additional means to report potential violations of the law, Corporate policy or the Code of Conduct. Reports can also be submitted in person to a manager or other Company representative, by web or phone, or anonymously where permitted by applicable law.

GLOSSARY
ILO

GRI
G4-15; G4-57; G4-58

CNH Industrial employees have an obligation to report misconduct. The Compliance Helpline is an important tool to help encourage reporting and foster a culture of individual responsibility for compliance and ethics. Company policy protects anyone who reports a concern in good-faith from retaliation of any kind.

The Company is committed to responding to every report submitted via the Compliance Helpline. A global case management system, implemented in conjunction with the launch of the Compliance Helpline, helps ensure thorough tracking and timely resolution of investigations. Investigations are primarily conducted by Internal Audit, the Legal Department, Human Resources, or the Compliance and Ethics Department. Additionally, regional committees comprising representatives from Human Resources, Internal Audit, and Compliance or Legal are responsible for providing oversight of investigations within their respective Regions.

All reported matters are evaluated to determine their 'materiality' according to criteria approved by the Global Compliance & Ethics Committee (GC&EC). Whether a matter is defined as 'material' depends on aspects such as the amount of the penalties or monetary losses involved, the seniority of the implicated person, and the nature of the violation. Matters defined as material are escalated to either the regional or global committee, depending on their extent and severity, for review and approval of findings and corrective actions. All matters qualifying as material at global level are immediately reported to the GC&EC and the Audit Committee. **In 2015, 18 material cases were reported to the Audit Committee**.

If a reported matter is substantiated, the Company implements appropriate disciplinary action, up to and including termination of employment. The GC&EC has approved specific disciplinary guidelines and distributed them to the regional committees, so as to clearly communicate its expectations with respect to appropriate disciplinary actions and to ensure a consistent disciplinary approach.

In 2015, the first year of operation of the Compliance Helpline, the Company responded to and/or **investigated 244 matters** submitted through Compliance Helpline or other available Corporate channels:

- **24 reports** to the Compliance Helpline were **related to employee inquiries** on compliance with specific business activities or regarding Company policies
- **115 reported matters** were **HR-related issues**, such as harassment, discrimination or general workplace conflicts
- **92 reported matters** were **related to business conduct**
- **57% of reports** to the Compliance Helpline were **submitted anonymously**
- each investigation required an **average of 40 days to complete**
- **199 investigations** were **closed in 2015**
- **82 allegations** were **substantiated as breaches of the Code of Conduct** following investigations completed in 2015 (a 41% substantiation rate)
- of the 82 substantiated breaches of the Code of Conduct, 49 resulted in termination of employment, 20 in disciplinary actions, and the remaining 13 violations were addressed through other actions such as remedial training or review of the relevant policy
- **no substantiated cases of bribery were reported** to the Compliance Helpline in 2015
- there were **6 allegations** of some type of **discrimination** made through the CNH Industrial Helpline in 2015; **only 1 of which was eventually substantiated resulting in termination of the individual involved.**

Periodic auditing

In 2015, the Company conducted and disclosed the results of **34 compliance audits**: 2 regarding business ethics issues, 20 environmental and occupational health and safety issues, and 12 specific issues related to bribery, money laundering, and other aspects included in the Code of Conduct. The audits revealed **substantial compliance with the main standards**, and did not identify **any Code of Conduct violations**.

Compliance Risk Assessment Project

In July 2014, the compliance risk assessment was consolidated and approved by the Global Compliance and Ethics Committee (GC&EC) and illustrated by means of a global matrix, presenting data to identify the training or other initiatives that would be most effective to prevent or mitigate the various risks.
In 2015, the Compliance and Training function started a **review of the compliance risk assessment methodology** to enable its use in a predictive manner. A compliance risk assessment will be carried out via a customized, web-based risk survey in 2016.
During 2015, CNH Industrial conducted targeted training on critical issues, identified through the risk assessmement, with a focus on the following topics:

- anti-bribery/corruption
- antitrust/fair competition
- custom training on sexual harassment, the Americans with Disabilities Act, and Fair Labor Standards Act, provided to Parts & Services depot employees in NAFTA.

GLOSSARY
Audit; NAFTA

GRI
G4-49; G4-50; G4-EN34; G4-HR3; G4-HR12; G4-SO3; G4-SO5; G4-LA16

ANTI-CORRUPTION

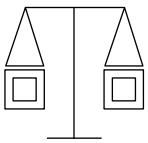
CNH Industrial's global anti-corruption policy is supplemented by means of regional addendums to the global policy that take into account the specific corruption risk factors of each Region. **The Corruption Perception Index published by Transparency International** is generally used as a guide by the 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 assesses factors such as the risks associated with its businesses, the likelihood of a violation, the potential consequences, and the effectiveness of applicable internal controls.

The Company also provides corruption prevention training using both online and scenario-based classroom training.
In 2015, approximately 12,200 people were involved in online training courses (see also page 79).
Company employees are encouraged to report compliance issues (including corruption) by any of multiple means (e.g., by reporting to managers or via the Compliance Helpline). CNH Industrial engages in benchmarking with competitors to assess its approach and verify the continued adoption of best practices in preventing and detecting corruption.
CNH Industrial's internal audit program verifies, among others things, corruption prevention processes and controls. The results are submitted to both the Company's Audit Committee and management, so as to take up any opportunities identified for strengthening controls. The Company also investigates and tracks all corruption allegations to evaluate the need for additional controls and training, and surveys all employees annually, reminding them of their obligation to report compliance issues. Senior employees are required on an annual basis to formally disclose any potential violations of the Company's Code of Conduct they are aware of.
The Company's Legal and Compliance Departments established a **Global Anti-Corruption Practice Team** of internal legal advisors for each Region. The Team meets regularly to provide updates on new developments in corruption prevention, regulations and enforcement, and to share best practices across the Company. 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.

HUMAN AND LABOR RIGHTS MANAGEMENT

Management Approach

CNH Industrial is committed to the creation of long-term sustainable value for all its stakeholders, and is firmly convinced that respect for fundamental human rights is a prerequisite to achieve this.
Respect for human rights is one of the Company's core values.
CNH Industrial operates in 180 countries, has over 64,000 employees, and approximately 5,000 direct material suppliers, with 94% of procurement spending in favor of local suppliers. The Company's global presence requires the adoption of generally accepted principles in each geographic area in which operates. CNH Industrial is therefore committed to respecting fundamental human rights and basic working conditions in all its operations, as stated in the Supplier Code of Conduct, the Company Code of Conduct, and in the Human Rights Policy that supplements it.



As evidenced by the engagement activity results, human rights represent a fundamental evaluation criteria within international standards. Additionally, they are at the center of current global discussions on Post-2015 Sustainable Development Goals.
In 2015, the stakeholder engagement conducted on customers, employees, trade unions, and employee representatives confirmed the greater importance of this aspect compared to the previous year, resulting in its higher positioning on the materiality matrix. The Regions that emerged as most receptive to human and labor rights were NAFTA and LATAM, in that order, followed by EMEA and APAC.
In NAFTA, the perceived importance of this aspect is linked to the maturity of the Region's economies. In LATAM, the analysis revealed that the main problems regarding human and labor rights arise from the considerable fragmentation of trade unions and their limited bargaining power since, apart from salaries and benefits, they are perceived as not dealing adequately with issues relevant to employees. As a consequence, companies should encourage employees to organize themselves differently. In EMEA, human and labor rights are treated as an indisputable given, with stakeholders preferring to prioritize other issues. In APAC, the aspect's importance, although still high, is lower than in the other Regions and is focused specifically on the rationalization and proper management of employee workloads to promote wellbeing and work-life balance. Indeed, stakeholders in the Region believe that large companies should set an example in respecting human and labor rights, and that they should act as ambassadors on this topic.

GLOSSARY
APAC; Audit; EMEA; LATAM; NAFTA

GRI
G4-DMA

The commitment to safeguarding human rights is stated in the CNH Industrial Code of Conduct, with implementation guidelines provided in the CNH Industrial Human Rights Policy.
Code of Conduct principles are consistent with the spirit and intent of the United Nations' Universal Declaration of Human Rights, the OECD Guidelines for Multinational Companies, and the relevant Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO) (see also page 50).
CNH Industrial's commitment to ensuring 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 selected suppliers, while also considering their social and environmental performance and the values outlined in the Code (see Supply Chain Management, page 153).
The head of each department is responsible for respect for human rights.

Human Rights Assessment

When drawing up the materiality matrix in 2013, the relevant functions carried out an assessment (see also page 22) to identify the key impacts of CNH Industrial's business and operations on human rights. In 2014 and 2015, the assessment was further developed through stakeholder engagement, with human and labor rights included among the 25 aspects brought to the stakeholders' attention.
An impact assessment of the Company's operations on child labor and freedom of association was carried out by the Industrial Relations function, covering the entire scope of the Company through each Region's Human Resources function. The most recent one was conducted in 2013; a further assessment will be conducted in the event of any relevant operational changes.
In 2015, CNH Industrial's Internal Audit function oversaw the pilot project launched in 2013 to monitor respect for human rights within the Company, involving the Human Resources functions. In 2013, the scope included Italy, Spain, Belgium, France, and Germany, with a coverage of about 30,000 employees, representing 42% of the total CNH Industrial workforce. In 2014, the assessment was integrated into standard procedures and extended to the APAC Region, where a survey was carried out in India involving more than 90% of CNH Industrial India's workforce. In 2015, it was extended to China, where the survey was conducted on the main Chinese CNH Industrial legal entities and on some non-consolidated joint ventures, which together represent about 50% of CNH Industrial total workforce in China. The assessment did not identify any particular concerns or issues. The main point highlighted was the need to implement a Privacy Policy for employee data collection and monitoring based on Chinese cultural and social practices. The main aspects covered in the survey questionnaire were child labor, non-discrimination, freedom of association, and employment and working conditions. The assessment complied with the requirements of Art. 17 and 18 of the Guiding Principles on Business and Human Rights, 2011[1] (the Ruggie Framework).

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

Non-Discrimination

CNH Industrial does not accept discrimination against employees in any form on the basis of: race, gender, sexual orientation, social or personal status, health, physical condition, disability, age, nationality, religion, or personal beliefs, or against any other protected group. The Company recruits employees on the basis of their qualities and skills and is committed to providing equal opportunities to all employees, both on the job and in their career advancement. The head of each department shall ensure that, in every aspect of the employment relationship, such as recruitment, training, compensation, promotion, transfer, or termination, employees are treated according to their abilities to meet job requirements, and that all decisions are free from any form of discrimination.
For further information on how CNH Industrial manages diversity and equal opportunities, see also page 69.
For information on how this aspect is approached in the management of the supply chain, see also page 157.

Child Labor

As stated in the Code of Conduct, CNH Industrial does not employ any form of forced, mandatory, or child labor and does not employ anyone younger than the legal working age established by the legislation of the jurisdiction in which the work is carried out; in any case, the Company employs no one younger than 15, unless an exception is expressly provided by international conventions and by local legislation (see also page 71).
CNH Industrial is also committed to not establishing or maintaining working relationships with suppliers that employ child labor, as defined above (see also page 157).
To the Company's knowledge, there is no use of child or forced labor at the plants of its suppliers.

GLOSSARY
APAC; ILO

GRI
G4-HR5; G4-HR9

[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 recognizes and respects the right of its employees to be represented by trade unions or other representatives established in accordance with local applicable legislation. When engaging in negotiations with such representatives, CNH Industrial seeks a constructive approach and relationship.
For further information on freedom of association and collective bargaining, see also page 72.
For information on how this aspect is approached in the management of the supply chain, see also page 157.

Occupational Health and Safety

CNH Industrial recognizes health and safety in the workplace as a fundamental right of employees and a key element of the Company's sustainability efforts. All Company choices must respect the health and safety of employees in the workplace. CNH Industrial has adopted and continues to improve an effective occupational health and safety policy, which implements preventive measures both at individual and collective levels, to minimize the potential for injury in the workplace.
CNH Industrial also seeks to ensure industry-leading working conditions, in accordance with principles of hygiene, industrial ergonomics, and individual organizational and operational processes. CNH Industrial believes in and actively promotes a culture of accident prevention and risk awareness among workers, in particular through the provision of training and information. All employees are required to be personally responsible and to take all preventive measures for the protection of health and safety, as established by the Company and communicated through specific directives, instructions, information, and training (see also CNH Industrial's Health and Safety Policy).
For further information on occupational health and safety, see also page 84.
For information on how this aspect is approached in the management of the supply chain, see also page 157.

Conflict Minerals

Another demonstration of CNH Industrial's respect for human rights is its stand against natural resources extracted in conflict zones. Specifically, CNH industrial has implemented a compliance program and policy intended to promote responsible sourcing of tin, tantalum, tungsten, and gold from the Democratic Republic of Congo and surrounding regions, where revenues from the extraction of natural resources have historically funded armed conflict and human rights abuses. CNH Industrial is committed to making all reasonable efforts to establish, and to require each supplier to disclose, whether tin, tantalum, tungsten, or gold are used or contained in products purchased by the Company, and to disclose the origins of those minerals.
For further information on conflict minerals, see also page 157.

FINAL RULINGS

Significant Final Rulings

In this section, the Company reports final court judgments or final arbitration awards having individually an adverse material effect on the Company (referred to as *significant final rulings*).
In 2015, no significant final rulings were issued against the Company for violations of laws in the following areas: environment, rights of local communities and impacts on society, marketing and advertising, privacy and loss of customer data, anti-competitive behavior and antitrust, intellectual property, contractual liability, product responsibility, product and service information and labelling, sales of banned or disputed products, anti-corruption and anti-bribery, and labor and social security.

Additional Information

Starting January 2011, Iveco and certain of its competitors have been subject to an investigation conducted by the European Commission into certain business practices of leading manufacturers of trucks and commercial vehicles in the European Union in relation to possible anti-competitive behavior. On March 24, 2016, based on recent developments, the Company decided to record a charge related to the matters under investigation of approximately $500 million (€450 million) in the first quarter of 2016.
Labor and social security disputes culminating in final court judgments in 2015 involved a total payout corresponding to 0.11% of labor costs for the year. In Brazil, such judgments, mainly relating to the interpretation of particularly controversial legislation, accounted for 29% of such judgments, or approximately 46% of the Company's total payout. However, in the specific context of Brazil, these judgments were not exceptional in nature or in number.
In France, some final court judgments were issued against the Company that recognized the right of employees of the Saint-Dizier site (sold to third parties in 2001) to be compensated for anxiety over potential exposure to asbestos in the workplace. Such judgments accounted for 47% of total court judgments and approximately 53% of the Company's total payout. The above cases belong to a French case law that is controversial since it grants damages automatically without requiring, as necessary under French civil law, proof of a company's breach of its safety obligations, of any loss, and of a causal link between the breach and the loss in question.
None of the court judgments against the Company related to discrimination at work.

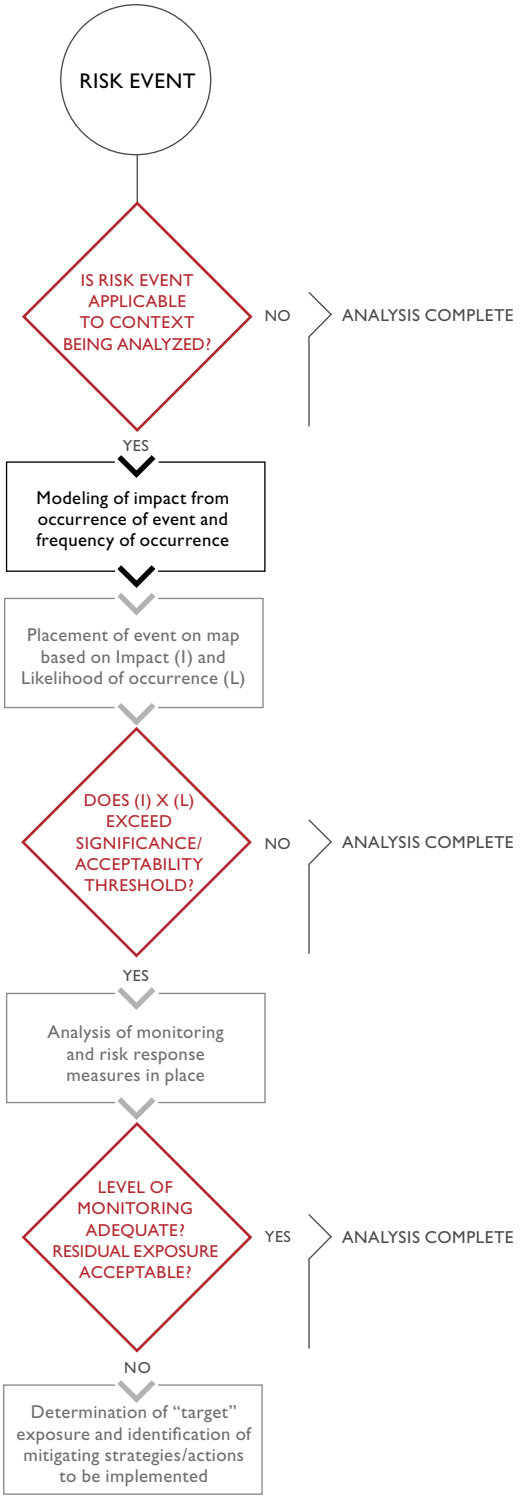
GLOSSARY
Conflict Minerals; Ergonomics

GRI
G4-EN29; G4-HR4; G4-SO5 G4-SO7; G4-SO8; G4-PR2; G4-PR4; G4-PR7; G4-PR8; G4-PR9; G4-EN34

RISK MANAGEMENT

ENTERPRISE RISK MANAGEMENT MODEL

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



GRI
G4-EC2

The ERM process was also driven by the need for a systematic approach to identifying the risk profile of business activities, and adopted to manage business performance from an integrated risk-return perspective. Furthermore, this process reflects the Company's commitment to sustainability, as it provides for internal audits to incorporate regular assessments of potential risks deriving from the environmental and social impact of the Company's business activities. CNH Industrial's ERM methodology defines risk as any event that could impact the Company's ability to meet its objectives.
The model, developed internally and adopted by all current CNH Industrial public entities, enables the timely identification of risks and the evaluation of their significance, and allows action to be taken to mitigate and, where possible, eliminate them. Taking the framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) as a starting point, the model was then adapted to the Company's specific requirements, and has been updated to incorporate the experience gained over the years and the best practice indicators that emerged through comparison with other industrial groups. The current catalogue consists of 52 risk drivers, further broken down into 85 possible events. Risk driver mapping includes several significant issues, such as climate change, macro-economic developments, joint ventures, etc. The model classifies risks according to the vulnerability to/probability of occurrence and potential impact on profitability, business continuity, and reputation (or on a combination of these elements), which determine the significance of a risk when analyzed as a whole. For events that exceed predetermined significance thresholds, existing measures are analyzed and future containment measures, action plans, and persons of reference are identified. This process, supported by a dedicated information system, follows a bottom-up analysis starting at business unit level. The GEC (Group Executive Council) members involved are required to approve the evaluations, while Corporate Control is responsible for their coordination and consolidation within the Company.
For more information on Risks, Risk Management, and Control Systems, see the Annual Report, pages 68-71.

PURE RISK MANAGEMENT[1]

Overview

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

The 4 pillars of pure risk management consist in:
- preventing accidents or limiting their effect
- adopting the highest standards for the prevention of property loss
- minimizing the cost of risk by optimizing loss prevention, investments, self-insurance, and risk transfer programs
- centralizing and consolidating relationships with global insurance markets.

The Risk Management Center of Competence is responsible for overseeing pure risks (e.g., fires, explosions, or natural disasters) and related insurance coverage, and plays a central role in the management of events that could potentially impact the continuity of operations or the integrity of physical assets (in particular, the Company's 534 sites worldwide[3]).
The risk management process is executed with maximum transparency and the highest level of expertise, supported by consulting companies specializing in industrial risk that perform field audits to ensure in-depth, continual, and impartial risk assessments across the entire Company.
In 2015, the Risk Management Center of Competence managed 96 sites, representing 89% of the insured value. To achieve continual and efficient industrial risk monitoring, a selection process ensures that 99% of the sites within the scope are surveyed every 3 years, and more than 50% every year.
In 2015, 35 sites were inspected (covering approximately 52% of CNH Industrial sites) and 112 new projects were tracked, verifying the highest level of compliance with international loss prevention standards.
During the year[4], CNH Industrial's investment in loss prevention and mitigation measures totaled around $6.4 million in recommended improvements to align the sites to CNH industrial's relevant loss prevention standards. These targeted investments cut loss expectancies by approximately $0.74 billion, resulting in a Global Efficiency Index (GEI) of 0.86[5], in line with the highest international standards.

GLOSSARY Audit

GRI G4-46

(1) Pure risks are risks resulting from natural causes or accidental or malicious acts (fires, explosions, floods, etc.) that may result not only in damage to goods or facilities, but also in the short or long-term interruption of operations.
(2) The risk management process is led by FCA Risk Management, which provides its services to CNH Industrial.
(3) Source: 2016 Insurance Renewal; the term "site" refers to an individual unit, identified by a company, employer or business area, on which a specific risk assessment is performed. Therefore, every manufacturing plant may be broken down into more than one site.
(4) Figures relate to the period from July 1, 2014 to June 30, 2015 (Insurance Year).
(5) Global Efficiency Index for loss mitigation measures (GEI = cost of protection/reduction of expected damage) is recognized as a measure of best practice for industrial risk management.

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

- a new approach to insurable environmental risks
- earthquake risk re-engineering
- climate change impact analysis - flood risk re-engineering
- supply chain risk mitigation through improved confidence.

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

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

Insurable Environmental Risks

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

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

Approximately 55% of CNH Industrial's total insured value was analyzed and quantified using this methodology.
To validate information collected through self-assessments, 15 on-site visits (5 in 2015) were conducted at a group of sites selected as suitably representative of the Company in terms of size, activities, and geographical distribution. The surveys, organized by the EHS department for each operating legal entity, are conducted by environmental risk engineers from a leading global environmental risk insurer to validate the consistency of the self-assessment checklists and identify possible improvement opportunities.
These activities provided the basis for the development of the Company's first environmental maps. These maps provide a quantification of the overall level of risk using a scientifically-based, certified self-assessment tool. The results were presented to the insurance market as evidence that CNH Industrial's environmental risks are known, well-quantified, and properly managed. The results also led to comprehensive global insurance coverage.
In 2015, this program, a consolidated pillar within CNH Industrial's loss prevention activities, included the following main activities:

- the self-assessment checklist tool was reviewed and upgraded based on the experience gained over the past 5 years of audits
- the geographical scope will be extended to the areas not yet fully monitored
- a general review of CNH Industrial's complete portfolio will be launched, using the updated self-assessment checklist.

Earthquake risk re-engineering project

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

- efficiently assess
- properly quantify
- proactively manage

the seismic risks its industrial manufacturing sites are exposed to.

GLOSSARY
Audit

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

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

The procedure allowed classifying and prioritizing the Company's sites based on seismic risk, facilitating decision making and the identification of the highest ranked facilities potentially in need of closer analysis.

In 2014, the application of the Integrated Approach was extended in order to focus not only on building performance under seismic excitation, but also on a more rational assessment of the consequences of earthquakes in terms of economic impact on activities and contents.

Moreover, the research project was launched after the final phase of 2012's earthquake in Emilia-Romagna (Italy), marking the first time an advanced device for real-time seismic risk monitoring was ever installed at a pilot plant. The objective was to provide a tool to help decision making during the hours/days after an event (during the aftershocks following a strong earthquake).

Recent seismic events affecting industrialized countries (Japan, 2011; Italy, 2012) clearly corroborate the importance of an efficient, transparent, and proactive seismic risk management system within a global manufacturing organization.

Quantitative seismic risk assessment, providing sound probabilistic estimates of potential earthquake impacts, is a key step in any meaningful and grounded decision-making process.

In 2015, the project reached the implementation stage, with the Integrated Approach applied to selected CNH Industrial plants worldwide. Furthermore, standardized output forms were defined, permitting the collection and reporting of results in a concise and easy-to-communicate way.

Potential impact analysis of climate change

A flood risk re-engineering project was launched to study potential new risks posed by climate change, with 3 main goals in mind:

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

Ten years after the launch of the first flood risk re-engineering project, CNH Industrial Risk Management decided to form a new working team to verify whether the methodologies used to identify and quantify flood exposures were still the most advanced available.

The team is made up of specialists from the loss prevention engineering departments of 4 companies recognized as world leaders in the fields of insurance and reinsurance.

Through their natural hazards research centers, the reinsurance companies supplied mapping tools that utilize geomorphological satellite imagery and mathematical modeling. These tools were used to carry out the first macro analysis of the risk portfolio.

The risk analysis performed by the companies' engineering departments, specialized in field assessments, was based on visual and/or tool-based interpretation techniques and field checks. The aim of the project was to establish an agreed state-of-the-art methodology for industrial flood risk assessment.

In 2015, the operational procedures and tools to be used before, during, and after a loss prevention survey by the field engineer were developed.

The new methodology was tested on the CNH Industrial EMEA portfolio (48 sites); a second flood risk study will be carried out at sites where the first assessment's results were not conclusive. All these sites are included in the 2016 and 2017 loss prevention visit schedule.

Mitigating supply chain risk through improved confidence

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

- market globalization
- increasingly interconnected and integrated inter-company processes
- increased use of manufacturing, distribution, and logistics partners resulting in complex international supply network relationships
- reduced buffers
- increased demand for punctual deliveries with shorter time windows and lead times
- shorter product life cycles and reduced time-to-market
- sudden and substantial ramp-up capacity limitation of key components.

Supply chain risk management, given its focus both within and outside the Company, is increasingly a management priority, given that any company proactively handling risk will not only focus on its own risk, but also on that within its supply chain.

In 2013, Risk Management developed and launched the first initiative to identify and list key suppliers, based on a semi-quantitative approach using the data collected by field engineers during plant surveys and discussed with senior plant management.

In 2014, Risk Management developed a second project with the support of the Purchasing Departments and Sustainability Teams.

The project's goal is to collaborate with suppliers in collecting adequate information to verify that the suppliers' Risk Management departments are implementing the necessary processes to secure supply flow.

This project was approved by senior management in June 2014, and 4 key suppliers were selected for pilot testing in 2015.

Precautionary principle

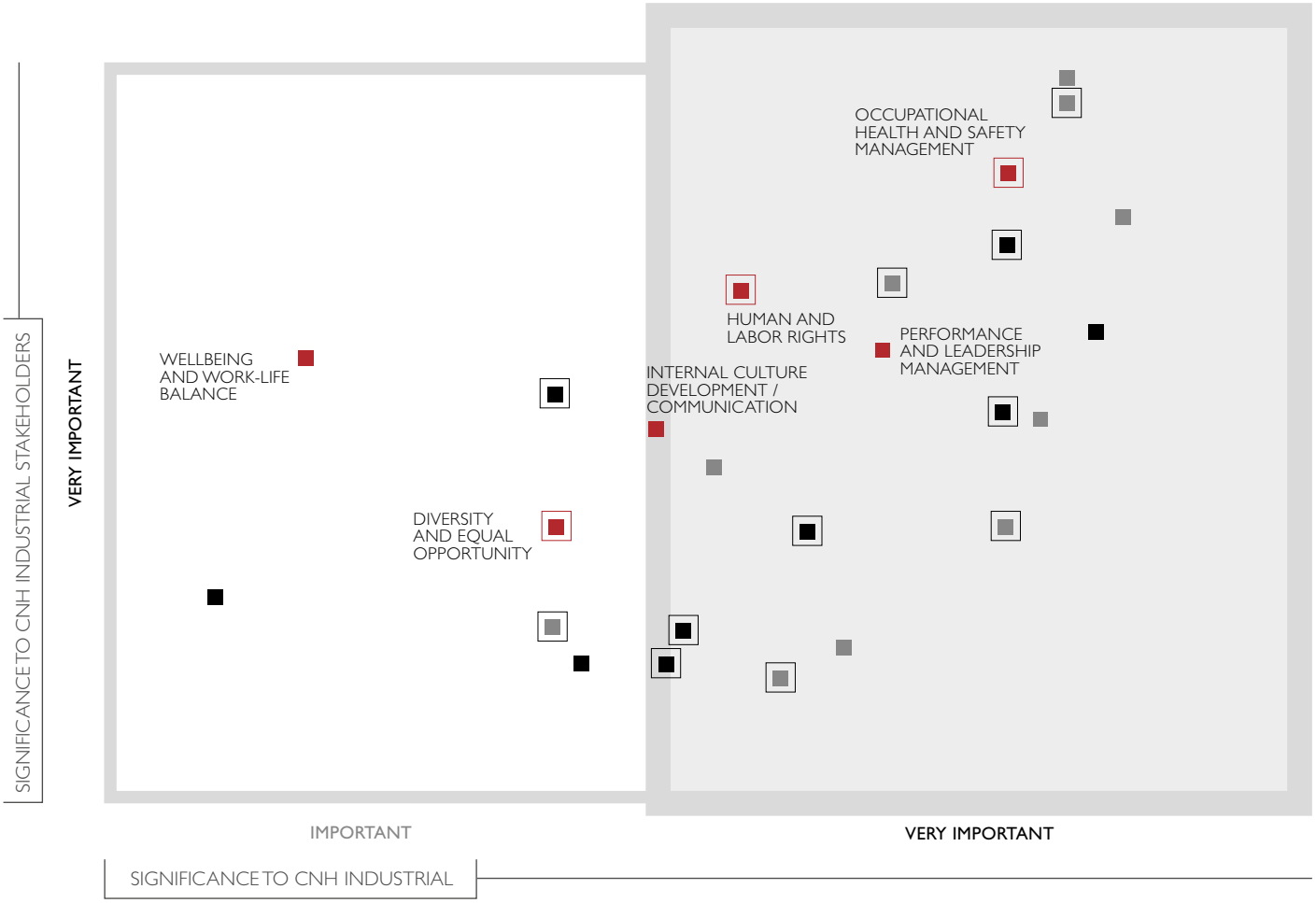
CNH Industrial's commitment to safeguarding the environment is based on a precautionary approach, aimed at anticipating potential risks that could impact the environment and human health. CNH Industrial applies the precautionary principle introduced by the Rio Declaration on Environment and Development, both in designing its products and in managing its manufacturing processes. The process of product development (see also page 142) 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 by suppliers themselves (see also page 163). Furthermore, innovation projects carried out in partnership with leading universities across the world give CNH Industrial privileged access to the latest scientific developments regarding product aspects (see also page 136).

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 2015, CNH Industrial's overall expenditure on environmental protection exceeded $37 million, broken down as follows: approximately $26 million for waste disposal and emissions treatment, and over $11 million for 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 229), and product disposal.

GLOSSARY
IMDS; WCM

GRI
G4-14

HOW WE MANAGE OUR PEOPLE



Material aspects described in chapter. For further details, see Materiality Matrix, page 23.

MANAGEMENT APPROACH

DMA

CNH Industrial considers its people an essential resource. When operating in dynamic and highly competitive industries, success is achieved first and foremost through the talent and passion of skilled individuals. Indeed, the Company strongly believes that business growth is made possible through personal growth, which is why it invests its business gains in the development of its people, creating a virtuous circle.
The materiality analysis evidenced the significance of aspects relating to Human Resources, such as respect for human and labor rights, the promotion of diversity and equal opportunities, the management and development of skills and expertise, the creation of a common internal culture, the promotion and protection of occupational health and safety, and the balance between professional and private life.

CNH Industrial is committed to ensuring respect for fundamental **human and labor rights** wherever it has a presence. Indeed, the Company is aware of the role it must play as a large global enterprise in contributing to the economic growth and social development of the countries in which it operates (see also page 69). CNH Industrial strives to build a Corporate culture whereby the Company selects, assigns, evaluates, and cultivates talent according to well-founded criteria and principles, where employees can present different opinions freely and communicate with one another openly.

The safeguarding of **diversity** and the respect for **equal opportunities** are important aspects for a multicultural enterprise operating globally. In addition to preventing discrimination and ensuring the inalienable rights of every person, the Company manages these aspects proactively through inclusion and by enhancing diversity, thus boosting its competitiveness and ability to attract personnel (see also page 69). From the stakeholders' viewpoint, it is important that the people who are part of the Company see their differences respected and valued. Indeed, it emerged from the stakeholder engagement that leveraging diversity helps a company strengthen its reputation and increase talent attraction.

Managing and developing expertise is vital for the Company in selecting, developing, motivating, and retaining the best talent. It is important for people to have clearly defined goals to enable them to make personal career choices, and to have adequate support in terms of training specific to those goals. This is why CNH Industrial adopted the **Performance and Leadership Management** process (see also page 75). The stakeholder engagement conducted in 2014 and 2015 revealed the importance of this aspect in enabling a company to improve people's skills and reaffirm their commitments. For stakeholders in NAFTA, specifically, a performance and leadership management tool is important both to support talented people within the Company and to attract highly skilled individuals. In EMEA and LATAM, structured performance systems are considered a fundamental element for enhancing employees' skills.

> When operating in dynamic and highly competitive industries, Company success is achieved first and foremost through the talent and passion of skilled individuals

The Company aims to help people adapt in real time to change in an increasingly complex world. Shared **internal culture development** is thus an essential mean for the Company to divulge its strategies in a timely manner and engage its personnel, across the globe, in achieving common targets (see also page 82). As evidenced by the stakeholder engagement results, one of the challenges that large multinationals will have to face over the coming years is linked to globalization and the resulting greater importance of cross-cultural communication and organizational policies and procedures. The ability to manage a wide range of talents within an international context is thus seen as a challenge for the success of a company.

GLOSSARY
DMA; EMEA
LATAM;
NAFTA

GRI
G4-DMA

Occupational health and safety management is one of the top 5 most important aspects to emerge from the materiality analysis. CNH Industrial recognizes the inalienable right of every employee to a safe and healthy work environment. It is also aware that investing in safety is crucial to prevent risk of injuries, accidents at work, and disruptions to production. This also contributes to boosting the Company's competitiveness, its public profile, and staff motivation (see also page 84). The stakeholder engagement results showed that health and safety management is recognized as a prerequisite for a large enterprise like CNH Industrial, an essential requirement that a company cannot afford to overlook, although interpretations may differ across the different Regions. In NAFTA, stakeholders perceive that health and safety management is an important aspect to avoid reputational damage. In LATAM and APAC, on the other hand, this aspect is linked to the company's efforts in guaranteeing good working conditions, thus reducing the risk of occupational accidents and diseases, and providing regular training on health and safety topics.

Wellbeing and work-life balance are considered material aspects as they are essential to ensure that employees are effective, productive, and satisfied in all dimensions of their lives. Improving the balance between work and private life while continuing to deliver excellent performance is a challenge that the Company and its people share (see also page 89).

CNH Industrial's commitment to all of these material aspects is stated in the Code of Conduct[1], in its Policies (such as the Health and Safety Policy and Human Rights Policy) - which are an integral part of the Code itself - and in the Human Capital Management Guidelines. The Code of Conduct and Policies were approved by the Board of Directors, distributed to all employees, and are available on the Corporate website and Intranet portal.
From an operational point of view, the Chief Human Resources Officer (CHRO), who is also a member of the Group Executive Council (GEC), is responsible for the management of human capital. The process ensures control over all material aspects identified and is managed by global representatives from Leadership Development and Internal Communications, and by the Heads of Human Resources of each Region. The latter are responsible for the management at regional level of diversity and equal opportunity aspects and for work-life balance initiatives. Health and safety protection in the workplace, on the other hand, in every area of activity and in every country, is promoted by a dedicated organizational structure (Environmental Health and Safety - EHS) identified in each Region within the scope of manufacturing.
The objectives and actions that fulfill the Company's commitments to continuous improvement provide a clear measure of the effectiveness of human capital management. Targets are set annually on a voluntary basis and included in the Sustainability Plan (see also pages 28-30), and their progress is regularly monitored to enable corrective actions, if necessary. Through the Sustainability Plan, CNH Industrial not only makes public the targets for each year, it also indicates the instruments used and results obtained, in the name of transparency towards all stakeholders.
The following pages provide further details of the initiatives and projects focusing on people management, as well as the resources allocated and the mechanisms used to evaluate their effectiveness.

LABOR PRACTICES

CNH Industrial believes its people are its most precious asset. Efforts to implement an inclusive recruitment practice, and the best use of available talent in the different Regions, forms the basis for developing the ability to attract a diverse and qualified workforce. The Company strives to provide its employees with an attractive compensation package, believing this to be a key factor in retaining employees. Base salary, benefits, and long-term incentives are determined by market-driven benchmarks, therefore ensuring fair and objective treatment for all employees in the different markets around the world. To develop the most talented individuals, CNH Industrial offers challenging, rewarding careers where employees never stop learning and, above all, where they see their value recognized (see also page 75).

GLOSSARY
APAC; ILO; LATAM; Material Aspect; NAFTA

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

EMPLOYMENT

A total of 98% of the Company's current employment contracts are no-term, 99% of which are full-time. Fixed-term contracts represent approximately 2% of all contracts. During the year, 408 contracts were changed into no-term contracts, 15.2% of which were with female employees. Around 1% of the Company workforce is employed part-time, of which approximately 68% are women (see also page 70). Fixed-term hiring takes place in response to a temporary need for personnel, in line with applicable laws and the provisions of Collective Labor Agreements (CLA). As at December 31, 2015, agency contracts accounted for 3,229 personnel, of which 71% in EMEA, 8% in NAFTA, 3% in LATAM, and 18% in APAC. This type of contract is entered into or renewed, in compliance with the applicable legislation and CLA provisions, in relation to business needs, and is thus ultimately subject to variation in relation to the specific market requirements.

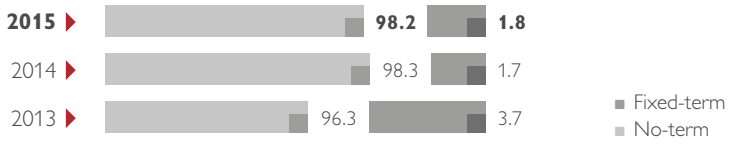
EMPLOYEES BY REGION, BY CONTRACT AND EMPLOYMENT TYPE

CNH INDUSTRIAL WORLDWIDE (no.)

2015		No-term		Fixed-term	
	Total	Full-time	Part-time	Full-time	Part-time
EMEA	**40,801**	39,367	618	816	-
NAFTA	**10,022**	10,017	-	5	-
LATAM	**8,812**	8,546	-	266	-
APAC	**4,756**	4,710	6	40	-
World	**64,391**	62,640	624	1,127	-

FIXED-TERM AND NO-TERM CONTRACTS

CNH INDUSTRIAL WORLDWIDE (%)



As at December 31, 2015, CNH Industrial had 64,391 employees, a decrease of 7% on the previous year. The change was mainly attributable to the difference between new hires (approximately 3,800) and departures (approximately 8,400) during the year. A further reduction of approximately 200 employees was due to changes in the scope of the operations, which mainly included approximately 300 employees as a consequence of the transfer of the Irisbus plant in Valle Ufita, Avellino (Italy), effective January 1, 2015, to an external entrepreneur in the framework of a transfer of undertaking, partially offset by insourcing accounting activities from Fiat Chrysler Automobiles in EMEA and material handling activities in LATAM.

EMPLOYEE TURNOVER

CNH INDUSTRIAL WORLDWIDE (no.)

	2015	2014	2013
Employees at January 1	**69,207**	71,192	68,257
New Hires	**3,792**	5,016	8,753
Departures	**(8,424)**	(7,800)	(6,967)
Δ scope of operation	**(184)**	799	1,149
Employees at December 31	**64,391**	69,207	71,192

Most hiring occurred in EMEA, with 53% of total **new hires**, followed by APAC, with 18%. About 52% of new hires were aged 30 or under. Female employees accounted for 21% of the year's new hires. In 2015, approximately 70% of new hires were employed under no-term contracts.

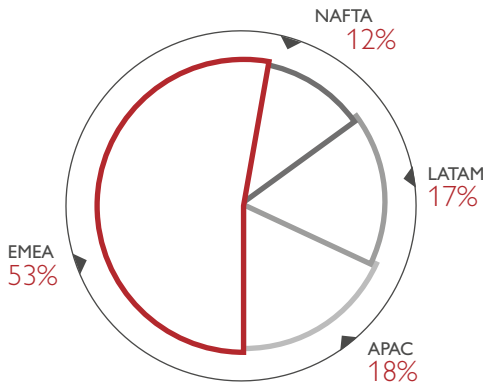
GLOSSARY
APAC; EMEA
LATAM; NAFTA

GRI
G4-LA1;
G4-10

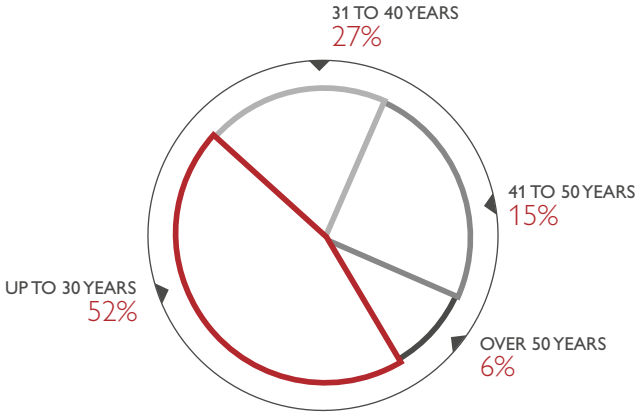
NEW HIRES

CNH INDUSTRIAL WORLDWIDE

BY REGION



BY AGE GROUP



In 2015, there were approximately 8,400 **departures** from the Company, 34% of which were collective redundancies following the reorganization or rationalization of operations, in some instances initiated in previous years. Whenever possible, redundancies were managed through temporary social welfare mechanisms provided for by law, and through social programs established in collaboration with trade unions and aimed at minimizing the impact on employees.
In detail, more than 73% of collective redundancies were managed through contract terminations at the initiative of the Company, with payment of severance packages and other supporting measures as per agreements with unions and/or employee representatives; more than 17% were managed primarily through collective dismissals in the USA, including individual voluntary resignations by employees in permanent layoff and departures following the end of employees' recall rights according to the applicable permanent layoff rules (see also page 98); 7% of the collective redundancies were managed through retirement and/or early retirement schemes. The residual 2.6% were voluntary resignations with exit incentives or terminations of temporary contracts at sites affected by collective dismissals.

CNH Industrial also provides opportunities for transfers between segments and countries. During the year, more than 500 CNH Industrial employees transferred between countries, or between legal entities within the same country. As regards departures, the highest percentages were reported in EMEA (33%) and LATAM (28%), in the 30 or under age group.
More details on turnover data are available in the Appendix (see pages 248-249).

Talent Recruitment

Around the world, CNH Industrial continues to adopt recruiting methods focusing on universities, social media platforms, and career events or job fairs.
The Company's sponsorship of several universities affords it privileged relationships, a strong presence on campus, and regular student internships. In some cases, CNH Industrial directly sponsors individual postgraduate students to carry out research projects on Company premises. In others, it awards university scholarships to students studying in areas where the Company intends to recruit (see also pages 67; 111).
During the year CNH Industrial participated in 80 career events, with its own specially designed booths.
In 2015, new hires included 224 recent graduates, of which 32% were women. Approximately 72% of these recent graduates had previously worked at the Company, as trainees or interns.

TALENT ATTRACTION

CNH INDUSTRIAL WORLDWIDE (no.)

	2015	2014	2013
New graduates recruited	**224**	256	343
Traineeships	**3,098**	3,411	3,256

Top Management Seniority

The importance that CNH Industrial gives to the development of its internal human resources is demonstrated by an average length of service within the Company of 17 years for the members of the Group Executive Council (GEC), ranging from 5 to 28 years. The 120 Business Leaders that report directly to GEC members have an average length of service of 16 years, ranging from less than 2 to 45 years.
In 2015, 91 managers were promoted internally, while 23 were hired from outside the Company.

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. Meritocracy lies at the heart of the Company's compensation philosophy, acknowledging 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 and allows them to share the business 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 influenced by the individual's contribution, which is vigorously evaluated through a Performance and Leadership Management program that is consistently deployed throughout the entire organization (see also page 75).

The same metrics and methodology are applied to all eligible employees worldwide in the assessment of annual performance. 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 standardized criteria, and do not allow manager discretion over compensation. 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.

> CNH Industrial adopts a progressive total compensation system based on equitable and fair criteria

Local Minimum Wage

In many countries, minimum wage levels are established by law and, in some cases, are subject to variations by Region/state or other criteria. Where no specific laws apply, 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 on supplementary terms and conditions at company level. In other instances, minimum wage levels are established on the basis of specific economic, social, and political circumstances and, therefore, do not allow for cross-border comparisons.

In order to evaluate the adequacy of entry-level salaries globally, in 2015, CNH Industrial analyzed a number of countries, representing 99% of its employees. In all countries, CNH Industrial entry-level salaries[1] were at or above the statutory minimum levels or those set by non-company collective labor agreements, as illustrated in the chart in the Appendix on page 250.

(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. Interns or apprentices are not considered. For each country, results are based on the segment with the lowest entry-level salary. Figures reported are as at October 31, 2015.

GRI G4-EC5

EMPLOYEE BENEFITS

Employee benefits provide value beyond salaries and cash incentives, and can make up a significant part of the total remuneration package. For this reason, CNH Industrial offers a competitive range of benefits, normally available to all full-time employees, and in many countries also to part-time or temporary employees. Benefits differ according to an individual's level of remuneration and country of employment, and depend on local policy. CNH Industrial conducted a survey on 99% of its workforce worldwide, covering all major Company sites as at October 31, 2015, 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).

EMPLOYEES ENTITLED TO BENEFITS

CNH INDUSTRIAL WORLDWIDE (%)

Financial benefits	**2015**	2014	2013
Supplementary Pension plans	**85.5**	88.2	85.2
Supplementary Health plans	**81.6**	83.3	80.4
Life insurance	**53.6**	55.8	58.2
Financial support for disability/invalidity	**86.3**	87.6	87.0
Employee cafeterias or meal vouchers	**75.8**	74.9	75.0
Other[a]	**6.1**	7.8	10.3
Social benefits			
Childcare[b]	**13.3**	13.8	7.0
Sports Facilities[c]	**9.0**	10.3	7.2
Wellness and nutrition programs[d]	**38.7**	41.2	47.2
Other (e.g., flexible working schemes, emergency care/first aid, referral programs, leave of absence, or other flexible benefits)[e]	**49.5**	47.8	46.1

[a] Includes benefits such as Company cars, housing, and interest-free loans.
[b] Includes kindergartens, free gymnasiums for children, assistance with homework, summer camps/holidays, and other childcare services.
[c] Includes free gymnasium access, gym/fitness courses, and other sports initiatives.
[d] Includes nutrition coaching, training on stopping smoking, medical check-ups, medical screening, and other wellness programs. See also page 89.
[e] For more details on flexible working schemes and leave of absence, see also page 91.

Supplementary Pension Plan

According to the survey, conducted on 99% of the Company workforce worldwide as at October 31, 2015, approximately 85.5% of employees were eligible for a supplementary pension plan, and 71.8% of those eligible (representing 61.4% of those surveyed) had joined one.

Supplementary pension plans fall into 2 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 predefined benefit levels.

Most existing pension plans at CNH Industrial companies are defined contribution plans.

Supplementary Health Care Plans

Nearly all CNH Industrial subsidiaries participate in supplemental health care plans, which in most cases are insurance-based. Levels of coverage vary from country to country depending on the public health care system, tax and regulatory restrictions, and local market conditions. In Italy, for example, 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 2 plans were developed in agreement with trade unions. Two-thirds of the cost of the FASIF and FISDAF plans are funded by CNH Industrial and the remaining third by the employee.

According to the survey, conducted on 99% of the Company workforce worldwide as at October 31, 2015, approximately 81.6% of employees were eligible for a supplementary health plan, and 80.8% of those eligible (representing 65.9% of those surveyed) had joined one.

There are also childcare services in place to meet employees' needs and help them be more effective in their working life.

Finally, CNH Industrial promotes a healthy lifestyle through comprehensive wellness programs (see also page 89), and facilitates access to dedicated sports facilities.

GRI G4-LA2; G4-EC3

Childcare Services

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

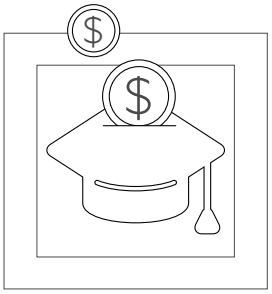
At several locations in EMEA, CNH Industrial helps in arranging access to local daycare centers. One of various services offered to employees is the *Mirafiori Baby* **nursery** in Turin (Italy), which provides assistance to parents of children aged 3 months to 3 years. At other locations, CNH Industrial joined forces with companies near its sites to set up childcare options in the community. In 2015, the plants in Jesi (Italy) and Sankt Valentin (Austria) continued to partner with local companies to provide daycare for employees' children (aged 3 and under), while in Venissieux (France) the Company continued its 7-year collaboration with local firms, making 3 daycare centers available to employees.

Alternatively, CNH Industrial also offers **direct childcare** assistance to parents with young children, allowing employees to select the best daycare option. In Spain, 585 employees benefited from direct funds provided by the Company to parents of children aged 3 years and under towards daycare centers of their choice. In the UK, the Company offers a flexible benefits package to salaried employees that allows them to allocate a portion of their health care funds towards childcare expenses. In the USA, eligible employees have the option to set aside pre-tax sums for childcare by contributing to a Dependent Day Care flexible savings account offered by the Company.

School support is another childcare service offered by CNH Industrial to its employees. In Brazil and Argentina, for example, the Company provides school kits, through a special program, for elementary and secondary school children (aged 6-12). In 2015, 2,991 school kits were delivered in Brazil and 827 in Argentina. In Spain, 1,316 parents of children aged 3-16 benefitted from direct funds from the Company for school support. Moreover, in Italy, CNH Industrial organized summer camps for 664 children of employees between the ages of 8 and 16. Options for children include camps at the seaside, in the mountains, and even a Juventus soccer **summer camp**. In 2015, the Company also continued to offer a 2-week English-learning summer camp, held in Italy or the UK. In the Czech Republic, 50 children were hosted at summer camps organized in conjunction with the local trade union.

Awards and scholarships

The Company recognizes the academic excellence of employees' children through several grants and scholarship programs at both Corporate and regional levels. The largest and most significant of these is the Company's *Student Achievement Awards*. This program honors the children of employees for their academic excellence and is open to students with a high-school or university diploma or a university degree. The Awards policy is overseen by the Grants and Scholarship Committee and implemented through regional committees that have contacts in all countries involved. The initiative covers all countries where the Company has a significant presence, and reflects its commitment to promoting growth and development opportunities for young talent in an increasingly globalized marketplace. In 2015, almost 250 grants and scholarships totaling approximately $450,000 were awarded worldwide.



+25%
grants and
scholarships

At regional level, CNH Industrial supports other awards programs, such as the *Special Talent* scholarships in India, which awarded 24 children of employees in 2015, and the *Niños de Mejor Promedio* in Mexico, which rewarded 291 top students with a special trip to an amusement park. In the Czech Republic, 2015 was *The Year of Technical Education Support,* celebrated with events for students at the Vysoké Myto plant, and a special day in June when 7 awards were delivered to recipients of the Company's scholarship program.

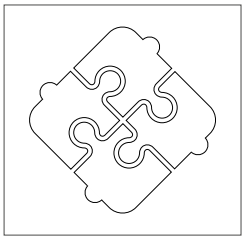
Sports Facilities

Supporting physical fitness and teamwork is an activity fostered by CNH Industrial for employees in all of its Regions. The Company offers its employees a variety of opportunities to participate in recreational sports, including gym memberships, tournaments, and races.

A number of plants worldwide have **on-site fitness equipment** and/or classes for employees, specifically Cordoba (Argentina), Trappes (France), Basildon (UK), and 4 sites in the USA. At other locations, the Company works with local fitness clubs, such as Sisport (Italy) and the YMCA (USA), to offer employees discounted memberships for gyms, swimming pools or other sports facilities. Employees in the UK can use their flexible benefits for gym memberships or participation in cycling programs.

In Curitiba and Piracicaba (Brazil), the Company offers employees **spaces for recreational and sports activities**. The Grêmio CNH Industrial space in Piracicaba was renovated and reopened in 2015 and used by 300 employees.

Sports clubs and **tournaments** are also popular among employees. At the plants in Antwerp and Zedelgem (Belgium), a sports committee selected initiatives for each site, including soccer, tennis, bowling, and running, involving a total of 680 employees. The Contagem plant (Brazil) hosted a running group, involving 50 employees and their families, which participated in 6 competitions in 2015. It also held the *Sesi Games*, which involved 70 employees in athletics competitions and games, such as chess. In Russia, 20 employees participated in a table tennis competition in Chelny, and in China, approximately 10% of the workforce played in badminton, table tennis or soccer games organized by the Company.
CNH Industrial assisted in organizing several team sports in 2015 that gave employees the opportunity to network with their colleagues. In Italy, a special *Master Cup* event brought together 100 employees from Company sites across the country as part of an inter-regional soccer and volleyball tournament. In India, cricket and volleyball tournaments brought together 500 and 70 employees, respectively. Overall, 214 employees from plants in Madrid (Spain) and Lecce, Suzzara, and Modena (Italy) joined soccer teams.
In 2015, community **athletics events** also provided a great opportunity for employees to interact outside the workplace. In Racine (USA), employees participated in 24 social and athletics events against other companies through the *YMCA Corporate Cup*, and 40 employees took part in the intercompany DHL event, in Denmark. CNH Industrial supports the participation of its employees in a number of foot races, including the *Chase Corporate Challenge* in the USA, *Querétaro City Marathon* in Mexico, the *Stralugano* in Switzerland, and the *Stadtlauf and Business* runs in Sankt Valentin, Austria.
In 2015, in Trappes (France), 8 female employees took part in *la Parisienne* race, which raised money to support breast cancer research.
The Company also held special **recreational events** at its own sites throughout the year. A *Leisure Day* event for employees and their families was held in Brazil, at plants in Sorocaba, Piracicaba, Contagem, and Curitiba, involving more than 1,620 people. In India, 3 *Sports Days* involved 200 people, while the annual CNH Industrial *Olympic Games* at the Jesi plant (Italy) involved 300 employees and their families. To celebrate its 120th anniversary, the Vysoké Mýto plant (Czech Republic) held a special calendar of sports and recreational activities, including swimming, ice skating, and climbing events for 1,020 employees and their families.
In 2015, in Italy, approximately 850 employees participated in the *Giretto D'Italia* bike challenge, promoting fitness and the environment (see also page 94). A similar initiative also took place at the Venissieux plant (France), where 47 employees took up the challenge to arrive at work by environmentally friendly means, including by bike.



1,620 people in Brazil took part in Leisure Day

Courtesy Services

To assist employees in maximizing time and saving money throughout the working day, CNH Industrial offers a variety of courtesy services at its sites.
At several of its locations, including in Argentina, Brazil, Canada, China, Germany, Italy, Spain, the Czech Republic, Poland, Russia, the USA, and Australia, CNH Industrial continues to offer **on-site cafeterias** or other meal services for its employees. In 2015, the Basildon plant (UK) refurbished its canteen, creating new eating and break areas for employees.
Other services, like **on-site dry cleaning** drop-off and pick-up, are available at certain plants in Italy and the USA, in particular for work uniforms. At its San Matteo, Modena, and Turin sites (Italy), the Company facilitated the purchase of public transit cards for 102 employees. At all sites in LATAM and in India, employees have access to **on-site banking**.
In NAFTA, employees benefitted from discounted tickets to local museums and zoos through the Company's corporate memberships. Through negotiated employee purchase plans, employees in the USA and Mexico can also save money on certain expenses, such as club memberships for stores, phones or computers. In the UK, the flexible benefits portal gives employees information on discounts they can receive at a variety of shops.
In India, the Employee Help Desk Service, started in 2014, provided support to 825 hourly employees for activities such as train ticket reservations, payment of school fees, check deposits, and miscellaneous bill payments. As part of this program, employees can also receive special corporate rates on personal loans, benefiting 88 people in 2015. In addition, the Company assisted 67 employees involved in tractor testing to obtain their driving licenses.
Furthermore, in Regions where traffic congestion is a particular concern, CNH Industrial eases employees' commutes to work by offering flexible working hours (see also page 91), bus services, or carpooling memberships (see also page 93).

LONG-TERM INCENTIVE PROGRAM

In 2014, CNH Industrial introduced a new long-term incentive program (LTI), covering a 5 year performance period (2014-2018) and designed to engage and retain key leaders across CNH Industrial.
Awards were granted to approximately 400 managers worldwide with the aim to strengthen key leaders' commitment to achieving the Company's long-term goals. The LTI program consisted of 2 awards, both reinforcing the performance culture at CNH Industrial: a *Company Performance LTI* award, tied to Company performance targets, and an *Individual Performance LTI*, tied to individual performance. For more information, see the 2015 Annual Report, pages 82-83.

GLOSSARY
Carpooling; LATAM; NAFTA

HUMAN AND LABOR RIGHTS

DMA

CNH Industrial respects and promotes human rights in line with national laws, the fundamental Conventions of the International Labour Organization (ILO), the UN's Universal Declaration of Human Rights, and the OECD Guidelines for Multinational Enterprises.
In addition to setting out principles of professional conduct, the Company's Code of Conduct also underscores the importance of respect for the individual.
The Company is committed to ensuring respect for fundamental human rights wherever it operates and seeks to promote respect for these principles by others where it has an influence, particularly contractors, suppliers, and all other entities and individuals with whom it has a business relationship. In fact, the Company will not establish or continue a relationship with an entity or individual that refuses to respect the principles of the Code.
CNH Industrial is opposed to any form of **forced labor**. The Company is committed to providing **equal opportunities** to all employees in the workplace and in their professional advancement, free from any form of **discrimination**, particularly that based on race, gender, disability, age, nationality, religious or personal convictions, or against other protected groups. CNH Industrial does not employ any form of **child labor**, meaning individuals younger than the legal working age in the country where the work is carried out, and, in any event, employs no one younger than 15, except where an exception is expressly provided by international conventions or local legislation.
CNH Industrial respects **freedom of association**. The Company recognizes the right of its employees to be represented by trade unions or other representatives established in accordance with local applicable legislation. When engaging in negotiations with such representatives, CNH Industrial seeks a constructive approach and relationship (see also page 72).
The Company seeks to implement a variety of measures to help employees address human rights in the course of their regular work, such as training (see also page 79).

DIVERSITY AND EQUAL OPPORTUNITIES

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

Offering career opportunities and advancement free from discrimination while encouraging and respecting diversity are among the commitments emphasized in the CNH Industrial Human Capital Management Guidelines and CNH Industrial Human Rights Policy available on the Corporate website and on the Intranet portal.
Given CNH Industrial's global presence, there may be significant differences in legislation among countries where the Company operates, as well as different levels of awareness, concern, and ability among employees in applying the principles of non-discrimination. The Company Code of Conduct and specific policies ensure that the same standards are applied worldwide. Indeed, as stated in the Code of Conduct, Company standards supersede in jurisdictions where legislation is more lenient.

> The Company Code of Conduct and specific policies ensure that the same standards are applied worldwide. Indeed, as stated in the Code of Conduct, Company standards supersede in jurisdictions where legislation is more lenient

In addition, many 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 aimed at affirmative action goals in compliance with the law, and that work environments are 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 is responsible for the overall implementation of the Code of Conduct, and for the internal and external communication of the principles of the Code and its policies. A Compliance Helpline managed by a third party is available to request relevant information or report possible violations of the Code of Conduct, Company policies, or applicable laws (see also page 50).

GLOSSARY
DMA; ILO; NAFTA

GRI
G4-DMA

Men and Women

The promotion of equal opportunities for men and women in the workplace is an objective shared by the Company and by employee representatives alike. This issue forms part of the social dialogue of each country, and follows local regulations and practices. In Italy, CNH Industrial legal entities with more than 100 employees are required (under article 46 of Italian Legislative Decree no. 198 of April 11, 2006, and subsequent amendments) to present a report on male and female employment every 2 years.

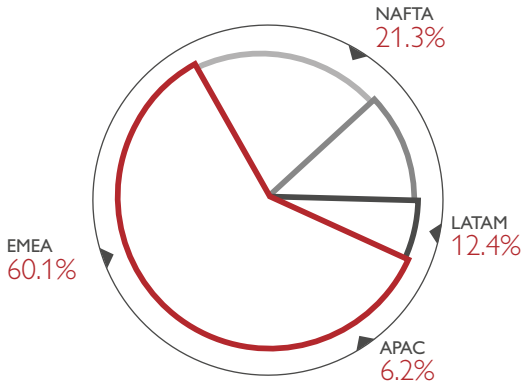
In 2014, the report for the period 2012/2013 was presented to union representatives and to the regional equal opportunities advisor. The next report, covering the period 2014/2015, is due in 2016. These complex and multifaceted reports contain information on, among other things, training, rates of pay, promotion, and turnover.

The Collective Labor Agreement (CLA) signed on July 7, 2015, covering all 17,272 employees (except managers) of CNH Industrial in Italy, provides for the establishment of additional joint committees and the redefinition of the composition and roles of those already in place. Specifically, it envisages an equal opportunities joint committee, made up of Company and union representatives, at national level. The joint committee is tasked with: monitoring employment conditions for women (including reference to the biennial report); studying the feasibility of, and implementing initiatives aimed at promoting affirmative action and encouraging behaviors consistent with equal opportunity principles; proposing initiatives aimed at facilitating the return to work of female employees after maternity leave; preventing discrimination, including that linked to workers' gender, race, or lifestyle; and examining any other disputes from an equal opportunity standpoint. It is worth mentioning that, of the 192 trade union agreements stipulated at Company level worldwide in 2015, 9 include references to equal opportunities matters (see also page 97).

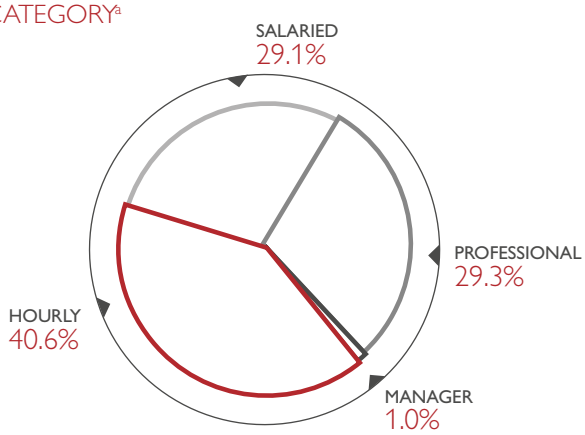
FEMALE EMPLOYEES

CNH INDUSTRIAL WORLDWIDE

BY REGION



BY CATEGORY[a]



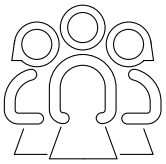
[a] *For more information on employee categories, see page 242.*

A study carried out in October 2015 in all the countries where CNH Industrial operates showed that around 47% of workers are represented by joint committees, i.e., organisms comprising Company and worker representatives, with expertise in equal opportunities. It should be noted that, within the scope of trade union agreements and joint bodies, the concept of equal opportunities is not limited to gender equality.

Women at CNH Industrial constitute approximately 15% of the global workforce. In 2015, the percentage of women in the Company's workforce increased by 4% over the previous year.

Specifically, female employment is concentrated in the 31 to 40-year age group, and with 5 years or less of employment at CNH Industrial.

As regards distribution by education, 76% of female employees have a medium/high level of education (38% hold a university degree or equivalent, and 38% a high school diploma). About 68% of the Company's part-time employees are female, and 19% of fixed-term contracts are with women.



15% of employees female

For more information, see the tables in the Appendix on pages 251-253.

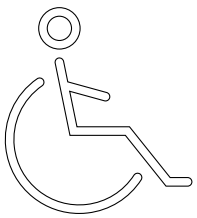
GLOSSARY
APAC; EMEA; LATAM; NAFTA

GRI
G4-LA12

Minorities

CNH Industrial's commitment to diversity and inclusion involves a range of initiatives to help employees work in an open, flexible, and challenging environment. Studies are carried out every 1 or 2 years to monitor quantitative changes and improvements.

A survey monitoring the employment of **disabled workers** is performed every 2 years. The last such survey[1] was carried out in 2014 in 44 countries, covering 99% of the Company's workforce. The regulations in certain countries (including Austria, Brazil, France, Germany, Italy, and Spain) require companies to employ a minimum percentage of disabled workers, which may also vary in relation to the headcount of the company or plant, since in many cases the requirement only applies to facilities with a headcount exceeding a certain threshold. These laws also give employers the alternative option of paying contributions to specific funds for the differently abled, or of establishing agreements with the relevant bodies for the phased-in hiring of these individuals, or of pursuing other arrangements specifically defined by legal provisions. The survey showed that in these countries (15 mapped, accounting for about 68% of the Company's global workforce) disabled workers make up 3.3% of total employees (compared to the 3.1% reported in the 2012 survey). This is an average figure resulting from different scenarios and local legislation that establishes minimum quotas ranging from 1.6% to 7%. These are calculated on, or with reference to, the headcount. The survey also showed that differently abled women account for 24% of the total surveyed. In many other countries (including Argentina, Australia, Belgium, Canada, Mexico, Poland, the UK, and the USA) there is no legislation relating to the employment of disabled people that establishes minimum quotas, although in some cases other forms of protection exist (i.e., related to working hours or workplace environments, specific grants/benefits for companies employing differently abled workers, etc.). In these countries (29 mapped by the survey) there are objective limitations to reporting the number of disabled workers, as the information is sensitive and often subject to data protection legislation. As a result, the Company is only aware of an employee's personal status if he/she chooses to disclose it.



3.3%
of workers
disabled

In November 2012, Iveco France drew up a 3-year agreement, with the approval of all 5 trade unions represented, which sets out specific policies and actions aimed at the recruitment, training, and development of differently abled people, and at their long-term employment. In Italy, in 2014, in order to fulfill their obligations under Italian Law 68/99, various CNH Industrial legal entities defined or reopened the agreements process with the relevant authorities (suspended in previous years, in accordance with the law, due to the implementation of extraordinary temporary layoff benefits and collective redundancy schemes), designed to promote the inclusion of disabled people in the workforce. These agreements, provided for under current legislation, are a suitable means to meet society's wish to find employment for differently abled people, in that they balance the needs of the individual with the organizational and productivity requirements of the company. However, persisting economic difficulties for some business lines, and the consequent recourse to extraordinary temporary layoff benefits at certain Company plants/sites, resulted in both the suspension of these obligations, under applicable law, and the deferment of hirings scheduled for certain plants/sites.

An employee nationality survey[2] was carried out at CNH Industrial legal entities in 11 countries, comprising 85% of the Company's workforce worldwide. The survey evidenced that **3% of employees** (same percentage as 2014), evenly distributed between men and women, **belonged to a nationality other** than the country surveyed. As in previous years, Germany was once again the country where CNH Industrial legal entities employed the highest percentage of workers of a nationality other than the host country, with more than 8% non-German employees (9% in 2014); the female population not of German nationality was 9.4%.

CHILD LABOR

As stated by the Code of Conduct, CNH Industrial does not employ child labor. Specifically, it does not employ people younger than the minimum legal age for employment in force where the work is carried out and, in any case, younger than 15, unless an exception is expressly provided for by international conventions and by local legislation. CNH Industrial is also committed to not establishing or maintaining working relationships with suppliers that employ child labor, as defined above (see also page 157).

In 2015, CNH Industrial surveyed 100% of its total workforce[3] to assess the level of compliance with the Code of Conduct with regard to child labor, confirming that none of its legal entities employed individuals under the statutory minimum age for employment or apprenticeship set by local legislation.

The survey also showed that no minor under the age of 18 employed by CNH Industrial under a regular employment or apprenticeship contract was exposed to hazardous working conditions[4].

(1) *The survey, carried out on October 31, 2014, is performed every 2 years.*
(2) *Survey carried out on October 31, 2015 in Argentina, Belgium, France, Germany, Italy, Poland, Canada, USA, Brazil, Spain, and the UK.*
(3) *Study conducted on the total workforce as at October 31, 2015.*
(4) *For the purposes of the study, hazardous working conditions include: work with dangerous machinery, equipment or tools; the manual handling or transport of heavy loads; exposure to hazardous substances, agents or processes; exposure to health-damaging temperatures, noise levels, or vibrations; and work under particularly difficult conditions (long hours or night shifts).*

GRI
G4-HR5;
G4-LA12

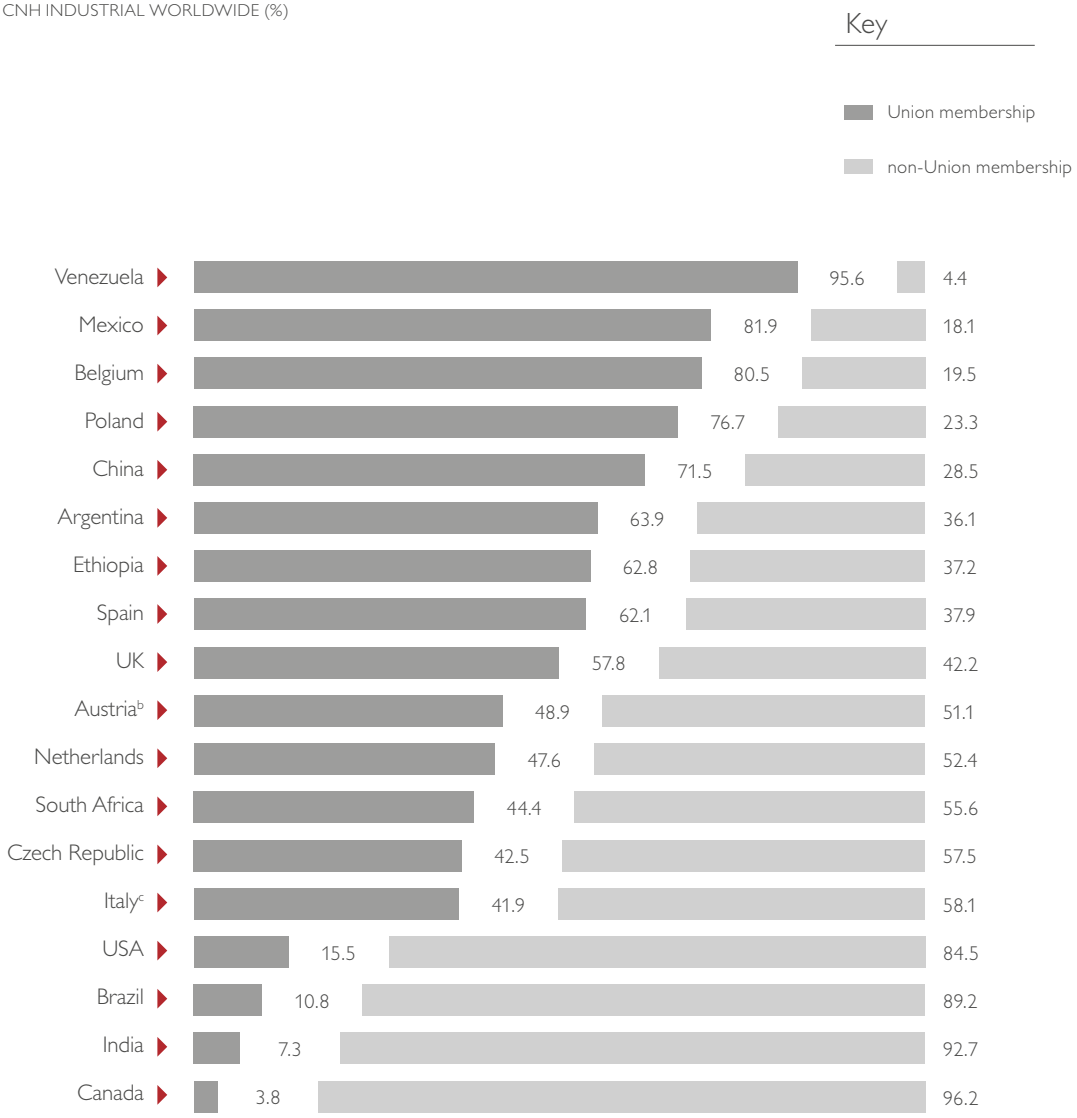
FREEDOM OF ASSOCIATION

Under the CNH Industrial Code of Conduct, the Company recognizes and respects the right of its employees to be represented by trade unions or other representatives established in accordance with local applicable legislation (see also page 96).

In 2015 (figures as at October 31, 2015), a survey on unionization was carried out in all the countries where CNH Industrial operates. Freedom of association is regulated by country-specific legislation. In certain countries (such as Australia, France, Germany, and Switzerland), surveys on the level of trade union representation cannot be conducted because union membership is considered an employee's personal and private choice and, as such, is not communicated to the employer. In others (such as Denmark, Sweden, Norway, and Finland), the employer can only obtain this information upon formal request, which must be substantiated. At the time the survey was conducted, the countries excluded due to privacy data protection employed 16.3% of CNH Industrial employees, whilst the countries with no employees affiliated with a trade union employed 1.6% of the population mapped.

UNION MEMBERSHIP[a]

CNH INDUSTRIAL WORLDWIDE (%)



[a] *Survey carried out on October 31, 2015.*
[b] *In Austria, this information is permissible only in some legal entities.*
[c] *Figures for Italy updated as at December 31, 2015.*

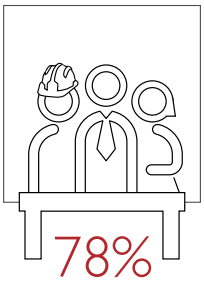
GRI G4-HR4

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 negotiations on issues that, as defined by law or applicable collective agreements, may include health and safety in the workplace, wages and benefits, operational issues (working hours, shifts, collective vacations, etc.), training, equal opportunities, company restructuring, collective redundancy, etc.

In the countries of the European Union, the establishment of employee representative bodies is envisaged for companies and/or sites where employee numbers exceed the minimum limits specified by national laws or procedures. In North America, they are only present at sites where a trade union is already established. A survey carried out on October 31, 2015 in all the countries where CNH Industrial operates revealed the absence of any employee representative body in 22 countries (comprising only 0.7% of the workforce surveyed).

Worldwide, more than 78% of employees were covered by representative bodies.



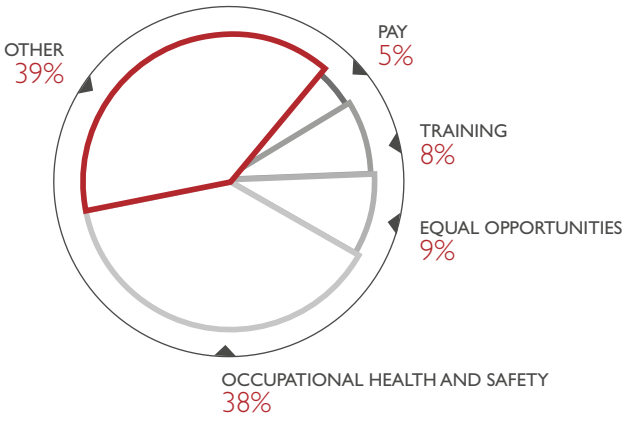
78%
of employees covered by representative bodies

Joint Committees

In October 2015, a survey conducted in all the Countries where CNH Industrial operates showed that more than 82% of employees were represented by occupational health and safety joint committees (i.e., committees made up of company and worker representatives).

DISTRIBUTION OF JOINT COMMITTEES BY TYPE

CNH INDUSTRIAL WORLDWIDE



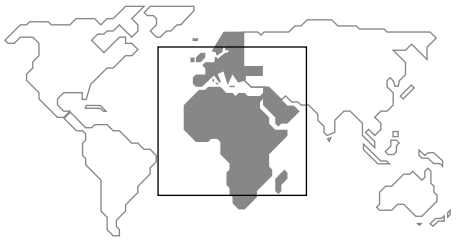
Other joint committees with responsibility for equal opportunities, training, and pay were found to represent 46.8%, 10.8%, and 7.9%, respectively, of the employees surveyed. Moreover, more than 69% of those surveyed were represented by joint committees that deal with other issues, including:

- Peer Review Committees for Suspension and Termination, in place at several locations in the USA and Canada. The Company has a Review Panel procedure in place for the timely resolution of eligible employees' complaints about formal disciplinary actions, including suspensions and discharges. The Company may, at its sole discretion, exclude from panel review any formal disciplinary action that involves a violation of the Company's discrimination, harassment, or workplace violence policies. A Review Panel consists of 3 employees and 2 supervisors, and is facilitated by a plant Human Resources representative or other trained individual. The facilitator is not a voting member of the Panel, but is responsible for facilitating the Panel Review hearing and seeing that the process is administered in a fair, consistent, and orderly fashion
- joint committees for the management of apprenticeships and for social issues relating to single workers, housing, employee transportation, childcare, and cafeterias

- several joint committees established in Italy under the Collective Labor Agreement (CLA), such as:
  - the National Joint Committee, whose tasks include examining the Sustainability Report, with particular reference to sector/business segment data and production and employment trends. It also examines the cases of non-compliance of CLA signatory unions with contractual commitments and the related consequences
  - the National Joint Committee on Welfare, established to identify and develop new solutions to improve the existing institutions, and methods to apply existing ones, with a focus on optimizing work-life balance
  - the Joint Committees on Organization and Production Systems at plant and/or production unit level, with the aim of facilitating the implementation of initiatives to achieve shared goals, such as optimizing work station ergonomics
  - the Joint Committee on World Class Manufacturing (WCM) and Plant Efficiency, designed to examine and evaluate specific matters relating to WCM and progress towards efficiency targets linked to the new pay system.

GRIEVANCES ON LABOR PRACTICES

In 2015, formal labor grievances leading to collective disputes were filed worldwide against the Company by either works councils, employee representative bodies, or unions.

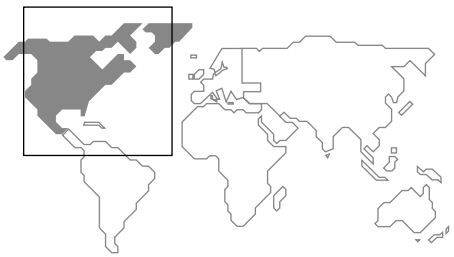


In Spain, the grievance filed by a union to uphold the nullification of an agreement, stipulated between the Company and other unions and enabling the transfer of workers between the plants in Madrid and Valladolid, was submitted to the conciliation body in charge of the mediation but not resolved; it was subsequently defined in court, where the union's claim was rejected.

One grievance, related to the work pace on the assembly line at the Antwerp Plant (Belgium) and filed by the works council, was addressed and resolved by the conciliation body established by law.

In Denmark, a complaint by a group of hourly employees, related to the lack of recognition of a salary increase request, was filed by the union and resolved by the conciliation body set up for this purpose as per the applicable national Collective Labor Agreement (CLA).

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 43% of the 140 grievances filed in North America in 2015 were related to attendance: 18.6% to issues associated with either CLAs or Company policy violations; 15.7% to overtime and pay; 7.9% to job performance, and the same percentage to misconduct; 2% to termination; and the remainder to discipline. In total, 79% of the grievances were resolved, with the highest percentage of resolutions relating to discipline (100%), attendance (92%), misconduct (91%), and overtime and pay (82%). If a grievance cannot be resolved by the conciliation body, the employee can appeal to an arbitrator. However, there have been very few such cases in North America, and just one ruling on labor matters against CNH Industrial in the past 4 years.

A similar practice is in place at certain US non-unionized sites, where conciliation bodies, known as Peer Review Committees for Suspension and Termination (see also page 73), are established according to Company policy. In 2015, these committees dealt with 19 complaints and resolved all of them.

GLOSSARY
Ergonomics; WCM;

GRI
G4-LA16

HUMAN CAPITAL DEVELOPMENT

DMA

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

PERFORMANCE AND LEADERSHIP MANAGEMENT

The Company's approach to the management and development of human capital centers on 5 key **Leadership Principles**, as set out in the CNH Industrial Human Capital Management Guidelines (publicly available on the Corporate website):

- Meritocracy – rewarding excellence
- Leadership – a key driver in managing change and people
- Competition – a factor to be embraced and encouraged
- Best-in-class performance – a core benchmark
- Accountability – delivering on promises.

These 5 Leadership Principles encompass specific **Leadership Behaviours** applied throughout the organization. The Company leadership model is embodied in the Performance and Leadership Management (PLM) appraisal system, adopted worldwide to assess employees (managers, professionals, and salaried) and 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.

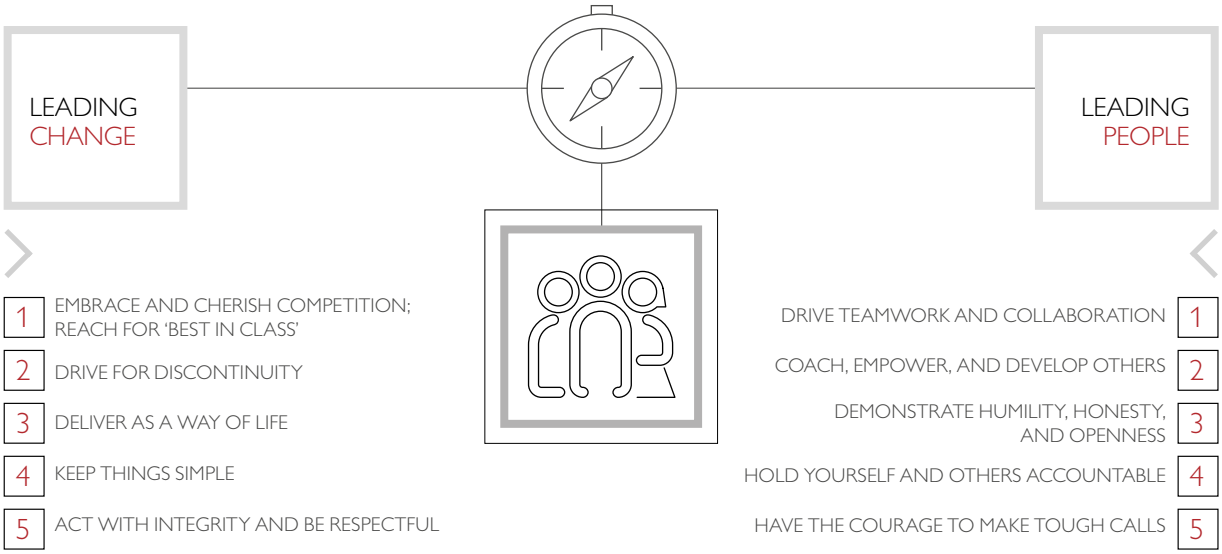
CNH Industrial's Leadership Development function implements the 5 key Principles according to the following pillars, which are also defined in the Guidelines:

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

GLOSSARY
DMA

GRI
G4-DMA

LEADERSHIP BEHAVIORS

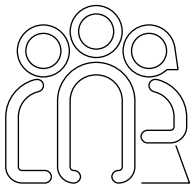


In 2015, following internal and external benchmarking research, CNH Industrial confirmed its commitment to the 5 Leadership Principles and to the PLM process. In a continuous effort to increase process efficiency, the Company consolidated the list of Leadership Behaviors, which went from 16 to 10, and simplified the PLM appraisal form. An extensive communication campaign and dedicated training were delivered to all employees, with positive feedback from managers and employees alike.

Performance Management System

As part of the performance management system, managers and employees sit down at the beginning of each year to discuss individual targets for that year. At the end of the year, 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 2 dimensions – performance and leadership – are plotted on a 9-square grid, providing a brief assessment of the employee's results. Consistency in the evaluation process is achieved by comparison with the ratings of other employees in the same category/role. Calibrations within an expected distribution curve reduce the risk of inequity and align appraisal outcomes through defined criteria. The outcomes and the areas identified for improvement are openly discussed between manager and employee, contributing to validating the employee's performance and strengthening his/her bond with the organization. Upon completion, employees can access their evaluation online, enter details on their professional aspirations, and request specific training (such as coaching, exposure to top management, etc.) to address the areas identified for improvement.

This unique skills mapping and appraisal process is supported by IT systems that give managers full access to up-to-date information on the people within their organizational unit, and on those indirectly in their reporting line. This means that individual employee evaluations are accessible and can also be examined by top management within the organizational structure.



95% of salaried employees and above assessed via PLM

During 2015, performance and leadership mapping was carried out on 22,923 employees, including all managers and professionals and 87% of salaried employees. The percentage of women engaged in the PLM process was the same as that employed by the Company. Every year, a training program on Performance and Leadership Management (PLM) for managers and employees is rolled out in each Region. In 2015, more than 200 training sessions were delivered worldwide (more than 150 in EMEA), involving over 1,600 employees and managers. Additional web-based training was made available to all managers and employees worldwide to support the process, and Leadership and PLM sections are available on the Corporate Intranet.

GLOSSARY EMEA
GRI G4-LA11

CNH Industrial's Chairman and Chief Executive Officer (CEO) firmly believe that an organization's success depends on its personnel and, for this reason, they are directly involved in the PLM process. In 2015, they spent a full day analyzing the results of the PLM process, focusing on top managers. Additionally, the CEO spent another full day with Group Executive Council (GEC) members, focusing on their leadership teams. This process serves as the basis for all personnel 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 2015, around 5,000 employees underwent such appraisals (of which 82% were hourly).

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

TALENT MANAGEMENT AND SUCCESSION PLANNING

CNH Industrial operates in dynamic, highly competitive industries where success is achieved through the presence of talented individuals within the organization, and by appointing the right people to key positions. These objectives are at the core 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 while giving priority to candidates from within the Company.
The process is conducted uniformly across countries, functions, segments, and levels of the organization. Key individuals, selected on the basis of their professional performance and leadership profile and potential for growth in positions of greater responsibility, are evaluated through a process that directly involves management, from the immediate supervisor to top management.
In October 2015, the CEO and the GEC held the CNH Industrial Talent Review. Over the course of 2 days, they reviewed 96 key leadership positions and 192 successors for first line positions, including the assignment of key roles, the analysis of 200 talents and the initiatives in support of their development, and international and cross-functional career plans.
This was the final step in a comprehensive Company-wide process led by all GEC members within their functions. The process ensured that all key leaders were developing both short and long-term succession plans, with a special focus on talented individuals, not yet widely known within the organization but meriting investment as potential leaders for the future.

Development of Local Managers

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

MANAGERS OF LOCAL NATIONALITY BY REGION

CNH INDUSTRIAL WORLDWIDE (%)

	2015	2014	2013
EMEA	**84**	82	81
NAFTA	**89**	91	91
LATAM	**82**	81	68
APAC	**55**	52	42

For details, see also page 252.

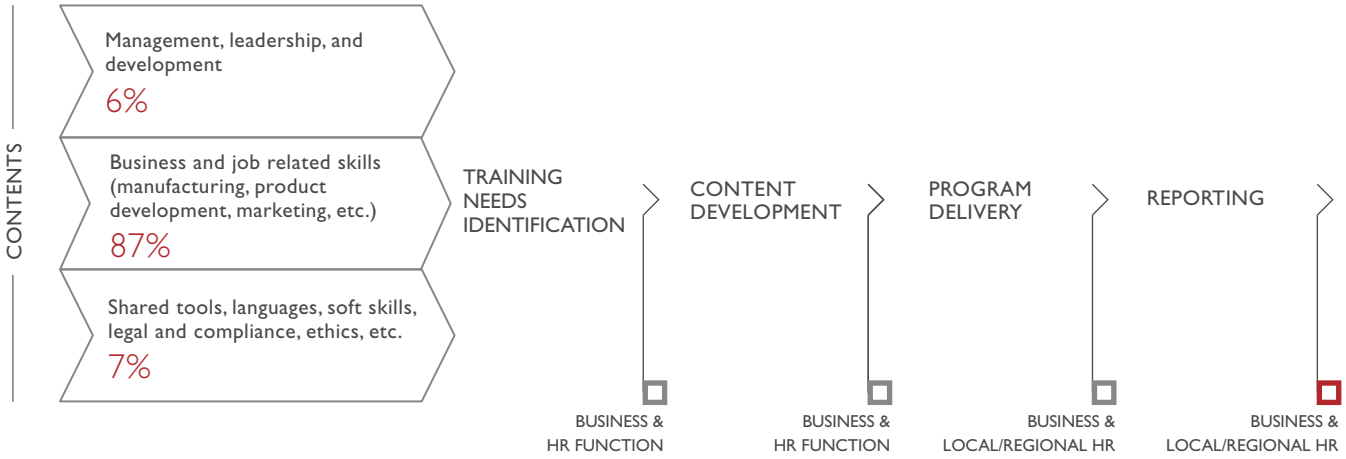
GLOSSARY
APAC; EMEA; LATAM; NAFTA

GRI
G4-EC6

TRAINING AND DEVELOPMENT

CNH Industrial believes that employee training is key to skill management and development. Training allows sharing operational and business know-how, as well as the Company's strategy and values.
CNH Industrial applies a Training Management Model to enable a more effective and flexible response to evolving training needs arising from changes within the Company and in the economic environment.
The Company manages training through a 4-step process: training needs identification, content development, program delivery, and reporting. Ownership of each lies with different Corporate functions, depending on which areas of content or expertise need to be improved.

TRAINING MANAGEMENT MODEL



The Training Management Model is business-oriented; business functions are therefore deeply involved in the 4 steps of the training process for content areas such as:

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

The Leadership Development function of Human Resources facilitates the overall training process by providing both functional and regional support.

CNH Industrial manages the overall training process through a global Learning Management System, an Internet-based Corporate tool available to employees via the Corporate Intranet, which allows defining and managing a comprehensive learning process for each employee based on business, location, and/or specific individual needs.
The Leadership Development team serves as the Training Committee, monitoring the implementation of CNH Industrial's Training Management Model. It comprises representatives of HR Leadership Development EMEA, NAFTA, LATAM, and APAC, HR Training EMEA, and HR Leadership Development FPT Industrial.
The head of Leadership Development, reporting to the Chief Human Resources Officer, chairs the Training Committee.

CNH Industrial builds upon segment-specific training programs, deeming that the most effective solutions are specifically tailored to individual needs.
Training effectiveness and efficiency are monitored and measured on an ongoing basis using KPIs such as the Kirkpatrick scale[1] and on the basis of:

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

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

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

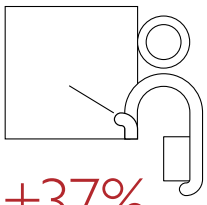
Each function is locally responsible for providing and following up the above information.

CONTENTS
GLOSSARY
APAC; EMEA; KPI; LATAM; NAFTA

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

Training in Numbers

In 2015, CNH Industrial invested more than $4.5 million in training. The training strategy relies on the use of in-house experts in the teaching process, which reduces the total investment (a 28% drop in 2015 compared to 2014). In total, 728,732 training hours were provided to 57,723 individuals (a 37% increase in 2015 compared to 2014), of whom 85% were men and 15% were women. Of the total employees participating in training, 56% were hourly, 42% salaried and professionals, and 2% managers.



+37%
of employees trained

Each employee received an average of 12.6 hours of training (hourly employees averaged 12.4 hours, professionals and salaried employees 13.1 hours, and managers 8.2 hours) compared with the average of 19.1 hours in 2014. Female employees received an average of 11.3 training hours each, male employees an average of 12.9 each.

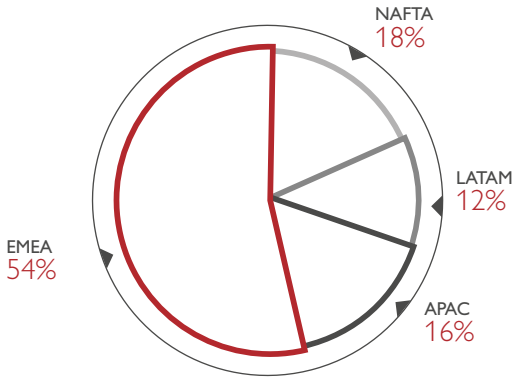
In addition, approximately 214,000 hours of training on **occupational health and safety** were delivered to more than 38,000 employees (of whom 31,000 were hourly), and approximately 24,000 hours of training on **environmental** issues were delivered to about 21,000 employees (see also pages 84, 183).

Investments in classroom, online, and on-the-job training focused primarily on the development of job specific expertise (87%), language and other programs (7%), and management skills (6%).

Most Corporate learning campaigns are delivered online, which allows individuals to pursue training when most convenient and minimizes work disruption by allowing them to remain in their place of work. The Company disseminates the principles of the Code of Conduct and the values of good Corporate Governance to all employees, irrespective of level or role, through specific periodic training and other information channels. In 2015, more than 52,000 hours of training on **human rights** and other **Code of Conduct** aspects, including **anti-corruption**, were provided to 89.5% of employees. Around 12,200 employees (of whom 78% were professional and salaried employees and 22% managers) received training on anti-corruption policies and procedures, representing 50% of entitled employees (see also page 52).

ANTI-CORRUPTION TRAINING BY REGION

CNH INDUSTRIAL WORLDWIDE

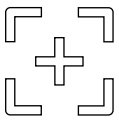


FOCUS ON

SHARING KNOWLEDGE

The *Multiplicar Program* is an initiative in Brazil promoting the exchange of knowledge through internal classes led by Company employees. A variety of vocational training topics are covered and employees are invited to participate in the courses, irrespective of their personal area of expertise.

In 2015, more than 1,400 employees attended 172 training courses, totaling more than 8,000 hours of training. Employees appreciate the opportunity to have access to a variety of training options; it allows them to leverage internal knowledge and resources, while building and reinforcing their network within the Company.



GLOSSARY
APAC; EMEA; LATAM; NAFTA

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

EMPLOYEE DEVELOPMENT PROGRAMS

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

As an example, the *Lead to Win* development program was launched for selected, talented, non-managerial employees with the aim of involving them in an *Action Learning Project*. In EMEA, 2015 marked the second year of this initiative, and CNH Industrial is working to extend the program to other Regions in the coming years. The *Lead to Win* program was created to accomplish several key objectives:

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

Furthermore, CNH Industrial applies the principles of the World Class Manufacturing (WCM) program, an integrated model for managing all the elements of an organization (from safety to the environment, from cost deployment to people development), focused on improving the efficiency of all its technical and organizational components with the aim of maximizing market competitiveness (see also page 168). As at December 2015, 54 plants were participating in the program, representing 97% of plant personnel worldwide and 98% of revenues from sales of products manufactured by Company plants.

People play a central role in the WCM program. Indeed, one of its 10 technical pillars is People Development (PD), considered a key competitive factor in achieving excellence. The PD pillar focuses on ensuring and enhancing the growth of employee competencies, starting from training gaps identified through Safety pillar inputs, using Cost Deployment pillar recommendations, and considering Quality issues at all times.

Using the WCM's *Focused Improvement* tools, the PD process aims at developing training methods and techniques that enable individuals to become key contributors to results.

The goal of this technical pillar is to establish a permanent competency development system within each plant, based on a continuous competency gap analysis and evaluation, the definition of targeted training to fill those gaps, and the appropriate development of learning paths. The People Development pillar consists of 3 phases: reactive, preventive, and proactive.

The development of people according to the WCM rationale entails addressing some important challenges:

- zero accidents: creating a safety culture
- zero human errors: ensuring a seamless interaction between people and systems, so as to improve processes competencies
- developing excellent technical professionals who can assess any facility's current status, develop action plans to reach the desired status, and implement efficient and effective maintenance systems
- developing blue collar skills and competencies to create a culture centered on the Autonomous Activities pillar
- achieving excellent process control through the correct implementation of Quality Control procedures
- involving and motivating people to assume responsibilities within a continuous improvement environment.

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

GLOSSARY
EMEA; WCM

GRI
G4-LA10

THE 3 PHASES OF THE PEOPLE DEVELOPMENT PILLAR

REACTIVE

TRAINING FOCUSES ON - AND IS PRIORITIZED ACCORDING TO - THE **ANALYSIS** OF:

- SAFETY ISSUES
- WASTE AND LOSSES
- MACHINE BREAKDOWNS
- MINOR STOPPAGES
- HUMAN ERRORS CAUSING INJURIES, QUALITY ISSUES, ETC.

The aim is to fill **any gaps**, whether a loss identified by Cost Deployment, or a specific problem at the plant caused by a knowledge gap

PREVENTIVE

TRAINING FOCUSES ON COUNTER MEASURES TO **PREVENT** THE **RECURRENCE** OF **KNOWN PROBLEMS** AND OF THE CIRCUMSTANCES THAT CAUSED THEM

The aim is to fill **gaps** in **required competencies**, using WCM methods and tools and role-specific technical training

PROACTIVE

TRAINING FOCUSES ON **THEORETICAL RISK ANALYSIS** AND ON COUNTER MEASURES TO PREVENT SERIOUS EVENTS

The aim is to develop the **competencies** required for the continuous development of the plant in terms of **technologies**, **methods, and tools** to implement in the future

Internal mobility

Through the *Job Posting* program, each Region can post open positions and make them visible to all employees within the Region itself. In some cases, employees are also allowed to apply for positions outside of their Region. Over the course of 2015, the program advertised 1,531 positions, and more than 4,700 internal candidacies were received from all over the world. The majority of the positions were posted in EMEA and NAFTA.

PEOPLE SATISFACTION SURVEYS

CNH Industrial recognizes that people satisfaction surveys are a useful tool not only for measuring the level of employee satisfaction, but also for identifying improvement opportunities that meet the needs and expectations of the entire organization.

In 2014, CNH Industrial started to collect the information provided by employees across the Regions during their departing surveys/exit interviews. The goal was to give Company the means to: understand what employees look for in a new organization; determine how actively they have been seeking new employment (or if they were directly contacted and recruited by other organizations); and design action plans to address any potential area of dissatisfaction.

In NAFTA and LATAM, for example, departing employees are asked to complete a questionnaire on management, career development, Company culture, and the work environment. The Human Resources Department consolidates data on a monthly/quarterly basis and shares specific business unit feedback with the relevant managers, in order to address specific areas of concern within each area.

While NAFTA and LATAM have a consolidated exit interview process in place, EMEA and APAC developed a structured process leveraging on the SAP HR System in 2015. EMEA launched this at the end of the year, and APAC in early 2016.

Interviews provide the Company with important and useful information that is ultimately an indication of employee satisfaction.

GLOSSARY
APAC; EMEA; LATAM; NAFTA; WCM

OUR PROJECTS

CNH INDUSTRIAL AMONG BEST COMPANIES TO WORK FOR IN BRAZIL

In 2015, for the second year running, CNH Industrial was classified among the 150 *Best Companies to Work For* in Brazil, in one of the most important organizational climate surveys in the country. The survey was conducted by Voce SA Magazine (published by *Editora Abril*, one of the largest and most influential media and educational groups in Latin America), in partnership with *Fundação Instituto de Administração* of the University of Sao Paulo, one of Brazil's leading higher education institutions, recognized throughout the world in a number of rankings.
CNH Industrial successfully completed a series of stages in order to be included on the list. First, a report was drawn up summarizing several of the Company's human resources policies and practices. The report was divided into 7 categories: strategy and management, leadership, compensation, careers, health, development, and corporate citizenship. Secondly, 900 employees were randomly selected by the publisher to answer an online satisfaction questionnaire consisting of 70 questions covering various issues relating to identity, satisfaction and motivation, learning and development, and leadership. The questionnaire was completed by 690 (77%) of the 900 employees selected. Lastly, a journalist from the magazine visited the Company to meet employees and the heads of Human Resources. This excellent result reflects the effort and commitment of all employees to making CNH Industrial one of the most respected and high-profile companies in Brazil.

INTERNAL CULTURE DEVELOPMENT AND COMMUNICATION

DMA

In 2015, CNH Industrial shifted its communications focus from fostering integration to reinforcing key Corporate messages, with an emphasis on reaching employees at all levels, in particular through dedicated activities for hourly workers. As part of these efforts, it carried out a series of initiatives through the Internal Communications Department, which focused on:

- aligning employees with Company goals and results
- supporting motivation and people engagement
- developing and sharing core Company messages.

The Internal Communications team is a group of communications professionals within Human Resources that operates through central processes (Corporate Messages and Publications, Intranet and New Media, and Internal Campaigns and Events) and regional activities.
The global head of Internal Communications reports directly to the Chief Human Resources Officer. The manager of each central process reports directly to the head of Internal Communications, as do the managers responsible for communications activities in the EMEA, NAFTA, LATAM, and APAC Regions. The latter also work in coordination with the regional heads of Human Resources.

70,000 copies of CNH Industrial's *LINK* magazine, in 14 languages

In 2015, CNH Industrial's internal magazine, *LINK*, continued to be an important vehicle for **aligning employees with Company goals**. The publication, which has a circulation of 70,000, is printed quarterly in 14 languages and is the Company's main channel for reaching its large population of hourly workers. Throughout the year, *LINK* shared news on important Company achievements and Corporate campaigns, and featured a range of articles (many of which were based on reader input) profiling employees' work and accomplishments.
An important focus for the year was keeping salaried and hourly employees informed on quarterly results. To this end, in 2015, CNH Industrial created a comprehensive *Results Communication Kit* designed to deliver information on financial results in an accessible and impactful way through a multi-channel approach. In addition to its existing quarterly publications, such as the *CNH Industrial Post* newsletter and the *Internal Results Presentation* for managers, the Company introduced 3 new initiatives:

- an animated *Results Video Clip*, available on the Intranet and displayed on monitors at CNH Industrial sites
- a quarterly letter from the CEO to all employees providing additional context on Company performance
- the *Results Presentation at a Glance*, a condensed presentation tailored for employees at manufacturing plants and depots.

In 2015, town hall meetings were again held in all Regions to keep employees updated on Company results through face-to-face meetings with top management and Company representatives.
CNH Industrial continued to create initiatives to **support motivation and people engagement**.
A Company-wide campaign was developed to increase employee knowledge of and engagement with World Class Manufacturing (WCM), aimed at accelerating the program's progress throughout the Company.

GLOSSARY
APAC; DMA; EMEA; LATAM; NAFTA; WCM

GRI
G4-DMA

To this end, CNH Industrial delivered key content through its main communication channels: a special edition of *LINK* devoted to WCM and, on the Intranet, a special page and regular feature articles on WCM achievements. In an effort to support employee motivation at plant level, where WCM is implemented, the Company piloted a visual communications project at its facility in Brescia (Italy), featuring large posters with engaging infographics and portraits of actual employees. The campaign will be extended to other sites in 2016.

To measure the level of satisfaction with its internal communication tools, CNH Industrial launched the *Internal Communication Flash Questionnaire* to collect employees' preferences and feedback regarding means of communication. In addition, to help employees make the most of the Intranet offerings, the *Did You Know?* campaign was launched with short animated videos providing employees with simple tips on how to better use the tool in their daily activities. The campaign will continue in 2016.

Throughout the Regions, the Company also carried out initiatives to involve people at local level.

In EMEA, the *Fairs Award* program continued, in which 50 hourly employees were selected, based on their performance, to visit 2 industry trade fairs. The *Break4You* lunchtime events also continued in Italy, with the addition of a session focused on healthy eating, called *Hungry for Health*.

In NAFTA, 2 new initiatives were piloted in 2015 to promote employee networking and engagement with the Company. The *Introduce Us!* program offered employees a chance to connect with other departments for informal networking meetings, while *Lunch with the COO* gave employees a chance to meet the Region's leader face-to-face for an open discussion on NAFTA business perspectives.

In LATAM, after the Company was nominated among the *Best Companies to Work For* (see also page 82), a campaign engaged employees in celebrating the achievement through posters featuring actual employees, onsite photo booths, and a dedicated social media hashtag.

In APAC, 2 workshops involving more than 100 salaried employees were held in Shanghai and Harbin (China) to boost teamwork and collaboration.

Regional publications also continued to play an important role in engaging and motivating employees, including *SHIFT*, a newsletter in English and Spanish created for NAFTA employees in 2015.

more than
7,000
employees
and families
engaged in
plant visits

In addition to engagement initiatives led by Internal Communications, local HR departments organized a variety of events, including *Open Door Days* at manufacturing plants for employees and their families. For example, 3,000 people visited the Vysoké Mýto plant (Czech Republic) to celebrate its 120th anniversary, and at Bourbon Lancy (France), more than 4,200 people participated in an informational plant tour.

In 2015, employees and their families also continued to participate in tours and recreational activities through *Family Days*, held in Cordoba (Argentina), Sete Lagoas (Brazil), Pithampur (India), Harbin (China), and, for the first time, Bangkok (Thailand). During national holidays, 1,500 employees in India attended Company-organized *Holi* and *Diwali* events and, in Italy and Switzerland, more than 7,800 gifts were distributed to children under 10 as part of the *Natale Bimbi* Christmas celebrations, held annually for CNH Industrial employees.

Lastly, CNH Industrial **developed and shared core Company messages** through 2 major communication campaigns for its Compliance and Ethics and Performance and Leadership Management programs. As part of its update of the Code of Conduct, CNH Industrial redesigned the graphics layout and content and created a website for its Compliance Helpline. To educate employees on the new Code of Conduct and Corporate policies, the Company carried out a 10-step global communication campaign. Visual communications were distributed through email blasts and bulletins, and a dedicated Intranet section was created to provide all reference materials (see also page 50). In addition, in 2015, CNH Industrial consolidated and updated its Performance and Leadership Management (PLM) process. To communicate these developments to employees, the Company developed a 5-step communication campaign featuring engaging and informal graphics, and a dedicated Intranet page where employees can browse the 5 Leadership Principles and 10 Behaviors (see also page 75). In addition, to share more about its goals and bonus-payout process with eligible employees, the Company released additional details on its Performance and Leadership Bonus Plan (PLB) and targets.

Increasing Sustainability Awareness

In 2015, CNH Industrial initiated specific activities to educate employees about the Company's commitment to sustainability and related activities. In the first phase, the Company increased its coverage of sustainability topics on the Intranet, creating a specific look for sustainability-related news and dedicated pages for key sustainability events, such as *UN World Days* (see also pages 86, 183). Sustainability themed backgrounds were also created for employees to set as their Intranet homepage. In NAFTA, to celebrate *Earth Day*, a weeklong Intranet series ran on CNH Industrial's environmental performance.

The Company also presented sustainability topics in its internal magazine, including a splash page on its commitment to sustainability. Health and safety topics were highlighted through campaigns such as *Well!*, a series of informative 1-pagers on specific health risks (see also page 90).

The *Traveling to Cost Savings* and *Smart Traveling* campaigns on sustainable business travel solutions were extended from EMEA and NAFTA in 2014 to the APAC Region in 2015.

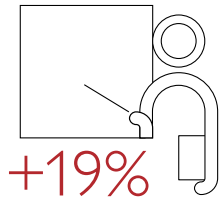
GLOSSARY
APAC; EMEA; LATAM; NAFTA; WCM

OCCUPATIONAL HEALTH AND SAFETY

DMA

As stated in CNH Industrial's Code of Conduct, occupational health and safety is an employee's fundamental right and a key part of the Company's sustainability model. This is why occupational health and safety ranks among the top 5 most significant aspects for the Company, as evidenced in the materiality matrix (see also page 23).
CNH Industrial's approach to occupational health and safety is based on effective preventive and protective measures, implemented both collectively and individually, aimed at minimizing risk of injury in the workplace. CNH Industrial endeavors to ensure optimal working conditions, applying principles of industrial hygiene and ergonomics to managing processes at organizational and operational level. The Company implements the same standards in all countries in which it operates, even where regulatory requirements are less stringent, believing this to be the only way to achieve excellence.

Safety management engages all employees in creating a culture of accident prevention and risk awareness, sharing common, ethical occupational health and safety principles to achieve improvement targets (the proactive approach) via different tools, such as training and awareness campaigns. In 2015, approximately 214,000 hours of training on occupational health and safety were delivered to about 38,000 employees (see also page 79), while those trained in 2014 were 32,000.



CNH Industrial also requires its suppliers and partners to comply with all worker health and safety regulations, focusing on continuous improvement by fostering high standards throughout the value chain. These principles are outlined in the CNH Industrial Health and Safety Policy, adopted by CNH Industrial at its foundation. The Policy is available to all employees and interested stakeholders on the Corporate website.
Safety is integral to Corporate and manufacturing processes, and exceeds regulatory requirements; this is evidenced by the compliance of management systems with both the OHSAS 18001 international standard and the continuous improvement principles of World Class Manufacturing (WCM). Occupational safety is one of the WCM pillars. Different criteria apply, depending on the level of WCM implementation within a plant: to be eligible for the *Bronze Level*, a plant's accident frequency rate[1] must be less than 1 per 100,000 hours worked. More stringent requirements apply to *Silver* and *Gold* levels. As at 2015, 21 plants have received bronze awards and 10 have received silver awards (see also page 168).

CNH Industrial sets ambitious annual targets for occupational health and safety, aimed at continuous technical, educational, organizational, and procedural improvements. Continuous improvement is achieved through preventive and corrective action plans in which targets take account of the particular nature of the work, experience, and technical advancement, while safeguarding employee health and the surrounding environment. These targets are then included in the Sustainability Plan (see also page 29), 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.
Furthermore, CNH Industrial carries out ongoing health and safety hazard identification and risk assessments (for both routine and non-routine activities), modifying activities and materials as needed, particularly with regard to the design of work areas, processes, installations, and work organization.
The combination of these elements enable effective management, the evaluation of results, and their subsequent disclosure through the Sustainability Report.

RESPONSIBILITY AND ORGANIZATION

Occupational health and safety is safeguarded and promoted in every sphere of operations and in every country where CNH Industrial is present, and implemented through an organizational structure shared across the Company's global Regions.
Specific responsibilities in the fields of health and safety are defined in compliance with national regulations, and assigned by employers with clearly identified areas of competence. Management at plants and in the workplace rests with local employers.
Every manufacturing plant has an Environment, Health and Safety (EHS) unit, responsible for dealing with occupational health and safety issues, as well as for providing specialized technical assistance to production managers and to those in charge of all other Company processes.
Plant EHS units are coordinated by Regional EHS units, which ensure adherence to the Health and Safety Policy and compliance with all applicable regulations. In addition, Regional EHS units provide specialized assistance for all Company processes that impact safety.

GLOSSARY
Audit; DMA; Ergonomics; Frequency Rate; OHSAS 18001; WCM

GRI
G4-DMA

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

The Governance and Sustainability Committee, a subcommittee of the Board of Directors, is informed of the health and safety results published in the Sustainability Report, and makes comments where appropriate.
Individual health and safety targets were included in the Performance and Leadership Management system (see also page 29) for plant managers and for most of the managers responsible for the projects indicated in the 2015 Sustainability Plan.

CERTIFICATION PROCESS

The certification of occupational health and safety management systems as per the OHSAS 18001 international standard covers 55 CNH Industrial manufacturing plants worldwide, and almost 45,500 people.
Certifications are awarded by accredited international bodies (which are also continuously and rigorously monitored by other international organizations), such as Accredia and SAS, to ensure and certify the high levels of reliability and of operational and procedural standards.

OHSAS 18001 certified plants

In 2015, the occupational health and safety management systems at some non-manufacturing sites were OHSAS 18001 certified, accounting for about 2,100 people at 8 different sites and locations. In total, 63 CNH Industrial sites worldwide (manufacturing and non-manufacturing) are now OHSAS 18001 compliant, covering almost 47,600 people, as are all of the joint venture plants in which CNH Industrial has at least a 50% interest.

OHSAS 18001 CERTIFIED PLANTS

CNH INDUSTRIAL WORLDWIDE (no.)

	2015	2014	2012
Certified plants	**55**	54	53
Employees working at certified plants	**45,477**	47,795	49,024

OHSAS 18001 CERTIFIED NON-MANUFACTURING SITES

CNH INDUSTRIAL WORLDWIDE (no.)

	2015	2014	2013
Certified non-manufacturing sites	**8**	8	6
Employees working at certified sites	**2,122**	2,181	1,291

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

AUDITS AND EMPLOYEES COVERED

CNH INDUSTRIAL WORLDWIDE

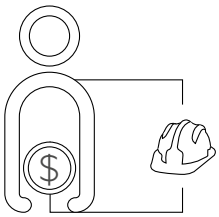
	2015	2014	2013
Internal audits (no.)	**733**	798	595
External audits (no.)	**69**	75	91
Total employees covered by external audits (thousands)	**46.88**	48.09	53.16
Audited employees out of total headcount (%)	**72.80**	69.48	77.86

SAFETY CULTURE

The Company's Health and Safety Policy fosters individual participation through communication and awareness activities designed to stimulate and motivate staff to play an active role in the improvement process. This approach is all the more important in a multinational and interdisciplinary environment embracing multiple cultures and legal frameworks, and large numbers of people.
In 2015, several ongoing initiatives continued to promote a culture of safety and the adoption of shared standards. One of these was the *Top 15 Safety* project, implemented at all plants worldwide, providing employees, visitors, and external companies on plant premises with standardized methods to safeguard health and safety in the workplace. The project recently introduced new guidelines and universal standards relating to staircases, entrances, and pedestrian passageways; the work attire for logistics departments; and the visual management of machine lock-out and testing.
The Corporate Intranet is an important communication tool used by the professional team dedicated to safety. It enables access to a broad range of informational and educational material, including the documentation regarding OHSAS 18001 certification programs (guidelines and general and operational procedures).

GLOSSARY
Audit;
OHSAS 18001

Within the scope of initiatives carried out in 2015 to enhance communication media, the FPT Industrial plant in Foggia (Italy) launched the *Visual Academy*: a dedicated space created to improve the plant's visuals through standardized and more effective visual communications.
In 2015, all employees were notified online about the *World Day for Safety and Health at Work*, an initiative promoted by the International Labour Organization (ILO) to promote the prevention of occupational accidents and diseases globally. This year's theme was *Join in building a culture of prevention on OSH*. The Company took advantage of the event to circulate information on the good practices implemented at its plants and sites during the year.
As regards the year's initiatives for the reduction of very high risks, to be noted is one of the projects launched at the Grand Island plant (US), where a dedicated group (consisting of the safety team and manufacturing representatives) used the World Class Manufacturing (WCM) 7-step methodology to reduce the very high risks associated with operators working at heights, obtaining positive results.



$84 million spent on **health and safety**

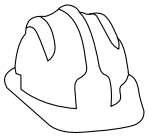
OCCUPATIONAL HEALTH AND SAFETY PERFORMANCE

In 2015, approximately $84 million was spent on improving health and safety protection, representing 2.2% of personnel costs[2]. The yearly expenditure on improvements to occupational safety and working conditions (worker protection, structural improvements, inspections of plants and working environments) totaled almost $74.5 million, while approximately $9.5 million was spent on employee health (health care costs).

The investments in health and safety led to approximately $6.4 million in savings on the insurance premiums paid to the Italian National Institute for Insurance against Accidents at Work (INAIL) in 2015.

Accident Rates

Accident rates are a clear indicator of how successful a company is at preventing industrial accidents. Owing to the Company's many initiatives mentioned above, the overall frequency rate in 2015 fell to 0.23 injuries per 100,000 hours worked, a 9% drop compared to the previous year. The severity rate was 0.09 days of absence per 1,000 hours worked (unchanged compared to 2014, despite a reduction of about 9% in hours worked). The reporting scope covered 96% of the Company's total headcount[3].



-9% in **accident** frequency rate

The breakdown by gender showed that the percentage of accidents causing an absence of at least 3 days among female employees was 6.5%[4] of total accidents, a 23% drop compared to the previous year.
In 2015, for accidents involving contractors operating at CNH Industrial plants worldwide, the overall frequency rate was 0.44 injuries per 100,000 hours worked, in line with the result of the previous year. As regards the breakdown by gender, the percentage of accidents causing an absence of at least 3 days among female employees of external companies was approximately 25%[5] of total accidents, a 10% drop compared to the previous year. The severity rate for contractors was 0.10 days of absence per 1,000 hours worked.
No fatal accidents were reported in 2015 involving employees, contractors, or anyone else working at CNH Industrial facilities worldwide.

OUR PROJECTS

THE ZERO ACCIDENT CHALLENGE

In 2015, almost one-third of manufacturing plants (representing approximately 25% of employees) reached the target of zero accidents, which reflects the effectiveness of CNH Industrial's preventive and protective measures, and consistency with the challenging WCM 'zero accident' objective.
This achievement was the result of the Company's solid accident prevention program, the investments in health and safety, and the employees' increasing involvement in adopting proactive behaviors and spreading best practices among peers, in line with the WCM Occupational safety pillar. Accident-prone situations are shared at the daily meetings held by manufacturing management teams, and the information is used to prevent similar situations across the manufacturing sites. The action plans required to prevent and improve these situations are implemented under the responsibility of top management. The excellent results achieved through this Company-wide involvement represent CNH Industrial's motivation to continue pursuing the WCM methodology and improving all situations posing a risk to safety.

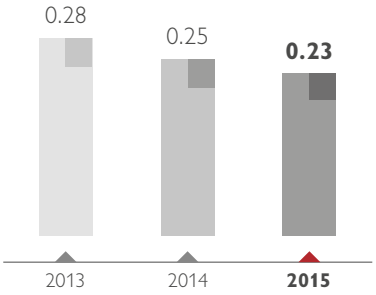
GLOSSARY
Frequency Rate; ILO; NAFTA; Severity Rate; WCM

GRI
G4-LA6

(2) *Personnel costs totaled $3,771 million in 2015.*
(3) *The non-manufacturing data refers only to sites with a population of more than 30 people.*
(4) *Data does not include CNH Industrial plants in NAFTA.*
(5) *Data does not include CNH Industrial plants in NAFTA.*

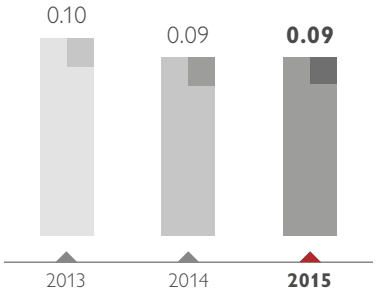
FREQUENCY RATE[a]

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



SEVERITY RATE[b]

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



[a] The frequency rate is the number of injuries reported (resulting in more than 3 days of absence) divided by the number of hours worked, multiplied by 100,000.
[b] The severity rate is the number of days of absence divided by the number of hours worked, multiplied by 1,000.

In 2015, 3,296 near misses were reported and analyzed, leading to remedial actions that further reinforced preventive measures (a 15% drop compared to 2014). Activities continued in 2015 across CNH Industrial to develop and disseminate tools to collect, analyze, and trace events (injuries, events requiring first aid, and near misses), unsafe acts, and unsafe conditions, in order to improve their respective management as well as the effectiveness of preventive measures.

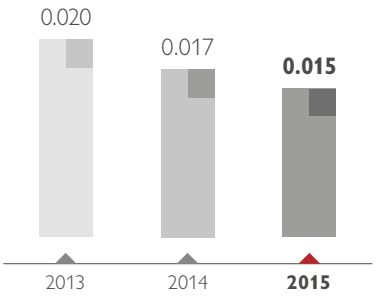
Occupational Diseases

Specific occupational disease indicators reflect a company's success in providing a healthy work environment for its employees. Occupational diseases are the result of lengthy, gradual, and progressive exposures during work activities to chemical, physical or biological agents harmful to workers.

Occupational diseases are constantly monitored in order to identify persistent working conditions that may have caused their onset, assess any residual risks and, if necessary, implement corrective and improvement measures to prevent recurrence. The onset of occupational diseases today is mostly associated with working methods and environmental conditions that no longer exist within the Company, as they have long since been improved and/or eliminated.

OCCUPATIONAL ILLNESS FREQUENCY RATE (OIFR)

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



In 2015, 14 occupational disease cases were ascertained by the relevant insurance authorities within the countries of reference (a 22% drop compared to 2014). No occupational disease cases involved contractors operating at CNH Industrial facilities worldwide.

GLOSSARY
Frequency Rate; Near Miss; OIFR; Severity Rate

SAFEGUARDING HEALTH

At CNH Industrial, safeguarding employee health goes beyond reducing accidents and illnesses. Indeed, the Company is committed to promoting the psychological and physical wellbeing of its people through specific disease and disorder prevention programs, backed up by assistance and support services (see also page 89).
The Company strives to ensure industry-leading working conditions, in accordance with hygiene principles (including fully-functioning WASH[1] services), industrial ergonomics, and individual organizational and operational processes.

Work-Related Stress

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

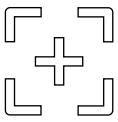
Workstation Ergonomics

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

FOCUS ON

VIRTUAL REALITY TECHNOLOGY

In 2015, CNH Industrial established a partnership with Data Access, a leading global provider of application development software and professional services, to test the Google Glass virtual reality technology at the plant in Sete Lagoas (Brazil). This technology merges what is real and what is virtual into a single environment. Google Glass enables incorporating virtual objects into the physical dimension, displaying them to the user in real time through optical devices that project images and information onto a small screen located at eye level, a few centimeters from the face. The technology proved successful in reducing the incidence of failures and in optimizing task execution time in activities such as parts sequencing, vehicle assembly, and finished-product quality audits. In other words, not only did it reduce human error, it improved productivity and the accuracy of process execution.



GLOSSARY
Audit; Ergonomics; Work-Related Stress

(1) Water, Sanitation, and Hygiene. *Acronym broadly adopted in the international development context and in the emergency sector with reference to access to adequate water supplies, sanitation facilities, and hygiene services.*

WELLBEING AND WORK-LIFE BALANCE

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

HEALTH AND WELLBEING

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

Health Programs

Throughout the year, the Company supported a variety of initiatives aimed at preventing specific diseases and health issues, including **health screenings** organized for employees at many of its sites. In EMEA, the Company provided blood sugar and cholesterol checks to 340 employees in Basildon (UK). In Poland, it offered gender-specific cancer screening tests to 97 employees, both men and women. At its Turin and San Matteo locations (Italy), the Company offered skin cancer screenings to about 1,000 employees. In NAFTA, biomedical screenings are held on a yearly basis through the *Picture of Health* program. In APAC, health care screenings in India were delivered to 276 employees and their families, and to 1,403 employees in China.

Health care screenings delivered to 1,403 employees in China

Bringing health professionals to its locations is one way that CNH Industrial encourages **healthy behaviors**. In Spain, employees benefit from nutritionist and physiotherapy services, as well as several campaigns aimed at reducing health risks, such as smoking, high cholesterol, high blood pressure, and obesity. In Ulm (Germany), a series of wellness campaigns began in 2015 to assist employees with mental and physical health issues. A psychologist was available once a month for coaching, and certified trainers specialized in back pain assisted 50 employees on site. In addition, campaigns on drug and alcohol prevention and the *Fit for Fun* campaign on healthy eating helped 45 and 100 employees, respectively. Yoga wellness activities were arranged for 43 employees in San Matteo (Italy). In China, seasonal medical and health communications on the theories and practice of health care and wellbeing were again issued throughout the year. In Poland, a special *Wellness Day* was held with a trainer, who performed examinations and discussed healthy living tips with employees. Similarly, during a dedicated wellness week in Mexico, healthcare providers conducted biomedical screenings and delivered guidance and information on a variety of health topics, including dental care, health and safety, and diet. In Pregnana Milanese (Italy), a nutrition education campaign called *We Are What We Eat* continued to educate employees on healthy nutrition to reduce the risk of disease, providing specific dietary guidelines and clinical checks to the 102 employees involved.
At the Basildon plant (UK), the Occupational Health nurse organizes a monthly focus on health-related topics, to raise employee awareness of the impact of lifestyle choices on their health and wellbeing. Topics range from illness trends and national campaigns to seasonal health problems and general health issues, such as smoking and drinking. At a stand in the plant's canteen, employees can read leaflets and consult with the Occupational Health nurse to request health checks or further screening, when necessary.
In Australia and New Zealand, the Company continued to encourage healthy behaviors through its healthcare provider BUPA, with site visits and consultations on health care plan benefits. In both Australia and the USA, the *Employee Assistance Plan* continued to be offered through local health care schemes. The focus on health was also promoted through other proactive health programs, such as the free vitamins distributed to 2,000 employees in the Czech Republic, and the free fruit programs in Sankt Valentin (Austria) and Lugano (Switzerland).

Free vitamins distributed to 2,000 employees in the Czech Republic

GLOSSARY
APAC; DMA; EMEA; NAFTA

GRI
G4-DMA

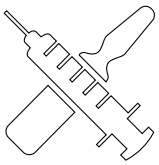
CNH Industrial continued to run its established **health programs** - *Picture of Health* and *Quality of Life* - respectively in NAFTA and LATAM.

In NAFTA, the *Picture of Health* program promotes a series of activities (physical exercise, nutrition education, etc.) aimed at reducing health risks such as high cholesterol, high blood pressure, stress, and lack of physical activity. Since its inception, the program has sought to increase awareness of personal health issues among employees, encouraging behavioral changes to improve their health. The program is delivered through regular communications to employees about health, annual biomedical screenings at plants and offices, the *Walk this Way* physical fitness program, health coaching, and a financial incentive for employees who successfully improve or maintain good health results on a yearly basis. In 2015, 2 new initiatives were added to the *Picture of Health* program: *Colorful Choices*, a nutrition-based program focused on increasing employees' intake of fruits and vegetables, and *Route 66*, an exercise program to increase physical activity. In the USA, employees are also offered opportunities to learn about their health from guest speakers at complimentary *Lunch and Learn* sessions held on site.

In LATAM, the annual *Quality of Life* program spreads awareness among employees about health and wellness through a series of campaigns focusing on a variety of topics, such as cancer, flu prevention, respiratory diseases, sexually transmitted diseases, quality of life, vaccines, and conjunctivitis. As part of this program, in Brazil, the *Bem Nascer* project in Curitiba continued to provide information and care to pregnant employees, contract workers, and other members of the community, while a new pregnancy assistance campaign was launched in Sete Lagoas, reaching 23 pregnant employees. Additionally, for the 5th year running, a nutrition program continued in Contagem, involving 150 employees.

Information Campaigns

CNH Industrial engages in initiatives and information campaigns to raise employee awareness of health risks and preventive measures, and promotes campaigns addressing global health issues, such as HIV, tuberculosis, and malaria.
In 2015, the *Tips on Health* initiative, in place for several years, was expanded into a global campaign called *Well!*. Through posters and a dedicated Intranet page, the Company provided employees with updated information promoting good habits and the prevention of minor illnesses and potential health problems (see also page 85). In 2015, 3 informative 1-pagers were delivered on the topics of back pain, stomach aches, and sleep disorders.



10,500
flu vaccines
to employees

Seasonal flu prevention campaigns were organized at plants worldwide, advertised through posters and communications on Corporate bulletin boards and the Intranet portal. The initiative, offering workers voluntary vaccinations, led to the administration of 10,500 vaccines.
During the year, CNH Industrial also contributed to the fight against tobacco use by continuing several **anti-smoking projects**. At the plant in San Matteo (Italy), an initiative organized by the ASL (local health authority), the city's general hospital, and other local organizations, continued for the 5th year running, consisting of a competition for smokers, challenged to quit smoking for at least 4 weeks. A total of 300 employees participated. The *Smoking Cessation* campaign began at plants in Zedelgem (Belgium), and Bolzano and Lecce (Italy). At the Annonay plant (France), with the help of the Company's medical service, employees were involved in a screening questionnaire and attended a workshop on the topic. Anti-smoking campaigns continued in Spain, Austria, and Germany, where 15 employees participated in anti-smoking courses introduced during the year. The Piacenza plant (Italy) successfully concluded its campaign against tobacco coordinated by the President of SITAB (the Italian anti-smoking society).
In Brazil, all employees in Sorocaba and Contagem were reached by the Company's *Quality of Life* campaigns, providing information against the spread of **sexually transmitted infectious diseases**, and by the Dengue awareness campaign. The latter was also delivered to 2,310 employees in Sete Lagoas.

GLOSSARY
LATAM;
NAFTA

WORK-LIFE BALANCE

CNH Industrial believes that work-life balance is an integral part of enhancing employee satisfaction, productivity, and efficiency. Through its policies, such as those related to flexible working, the Company seeks to create conditions that grant employees time to manage the demands of both their professional and private lives. In order to promote respect for all employees as individuals, CNH Industrial also offers many services to support them in their daily lives, such as daycare options and other time and money-saving initiatives (see also page 68).

Flexible Working

Flexibility in working hours, including part-time employment (see also page 63), allows employees to balance their time when needs arise, such as for childcare or care for the elderly, or other personal requirements. CNH Industrial offers flexible working hours according to the customs and regulations in place in the Regions in which it operates.

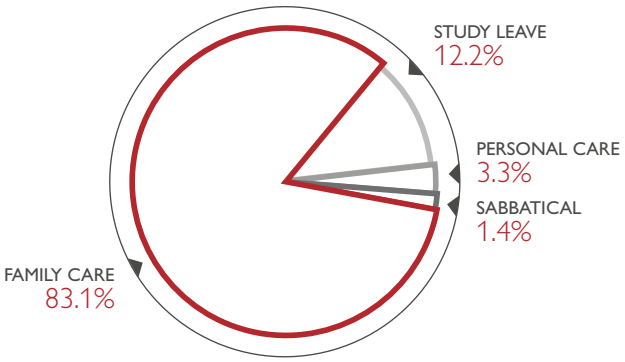
In 2015, CNH Industrial carried out a survey on the flexible working arrangements offered to its employees, focusing on flexible working hours, parental leave, and other forms of leave. The results provided a wide range of information, helping to identify appropriate action for improving employee work-life balance. Flexible arrangements, along with tools to reconcile work needs with the responsibilities of family life, enable a positive working environment to be established and maintained for all employees within the Company. The survey revealed that more than 80% of the employees surveyed[1] took advantage of flextime, and that this system is utilized most in NAFTA and LATAM, at 100% and 97%, respectively. The survey also showed that, between January and October 2015, more than 7% of employees took leave for more than 3 days for the care of family members, for personal treatment and care (excluding all forms of compulsory leave for illness), or for study and sabbatical leave. Overall, 3% 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, while 18% was granted to female employees.

The type of leave most taken by employees was family-related (83% of the total), with 18% of this taken by female workers. Study leave comprised 12% of the total, 92% of which was taken by male workers, while leave taken for personal treatment and care amounted to about 3% of the total, equally distributed between male and female employees. Sabbatical leave in 2015 increased by 1.4% compared to 2014.

These benefits are part of a Corporate philosophy that aims to have a healthier, more motivated, and sustainable workforce that actively participates in the Company's success.

LEAVE OF 3 DAYS OR MORE

CNH INDUSTRIAL WORLDWIDE



Parental Leave

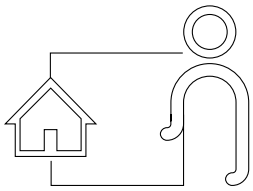
The equal opportunities CNH Industrial offers in terms of maternity, paternity, and adoption are evidence of its commitment to encouraging both female and male employees to balance parental responsibilities with their careers. The Company grants parental leaves to all its employees in compliance with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

GLOSSARY
LATAM; NAFTA

GRI
G4-LA3

[1] *Survey of all Company employees, excluding hourly employees, carried out on October 31, 2015.*

In 2015, 2,053 employees[2], approximately 3% of Company personnel, took maternity, paternity, parental, adoption or breastfeeding leave. Overall, 73% of total leave was in EMEA, 20% in LATAM, 4% in APAC, and 3% in NAFTA. In terms of gender, 57% of overall leave was taken by male workers. Paternity leave accounts for approximately 53% of the total, maternity leave more than 30%, while breastfeeding accounts for 17%. The percentage of leave for adoption is negligible. Over the total workforce, parental leave was most frequent in LATAM (5%) and EMEA (4%). In NAFTA, in 100% of cases, the conditions of maternity leave were more favorable than those required by law. At the CNH Industrial sites in the USA and Canada, maternity leave is covered under short-term disability policy, which entitles employees to up to 26 weeks of paid leave. The first 13 weeks are paid at 100% of the employee's normal remuneration, and the remainder at 60%. The duration of maternity leave is determined by the employee's doctor (typically 6 weeks). In the USA, the Family Medical Leave Act provides for 12 workweeks of unpaid leave in a 12-month period, for specific reasons including the birth of a child; employees on paid maternity leave of less than 12 weeks may thus extend their leave, unpaid, up to a total of 12 weeks. In Canada, the Employment Insurance Act provides for 52 weeks of maternity/parental leave, covered by supplemental employment pay from a government fund financed by employers; at the end of the paid maternity leave recognized as per Company policy, therefore, employees may extend their maternity leave to up to 52 weeks.
In October 2015, 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 40% of the Company's employees, 59% of those who took parental leave were male, 0.2% of whom were still on parental leave as at October 31, compared with 4.7% of female employees still on leave at the same date. A total of 99.6% of men and 98.7% of women returned to work after taking parental leave, and 98% of men and 98% of women surveyed were still Company employees 12 months later.



350
hours volunteered by employees to build houses

Volunteering During Working Hours

CNH Industrial supports Corporate volunteer programs in the various Regions in which it is present. In 2015, several campaigns were organized to encourage volunteering among employees.
A number of CNH Industrial's volunteer initiatives are centered on **fundraising**. In EMEA, employees volunteered during working hours to raise funds for several health initiatives, such as the *Flowers of Prevention* event in Turin (Italy) organized by LILT (the Italian association against cancer), involving 400 employees, and the sale of tulips in Etampes (France) for the fight against Alzheimer's disease and cancer. Employees at all sites in Italy participated in a new large-scale fundraising campaign for Telethon, which funds research into genetic disorders, through the sale of cookies and heart-shaped chocolates. Additionally, the site in Turin donated Christmas presents to the organization. In NAFTA, CNH Industrial organizes games and lively fundraising activities at its sites in favor of the *Relay for Life* and *United Way* charitable campaigns (see also page 107). In APAC, a social club of 260 employees at the site in St. Mary (Australia) coordinates various fundraising activities throughout the year.

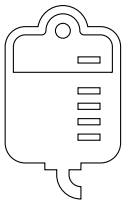
CNH Industrial also offers employees the opportunity to leave their workplaces to **volunteer hands-on**. During the 2015 *Habitat for Humanity* initiative in the USA, employees in Burr Ridge, Racine, and Lebanon spent 348 work hours building houses for low-income families (see also page 107). Through a similar initiative in Argentina, called *Un Techo para mi Pais*, 20 employees helped build houses for underprivileged people, donating 180 hours of their time. In 2015, 80 employees in Lecce (Italy) volunteered time as firefighters and, in Piracicaba (Brazil), 400 volunteers joined local government efforts to clean the Piracicaba River.
Initiatives to **engage employees with their communities**, particularly with young people, continued in 2015. At the Sete Lagoas plant (Brazil), the Company continued the *Programa Formare* training program, which encouraged employees to share their knowledge with local young people; during the year, 90 employees voluntarily donated a total of 814 hours (see also page 113). Through the *Junior Achievement Program* in Argentina, 23 employees helped local school students prepare business projects, developing skills such as initiative and project management. Another 11 employees shared a workday with young people in different areas, to encourage them to continue studying to improve and develop their future careers. Employees in the Czech Republic participated in several volunteer projects focusing on technical education. During a seminar held for students from technical schools, they dedicated 115 hours to explaining the technical specifications of Iveco products. The engineering employees dedicated another 48 hours to the *Technohrátky* project, promoting technical education in schools. In Italy, CNH Industrial invited students from local institutions and technical schools to spend a day at its manufacturing sites in Jesi, Modena, and Suzzara, to learn more about production processes.

GLOSSARY
APAC; EMEA; LATAM; NAFTA

(2) *Survey covers the period from January 1, 2015 to October 31, 2015, and only includes leave of 3 days or more.*

Throughout its Regions, and particularly in LATAM, CNH Industrial offered a variety of **socially-minded volunteer opportunities**. One key initiative in 2015 was the *Winter Clothes* campaign, encouraging employees to donate gently used warm clothing and accessories to those in need. Through the Sorocaba, Contagem, Sete Lagoas, and Piracicaba plants (Brazil), and the Cordoba plant (Argentina), the Company succeeded in delivering a total of 6,053 items to local charitable partners. In Brazil, *Children's Day* celebrations were organized in conjunction with employees and their families in Curitiba and Contagem, benefiting 420 children. Thanks to an internal campaign at the Sorocaba plant, 195 children in the community received an Easter egg for the holidays, with a similar campaign also taking place in Piracicaba, while other internal campaigns in Sorocaba and Sete Lagoas led to the donation of 279 toys to children in need. **Solidarity Christmas events** have been held in Brazil since 2005, providing food, games, presents, and basic hygiene products for underprivileged children. In 2015, approximately 100 volunteers were involved in the organization of *Solidarity Christmases* in Sorocaba, Piracicaba, Contagem, and Curitiba. A collection of gifts for children at a local orphanage also took place in Russia.

CNH Industrial offers employees the opportunity to participate in **blood drives** while at work. In 2015, in Italy, about 3,900 employees were authorized to leave during work hours to visit off-site blood collection sites, resulting in almost 31,000 hours dedicated to blood donation. In France, blood donation campaigns launched in 2014 continued at 6 sites (Le Plessis Belleville, Trappes, Rorthais, Annonay, Vénisieux, and Saint Priest), with the Company offering a total of 21 blood drives. Likewise, employees at the sites in Madrid and Valladolid (Spain) had the opportunity to participate in blood drives while at work through the *Cruz Roja* (Red Cross), resulting in approximately 150 people participating in 4 blood drives held throughout the year. In the Czech Republic, 65 employees donated 120 liters of blood. In Poland, 45 employees forming a blood donor club donated 50 liters. In NAFTA, blood drives were organized at 11 locations throughout the Region. In LATAM, campaigns held to encourage blood and bone marrow donations involved 50 volunteers in Sorocaba and 20 in Piracicaba.



31,000 hours for blood donation in Italy

EMPLOYEES' ENVIRONMENTAL FOOTPRINT

COMMUTING

CNH Industrial is committed to improving employee commuting to work by encouraging the efficient use and integration of available transport systems and by subsidizing eco-friendly mobility solutions. This approach brings benefits not only in terms of environmental impact, but also employee satisfaction and wellbeing, as it lowers commute times and costs, the risk of accidents and stress, and increases socializing opportunities among colleagues. The Company collaborates on initiatives for sustainable mobility, exploiting all available synergies with its neighboring plants. These projects are designed in collaboration with both local authorities and public transport companies. From an organizational viewpoint, there is a mobility manager at every plant, responsible for implementing solutions to improve sustainable mobility with the support of other Corporate functions. The unified team established in 2014 to oversee Mobility Management at Italian plants met regularly in 2015 to coordinate activities and exchange good practices.

In **Italy,** all initiatives related to mobility are incorporated into the project *Easygo - Muoversi con intelligenza* (i.e., smart commuting), which is built around:

- collaborations with local public transport companies
- carpooling
- the redevelopment of parking areas for bicycles and motorcycles
- shuttle services in addition to regular public transport.

Several initiatives were developed in Italy in 2015, including an agreement signed to promote sustainable mobility plans to improve employee commutes to and from the plants in Modena, San Matteo, and Turin. CNH Industrial's commitment to collaborating with local public transport management authorities brought multiple benefits for employees using train and/or bus services.

GLOSSARY
Carpooling; DMA; LATAM; NAFTA

GRI
G4-DMA

Other initiatives were implemented at CNH Industrial plants, in partnership with local authorities and in line with the mobility assessments and commuting plans adopted. In 2015, mobility management activities enabled the Commercial Vehicles and Powertrain plants in Italy to cut their combined CO_2 emissions by 442 tons.
Moreover, in 2015, a mobility management study was conducted at the plant in Ulm (**Germany**), to analyze employees' commuting habits and identify potential improvements for more sustainable transport. Collected data showed that between 13% (in winter) and 28% (in summer) of commuters already used alternatives to single-occupancy cars. Data also showed the potential for improvement in alternative means of transport, with a special focus on carpooling, which will be analyzed and possibly expanded in the near future to best suit employees' needs.

In 2015, an analysis of workers' commuting habits was carried out at the plant in Harbin (**China**). The plant, opened in 2013, employs about 400 people and is about 20 kilometers from the city center and hence the train station. The analysis revealed areas for improvement to further extend the use of car sharing and shuttle services, already commonly used by employees.
Numerous other sustainable mobility initiatives are in place at various plants worldwide. In particular, many plants offer shuttle services to enable employees to commute from the workplace to nearby strategic points, such as Annonay (**France**), Madrid and Valladolid (**Spain**), Pithampur (**India**), Harbin (**China**), and multiple locations in **Brazil** (Belo Horizonte, Piracicaba, Sete Lagoas, and Sorocaba).

OUR PROJECTS

CNH INDUSTRIAL TAKES PART IN THE GIRETTO D'ITALIA CYCLING CHALLENGE

In September, CNH Industrial plants in Italy took part in the *Giretto d'Italia*, Italy's urban cycling challenge organized by *Legambiente*, and one of many initiatives during *European Mobility Week*. On the day of the event, people across participating cities are asked to travel to work by bike. The cities with the greatest number of participants are awarded the *pink jersey* as leaders in green mobility. At CNH Industrial, 850 employees took part in the *Giretto*, with the highest number at the Bolzano and Suzzara plants. A *Bianchi* City Bike was awarded as a prize in a raffle at every participating plant (see also page 68).

BUSINESS TRAVEL

Since 2011, CNH Industrial has assessed the impact of employees' business travel by air through continual monitoring of the associated CO_2 emissions. In 2015, the air travel by employees managed directly through Company headquarters generated about 6,350 tons of CO_2 emissions for approximately 17,000 business trips, 70% of which were medium haul[1]. This figure was calculated according to the Defra/GHG Protocol and certified by Atmosfair, a climate protection organization with a particular focus on the environmental impact of travel. In many cases, air travel is unavoidable, in part because of the broad geographic dislocation of CNH Industrial sites.

Emissions undoubtedly have the most significant environmental impact, as CO_2 is an inevitable by-product of fuel combustion in aircraft[2]. However, business transfers are rationalized, and their environmental impacts contained, with computer technology (Internet and electronic communication systems) enabling employees across the globe to interact effectively.

GLOSSARY
Carpooling; GHG Protocol

GRI
G4-EN30

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

In 2015, audio conferencing and instant messaging services were enhanced, reaching approximately 25,400 users, with an average of approximately 2,800 desktop sharing sessions and 74,000 instant messaging sessions per day. Since 2011, CNH Industrial has also been investing in the phase-in of video conference facilities, and in 2015 it further enhanced its high-quality TelePresence videoconferencing system. There are now 63 specially equipped conference rooms (43 in 2014), and these facilities were used for more than 24,000 hours throughout the year. Virtual tools contribute to reducing emissions and costs, while allowing employees to work from their offices rather than travel long distances.

GREEN ICT

In compliance with its Environmental Policy, CNH Industrial is committed to minimizing the environmental impact of its ICT activities by using energy-efficient products and solutions. Indeed, the Company implemented the Green ICT plan precisely to reduce energy consumption and CO_2 emissions.

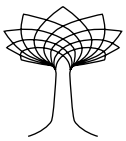
In 2015, approximately 3,400 personal computers and 370 technical workstations were replaced with new equipment featuring more efficient power supply units, optimizing the consumption of electricity drawn from the grid and preventing the emission of approximately 250 metric tons of CO_2 compared with 2010[3].
Additionally, approximately 4,250 computer monitors were replaced with new EnergyStar and EPEAT Silver/Gold rated units, which comply with environmental requirements concerning product energy consumption and efficiency, the use of hazardous substances, recyclability, packaging materials, and low-impact manufacturing methods. CNH Industrial rents its PCs, technical workstations, and computer monitors; when no longer usable, they are returned to the rental company, which handles their subsequent life cycle stages. In forthcoming tenders for ICT supply contracts, the assessment of suppliers will include sustainability targets and specifications.

Lastly, a total of 1,110 multifunction printers have been replaced since 2009, with a reduction in annual consumption of more than 1,900 MWh (equivalent to approximately 1,000 metric tons in CO_2 reductions). As regards the Data Center, which includes the computer systems hosting the IT applications and services, servers continued to be downsized, consolidated, and virtualized to optimize energy consumption. 144 physical servers were eliminated, 47 physical servers were virtualized, and 60 new virtual servers were created, reducing annual consumption by about 5,600 MWh over 2010 (equivalent to approximately 2,600 metric tons in CO_2 reductions).

EXPO MILANO 2015

EXPO 2015 AND CNH INDUSTRIAL EMPLOYEES

To engage employees in the Company's unique sponsorship of *Expo Milano 2015*, CNH Industrial deployed a number of internal initiatives via its main communications channels. Stories on *Expo* were featured in several issues of *LINK* magazine, while a special section was created on the Intranet with news, updates, videos, and instant games on *Expo* topics. Employees in EMEA were given the chance to win free tickets to the event through a trivia contest, while 15 employees' children and siblings worked as stewards at the New Holland Agriculture Sustainable Farm Pavilion. Furthermore, discounted tickets to *Expo Milano 2015* were offered to all employees in EMEA.



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

INDUSTRIAL RELATIONS

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 previously reported, the deadline for negotiating the establishment of the EWC, according to the applicable regulations, expired in March 2014 without having reached an agreement. In the same year the actions required to set up the EWC started, pursuant to the subsidiary provisions set forth by the law of the Netherlands, transposing the Directive 2009/38/EC. The Council was established in July 2015, comprising 22 members representing CNH Industrial employees in 18 countries of the European Union. At the first annual plenary meeting, held November 24-26 in Turin (Italy), management representatives presented:

- CNH Industrial's results for the first 9 months of 2015, at global level and in EMEA
- the conditions and trends in EMEA markets
- CNH Industrial's sales performance
- major investments and product launches
- production volumes for 2015 and perspectives for 2016, and the measures implemented at various plants to deal with volume trends.

Management representatives and EWC members had in-depth and meaningful discussions about the Company plants that have cross-border implications. The exchange also regarded World Class Manufacturing (WCM) goals and principles, and the progress achieved through WCM implementation at CNH Industrial plants across the European Union.

FOCUS ON

NEW COLLECTIVE LABOR AGREEMENT IN ITALY

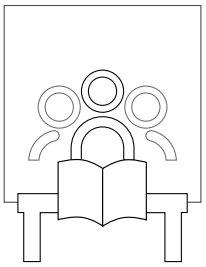
On July 7, 2015, CNH Industrial and Fiat Chrysler Automobiles signed the new Collective Labor Agreement (CLA), effective from January 1, 2015 until December 31, 2018, with the following trade unions: FIM-CISL, UILM-UIL, UGL Metalmeccanici, FISMIC, and Associazione Quadri e Capi Fiat. The contract, which applies to all 17,272 employees (except managers) of CNH Industrial in Italy, contains several new provisions including:

- the introduction of a new 4-year (2015-2018) remuneration plan based in part on WCM efficiency results, and in part on EMEA CNH Industrial Operating Profit results. The portion based on the achievement of WCM efficiency targets is paid on a yearly basis. The other part entails 2 different types of payments: quarterly installments equal, on an annual basis, to 1.5% of the conventional salary set for the purpose of the plan, and a lump sum payment at the end of the 4-year period based on EMEA CNH Industrial Operating Profit results
- the establishment of a union representatives' Council, comprising every representative of the signatory unions in each production or organizational unit, in which decisions are made by majority
- the establishment of an executive committee, appointed by the Council, in production/organizational units with more than 900 employees, comprising a maximum of 5 union members and acting as a spokesperson in relations with the Company at plant level
- several new provisions regarding working hours, including a faster procedure to implement collective mandatory overtime
- additional clauses aimed at improving employees' work-life balance
- the establishment of additional joint committees, and the redefinition of the structure and roles of existing ones.

GLOSSARY
EMEA; WCM

GRI
G4-11

Collective bargaining agreements cover almost 98% of CNH Industrial employees in EMEA, and 100% of those in Italy. Worldwide, excluding EMEA, they cover about 44% of the Company's workforce. This is an average figure based on local practices and regulations, which vary from country to country.
In the USA, collective bargaining agreements cover approximately 1,450 (about 16%) of the 9,000 or so employees. 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 US-based CNH Industrial employees, irrespective of trade union representation.



About 77.6% of Company employees covered by collective bargaining agreements

Collective bargaining takes place at different levels through procedures that vary according to local laws and practices. The collective bargaining agreements at each union-represented location contain equal opportunity language prohibiting discrimination against employees within a variety of protected classes. The collective bargaining agreement with the UAW labor union, which represents approximately 1,000 of the hourly and maintenance employees, is effective through April 30, 2016. The Collective Labor Agreement (CLA) with the International Association of Machinists, which represents approximately 430 CNH Industrial employees in Fargo (USA), expires in April 2018. Employees working in locations where there is no trade union representation enjoy similar protection under a variety of federal and state laws. The collective bargaining agreements at each union-represented location call for the creation of joint health and/or safety committees, which generally comprise both management and hourly employee representatives. Base wage increases in union-represented locations are collectively bargained and delivered through a variety of methods, including annual base wage increases, lump sum payments, and/or cost-of-living adjustments. Union-represented employees at the Racine and Burlington plants (USA) are eligible to participate in the local Variable Pay Plan, which provides an opportunity to earn a quarterly lump sum bonus payment based on specifically defined plant performance metrics.

In Latin America, approximately 96% of CNH Industrial employees are covered by collective bargaining agreements. In Brazil, a process of continuous negotiation between the Company and trade unions has been established to cover various operating issues, such as temporary contracts, overtime, flexible work, work shifts, health and safety at work, and banked hours. This continuous dialogue has contributed to a significant improvement in working conditions over the years. In Argentina and Venezuela, all working conditions are negotiated between the Company and internal union representatives. In Argentina, mandatory negotiations occur every semester. In Venezuela, by law, collective bargaining agreements must be renewed every 3 years.
More than 99% of the employees surveyed[1] worldwide are covered either by collective bargaining or by unilateral policies relating to certain collective aspects of the employment relationship (e.g., working hours, benefits, etc.).

Labor Management Agreements

In 2015, CNH Industrial signed a total of 192[2] agreements at either Company or plant level, 15 of which include agreed provisions on health and safety matters.
The main wage and regulatory agreements signed in 2015 at the level of legal entities include:

- a 2-year agreement, reached at CNH Industrial NV in the UK, providing for structural pay increases for salaried and hourly employees, and for some regulatory changes (including an increase in the non-production days reward)
- the agreements reached through the annual negotiations in France, providing for salary increases above inflation levels owing to positve business results. In some cases, lump sums were awarded
- the agreement reached with the unions in the Czech Republic, providing for a wage increase above inflation as of April 2015, owing to country specificities and to positive business results, and for the rationalization of existing bonus schemes, which were consolidated into a single scheme
- the agreements reached in Brazil, providing for the alignment of pay increases, benefits, and working conditions with those applied within the country's industrial sector, and further concessions on one-off bonuses
- a 3-year agreement stipulated between CNH Construction Equipment Pvt. Ltd. and the local Case Construction *Karamchari Sangh* union (affiliated to the Indian trade union *Bharatiya Kamgar Sena*), covering wages and regulations.

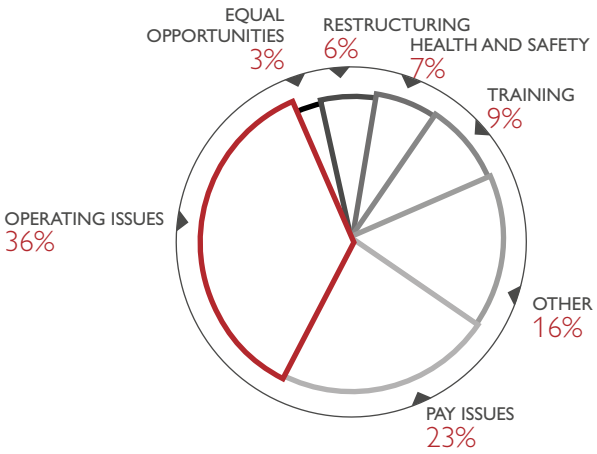
GLOSSARY
EMEA

GRI
G4-LA8

(1) Data based on a survey of 99.5% of CNH Industrial's workforce worldwide.
(2) Includes one collective bargaining agreement with trade union organizations in Italy at Company level, which qualifies as a Company agreement but was signed by CNH Industrial in the name and on behalf of several CNH Industrial legal entities.

MAIN ISSUES COVERED UNDER THE AGREEMENTS[a]

CNH INDUSTRIAL WORLDWIDE

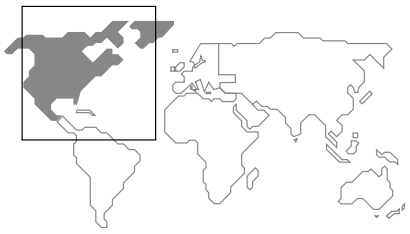


(a) *There is no correlation between the number of agreements and the number of issues covered, as each agreement may deal with several issues.*

MANAGEMENT OF PRODUCTION LEVELS

In 2015, CNH Industrial's work with trade unions and employee representatives to reach consensus-based solutions for managing market conditions varied across the different businesses and markets.

In **EMEA**, the decline in volumes in the Agricultural Equipment segment required production stoppages at the plants in Austria, Italy, UK, Belgium, and Poland, with repercussions on the CNH Industrial plants producing components in this segment. As regards the Construction Equipment segment, production volumes were in line with the previous year, thus requiring further production stoppages at the New Holland Construction Machinery plant in San Mauro Torinese (Italy). Since the company could no longer resort to ordinary temporary layoffs (CIGO), already at the maximum permitted limit, an agreement was signed in April with regional trade unions and the plant's works council (RSA), providing for special temporary layoffs (CIGS) due to crisis effective as of May 2015 for a period of 12 months. Due to the recovery in market demand in the Commercial Vehicles segment, production volumes increased (to different extents) compared to 2014 for all product ranges (heavy, medium, and light), with positive repercussions on the segment's plants that manufacture components. The plant in Madrid (Spain), manufacturing heavy trucks, and the Iveco plant in Suzzara (Italy), producing the Daily, managed the volume increases through overtime and by hiring temporary workers. Additionally, the Italian plant resorted to the transfer of workers from the Brescia plant (Italy), where the workforce remains heavily underutilized due to the sharp drop in recent years in market demand for medium range trucks. At the Valladolid plant (Spain), the use of temporary layoffs in 2015 increased compared to the previous year. At the Iveco Bus plants in Annonay (France) and Vysoke Myto (Czech Republic), the intense production flow required the use of overtime and agency contracts.

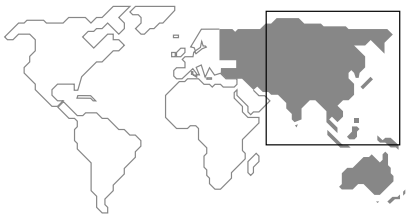


In North America, volumes dropped throughout the year due to a steady decline in demand in the Agricultural Equipment segment, while the Construction Equipment segment remained relatively stable. Several Agricultural Equipment plants in **NAFTA** had to implement workforce rebalancing initiatives, increase the number of down weeks, and extend downtime periods to manage costs in light of the weaker business performance. The plants in Benson, Goodfield, Grand Island, Racine, St. Nazianz, and Fargo (USA), and in Saskatoon (Canada) rebalanced the workforce at least once during the year, resulting in the layoff of a number of full-time employees. Several plants in NAFTA also reduced the number of salaried agency and regular white collar employees in response to the decrease in production volumes.

GLOSSARY
EMEA; NAFTA

In **LATAM**, various initiatives were put in place to align production levels with the declining market demand affecting almost every segment. All plants in Brazil resorted, to different extents, to a combination of time banks and the temporary suspension of labor contracts (the latter in agreement with unions). In Argentina, the production volume increase in the Commercial Vehicles segment required the use of overtime and agency workers, while declining production volumes at La Victoria plant (Venezuela) were managed through temporary layoffs. During the year, workforce rebalancing initiatives were required across the Region.

In **APAC,** the management of production levels varied by segment. The Commercial Vehicles plant in Dandenong (Australia) and the Construction Equipment plant in Pithampur (India) dealt with the drop in production volumes by resorting to down days. In China, the Agricultural Equipment plant in Harbin and the Powertrain plant in SFH Chongqing adopted flexibility schemes for both hourly and salaried employees in order to align production levels with the seasonal market demand. The Agricultural Equipment plant in Noida (India) coped with seasonal fluctuations by hiring agency workers and introducing night shifts during high seasons (and by releasing the former and eliminating the latter during low seasons).



Minimum Notice Period for Operational Changes

In the **European Union** (EU), the Council Directive 01/23/EC stipulates that in the event of a transfer of businesses, plants, or parts of businesses or plants, as a result of 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 EU member states relating to collective redundancies requires the employer to hold consultations with workers' representatives whenever collective redundancies are being contemplated.
These consultations "shall begin in good time with a view to reaching an agreement, and should, as a minimum requirement, cover ways and means of avoiding collective redundancies or reducing the number of workers affected, and of mitigating the consequences by recourse to accompanying social measures aimed, inter alia, at aid for redeploying or retraining workers made redundant." Accordingly, CNH Industrial subsidiaries comply with the regulatory provisions resulting from the adoption of the above 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 of 60-days' notice for any action that will cause at least 50 employees or 33% of the workforce to lose their jobs. At unionized sites and/or plants, the level of union involvement, if any, is normally defined by the collective bargaining agreement applicable at site level signed between the Company and the union, which usually also sets forth the information and consultation procedures to be activated in such circumstances. The collective bargaining agreements between CNH Industrial America LLC and International Union, United Automobile, Aerospace, and Agricultural Implement Workers of America, which cover the plants located in Racine and Burlington, contain a letter of understanding stating that the Company will refrain from permanently shutting down either plant during the stated agreement term, which expires on April 30, 2016. A separate letter of understanding under the same collective bargaining agreement requires the Company to provide 6 months' advance notice to the local union in the event of a full plant closure. Should this 6 months' notice period impair the Company's need for speed, flexibility, and confidentiality, the Company may provide such notice no less than 60 days prior to full plant closure.

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

GLOSSARY
APAC; LATAM

GRI
G4-LA4

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

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

In **China**, the Chinese Labor Union stipulates that all operational changes such as reorganizations, restructurings, or actions causing 20 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 30 days prior to any further notifications or actions, or the changes are deemed illegal.

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

Uzbekistan's labor legislation stipulates that operational changes must be notified at least 2 months in advance.

RESTRUCTURING AND REORGANIZATION

In April 2015, an initiative was launched in EMEA to rationalize Iveco's Commercial Vehicles Production network. The initiative consists of various stages aimed at supporting the growth in heavy range vehicle volumes in Spain, by creating the conditions to free up space at the Madrid plant and optimize the workforce at the plants in Madrid and Valladolid. Particularly at the latter plant, the workforce has been significantly underutilized, and the drop in production volumes required extensive and repeated production stoppages between 2008 and 2014. The plan entails transferring the heavy range trucks' welding and cab painting operations from Madrid to Valladolid. The transfer is currently underway, and all operations at the Madrid plant will cease by the first quarter of 2016. In addition, Madrid's production of extra-heavy special vehicles and defense vehicle chassis will be transferred to the Astra plant in Piacenza (Italy). The next phase of the project, currently expected to take place in the last quarter of 2016, will entail transferring the cab finishing process from Madrid to Valladolid. In order to do so, the Valladolid plant will first need to eliminate the new Daily assembly and finishing lines, with production to be transferred to the plant in Suzzara (Italy). Upon full program implementation, the Madrid plant will be able to focus on the assembly of heavy commercial vehicles, thus reducing the complexity of its production process. The optimization of the workforce at the two Spanish plants will create the conditions to avoid up to 450 dismissals in Valladolid. The transfer of the entire Daily production to Suzzara will enhance the plant's competitiveness owing to the increase in plant utilization and a quicker return on the recent investments made.

Iveco S.p.A. in Brescia (Italy) has a workforce of approximately 2,100 employees. In recent years, the plant has experienced high levels of plant and workforce underutilization, caused by the collapse in market demand for its medium commercial vehicles (Eurocargo). In July 2015, at the headquarters of the Lombardy Region (Italy), an agreement was signed with regional trade unions and the works council (RSA) providing for special temporary layoffs (CIGS) due to Company crisis for a period of 12 months, to be applied at the expiry of the solidarity contract, in place since August 2011. The agreement envisages that the 850 redundancies will be managed in part by relocating employees to other Italian CNH Industrial plants (mainly in Suzzara), and in part by insourcing activities at the plant. The increases in employment levels about to occur at both the Suzzara plant, owing to the expected growth in volumes and the transfer of the Daily production from Valladolid, and at the Piacenza plant, due to the activities it will acquire from Madrid, will lead to an increase in the workforce of approximately 650 workers.

Therefore, indirectly, the Iveco Commercial Vehicles Production network rationalization plan in large part resolves the workforce redundancy issues in Brescia. Some of the redundant workers will also be transferred, although to a much lower extent, to other CNH Industrial sites requiring additional workforce. Moreover, a sufficient number of activities will be internalized to provide for the saturation of 200 employees, allowing to achieve an overall solution to the redundancy issue in Brescia. Transfers to Suzzara and Piacenza will take place according to plant needs as they arise. Priority will be given to employees transferring voluntarily, however without prejudice to the technical organization and production requirements of the Brescia plant, so as to safeguard its activities, including those that will be insourced. The progress of the relocation plan has been and will continue to be regularly evaluated by the company, the trade unions, and the workers council. The agreement also requires involved parties to assess the progress of the employees' relocation plan at least 3 months prior to the end of the CIGS. Should the redundancy issue persist, the parties have agreed to examine all measures applicable by law to resolve the matter. As at December 31, 2015, almost 200 employees had been transferred from Brescia to other CNH Industrial plants (mainly Suzzara), while around 30 employees found other opportunities outside the CNH Industrial Group.
In November 2015, the Company announced the closure of the grader plant in Berlin (Germany) and production relocation to the plant in Lecce (Italy). According to plan, product development and production activities currently based at the Berlin facility should cease at the end of March 2016. In accordance with applicable laws, the Company has completed the information and consultation process with the European Works Council, and is conducting negotiations with the employee representative body at the Berlin plant.
In Italy, information and consultation procedures with the works council and trade unions started in May 2015 regarding the transfer of the Defence Vehicles business unit, employing approximately 900 workers, from Iveco S.p.A. to Iveco Defence Vehicles S.p.A. The purpose of the transfer, effective as of July 1, is to focus on the Defence business while enabling greater flexibility in the development and management of new opportunities and initiatives in this field.

In the USA, during the third quarter of 2015, the closure of the Calhoun plant (announced in June 2014) was completed by transferring dozer production to the Burlington plant. The closure affected approximately 100 employees. The plant complied, and will continue to comply, with all federal and state notification laws, and will continue to provide for severance payments, benefit continuation, and other forms of assistance as per Company policies applicable to non-unionized employees.

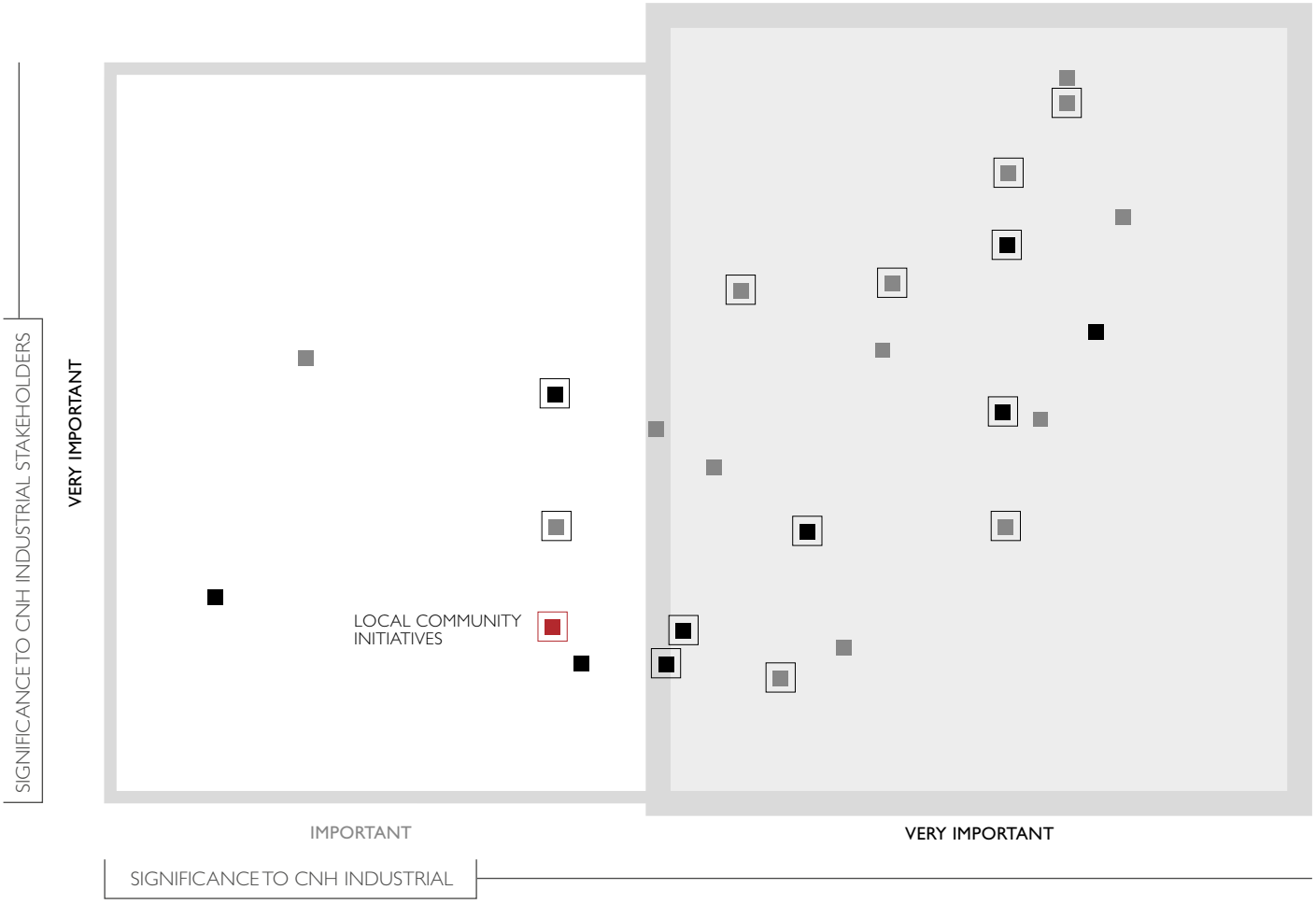
In 2015, the sharp decline reported across all segments led several plants in Brazil to implement restructuring programs entailing permanent workforce reductions, among other things. In the Commercial Vehicles segment, the plant in La Victoria (Venezuela) implemented a permanent workforce reduction based on the voluntary dismissal plan initiated during the previous year.

In China, due to the closure (announced in 2014) of Shanghai New Holland Agricultural Machinery Corporation Limited, a 60% Company-owned joint venture, and in execution of the 2014 Placement Plan agreement signed with trade unions and employee representatives, 60% of employees were made redundant and 40% were transferred to STEC (former JV partner).

Labor Unrest

In Italy, the overall level of labor unrest was negligible in 2015, as the work hours lost were less than 20% of those lost in the previous year.
In the UK, industrial action took place during Collective Labor Agreement (CLA) negotiations, resulting in 3 days of strikes and 1 month of overtime bans and work-to-rule.
In France, strikes lasting a few hours were called during annual wage negotiations at a number of CNH Industrial plants, where workers also joined a couple of national strikes during the year.
In South Africa, a 3-day strike took place due to the installation, at the plant's entrance, of a device to measure blood alcohol levels, a legal provision aimed at increasing employee safety.
In Argentina, industrial action took place during wage negotiations at CNH Industrial Argentina S.A. in both the first and second part of the year, and the plant in Venezuela suspended all operations for a few days during negotiations for the renewal of the CLA.
The overall levels of labor unrest in 2015 in other countries were negligible.

ENGAGING LOCAL COMMUNITIES



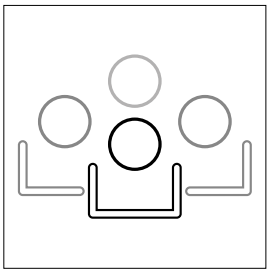
Material aspects described in chapter. For further details, see Materiality Matrix, page 23.

MANAGEMENT APPROACH

DMA

CNH Industrial's relationship with local communities is a key material aspect, as emerged from the materiality analysis. Living and working in synergy with the region, and collaborating on projects that benefit the community, contribute to enhancing the satisfaction of employees (who often live close to plants) and their sense of belonging to the Company, while bringing economic advantages to both the Company and the community. As evidenced by the materiality analysis, stakeholders view this aspect as a site-specific issue since local community initiatives are more relevant in certain countries than in others. Local initiatives are also deemed to have powerful strategic potential when integrated within a shared value strategy. Stakeholders highlighted the importance for a company like CNH Industrial to act like a corporate citizen and be more embedded in the community, becoming part of it, acknowledging, however, the major challenge of being recognized as a community member. In order to achieve this objective, a company should enhance local economic competitiveness by offering, for example, the professional support of its skilled employees to career counseling centers and educational initiatives. It should also contribute to community revitalization and to the efficiency of public works investments, as well as safeguard rural landscapes. As stated in the Code of Conduct, CNH Industrial is aware of the potential direct and indirect impact of its decisions on the communities in which it operates. For this reason, the Company promotes an open dialogue to ensure that the legitimate expectations of local communities are duly taken into consideration, and voluntarily endorses projects and activities that encourage their economic, social, and cultural development. Moreover, CNH Industrial acts in a socially responsible manner by respecting the culture and traditions of each country, and by operating with integrity and in good faith to earn the trust of the community.

The strategy developed by the Company, in line with its business approach, identifies the following as key priorities: support for local community development, youth training, and road safety. Within these 3 directives, the individual Regions or brands decide which projects to support based on actual local needs, maximizing open dialogue with local stakeholders and collecting their suggestions for improvement. They also decide whether to act directly or through partnerships with local institutions and organizations working in the social sphere.
The Community Investment Policy, available on the Corporate website, ensures that activities are managed consistently, identifying methods and defining areas of application at global level.
Moreover, the Compliance Helpline, managed by an external contractor and also available to third parties, can address questions and concerns regarding CNH Industrial principles, as outlined in both the Code of Conduct and other Corporate policies, and applicable laws (for further information, see also page 50).



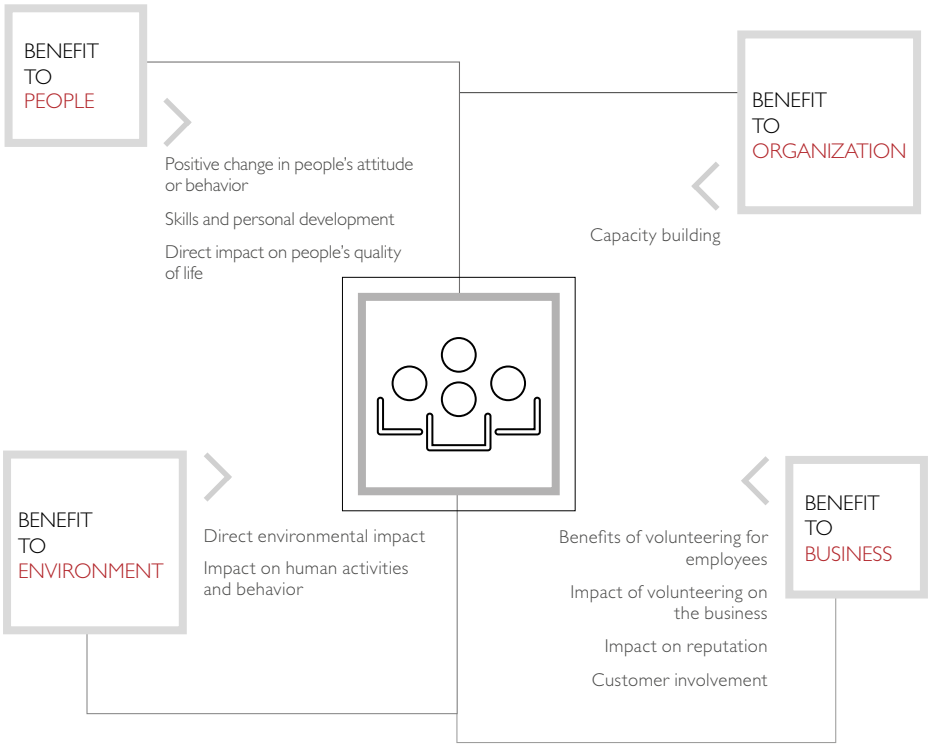
$3.7 million
invested in
local communities

The effectiveness of an initiative and its ability to address needs is measured using the Social Impact Assessment tool; developed in line with the *London Benchmarking Group* framework, it is used to evaluate the types of benefits gained in the 4 major areas potentially affected by any project: people, organization, environment, and business. Based on this method, the 4 areas are weighted and the project's impact on specific aspects within each is rated on a scale from 1 (no impact) to 5 (very high impact). An average rating is then calculated for each area, representing the indicator (KPIs) to assess the project's overall impact on people, organization, environment, and business, respectively. The assessment, applied to a broad number of projects in 2015, is carried out by the people responsible for the initiative being evaluated.

GLOSSARY
DMA; KPI
Material Aspect;

GRI
G4-DMA

SOCIAL IMPACT ASSESSMENT CRITERIA



SOCIAL IMPACT ASSESSMENT OF MAIN PROJECTS

REGION INVOLVED	PROJECT	EVALUATION OF BENEFIT TO:				REFERENCE PAGE
		PEOPLE	ORGANIZATION	ENVIRONMENT	BUSINESS	
EMEA	Slow Food	3.2	2.3	3.1	3.7	106
EMEA (Ethiopia)	TechPro^2	3.9	2.3	(a)	3.9	112
EMEA (Italy)	TechPro^2	3.6	2.3	(a)	3.8	112
EMEA	Telethon	2.0	2.6	(a)	3.8	106
NAFTA	Habitat for Humanity	2.3	2.6	(a)	3.2	107
NAFTA	Relay for Life (American Cancer Society)	2.3	3.6	(a)	3.4	108
NAFTA	United Way	3.7	4.1	(a)	3.0	108
LATAM	Cooperação para o Desenvolvimento e Morada Humana	3.3	3.1	2.0	3.5	109
LATAM	Esporte da Cidade	3.4	2.3	1.4	2.6	109
LATAM	Pastoral do Menor	3.6	2.7	1.9	3.0	109
LATAM	Programa Formare	3.7	3.3	2.0	3.5	113

(a) *No impact.*

In 2015, CNH Industrial began to reflect on the potential of implemented projects to create value for the Company itself and for society (from the perspective of shared value), while meeting the needs of both. The Company launched a pilot project to analyze the shared value generated by 3 projects: *TechPro^2* in Fossano (Italy) and *Reconstruir Moçambique* (Mozambique) were assessed retrospectively based on actual outcomes; as regards the *Water Management* project in Tunisia, a prospective analysis was performed to forecast the social value of its outcomes, if met.

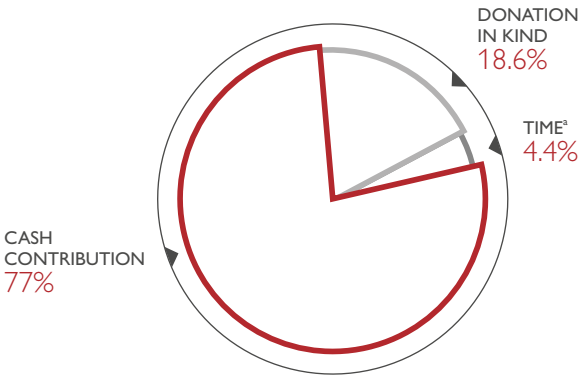
GLOSSARY
EMEA; LATAM; NAFTA
GRI
G4-SO1

Their impact on society and the social value generated were assessed and quantified using the Social Return On Investment (SROI) methodology developed by Social Value UK. This methodology takes account of stakeholders' viewpoints and uses financial proxies to assign a value to social impacts identified as such by stakeholders, which typically do not have a market value. The impact on society of the first 2 projects was appraised from a broader viewpoint and from the stakeholders' perspective to provide a more comprehensive analysis. For both projects (and from both perspectives) the SROI was greater than 1. Given the results achieved, the methodology will soon be applied to other projects (including in their early evaluation stage). Many of the volunteer projects for the welfare of local communities are listed in the Sustainability Plan (see also pages 31-32), and some of their targets are included as individual objectives in the Performance and Leadership Management system (see also page 76).
Projects and their results are included in the Sustainability Report, on the Corporate website, and on other dedicated websites.

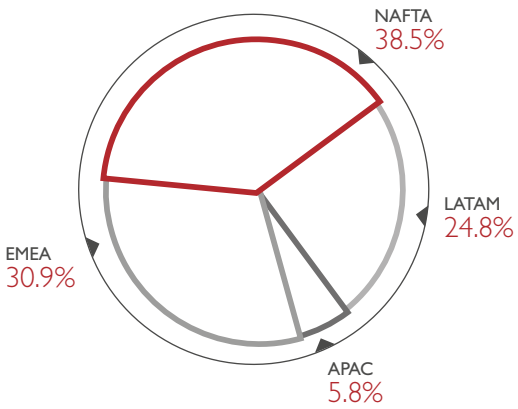
CONTRIBUTION TO LOCAL COMMUNITIES

CNH INDUSTRIAL WORLDWIDE

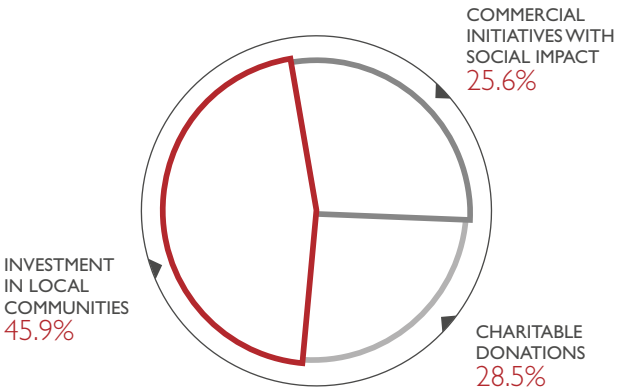
BY TYPE



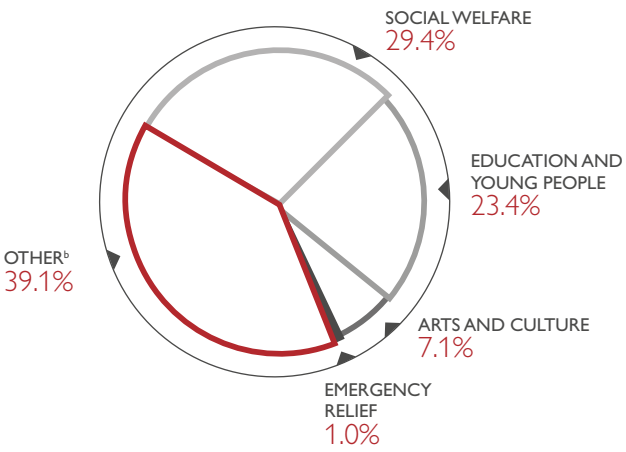
BY DESTINATION



BY CATEGORY



BY SUBJECT



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

GLOSSARY
APAC; EMEA; LATAM; NAFTA

LOCAL DEVELOPMENT INITIATIVES

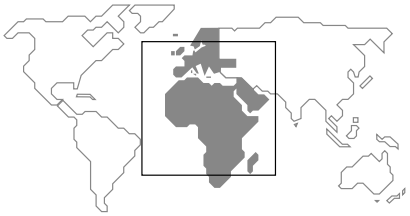
POTENTIAL IMPACT OF OPERATIONS ON LOCAL COMMUNITIES

CNH Industrial has 64 plants with a commercial presence in approximately 180 countries worldwide (see also page 13), and is fully aware of the potential impact of its operations on the environment and local communities. To integrate with the community in which it operates, the Company adopts social and environmental policies that respect both people and the region. This goes beyond Corporate boundaries, extending to the supply chain. Indeed, where possible, the Company relies on and partners with local suppliers, to whom it transfers its best practices such as the WCM program. Local suppliers are also required to abide by the Company's principles on human rights and working conditions (i.e., to reject all forms of forced and/or child labor), environmental protection, and business ethics (see also page 154).

The aspects that could significantly impact local communities, and that CNH Industrial is committed to improve, concern:

- the impact on the health of workers and their families (see also page 84)
- improvements in the welfare of workers and their families (see also page 89)
- the impact of atmospheric emissions (see also page 185)
- air quality protection (see also page 185)
- water management (see also page 186)
- soil and subsoil protection (see also page 188)
- waste management (see also page 189)
- biodiversity protection (see also page 191)
- removal of hazardous substances (see also page 193)
- adoption of logistics solutions with lower environmental impact (see also page 195).

All of the above are monitored, among other aspects, under the Risk Management system (see also page 55), but for some plants the monitoring of water management and biodiversity protection are particularly relevant. In those cases, targeted projects were launched, directly involving local communities.



INITIATIVES IN EMEA

In 2015, in EMEA, CNH Industrial strengthened collaborations with its brands to identify, promote, and support local community initiatives, in line with the objectives and priorities of each brand. During the year, several initiatives continued to promote road safety (see also page 114) and projects that prioritize education, especially for young people (see also page 111). At the same time, the Company maintains strategic collaborations with selected partners (such as Slow Food and the Telethon Foundation) to strengthen its social role across the areas in which it operates.

Partnership with Slow Food

CNH Industrial's brands have collaborated with the non-profit Slow Food organization for years. In 2015, this led to the sponsorship of 2 main events in Italy, *Slow Fish* in Genoa and *Cheese* in the town of Bra. The *Cheese* event, held in September, was an outstanding international success, with 270,000 visitors and 300 exhibitors from 23 different countries. For both events, Iveco provided Slow Food with 5 Daily vehicles, some refrigerated for food storage during the events.

Iveco also continued to collaborate with the Slow Food Foundation for Biodiversity on the *Thousand Gardens in Africa* project, donating a vehicle, in June, to the community of Karrayyu shepherds in Ethiopia (see page 110).

New Holland Agriculture, a strategic partner of the *Università degli Studi di Scienze Gastronomiche* in Pollenzo (Italy), is also working with Slow Food. In 2015, in collaboration with the university, the brand continued to promote specific projects on sustainable agriculture and on global food production mechanization (see also page 111).

Supporting the Telethon Foundation

In 2015, in keeping with previous years, CNH Industrial sponsored the Italian non-profit organization Telethon in numerous ways, to support scientific research on rare genetic diseases. At Easter and Christmas, cookies and chocolates were on sale at all Italian CNH Industrial sites, with all proceeds donated to Telethon. In December, a charity event called *Io non mi arrendo. Perchè la ricerca ci aiuta. E io aiuto la ricerca* (I will not give up, because research helps us, and I will help research) was organized in Turin (Italy) for employees, dealers, and suppliers. The event also hosted the launch of an Iveco Eurocargo auction, subsequently closed during Telethon's annual television marathon broadcast on national TV. With a contribution of more than $330,000 a year, CNH Industrial is one of Telethon's main partners.

GLOSSARY
Biodiversity; EMEA; WCM

GRI
G4-SO2

Standing with the FAO for water management in Tunisia

Believing that water is one of the most critical sustainable development challenges, in 2015, CNH Industrial started a 3-year project in Tunisia with the Food and Agriculture Organization of the United Nations (FAO) and the Government of Tunisia to improve the country's water mobilization and irrigation. The first year will focus on the study and analysis of the social and economic impact of the project itself, followed by project implementation in the remaining 2 years. This will include the repair and creation of traditional water harvesting systems, rainwater mobilization works, family gardens, basic infrastructures, and grazing lands, while training and raising awareness among local farmers.

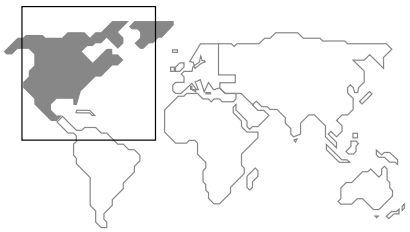
Reconstruir Moçambique

CNH Industrial, together with New Holland Agriculture and Iveco, is among the sponsors of the *Reconstruir Moçambique* project in Mozambique, Southern Africa. Appealing to values such as solidarity, citizenship, social responsibility, sustainable development, reuse and reutilization of materials, and recycling of objects, the main purpose of the project is to rapidly redevelop community spaces directly linked to education, culture, and health, meeting appropriate standards and community needs.

Qualified volunteers (workers from the sponsor companies and resident teams) along with non-qualified volunteers (parents, families, neighbors, friends, magazine employees, and the community in general) contribute to the reconstruction of the chosen spaces, repurposing them within very short timeframes. All reconstruction is broadcast on the TV format *Extreme Makeover* for Mozambique television. In 2015, Iveco and New Holland Agriculture supported the reconstruction of a kindergarten in the Inhagóia neighborhood, providing educational material, playground equipment, and windows.

INITIATIVES IN NAFTA

Charitable donations and volunteering are a key part of CNH Industrial's community involvement in NAFTA. Requests for funding and/or charitable donations in 2015 were reviewed by the **CNH Industrial Foundation**, established on January 1 to manage all Company-funded donations to non-profits, accredited schools, and publicly-funded organizations. To support the Company's goal of investing in the health and sustainability of local communities, the Foundation prioritizes causes centered on education, health and human services, civic and community improvement, food security, and disaster relief. In 2015, a CNH Industrial Foundation Grant Application Portal was created on the Corporate website, to facilitate the grant review process by providing clear information and criteria to potential applicants. Grant applications that meet the initial criteria are reviewed on a quarterly basis by the CNH Industrial Foundation's Board of Directors, which comprises employee representatives from various functions within the Company.



CNH Industrial and its brands finance long-term projects in partnership with key charitable organizations, such as Habitat for Humanity, United Way, and the American Cancer Society. They also support significant initiatives near their sites, such as the Bracewell Stadium near CNH Industrial's manufacturing plant in Burlington (USA). In 2015, the Company donated $25,000 as part of a multi-year commitment to this historical high school stadium, built in 1920, to add a new press box, pitch, and lighting. Near its site in New Holland (USA), CNH Industrial participated in several events to support the local farming community. At *Family Farm Days*, a 3-day fair held at a nearby farm, 19 employees spent more than 200 hours leading tours and tractor rides to educate the public about agriculture. In support of farmland preservation, 80 CNH Industrial employees participated in the *Pedal to Preserve* bike ride event, benefitting the Lancaster Farmland Trust; additional Company donations to this organization protected 2 acres of farmland in 2015. In Mexico, the Company continued its partnership with the *Hogares San Francisco IAP* rehabilitation center to set up a greenhouse and irrigation system. As part of this project, 16 employee volunteers trained residents on ways to use the greenhouse to improve nutrition, donate vegetables, and recycle organic waste.

Fighting Homelessness

Since 2007, CNH Industrial has supported **Habitat for Humanity** by raising funds and building homes for those in need in the US communities where the Company operates. Habitat for Humanity is a non-profit organization that tackles poverty and builds affordable housing for low-income families. First started in 1976, it has since helped over 6.8 million people receive proper shelter.

Employees supporting the initiative step away from their desks during working hours to assist in the various building phases: laying foundations, fitting windows and doors, and installing sidings. In 2015, about 58 CNH Industrial employees helped build homes in Burr Ridge, Lebanon, and Racine (USA), volunteering 348 work hours (see also page 92). CNH Industrial also donated $2,800 to local affiliates near those locations. Since 2007, CNH Industrial has donated more than $465,000 to Habitat for Humanity.

GLOSSARY
NAFTA

Aware of the problems that the homeless face, the Company also collaborates with the **Homeless Assistance Leadership Organization** (HALO), which is committed to preventing homelessness in Racine (USA). Since 2011, CNH Industrial has donated over $250,000 to HALO to create shelters, fund services, and support coordination activities. Last year, the organization helped 700 individuals, including 138 children, of whom 58% were under the age of 6.

Support to United Way

In 2015, CNH Industrial continued its long-standing support for **United Way**, a non-governmental organization present in more than 40 countries worldwide helping those in need of access to primary care, with particular emphasis on education, health, and safety. To support United Way in its mission, CNH Industrial collected donations through an annual workplace giving campaign targeting its North American employees (10,000 workers), and several fundraisers involving employees, including outings organized at various Company locations. Together, CNH Industrial and its employees donated more than $924,000 in 2015.

Fighting Cancer Together

For 6 years, CNH Industrial and its employees have participated in *Relay for Life*, a national group-based, 24-hour fundraising walk for the **American Cancer Society**. In 2015, through employee fundraising and social contributions, CNH Industrial and its employees were able to raise nearly $48,000 for the organization. In 2015, CNH Industrial's plant in Querétaro (**Mexico**) painted a tractor pink to raise awareness of breast cancer and distributed 500 cards with guidelines on how to perform self-examinations to promote prevention.

FOCUS ON

PARTNERING TO HELP LOCAL COMMUNITIES

In 2015, CNH Industrial's Case Construction Equipment brand collaborated directly with local communities through several initiatives. In support of the Wounded Warrior Project, an organization highlighting the role returning veterans can play in filling skilled jobs in the construction and manufacturing industries, Case Construction Equipment hosted the *Labor of Love Music Festival* in Racine (USA) during Labor Day weekend. Through ticket sales, a silent auction, and a percentage of the on-site beverage sales donated by the Racine Civic Centre, the brand raised $10,000 for the organization. In addition, employees donated 20 barrels of food to the Veterans Outreach of Wisconsin, which raised an additional $1,266 through a 50/50 raffle held at the event. In 2015, Case Construction Equipment also supported 2 environmental projects. As part of its *Dire States* infrastructure advocacy and awareness campaign, it provided 6 machines to the National Wildlife Refuge Association, the U.S. Fish & Wildlife Service, and Team Rubicon for an equipment-operator training and erosion-abatement project at the Laguna Atascosa National Wildlife Refuge in Los Fresnos (USA). In Milwaukee (USA), the brand loaned a skid steer loader to support the *Victory Garden Blitz*, a city-wide event organized within the scope of the *Victory Garden Initiative* that engages the community in installing more than 500 raised-bed vegetable gardens at homes and businesses.

INITIATIVES IN LATAM

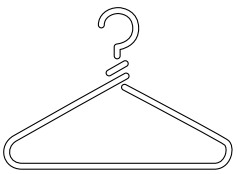
In LATAM, social responsibility has become an increasingly important matter in recent years. As a consequence, social initiatives adopt a less purely philanthropic approach in favor of a more strategic one. For this reason, CNH Industrial selects projects and partnerships that have a social and environmental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

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

In 2009, Case Construction Equipment and Case IH set up the **Case Multiação** program, focusing on the areas surrounding the plants in Piracicaba and Sorocaba (Brazil). The program concentrates on human development, with the aid of non-governmental organizations, supporting the dissemination of culture, sports, and further education. In 2007, Iveco launched the **Proximo Passo** project to promote initiatives ranging from the preservation of the environment to the strengthening of citizenship and sustainability in poor communities near the plant in Sete Lagoas (Brazil). Lastly, in 2009, New Holland Agriculture and New Holland Construction set up the **Plantar & Construir** program in Contagem and Curitiba (Brazil) to improve quality of life by promoting human development and providing social welfare through sports activities in the most vulnerable communities.

One of the **educational** and **community development** initiatives supported by CNH Industrial is the *PIPA Space*, which aims at the psychomotor development and social inclusion of 70 children and adolescents with Down syndrome and intellectual disabilities from care programs or in socially vulnerable circumstances. The sports and cultural activities offered encourage them to be more active and involved in the community.
In Sorocaba (Brazil), CNH Industrial supports the *Pastoral do Menor* organization, which works to reduce the number of children and teenagers living on the street. In a specially allocated building, they are given the opportunity for extra schooling, as well as a chance to socialize and participate in sports and leisure activities. In 2015, 400 children and teenagers benefited from the organization's initiatives. Believing the institution and the social work it carries out to be of great value, CNH Industrial invested more than $240,000 in refurbishing the structure, resulting in the renovation of classrooms, kitchen, cafeteria, and roof, the construction of a sports field, and the painting of all areas.
In Contagem (Brazil), the Company has worked with the *Cooperação para o Desenvolvimento and Morada Humana* for 3 years to reduce poverty in highly deprived areas. Initiatives carried out near the plant include recreational workshops for children and teenagers (street dance, judo, and graffiti), social interaction (meeting up with families, and community parties), and volunteer projects involving employees.
For some years, the Company has also supported the *Madre Gertrude School* and the *Association São Miguel Arcanjo*, organizations that help children and teenagers at risk because of their circumstances or environment, providing educational and recreational activities.

CNH Industrial also sponsors numerous **artistic and cultural** projects. In Sete Lagoas (Brazil), it supports *Associação Cultural Sempre Um Papo*, which organizes regular lectures and discussions with leading writers and intellectuals, to foster a reading culture. In 2015, 4 events were organized, attended by 1,000 people. The events were filmed and edited into a series of DVDs entitled *Culture for Education*, and sent out to all public schools.
In Sorocaba (Brazil), CNH Industrial supported the *Pintura Solidária* cultural organization for the *Colours of Solidarity* project. The initiative encourages children, adolescents, adults, and the elderly to express their creativity through painting. Workshops are held at hospitals, daycare centers, and organizations assisting children with psychological problems in the care of social workers, helping to raise self-esteem, strengthen patients' immune systems, and develop the motor skills of children with physical disabilities. In 2015, more than 900 people were involved.
CNH Industrial promotes the *CNH Economic Journalism Award*, formerly the *Fiatallis Award*, created in 1993. The award is presented to members of the press to encourage quality news reporting and spark debate on the Brazilian economy by recognizing the contribution of the press to the country's development, through its work and relationships with the industry. In 2015, more than 400 articles by the country's leading media outlets were entered for the award, which now includes the following 4 categories: agribusiness, transport, construction, and macroeconomics. On a related theme, 2015 marked the *11th New Holland Award for Photojournalism*, which has received almost 20,000 pictures in 11 years.

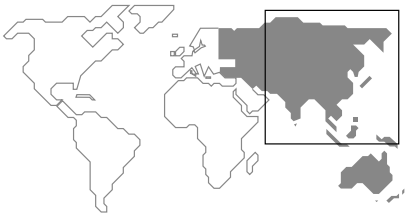


4,000 clothing items donated to people in need

For several years, CNH Industrial has supported a number of **sports** projects focusing on the social integration of young people from disadvantaged areas. Such initiatives include *Esporte da Cidade* in Sete Lagoas (Brazil), involving 200 children and teenagers; *Arremesso do Amanhã*, in collaboration with the Sorocaba basketball league, involving 180 children; and *Associação as Escola Internacial de Curitiba*, encouraging physical activity (volleyball).
In Curitiba (Brazil), the Company has sponsored the *Clube Educacional da Bicicleta* for 3 years. The initiative encourages children and teenagers aged 7 to 12 to exercise on bicycles and offers education on road safety. The project uses the city's velodrome.

Still in Brazil, CNH Industrial made **donations** to Curitiba's *Pequeno Príncipe* hospital and São Paulo's *Barretos* hospital. Furthermore, a number of initiatives were organized at both establishments, with the support of several local associations, to collect items for people in need, such as school materials and uniforms, food, toys, clothes (more than 4,000 items), and sheets.

INITIATIVES IN APAC



CNH Industrial has a strong presence in the Emerging Markets of the APAC Region, enabling the Company to share expertise and show its solidarity to local communities. In recent years, this close relationship has taken on greater importance in terms of the activities implemented, with major initiatives offering solidarity to people in areas affected by natural disasters, and others supporting education for young people across the Region (see also page 111).

In India, following the directive on Corporate Social Responsibility (CSR) requiring companies to invest in sustainable projects, CNH Industrial is adapting its internal organization to ensure that its activities are structured to benefit local communities. In this regard, a dedicated committee was established in 2015 to evaluate a number of project proposals, which will be implemented from 2016. The areas of intervention identified include primary health care for local communities, technical training, education for underprivileged children, and water management (see also page 188).

IN-KIND DONATIONS

Through its brands, CNH Industrial supports organizations and associations working in poor areas by donating its products, which can assist in daily work in rural areas and promote the development of local communities. Many initiatives were supported in 2015.

Iveco, for instance, delivered a Eurocargo to the *Don Bosco* Foundation in Addis Ababa (Ethiopia), which will be used to distribute drinkable water to numerous villages. The vehicle is equipped with a 5,000-liter tank to provide water to more than 5,000 people across the diocese in Ethiopia, a total of 600,000 people. The Eurocargo will travel 50-100 kilometers daily, including to areas where the Foundation is already actively involved in irrigation works and in the construction of drinkable water wells.

Still in Ethiopia, Iveco gave a Leoncino to a community of Karrayyu shepherds. A Leoncino is a small, refrigerated commercial vehicle used to help transport the camel milk produced by these shepherds to the market in Addis Ababa. New Holland Agriculture donated a tractor to the *Padre Natalino* mission in support of the *Uganda Project*, a charity initiative established in 2010 aimed at rehabilitating former child soldiers from Uganda's civil war. The project helps them rebuild their lives in their villages through the creation of an agricultural cooperative. The tractor donated by New Holland Agriculture helps with work in the fields and increases fodder production for feeding rabbits, which means that the cooperative is now able to raise a sufficient number of rabbits to expand sales to local markets and supermarkets.

In 2015, as the main 'Partner for Food' of the German food aid organization Welthungerhilfe, Case IH continued to support the organization's initiatives in the Kajiado and Tana River regions, in Kenya, by donating tractors to small local farmers. Only 8% or so of the semi-desert land of Kajiado is suitable for arable crops, and most of the inhabitants live as semi-nomadic shepherds. The crops cultivated in Tana River County include, among other things, rice, mangoes, bananas, coconuts, cotton, and soybeans, and about two-thirds of the population still lives below the poverty line.

PARTICIPATION IN EMERGENCY RELIEF EFFORTS

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

Following the earthquake in Nepal in April 2015, the CNH Industrial site in India raised funds through employee donations for the people affected by the natural disaster. The amount collected was matched by the Company and donated to the Indian Prime Minister's National Relief Fund.

YOUTH TRAINING

CNH Industrial focuses its community efforts on young people, and in particular on their education. In addition to the awards and scholarships given to employees' children (see also page 67), the Company works hard to promote young people's education, in collaboration with private and public institutions and other stakeholders. Activities range from promoting long-running educational projects, to sponsoring organizations involved in young people's education.

In **Italy**, New Holland Agriculture established a strategic partnership with the *Università degli Studi di Scienze Gastronomiche* in Pollenzo, the first in the world to offer a course on gastronomic sciences. New Holland Agriculture provides the university with the industry's most up-to-date information on sustainable farming practices and on farming machinery for global food production. A complementary program offers educational tours of food processing companies, which give students hands-on experience of the advantages of sustainable agriculture, and the opportunity to explore modern production methods used in the food industry.
In 2015, through New Holland Agriculture, CNH Industrial collaborated with the *Pioneer School of Basildon* (UK), a special academy for children aged 3 to 19 with severe and complex learning disabilities. The collaboration led to the creation of the *Exploratorium* park, a recreational area where children can discover nature and have fun safely. The park's full name is *Exploratorium – Giving children the Experience of Nature*. It includes themed recreational equipment, such as a tractor-shaped structure and a tunnel made of tires, in addition to a series of plants and trees carefully selected to develop the children's sense of touch and smell.

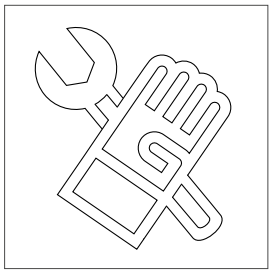
In the **USA**, CNH Industrial supports *Future Farmers of America*, an association active in farming education since 1928. In 2015, the Company donated $250,000 to the organization. Scholarships are another effective way of investing in young people's education, and the Company donated $22,000 to 14 universities across the country. In addition, CNH Industrial employees from the sites in St. Nazianz, New Holland, and Burlington volunteered a total of 387 hours with schools and other educational groups in their communities. Through monthly donations to the *Fundación Lazos*, employees in Querétaro (Mexico) provided 41 children with the resources to continue their studies.

In **Brazil**, CNH Industrial donated 3 Cursor 13 Euro V engines to the *Centro Federal de Ensino Technologico di Minas Gerais*. This contributes to enhancing the level of education among mechanical engineering students, who can test their technical knowledge against advanced high-tech equipment.

EXPO MILANO 2015

FEEDING TALENT

During *Expo Milano 2015*, CNH Industrial and FCA joined forces to organize the *Alimentiamo il Talento* event, aimed at introducing the public to some of the training programs for young people promoted by the two companies. Indeed, CNH Industrial is convinced that supporting local communities should also entail investments in educational projects providing young people with more opportunities to enter the labor market. By enhancing the level of education of young people, CNH Industrial can tangibly contribute to the growth of the entire community: not only does this create a mutually beneficial relationship with the Company, but it also provides the community with new talent and well-trained people.
At the event, FCA and CNH Industrial representatives met with professors and students to discuss the different programs in detail, in some cases providing them with first-hand experiences. For instance, during a live demonstration of the *TechPro2* program, a group of young students was directly involved in the assembly and disassembly of part of an engine supplied by CNH Industrial's FPT Industrial Powertrain brand.



273 young people involved in TechPro²

TechPro²

TechPro², a joint project with schools run by the Salesian Society, mainly aims at training mechatronics specialists in construction equipment for the engines and industrial vehicles industry. The training course offered has a 2-stage curriculum: theory, taught at the Salesian training institutes, and hands-on learning, provided at authorized CNH Industrial repair shops. This is a way of meeting a growing demand for skilled personnel. CNH Industrial provides expertise by training teachers, who in turn pass on the knowledge to the students in the classroom. In addition, the Company offers financial aid and tools useful to classroom training, such as complementary vehicles for practice exercises and essential parts such as engines, drives, and diagnostic tools. The training offering varies from country to country and is tailored to local needs, with the dual purpose of providing young people with a qualification they can use in the job market, while meeting the demand of workshops and dealerships for specialized manual workers.

The *TechPro²* project began in **Italy** in 2011 with the opening of the center in Fossano. Currently, the training course offers both a 2-year body repair program and a 3-year motor vehicle repair program. In 2015, 110 students were trained, 1,691 training hours were provided, and 40 students underwent a 320-hour internship at local repair shops.

In 2012, the project was also extended to Belèm (**Brazil**), where the Salesian School holds professional courses to help 20 young people in the field of motor vehicle repair enter the job market. In 2015, 800 training hours were provided.

In 2013, the *TechPro²* project was launched in Addis Ababa (**Ethiopia**), with a training course on engines and industrial vehicles held at the *Bosco Children Center*. The project also aims to intensify the dialogue between public and private entities by creating a partnership to generate greater employment opportunities for young people. The course lasts 9 months and guarantees a certificate officially recognized by the Ethiopian government. In 2015, 900 hours of training were delivered to 18 students, with 83% of them finding employment.

In 2014, CNH Industrial launched the project at the Changshan vocational secondary school in the province of Zhejiang (**China**), as part of a sponsorship agreement between the Company and Yizhong Education. Training sessions are held on the new school campus, on the north shore of the port of Changshan. Iveco supports the project by supplying the school with teacher training, tools, parts, and Iveco engines and vehicles. Upon receiving their diploma, students will be offered an internship at an Iveco dealership. In 2015, 117 young people were trained and 1,980 training hours were provided.

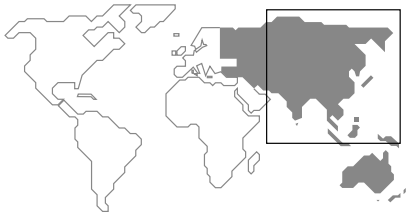
In 2015, *TechPro²* was extended to another African site. The new school in Johannesburg (**South Africa**) was inaugurated in April, with 8 students enrolled in the first year of training, for a total of 1,188 training hours.

In December 2015, a new school was also inaugurated in Rome (**Italy**) with the support of New Holland Agriculture. This school is the first ever dedicated to training on agricultural vehicles. The new course will be held at the *Istituto Teresa Gerini*, training 20 students every year.

Worldwide, 273 students were trained in 2015, at the schools and/or on-the-job, for approximately 6,600 training hours. Moreover, a new *TechPro²* website was created during the year, providing comprehensive program information for students, as well as school contacts for sector operators in search of qualified personnel.

Agri Training Centers in India

In recent years, New Holland Agriculture has opened 3 training centers in India, in collaboration with local universities. The first Agri Training Centre was inaugurated in 2012 in Bhubaneswar, in association with the Department of Agriculture of the Government of the state of Odisha. Under the Odisha Government program, the training center aims to provide young farmers and unemployed people with the specific skills required to find suitable employment in mechanized agricultural farming. The course covers tractor maintenance and the overhauling of the main tractor sub-assemblies, as well as repair and maintenance of other mechanized farming equipment. In order to deliver New Holland's specialized training, the Agri Training Centre is equipped with special tools, such as engines and transmissions.



In 2014, New Holland Agriculture signed a memorandum of understanding with the Government of Madhya Pradesh State, providing for the establishment of a new training center in the state, and for the supply of innovative products for the mechanization of sugarcane, cotton, and corn harvesting, and for biomass management. The initiative is an opportunity to raise awareness among farmers and facilitate usage of more eco-friendly and efficient agricultural practices to enhance productivity and create more employment opportunities for young people.

The brand's third training center opened in 2015 the Region of Assam, in the North East of India.

In 2015, more than 6,000 training hours were delivered to 1,500 people (including farmers, mechanics, and dealership personnel).

Programa Formare

In 2015, the *Programa Formare* continued in Sete Lagos (**Brazil**). The goal of the program is to reintegrate disadvantaged young people through training. In partnership with the *Fundação Iochpe*, 20 young apprentices were selected to take part in the program. Volunteer employees from the Commercial Vehicles and Powertrain segments teach the course, aimed at developing skills such as communication, teamwork, problem solving, and manufacturing processes. Classes are held at the Iveco plant in Sete Lagoas. The training program lasts about 1 year and, upon completion, students receive a specialist technical degree in finishing and final assembly, as well as a diploma recognized by the Brazilian Ministry of Public Education. In 2015, 20 students graduated; they subsequently demonstrated significant improvements at school, at home, and in interpersonal relationships.

FOCUS ON

A MOBILE SCHOOL FOR FORMER SUGARCANE CUTTERS

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

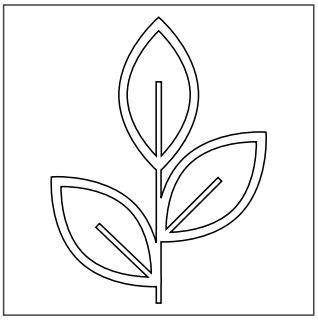
Case IH supports Mobile SENAI-SP, the first professional course in a mobile unit for former sugarcane cutters and other farming community professionals. This mobile unit consists of a truck equipped with classrooms and 3 simulators of Case IH A8800 traditional cutters. The simulators replicate the commands of a sugarcane harvester, so that the student can perform harvesting, maneuvering, and trial operations, just like in the field.

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

In its 4 years, the project has trained about 30,000 people.

Projeto Sementinha

The *Projeto Sementinha* (Small seed project) took place, for the 4th consecutive year, at the FPT Industrial plant in Sete Lagoas (**Brazil**). The project aims to spread a culture of respect for the environment, beginning in childhood, while offsetting some of the emissions from the Sete Lagoas plant through reforestation initiatives. The students involved in the project, aged from 6 to 10, visit the plant and take part in an interactive lesson on environmental issues. After the theory part, they are given two small plants: one to be planted near the FPT Industrial plant, and one to take home. The ultimate aim is to promote awareness of environmental issues, recycling, the protection of biodiversity, and non-renewable natural resources, in the hope that the children will share their newfound awareness with friends and family.
In its 4 years, the project has involved over 450 children, and the planting of approximately 450 trees.



450 trees planted in 4 years

ROAD SAFETY

CNH Industrial believes that safety is fundamental, and that it is crucial to use state-of-the-art technology to produce safety systems that protect drivers, other road users, vehicles, and cargo. However, the Company's focus goes beyond the safe use of products (see also page 213), 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.

Safe Schools

Iveco is supporting *Safe Schools* in South Africa, a FIA Foundation[1] project among the United Nations' *Decade of Action for Road Safety* initiatives. The project's goal is to reduce child pedestrian injuries and deaths through a variety of measures, such as training kids on pedestrian safety, long-term public investments in road safety, and road improvement. The latter is implemented based on the International Roads Assessment Programme (iRAP) star rating system[2], establishing effective capacity within schools to educate students on road safety through training and road safety curriculum development, and working with the public sector to encourage long-term sustainable investment in road safety.

Thanks to Iveco's support, *Safe Schools* will be implemented at the Isikhokelo Primary School, in the suburbs of Cape Town; the school has around 1,120 children, of whom 90% travel to school on foot. Based on an initial iRAP analysis, improvement measures could potentially reduce the risk of road traffic collisions and injuries involving school children by 85%.

GLOSSARY Biodiversity

(1) *The FIA Foundation is an independent UK-registered charity that manages and supports an international program of activities promoting road safety, environmental protection, and sustainable mobility; it also funds motor sport safety research.*
(2) *Star ratings are based on road inspection data and provide a simple and objective measure of a road's built-in level of safety for vehicle occupants, motorcyclists, cyclists, and pedestrians. 5-star roads are the safest, while 1-star roads are the least safe.*

How Am I Driving?

The *How Am I Driving?* project aims to promote safe and correct driving and discourage dangerous behavior among the drivers of medium and large fleets, through a detection and reporting sticker on vehicles. The sticker displays a customer center number that other drivers and pedestrians can call to report truck drivers' unsafe driving. The customer center collects the data on every incident and sends regular reports to fleet managers, enabling them to take the necessary measures to correct the driving style of their fleet drivers.

The first test run of this system was started in 2015 by Iveco, together with FIA Action for Road Safety[3] and TNT Italia, in Milan (Italy). The sticker was attached to the back of approximately 100 TNT fleet vans circulating in the city. The Iveco Customer Service, active 24 hours a day, collects the data while communicating it in real time to TNT supervisors.

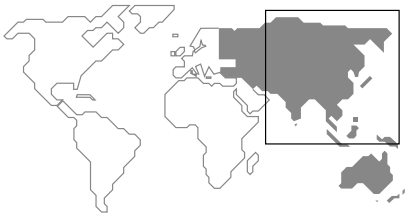
Once the results are evaluated, the project will be extended to other cities and to new partners managing professional fleets.

Piemonte Strade Sicure

In May, Iveco organized its *Iveco Check Stop* campaign (a free check-up on the health of both driver and vehicle) in conjunction with the *Piemonte Strade Sicure Expo 2015* event, promoted by the Region of Piedmont and the city of Turin (Italy) to foster road safety. Because this is a fundamental issue for both Iveco and CNH Industrial, Iveco participated in the event by parking a special hospitality vehicle, coupled to a Stralis Hi-Way, in the city center, with a medical examination room set up on board, offering people free medical exams for sleeping disorders and pathologies. Iveco technicians were also present to provide information on the main active and passive road safety issues.

Trans-Help Foundation

Road safety awareness is also very high in Australia. Since 2008, Iveco has supported the Trans-Help Foundation, established to enhance safety and wellbeing in the transport industry. The company has donated 4 Daily vans since the collaboration started, fitted out as fully functional Mobile Health and Support vehicles, and used on the Australian road network to provide health checks and offer advice to drivers and their families. The foundation's initiative is aimed at saving human lives and at preventing road accidents caused by health conditions that could impact driving ability.



EXPO MILANO 2015

THE SUSTAINABLE FARM PAVILION

New Holland Agriculture's pavilion at *Expo Milano 2015* was designed and built with sustainability criteria in mind. It features photovoltaic panels integrated into the façade's windows, producing renewable energy to be used inside the pavilion. Furthermore, the use of LED lights enables a significant reduction in energy consumption. Another important detail is the system for the collection of rainwater, used to supply the sanitary facilities inside the structure and/or to irrigate the grass-covered roof.

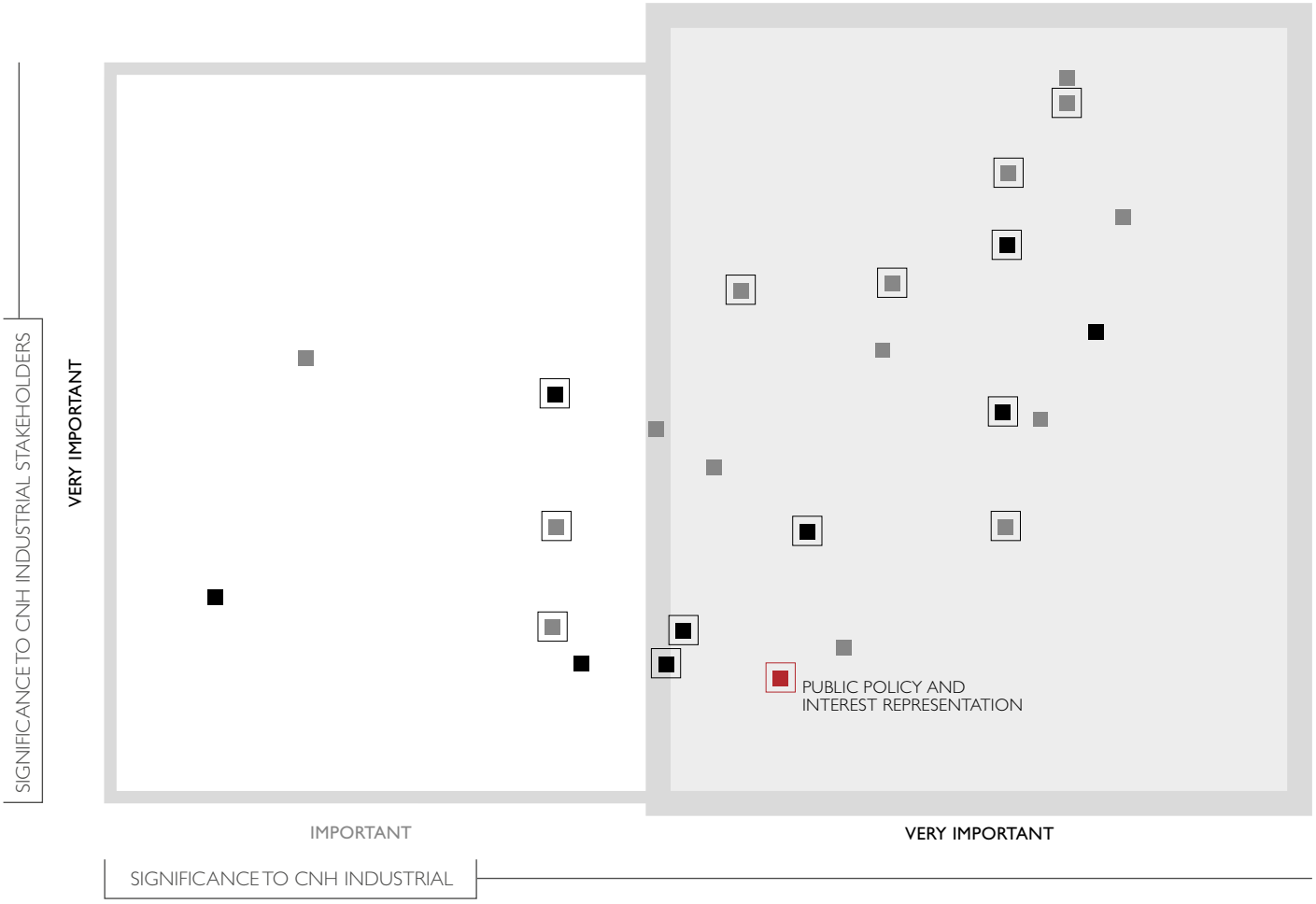
At the end of the event, the pavilion will be disassembled and permanently rebuilt elsewhere for a different purpose. This is why it was built with dry construction technology, using modular façade components and pre-fabricated steel elements assembled on site. This design approach avoids the need for demolition and the generation of materials to be sent to landfills, leaving premises clear and free of pollutants.

The New Holland pavilion was nominated Leader in the Category for Sustainable Design & Construction within the scope of the *Towards a Sustainable Expo* initiative promoted by the Italian Ministry for the Environment to encourage and reward the adoption of sustainable solutions by leading players at *Expo Milano 2015*. It was also voted Best Corporate Pavilion at the *Class Expo Pavilion Heritage Awards*, an event organized by *Class Editori* in partnership with the International Laureate Universities and the World Association of Agronomists, to reward the *Expo* pavilions that best exemplify the event's theme *Feeding the Planet, Energy for Life* for future generations.

[3] *The Action for Road Safety campaign is promoted by the Fédération Internationale de l'Automobile (FIA). The campaign, which falls within the scope of the United Nations' Decade Action for Road Safety program, aims to prevent 5 million road fatalities by 2020, while encouraging safe driving.*

GLOSSARY
LED

RELATIONSHIPS WITH PUBLIC AND PRIVATE ORGANIZATIONS



Material aspects described in chapter. For further details, see Materiality Matrix, page 23.

MANAGEMENT APPROACH

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

Policies and Commitments

CNH Industrial aims at making a positive contribution to the future development of policies, regulations, and standards on issues that affect its business and the communities in which it operates. Specifically, CNH Industrial contributes its expertise and knowledge in its dialogue with governments, local authorities, and other stakeholders on policies concerning the capital goods sector, including sustainable agriculture, the automotive industry, and other sectors related to the transport of people and goods. CNH Industrial is committed to contributing to society's technological advancement, and to cooperating with public institutions, universities, and other organizations on research and development into innovative solutions in the fields in which it operates. The Company's proactive approach to institutional relations contributes to identifying new business opportunities early on, and to creating business conditions that are competitive as well as sustainable over the long-term. Interest representation is conducted only where permitted by, and in strict compliance with, applicable laws, including anti-corruption and antitrust laws, and in full compliance with the Company's Code of Conduct and related policies and procedures.
After CNH Industrial was formed by the merger of Fiat Industrial with CNH Global N.V., the Company decided to register with the European Transparency Register. The Register is operated jointly by the European Parliament and the European Commission to provide information about organizations and self-employed individuals engaged in activities with the objective of participating in the decision-making processes of the European Union. It creates a framework for those activities by establishing a code of conduct.

Resources and Responsibilities

The Institutional Relations (or Government Affairs) unit reports directly to the Chief Operating Officer of each Region. In APAC, where this reporting structure was introduced in early 2016, the unit manages institutional relations in coordination with the heads of each country or business area, who also report to the Region's Chief Operating Office. Activities are structured around 3 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.

GLOSSARY
APAC; DMA
EMEA; LATAM
NAFTA
GRI
G4-DMA

Goals and Targets

The Institutional Relations unit mainly aims at:

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

Specific Activities

The specific activities of the Institutional Relations unit are:

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

PUBLIC POLICY AND INTEREST REPRESENTATION

In 2015, **CNH Industrial**, participating through its brands, was an **Official Global Partner of Expo Milano 2015**, the universal exhibition hosted in Milan, Italy, from May 1 to October 31.
The exhibition hosted more than 140 participating countries, presenting the best of their technologies developed to guarantee enough healthy and safe food for everyone, while respecting the planet. CNH Industrial Institutional Relations EMEA presented its Corporate and regulatory vision, in addition to its priorities for product innovation, to the economic, social, and institutional stakeholders of civil society, along with representatives of EU member states and other countries. Several events and meetings were organized involving key global institutions.
Expo was an important opportunity to spotlight the Company's world leadership in **Natural Gas solutions for sustainable transport and agriculture** (see also Eco-Friendly Products, page 201). This was demonstrated by means of a biomethane tractor parked on the New Holland Agriculture Sustainable Pavilion roof, and 7 buses provided by Iveco Bus that carried visitors around the *Expo* site, powered by environmentally-friendly **CNG** (Compressed Natural Gas). All vehicles were also fitted to run on biomethane.
To further demonstrate the advantages of the large-scale use of natural gas technologies and infrastructures, CNH Industrial combined thematic workshops with presentations on the contribution that alternative fuels can make to the EU's economy, jobs, and competitiveness. Along with increasing farmers' revenues, methanization also improves energy independence and reduces the need for oil imports.
Additionally, the benefits of natural gas technology were explored during an expert discussion panel organized with the **CIB** (Italian Biogas Consortium). The panel, aptly called the **Biogas Done Right Model**, was endorsed by the **Italian Ministry of the Environment, Land and Sea** and comprised academic scholars, associations (such as the European Biogas Association), public officials, and product experts from CNH Industrial brands. The panel positioned natural gas as:

- one of the cleanest alternative propulsion technologies available
- a sustainable alternative to conventional fuels, ideal for agriculture and already used in on-road vehicles. Natural gas creates a value chain through the transformation of waste into organic fertilizer and renewable energy. It is a bridge to renewable energy sources, such as biomethane, derived from refining biogas produced from raw materials such as agricultural waste, manure, plant material, and food waste, with the lowest well-to-wheel CO_2 emissions of any currently known energy source in the automotive industry.

At the New Holland Agriculture Sustainable Pavilion, CNH Industrial Institutional Relations EMEA met with leading operators from the natural gas supply chain and members of **NGVA Europe** (European Natural and Bio Gas Vehicle Association). The Company also invited European Commission representatives, with whom an analysis was made of the status and future of regulatory developments in the deployment of natural gas infrastructures at local level. Other guests included delegates of the **Japanese Natural Gas Associations, Tokyo Gas, and Osaka Gas**.

GLOSSARY
Biomethane; CNG; DMA; EMEA; Well-to-Whee

To further promote the environmental benefits of natural gas in sustainable transportation, CNH Industrial Institutional Relations EMEA, in collaboration with key partners, realized 3 important initiatives:

- **CNH Industrial**, together with **FCA** (Fiat Chrysler Automobiles) and **Air Liquide** (supplier of gases, technologies, and services), launched a project to promote the introduction of biomethane throughout Europe's natural gas distribution network. In Italy, biomethane is not commercially available as a fuel. To this end, 3.64 GWh of Biomethane Green Gas Certificates were bought under the UK Green Gas Certification Scheme, equivalent to the 340,000 cubic meters or so of natural gas required to power the Fiat 500L and Iveco Bus vehicles provided for *Expo*. By using this amount of biomethane in place of natural gas, CO_2 emissions can be cut by 118 tons, which is the amount absorbed by 160 trees throughout their life span

- in October, during the 3rd World Forum on Local Economic Development in Turin, CNH Industrial collaborated with **EGEA** (an Italian multi-utility company) on a project demonstrating the sustainable production of biomethane for transportation. CNH Industrial's brand Iveco Bus provided a fleet of natural gas-powered minibuses to transport delegates at the Forum. These minibuses can run on biomethane produced from animal waste at the EGEA plant in Ozegna (Italy), and, in terms of total CO_2 emissions, are comparable to an electric vehicle powered by energy from renewable sources

- in November, a delegation of 100 mayors and councilors from the Île-de-France region visited the Iveco Suzzara plant (Italy). Also attending were representatives from *Gaz Réseau Distribution France* (one of France's largest investors in the natural gas distribution network) and from the *Syndicat Intercommunal pour le Gaz et l'Electricité en Île-de-France* (Inter-municipal Federation for Gas and Electricity in the Île-de-France, for the distribution of natural gas across the suburbs of Paris). Iveco was chosen by the delegation for its innovative technologies and natural gas vehicle production. The visit also served to reaffirm the importance of a comprehensive approach to the challenges of sustainable mobility and goods transport by road, bringing together institutions, infrastructure providers, and vehicle manufacturers.

Leveraging on the favorable positioning and presence of the Company and its brands at **Expo Milano 2015**, CNH Industrial Institutional Relations EMEA made use of *Expo* as a venue to intensify the launch of initiatives aimed at raising the awareness of institutional, economic, and social stakeholders on:

- the importance of key issues related to CNH Industrial's product strategy and related regulations (such as Agricultural Narrow Tractors, Biomethane and Natural Gas LNG/CNG, and EU Heavy Duty Vehicle CO_2 Regulation)
- sustainable business and its development (Renewal of Bus Fleets, Precision Farming, Agricultural Mechanization, and Development Cooperation)
- CNH Industrial's Corporate positioning on sustainability, alternative fuels and tractions, agriculture mechanization, precision farming, safety, and product innovation.

The above topics were also debated in working groups, where CNH Industrial took an active role in drafting **The Charter of Milan**, *Expo's* cultural legacy document focusing on the world's major food issues and the sustainable use of the planet's resources. By actively contributing and subscribing to the Charter of Milan, presented to **United Nations** Secretary General Ban Ki-moon on October 15, CNH Industrial reiterated its commitment to overcoming major future challenges for food and agriculture, and confirmed its leadership on sustainability.
At the New Holland Agriculture Sustainable Farm Pavilion, CNH Industrial Institutional Relations EMEA also hosted high-level representatives from **UNIDO** (United Nation Industrial Development Organization). The Company held productive discussions on matters of mutual interest, recording the intentions and objectives of cooperation in a **Joint Declaration**, which aims to promote collaboration between institutions and companies in the form of training, advisory services, suitable knowledge transfer, sharing of best practices, and capacity building in developing countries.

Other high-profile institutional events organized or attended by CNH Industrial were:

- the **Sustainable Agriculture in Developing Countries** public debate, organized by Italian geopolitics magazine **Limes** and CNH Industrial, which highlighted, in the presence of key European and Italian institutions, the importance of mechanization as a central pillar in making agriculture efficient and productive, so determining the effectiveness of all other means of production - seeds, fertilizers, water, labor, and time
- the **Agriculture of Today** conference organized by the **Italian Ministry of Agriculture, Food and Forestry**, in the presence of world agriculture ministers, which established a task force of experts on precision farming, to which CNH Industrial was asked to be an active contributor
- the **World Farmer Organization General Assembly**, during which the Company presented its range of 'do more with less' solutions, to enable its farmer customers to operate profitably and develop sustainably over the long term, preserving natural resources for future generations

GLOSSARY
Biomethane; CNG; EMEA LNG

- the **Feeding Public Transport of the Future** workshop and round table, with European experts and operators from the private and public passenger transport sector, aimed at sharing best practices and analyzing different technological solutions and opportunities for fleet renewal
- the **China-Italy Agrifood Cooperation Forum**, organized by the **CCPIT** (China Council for the Promotion of International Trade) and the **ICE** (Italian Trade Agency).

During **Expo Milano 2015**, CNH Industrial welcomed the following delegations to the New Holland Agriculture Sustainable Pavilion:

- institutional representatives of the main European manufacturers of agricultural equipment and members of **CEMA** (European Agricultural Machinery Association), who took part in a debate on better regulations in agriculture
- **members of the European Parliament's Committee on Agriculture and Rural Development**, who attended a presentation on the future of European sustainable agriculture mechanization and precision farming
- the Scientific Advisory Group of the **ACEA** (European Automobile Manufacturers' Association), with whom the Company discussed the potential for improving safety in the freight transport sector through enhanced heavy duty vehicle aerodynamics
- **members of the Parliamentary Assembly of the Mediterranean**, a forum of Mediterranean parliaments united to reach common objectives for the creation of the best political, social, economic, and cultural environment and conditions
- the **Australian Minister for Small Businesses, Innovation, and Trade**
- the **President of the Myanmar Rice Federation**
- the **European Council Members of the Environment and Competiveness Committees on regulatory dossiers**, on the other hand, visited the New Holland Agriculture plant in Zedelgem (Belgium).

Aside from *Expo*, CNH Industrial continued its advocacy and interest representation activities in all Regions. CNH Industrial is a member and active participant, either directly or through its brands, of the major sector associations in the different areas in which it operates. It brings its technical expertise and organizes numerous **technical and institutional workshops on agriculture, food security, and transport solutions for a sustainable future**, involving all relevant stakeholders and associations. CNH Industrial also plays a governance role as a board member for the principal associations. For a complete list of associations in which CNH Industrial participates, please see page 262.

In **NAFTA**, in 2015, the Government Affairs Department worked hard to ensure that CNH Industrial's voice was effectively heard by government officials on bottom-line issues regarding agriculture, infrastructure, labor, tax reform, **Trade Promotion Authority** (TPA), the **Trans-Pacific Partnership** (TPP), and the **Transatlantic Trade and Investment Partnership** (TTIP).

In **LATAM**, CNH Industrial maintains relations with the Argentinian and Brazilian governments through class associations and entities contributing to the development of the markets in which it operates. Specifically, these contributions are in the form of discussions on and improvements to technical standards, as well as other topics such as product operator safety and technological innovations to decrease gas emissions. In 2015, CNH Industrial organized and attended the following institutional events and major initiatives:

- **AutoData Seminar on Market Perspectives**: economic and market scenarios and the positioning of CNH Industrial and its brands within this context
- **24th SAE Brazil International Congress**: "Technology and Productivity - The new revolution in the Mobility Industry"
- **7th SAE Brazil Symposium on Agricultural Machines**: "Market perspectives - A manufacturer's view" and "New legislation for agriculture machines - Challenges and process"
- 14th **CBA** (Brazilian Conference on Agribusiness): organized by ABAG (Brazilian Agribusiness Association)
- 2nd **AutoData Perspectives Conference**: Agricultural Equipment and Construction Equipment
- 1st **Automotive Forum of Minas Gerais:** Autodata Publisher.

In **APAC**, CNH Industrial was involved in the following institutional events and major initiatives:

In **Australia** and **New Zeland:**
- Federal Senate Economics References Committee (on the **inquiry into the Future of Australia's Automotive Industry**)
- **2015 Australian Manufacturing Showcase conference** (jointly hosted by the Federal and Victorian Governments)
- advocacy focused on the **development of the Victorian Future Industries policy and funding platform**
- the **Gas 2015 National Forum**, where the Company described its market leadership.

In **China**:
- **2015 VDMA** Agricultural Machinery China Management Meeting (Agricultural Equipment)
- **China Harvester Equipment Technical Upgrade Forum** (Agricultural Equipment)
- **CIAME 2015** (China International Agriculture Machinery Exhibition)
- **Auto Show** in Wuhan (IVECO).

In **Asia,** CNH Industrial attended the following trade initiatives:
- **Cambodia Expo** - Cambodia
- **Kiemsta** – South Korea (Agricultural Equipment and Construction Equipment)
- **IQM** (Institute of Quarrying Malaysia) – Malaysia Case
- **Philconstruct Expo** - Philippines Case
- **GIIAS**, Gaikindo Indonesia International Auto Show - Jakarta
- **BITEC**, Bus and Truck Exhibition - Bangkok
- **Malaysia International Bus, Truck & Components Expo** - Kuala Lumpur
- **Asian Agri** – Bangkok, March 2015.

POLITICAL PARTIES

Any and all relationships between CNH Industrial and political parties, as well as their representatives or candidates (collectively, Political Parties), are conducted according to the highest standards of transparency and integrity.
Financial contributions to Political Parties are only allowed where permitted by law, and must be authorized at the appropriate level within each company. In 2015, **no contributions were made to Political Parties**.
Any political association or financial contribution made by an employee is considered a personal matter, and completely voluntary. This includes contributions made through a Political Action Committee (PAC).
In the USA, in accordance with applicable laws, CNH Industrial provides administrative support to the CNH Industrial Excellence in Government Fund (a PAC), which collects voluntary personal contributions from company employees for donation to candidates and/or other PACs. Information relating to these contributions is available on the US Federal Election Commission website (www.fec.gov).

RELATIONS WITH PUBLIC ORGANIZATIONS ON SOCIAL ISSUES

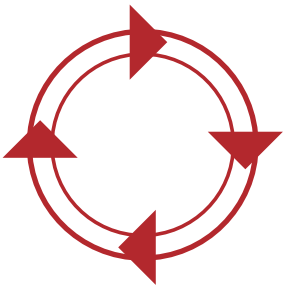
In some countries, such as the USA, interest representation on social issues is managed separately by each CNH Industrial legal entity, which deals directly with governments, institutions, and trade unions. CNH Industrial has well-established processes in place to ensure that the Company's interest representation with US government bodies is in accordance with applicable laws and government ethics and disclosure rules. In other countries in Europe, these activities are carried out by the industrial and employers' associations representing each legal entity, such as the *Bundesvereinigung der Deutschen Arbeitgeberverbände* (BDA) in Germany, and the *Mouvement des Entreprises de France* (MEDEF) in France. These associations are designed to protect the interests of their members, and to represent them in social dialogue with key political and administrative institutions, trade unions, and other groups, both locally and nationally. The CNH Industrial LATAM Group is committed to collaborating and maintaining an open dialogue with numerous organizations. It is an active member of the principal trade associations within the sector, and regularly participates in national roundtables, 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 legal entities, factors relating to growth, labor policies (flexibility, training, and pension schemes), and specific requirements associated with manufacturing and commercial activities (technical, commercial, and tax regulations). In APAC, several CNH Industrial subsidiaries are members of industry associations within their sector, representing the interests of members on labor and other issues, according to country-specific legal and best practice frameworks.

GLOSSARY
APAC;
LATAM

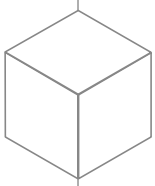
GRI
G4-SO6

03

OUR VALUE CHAIN



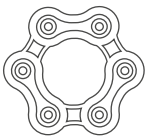
THE FOLLOWING SECTION DESCRIBES CNH INDUSTRIAL'S VALUE CHAIN: FROM PRODUCT CONCEPT TO DESIGN, FROM PRODUCTION TO SALES, FROM CUSTOMER SUPPORT TO PRODUCT END-OF-LIFE.



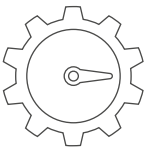
CREATING VALUE
FOR STAKEHOLDERS

MEETING
CUSTOMER
EXPECTATIONS

INNOVATION
AND PRODUCT
DEVELOPMENT

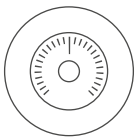


SUPPLY CHAIN



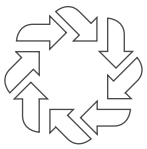
MANUFACTURING
PROCESSES

LOGISTICS
PROCESSES



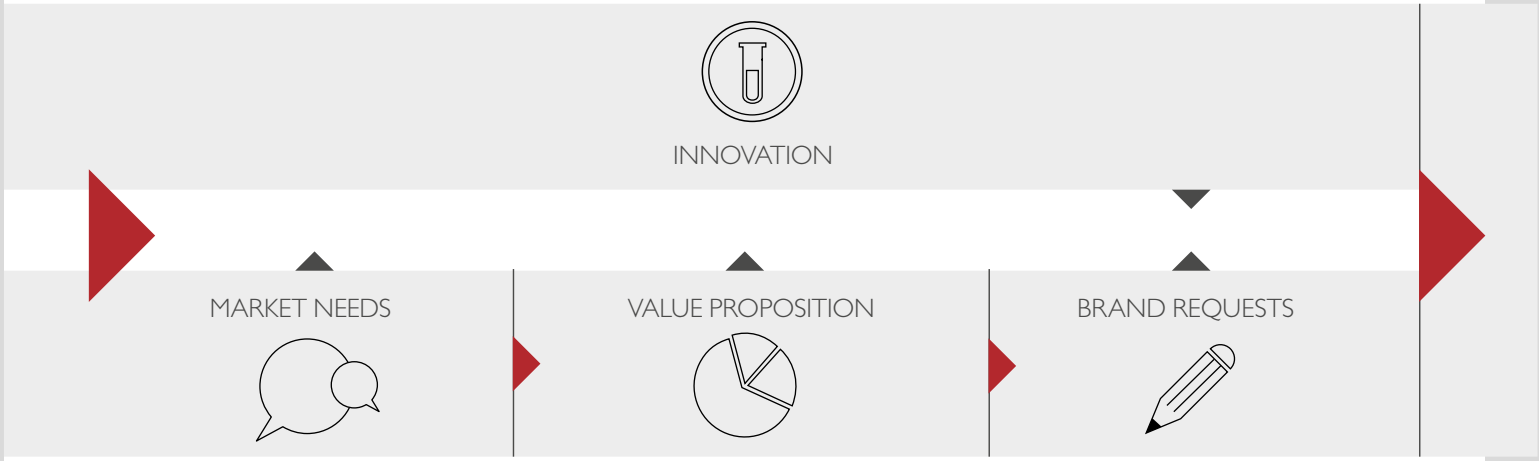
ECO-FRIENDLY
PRODUCTS
AND SAFE USE

SALES AND
AFTER-SALES



REMANUFACTURING
AND END-OF-LIFE

CREATING VALUE FOR STAKEHOLDERS



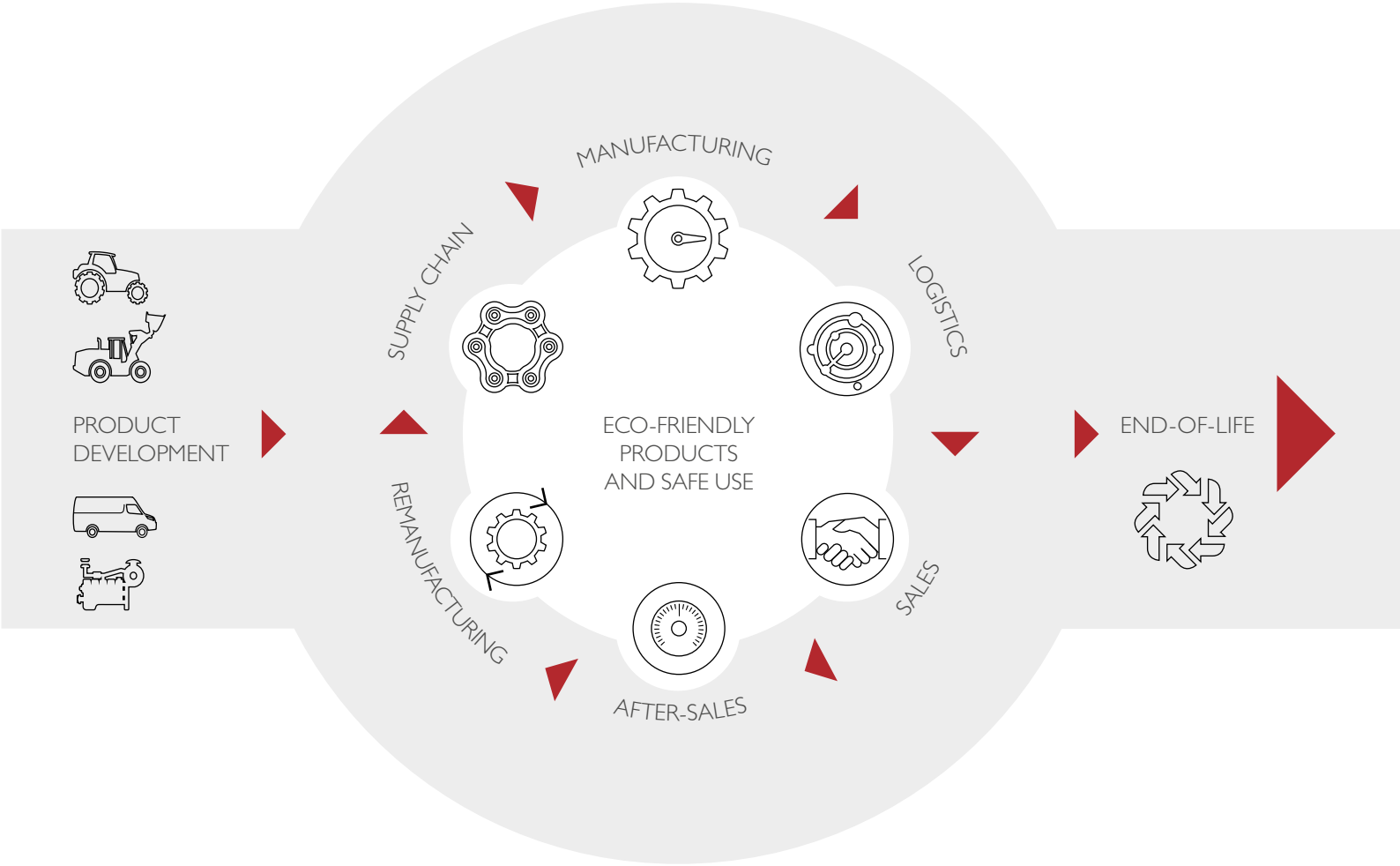
MANAGEMENT APPROACH

One of the ways in which CNH Industrial enhances both process efficiency and product competitiveness is by focusing on the value chain, considering both the context and environment in which it operates, and the interests of stakeholders. Indeed, the Company believes that all of its activities – from design to production, from sales to customer support – play an important role in enhancing its competitive edge.

On the receiving end of the value chain, as evidenced by the stakeholder engagement results (see also page 22), customers are the most material aspect, so their needs must be given even greater priority. Furthermore, because it provides customers with equipment for work, the Company understands it is an integral part of their value chain, and therefore all efforts must be made to increase customer competitiveness. For these reasons, the Company is committed to offering products with lower operating and maintenance costs and superior performance (see also page 201).

CNH Industrial's value chain starts with the Innovation function (see also page 130), which evaluates market requirements and collaborates with brands to develop products better able to meet customer needs, and ends with product end-of-life. Product end-of-life can be postponed through remanufacturing, which enables products to continue to perform efficiently as long as possible.

Sustainability principles drive CNH Industrial's operations, and this creates value along the entire chain, as evidenced by the close correlation between business and material aspects. Building on its global role, therefore, the Company is reviewing some of its targets to align them with UN Sustainable Development Goals (see also page 18).



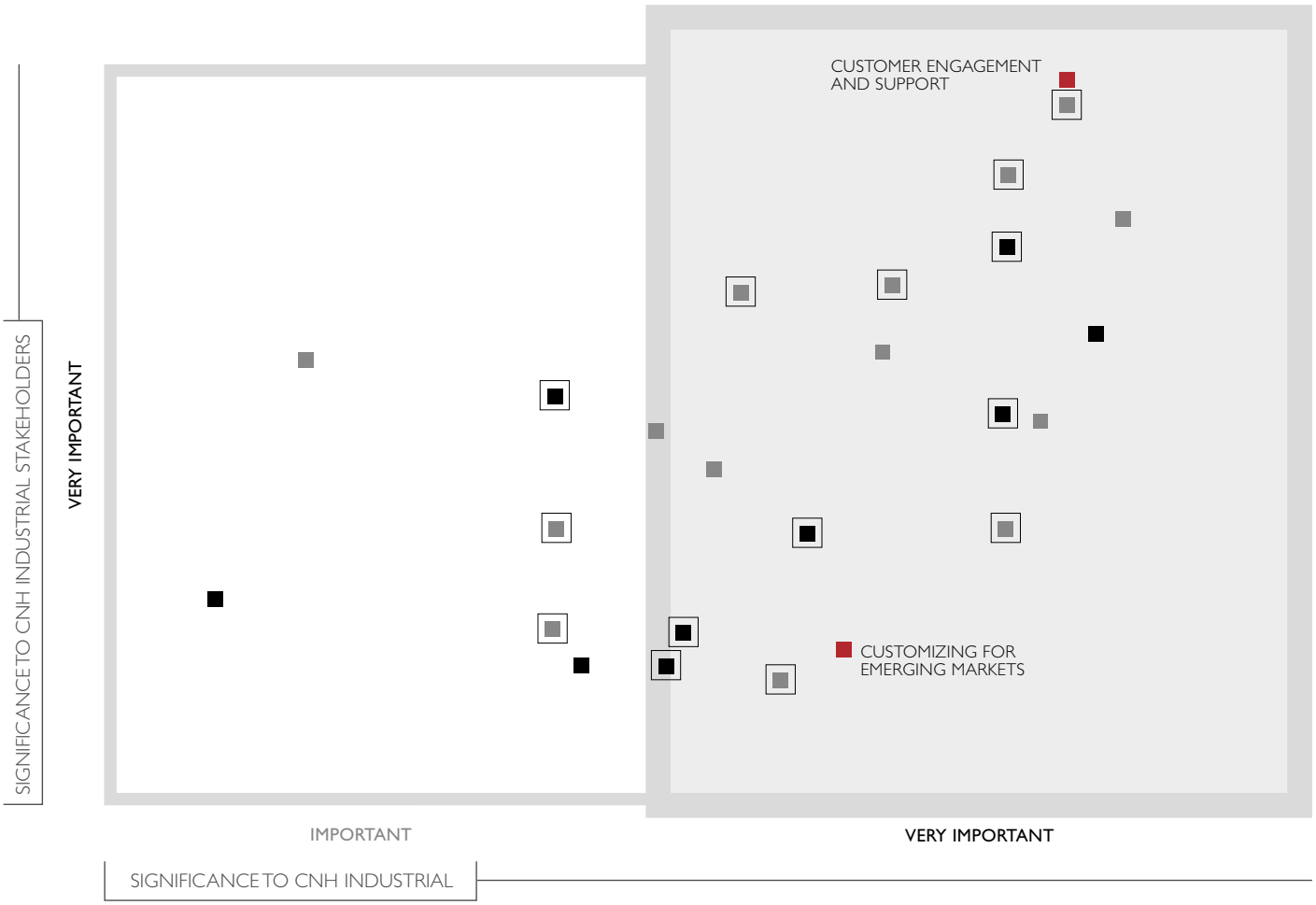
CNH INDUSTRIAL VALUE CHAIN

	MEETING CUSTOMER EXPECTATIONS	INNOVATION AND PRODUCT DEVELOPMENT	SUPPLY CHAIN
2015 HIGHLIGHTS	▸ More than 900 visitors engaged at Expo Milano 2015	▸ 7,700 active patents owned	▸ 94% of procurement spending on local suppliers
SIZE	▸ 190 National Markets	▸ 50 R&D Centers in 17 countries	▸ more than 5,300 direct material suppliers
MATERIAL ISSUES	■ Customer engagement and support ■ Customization for Emerging Markets	■ Innovation related to product safety ■ Eco-friendly products ■ LCA analysis	■ Supplier assessment on environmental and human rights aspects ■ Transparent supplier relationships and engagement
MAIN PROJECTS	■ Bridge ➡ *130*	■ Autonomous drive ➡ *141* ■ Vision ➡ *141* ■ Progetto Diciotto ➡ *208* ■ Life Cycle Assessment ➡ *143*	■ WCM for suppliers ➡ *163* ■ CDP Supply Chain ➡ *164* ■ Sustainability Award ➡ *162*
SDGs MONITORED	16 Peace, Justice and Strong Institutions	6 Clean Water and Sanitation ⊕ 8 Decent Work and Economic Growth ⊕ 12 Responsible Consumption and Production ⊕ 13 Climate Action ⊕ 14 Life Below Water 15 Life On Land ⊕ 16 Peace, Justice and Strong Institutions	1 No poverty 5 Gender Equality 8 Decent Work and Economic Growth 12 Responsible Consumption and Production 16 Peace, Justice and Strong Institutions

⊕ Aligned targets

MANUFACTURING PROCESSES	LOGISTICS PROCESSES	SALES AND AFTER-SALES	REMANUFACTURING END-OF-LIFE
▸ $174.4 million saved through WCM projects	▸ -12,500 tons of CO_2 emissions due to improvement projects	▸ 97% Satisfied or very satisfied Commercial Vehicles customers in EMEA	▸ More than 4,600 remanufactured spare parts and components available
▸ 64 plants	▸ 725 transport companies worldwide	▸ more than 4,000 dealers and distributors	▸ 47 spare parts warehouses
■ Energy management, GHG and other air emissions ■ Waste management ■ Spills - Soil and subsoil Protection ■ Biodiversity ■ Water management	■ Environmental impact of inbound and outbound logistics system	■ Dealer management ■ Customer engagement and support	■ Remanufacturing
■ Green Plant ➡ *176* ■ Protecting Biodiversity ➡ *191* ■ Initiatives in water-stressed areas ➡ *188*	■ Low-Emission Transport ➡ *197* ■ Intermodal Solutions ➡ *198* ■ Optimizing Transport Capacity ➡ *199*	■ Firefighter academy ➡ *223* ■ Harvest master ➡ *224*	
3 Good Health and Well Being 6 Clean Water and Sanitation 7 Affordable and Clean Energy 8 Decent Work and Economic Growth 9 Industry Innovation and Infrastructure 12 Responsible Consumption and Production 13 Climate Action 14 Life Below Water 15 Life On Land 16 Peace, Justice and Strong Institutions 17 Partnerships for the Goals	11 Sustainable Cities and Communities 12 Responsible Consumption and Production 13 Climate Action		8 Decent Work and Economic Growth 12 Responsible Consumption and Production

MEETING CUSTOMER EXPECTATIONS



Material aspects described in chapter. For further details, see Materiality Matrix, page 23.

MANAGEMENT APPROACH

DMA

CNH Industrial's commitment to its customers is a cornerstone of the Code of Conduct, in which the Company undertakes to meet the expectations of end customers fully, stating that all CNH Industrial executives, managers, and employees shall strive to exceed customer expectations and continually improve the quality of the Company's products and services. Of great importance is the ability to manage customer relations across the board, ensuring accessibility in the event of information requests and problem reporting, as well as a clear and timely response. This aspect is also crucial in laying the foundations for future success because it helps in understanding the degree of customer satisfaction; furthermore, the feedback and suggestions received help identify changes to be made to existing product ranges, and the new product lines to be developed to meet future market needs. The Company considers this aspect important for building trust, while stakeholders view it as an opportunity to improve equipment use and to limit disruptions in the event of problems.

Each brand is responsible for managing customer relations and for defining the main guidelines. Each Region has a Commercial Services function that reports directly to the Regional Chief Operating Officer, who is a member of the Global Executive Committee. Through the brands, this function provides the services required to implement defined customer strategies.

Customers use CNH Industrial products in their daily work and therefore need practical advice on the best purchasing options, the right amount to invest, and which products meet their business needs. To suit the priorities of its customer base, CNH Industrial distributes its range of products through its distribution network, while the corporate website helps customers to identify the best purchasing options.

EXPO MILANO 2015

HEROES AND SUSTAINABILITY

During *Expo Milano 2015*, the New Holland Agriculture Sustainable Farm Pavilion hosted *9 Heroes* from Brazil, Canada, France, Germany, the UK, Italy, Russia, and Zimbabwe – the Heroes are New Holland Agriculture customers and the stars of *The Seeds of Life* web series.

The series, available on the New Holland website, is part of a global advertising campaign created by the brand about the everyday life and work of the farmers, true modern heroes, throughout the world, from the vast fields of Brazil to the most exclusive vineyards of Europe. These men and women have chosen to devote their time to cultivating the land following sustainability principles, to nourishing whole communities and the entire world, integrating three main goals: environmental health, economic profitability, and social and economic equity.

During their visit to *Expo Milano 2015*, the Heroes were engaged in a series of activities at the New Holland Agriculture Pavilion. One of them was a sustainability workshop aimed at collecting feedback and opinions on the 25 material issues identified in 2014, as well as suggestions to identify the emerging sustainability trends related to the business of CNH Industrial and New Holland Agriculture. The results of the activities were fed into the 2015 materiality matrix (see also page 23).

GLOSSARY
DMA

GRI
G4-DMA

CUSTOMER ENGAGEMENT

CNH Industrial is strongly committed to interacting with its existing and prospective customers in order to create a transparent and lasting relationship, based on the Company's fundamental principles.

To this end, and to enable it to work in collaboration with all stakeholders (markets, area managers, dealers, and salespeople), the Company developed the following areas:

- Customer Data (pre and post-sales) - organizes data on existing and prospective customers, making it easily accessible in order to optimize relations
- Customer Relationship Management (pre and post-sales) - through extensive planning, execution, and evaluation of activities, Customer Relationship Management (CRM) aims to design, operate, and coordinate multiple interaction touch-points to deliver a real brand experience to the customer, and to define guidelines on how to listen to customer input and monitor satisfaction levels to improve the quality of the services offered
- Lead Management (pre-sales) - set up to enable interaction with customers and deliver a caring professional service, while collecting customer feedback and measuring customer satisfaction regarding the services offered
- Customer Journey - maps, monitors, and improves the customer experience throughout the customer's life cycle.

CNH Industrial processes **customer data** in separate databases for each brand, through a central system managed by regional and business sectors, adopting a unified approach for all brands and markets. The central database provides an integrated view of the customer information supplied by the different sources, and supports the operational management of both customers and leads (entered into the system by the brands or by the dealers themselves) in terms of distribution and follow-up. It also includes other data such as customer services interactions, requests for information, breakdown assistance, lead management, surveys, and anything else that may involve the customer. All information can be accessed by the marketing teams to create advertising campaigns and generate lists of sales prospects. As stated in the Data Privacy Policy, CNH Industrial strives to protect values such as confidentiality and personal data protection rights, in compliance with applicable laws. In 2015, no significant final rulings (as defined in the paragraph on Significant Final Rulings on page 54) were issued against the Company for non-compliance with regulations regarding customer privacy and loss of customer data.

FOCUS ON

BRIDGE PROJECT

In 2015, CASE Global teams from every region and across functions worked together to define the brand position, analyzing inputs from hundreds of customers, dealers and employees to understand what elements are meaningful for them and what is unique to the CASE brand.
The result is a more descriptive and actionable set of brand attributes that help define the brand personality in the market and guide its decisions based on our target audience – the customer. It is a blueprint around which to build the CASE culture. It will help define how products are designed as well as a direction for the brand voice and tone. The brand attributes act as a filter for all aspects: from who to hire all the way through design decisions and product support packages.
Brand decisions should reinforce four key attributes.

- *Heritage* – the brand has leveraged its enduring industry experience to deliver practical innovations since 1842
- *People* – an entrepreneurial spirit that builds authentic relationships and has a passion for building communities and doing what's right
- *Problem solvers* – the capacity to observe and listen in order to deliver intuitive solutions that are meaningful to the customers, whether they can clearly articulate their needs or not
- *Hands-on Approach* – as experts for the real world, CASE people are involved in the customer's world, they don't just theorize.

These are the building blocks of the new brand positioning: *Experts for the real world since 1842*
This also led to the definition of a CASE *brand vision*: "*Leveraging our passion and experience to deliver intuitive and straightforward solutions to our customers' real world challenges*" and a *brand mission*:

- *to build and strengthen authentic, transparent, and long-lasting relationships with our customers, dealers, employees, suppliers, and investors*
- *to invest our knowledge and experience in the continuous improvement of intuitive and straightforward solutions*
- *to attract and retain knowledgeable, passionate, and hands-on individuals.*

Experts for the real world since 1842 is the positioning statement that identifies the brand as a trustworthy, pragmatic partner that listens to challenges and translates this into innovation that matters and guides the brand's future business decisions

Customer Relationship Management (CRM) effectively manages and facilitates customers' cross-channel exposure, transactions, and interactions with a company, product, brand or service through designed methods and processes throughout the entire life cycle of a product. At CNH Industrial, the customer experience should be positive, respectful, and attend to the needs and expectations of customers purchasing new machinery or services. Using these methods, customer information is shared between the brands and the distribution network in order to ensure the best possible experience for the customer. A variety of campaigns and services are offered to existing and prospective customers on multi-channel platforms, according to their needs, e.g.:

- regular communications via email
- nurturing programs
- loyalty programs.

Lead Management is a process through which the sales leads gathered via various sources (such as brand websites, trade fairs, inbound calls, and online and social-media campaigns) are verbally qualified and assigned to the most appropriate dealer. Before assignment, all leads are contacted via phone to confirm their dealer contact request. A follow-up call is made five days after qualification to confirm that the customer was contacted and was satisfied with their treatment by CNH Industrial. If not, CNH Industrial activates an escalation process to resolve the customer's issue.

In 2015, a **Customer Journey** program was developed to monitor and improve the customer experience during the critical stages of purchase and post sales. A pilot program will be launched in 2016 for customers that receive an offer through the distribution network, in order to monitor customer experience and adopt the necessary measures to ensure a transparent sales process. Depending on how well the pilot performs, the program will be gradually extended to all customers.

Transparent Communication

CNH Industrial recognizes that advertising must be truthful and transparent, and advocates positive and responsible values and conduct across all forms of communication. Indeed, in 2015, no significant final rulings (as defined in the paragraph on Significant Final Rulings on page 54) were issued against the Company for non-compliance with regulations or voluntary codes concerning marketing communications, including advertising, promotions, and sponsorships.

CUSTOMER FEEDBACK PROCESS

The Market Research department manages CNH Industrial's market research projects worldwide. It defines the objectives of each assignment in collaboration with internal customers (mainly Marketing and Product Development), and achieves them by applying dedicated methodologies to collect customer feedback and suggestions. The approaches used include in-depth interviews, focus groups, computer aids, telephone interviews, web surveys, and product tests.

CNH Industrial has always considered the customer's opinion as a fundamental basis for developing new projects and for defining a customer-oriented brand strategy. To meet these targets, the marketing research organization, both globally and regionally, supports all business units through market research with the aim of gaining and collecting customer inputs to use in future product developments.
Through various projects, the Market Research department compiles key information on:

- specific customer needs, based on different geographical, economic, and cultural backgrounds
- customer usage and attitudes
- customer interest in new solutions and features
- customer and dealer satisfaction
- general brand perception.

All results are fully integrated into the Company's processes in order to build brand strategies in line with customer needs, and to provide customers with the best-in-class products and services required for the growth of their businesses. Customer research complements the global product development process, with emphasis placed on incorporating customer needs and preferences early in the design stages. Research teams work closely with internal clients on both brand and technical aspects to design projects that accurately and efficiently elicit customer input. Research methods vary based on the strategic questions to be addressed. The Company leverages leading edge tools (interviews at trade shows and during events, web-surveys) to effectively capture information and make the experience of participating in research a positive one.

GRI
G4-PR7

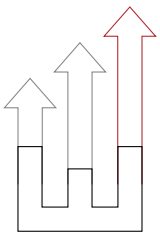
Research findings are incorporated into the product design process, the creation of business cases, and overall strategy to ensure development and execution are customer-driven.

Through Customer-Driven Product Definition (CDPD), CNH Industrial customers actively participate in the development and testing of new models. CDPD consists in: visiting and collecting feedback from customers; analyzing their suggestions; meeting with product platform teams; customer testing on new model prototypes followed by a comparison of their main features; and, finally, integrating customer suggestions into final product specifications. All of these stages lead to product designs that not only ensure optimal performance and efficiency, but also meet the needs of the customers who work with CNH Industrial vehicles every day.

CUSTOMIZING FOR EMERGING MARKETS

DMA

As evidenced by the materiality analysis, both CNH Industrial and its stakeholders believe in the strategic value of the Company's activities in Emerging Markets. Stakeholders have many high expectations of a global company such as CNH Industrial, including setting an example of good practice and providing guidance in developing regions.
CNH Industrial adopts the same standards and management systems across all countries in which it operates. Indeed, the WCM management system has been implemented at all 16 plants present in Emerging Markets.
However, certain aspects are managed according to the specific needs and regional differences of local economies. An important example of such differences can be found in the guidance CNH Industrial provides to local suppliers: from requesting the adoption of a code of ethics in defense of social issues, to working towards the best possible management of production sites through the dissemination of the World Class Manufacturing program (see also page 168). In parallel, the Company also promotes or actively participates in projects, such as youth training projects, aimed at developing local communities (see also page 111), with a dual purpose: to develop technical professionals for the Company or its service network, and to give young people the professional skills required by local labor markets.



9 research centers in Emerging Markets

On the product side, CNH Industrial's approach is to meet market demand by offering products that are as closely aligned as possible to customer requirements; therefore, when necessary, some product lines are modified or entirely redesigned on site to better meet local customer needs. To this end, CNH Industrial has set up research centers in China, South Africa, and Brazil (see also page 136) that actively participate in knowledge development and technology dissemination within the Company. These R&D centers endorse local talent hiring as well as knowledge sharing, mainly through web platforms and IT systems.

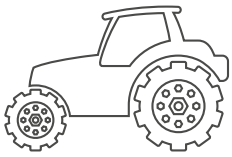
CNH Industrial was included in the prestigious annual ranking of the 100 most innovative companies in Brazil, compiled by influential financial newspaper *Valor Econômico*. The Company came in 30th in the overall ranking and in the top 5 in the Capital Assets category, considered to be one of the sectors that is investing most in the country. Companies were judged on 4 criteria: intention to innovate, effort to innovate, results achieved, and market assessment. Indeed, CNH Industrial is actively involved in promoting research with a number of academic institutions in Brazil (see also pages 265-266). For example, in partnership with the *Universidade Estadual Paulista* (UNESP), New Holland Agriculture built a modified version of a self-propelled forage harvester to harvest eucalyptus.
Iveco is also researching new technologies for the bus segment with the *Universidade Federal de Minas Gerais* (UFMG). To this end, in 2015, the company launched the Electric Daily minibus. Developed in Europe, the vehicle was sent to Brazil for testing by the brand's design and innovation team. The goal is to explore the use of an electric vehicle for passenger transport, improving its design and adapting the model to meet the needs of the Brazilian market.

At the beginning of 2015, Case IH shipped its first Axial-Flow® 4000 Series combines, designed for the Chinese market to suit the specific needs of local farmers and offer premium comfort, high capacity, and the unsurpassed grain quality consistently delivered by Axial-Flow® technology. The two models, Axial-Flow® 4077 and 4088, are manufactured at the site recently opened in Harbin (China), in the province of Heilongjiang, through global sourcing. They provide Chinese farmers and State Farms with locally manufactured first class harvesting solutions, and are an important step towards full agricultural mechanization throughout China. The combines were tested extensively with the farmers on different crops across the country, and the feedback has been extremely positive. The Axial-Flow® 4088 combine received the Gold Award for Technology Innovation at China's annual Agricultural Machinery Top 50 Awards, as well as the prestigious Product Innovation Award at the China International Agricultural Machinery Exhibition (CIAME).

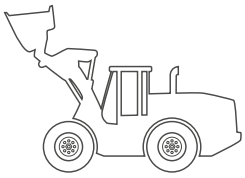
GLOSSARY
DMA; WCM

GRI
G4-DMA

The Axial-Flow® 4000 Series combines offer the perfect working environment to maximize productivity and minimize fatigue, even during long work days. The ample 3.74 square meter glass surface offers an unobstructed view around the machine and excellent visibility of the header, the crop flow into the feeder, and the unloading auger. The right-hand console integrates many of the combine's essential controls and is easily within reach. The machine's key parameters are displayed on the A-post monitor, allowing the operator to perform on-the-go adjustments. The main combine controls are grouped together on the user-friendly multifunction handle for intuitive and efficient harvesting operations. Additional operator comfort is provided by the suspended and adjustable seat, standard heating, and optional air conditioning.
The new site in Harbin is the largest agricultural equipment manufacturing facility in Northeast China. It features the latest manufacturing technology, such as the Automated Guided Vehicles system used for assembly, and 2 state-of-the-art painting facilities. The complex also includes a Customer Center and the company's main R&D center for agricultural equipment in China, with full development and testing capabilities. In addition to the combine series, the plant manufactures a wide range of product lines: planters, tractors, combine harvesters, corn pickers and respective headers, balers, and hay tools – a complete line of equipment for the mechanization of the full cycle of corn, wheat, soybean, and hay production.

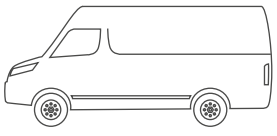


In 2015, Case Construction Equipment launched its new range of bulldozer tractors in Brazil, offering 33 models across 8 lines, with 10% lower fuel consumption compared to competitors.
The models manufactured at the Contagem plant (Brazil) are the 1150L, 1650L, and 2050M, while the model currently sold in Brazil was developed jointly by North Americans and Brazilians to fully meet the specific requirements of the domestic market. The vehicle was adapted to suit the Brazilian market through trials conducted at both the Sarzedo plant (Brazil) and the brand testing ground, as well as customer trials, involving more than 40 professionals and lasting almost 2 years. One outcome was the development of a new air filter for the 2050M's engine, featuring increased capacity (from 10 to 15 cubic meters per hour), and a 30% performance improvement. The redesigned filter will also be incorporated into models manufactured and sold in the USA.
Bulldozers are employed in various sectors, such as civil construction, infrastructure, recycling, and agribusiness, for operations such as land clearing and earthworks. The 3 models manufactured in Brazil have fully-automatic hydrostatic transmission and a load sensor, which eliminate the need to change gear. Each transmission comprises a variable-flow axial piston pump connected to a variable-flow bent axis axial-piston motor. The closed circuit allows the hydraulic system to adjust the power of each belt during every turn or counter-turn, thus enabling the machine to handle any sudden load on the blade, any turning radius, and to maintain a straight course even on steep terrain, through the automatic flow modulation (speed) and pressure (power) on each corresponding blade.



The cabs comply with ROPS international safety standards, which require the presence of an internal protective space to ensure operator safety, for example in the event of damage following an accident. They also comply with FOPS standards, which ensure operator safety in the event of heavy objects impacting the roof. There are 2 doors, one on each side of the cab, which open fully to 180°. Electro-hydraulic control is available through both the right and left joysticks, which significantly reduces operator fatigue. The right joystick controls all blade movements, including fluctuation, while the left joystick controls all machine movements.
The new 570T backhoe loader was specifically designed for and introduced in Africa and the Middle East, thus expanding the brand's industry-leading range. It is an entry-level model featuring a highly fuel-efficient engine, a strong S-styled boom, a heavy-duty front axle, and the largest cab in its segment, while its design facilitates quick and easy service.

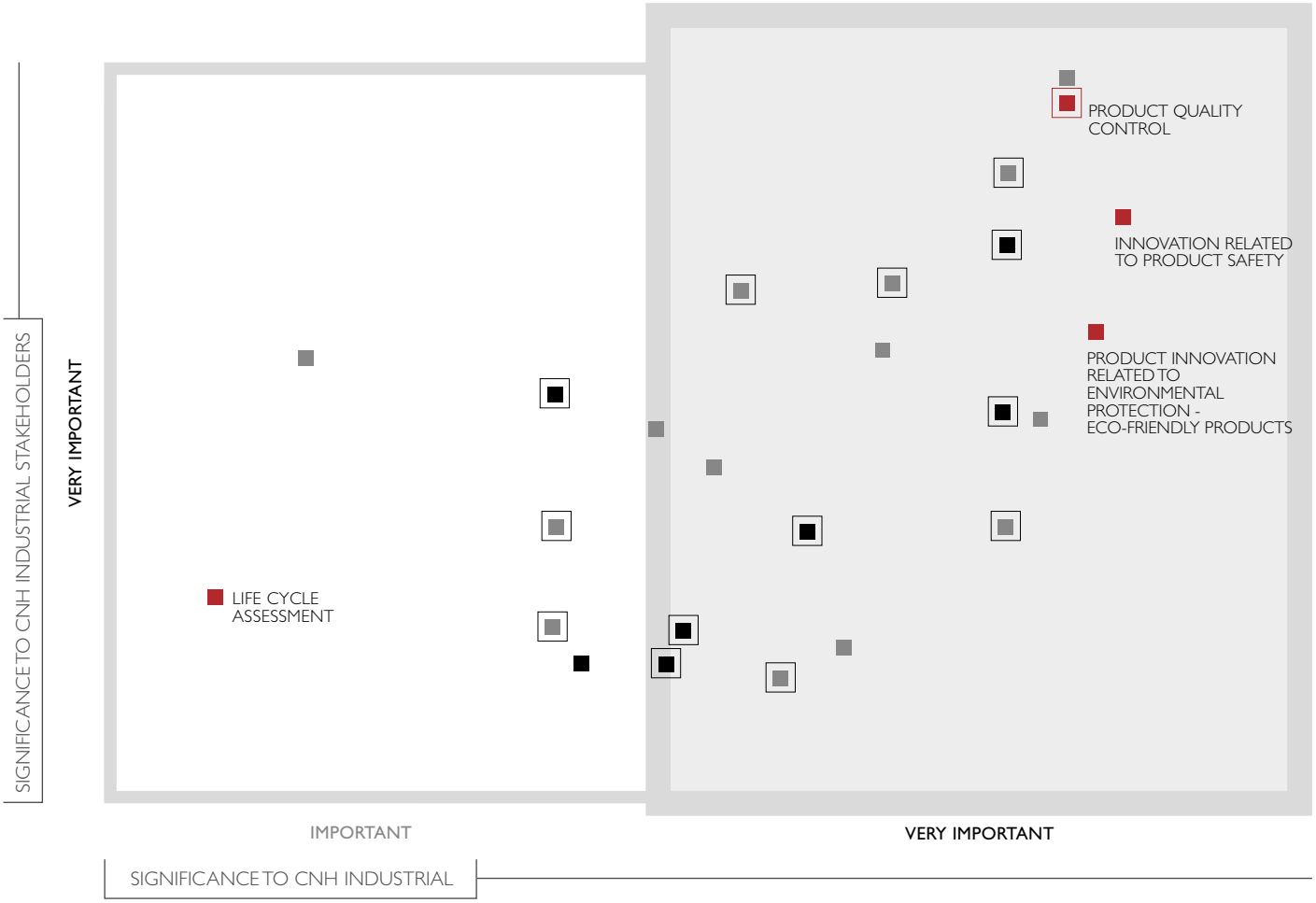
In 2015, CNH Industrial continued to consolidate its position as Argentina's market leader for commercial vehicles by presenting a redesigned range of products under the Ecoline brand, equipped with the most advanced technologies to deliver further efficiency and power improvements. The new range includes the Daily, Vertis, Tector, Cursor, Trakker, Stralis, and Stralis Hi-Way. Meanwhile, both the range of products manufactured at the CNH Industrial plant in Argentina and those imported from Brazil are also being redesigned. This demonstrates the Company's renewed commitment to the local market, where it has been operating for over 46 years through its manufacturing plants and extensive dealer network, which today offers outstanding after-sales services.



Iveco's improved range of trucks and utility vehicles will perform better and generate significantly fewer greenhouse gas emissions. Ecoline technology will be incorporated into all 7 Stralis models, reducing fuel consumption by 5-8% in comparison with previous versions. The Cursor truck's new engine, with brand new technology and high operational efficiency, will make it one of the most cost-effective heavy trucks on the market, while CNH Industrial's Stralis Hi-Way, to be launched in Argentina, will be one of the most advanced trucks available in the country.

GLOSSARY
FOPS; ROPS

INNOVATION AND PRODUCT DEVELOPMENT



Material aspects described in chapter. For further details, see Materiality Matrix, page 23.

MANAGEMENT APPROACH

DMA

CNH Industrial contributes to the global fight against climate change by marketing products whose innovative features enable reducing polluting emissions, and that are increasingly efficient at cutting fuel consumption and related CO_2 emissions.
As evidenced by the materiality analysis, product-realted aspects are central to both CNH Industrial and its stakeholders, 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. In this spirit, research activities focus primarily on the development of products that can:

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

As stated in the Code of Conduct and in the Environmental Policy, 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 Company is conscious of the impact that its products have on the environment, and of its role in developing solutions for customers with due regard for environmental care. In its research activities, the Company places emphasis on improving the environmental performance of its products during use, when they have the greatest impact on the environment.

> CNH Industrial contributes to the global fight against climate change by marketing products whose innovative features enable reducing polluting emissions and CO_2 emissions

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. The GPC has the role of evaluating investment requests and determining capital allocation across each segment and brand. The Product Segment Leaders, which are also members of the GEC, are responsible for ensuring that product program commitments approved by the GPC are delivered.

In 2015, to recognize the unique importance of each of the Company's four product segments, Product Development & Engineering was divided into four Product Segments (Agricultural Equipment Segment, Commercial Vehicles Segment, Construction Equipment Segment, Powertrain Segment - including Powertrain Product Development and Product Development Shared Service), each headed by a Segment Leader, which include the Product Development function headed by Product Development leaders. The latter report directly to Product Segment Leaders to ensure no unintended engineering bias in any of the product programs.
Agriculture, Construction, Commercial Vehicles, and Powertrain Segments are responsible for innovation and advanced engineering through to product validation. This approach puts a greater depth of focus on product platforms. The Powertrain Product Segment also includes the cross-segment Product Development function, called Product Development Shared Services, which includes the development areas common to the other segments: Electro-Hydraulics & System Architectures; Design Center; Innovation, Simulation & Methods; and Engineering Services.
Product Segment Leaders serve as GEC-level points of reference for the specific segment or business line. They have a coordinating role, bringing the different elements of the organization together to ensure compatibility, when needed. The Product Development leaders' role is to provide clear accountability for the delivery of new product programs, as agreed by Global Product Committees, in line with approved business cases and allocated capital.

GLOSSARY DMA
GRI G4-DMA

Many of the targets related to materiality aspects are set out in the Sustainability Plan (see also page 33) and included as individual goals in the Performance and Leadership Management system (see also page 76). Innovation and development are regulated by the innovation process and the Global Product Development (GPD) process (see also page 145), common to all of the brands and across the Regions, including Emerging Markets.

INNOVATION

At CNH Industrial, technological innovation projects that cut across all product segments are based within Shared Services, while product innovation projects are developed within the individual product segments and are normally related to applied research. An Innovation Committee coordinates the entire Innovation Plan for the whole of CNH Industrial. Innovation activities are strictly related to the management of intellectual property (see also page 138), as well as to participation in shared research projects (see also page 139).

In 2015, CNH Industrial's research and development expenditure reached a total of $877 million, or 3.5% of the Company's net revenues from industrial activities. R&D activities involved approximately 6,000 employees at 50 centers worldwide, 9 of which located in Emerging Markets (Brazil, China, and South Africa) employing more than 800 people.

RESEARCH AND DEVELOPMENT HIGHLIGHTS

CNH INDUSTRIAL WORLDWIDE

	2015	2014	2013
Number of Research Centers (no.)	**50**	49	48
of which in Emerging Markets	9	9	8
Number of R&D employees (no.)	**5,968**	6,122	6,280
of which in Emerging Markets	827	992	789
R&D Expenditure ($million in IFRS)[a]	**877**	1,122	1,240
of which on Agricultural Equipment	395	519	564
of which on Construction Equipment	93	130	151
of which on Commercial Vehicles	285	350	395
of which on Powertrain	104	123	130
R&D Spending as % of sales[b]	**3.5**	3.6	3.8

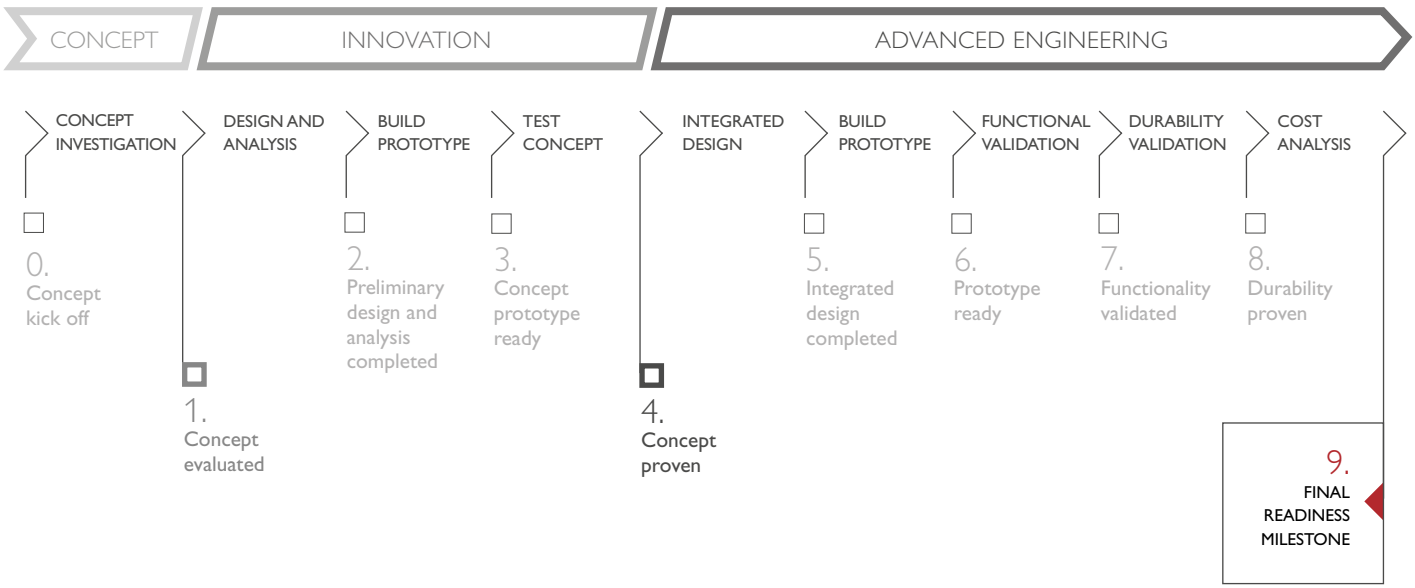
[a] Inclusive of capitalized R&D costs and R&D costs charged directly to the income statement.
[b] Considers only net revenues from industrial operations ($24,903 million).

INNOVATION PROCESS

CNH Industrial usually delegates its basic research to universities through dedicated partnerships (see also page 139). For highly strategic projects, on the other hand, the core research is often developed directly by the Powertrain segment. Basic research focuses on energy management, powertrain efficiency, and alternative fuels. FPT Industrial's innovation strategy is based on a fully integrated development program evolving around three main areas of expertise: virtual development, basic technology evolution, and integrated modelling within CNH Industrial products. The virtual development process, which is partially related to basic research, puts CNH Industrial one step ahead of the competition, enabling the creation of a higher level of expertise, the integration of powertrain innovations on a larger scale, and a vision of the energy management of the final product as a whole rather than of the engine alone.

CNH Industrial's innovation process refers to applied research and consists of a series of clear-cut steps, from the evaluation of innovative concepts up to the final step before product development.

INNOVATION PROCESS



There are 9 steps in total, grouped into 3 overall macro-phases: concept, innovation, and advanced engineering. It takes an average of 2 to 5 years to apply an idea to a product, depending on the complexity of the idea itself.

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

The initial feasibility study is carried across the 4 steps of the **Innovation phase**, at the end of which the product must meet every technical requirement to move forward, or the project is discontinued.

During the **Advanced Engineering phase**, which follows Innovation, the design is integrated and completed, and a prototype is created to assess functionality and stability through virtual and field testing. This phase also defines the adoption of new technologies, new material purchasing needs, and the realization of components that were not identified during the previous phase. If necessary, suppliers are engaged at this time to collaborate on the joint development of components required to execute the project. Cost analysis is the final step of the innovation process: if economic requirements are unmet, the project is discontinued. If the project meets the requirements, as in 90% of cases, it is handed over to the product development platform.

In 2015, 16 innovation projects reached the final step and will be integrated into one or more products through the Global Product Development process (see also page 145).

INTELLECTUAL PROPERTY

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

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

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

PATENTS

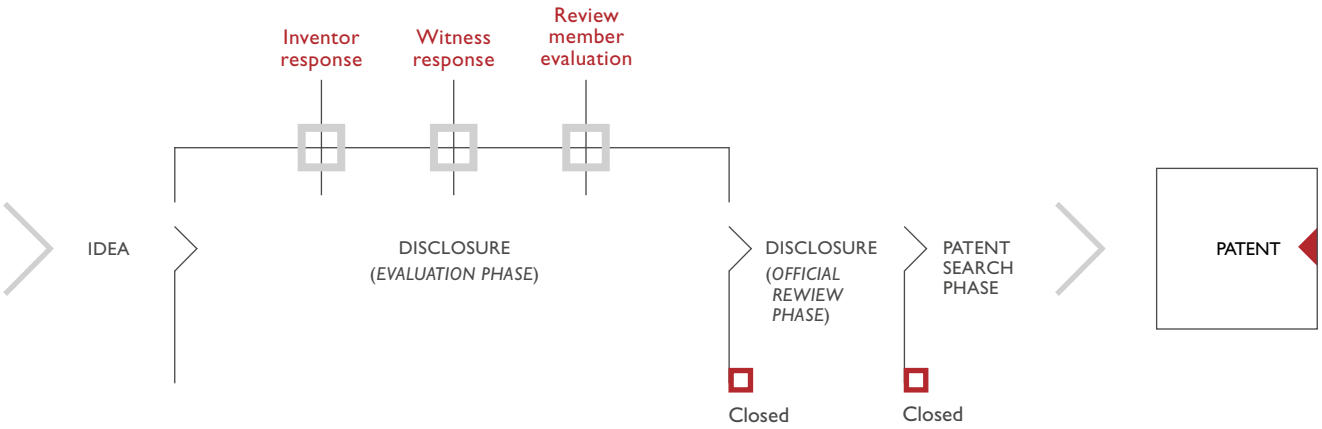
CNH INDUSTRIAL WORLDWIDE (no.)

	2015	2014	2013
Active Patents	**7,719**	7,518	7,710
of which registered during the year	**847**	761	1,036
Patents Pending	**3,519**	2,846	2,242
of which filed during the year	**971**	822	672
New Disclosures on Innovation Portal	**831**	730	805

In order to manage the wealth of innovative ideas generated inside the organization, CNH Industrial created an Innovation Portal accessible to all employees working in technology-related areas: these are the people who conceive, design, and build our products, and who therefore often have ideas that further improve the quality and performance of the products themselves. The secure and user-friendly Innovation Portal (a tool accessible from any workstation worldwide) provides an ideal channel for converting these ideas into disclosures, which eventually may lead to patents. Given the significant value-creating potential of these internally-generated ideas, the Company has set up a Patent Award Program to reward inventors whose ideas are successfully patented.

The Innovation Portal is managed by the IP team, with the support of product-specific Review Teams for the technical evaluation of new ideas. Each Review Team consists of internal personnel actively involved in all key aspects of the product, including engineering, manufacturing, marketing, testing, etc.

INNOVATION PORTAL PROCESS



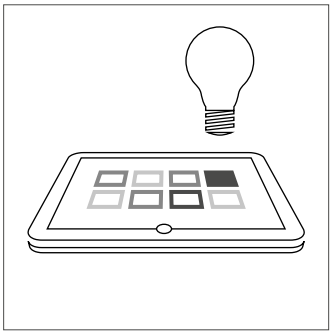
Employees who believe they have a patentable **idea** can submit their proposal to the IP Department through the Innovation Portal. Multiple inventors can be associated with an idea, and supporting materials (such as designs, photographs, videos, calculations, etc.) can be uploaded in a wide variety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

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

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

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

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



More than 7,700 active patents owned

During the **patent search** phase, the Patent Attorney investigates the patentability and feasibility of the disclosure. If the search reveals no relevant prior art that could obstruct patentability, the Patent Attorney begins the patent protection process, working with the inventor to draft the necessary description for patent application. Once the final draft is approved by the inventor, the patent application is filed. All disclosures (including closed cases) remain on the Innovation Portal along with the Review Team's evaluations.
During 2015, 831 new disclosures were submitted via the Portal.

PARTNERSHIPS AND COLLABORATIVE PROJECTS

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

PARTNERSHIP

CNH INDUSTRIAL WORLDWIDE (no.)

	2015	2014
Total scientific collaborations[a]	**66**	50
of which with universities	**43**	41
of which with research centers	**23**	9

[a] *For the list of collaborations, see also page 262.*

CNH Industrial has a long tradition of involvement in national and international working groups, and has played an active role in collaborative research projects for some years now. The Company is engaged in research projects aimed at reducing the life cycle impact of its products within the value chains. CNH Industrial's commitment, as stated in the Code of Conduct and in the Environmental Policy, is to develop and offer its customers high performing products with low fuel consumption, thus maximizing productivity and minimizing environmental impact. CNH Industrial is therefore engaged in 85 collaborative projects, of which 20 include the optimization of fuel consumption and energy efficiency as a key focus.

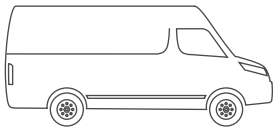
GRI G4-16

COLLABORATIVE PROJECTS

CNH INDUSTRIAL WORLDWIDE (no.)

	2015	2014
Total collaborative research projects	**85**	81
of which on reducing polluting emissions	**7**	6
on optimizing fuel consumption and energy efficiency	**20**	30
on use of alternative fuels	**7**	3
on alternative propulsion systems	**10**	2
on telematics systems	**5**	0
other projects	**36**	40

In 2015, the *Pie Verde* project came to an end, its focus being the reduction of greenhouse gas emissions caused by urban freight distribution. Launched in 2013, the initiative involved 29 partners, including small and medium-sized businesses, a research center, and 3 universities. The project's purpose was to research, design, and develop components and architectures specific to light commercial vehicles with reduced environmental impact, aiming for a level of innovation higher than state-of-the-art technologies and products.



The focus was also on examining suitable usage patterns for both vehicles and related support services, which can facilitate the work of operators by making journeys more comfortable, eco-friendly, and safe in a perspective of 'smart logistics in a smart city'. Project activities therefore focused on offering vehicles capable of delivering high returns through reduced fuel consumption and operating costs, with a view to development, environmental protection, and user needs.

The project explored two vehicles (the electric Daily and the plug-in hybrid Daily), concentrating on the simulation tools used to assess the impact of both types of vehicle and related support services on urban logistics. These tools will improve emissions, bringing significant environmental benefits when total emissions across all vehicles are considered. Among its main achievements, the project was able to:

- demonstrate the effectiveness and efficiency of using electric light commercial vehicles on daily hauls up to 200 kilometers
- ascertain the flexibility of use of the parallel hybrid plug-in vehicle, with all-electric vehicles allowed into Zero Emission Zones (ZEZ)
- determine the effectiveness of advanced logistics management systems compared to similar services involving conventional vehicles:
  - up to a 9% reduction in service time (time reduction optimization)
  - up to a 13% decrease in the number of vehicles in service
  - up to a 78% reduction in fuel consumption (optimization of fuel consumption reduction for a fleet of electric vehicles)
  - up to a 15% reduction in operating costs (time reduction optimization for a fleet of electric vehicles)
- identify technical solutions that reduce vehicle fuel consumption through energy efficiency and by reducing the weight of certain structural parts (vehicle + body)
- apply and demonstrate the feasibility and effectiveness of thermal storage technology for cabin air conditioning - an integrated air conditioning system based on Phase Change Material (PCM).

OUR PROJECTS

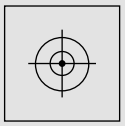
A COMPETITION FOR YOUNG INNOVATORS

For the 7th consecutive year, the New Holland Construction brand sponsored the *Baja SAE Brazil* competition, in which 30 teams of engineering students from all over Brazil competed to design and construct an off-road vehicle. The prototypes, with tubular steel frames, were required to have at least 4 wheels and be able to transport people up to 1.9 meters tall and weighing up to 113.4 kilos.

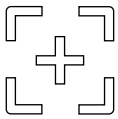
The judges assessed safety, comfort, engine, suspension, and traction. The prototypes were subjected to tests to determine vehicle acceleration and maneuverability, and to a field test lasting over 3 hours to assess resilience on rough terrain and when facing obstacles. The competition's aim is to stimulate creativity and a desire for innovation among young people and to discover the new talents that will soon be entering the labor market.

FOCUS ON

AUTONOMOUS DRIVE



Autonomous driving systems are developed using technologies that enable communication between vehicles and road infrastructures, as well as accurate methods to locate position. The first applications are likely to be in agriculture, where there are fewer variables to manage and fewer regulations compared to the automotive sector.
CNH Industrial is researching autonomous tractors able to pull implements, freeing operators from demanding working environments. The goal is to build remotely controlled, fully autonomous fleets, thus improving productivity and ensuring that operators no longer need to perform laborious, repetitive tasks in the field.
Similar possibilities exist for the Construction Equipment segment, where the automation of daily, repetitive functions can improve accuracy and productivity, such as when mixing materials or loading them onto trucks, conveyor belts or railroad cars.
For the Commercial Vehicles segment, the development of autonomous vehicles is particularly relevant for missions on freeways, and the first major application will be so-called platooning. The Iveco brand has been studying this area since 1986, as a participant in the *Promote Chauffeur I* project and then in 2000's *Promote Chauffeur II*. The key concept is the development of an autonomous driving system that enables several trucks to link and travel in line, where all trucks automatically perform the commands carried out by the lead driver.
This system increases fuel efficiency by minimizing aerodynamic drag, improves road safety by reducing driver fatigue, and makes freight transport logistics more efficient by shortening distances between vehicles. Furthermore, extending autonomous drive to other functions helps cut accidents caused by human error, such as sudden braking or lane departure.



The *Iveco Vision* concept is a working prototype developed by CNH Industrial's Design and Innovation departments, with the support of the Open Innovation platform. The concept integrates different technologies that encourage respect for the environment and deliver safety, ergonomics, and future driving solutions in a single vehicle.

Iveco Vision embraces a global approach to **energy management**. All factors are optimized in real time according to the road to be travelled, load, speed, and mission. GPS, road mapping, and vehicle sensors continuously monitor critical information (sourced both locally and via web), while the system processes relevant data and automatically adapts vehicle settings to current conditions. The concept is the first working van to adopt dual energy architecture. Based on mission-related factors, the vehicle self-adapts to the most suitable traction:

- electric mode allows unrestricted, zero-emission mobility in metropolitan areas
- hybrid mode improves commercial speed and fuel range on intercity routes.

A specific, multi-modal gearbox governs the flows of mechanical and electric power in the vehicle for best performance and fuel efficiency levels, switching between all-electric and hybrid mode as appropriate. The electric drive ensures zero emissions and low noise; the hybrid system, on the other hand, is ideal for long journeys, delivering up to 25% lower fuel consumption and CO_2 emissions compared to conventional technologies.
Furthermore, solar panels on the roof power the electric battery, while tire pressure is automatically adjusted according to load weight - a function that enhances both fuel economy and safety while driving. To reduce mass while improving load capacity and vehicle dynamics, the structure and body of the vehicle were designed with extensive use of lightweight, high-performance materials.

Iveco Vision is built around the driver. From **ergonomics** to visibility, from hi-tech equipment to driving comfort, all features are conceived to improve safety and performance. Analysis of driving behavior also enables the monitoring of health status and attention levels, thus reducing human-related risk factors. Large windows and A-pillars with built-in glass sections ensure a full and unobstructed view in front of the vehicle, while rear visibility is provided by a video camera that transmits images to a wide screen above the windshield. The adaptive human-machine interface makes the driver's job simpler, smoother, safer, and more efficient. The interface was developed to resemble a consumer electronics experience as closely as possible. By simply touching the screen, both the cluster and tablet can be instantly reconfigured according to the desired function (e.g., navigation or vehicle data). The dashboard-integrated tablet cradle increases flexibility (the device can be removed when needed) and simplifies upgrades.
The load management system uses sensors that identify the goods to ensure their correct placement within the vehicle, and that activate restraining devices to prevent the movement of larger packages. In addition to protecting goods from damage and optimizing space management, this allows faster loading and unloading, thus delivering a more efficient service.
Iveco Vision won the *Europäischer Transportpreis für Nachhaltigkeit 2016* award sponsored by the German magazine *Transport* (published by Huss-Medien) for best integrated approach to future urban needs.

GLOSSARY
Autonomous driving;
Ergonomics

PRODUCT DEVELOPMENT

User safety, product quality, and environmental impact are the most important material aspects considered when developing new products, and are evaluated during the Global Product Development (GPD) process.

The **environmental impact** of a product throughout its life cycle is evaluated through the application of appropriate models such as Life Cycle Assessment (LCA), among others. Furthermore, since the impact on the environment is the highest during product use, improved product performance in terms of fuel consumption, durability, and length of intervals between maintenance cycles helps reduce the environmental impact of the product itself, as well as the Total Cost of Ownership (TCO).
For this reason, during the design phase, CNH Industrial endorses solutions that promote the creation of more eco-friendly products by:

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

The water used throughout our products' life cycles and the potential shift of customers away from water are not relevant factors in the design of new products, because the products' total water usage over their lifespan and the impact that product use might have on water quality are minimal in relation to overall consumption.

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

CNH Industrial monitors the chemical composition of the components included in its products through a system called FELIS, which interfaces with the International Material Data System (IMDS) database (see also page 163) fed by suppliers in real time. Through the IMDS, CNH Industrial can analyze recyclability, as well as flag the presence of Substances of Very High Concern (SVHC), as required by the European regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), thus enabling the search for a substitute.
Component remanufacturing, or regeneration, allows reducing landfill waste, reusing recoverable components, and recycling worn-out materials, hence creating savings in terms of energy and raw material costs (see also page 229).

In terms of **product safety**, most CNH Industrial products are designed according to applicable government or industry standards on road safety, functional safety, occupational safety, and environmental safety (noise and engine emissions).
The design phase takes into account several aspects of operational functionality with respect to safety, including:

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

An essential step in any indexed safety risk assessment is the systematic identification of potential hazards and hazardous events for all types and phases of use, such as assembly and set-up, preparation for use, installation and removal of tools and accessories, on-road use, in-field use, use during transportation, blockage clearing, cleaning, service, and maintenance.

GLOSSARY
DMA; IMDS; LCA; Material Aspect; REACH; TCO
GRI
G4-DMA; G4-EN27; G4-PR1

LIFE CYCLE ASSESSMENT

In 2014, FPT Industrial completed a Life Cycle Assessment (LCA) of the carbon footprint of the 3I F1C diesel engine for light commercial vehicles. As a result, the engine's power, environmental load, and potential environmental impact were quantified, from raw material acquisition to product disposal.

In 2015, in light of the results of the pilot study, FPT Industrial acquired the LC-EMS software tool, able to process data on products' life cycles at plant level, i.e., on raw materials and energy sources used in manufacturing processes. The tool is designed for application at any brand plant and to handle information on the full product range (engines, transmissions, and axles).

The LC-EMS tool is used within the Environmental Management System, extending the latter's scope to the entire value chain and enabling the collection of data useful for:

- program planning, highlighting the stages with greatest environmental impact along the whole product value chain
- operation and evaluation, enabling flow management and performance reporting along the value chain
- improvement and leadership, providing a knowledge base for setting targets and improvement programs.

The tool will include databases relating to each stage of the life cycle, containing impacting factors evidenced by secondary data, which will form a large database covering all major environmental flows at plant level. Combining this data with user-specified quantities will enable the calculation of the overall carbon footprint of plants during manufacturing life cycles. This tool will be tested in 2016 and used as of 2017 throughout the engine life cycle, supporting manufacturing and development processes.

The Iveco Astra brand, with support from the CRF research center, began research on designing an eco-friendly heavy-duty truck. The project is intended to meet Green Public Procurement requirements enforced by some European municipalities, in accordance with EC Directive 2004/18/EC. Iveco Astra produced a document outlining the vehicle's environmental impact, analyzing the manufacturing processes, materials, and resources used. An LCA was conducted, in line with the ISO 14040 standard, on the product's main environmental impacts during the two key phases of production and use.

In 2015, in collaboration with the *Politecnico di Torino* and the *Politecnico di Milano* (Italy), CNH Industrial completed an LCA of the new Electric Daily. It conducted a cradle-to-grave study based on a vehicle life of 240,000 kilometers and a special type of sodium chloride battery. The advantage of these batteries, compared to lithium technology, is that they have 25% less mass, a constant operating temperature, and are 100% recyclable, although they do require preheating. The life cycle analysis showed that the use phase has the greatest impact on carbon emissions, not caused by the Daily itself but by the electricity used to recharge it. The use of nickel during electrification, on the other hand, is the major cause of SO_2 and NO_2 production, which in turn lead to acidification and photochemical smog.

CNH Industrial applies Design Failure Modes and Effects Analysis (DFMEA) to identify potential failures and associated hazards. The individual components crucial for safety are identified right from the design phase in the technical drawings, and subjected to specific detailed assessments (e.g., dynamic calculations, structural analysis, laboratory tests, static and dynamic vehicle testing, and type approval testing).

In accordance with the Quality Policy and additional internal procedures, workstations handling safety components during production are clearly marked, and the personnel 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 151).

Noise emissions are evaluated during the product design phase through procedures pursuant to international standards, such as ISO 2204 and EN 60118/4, and to specific homologation requirements for each market.

GLOSSARY
Carbon Footprint;
LCA

DESIGN AND ERGONOMICS

CNH Industrial puts a great deal of care and effort into design, given the lengthy service life of its equipment (durability), and its use over many consecutive hours (comfort) and often by different people (configurability), each requiring ease of access and control over commands (ergonomics).

For this reason, the Company views design not only as the aesthetic counterpart of engineering, but also as the proper approach to developing products that are functionally and esthetically appealing right from conception. To this end, CNH Industrial created a Design function that actively collaborates with every platform, with style centers in Turin and Modena (Italy), Burr Ridge (USA), and Venissieux (France).
The goal is to develop product contents that are increasingly aligned with the latest technologies, while also offering contemporary and attractive styles paired with appealing yet strong materials fit for intensive and prolonged usage.

For example, in addition to being resistant to wear and tear, internal materials must also be easy to maintain and wash, and cabin colors must be calm and restful. CNH Industrial designers work alongside engineers to bridge the gap between form and function, productivity and aesthetics, ecology and performance, often working together with the marketing functions of Company brands to support the communication and launch of new products.

Furthermore, the collaboration with the Ergonomics department allows CNH Industrial to achieve a perfect blend between product design and an optimal end user experience. The Ergonomics department focuses on:
- researching higher levels of comfort than those required by law
- improving machines customized for specific missions (which are often more complicated as they require more than simply driving)
- advancing innovative technologies already available in cars and best-in-class products.

Both Design and Ergonomics functions play an active role in many of the Global Product Development phases.

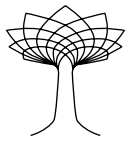
EXPO MILANO 2015

TRACTOR OF THE FUTURE

CNH Industrial, its Design Department, New Holland Agriculture, and the *Domus Academy* in Milan (Italy) launched a project to offer promising design students the opportunity to express their ideas on new agricultural product design. The purpose of the project was to work with an international group of students to develop a vision of future farming that is both accessible and sustainable. The project marked the first collaboration between the Domus Academy and CNH Industrial.
The international design students were asked to imagine how farming might develop in the future. The project was not limited to restyling a tractor, but also extended to revolutionizing the farmer's lifestyle.

The central idea developed by the students, in a storyboard entitled *A day in the life of farmer Joe*, was to design a command center from which the farmer could manage all on-farm activities remotely, supported by an autonomous *queen tractor* controlling the other vehicles.
These *tractobots* were designed to have morpho-wheels, which can transform from standard wheels to triangular tracks using the same outer rim and spokes for exceptional all-terrain performance, and to be monitored by drones enabling the farmer to observe operations in real time.

The project was presented on June 25 at *Expo Milano 2015* (Italy) during a public session of *The Future of Farming* event held at New Holland's Sustainable Farm Pavilion. The presentation documented the genesis of the project, its development, and final conclusions.



BIOMASS PRODUCTION

In addition to products capable of running on biofuels, CNH Industrial continues to research ways in which its products can be used to produce biomass, such as woodchips, corn or sugarcane residue, which are used to make biofuels. Back in May 2009, the New Holland Agriculture brand participated in a project to optimize the process of collecting and transporting willow shrubs, which its partner State University of New York (SUNY) had submitted to the Office of Energy Efficiency and Renewable Energy (EERE) within the US Department of Energy (DOE). The outcome of the project was the FR9000 series forage harvester, an original design for effectively and efficiently chopping woody biomass, such as fast growing willows.
In 2014, SUNY proposed a second project to EERE, continuing their work on biomass logistics. This proposal was approved in December 2014, allowing SUNY to continue to develop ways to lower the delivery costs of willow and other short rotation woody crops for biomass applications. For this purpose, New Holland Agriculture will provide SUNY with an FR9080 self-propelled forage harvester with 130FB coppice header, to be used in the DOE research project.

PRODUCT DEVELOPMENT PROCESS

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

Each team is composed of representatives from the following functions:

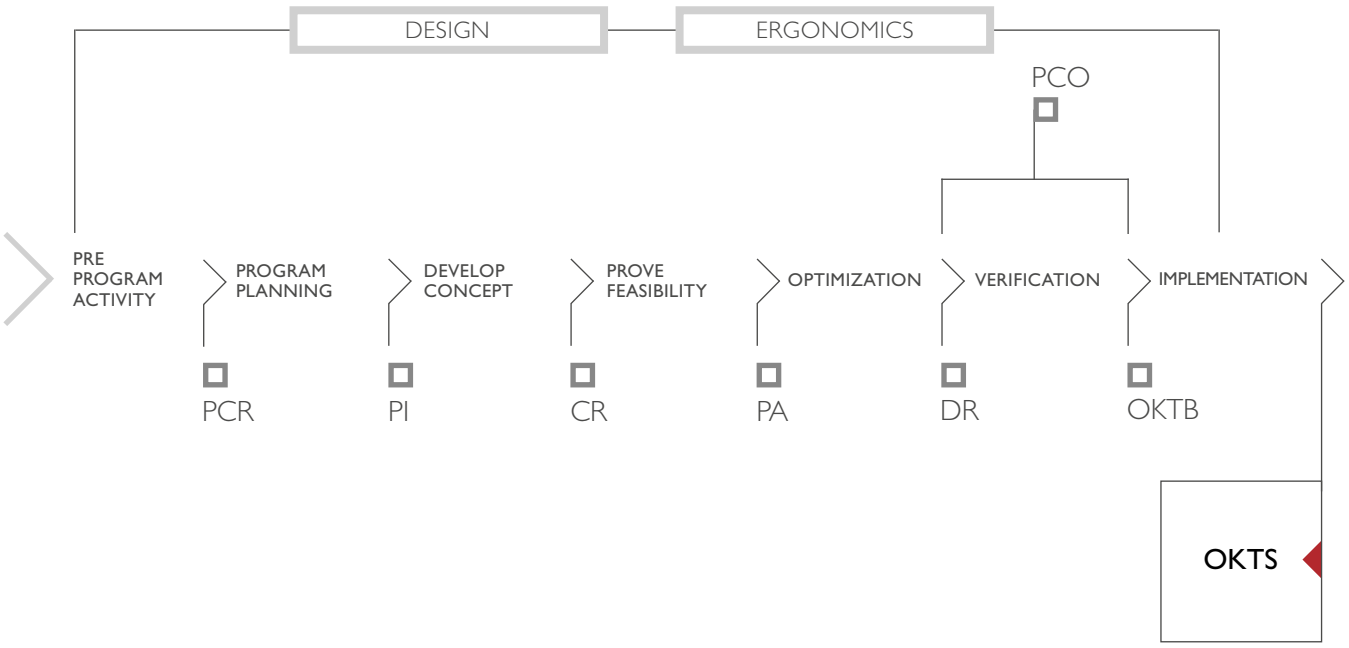
- Brand – definition of market requirements, including regional variations
- Product Engineering – product design and fulfillment of technical requirements
- Product Validation – product validation and certification
- Manufacturing – planning and preparation for production
- Purchasing – management of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

Platform teams follow the standardized Global Product Development (GPD) process, which itself is subject to continuous monitoring and revision. Although its application is standardized across geographic regions, the process allows for variations in product specifications to meet local requirements, including those specific to Emerging Markets. The GPD process consists of 6 phases, each including a set of activities and deliverables, and each assigned to one function. At the end of each phase, reviews are carried out to determine if objectives have been met. Once these objectives (or milestones) are achieved, the decision is made to continue to the next phase.
This approach optimizes resource planning, it facilitates investment allocation and the definition of clear objectives, and it improves the ability to forecast and manage risk and, ultimately, to develop quality products.
During each phase of the GPD process, the Design and Ergonomics departments work closely with each platform to make new products more appealing and functional.

Every new product development and/or product change is rigorously subject to the Delegation Of Authority (DOA), which defines the funding approval process. Management will approve the program depending on the overall spending level.

GLOSSARY
Emerging Markets

GLOBAL PRODUCT DEVELOPMENT PROCESS



The start of the GPD process is preceded by **Pre Program Activity**, which includes an evaluation of customer requirements and a preliminary estimate of time and cost. During this phase, the Market Research department manages all market projects worldwide relevant to the fields of agriculture, construction, and precision farming solutions. The objectives of each assignment are established with internal customers (mainly Marketing and Product Development) and defined using dedicated methodologies to collect customer feedback and suggestions. In-depth interviews, focus groups, Computer-Assisted Telephone Interviewing (CATI), web surveys, and product tests are some of the approaches used. All results are fully integrated into the Company's processes in order to build brand strategies in line with customer needs, and to provide them with the best-in-class products and services required for the growth of their businesses.
The Customer-Driven Product Definition process - which analyzes the needs of, and feedback from, the brands' customers - plays a major role in this phase (see also page 132). At the Product Change Request (PCR) milestone, the first in the process, the product profile is formalized and a research and design budget established.

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

Once PI is approved, the **Develop Concept** phase begins. Deliverables for this phase include the creation of a first virtual prototype for the validation of technical content, and the review/identification of patent requirements. During the development process, the Chief Engineer is responsible for the Patent Review deliverables, i.e., ensuring that no competitor patents are infringed (Freedom to Operate), and determining whether the product incorporates patentable ideas. Where applicable, new ideas are submitted for review and approval via the Innovation Portal (see also page 138). A list of critical parts is prepared, and an analysis is performed to identify and evaluate potential supply constraints and the need to involve suppliers in the design process. At this point, the Manufacturing department begins planning all actions required to configure the production line. The achievement and completion of all deliverables in this phase is verified as part of the Concept Review (CR) milestone, which marks and represents the definition of the key technical solutions regarding the vehicle's main systems.

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

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

The next step, the **Verification** phase, consists of more than 20 deliverables covering areas such as product safety, training of plant personnel, drafting of operator's manuals (see also page 148), and product certification. This phase includes the Production Change-Over (PCO) milestone, which formalizes the phasing out of the production of existing components and the phasing in of the production of components for new, replacement products. This milestone is also critical because, if the launch of a new product is delayed, the production phase-out of components for an existing product could result in a suspension in production, and thus an interruption in supply of that product to the sales network. Other activities during this phase include the evaluation of sales network training needs and customer product trials. The phase is completed when the OK to Build (OKTB) milestone is achieved, which occurs upon verification that the plant, including equipment and employees, is ready to launch production.

The **Implementation** phase can then begin, with deliverables including final safety validation, product certification, and quality and availability of spare parts. This phase is completed when the OK to Ship (OKTS) milestone is achieved, which authorizes shipment to dealers and customers. The length of the product development process varies depending on the business line and amount of new content, and can range between 18 and 36 months. If necessary, further product improvement activities (i.e., cost reductions or resolution of critical issues arising post-launch) may continue after product launch until targets are met. The platform teams maintain responsibility for the improvement of current products, establishing action plans to achieve quality and cost reduction targets, and implementing schedules and timing.
The Quality department makes use of a scorecard to evaluate effective target achievement at each milestone and review phase.

Early Warning Phase

Global Product Development ends with the achievement of the Ok to Ship milestone, which authorizes the shipment of finished products to sales and service networks. The first few months thereafter are known as the Early Warning phase, in which a specific team is appointed to focus on and assess product performance immediately by collecting feedback from the service network and internal support functions, in order to implement required improvements quickly and effectively.
This monitoring activity, which continues throughout the overall Current Product phase (see also page 150), is a crucial resource for the development of new products, as the findings on the latest launches are integrated in new designs thereafter, creating a virtuous circle of continuous innovation.

Product Change Management

Products are typically considered as current 6 months after launch. The platform teams are responsible for introducing enhancements on current products by implementing action plans to achieve warranty targets (set by the Quality team) and cost reduction targets, while managing and setting deadlines. Specific quality and reliability targets are set for each product and project, and assigned to the relevant teams of each respective development platform.
Product Change Management (PCM) is the standardized process used by platform teams to maintain and improve current products. It is consistent with the GPD process (phases, deliverables, and milestones) to guarantee high quality, speed, and disciplined execution, but also flexible and scalable according to the risk and complexity of each change.

OPERATOR'S MANUAL

Each product sold comes with an Operator's Manual (OM) through which CNH Industrial provides key product information to customers, and that is in every respect an integral part of the product itself. The manual provides extensive information on safe use and on behaviors to minimize environmental impact, such as the correct disposal of lubricating oils and additives, and efficient product use to reduce consumption and pollution.
The manual contains comprehensive information on:

- product identification data
- product functions (start-up and operation)
- correct product maneuvering
- safe product use
- human-machine interactions (controls and devices)
- on-board equipment
- technical features
- checks and routine and scheduled maintenance
- product approval standards (emissions, noise, electromagnetic compatibility, etc.)
- instructions for biodiesel use, if applicable
- safe product transportation (for off-road equipment).

The safety and accident prevention information contained in the Operator's Manual is presented in line with the ANSI Z535 standard. Furthermore, all manual contents comply with EU directives specific to vehicle type, such as 2006/42 EC, 2010/52 EC, Commission Delegated Regulation (EU) 1322/2014, and Commission Delegated Regulation (EU) 2015/208. Manuals are available in every language used in the markets where the products are sold, as per applicable local regulations, and available on the dedicated service network webpage on the Dealers Portal (see also page 222).

INFORMATION PROVIDED IN THE OPERATOR'S MANUAL

	Agricultural Equipment	Construction Equipment	Commercial Vehicles
Sourcing of components			
Presence of substances that could impact the environment	✓	✓	✓
Safe product use	✓	✓	✓
Product disposal			✓[a]
Noise and vibration levels (as applicable)	✓	✓	✓

[a] *Data is available on the website only for some models (see also page 231).*

PRODUCT QUALITY CONTROL

DMA

Stakeholders identified product quality as one of the key elements within the capital goods sector, emphasizing the impact of inefficiencies on the perception of both product quality and reliability. Furthermore, product safety and quality are clearly considered as priorities, to prevent remedial actions (including voluntary product recalls), or reduce them to the maximum possible extent, avoid reputational damage, and improve competitiveness. In order to overcome inefficiencies, stakeholders suggested assessing the manufacturing process through quality control and specific key performance indicators (KPIs).
Product Quality Control at CNH Industrial cuts across all Company departments and business segments and impacts all stages of the product's life, from conception to after-sales management. An effective quality system helps to improve product behavior and performance during usage to maximize customer uptime expectations in the field, and is an important factor to drive customer loyalty and increase the Company's competitiveness. At CNH Industrial, the robustness of the quality process is supported by the adoption of a quality system compliant with standards such as ISO 9001 or ISO TS16949, aiming to ensure and drive the continuous improvement of processes, products, and services through clear targets, responsibilities, and monitoring indicators (KPIs).

GLOSSARY
Biodiesel; DMA; ISO 9001; KPI;
GRI
G4-DMA; G4-PR1; G4-PR3

Activities concerning quality are overseen by the Quality and Product Support function, led by the Chief Quality Officer, permanent member of the Group Executive Council. The function's mission is to:

- ensure product quality throughout the entire product life cycle
- maximize the input of qualitative knowledge of product behavior into new product development processes (proactive approach)
- drive consistency of quality processes and methodologies across all brands and Regions
- optimize results, improving efficiency and speed in providing end user support to meet customers' quality expectations.

PRODUCT QUALITY LIFE CYCLE PROCESSES

The Quality function sees that all quality aspects are built into the product life cycle, with a focus on:

- New Product Quality - by supporting new product development phases through a proactive problem prevention approach
- Current Product Quality - by monitoring product behavior in the field and defining priorities that support solution development and enable verifying efficiency
- Supplier Quality - by ensuring the flawless launch, seamless production, and quality excellence of purchased components
- Manufacturing Quality - by setting quality targets based on benchmarking and performing end-of-line audits from a customer perspective
- Quality Systems - by ensuring central coordination, operational execution, and monitoring through the established methodology standards of the Company's quality management system.

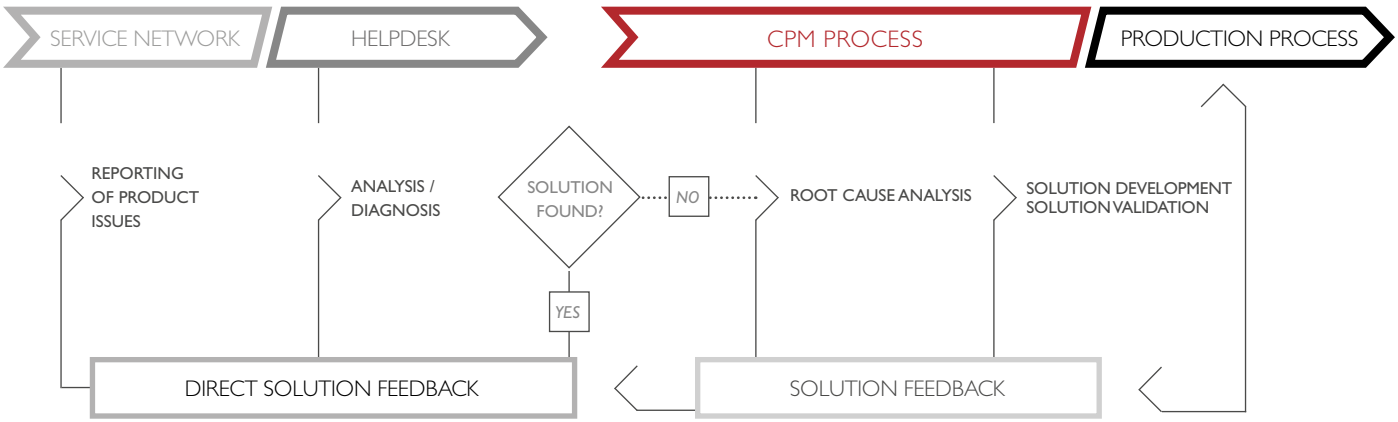
Responsibility is shared across Production, Manufacturing Engineering, Quality, Purchasing, and other brand functions, to ensure the intrinsic quality of all product-related processes while promoting process improvements, flawless execution, problem solving, and decision making.
In addition, Quality Control is one of the 10 technical pillars of World Class Manufacturing (see also page 170), whose objective is to maintain high quality standards throughout manufacturing processes. The pillar focuses on achieving Zero Defects, through quality root cause analysis, countermeasures, and performance checks to then standardize and expand improvements throughout the production process.
Quality control is based on the ability to monitor and measure key quality performance indicators of the production process. The Quality Assurance Matrix is one of the tools available to guide the process of identifying the most critical areas of improvement. A detected defect is proactively removed from the next process step.
One of the main KPIs monitored consists of Customer Quality Audit results, based on the testing performed during the product validation process to validate customer usability. Another important source of information is the Pre-Delivery Inspection procedure, carried out prior to vehicle registration to ensure the customer receives a quality-assured product.

GLOSSARY
Audit; KPI

CURRENT PRODUCT MANAGEMENT

Global Product Development ends with the achievement of the Ok to Ship milestone, which authorizes the shipment of finished products to sales and service networks. The first few months thereafter are known as the Early Warning phase, in which a specific team is appointed to focus on and quickly assess product performance by collecting feedback from the service network and internal support functions, in order to implement required improvements quickly and effectively. After this initial period, the product is considered as current and its quality control and performance monitoring continues under the responsibility of the Current Product Management (CPM) process.

CURRENT PRODUCT MANAGEMENT PROCESS



At CNH Industrial, CPM is a systematic business process designed to maintain and improve the product throughout its full production life. The CPM team includes representatives from Quality, Engineering, Parts, Purchasing, Manufacturing and Brand Service, providing resources and expertise. The team has the responsibility to review all product information channeled to CPM from various sources such as: customer visits, dealer reports transmitted via product support tools, warranty claims information, and quality reports from manufacturing units and suppliers. Any product issue reported is analyzed and managed systematically in order to supply speedy technical resolutions to the production platforms to improve product design or fine-tune assembly methods, so as to meet customer needs and prevent any issue recurrence. The process is tracked through ad hoc tools.

The steps to resolve issues are in line with the industry's standard problem-solving process, and can be summarized as follows: secure a clear issue statement, confirm ranking and root cause, develop and validate a solution and finally, implement the solution on new models at the factory, as well as develop a service solution, if needed. The main performance indicators for CPM are Time to Fix (speed of resolution) and No Post-Fix Issues (solution effectiveness). Resolution feedback is promptly provided to dealers through structured communication channels, to enable them to fully support customers using the product in the field. The customers' perception of quality is also monitored through recognized tools such as VQS and HTS Surveys (T&B) and internally-driven Quality Tracking surveys.

RECALL CAMPAIGNS

The decision to launch a remedial action (including voluntary recall campaigns), also known as a Product Improvement Program (PIP), is made by the CPM team. This decision is made considering both technical factors and the impact on customers. The CPM team evaluates the safety aspects of every PIP by using methods such as the Safety Risk Assessment tool. Based on the index obtained, the CPM team defines whether to launch a specific safety recall campaign. Once a voluntary recall campaign has been approved and prepared for launch, it is released to the network via the Quality and Product Support structure that, together with Brand Service and Parts and Service, ensures a rapid completion to minimize customer impact and to maximize customer vehicle availability.

The Quality function coordinates the implementation of these recall campaigns. When the Quality function has evaluated that a recall campaign is the appropriate answer to the issue identified, the functions that interact directly with customers, including brand organizations and dealers, are engaged. During recall campaigns that require vehicle repair, CNH Industrial utilizes different programs to inform customers through various channels on the interventions involving their vehicles.
The Best Service Program, for example, is a tool for managing campaigns that are particularly sensitive due to the Region or product type. The program offers centralized support to dealers and other commercial entities, and fosters customer loyalty by reducing vehicle downtime at repair shops. A call center coordinates activities and keeps both customers and dealers informed while ensuring spare parts are supplied as promptly as possible.

NUMBER OF RECALL CAMPAIGNS (PIPs)

CNH INDUSTRIAL WORLDWIDE (no.)

	2015	2014	2013
Mandatory campaigns	**171**	155	247
Safety campaign	**10**	15	38
Total	**181**	170	285

2015 RECALL CAMPAIGNS (PIPs)

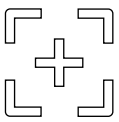
CNH INDUSTRIAL WORLDWIDE (no.)

	Mandatory campaigns	**Safety campaign**	**Total**
Agricultural Equipment products	70	1	71
of which units involved	41,080	1,888	42,968
Construction Equipment products	20	3	23
of which units involved	6,128	974	7,102
Commercial Vehicles products	81	6	87
of which units involved	157,285	24,878	182,163
Total Products	**171**	**10**	**181**
Total Units	204,493	27,740	232,233

FOCUS ON

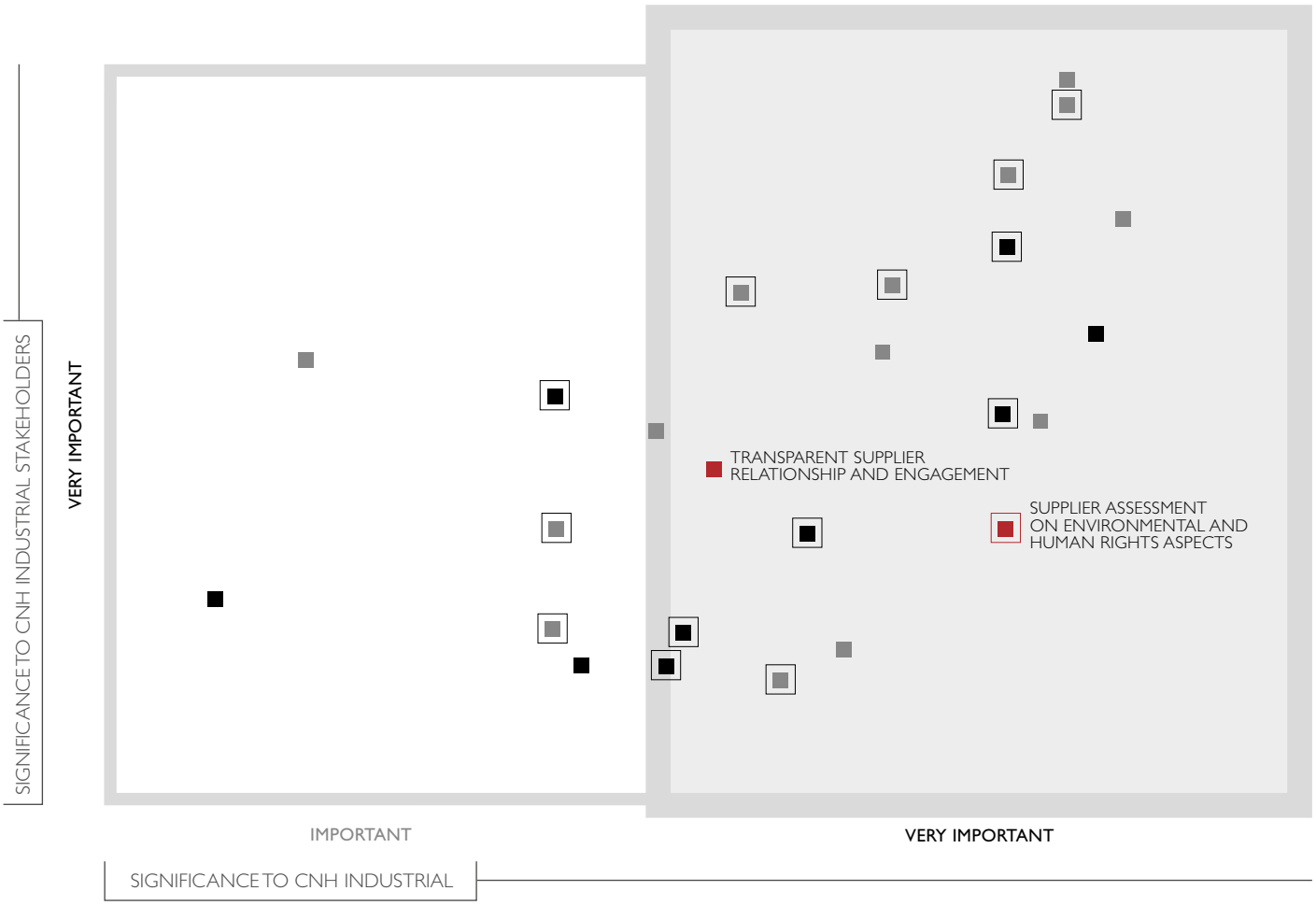
INCIDENT REPORT

Ensuring CNH Industrial customers safe and reliable products is a key aspect for the Company. In this respect, the Quality Control System process includes a Reporting Procedure for Product Safety Problems that enables both the service network and employees to report any product safety issue found. In a dedicated section on the Corporate Intranet, employees can report events involving one of the Company's products. The reports received are analyzed by the CPM team in accordance its process. In addition, to speed up the reporting of potential quality problems, the service network is provided with appropriate Incident Reporting Guidelines.



GRI
G4-PR2;
G4-PR4

SUPPLY CHAIN



Material aspects described in chapter. For further details, see Materiality Matrix, page 23.

MANAGEMENT APPROACH

Promoting and monitoring high standards of sustainability fosters long-term relationships with suppliers in the interest of both parties

CNH Industrial adopts a responsible approach to the management of its supply chain, from small local companies to large multinational organizations, establishing relationships that go beyond commercial transactions, fostering long-lasting and mutually satisfying collaborations with eminently qualified partners that share the Company's principles. For CNH Industrial, sustainability in the supply chain means looking beyond Corporate boundaries, strategically and effectively promoting a sense of shared responsibility.
Advocating socially and environmentally responsible behavior across the entire supply chain is one of the Company's primary commitments, along with spreading a culture of sustainability among those Company employees who work with suppliers every day. The 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 aspects relevant for both CNH Industrial and its stakeholders is the evaluation of suppliers on environmental issues, labor practices, management of human rights, and impact on society. Promoting and monitoring high standards of sustainability fosters long-term relationships with suppliers in the interest of both parties as it reduces potential risks, ensures continuity of supply, and improves overall sustainability along the entire supply chain, mitigating reputational risk and any potential damage to the Company's credibility. Another material aspect for CNH Industrial and its stakeholders is transparency in supplier relationships and engagement, since relations based on open dialogue and collaboration increase efficiency, improve quality, foster innovation, and encourage a shared commitment to reaching sustainability targets, creating undeniable mutual benefits.

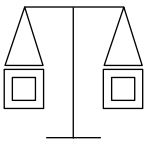
DMA

As evidenced by engagement activities in EMEA, a transparent supplier relationship requires a customized interaction model for each supplier segment, to ensure broad-based, cross-functional interactions, multiple collaborative programs to capture value, and the consolidation of supplier expenditures. Stakeholders in NAFTA, LATAM, and APAC consider a transparent supplier relationship, engagement activities, and training to be part of the Company's strength. They are considered key aspects in understanding the idiosyncrasies of each Region of Company operation, and in delivering efficiency and high-quality products. For stakeholders in Brazil, specifically, transparent supplier relationships are a key Company strength because they reveal how suppliers operate and behave, enabling the Company to take responsibility for the entire value chain.

The Suppliers Sustainability Compliance Committee monitors and oversees all activities related to sustainability throughout the supply chain. Commitments to continuous improvement are realized through targets and actions, which also give an indication of how efficiently the supply chain is being managed. Targets are set annually on a voluntary basis and included in the Sustainability Plan (see also page 36); their progress is regularly monitored by the Suppliers Sustainability Compliance Committee in order to implement any corrective actions deemed necessary. Both targets and results achieved are communicated to stakeholders via the Sustainability Report and the Corporate website. Management effectiveness is measured through periodic benchmarking against the main competitors and leading sustainability companies, and through ratings agency assessments on sustainability issues. The results of these assessments are the starting point for improvement measures.

GLOSSARY
APAC; DMA
EMEA; LATAM
Material Aspect; NAFTA

GRI
G4-DMA



In 2015, CNH Industrial replaced the Sustainability Guidelines for Suppliers with the Supplier Code of Conduct that, together with the CNH Industrial Code of Conduct, provides the framework for responsible supply chain management. The documents are available on the Corporate website and are circulated to suppliers through the CNH Industrial Supplier Collaboration Network (CSCN). Besides compliance with local legislation, the Supplier Code of Conduct stipulates respect for:

- labor and human rights
  - rejecting any form of forced or child labor
  - guaranteeing fair working conditions, working hours, and wages
  - recognizing the right to freedom of association in line with local laws
  - protecting worker health and safety
  - guaranteeing equal opportunities and that no policies exist that could lead to any form of discrimination
- environmental protection
  - optimizing the use of resources and minimizing polluting and greenhouse gas emissions
  - developing products while considering their impact on the environment and their possible reuse or recycling
  - responsibly managing waste treatment and disposal
  - eliminating the use of potentially hazardous substances
  - adopting logistics procedures while considering their environmental impact
- trade restrictions/export controls
  - sourcing minerals responsibly
- business ethics
  - complying with regulations against improper payments
  - ensuring accurate and complete bookkeeping
  - respecting intellectual property rights
  - disclosing conflicts of interest
  - respecting principles of fair competition and antitrust regulations
  - respecting anti-money laundering legislation.

As highlighted in the document, all suppliers must work with CNH Industrial to enforce the Supplier Code of Conduct and are required to communicate its principles to their employees, subsidiaries, affiliates, and subcontractors. CNH Industrial is committed to fostering long-term partnerships with its suppliers, through specific tools and periodic workshops designed to achieve a smooth integration between the respective business cultures and processes, in order to work jointly toward meeting market expectations. Furthermore, CNH Industrial is committed to supporting small and local suppliers and minority-owned businesses (see also page 156).
Any violation of the Supplier Code of Conduct can alter the business relationship with CNH Industrial, and may result in contract termination. All suppliers must comply with applicable laws (including, but not limited to, corruption and antitrust regulations), the CNH Industrial Code of Conduct and Supplier Code of Conduct.
Suppliers are obliged to report to the Company any suspected violations of laws, the CNH Industrial Code of Conduct or Supplier Code of Conduct. This can be via the Company's Compliance Helpline (among other means), run by an external contractor (see also page 50).

CNH Industrial purchases are managed by the Purchasing function, which operates globally through dedicated structures in EMEA, NAFTA, LATAM, and APAC, by product line and commodity group. Purchasing defines strategies and guidelines to build and strengthen partnerships with suppliers, offering them stability and development opportunities thanks to the broad product portfolio that CNH Industrial enjoys in the industry. The Head of Purchasing is a member of the Group Executive Council (GEC) and, as such, reports to the GEC on the main issues relating to the Company's supply chain.
CNH Industrial's commitment to sustainability management within the Company was demonstrated once more in 2015, when supply chain management improvement targets were included in the Performance and Leadership Management system (see also page 76) for most managers of projects included in the Sustainability Plan.

The information relating to the Company's sustainable supply chain management model underwent a high-level assessment by SGS, an independent certification body, during the assurance audit of the Sustainability Report, which verified its compliance with the AA1000 assurance standard.

SUPPLIER PROFILE

CNH Industrial manages purchases worth approximately $14.9 billion, with a total network of 5,380 direct material suppliers. In 2015, 54 new eligible suppliers were added to the network, while there were no significant changes to supply chain structure or additional outsourcing of activities.
The Company's top 150 suppliers are considered strategic suppliers, not only because they generate more than 60% of the total value of purchases, but also because of the length of the relationships involved, along with their production capacity and handling of spare parts.

HIGHLIGHTS

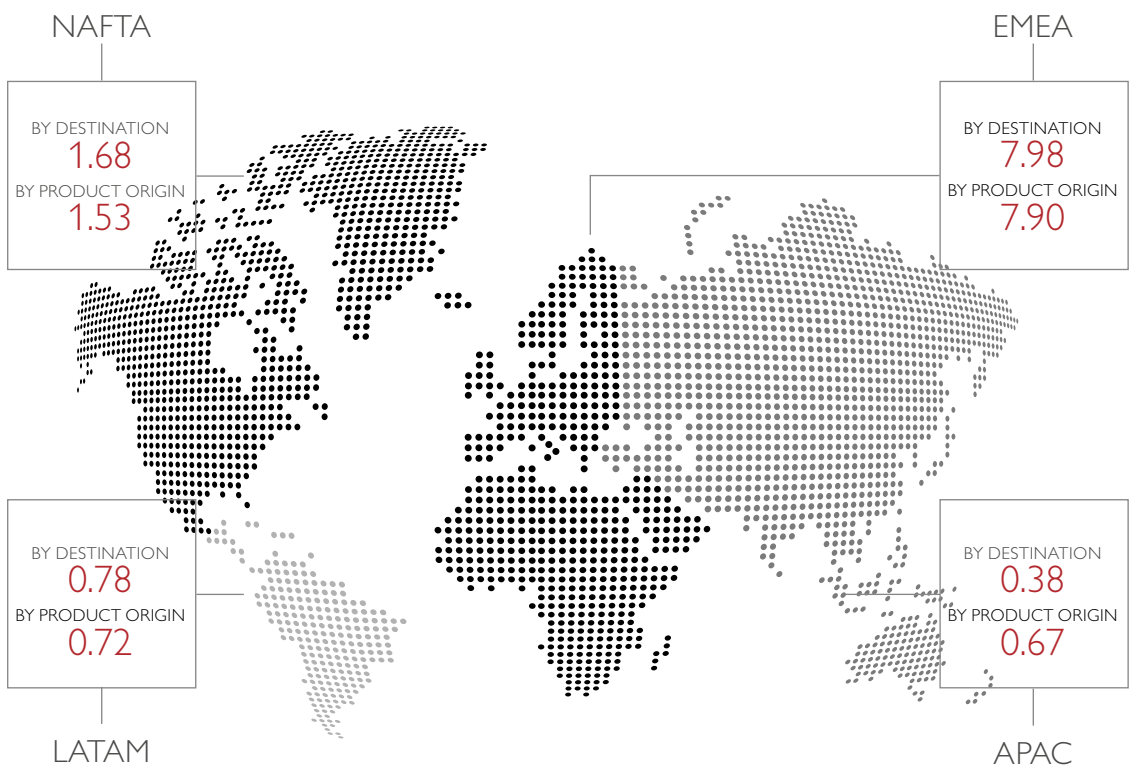
CNH INDUSTRIAL WORLDWIDE

	2015
Direct and indirect material purchases[a] (% of the total volume of CNH Industrial purchases)	85%
Direct material suppliers (no.)	5,380
Value of purchases from direct material suppliers[b] ($billion)	10.8
Value of purchases from indirect material suppliers[c] ($billion)	1.9
Local suppliers (%)	94%

[a] Percentage of direct and indirect material purchases managed directly by the Purchasing function. The remaining 15% is managed directly by other departments.
[b] Direct materials are preassembled components and systems used in assembly. The value of raw material purchases is considered marginal.
[c] Indirect materials are services, machinery, equipment, etc.

PURCHASES[a]

CNH INDUSTRIAL WORLDWIDE ($billion)



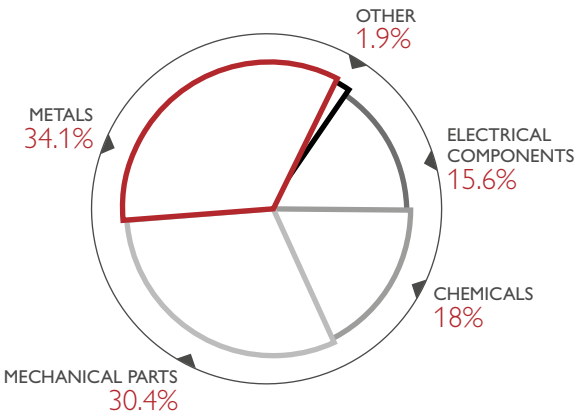
[a] Refers to the value of direct material purchases.

GLOSSARY
APAC; EMEA; LATAM; NAFTA

GRI
G4-12; G4-13

PURCHASES[a] BY PRODUCT TYPE

CNH INDUSTRIAL WORLDWIDE



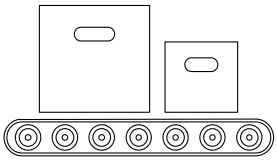
(a) Refers to the value of direct material purchases..

Developing local skills, transferring its technical and managerial expertise, and strengthening local businesses are just some of the targets that CNH Industrial sets for itself. Creating ongoing relationships with local suppliers has a positive impact on reducing risks associated with business operations and on optimizing costs.

Significant amounts are spent on local suppliers[1]: in 2015, contracts signed by CNH Industrial with local suppliers accounted for over 94% of procurement costs. Specifically, 97% in EMEA and 88% in NAFTA, which are CNH Industrial's major locations of operation[2].

Additionally, CNH Industrial promotes the World Class Manufacturing program (see also page 163) at local supplier plants, to share best practices and methodologies.

Although CNH Industrial does not always purchase raw materials directly (with the exception of steel used for direct processing), their overall consumption and general price trends are constantly monitored. In 2015, the main raw materials used in semi-finished goods purchased by CNH Industrial were steel and cast iron (approximately 2.3 million tons, including scrap), plastics and resins (approximately 120,000 tons), and other miscellaneous materials (approximately 70,000 tons).



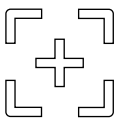
94% of procurement spending on local suppliers

In addition, a detailed spend analysis is carried out to improve supply performance and maximize operational efficiency. Using a software tool, known as the Financial Suppliers Sensitivity System (FS3), supply chain managers have access to their financial assessments. This tool is continually updated with confidential information provided by the suppliers themselves and contained in any financial reports. The evaluation, automatically calculated and checked by an analyst, allows suppliers to be identified according to their category of financial risk. Suppliers in particular difficulty are monitored weekly to prevent and minimize the risk of any interruptions to the supply chain. The continuous monitoring of economic factors is essential to good supply chain management.

FOCUS ON

SUPPLIER DIVERSITY

In the procurement of its products and services, CNH Industrial's policy is to promote, encourage, and increase the participation of diversity-owned enterprises (which may include businesses that are small, disadvantaged, or owned by women, ethnic minorities or veterans (including service-disabled), or part of the Hubzone program). CNH Industrial actively seeks and identifies these companies and assists them in qualifying as competitive suppliers, affording them the opportunity to increase their sales and expand their markets. It provides potential diversity-owned suppliers with adequate information during bidding processes as well as reasonable delivery lead times, so as to support and increase, where possible, their participation in Corporate procurement activities. The Company's Purchasing personnel regularly reviews material requirements, identifying areas of potential participation for diversity-owned enterprises. The methods and procedures involved in these activities are a standard part of buyer training seminars.

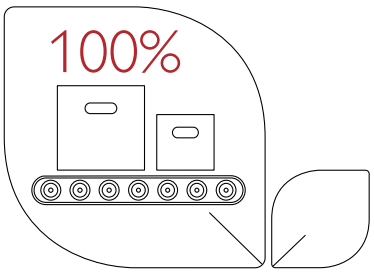


GLOSSARY
EMEA; NAFTA

GRI
G4-EC9;
G4-EN1

(1) The significant locations of operations are defined by total direct material purchases, which are 74% of the total value of purchases in EMEA, and 15% in NAFTA.
(2) Local suppliers are those operating in the same country as the CNH Industrial plant.

SUSTAINABILITY IN SUPPLIER MANAGEMENT



of new suppliers evaluated as per sustainability criteria

SUPPLIER SELECTION

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

The Potential Suppliers Assessment (PSA) evaluates a company's potential to become a high performing CNH Industrial supplier by identifying its strengths and weaknesses and its ability to manufacture according to the highest quality standards. The PSA tool is used to assess companies that do not currently provide materials or services, as well as suppliers that have undergone reorganization, whose plants were relocated, or that have introduced new technologies and processes. The PSA must be carried out prior to the procurement phase to allow potential new suppliers to participate in tenders. The tool is a means to evaluate a potential supplier's ability to manufacture quality products using best practices, and assesses company systems and processes directly at supplier plants.

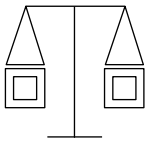
PSA evaluation criteria involve key sustainability aspects, with explicit reference to environmental management and occupational health and safety management; indeed, one of the requirements is the presence of an Environmental and Health and Safety System in the working area, preferably certified by a third party. Compliance with the provisions restricting the use of hazardous substances (through the IMDS system) is carefully monitored through a dedicated section of the PSA (see also page 163). The presence of management systems reflects suppliers' efforts to monitor and manage environmental aspects, labor practices, human rights, and impacts on society. All potential new suppliers (54 in 2015) are evaluated according to the above criteria. Supplier sustainability is also assessed via indicators included in a self-assessment questionnaire and, subsequently, for a number of suppliers determined each year, verified by audit (see also page 158).

In addition, through the Commitment Declaration stipulated for new suppliers, and the clauses gradually incorporated into new contracts, suppliers are requested to comply with the CNH Industrial Code of Conduct and Supplier Code of Conduct. Specific contractual clauses require them to provide references and demonstrate abilities in relation to: fighting corruption, protecting and safeguarding the environment, promoting health and safety at work, ensuring non-discrimination, prohibiting forced and/or child labor, and recognizing freedom of association.

All contracts contain a clause (hereinafter referred to as the Clause) by which suppliers undertake to comply with Legislative Decree No. 231 of June 8, 2001, applicable to Italian suppliers (or, for non-Italian suppliers, with the specific regulations in force regarding the liability of legal persons), and with the Supplier Code of Conduct. It should be noted that all orders issued (for both direct/indirect material purchases and service contracts) are subject to the General Purchasing Conditions that contain the aforementioned Clause.

For direct materials, the unified CNH Industrial General Purchasing Conditions, including the sustainability Clause, are currently being finalized. If a supplier fails to adhere to these principles, CNH Industrial reserves the right to terminate the business relationship or instruct the supplier to implement a corrective action plan, subsequently verified by audit.

CONFLICT MINERALS



CNH Industrial recognizes the value in working with peers to address global challenges across its supply chain. In particular, the Company has implemented measures designed to address disclosure obligations under the Dodd-Frank Act and regulations adopted by the US Securities and Exchange Commission regarding the source of tin, tantalum, tungsten, and gold (3TG) that may originate from the Democratic Republic of Congo and surrounding countries (conflict minerals). CNH Industrial performed due diligence on the source and origin of 3TG in Company products. The Company's due diligence measures have been designed to conform, in all material respects, with the due diligence framework presented by the Organization for Economic Co-operation and Development (OECD) in the OECD publication (2013) - *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*: Second Edition, OECD Publishing (OECD Guidance) and the related supplements for gold, tin, tantalum, and tungsten.

CNH Industrial's Conflict Minerals Policy was adopted in 2013 and is available on the Corporate website. The Policy is intended to promote sourcing from responsible sources in the Democratic Republic of Congo and surrounding region. The Company performs its supply chain due diligence consistently with OECD guidelines.

GLOSSARY
Audit; Conflict Minerals; DMA; IMDS

GRI
G4-DMA; G4-EN32; G4-LA14; G4-HR1; G4-HR10; G4-SO9

CNH Industrial is committed to making reasonable efforts to establish, and to require each supplier to disclose, whether tin, tantalum, tungsten or gold are used or contained in products purchased by the Company. If such minerals are contained in the products purchased from suppliers, they must identify their sources and eliminate procurement, as soon as commercially practicable, of products containing tin, tungsten, tantalum, or gold obtained from sources that fund or support inhumane treatment in the Democratic Republic of Congo (DRC) or the surrounding region.

CNH Industrial expects its suppliers to meet their commitments under its Conflict Minerals Policy. In particular, the Company expects its suppliers to conduct a reasonable inquiry into the existence and origins of tin, tantalum, tungsten or gold in their supply chains, and to provide written evidence of the due diligence documentation. CNH Industrial reserves the right to reassess future business dealings with suppliers who fail to comply with this Policy.
CNH Industrial's products are highly complex, typically containing thousands of parts from many direct suppliers. The Company has relationships with a vast network of suppliers throughout the world. In addition, there are generally multiple tiers between the 3TG mines and CNH Industrial's suppliers. Therefore, the Company must rely on its direct suppliers to work with their upstream suppliers to provide accurate information on the origin of any 3TG contained in components and materials purchased by CNH Industrial. As the Company enters into new agreements and relationships with suppliers, it is adding a clause that requires suppliers to provide the necessary 3TG information on a prospective basis.

Because of the scope and complexity of CNH Industrial's supply chain, it developed a risk-based approach focused on its major direct suppliers, as well as direct suppliers that it believed were likely to provide the Company with components containing 3TG from the Covered Countries (collectively, the Surveyed Suppliers).
CNH Industrial requested that all Surveyed Suppliers provide information regarding 3TG and smelters, using the template developed by the Conflict Free Sourcing Initiative, known as the Conflict Minerals Reporting Template (the Template). The Template was developed to facilitate disclosure and communication of information regarding smelters and refiners that provide material to a manufacturer's supply chain. It includes questions regarding a direct supplier's conflict-free policy, its due diligence process, and information about its supply chain, such as the names and locations of smelters and refiners as well as the origin of 3TG used by those facilities.

In 2015, pursuing the Company's commitment to support industry efforts for the responsible sourcing of minerals from conflict regions, CNH Industrial became a member of the *Conflict Free Sourcing Initiative* (CFSI). The CFSI operates a smelter validation program to certify those smelters and refiners that are conflict-free, thereby helping companies verify the origins of minerals in their supply chain and ensure that those minerals are not funding armed conflict or human rights abuses in the DRC region. The CFSI also offers members opportunities for information sharing, and helps companies implement best practices through the development of reporting tools and training.

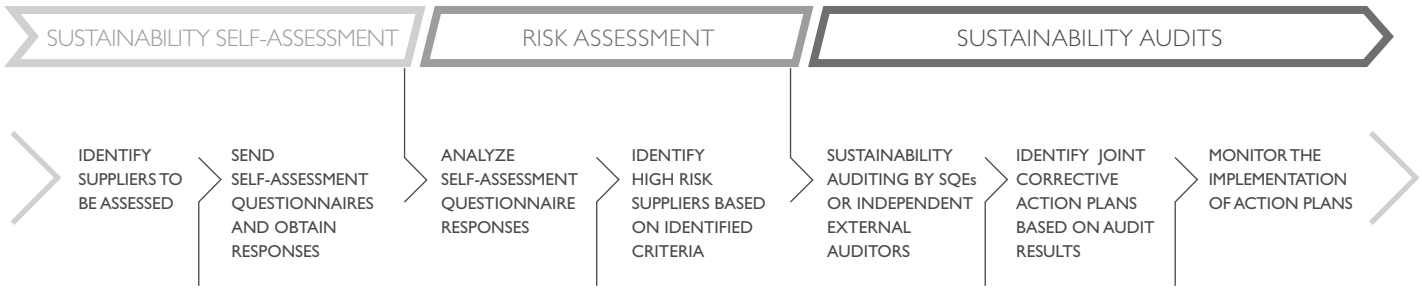
SUPPLIER ASSESSMENT

Suppliers play a crucial role in supply continuity and can influence the way public opinion perceives CNH Industrial's social and environmental responsibility. To prevent or minimize any environmental or social impact, CNH Industrial has developed a process to assess suppliers on sustainability issues.

Supplier assessments are the responsibility of the Supplier Quality function and, at operational level, of Supplier Quality Engineers (SQEs). The process is overseen by the Suppliers Sustainability Compliance Committee, consisting of the managers of both Quality Global Business Process and Reference Commodity, and one representative each from the Purchasing Legal Department and Sustainability Unit.
The assessment process involves 3 consecutive steps over a 1-year period.

GLOSSARY
Conflict Minerals; DMA
GRI
G4-DMA

ASSESSMENT PROCESS



During the first step of the evaluation, suppliers are asked to fill out a sustainability **self-assessment** questionnaire. As of 2014, CNH Industrial uses the questionnaire drawn up by the Automotive Industry Action Group (AIAG). Suppliers are requested to provide information on: human rights, the environment, compliance and ethics, diversity, and health and safety (see also page 160). The process is carried out via a dedicated IT platform developed and managed by a third party to ensure the highest levels of transparency and neutrality. The self-assessment is performed by 100% of the Company's strategic suppliers every year.

The questionnaires are then analyzed and used to perform a **risk assessment**, which allows identifying critical suppliers whose compliance with sustainability criteria needs to be addressed. The key drivers used to create the risk map are:

- supplier turnover
- risk associated with the supplier's country of operation (focusing on countries with poor human rights records[3])
- supplier financial risk
- participation in the assessment process
- risk associated with the purchasing category (i.e., commodity group).

Based on risk assessment results, suppliers are classified according to 3 levels of risk (high, medium, and low) and selected for audit accordingly.

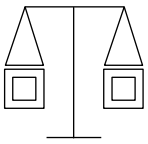
Sustainability audits are performed at suppliers' plants by either Company SQEs or independent external auditors. Audits, which are organized in agreement with the suppliers, aim at verifying the information submitted via the self-assessment questionnaires and at defining possible improvement plans where necessary. Each supplier selects representatives within its organization (usually from HR, Safety, Environment, and Quality) to take part in audits, as well as a representative manager. Should audit findings reveal critical issues, joint action plans are drawn up with the suppliers to define:

- improvement areas (e.g., implementation of internal procedures in line with sustainability principles)
- responsibilities (which could entail organizational changes)
- corrective measures (e.g., targeted training programs)
- implementation plans.

A specific operational procedure is in place to monitor supplier compliance. Any non-compliance is brought to the attention of the Suppliers Sustainability Compliance Committee, which determines the actions to be taken against the defaulting supplier. Action plans are monitored via follow-ups between supplier and auditor.
The levels of supplier compliance and respective action plans are documented in the M2P2 Supplier Quality Performance (SQP) system, and results are available to all employees engaged in supplier management. Every month, the SQP system draws up a Supplier Scorecard, containing qualitative information and the scores from sustainability assessments. This information, along with each supplier's financial, technical, and logistics data, makes up the Summary by Plan document used to assign new orders.

GLOSSARY
AIAG; Audit

[3] *For countries with poor human rights records, refer to the list published by EIRIS (EIRIS Human Rights Countries of Concern, October 2010).*

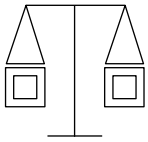


ASSESSMENT CRITERIA

		Link to GRI-G4	Self-assessment	Audit
Human Rights	Company Code of Conduct	HR	✓	✓
	Supplier Code of Conduct	SO	✓	✓
	Supplier Facilities	HR	✓	✓
	Supplier Working Conditions and Practices	LA	✓	✓
	Supplier Contract	HR	✓	✓
Environment	Environmental Management System	EN	✓	✓
	Waste	EN	✓	
	Metrics	EN	✓	✓
	Greenhouse Gases (GHG)	EN	✓	✓
	Prevention	EN	✓	
	Emergency Planning	EN	✓	✓
	Regulatory Tracking	EN	✓	
	Training	EN	✓	✓
	Supplier Training	LA	✓	
	Environmental Policy	EN	✓	
	Environmental Strategy	EN	✓	
	Audit	EN	✓	✓
	Land and Water Conservation	EN	✓	
	Verification	EN	✓	
	Water Policy	EN	✓	
	Water Targets	EN	✓	
	Wetlands	EN	✓	
	Water-Stressed Areas	EN	✓	
	Logistics Processes	EN	✓	
	Logistics Targets	EN	✓	
	Disposable Packaging	EN	✓	
Compliance and Ethics	Corruption	SO	✓	✓
	Training	LA	✓	✓
	Supplier Training	LA	✓	✓
	Conflict of Interest	SO	✓	
	Supplier Ethics	SO	✓	
	Risk Assessment	SO	✓	
	Intellectual Property Protection Program	SO	✓	
	Intellectual Property Violations	SO	✓	✓
	Contractual Requirements	SO	✓	
Diversity	Organization	LA	✓	✓
	Employee Policy	LA	✓	✓
	Supplier Policy	LA	✓	✓
	Training	LA	✓	✓
	Supplier Training	LA	✓	✓
	Corporate Diversity Strategy	LA	✓	✓
	Supplier Diversity Metrics	LA	✓	✓
Health and Safety	System	LA	✓	✓
	Substances of Concern	LA	✓	✓
	Audits	LA	✓	✓
	Employee Involvement	LA	✓	✓
	Training	LA	✓	✓
	Supply Chain	LA	✓	✓
	Emergency Response	LA	✓	✓
	Emergency Planning	LA	✓	✓
General	Industry Associations	SO	✓	
	Industry Training	LA	✓	
	Stakeholders	SO	✓	
	Sustainable Purchasing	SO	✓	
	Recognition	SO	✓	
	Conflict Minerals	HR	✓	
	Community Development	SO	✓	✓

GLOSSARY
Audit;
Conflict Minerals

In 2015, 1,254 suppliers were invited to create an account within the SQP system in order to access the online self-assessment questionnaire; of these, 729 actually registered. In total, the questionnaire was completed by 323 suppliers (representing approximately 33% of direct material purchases). The average score achieved (70/100) confirmed that social and environmental issues were being properly addressed. Results were essentially in line with the previous year's findings, confirming 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 SUPPLIER SELF-ASSESSMENT QUESTIONNAIRES

	Number of suppliers identified as having significant actual and/or potential negative impacts	Significant actual and/or potential negative impacts
Environment (EN)	15	■ program for reviewing sources of potential releases to air, water and land ■ environmental policy and strategy (especially for water management and biodiversity) ■ measure to verify responsible environmental practices of suppliers
Labor practices (LA)	7	■ training and communications ■ program to verify sustainability practices within the supply chain (health, safety and working conditions) ■ emergency planning system
Human rights (HR)	4	■ contractual requirements for suppliers ■ process for reporting data on the use of conflict minerals in supply chain
Impacts on society (SO)	19	■ periodic assessments to identify compliance and ethics risks ■ contractual requirements for suppliers

In 2015, 65 audits were carried out at 65 supplier plants worldwide (56 by Supplier Quality Engineers and 9 by independent external auditors).
In addition to increasing the number of audits performed during the year, their distribution across the Regions was revised to ensure uniformity, balance, and a consistent level of monitoring.

AUDITS BY REGION

CNH INDUSTRIAL WORLDWIDE (no.)

	2015	2014
EMEA	**18**	33
NAFTA	**15**	19
LATAM	**16**	6
APAC	**16**	4

The total number of audits worldwide covered approximately 4% of the total purchase value. In 2015, 26 suppliers were involved in the formulation of 283 corrective action plans for areas in need of improvement.
No critical issues emerged from the audits, and therefore no contracts were suspended or terminated.

ANALYSIS OF CORRECTIVE ACTION PLANS

	Percentage of suppliers identified as having significant actual and potential negative impacts, with which action plans were agreed upon[a]	Number of action plans identified	Main action plan topics
Environment (EN)	20%	44	■ preparation of formal documents on environmental management
Labor practices (LA)	38%	143	■ responsible supplier labor practices ■ supplier compliance and ethics training ■ definition of a formal health and safety management system, including targets ■ expansion of internal communication and training on health and safety
Human rights (HR)	28%	45	■ additions to the code of conduct
Impacts on society (SO)	25%	51	■ definition of a supplier code of conduct ■ preparation of formal documents on anti-corruption practices

[a] *The percentage is calculated on the number of suppliers audited (65 in 2015). No suppliers were considered at risk regarding child labor, forced or compulsory labor, or violation of freedom of association and collective bargaining. There were only 3 cases of references to freedom of association being omitted from the Code of Conduct. Specific action plans were agreed with suppliers to resolve these shortcomings.*

GLOSSARY
APAC; Audit
Conflict Minerals;
EMEA; LATAM; NAFTA

GRI
G4-EN33; G4-LA15;
G4-HR4; G4-HR5; G4-HR6;
G4-HR11; G4-SO10

ONGOING DIALOGUE WITH SUPPLIERS

Strongly convinced that suppliers are key partners for its growth, CNH Industrial is committed to keeping them engaged and informed at all times. Promoting continuous dialogue and exchange with suppliers builds strong supplier relationships, in which goals and strategies can be shared, and collaborations and joint projects can thrive. In 2015, the Company continued to strengthen its relationships with suppliers, as evidenced by the many long-standing and mutually beneficial alliances and by the minimal number of disputes.

Many events and activities are in place to encourage continuous dialogue with the supply chain.
The primary means of sharing information with suppliers are the Company's **website** and the CNH Industrial Supplier Collaboration Network (CSCN), a supplier portal that gives access to information on technical requirements, supply scheduling and quality, and sustainability.
A dedicated **email address** was created as an additional communication channel to request information or report non-compliances within the supply chain. A separate email address is available for discussions on sustainability.

For some years now, an important opportunity for dialogue has been provided at **Supplier Advisory Council** (SAC) meetings, which involve a number of select CNH Industrial suppliers. In 2015, events were organized at both regional and global level to foster the exchange of information and opinions with leading suppliers. These meetings provided an arena to share objectives and results, and describe particularly significant projects. They were also an opportunity for suppliers to suggest improvements and share particularly praiseworthy examples. The attending suppliers were selected for their economic importance and for their ability to represent market trends and establish a benchmarking network with competitors. At the Global SAC meeting held in July, in Turin, attended by 46 suppliers considered strategic partners, CNH Industrial had the opportunity to illustrate its concept of sustainability and its main results in this area. The event also saw the awarding of the *Sustainability Supplier of the Year*, and the presentation of the stakeholder engagement results used to update the materiality matrix.

8 Technology Days

As in previous years, several initiatives promoting the exchange of ideas and information continued in 2015, one of them being the **Technology Days** with a total of 8 events and the participation of approximately 600 people. These meetings were a chance for suppliers to showcase their cutting-edge products in terms of innovation, technology, and quality, while addressing specific topics and sharing information on recent technological developments.

FOCUS ON

A SUSTAINABILITY AWARD

As in previous years, CNH Industrial assigned its 2015 *Sustainability Supplier of the Year* awards, in recognition of the excellent results achieved in support of sustainability. With this initiative, CNH Industrial aims at encouraging good stewardship practices within its supply chain. In 2015, 4 suppliers were awarded. The winners were selected by the Suppliers Sustainability Compliance Committee after assessing the applications received against the criteria set forth in the Sustainability for Suppliers - Process Monitoring internal procedure. In total, 230 suppliers were asked to apply by submitting evidence of both an environmental and a social project they had already implemented. The environmental projects awarded were initiatives to reduce energy consumption, water consumption, CO_2 emissions, and waste generation, and one to build a biomass-powered thermal plant in Brazil. The winning social projects were centered on the protection of a natural reserve, employee engagement in the identification of new social projects to support, youth technical training, and the dissemination of sustainability knowledge in Indonesia. The awards were presented during July's Supplier Advisory Council held in Turin (Italy), in the presence of CNH Industrial's Group Executive Council (GEC).
The *Sustainability Supplier of the Year* has become part of the Company's normal business practices and is regulated within Corporate procedures; the initiative is expected to continue in 2016.

GLOSSARY DMA
GRI G4-DMA

FOCUS ON

IMDS: AN ENVIRONMENTAL MANAGEMENT TOOL

CNH Industrial is strongly committed to eliminating or reducing substances of concern (SOC[4]), which pose a potential risk to human health and the environment. To support the management of the environmental aspects linked to the production of vehicles and components, CNH Industrial uses the International Material Data System (IMDS), an online interactive platform with detailed information on the materials and substances contained in purchased components. In 2015, the platform was extended to Agricultural Equipment and Construction Equipment. Only some suppliers were involved in this first phase, in anticipation of a much broader participation planned for 2016. In 2015, the data uploaded to the IMDS by CNH Industrial's suppliers enabled the monitoring of REACH Regulation compliance, while keeping the supply chain well informed of upcoming legislative deadlines. The system also enables the entry of data on the use of recycled materials, and allows tracking the use of materials and substances that could become critical for geopolitical reasons, such as rare earths. In 2015, suppliers filled out approximately 6,000 datasheets.

The **World Class Manufacturing** activities carried out at suppliers' plants were expanded in 2015 compared to the previous year, with 154 plants included in the WCM program as at December 31, 2015. Activities took place in two distinct yet equally important phases, providing suppliers with the necessary knowledge to apply the intrinsic concepts of Lean Production. Firstly, various training sessions led by CNH Industrial's WCM program specialists took place on suppliers' premises. Secondly, supplier WCM teams were given the opportunity to visit selected CNH Industrial plants, to learn about the Company's best practices. This dual activity allowed some of the most active suppliers to achieve good results during the year, especially in the so-called *model areas* (i.e., the first areas of a plant where WCM methodologies and tools are applied rigorously).

154 WCM supplier plants

More than 50 audits were carried out in EMEA by certified auditors, with good results for the implementation of the WCM methodology. This auditing system enables the inclusion of suppliers in the WCM awarding system (see also page 171), with the goal to have a first-ever *Bronze Level* supplier by 2018. In 2015, CNH Industrial also continued to monitor a number of sustainability indicators across a sample of 10 EMEA supplier plants that apply WCM methodologies. The indicators, monitored in model areas, were accident frequency rate and energy consumption per production unit. The monitoring led to the quantification of the actual environmental and social improvements brought about by WCM methodologies. KPIs were measured by all suppliers involved. As regards the Safety pillar, the average improvement in accident frequency rate was 1.6 (accidents per 100,000 hours worked) compared to the previous year. Within the scope of the Environment pillar, suppliers were required to include the measurement of energy consumption in their standard practices. The plants monitoring energy consumption for at least a year recorded an average improvement of 5%. KPIs will be redefined in 2016 to standardize supplier data.

CNH Industrial also continues to promote numerous initiatives to encourage innovation among suppliers. In particular, the **Supplier Performance** (Su.Per) program advocates a proactive approach to business, and allows sharing the economic benefits arising from the innovative methods and technologies introduced based on supplier suggestions. In 2015, 2 suppliers benefited from the program and 3 proposals were actually realized, with over $300,000 in estimated economic benefits generated for suppliers, particularly relating to engines.

As regards supplier **training activities**, a course was organized in 2015 for small and medium-sized suppliers in EMEA, to meet the need expressed during the previous year for further in-depth analysis. The training's key points centered on the principles and guidelines of sustainability reporting, CNH Industrial's supplier assessment process, and the contents of the SA 8000 regulation on social responsibility. Training was delivered by both Company employees with topic-specific expertise and external professionals. The course involved 40 suppliers interested in how to begin the process of building a company-specific sustainability path. It also gave suppliers the chance to understand how their activities could contribute to the sustainability of CNH Industrial.

Lastly, among the activities developed in 2015, the Purchasing and Risk Management functions selected a number of suppliers to collect information on the management of risks associated with supply to CNH Industrial (see also page 59).

[4] *Substance of concern means any substance, other than the active substance, which has an inherent capacity to cause an adverse effect, immediately or in the more distant future, on humans, in particular vulnerable groups, animals or the environment and is present or is produced in a biocidal product in sufficient concentration to present risks of such an effect (source: European Commission, Directorate-General Environment, 2014).*

GLOSSARY
Audit; EMEA; Frequency Rate; IMDS; KPI; REACH; WCM

PROMOTING THE CONTINUOUS IMPROVEMENT OF ENVIRONMENTAL ASPECTS

CNH Industrial's commitment to curtail the environmental impact of its activities and to tackle climate change cannot exclude the involvement of its suppliers. In fact, to limit the impact of manufacturing processes and products on the environment, suppliers must, on the one hand, optimize their 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 that minimize environmental impact. For these reasons, an environmental management system certified according to international standards is always strongly advised.

In 2015, the self-assessment questionnaire (see also page 158) used to monitor suppliers' environmental management was centered on the:

- presence of an environmental policy and environmental management system (preferably certified)
- reduction targets for GHG emissions, energy and water consumption, and waste generation
- monitoring of environmental aspects
- monitoring of sources of potential releases to air, water, and land, and subsequent identification of improvement areas
- delivery of internal environmental training, while encouraging their own suppliers to do the same
- execution of regular audits to verify policies, non-compliances, and corrective actions
- presence of a biodiversity protection strategy.

The questionnaire also included a dedicated water management section focusing on:

- policies, strategies or strategic plans regarding water management and improvements to the quality of wastewater management
- specific improvement targets
- bodies of water, wetlands or natural habitats affected by the water withdrawals or discharges of plants
- operations located in water-stressed areas.

The assessment, which involved 323 suppliers, confirmed that environmental issues were being properly addressed, especially with regard to the adoption of environmental management systems, emergency plans, and regulatory controls.

CNH Industrial deems the protection of water sources increasingly important as it believes their scarcity could affect production continuity. For this reason, suppliers are strongly requested to optimize their use of water resources, particularly fresh water, given the potential impact on the continuity of supply to the Company. The Company addressed the matter by launching 2 pilot projects: the first, to define specific water management principles to be shared across the supply chain; the second, started in 2014 in collaboration with a local supplier, to develop a strategy for water management in water-stressed areas. The second project will take place at the plant in Noida (India), selected from among the CNH Industrial sites located in water-stressed areas (see also page 188), under the supervision of a joint committee comprising the Company and the selected supplier. Project activities were planned and contact was made with the school (located near the plant) that will benefit from the initiative, pending authorization from local authorities. This collaboration was established to minimize the risks associated with water quality and scarcity, as well as those related to conflicts with stakeholders.

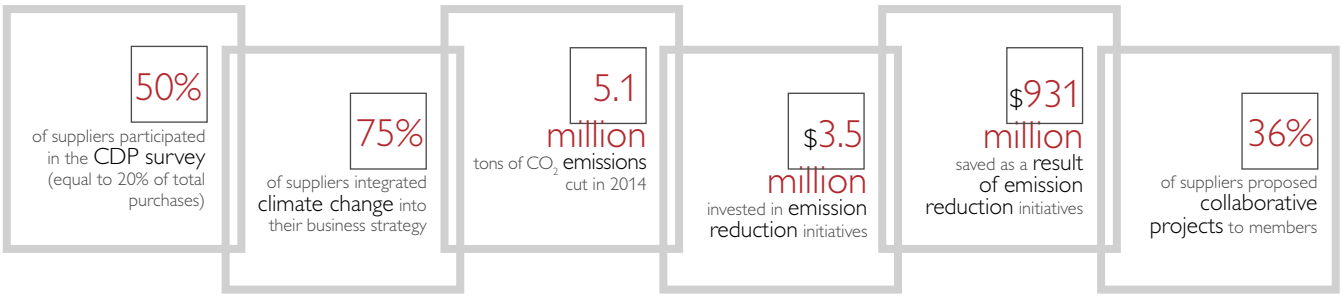
Another important supplier engagement activity centered on the mitigation of environmental impacts is the **CDP[5] Supply Chain** initiative. In keeping with previous years, about 150 suppliers were selected to fill out the CDP questionnaire, in order to get a clear picture of their strategies to tackle climate change and of their current or future initiatives to reduce CO_2 emissions. Suppliers were selected based on total purchase value, existing collaborations, and their expertise in environmental management. The average score of questionnaire respondents was 71D (an increase compared to 2014). 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 551,000 tons of CO_2 emissions[6] in supplying CNH Industrial. The activity will continue in 2016.

GLOSSARY
Biodivesity; DMA
GRI
G4-DMA

[5] *CDP is an international non-profit organization providing the only global system for companies and cities to measure, disclose, manage, and share vital environmental information.*
[6] *Including scope 1, 2, and 3 emissions.*

In 2015, a number of suppliers selected from among *CDP Supply Chain* questionnaire respondents were also involved in the CDP Action Exchange initiative, through which they received free advice to identify cost saving opportunities from energy efficiency projects.

CDP SUPPLY CHAIN
MAIN ANALYSIS RESULTS (2015)



SPREADING AN INTERNAL CULTURE OF SUSTAINABILITY

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

In this regard, Buyers and Supplier Quality Engineers (SQEs) take part in training activities every year to explore some of the key issues of environmental and social responsibility. In 2015, a number of sustainability training activities were organized for Buyers and SQEs in EMEA, who also have contact with suppliers in NAFTA, LATAM, and APAC. Training focused firstly on the objectives, main aspects, and tools of a sustainable enterprise, and secondly on the individual roles and contribution to CNH Industrial's sustainability. It also provided an opportunity to explain the processes involving suppliers (mainly self-assessments and audits); in this regard, a specific meeting was held focusing on the *CDP Supply Chain* initiative.

Moreover, the 2015 variable compensation system for SQE Managers and respective team members continued to incorporate sustainability criteria for the assessment of their performance.

SUPPORTING SUPPLIERS IN DIFFICULTY

The global financial meltdown and the continued economic crisis in Europe have demanded the close monitoring and management of critical situations arising along the supply chain.

CNH has strengthened the structures and mechanisms in place to manage suppliers in financial difficulty, focusing on promptly identifying high-risk situations and stabilizing them through appropriate measures to ensure supply continuity. These mechanisms are implemented (in partnership with other manufacturers, when possible) to support restructuring projects and offer temporary financial aid, while also seeking to safeguard jobs.

GLOSSARY
APAC; Audit; LATAM; NAFTA

MANUFACTURING PROCESSES

Material aspects described in chapter. For further details, see Materiality Matrix, page 23.

MANAGEMENT APPROACH

The product manufacturing process is made effective, efficient, economical, and environmentally friendly through the application of streamlined systems and technologies, improvements to existing materials and processes, or the development of new materials, systems, processes or techniques. All manufacturing processes, systems and techniques are required to be technologically suitable, technically feasible, economically viable and eco-friendly.
Within the CNH Industrial structure there is a Central Manufacturing function that manages manufacturing processes and supports regional organizations and business units in ensuring that objectives are met and in line with business targets.
The Manufacturing function also aims to:

- drive the development, standardization, convergence, implementation, and improvement of manufacturing processes
- drive the optimization of technology investments and synergies
- drive the development and implementation of new product manufacturing processes and improvements to existing product manufacturing processes across Regions, in line with the Product Segments (see also page 145)
- oversee worker health and safety (see also page 84)
- oversee issues concerning environment and energy management (see also pages 175-193).

CNH Industrial adopts the World Class Manufacturing management system, a program for innovation based on continuous improvement developed to remove all types of waste and loss through the rigorous application of specific methods and standards (see also page 168).
As a result of ever-increasing customer demands and the level of excellence required by WCM, the focus is on the quality of every aspect of the manufacturing process, which has also led plants to adopt a quality management system compliant with ISO 9001. As at December 31, 2015, there were 58 CNH Industrial ISO 9001 certified plants, equal to 98% of revenues from sales of products manufactured at CNH Industrial's plants.
For achieving its quality standards, CNH Industrial devised a robust supply chain management process (see also page 153) to ensure the procurement of quality components, which are essential for the production of vehicles that meet the high standards demanded by CNH Industrial's customers.

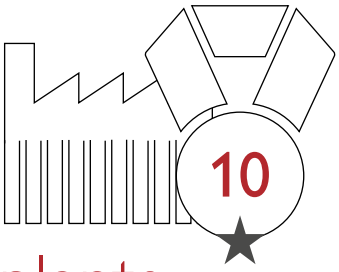
ISO 9001 CERTIFIED PLANTS

CNH INDUSTRIAL WORLDWIDE

WORLD CLASS MANUFACTURING

In striving to consolidate and maintain high standards of excellence in its manufacturing systems, CNH Industrial applies principles of World Class Manufacturing (WCM), an innovative program for continuous improvement originating from Japan. WCM is an integrated model for managing all the elements of an organization, focused on improving the efficiency of all its technical and organizational components with the aim of maximizing market competitiveness.

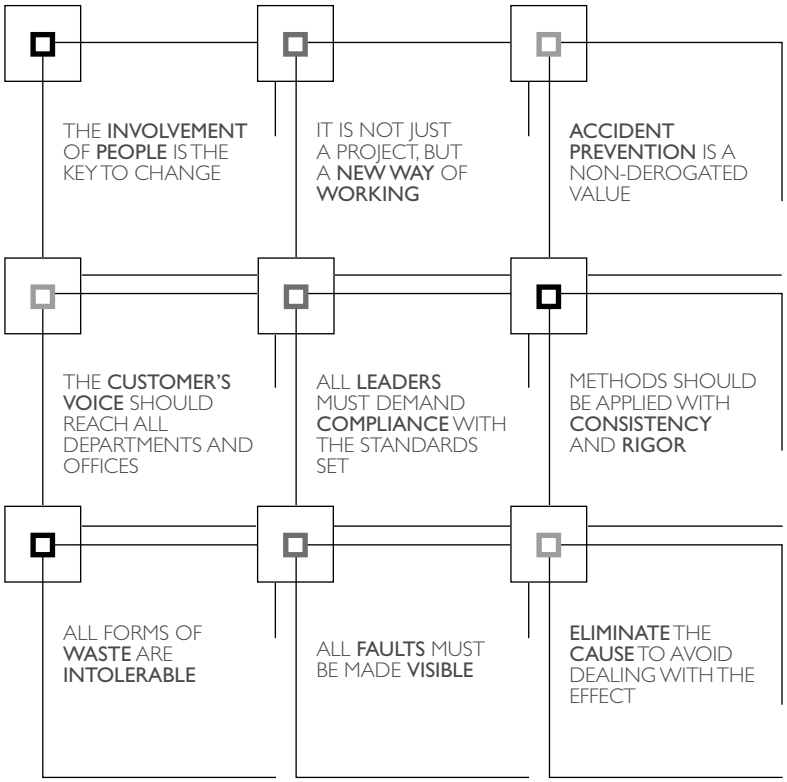
WCM is a structured system encompassing the most effective manufacturing methodologies, which include Total Quality Control (TQC), Total Productive Maintenance (TPM), Total Industrial Engineering (TIE), and Just In Time (JIT). Through precise methods and standards, WCM seeks to eliminate all types of waste and loss, by identifying objectives such as: zero injuries, zero defects, zero breakdowns, zero waste, reduced inventories, suppliers' punctual delivery of parts to plants, and subsequently to dealers and end users. These objectives require a strong commitment from plant management and all relevant departments, reinforced by continuous interaction across all organizational levels.
Some of the benefits of WCM implementation include greater competitiveness, the development of new and improved technology and innovation, increased flexibility, increased communication between management and production personnel, enhanced quality of work, and increased workforce empowerment.



10 plants awarded silver and 21 plants awarded bronze

The WCM system cuts across all Company boundaries and is applied to all departments, embracing numerous topics (known as pillars) including safety in the workplace, the environment, quality, logistics, in-house and specialist maintenance, human resources, and process and product engineering (involving the reorganization of work stations, the installation of new machinery, and new product launches).

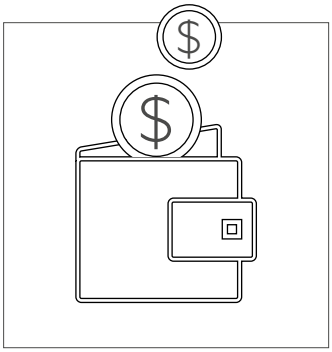
WCM FUNDAMENTAL PRINCIPLES:



One of the main features of the WCM program is the direct relationship between an activity or project and its cost benefits. Continuous improvement initiatives are driven by the Cost Deployment pillar, which accurately identifies all plant waste and loss, guides the corporate functions tasked with containing and eliminating the sources of waste, evaluates project feasibility, and assesses and certifies the results achieved by carefully monitoring specific performance indicators (KPIs). Such a methodical and structured approach ensures that the process for evaluating initiatives is genuinely effective, in that it measures and correlates all factors affected by the initiative itself.

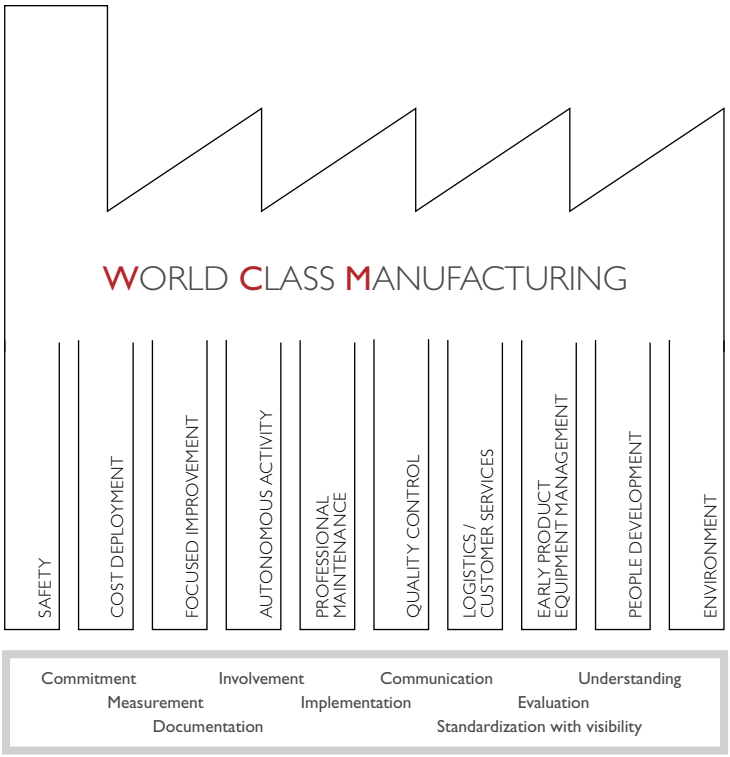
The widespread use of WCM principles at all CNH Industrial plants allows the entire Company to share a common culture based on efficient processes and on a language universally recognized across all plants and countries in which CNH Industrial operates.

WCM leverages knowledge development through employee participation, through which implicit knowledge becomes explicit and codified, and subsequently incorporated into new products, new services, and new ways of working.



$174.4 million
saved through
WCM projects

WCM PILLARS



The WCM system is also implemented outside CNH Industrial: on the one hand, it enables the Company to meet its customers' needs with maximum flexibility and effectiveness; on the other, by sharing it with suppliers (see also page 163), it allows the Company to ensure high product quality and process efficiency. WCM seeks to instill and reinforce the idea that everyone who is part of an organization must know their customers and strive to satisfy their needs, as well as those of all other stakeholders, in terms of products, order processing, delivery, quick response services, and after-sales assistance. After all, the aim of continuous improvement is to increase customer satisfaction and loyalty, while also ensuring long-term profitability, by developing processes and adding value to products and services.

GLOSSARY
KPI; WCM

One of the system's strengths is its ability to motivate people – who are an intrinsic part of the model – to engage and take responsibility by contributing directly to process optimization via a well-established system of suggestion collection. People are an integral part of target achievement, and are involved throughout the entire improvement project (universally known as *kaizen*) from definition to realization. This allows them to acquire and develop skills and good practices that are then shared across plants, forming a network of expertise and knowledge at the service of the Company. WCM plays a role in creating an organization that is both engaged and free of barriers, where ideas, knowledge, and talent are shared between working groups, both within and across different plants.

THE 10 TECHNICAL PILLARS

Technical Pillar	Purpose	Goals
Safety	Continuous improvement in safety	■ to drastically reduce the number of accidents ■ to develop a culture of prevention ■ to improve workplace ergonomics ■ to develop specific professional skills
Cost Deployment	Cost and loss analysis (loss as a cost component)	■ to scientifically and systematically identify the main losses in the company's production and logistics system ■ to estimate both potential and expected economic benefits ■ to focus on and allocate resources to managerial tasks with greatest potential
Focused Improvement	Intervention priorities to manage the losses identified in cost deployment	■ to drastically reduce the major losses at manufacturing plants by eliminating inefficiencies ■ to eliminate non-value-added activities to increase product cost competitiveness ■ to develop specific professional problem-solving skills
Autonomous Activities	Continuous improvement at the plant and in the workplace	This comprises two pillars: ■ Autonomous Maintenance - used to improve the production system's overall efficiency through maintenance policies ■ Workplace Organization - aims at improvements in the workplace, where materials and equipment often need upgrading and many losses can be eliminated
Professional Maintenance	Continuous improvement in reducing equipment failures and downtime	■ to increase equipment efficiency using failure analysis ■ to facilitate cooperation between equipment specialists and maintenance personnel to achieve zero breakdowns
Quality Control	Continuous improvement in meeting customer needs	■ to deliver high quality products ■ to reduce non-compliance ■ to increase employee skills
Logistics and Customer Service	Inventory optimization	■ to significantly reduce inventory levels ■ to minimize the handling of materials, including deliveries directly from suppliers to the assembly line
Early Equipment Management and Early Product Management	Optimization of time and costs for installations and optimization of new product features	■ to start up new plants as scheduled ■ to ensure plant start-up occurs rapidly and smoothly ■ to reduce Life Cycle Costs (LCC) ■ to design systems that are easy to maintain and inspect
People Development	Continuous improvement in employee and worker skills	■ to ensure appropriate skills and abilities to each workstation through a structured training program ■ to offer training-driven development for maintenance workers, technologists, and specialists
Environment and Energy	Continuous improvement in environmental management and reduction in energy waste	■ to comply with environmental management requirements and standards ■ to develop an energy culture and reduce energy costs and losses

GLOSSARY
Ergonomics; Kaizen; WCM

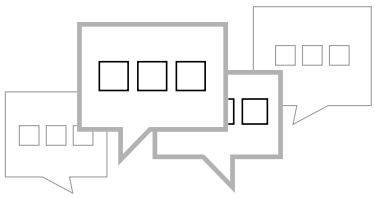
At CNH Industrial, the use of tools for sharing information and collecting suggestions is well established: in 2015, about 422,000 suggestions (a 7% increase compared to 2014) were collected across the plants where WCM principles are applied, with an average of 11.5 per employee. In 2015, 16,572 projects (of which 12% in Safety and Environment pillars) were implemented within WCM, generating savings of $ 174.4 million.

Each pillar involves a 7-step approach and auditing process, culminating in a series of awards (bronze, silver, gold, and world class). Increasingly challenging targets are reached by means of a rigorous approach comprising 3 progressive levels: reactive, preventive and proactive.

As at December 2015, 54 plants were participating in the program, involving 83% of Company plants, 97% of plant personnel, and 98% of revenues from sales of products manufactured by Company plants. 21 of them received bronze awards and 10 silver awards, the latter in Sankt Valentin (Austria), Bourbon Lancy (France), Brescia, Foggia, Suzzara, Torino Driveline (Italy), Madrid and Valladolid (Spain), Saskatoon (Canada), and Contagem (Brazil).

During 2015, internal auditing training courses were offered to plant managers, hence supporting the continuous spread of WCM.

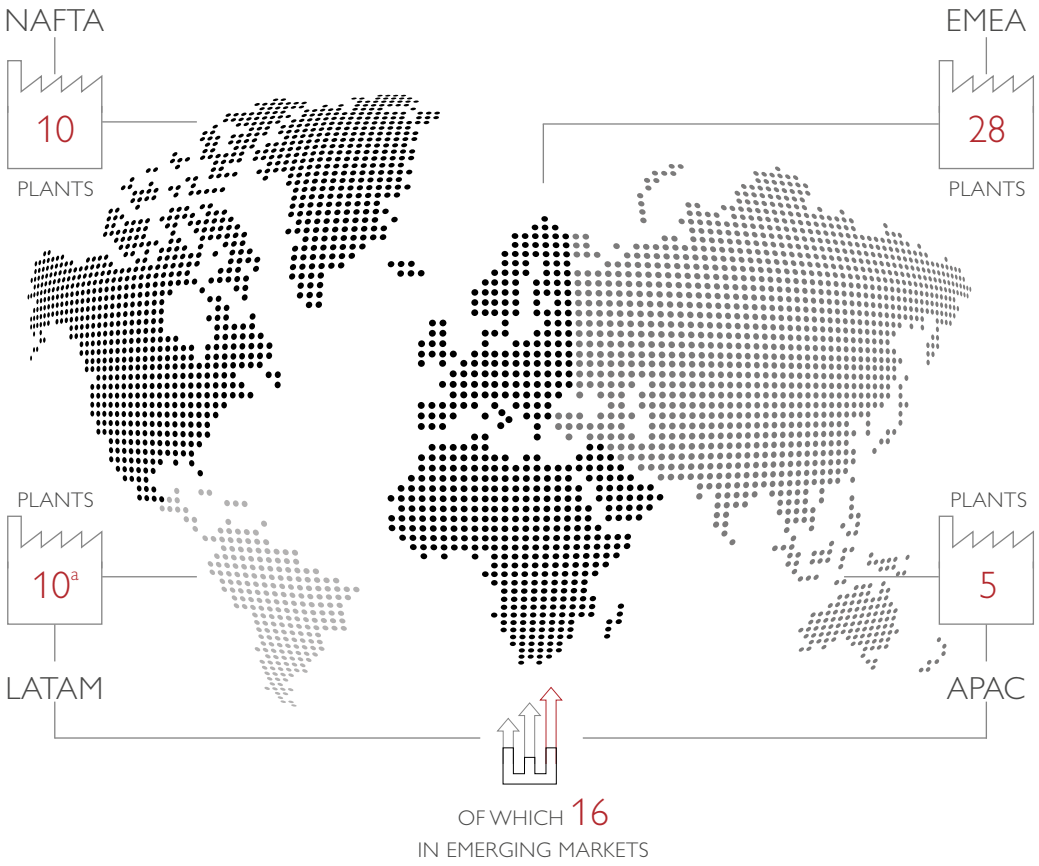
WCM initiatives are coordinated by a steering committee (established in March 2012), consisting of Top Manufacturing Management and CNH Industrial WCM managers, which drives the relevant strategies and develops the necessary methodologies for the entire Company.



422,000 suggestions from employees under the WCM program

WCM PLANTS

CNH INDUSTRIAL WORLDWIDE



[a] *For sustainability reporting purposes, there are 11 WCM plants in LATAM. The Commercial Vehicles plant in Sete Lagoas (Brazil) is in fact considered separately to reflect the two different businesses present. See also page 239 for the complete list of plants within the scope.*

GLOSSARY
APAC; Audit; LATAM; NAFTA; WCM

ENERGY MANAGEMENT

2 CDP commitments endorsed

The climate agreement signed in December 2015 at the *UN Climate Change Conference* in Paris (COP21) has refocused the international community's attention on the need for concrete commitments and swift solutions to address climate change. CNH Industrial approaches climate change mitigation by reducing waste and by limiting the use of fossil fuels, which are responsible for air pollution and, above all, CO_2 emissions. Managing greenhouse gas emissions and optimizing energy consumption are prerequisites for the continuous improvement of the Company's performance and the protection of the environment in which it operates. Moreover, in 2015, as further evidence of its commitment to fight climate change, CNH Industrial endorsed 2 of the commitments promoted by the CDP through its *Commit to Action* campaign during the COP21 (see also page 18).

As evidenced by the materiality analysis, both CNH Industrial and its stakeholders believe it is crucial and a key priority to manage energy and air emissions, due to the nature and extent of their environmental and economic impact, and to their association with global warming, an issue gaining increasing importance among the international community. The significance of these aspects is further highlighted by their political, technological, and economic implications, in terms of both sustainable procurement and impact mitigation.

DMA

As stated by the Energy Policy that is the framework of each 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 by cutting energy consumption and through innovative technical solutions.

The new 2014-2018 Energy Action Plan, developed in 2014 in line with the new Business Plan, defines the short and medium-term targets for the main activities affecting energy performance, CO_2 emissions, and use of renewable energy. These targets are incorporated into the Sustainability Plan (see also page 37) and reflect CNH Industrial's voluntary commitment to improving its energy performance across manufacturing operations.

The improvement process is supported by a structured energy management system and by the application of World Class Manufacturing principles, specifically the Energy pillar. Plants rely on this dual, integrated methodology to set standards and energy targets, and to guide the evaluation and monitoring processes. In fact, its systematic approach provides for the continual monitoring of activities, the evaluation of results against stated targets, and their dissemination through proper communication channels.

In 2015, over $11 million was invested in improving plants' energy performance, leading to a reduction of approximately 290,000 GJ in CNH Industrial's energy consumption, equal to more than 18,000 tons of CO_2 emissions[1].

Furthermore, in 2015, CNH Industrial appointed an ad hoc working team with the task of determining an internal price for carbon to offset the costs and risks of greenhouse gas production, and to finance the transition to secure sources of low-carbon energy.

OUR PROJECTS

THE TORINO ENGINE PLANT OFFSETS ITS CO_2 EMISSIONS

On the *Giornata Nazionale dell'Albero*, Italy's national tree day celebrated on November 21 and endorsed by the Italian Ministry for the Environment, Land, and Sea, the Torino Engine plant (Italy) launched an initiative for safeguarding the environment and its trees and woodlands. It decided to offset the CO_2 emissions it generates in a working day (approximately 100 tons) by planting trees. The project consisted of the forestation of both the Po and Orba river parks, in Northern Italy, in collaboration with AzzeroCO2, a company specializing in project research and selection, and in the certification of forestation initiatives.

RESPONSIBILITY AND ORGANIZATION

The highest responsibility for initiatives focusing on energy efficiency and on the management of CO_2 emissions at CNH Industrial lies with the Group Executive Council (GEC). As evidence of the Company's ongoing commitment to managing these issues, a number of targets related to energy efficiency and the reduction of CO_2 emissions were included once again in 2015's Performance and Leadership Management system (see also page 76) for both energy and plant managers.

CNH Industrial has a specific internal structure overseeing issues related to the conservation of energy resources and to the fight against climate change. Departments responsible for energy management activities are present both centrally, through Manufacturing Engineering (ME) and the Industrial Energy Management Committee, and at plant level.

GLOSSARY
DMA

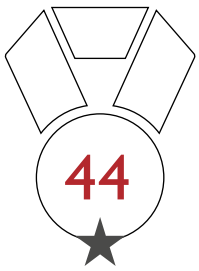
GRI
G4-DMA; G4-EN6; G4-EN19

(1) *The types of energy included were fuel, electricity, and heating. The energy consumption reduction value was estimated as per the* International Performance Measurement and Verification Protocol *(IPMVP), volume 1 (January 2012). The estimated CO_2 value includes scope 1 and scope 2 emissions.*

Activities are coordinated by the Industrial Energy Management Committee, consisting of the energy managers and specialists from each segment, which interacts with the Manufacturing Engineering Council (MEC) and the Sustainability Unit, as well as directly with plants. Based on the strategies defined by the GEC, the Committee sets out CNH Industrial's guidelines (with the MEC) and objectives (with the Chief Manufacturing Officer), as well as the best strategies to achieve them; it also manages investment budgets for specific projects and oversees the progress of the Energy Action Plan through constant monitoring. The Committee also performs internal compliance audits and raises awareness on energy issues among management and employees through meetings and campaigns. A dedicated IT platform allows energy managers to share data reports and energy performance results.
The Company's overall energy management structure consists of 80 professionals, located at both Corporate offices and plants.

ENERGY MANAGEMENT SYSTEM

The system developed and implemented by CNH Industrial aims at reducing the energy impact of manufacturing processes and the risks associated with new legislation and rising energy costs.
In 2015, as evidence of its quest to reduce its energy impact, CNH Industrial continued to pursue the certification of its manufacturing processes as per the ISO 50001 standard, setting the challenging target of certifying all sites worldwide by 2020.
The main advantage of ISO 50001 certification is that it provides a systematic approach to continuous improvement in energy performance: a more efficient and rational use of energy translates into economic benefits and fewer greenhouse gas emissions. CNH Industrial's energy management system was rolled out to 44 plants, representing about 96% of energy consumption, outperforming the targets set for the year. Specifically, in 2015, ISO 50001 certification was extended to the energy management systems at the plants in Sankt Valentin (Austria), Ulm (Germany), Brescia Special Vehicles (Italy), Queretaro (Mexico), and Sete Lagoas PWT (Brazil).



ISO 50001
certified
plants

ISO 50001 CERTIFIED PLANTS
CNH INDUSTRIAL WORLDWIDE

GLOSSARY
APAC; Audit; EMEA; ISO 50001; LATAM; NAFTA

Voluntary compliance with the ISO 50001 standard reflects CNH Industrial's determination to manage its business sustainably, as recognized globally by its inclusion in the Dow Jones Sustainability Index and by its CDP results (see also page 41). Specifically, CNH Industrial was included in the *CDP A List*, which is the highest recognition of performance, achieving a score of 100/100 for the transparent reporting of its actions against climate change.
In 2015, the reporting and monitoring of greenhouse gas (GHG) emissions continued through voluntary compliance with the *Corporate Accounting and Reporting Standard* of the WBCSD[2] and WRI[3] (GHG Protocol) and with ISO 14064 standards, covering 100% of CNH Industrial's energy consumption.

SHARING AND AWARENESS ACTIVITIES

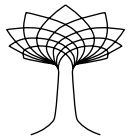
The ongoing promotion of staff involvement and awareness of the importance of energy resource conservation is key to reaching CNH Industrial's improvement targets. To this end, best practices are standardized and disseminated across plants through the World Class Manufacturing (WCM) system, to enable the kind of synergy that is crucial for the development and continuous improvement of any global company.
In 2015, 6,531 hours of training were provided (mainly by internal professionals) to 6,369 people across different plants, focusing on: the distinctive features of the ISO 50001 energy management system; the correct monitoring and management of energy performance; the training of certified internal auditors at plants in EMEA and NAFTA; and WCM energy management principles.

CNH Industrial actively participated in *M'illumino di meno*, the Italian radio campaign to raise awareness on energy saving and on rationalizing energy consumption among public and private entities, by taking part in the symbolic 'energy silence' promoted by the initiative. All lights were turned off at the Industrial Village (the showroom housing Iveco, New Holland, and FPT Industrial vehicles), including the historical gallery and all public and sales areas, confirming CNH Industrial's commitment to sustainability and environmental protection. A training campaign on energy saving technologies was carried out in conjunction with the event.
Furthermore, on the annual *World Environment Day* on June 5, CNH Industrial organized a workshop on environmental issues at *Expo Milano 2015* to promote responsible behaviors among people in their everyday lives.

EXPO MILANO 2015

CNH INDUSTRIAL CELEBRATES WORLD ENVIRONMENT DAY AT EXPO

In 2015, CNH Industrial celebrated *World Environment Day* (June 5) at *Expo Milano 2015*, in New Holland Agriculture's Sustainable Farm Pavilion. The event included an initiative to raise environmental awareness among visitors, providing information of interest and little-known facts about the air, soil, water, flora, and fauna. The aim was to stimulate environmental awareness and encourage simple, ethical behavior with the potential to have a significant impact on environmental protection, such as emitting less CO_2, controlling and separating waste, reducing water consumption, and protecting wildlife species. Each topic was dealt with by means of 4 separate 15-minute modules, repeated twice a day. Each module dealt with a topic through the use of general knowledge; visitors then took part in a quiz, answering multiple-choice questions on the topic covered. Finally, an outline was given of CNH Industrial's commitments and results regarding the subject in question. After each session, participants (about 50 in total) were asked to demonstrate their commitment to adopting a particular behavior to help safeguard the planet by writing it on the pavilion wall.
Meanwhile, as in previous years, employees were reminded about the main themes of *World Environment Day* through a communication campaign. This also involved the publication of a press release on the Corporate Intranet covering interesting facts, ethical behaviors, key objectives, and results achieved, as well as the distribution of a poster to be put up at all sites worldwide.

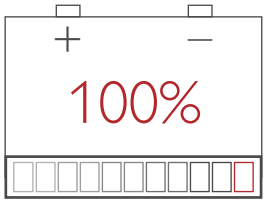


GLOSSARY
Audit; EMEA; GHG Protocol; ISO 14064; ISO 50001; NAFTA; WCM

(2) *World Business Council for Sustainable Development.*
(3) *World Resources Institute.*

ENERGY PERFORMANCE

An efficient energy management system requires effective monitoring of energy performance, by means of specific Energy Performance Indicators (EnPI).
These indicators allow CNH Industrial to measure the benefits and effectiveness of its initiatives, plan improvement measures, and establish new and ever-more challenging targets. In 2015, energy performance and compliance with the Action Plan continued to be monitored via the Energy Monitoring & Targeting (EMT) management and control platform at all CNH Industrial plants. In order to achieve a higher level of monitoring by 2020 of both primary energy vectors, purchased directly from external suppliers, and secondary energy vectors, transformed and then distributed to manufacturing processes, CNH Industrial continued to monitor secondary vectors at all plants via the EMT platform. As at December 2015, 60% of the consumption associated with secondary energy vectors had been monitored.



of energy consumption monitored

In addition to carefully monitoring energy performance, the dialogue and exchange between plants was enhanced via an Intranet portal focusing on procedures, best practices, regulations, Corporate Guidelines, and solutions to energy-related issues and challenges. The initiative led to the identification and implementation of 201 technical and management improvement projects, and to an increased level of people engagement and awareness. These projects were able to address the different types of losses indicated in the WCM Energy methodology, which are used to classify and clearly identify energy inefficiencies.
The WCM Energy pillar aims at optimizing energy use in the manufacturing process. This pillar is a management tool that enables each plant to understand, monitor, and reduce energy consumption and the impact of CO_2 generated during manufacturing operations, which translates into benefits for the environment and lower production costs.
A measurement and verification standard is being developed to monitor the savings generated by each project. In some cases, this follows the *International Performance Measurement and Verification Protocol* (IPMVP), volume 1 (January 2012).

In 2015, CNH Industrial implemented several short to medium-term initiatives focusing on the redesigning of processes, equipment conversion and retrofitting, operational changes to new installations, and increased employee awareness. In particular, these initiatives led to the:

- realization of systems for heat recovery from exhaust fumes and air compressors
- realization of systems for heat recovery for the generation of chilled water
- adoption of monolayer coating systems, which reduce the number of processes required to pretreat, paint, and fire the components, thus saving energy and water
- realization of high-efficiency lighting systems (e.g., using LED technology) associated with dimmers and presence detectors, in production areas, offices, and outdoors
- installation of high-efficiency motors, inverters for electric motors, and variable speed compressors for the production of compressed air
- replacement of electric boilers with heat pump systems
- increased use of machinery shutdown when idle
- installation of thermal solar systems for the production of sanitary hot water from renewable sources
- identification and repair of compressed air leaks
- insulation of buildings
- use of radiant panels to optimize the heating of larger buildings.

OUR PROJECTS

CHILLED WATER GENERATED THROUGH HEAT RECOVERY IN VALLADOLID

Several interventions were carried out at the Valladolid plant (Spain) aimed at recovering heat energy from the painting process. During the first phase of the project, 3 air-to-water heat exchangers were installed for the 3 paint oven afterburners, thus enabling the recovery of process heat (otherwise dispersed into the atmosphere), and the complete shutdown of the boiler (required to heat the paint tanks) during oven switch-on.
During the second phase of the project, carried out in 2015, an absorption chiller was installed in order to recover the excess heat from the heat exchangers to generate cold water for the cooling circuit of the adjacent body assembly line. The savings achieved by installing the chiller were approximately $100,000, the payback period of the investment is estimated at less than 2 years, and CO_2 emissions were cut by 230 tons per year.

GLOSSARY
LED; WCM

GRI
G4-EN6

OUR PROJECTS

THE GREEN PLANT IN RORTHAIS

In 2015, the French plant in Rorthais continued to work towards becoming a *Green Plant, Usine Verte*. The plant aims at limiting its environmental impact by reducing energy consumption, and therefore GHG emissions; it is pursuing this goal by appealing to plant employees' sense of responsibility in using energy wisely and appropriately. The transition to LED technology continued throughout the year, covering 60% of the plant's total lighting, and is expected to proceed in 2016. Measures were also taken to significantly reduce gas consumption, especially during idle periods. The efforts made at the Rorthais plant over the last few years have led to a 10% reduction in energy consumption at the same production levels, preventing 110 tons of CO_2 emissions per year.

The plant further confirmed its commitment to the environment and to promoting a culture of responsibility by organizing training activities with *Saint François d'Asisse* college, specifically on waste management, appropriate water use, and biodiversity. Conferences and workshops were organized to raise environmental awareness among students, along with a project to recover selective waste at the plant - containers, plastic, cardboard, fabric and styrofoam – which they recycled and transformed into new objects such as bags, cardboard letters, etc.

The plant also launched a biodiversity project involving the creation of an 'insect hotel' made of non-hazardous industrial waste, to encourage insects to repopulate the area surrounding the plant. The insect hotel is a simple structure shaped to suit the insects housed, and a valid alternative to increasingly rare natural habitats. The initiative helps preserve biodiversity and encourages the reproduction of pollinating insects, on the one hand, and of predator species to control insects harmful to plants, on the other.

IMPROVEMENT PROJECTS IN DETAIL

CNH INDUSTRIAL WORLDWIDE

	Projects (no.)	Total energy reduction (GJ/year)	Estimated project cost ($)
Conversion and retrofitting of equipment	65	83,631	4,055,276
Installation of new equipment	84	107,592	5,915,157
Operational changes	31	36,264	196,157
Process redesign	11	24,586	950,579
Other	10	34,816	297,988
Total	**201**	**286,889**	**11,415,157**

Direct and indirect energy consumption by source, and associated CO_2 emissions, continued to be reported throughout 2015. Furthermore, for each source, a distinction was made between renewable and non-renewable energy. CO_2 emissions were calculated according to GHG Protocol standards, incorporated in Company Guidelines, while the indirect emissions associated with energy production emission factors were calculated as per the standards published in November 2015 by the International Energy Agency.

At CNH Industrial, the only sources of greenhouse gas emissions, besides those deriving from energy consumption, are associated with the use of HFC compounds with global warming potential (GWP) present in the air-conditioning, fire suppression equipment and cooling units of working spaces, and production equipment. The potential emissions from these substances (CO_2 eq) are negligible compared with emissions from energy production: in fact, with an incidence of less than 0.52%, they fall outside the reporting scope[4].

ENERGY CONSUMPTION

In 2015, CNH Industrial reported a total energy consumption[5] of 6,273 TJ, a reduction of approximately 12% over the previous year, partly due to an average 10% decrease in hours of production. This reflects the Company's commitment and responsiveness to these issues, and the positive contribution of the efficiency initiatives implemented.

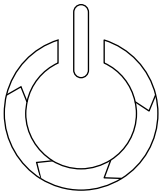
Regarding energy performance, measured as the Company's total internal energy consumption divided by hours of production, CNH Industrial's 2015 year-end results were satisfactory, with a 1.9% reduction compared to 2014 (see also page 178).

GLOSSARY
Biodivesity; CO_2 eq; Indirect Emissions GHG Protocol; HFCs; LED

GRI
G4-EN6; G4-EN15; G4-EN16

(4) Details on the reporting scope are available in the chapter on Report Parameters (see also pages 238-239).
(5) Types of energy included: electricity, heat, steam, cooling, natural gas, metallurgical coal, diesel, and other fuels.

Despite the sharp reduction in hours of production caused by the downward trend in manufacturing, these results were due to the effective synergy between the energy management and WCM systems adopted, the favorable seasonal temperatures, and the implementation of energy efficiency projects. Indeed, while the fall in production would have been expected to lead to an increase in energy consumption per hour of production, management's responsiveness made it possible to limit variable consumption directly linked to production. Furthermore, considerable efforts went into specific operational measures leading to a reduction in the fixed share of energy consumption, which is independent from the production process.



48%
of electricity from
renewable
sources

TOTAL ENERGY CONSUMPTION

CNH INDUSTRIAL WORLDWIDE (GJ)

Non-renewable sources	**2015**	2014[a]	2013
Plants	55	55	54
Direct energy consumption			
Natural gas	**2,724,147**	3,145,207	3,662,770
Coal	**125,206**	201,292	225,854
Diesel	**50,181**	60,110	68,237
Liquefied petroleum gas (LPG)	**35,030**	80,554	121,039
Other (HS and LS fuel oil)	**-**	-	-
Total	**2,934,564**	**3,487,163**	**4,077,900**
Indirect energy consumption			
Electricity	**1,299,866**	1,487,935	1,839,070
Thermal energy	**619,274**	578,090	854,693
Other energy sources	**128,498**	125,201	112,804
Total	**2,047,638**	**2,191,226**	**2,806,567**
Total energy consumption from non-renewable sources	**4,982,202**	5,678,389	6,884,467

Renewable sources	**2015**	2014	2013
Plants	55	55	54
Direct energy consumption			
Biomass	**30,823**	19,762	36,396
Solar-thermal	**419**	349	275
Total	**31,242**	**20,111**	**36,671**
Indirect energy consumption			
Electricity	**1,185,124**	1,347,671	1,194,778
Thermal energy	**65,252**	56,325	94,087
Other energy sources	**9,136**	9,538	-
Total	**1,259,512**	**1,413,534**	**1,288,865**
Total energy consumption from renewable sources	**1,290,754**	1,433,645	1,325,536
Total energy consumption	**6,272,956**	7,112,034	8,210,003

[a] 2014 data restated with respect to the 2014 Sustainability Report.

ENERGY CONSUMPTION BY ENERGY TYPE

CNH INDUSTRIAL WORLDWIDE (GJ)

	2015	2014[a]	2013
Plants	55	55	54
Electricity[b]	**2,580,199**	2,934,956	3,057,405
Heat	**684,946**	634,764	949,055
Steam[c]	**-**	-	-
Cooling coal	**42,424**	35,390	89,247
Natural gas	**2,724,147**	3,145,207	3,662,770
Other energy sources	**241,240**	361,717	451,526
Total energy consumption	**6,272,956**	7,112,034	8,210,003

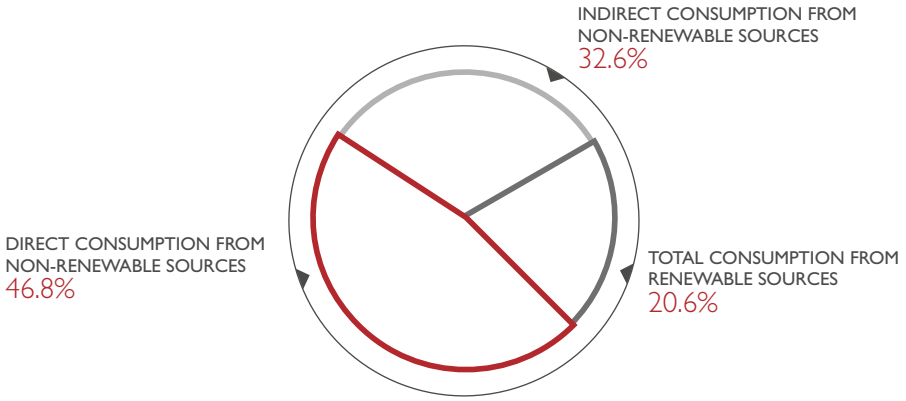
[a] 2014 data restated with respect to the 2014 Sustainability Report.
[b] Electricity also includes compressed air.
[c] Steam is included in heat.

GLOSSARY
WCM

GRI
G4-EN3

ENERGY CONSUMPTION BY SOURCE

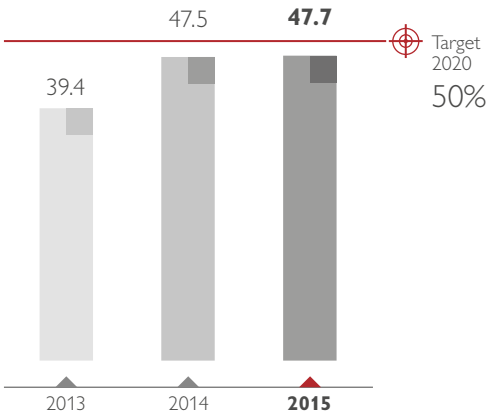
CNH INDUSTRIAL WORLDWIDE



The new Energy Action Plan 2014-2018 defines a single global indicator to measure CNH Industrial's overall energy performance. It was therefore necessary to adopt a new methodology to consolidate a single energy indicator for all business segments and enable the measurement and monitoring of CNH Industrial's actual performance. The new indicator used to calculate energy consumption is total manufacturing hours[6]. The targets for each business segment (which contribute to the global target) are monitored internally. The new overall target set for 2018 aims at a 6.5% reduction in energy consumption per hour of production compared to 2014.

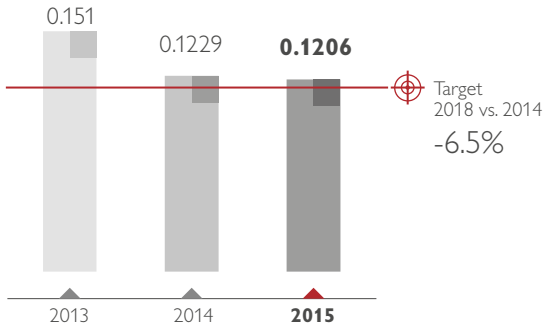
ELECTRICITY CONSUMPTION FROM RENEWABLE SOURCES

CNH INDUSTRIAL WORLDWIDE (%)



ENERGY CONSUMPTION PER PRODUCTION UNIT[a]

CNH INDUSTRIAL WORLDWIDE *(GJ/hour of production)*



[a] 2014 was chosen as the base year for 2014-2018 global planning, in line with the Business Plan.
Types of energy included: electricity, heat, steam, cooling, natural gas, metallurgical coal, diesel, and other fuels.
The 2013 figure is an estimate.

OUR PROJECTS

THE MONOLAYER PAINTING LINE IN JESI

In the first quarter of 2015, the Jesi plant (Italy) completed the transition of its painting line from conventional to monolayer technology, which delivers the same paint finish quality with less pretreatment and coating operations compared to conventional technology. The result is reduced energy consumption, water usage, and Volatile Organic Compounds (VOC) emissions. The savings achieved were $367,000, the payback period of the investment is estimated at 1 year, and CO_2 emissions were cut by 386 tons.

GLOSSARY
VOC

GRI
G4-EN5;
G4-EN6

[6] For the definition of total manufacturing hours, see the chapter on Report Parameters (see also page 242).

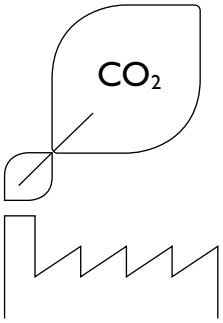
REFURBISHMENT OF ZEDELGEM'S HEATING SYSTEM

In order to reduce fixed consumption levels, which affect energy performance indicators particularly in periods of low production, the plant in Zedelgem (Belgium) carried out an assessment of the inefficiencies associated with its heating system. The current set-up involves the production of superheated steam in a thermal power plant that is subsequently distributed across the plant's compound by means of air heating units. An energy audit revealed the consumption level was 46% higher due to processing and network losses. Consequently, the steam boiler and associated circuit were partly replaced by gas-fired hot air generators (running on methane) installed in a number of plant buildings. The new units, paired with air temperature sensors, led to a drastic cut in heat processing and distribution losses, making the overall system more flexible and compatible with the plant's actual heating needs. The savings achieved were $133,000, the payback period of the investment is estimated at 1 year, and CO_2 emissions were cut by 351 tons. Building on these results, the plant developed a renovation plan that will eliminate the use of steam for room heating in another 4 of its buildings by 2020.

CO_2 EMISSIONS

In 2015, CNH Industrial's CO_2 emissions (scope 1 and 2) were approximately 397,300 tons, a 13.5% reduction compared to 2014. This result was due to the reduction in energy consumption and to the greater share of renewable energy in CNH Industrial's energy mix, equal to 47.7% of CNH Industrial's total electricity consumption. Furthermore, the increased use of renewable energy cut CO_2 emissions by 81,183 tons.

CNH Industrial confirmed its commitment to reduce greenhouse gas emissions and dependence on fossil fuels by setting new targets aiming at a 7.5% reduction in CO_2 emissions per hour of production by 2018 (compared to 2014), and at 50% of energy use from renewable sources by 2020.
The new Energy Action Plan 2014-2018 defines a single global indicator to measure CNH Industrial's overall performance in terms of CO_2 emissions. It was therefore necessary to adopt a new methodology to consolidate a single indicator for all business segments and enable the measurement and monitoring of CNH Industrial's actual performance. The new indicator used to calculate CO_2 emissions is total manufacturing hours[7].



-4%
in CO_2 emissions
per hour of production

DIRECT AND INDIRECT CO_2 EMISSIONS[a]

CNH INDUSTRIAL WORLDWIDE (tons)

	2015	2014[b]	2013
Plants	55	55	54
Direct emissions (scope 1)	**163,623**	192,902	226,748
Indirect emissions (scope 2)	**231,993**	265,410	308,198
Total emissions (scope 1 + 2)	**395,616**	**458,312**	**534,946**
Direct emissions from landfill gases	**1,683**	1,079	1,987
Total CO_2 emissions	**397,299**	**459,391**	**536,933**

(a) CO_2 is the only significant greenhouse gas within CNH Industrial's processes (see also page 243). For CNH Industrial, biogenic CO_2 emissions are those released by the combustion of landfill gases. 2014 was chosen as the base year for 2014-2018 global planning, in line with the Business Plan. The base year's direct and indirect CO_2 emissions are those in the table. There were no significant changes in emissions requiring the recalculation of base year emissions. GHG emissions were consolidated and reported using an operational control approach. For the methodologies and emission factors used, see also page 243.
(b) 2014 data restated with respect to the 2014 Sustainability Report.

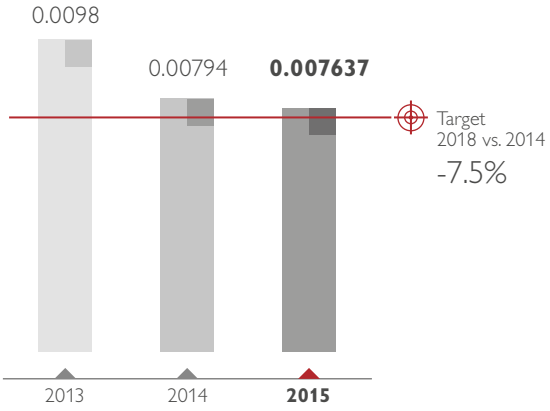
(7) For the definition of total manufacturing hours, see the chapter on Report Parameters (see also page 242).

GLOSSARY
Audit; Direct Emissions
Indirect Emissions

GRI
G4-EN6; G4-EN15;
G4-EN16

DIRECT AND INDIRECT CO_2 EMISSIONS PER PRODUCTION UNIT[a]

CNH INDUSTRIAL WORLDWIDE *(tons of CO_2/hour of production)*



[a] CO_2 is the only significant greenhouse gas within CNH Industrial's processes (see also page 243).
2014 was chosen as the base year for 2014-2018 global planning, in line with the Business Plan.
The indicator includes scope 1 and scope 2 emissions.
The 2013 figure is an estimate.

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 only plants subject to the European Emission Trading System (EU-ETS) are those in Basildon (England) and Vysoke Myto (Czech Republic)[8].

The energy generated in 2015 by the Basildon plant was approximately 127,000 GJ, giving the plant extra credits in terms of CO_2 emission allowances for the year. On the other hand, the energy generated in 2015 by the Vysoke Myto plant was approximately 83,000 GJ, which required the purchase of extra CO_2 emission credits for the year.

OUR PROJECTS

INTELLIGENT STAND-BY WASHING MACHINES IN FOGGIA

The Powertrain plant in Foggia (Italy) implemented a project to incorporate an 'intelligent stand-by' feature in every washing machine involved in the manufacturing process, adopting the best practices already applied to the handling systems at the Torino Motori plant (Italy) and to the extractor fans at the Torino Driveline plant (Italy). Implementing the intelligent stand-by concept required:

- a software modification to enable the washing machines to go into stand-by mode when idle (e.g., when not loading/unloading)
- the fitting of soft starters to stop the steam extractor and drying fan motors when the machines are idle (on stand-by), and to restart them with a controlled ramp-up
- the installation of inverters on both hydraulic pumps (high and low pressure) and hydraulic power units to control speed according to machine parameters.

The savings achieved were $143,000, the payback period of the investment is estimated at less than 2 years, and CO_2 emissions were cut by 296 tons.

GLOSSARY
Emission Trading

GRI
G4-EN6;
G4-EN18

[8] 2013 marked the start of the third phase of the ETS, which sets a single EU-wide cap on emission allowances; this limit will decrease linearly over time, even after the end of the third trading period (2013-2020).

ENVIRONMENTAL MANAGEMENT

MANAGEMENT APPROACH

DMA

CNH Industrial is committed to continuously improving the environmental performance of its production processes, by adopting the best technologies available and by acting responsibly to mitigate its environmental impact. Environmental management at CNH Industrial is based on principles of prevention, information, and people engagement to ensure effective long-term management.

The materiality analysis identified the use of water, the protection of biodiversity, and the management of waste and effluents as significant environmental aspects[1] for the Company and stakeholders alike. The proper management of both waste and effluents is particularly important because it leads to efficient disposal and reduces pollution risks (and hence reputational risks), which have greater economic and social implications than all other environmental aspects. From the stakeholders' point of view, waste requires proper management due to increasing volumes in industrialized, developed countries, while spills are perceived as less important owing to the minimal risk of accidents and/or spills associated with today's very high equipment standards.

Water management and the protection of biodiversity are material aspects gaining increasing importance among the international community. Both are regularly addressed by the Company through initiatives driven by investments that are commensurate with the extent of their impact in the areas most affected. Stakeholders, particularly in LATAM and APAC, consider water as the most neglected and critical resource worldwide. In the capital goods sector, it is considered crucial in terms of both management (e.g., wastewater) and risk of contamination (e.g., water used in washing and painting processes). In APAC, stakeholders called upon public-private partnerships to modernize urban water-distribution systems. Nevertheless, they struggle to find links between biodiversity and business, an important topic that could perhaps pave the way to future discussions on the management of plant impacts.

The Environmental Policy, available on the Corporate website, describes the short, medium, and long-term commitments toward the responsible management of the environmental aspects of manufacturing (particularly energy, natural resources, raw materials, hazardous substances, polluting emissions, waste, natural habitats, and biodiversity).

These aspects are included in both the environmental management system of CNH Industrial and the Environment pillar of the World Class Manufacturing system; both require compliance with guidelines, procedures, and operating instructions, and regular internal audits and reviews by management. This dual approach enables the effective management of all environmental aspects and the evaluation of outcomes (including with respect to stated targets), which are duly reported via the Sustainability Report and the Corporate website.

Environmental aspects are monitored, measured, and quantified to set improvement targets at both Corporate and segment levels. As further evidence of the Company's commitment toward protecting the environment, all indicators in 2015 confirmed the continual improvements seen in previous years. Moreover, the improvement targets set for the year (as indicated in the new 2014-2018 Environmental Plan) were met in line with expectations (see also pages 37-38).

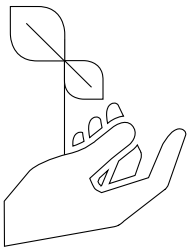
In 2015, CNH Industrial's determination to manage the environmental impact of its business in a sustainable way was recognized again at global level, with the Company's inclusion in the Dow Jones Sustainability Indexes (see also page 41). Furthermore, in 2015, CNH Industrial participated for the first time ever in the *CDP Water* program, which focuses on corporate water stewardship by identifying risks and opportunities and by outlining a clear governance model for improved water management.

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

The building of new plants abides by environmental protection criteria, taking into account specific local needs and the impact of construction. Newly acquired plants are assessed based on existing processes and activities, to determine what interventions are necessary to ensure environmental management compliance with CNH Industrial standards.

Throughout the year, the efforts made to reduce the Company's environmental footprint (which encompasses all aspects affecting the environment, from the selection and use of raw materials and natural resources, to product end-of-life and disposal) continued to require significant commitment, both financially and in terms of measures to improve technical and management performance.

In 2015, CNH Industrial's overall expenditure on environmental protection exceeded $37 million, broken down as follows: approximately $26 million for waste disposal and emissions treatment, and over $11 million for prevention and environmental management. A total of $3.6 million was invested in initiatives to reduce the Company's environmental impact, while improvement projects and measures generated $4 million in cost savings.



$37 million
spent on **environmental protection**

GLOSSARY
APAC; Audit
Biodiversity; DMA;
LATAM; Material Aspect

GRI
G4-DMA;
G4-EN31

[1] *As regards emissions, see page 172.*

OUR PROJECTS

WISCONSIN GREEN MASTERS PROGRAM

In December, CNH Industrial was recognized by the Wisconsin Sustainable Business Council as a *Green Master* for the second year in a row, thanks to sustainable efforts at its plant and offices in Racine (USA). Following the award, the Company is considered one of the leading businesses in the sustainability area in Wisconsin. Companies are selected for the Green Masters honor based on their performance in a number of areas including: carbon and other emissions, water, waste management, supply chain, communication and educational outreach, and governance. CNH Industrial received high marks from the Council for its efforts related to energy and carbon, as well as for its supply chain and Governance.

RESPONSIBILITY AND ORGANIZATION

DMA

The highest responsibility for initiatives focusing on environmental protection at CNH Industrial lies with the Group Executive Council (GEC). The specific projects aiming at the environmental improvement of manufacturing processes fall under the responsibility of plant managers.

In 2015, individual environmental impact reduction targets were included in the Performance and Leadership Management system (see also page 76) for many of the managers responsible for the projects indicated in the Sustainability Plan and for plant managers. These targets also aim at developing new best practices, and at identifying and mitigating any situation or action at plant level posing a potential threat to the environment.

Each Region implements the Environmental Policy by coordinating and managing environmental issues through the Environment, Health and Safety (EHS) function, which implements improvement actions, periodically verifies performance against targets, proposes new initiatives, and establishes environmental policies. An important role is also played by the plant employees from other functions/bodies (production line, logistics, manufacturing engineering, etc.) involved with environmental issues in various capacities.

The Company also uses centralized systems such as 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 like ISO 14001 certification support documents (guidelines, procedures, reporting guidelines, etc.). As at December 31, 2015, more than 240 people from CNH Industrial plants worldwide had access to the platform (a 15% increase compared to 2014).

ISO 14001 CERTIFIED PLANTS

CNH INDUSTRIAL WORLDWIDE

[a] *For sustainability reporting purposes, there are 11 ISO 14001 certified plants in LATAM. The Commercial Vehicles plant in Sete Lagoas (Brazil) is in fact considered separately to reflect the two different businesses present. See also page 239 for the complete list of plants within the scope.*

GLOSSARY
APAC; DMA; EMEA; ISO 14001; LATAM; NAFTA; SAD

GRI
G4-DMA

PROCESS CERTIFICATION

In 2015, CNH Industrial continued to pursue and maintain the certification of its plants' environmental management systems as per the ISO 14001 international standard. To date, every CNH Industrial manufacturing plant currently in operation and falling within the scope of application is ISO 14001 certified (see also page 239).

In addition to the systematic management of environmental aspects under normal operating conditions, the ISO 14001 certified environmental management system requires the adoption and regular verification of emergency plans and procedures, and related staff training. These procedures define roles, responsibilities, and responses when tackling unusual and/or emergency situations, to protect both people and the environment.

The environmental certification maintenance process entails a series of external third-party audits, carried out by accredited bodies. The process involves annual monitoring and certification renewal every 3 years. Furthermore, each plant is required to perform an internal audit every year to verify the performance of its environmental management system.

CNH Industrial continued to conduct a series of internal audits on plant environmental management systems, carried out by internal ISO 14001 auditors who have received specific training. These audits were performed by each Region, through cross-functional teams consisting of EHS representatives from the operational units coordinated by specialists from the regional central EHS function.

ENGAGEMENT AND AWARENESS ACTIVITIES

CNH Industrial is committed to promoting and disseminating the principles of continuous improvement and environmental management both within and outside the Company. It does so by addressing employees and business partners via dedicated communication and training tools, as well as by organizing events engaging employee family members and local communities.

A reliable and effective means of engaging people and sharing information is the World Class Manufacturing program (see also page 170), which promotes good practices and the implementation of improvement projects, including those suggested directly by employees.

In 2015, CNH Industrial involved approximately 21,000 employees in environmental training activities, for a total of approximately 30,000 hours.

On *World Water Day* (March 22), the Company used the Corporate Intranet to globally publicize its commitment to sustainable water development and to increasing water efficiency within its manufacturing processes, by reducing water consumption and the volume of water discharged by its plants, and by increasing internal water recirculation. In NAFTA, to celebrate *Earth Day* (April 22), a weeklong Intranet series ran on CNH Industrial's environmental performance (see also page 83). During celebrations for the 43rd *World Environment Day* (June 5), CNH Industrial also used the Corporate Intranet to publicize its ongoing initiatives to reduce its environmental impact, and to provide employees with a list of environmentally-friendly behaviors in their everyday lives, also posted on Corporate bulletin boards. An awareness day was organized at *Expo Milano 2015* to mark the event (see also page 174).

In EMEA, dedicated training courses coordinated by the central EHS function were delivered year-round to EHS staff members at the main plants in Italy, focusing on:

- the new CLP (Classification, Labelling, and Packaging) Regulation, and alignment with the hazardous waste classification
- new environmental laws
- new technologies enabling the identification and elimination of water losses, and the monitoring and reconditioning of pipelines.

In NAFTA, a boot camp was organized for new EHS specialists, plant managers, and backups, providing training and updates on environmental and sustainability issues.

CNH Industrial is also committed to raising awareness of environmental issues among its suppliers (see also page 164).

Environmental Commitment Beyond Plant Boundaries

Many initiatives were implemented at CNH Industrial plants to spread environmental awareness in the communities in which they operate.

In 2015, the **Bolzano** plant (Italy) promoted environmental awareness among the children of its employees by organizing a drawing competition called *Cara Terra ti disegno*. The drawings were about environmental protection and displayed in the public areas of the plant. The children also received free entrance tickets to the MUSE Science Museum in the nearby city of Trento.

The **Bourbon Lancy** plant (France), engaged in biodiversity conservation for years now (see also page 191), created a large green area within the site, planting fruit trees, shrubs, and native flower species to provide a habitat for bees and honey production. It also hosted an *Open Day* to welcome visiting employee family members and the local community. The green area will be open to local schools for educational purposes.

GLOSSARY
Audit; Biodiversity; EMEA; ISO 14001; NAFTA

The plant in **Brescia** (Italy) started a close collaboration with the *Istituto Zooprofilattico* of Padua and the Municipality of Brescia for the environmental biomonitoring of a small colony of bees established in a green area previously created to plant ancient species of fruit trees. Bees can perceive ecological changes in their surroundings. By analyzing both organisms and hive products (honey, propolis, and pollen), it is possible to assess environmental conditions (such as air quality) across a radius of more than 3 kilometers.
The plant in **Croix** (France) collaborated with a local secondary school to support a vocational training initiative involving the creation of an *Ecological Garden* on school premises (with ponds, vegetable gardens, and greenhouses). Students were the project's main architects, builders, and supervisors, and their creations - including tables, chairs, and bird shelters - were made using the plant's wood waste. The plant also hosted a number of educational events for groups of students from the Higher Institute of Agriculture who were specializing in environmental issues, offering lectures on environmental risk management, industrial wastewater management, and environmental management systems, held by the plant's own EHS staff.
The **Torino Driveline** plant (Italy), in agreement with the city's Councilor for Education and the Education Office of a primary and secondary school in Turin, launched a joint teaching project focusing on key environmental issues such as waste management and recycling, air emissions, water management, subsoil protection, and sustainable development, on which lectures were given by the plant's EHS staff.
In collaboration with local technical institutes, the plant in **Burlington** (USA) launched a project for the reuse of metal waste in professional training activities. It also contributed to a local Boy Scouts' initiative by donating wood packaging materials for the construction of bird nest boxes.
Through the voluntary participation of its employees, the **Piracicaba** plant (Brazil) took part in a municipal project to clean up the city's riverside, leading to the collection of 1.5 tons of waste and to the planting of trees along the riverbanks.
Finally, the plant in **Sete Lagoas** (Brazil) started a collaboration with the local community to recover obsolete visual management materials and turn them into bags for the employees.

OUR PROJECTS

ZERO-IMPACT TESTING

FPT Industrial's Turin Testing Center, which tests and develops the brand's engines and drivelines, is responsible for fine-tuning the new engines, transmissions, and axles that will go into production.
The Center extends over a covered area of 22,000 square meters and is equipped with 87 test benches and several specialized chambers, including an environmental-pressure chamber, a semi-anechoic chamber, a chamber for hybrid powertrains, and various laboratories including one for virtual validation.
In 2015, a project was launched to achieve zero impact for the plant by 2017, while productivity increased by 25% compared to 2014 partly thanks to the optimization of testing processes. With virtual validation, it is possible to simulate the behavior of the engine and of the control unit's software using tools such as Hardware in the Loop (HIL), load matrices, and Design of Engineering (DOE). This reduces the timeframe and costs for validation, while advanced tools (including 3D printing) enable the rapid production of resin components to verify the feasibility of layouts.
Also in 2015, several chambers were set up to reduce the need for road testing, which entails significant levels of energy consumption and related CO_2 emissions. One is the environmental-pressure chamber, which simulates altitude conditions at 4,000 meters above sea level at temperatures between -40°C and +40°C.
Some initiatives were implemented to improve plant efficiency, such as replacing the air conditioning chillers, which led to a reduction in CO_2 emissions of 420 tons per year and to primary energy savings of 196 TOE (Tons of Oil Equivalent).
Furthermore, the adoption of flow restrictors reduced water supply withdrawals by 450 cubic meters, leading to a reduction in CO_2 emissions of 1.4 tons per year.
Two new systems will be added in 2016: a thermodynamic concentrated solar power plant in cogeneration, which will reduce CO_2 emissions by 2.5 tons per year, and an LED lighting system equipped with dusk sensors to adjust brightness as needed, with an estimated reduction in CO_2 emissions of 60 tons per year. The plan is also to significantly increase the use of dynamos to produce electricity while testing engines, with 9 test cells or projects to be completed by 2017, leading to an additional annual reduction in CO_2 of around 1,480 tons, or 604 TOE.

ENVIRONMENTAL PERFORMANCE

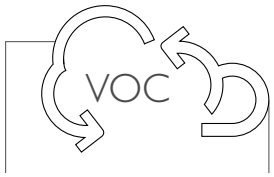
Consolidated monitoring and reporting systems, such as Standard Aggregation Data (SAD), are used to keep track of environmental performance, measure the effectiveness of actions taken to achieve targets, and plan new continuous improvement initiatives, through the management of appropriate Key Performance Indicators (KPIs). These indicators can be analyzed at different organizational levels (plant, segment, Region, or Company), thus enabling the simultaneous and parallel engagement of different Corporate functions at various levels to meet the targets. These systems are also useful for periodic benchmarking activities, which help drive the continuous improvement of plants' environmental performances.

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 to the manufacturing process is critical to meet the improvement targets set by the Company.
The main atmospheric emissions are monitored according to specific programs to verify compliance with existing regulations, and results are systematically recorded via the monitoring system in use.

Volatile Organic Compounds

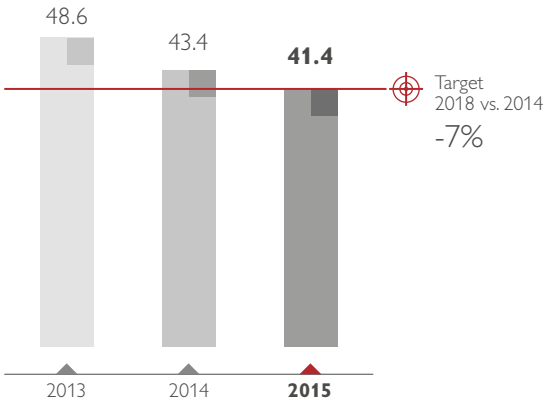
In terms of Volatile Organic Compounds (VOC), painting has the greatest environmental impact of all manufacturing processes at CNH Industrial. For this reason, the Company is committed to monitoring and reducing VOC emissions per square meter painted. In 2014, chosen as the new base year as per the Business Plan, CNH Industrial's average emissions were approximately 43.4 grams per square meter painted. In 2015, this value dropped to 41.4 grams per square meter (about -5%) thanks to the excellent results achieved across all Regions.
This positive outcome was the result of CNH Industrial's ongoing implementation of management and control improvements, paired with a number of changes and upgrades at plant level.
One of these upgrades took place at the **Queretaro** plant (USA): in partnership with its supplier, the plant replaced its former double-layer system (primer and topcoat) with a monolayer (single coat) paint system, thus cutting VOC emissions and the waste that would have been generated in the second coating process by 55% (41,900 kilos).
Another noteworthy project was implemented at the plant in **Contagem** (Brazil), where VOC emissions were cut by 10% by replacing the solvent used to wash painting booths with an alternative product.
Finally, the **Torino Driveline** plant (Italy) refurbished the system for the treatment of dust emissions associated with sandblasting, cutting them by more than 30%.



-5% in VOC emissions per square meter painted

EMISSIONS OF VOLATILE ORGANIC COMPOUNDS

CNH INDUSTRIAL WORLDWIDE (g/m²)



GLOSSARY
KPI; SAD
VOC

GRI
G4-EN21

Ozone Depleting Substances (ODS)

In 2015, in line with Corporate targets, CNH Industrial continued to remove ozone-depleting substances from its plants, found only in certain equipment used for cooling, air conditioning, climate control, and fire suppression equipment. Specifically, ODS were completely removed from all plants in EMEA, NAFTA, and APAC, and approximately 95% (over 1,700 kilos) were removed from LATAM plants. No accidental ODS leaks were reported in 2015.

Emissions of NO_x, SO_x, and Dust

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

EMISSIONS OF NO_x SO_x AND DUST

CNH INDUSTRIAL WORLDWIDE (tons)

	2015	2014[a]	2013
Plants	55	55	54
Nitrogen Oxides (NO_x)	**327.6**	376.9	443.0
Sulfur Oxides (SO_x)	**36.1**	36.7	41.2
Dust	**5.1**	5.1	5.7

[a] *2014 data restated with respect to the 2014 Sustainability Report.*

WATER MANAGEMENT

CNH Industrial believes the sustainable management of water is a strategic commitment in a global context where the growth in population (and, therefore, in water demand) is met by a marked scarcity of water resources in an increasing number of regions worldwide. Furthermore, from a business point of view, the Company recognizes the economic importance of proper water management and the potential risks associated to a lack of management of this aspect on the continuity of both supply and industrial processes.

CNH Industrial's efforts in this regard focus on increasing water efficiency within its industrial processes in line with the geographic and ecological context. The Company's plants operate locally to reduce water requirements and wastewater volumes, while pursuing high quality standards at all times.

Furthermore, although the scarcity of water resources and related issues represent a potential risk, if properly managed, they can drive improvement and innovation within the manufacturing process. CNH Industrial believes that increasing the use of recycled water could reduce withdrawals from external sources, improving water independence and the availability of water for local communities.

From a broader perspective, water is a resource shared with other stakeholders; therefore, collaboration on water management is important, and joint efforts should aim at improving the community's health and wellbeing.

In 2015, new water management procedures (tested and implemented at a number of pilot plants during the 2 previous years) were officially extended to all CNH Industrial plants in EMEA. These procedures reflect the commitment made by CNH Industrial in 2012 through its Water Management Guidelines, which focus on the standardization of methodologies to optimize water management in terms of both water consumption reduction and effluent quality improvement.

The Guidelines require CNH Industrial plants to:

- analyze the consumption, structure, and management of water withdrawal and distribution systems, and identify and eliminate leaks and waste
- identify specific performance indicators and benchmarking activities for the different manufacturing processes
- identify the manufacturing processes with the greatest impact on water resources, and prioritize the interventions required
- adopt changes and technological innovations to boost water use efficiency, reduce consumption, and improve the quality of effluents
- promote water recirculation within individual manufacturing processes and its reuse in multiple processes
- raise staff awareness of responsible water use, both at work and at home.

At the plant in **Contagem** (Brazil), a project for the reuse of water discharged during the washing of newly produced agricultural equipment led to a reduction of over 2,000 cubic meters in the consumption of water withdrawn from the municipal water supply.

The **Curitiba** plant (Brazil) implemented a number of projects to recirculate pretreatment waters, reuse the technological waters discharged by the pretreatment system in the washing of newly produced agricultural equipment, and install flow restrictors in the lavatories. The result was a cut in water withdrawal from the municipal water supply of over 13,000 cubic meters, saving more than $28,000.

GLOSSARY
APAC; DMA; EMEA; LATAM; NAFTA; NO_x; ODS; SO_x
GRI
G4-DMA; G4-EN20; G4-EN21

As regards the projects implemented in 2015 to reduce water consumption, the **Sorocaba** plant (Brazil) optimized the reuse of both wash water (and its recirculation in the fire system after adequate treatment) and technological wastewater. This initiative cut water withdrawals by about 23,000 cubic meters, saving approximately $13,000.
The **Sete Lagoas** plant (Brazil) reduced its water withdrawal from the municipal water supply by about 10,000 cubic meters by reusing the water treatment system's discharge water to clean the floors in its workshops, and by recirculating the water generated in the painting process into the flotation process, thus saving more than $6,000.

The reduction in total manufacturing hours (-10% in 2015 compared to 2014) had a negative impact on water consumption per hour of production[2], but was contained thanks to the overall initiatives implemented by CNH Industrial. Furthermore, this does not undermine the 2018 target (set by the Company in 2014 and reaffirmed in 2015) to reduce water withdrawals per unit of production by 3% compared to 2014.
CNH Industrial plants do not use wastewater generated by other organizations.

WATER WITHDRAWAL AND DISCHARGE

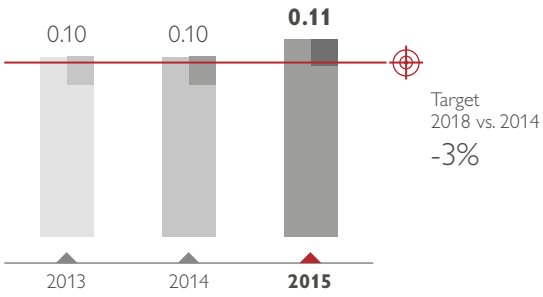
CNH INDUSTRIAL WORLDWIDE (thousand of m³)

	2015	2014[a]	2013
Plants	57	55	55
Withdrawal			
Groundwater	**3,752**	3,512	4,067
Municipal water supply	**1,759**	2,159	2,496
Surface water	**25**	18	23
of which salt water	**-**	-	-
Rainwater	**1**	3	1
Other	**8**	-	-
Total water withdrawal	**5,545**	5,692	6,587
Discharge			
Surface water	**577**	836	1,244
of which salt water	**-**	-	-
Public sewer systems	**2,761**	3,146	3,389
Other destinations	**130**	131	76
Total water discharge	**3,468**	4,113	4,709

[a] 2014 data restated with respect to 2014 Sustainability Report.

WATER WITHDRAWAL PER PRODUCTION UNIT

CNH INDUSTRIAL WORLDWIDE (m³/ total manufacturing hours)



Safeguarding the water bodies that receive, directly or through municipal wastewater systems, the effluents from industrial processes is equally important to CNH Industrial. To meet the target of exceeding local wastewater discharge quality requirements, plants establish operating procedures for the proper management of wastewater discharges and wastewater treatment systems, and for performance monitoring. Indeed, the wastewater quality indicators, which refer to the 3 parameters chosen by CNH Industrial (biochemical oxygen demand, chemical oxygen demand, and suspended solids), showed that performance in 2015 exceeded that of 2014 (see also page 258).
This was achieved partly thanks to specific wastewater treatment systems, operated either in-house or by specialized industry partners, which purify the water discharged outside the plant, mainly through physical and chemical processes; depending on wastewater quality, biological treatments may also be required.
The effluents from CNH Industrial plants are not channeled for reuse by other organizations.
The main measures to protect water bodies included the installation of a new pipe-bag safety system at the plant in **Brescia** (Italy), close to the final point of discharge into the surface water of the stormwater network. The immediate interception and closure of the sewer system upstream of the discharge point into the River Mella reduces the risk of environmental emergencies caused by accidental spills.

[2] From 2015, total manufacturing hours are used to calculate the indicator per hour of production. For the definition of total manufacturing hours, see page 242. The data referring to 2013 and 2014 was updated in line with this new parameter.

GRI
G4-EN8;
G4-EN22

Plants In Water-Stressed Areas

Following the adoption of the Water Management Guidelines in 2011, out of all the countries in which the Company operates, 3 plants were classified as sensitive in terms of the availability and use of water resources. The areas were identified from the world map of water-stressed areas, defined by the Food and Agriculture Organization (FAO) in 2008. Countries considered water-stressed are those where water availability per capita is less than 1,700 cubic meters/year. Based on this map, the list of countries in water-stressed areas is monitored and updated annually to identify CNH Industrial plants where specific water conservation and protection measures are needed.

On this basis, the plants concerned are Noida (India), Plock (Poland), and Vysoke Myto (Czech Republic), representing 6.2% of revenues from sales of products manufactured at CNH Industrial plants. Since 2011, specific actions to reduce water withdrawal and water needs were identified and implemented at all 3 plants, thus reducing their water demand and contributing to the preservation and safeguarding of water resources in each respective country (see also page 259).

Numerous initiatives were implemented at these plants to achieve the ambitious reduction targets set.

The plant in **Plock** (Poland) continued the initiatives launched in previous years by further improving degreasing procedures during coating pretreatment processes, and by adjusting water flow in the degreasing tank, thus extending its life and reducing associated water withdrawals. This led to a 36% reduction in water consumption per hour of production compared to 2014.

In 2015, in line with its multi-year action plan, the **Vysoke Myto** plant (Czech Republic) continued installing new monitoring systems in high water use areas, with data continually collected and stored in a database, allowing for a more accurate analysis and thus for more timely interventions. Furthermore, 2 new initiatives led to significant improvements in the paintshop:

- river water, instead of drinking water, is now used to supply the abatement equipment
- a modification to paintshop machinery enabled the reuse of wastewater from the demineralization processes in the first washing stage of the pretreatment process.

The plant in **Noida** (India) began daily monitoring of water consumption, moving from a reactive to a proactive approach, with the aim of identifying any overconsumption (mainly focusing on the paintshop and on all lavatories). Some pilot projects previously launched in sample areas are now being extended throughout the entire plant, such as the reuse of treated wastewater from the purification plant to irrigate green areas and the installation of flow restrictors and automatic hand sensors in the lavatories.

In 2015, a project was launched in collaboration with a supplier to minimize risks related to water quantity and quality and to conflicts with stakeholders. The project will involve a local school and is awaiting approval by the relevant authorities (see also 164).

The 3 plants have set new improvement targets for 2018, in line with the new Environmental Plan, demonstrating their commitment to preserve water resources.

PROTECTING THE SOIL AND SUBSOIL

CNH Industrial strives to minimize the risk of environmental impact on the soil and subsoil. In 2015, following the circulation of specific guidelines for monitoring existing underground structures, plants in the EMEA Region continued the monitoring and inspection of tanks, vats, and underground pipes. For example, the plant in **Jesi** (Italy) carried out the cleaning and visual inspection of underground networks for technical waters between the on-site painting and water treatment plants, for a total length of 250 meters. The **Torino Driveline** plant (Italy) continued the inspection of the underground ducts for coolants, by means of hydraulic seal and thickness gauge tests, covering a length of about 430 meters.

In its ongoing effort to integrate environmental risks into the larger case history of risks normally covered in plant plans and emergency procedures, CNH Industrial has standardized its procedures for the assessment, prevention, and mitigation of water, soil, and subsoil pollution risks linked to its manufacturing activities.

In 2015, no significant accidental releases of potentially contaminating substances were recorded, except for one case at the plant in Burlington (USA), consisting of a spill (143.83 cubic meters) of non-contact cooling water mixed with wastewater into an on-site storm water pond, with no environmental impact. The Iowa Department of Natural Resources indicated that no spill report was necessary and no follow-up required.

In NAFTA, in 2014, a new project called *Read Across* was launched to understand and share incident information within the NAFTA Region, ensure communication linkage for the Enterprise Management system, promote horizontal expansion of incident root case and countermeasures, and reduce risk associated with similar incidents. Regarding environmental management, the project includes environmental incidents.

GLOSSARY
DMA; EMEA; NAFTA

GRI
G4-DMA; G4-EN24

WASTE MANAGEMENT

CNH Industrial strives to optimize manufacturing processes and activities across all plants, aiming not only to enhance the end product and eliminate waste, but also to improve the management of waste produced, a key aspect of its Environmental Policy.

Plants carry out analyses of the production chain to improve waste management, limiting the quantities produced and the risks posed. In addition, particular emphasis is given to initiatives that increase waste recovery and reuse. The Company's commitment to optimizing waste management is shared across plants, which seek solutions that facilitate waste recovery and minimize material sent to landfill. The latter should only be used as a last resort, in exceptional cases. Better available options are, in order of preference: waste recovery, waste to energy conversion, and waste treatment.

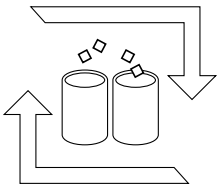
Waste disposal methods are decided by the Company, either directly or in consultation with waste disposal contractors.

The results from 2015 are evidence of CNH Industrial's commitment to managing this important environmental aspect. The percentage of waste recovered at Company level was 89%[3], an increase of approximately 2% compared to 2014. The percentage of waste sent to landfill continued to fall, to around 3.5% in 2015, a 16% reduction compared to 2014.

In terms of waste generated in relation to the production unit[4], total waste generation fell by more than 9% compared to 2014 (chosen as the base year), while hazardous waste fell by over 7%.

These excellent results were made possible by a performance improvement in each Region and are in line with the commitment to sustainable waste management set out in the CNH Industrial Environmental Plan, with the following key targets set for 2018:

- total waste produced: -5% compared to 2014
- hazardous waste produced: -9% compared to 2014
- waste recovered: 91% .



89%
of waste recovered

WASTE GENERATION AND MANAGEMENT

CNH INDUSTRIAL WORLDWIDE (tons)

	2015	2014	2013
Plants	57	55	55
Waste generated			
Non-hazardous waste	**199,401**	243,479	277,200
Hazardous waste	**19,376**	23,130	26,807
Total waste generated	**218,777**	**266,609**	**304,007**
of which packaging	**61,670**	79,145	119,620
Waste disposed			
Treatment	**15,465**	21,568	24,892
of which incineration	**172**	n.a.	n.a.
Sent to landfill	**7,725**	11,208	15,244
Total waste disposed	**23,190**	**45,876**	**52,344**
Waste recovered			
Waste recovered (excluding waste-to-energy)	**185,082**	220,733	251,663
Waste-to-energy conversion	**10,504**	13,100	12,208
of which hazardous	**3,723**	4,401	4,949
Total waste recovered	**195,586**	**233,833**	**263,871**
of which hazardous	**9,492**	4,584	5,060
% waste recovered[a]	**89.4%**	87.7%	86.8%
% waste sent to landfill	**3.5%**	4%	5%

[a] From 2015, waste recovered includes waste sent to energy conversion. The data referring to 2013 and 2014 was updated in line with this new definition.

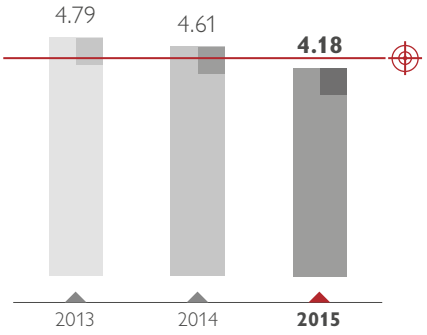
GLOSSARY
DMA

GRI
G4-DMA;
G4-EN23

[3] From 2015, waste recovered includes waste sent to energy conversion. The data referring to 2013 and 2014 was updated in line with this new definition.
[4] From 2015, total manufacturing hours are used to calculate the indicator per hour of production. For the definition of total manufacturing hours, see page 242. The data referring to 2013 and 2014 was updated in line with this new parameter.

WASTE GENERATED PER PRODUCTION UNIT

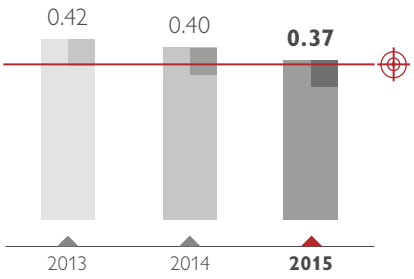
CNH INDUSTRIAL WORLDWIDE (kg/hour of production)



Target 2018 vs. 2014
-5%

HAZARDOUS WASTE GENERATED PER PRODUCTION UNIT

CNH INDUSTRIAL WORLDWIDE (kg/hour of production)

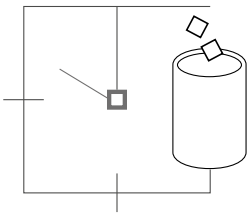


Target 2018 vs. 2014
-9%

In 2015, CNH Industrial plants completed several initiatives to reduce waste generation, particularly focusing on hazardous waste. For example, at the plant in **Jesi** (Italy), an initiative to improve the apparatus supplying the solvent used to wash painting equipment led to a cut in solvent consumption, as well as to a reduction in spent solvent of about 4 tons, with overall savings of about $9,000.

At the plant in **Suzzara** (Italy), on the other hand, 2 initiatives significantly reduced the production of hazardous waste generated in the painting process. The first involved optimizing the feeding system for the product used to protect the vehicle's underbody, which reduced waste by about 16 tons and led to savings of more than $22,000 per year. The second involved modifying the storage system for the big bags used to hold paint sludge, leading to improved filtration, thus reducing waste by about 15 tons and saving about $22,000 per year.

The **Torino Driveline** and **Torino Engine** plants (Italy) completed the replacement of the old coolant separation equipment with a next generation ceramic membrane system featuring physical pretreatment, a washing system, and greater separation efficiency. This modification led to an increase in treatment capacity by over 150 cubic meters of emulsion per annum, reducing the external costs for waste disposal.



-9%
in waste produced
per hour of production

Some adjustments to the waterjet cutting equipment were made at the plant in **Vittorio Veneto** (Italy). This cut the amount of routine maintenance required, leading to a reduction of approximately 80 tons per year in machining sludge waste (intended for a subsequent external treatment process), increasing the percentage of waste recovery by 27%, with savings of about $22,000.

The **Benson** and **Burlington** plants (USA) began a recycling program for plastic waste (sheeting and spools), cutting waste generated by 18.5 tons and saving over $10,000.

The **Fargo** plant (USA) replaced aerosol paint cans with airbrush guns for the final paint touch-up process. The plant saved approximately $46,000, mainly due to a 17% reduction in hazardous waste disposal.

By sending powder paint cartridge filters for cleaning and reuse instead of disposal, the **Goodfield** plant (USA) saved around $32,000 in new filters. The 1.6-ton reduction in waste also cut disposal costs.

The plants in **Curitiba** and **Contagem** (Brazil) also pursued similar initiatives to reduce the generation of hazardous waste: by installing special filters, oil emulsions can now be reused in mechanical processing. These projects have cut hazardous waste by approximately 170 tons and saved over $100,000.

At the **Curitiba** plant, the adoption of innovative software to optimize the sheet-cutting process reduced annual waste generated from scrap metal by 600 tons, saving about $480,000.

Finally, still in LATAM, several plants were involved in various initiatives to cut waste from wood packaging, including replacement with reusable materials and the recovery, within the plant, of pallets in good condition. The overall benefit of these initiatives at the sites in **Cordoba** (Argentina) and in **Piracicaba**, **Sete Lagoas**, and **Contagem** (Brazil) was a reduction in this type of waste of over 1,000 tons.

PROTECTING BIODIVERSITY

DMA

As a Company leading the way on the environment with robust environmental policies, CNH Industrial has been engaged for several years in efforts to understand and mitigate any impacts to wildlife and biodiversity in and around its manufacturing plants. Since 2010, with support from the scientific community, CNH Industrial has promoted the gradual implementation of the *Biodiversity Value Index* (BVI) methodology around certain manufacturing sites adjacent to protected areas or areas of particular environmental interest. Through an in-depth study of ecosystems within about a 5-kilometer radius of these manufacturing sites, the methodology assesses the level of biodiversity in such areas and identifies possible improvement measures for existing ecosystems by evaluating 2 complementary factors:

- anthropic pressures (Anthropic Pressure Index - API), generated by industrial, agricultural, urban, and infrastructural activities within the area concerned
- biodiversity (Biodiversity Index - BI), measured using the most common biological indicators for aquatic and terrestrial ecosystems.

The method has already been applied in recent years at the plants in **Bourbon Lancy** (France), **Curitiba** and **Sete Lagoas** (Brazil), **Suzzara** (Italy), **Ulm** (Germany), and **Madrid** (Spain). In each of these regions, the plant's contribution to the anthropic pressure index was less than or close to 1%. Given the negligible impact of these CNH Industrial plants on biodiversity, the BVI methodology did not require any specific improvement measures.

The plant in **Bourbon Lancy** (France), the first CNH Industrial plant to apply the methodology in 2012, carried out a new partial Biodiversity Index monitoring program in 2015. The aim was to check the outcome of the voluntary actions to support biodiversity carried out over the previous 3 years, such as the planting of hedges and shrubs, and measures to contain *Reynoutria Japonica*, a non-native and highly invasive Japanese plant. It was also a chance to verify the completion of the environmental monitoring of the lentic (still water) ecosystems, whose most significant values were recorded during the previous monitoring program in 2012. The new values were in line with those previously recorded and, indeed, suggested a potential increase in biodiversity. Specifically, the floral communities showed a slight improvement, due to the removal of *Reynoutria Japonica* from the banks of the two main water bodies and from the main detection areas, with positive repercussions for its containment in the surrounding areas. These activities will continue in 2016.

The assessment carried out in 2013 showed that the plant in **Curitiba** (Brazil) made a negligible overall contribution to anthropic pressure. Nevertheless, during 2015, about 130 native species were planted around the site to encourage biodiversity, although the BVI methodology required no specific environmental restoration or improvement measures.

During the year, the application of the methodology was also completed at the plant in **Foggia** (Italy), adjacent to the protected area of *Bosco dell'Incoronata*. The overall assessment was positive for both anthropic pressures and the level of biodiversity. Nevertheless, the plant decided to enhance its environmental management system further by introducing a guideline, trialed in 2014, for the planting of tree species, with the goal of enforcing it during the maintenance and improvement of green areas. Possible collaborations with the protected area's managing body will be evaluated for 2016.
So far, the BVI methodology has been implemented at about 35% of plants falling within the scope of application; over the coming years, its extension to potentially suitable plants will be assessed.

GLOSSARY
Biodiversity;
DMA

GRI
G4-DMA; G4-EN12;
G4-EN13

PLANTS NEAR, BORDERING OR WITHIN PROTECTED[a] OR HIGH-BIODIVERSITY AREAS

CNH INDUSTRIAL WORLDWIDE

Plant	Plant activity	Plant's total surface area (m²)	Location with respect to protected area	Species on IUCN Red List of threatened species and on national lists (no.)
Bourbon Lancy (France)	Production of heavy-duty diesel engines	210,000	Adjacent to the protected area (500 m)	193 species listed, of which: ■ 0 critically endangered ■ 2 endangered ■ 1 vulnerable ■ 1 near threatened ■ 189 of least concern
Curitiba (Brazil)	Production of agricultural equipment	792,824	Adjacent to/contains part of the protected area	101 species listed, of which: ■ 0 critically endangered ■ 0 endangered ■ 0 vulnerable ■ 4 near threatened ■ 97 of least concern
Foggia (Italy)	Production of engines	601,680	Adjacent to the protected area (3,500 m)	168 species listed, of which: ■ 0 critically endangered ■ 0 endangered ■ 2 vulnerable ■ 6 near threatened ■ 160 of least concern
Madrid (Spain)	Production of trucks	347,200	Adjacent to the protected area (1,500 m)	64 species listed, of which: ■ 0 critically endangered ■ 0 endangered ■ 0 vulnerable ■ 1 near threatened ■ 63 of least concern
Sete Lagoas (Brazil)	Production of trucks (medium and heavy vehicle range)	2,000,000	Adjacent to the protected area (1,500 m)	79 species listed, of which: ■ 0 critically endangered ■ 0 endangered ■ 0 vulnerable ■ 0 near threatened ■ 79 of least concern
Suzzara (Italy)	Production of trucks (light vehicles)	520,000	Adjacent to the protected area (4,000 m)	110 species listed, of which: ■ 0 critically endangered ■ 2 endangered ■ 0 vulnerable ■ 0 near threatened ■ 108 of least concern
Ulm (Germany)	Production of special vehicles (fire-fighting)	679,000	Adjacent to the protected area (2,000 m)	153 species listed, of which: ■ 0 critically endangered ■ 2 endangered ■ 1 vulnerable ■ 3 near threatened ■ 147 of least concern

[a] *Protected areas (national, regional, of EU-level importance, special protection zones, oases, etc.) are geographically defined areas designated, regulated or managed to achieve specific conservation objectives. Areas of high biodiversity value are not subject to legal protection, but are recognized by governmental and non-governmental organizations as having significant biodiversity.*

GLOSSARY
Biodiversity; IUCN Red List

GRI
G4-EN11; G4-EN14

OTHER ENVIRONMENTAL INDICATORS

Other indicators are also of concern to CNH Industrial, most notably the reduction of hazardous substances and noise emissions to the external environment, generated by Company equipment and manufacturing processes.
As regards PCBs and PCTs, CNH Industrial completed the process to eliminate these hazardous substances in 2012.
In 2015, no cases of fines or sanctions for non-compliance were identified at CNH Industrial's plants.

Substances of Particular Concern For Health and the Environment

CNH Industrial is strongly committed to adopting alternatives to certain substances identified as of particular concern for human health and the environment. In recent years, the Company has concentrated its efforts on the study and application of alternative solutions to replace heavy-metal containing products used in painting processes. During 2015, laboratory tests continued on the replacement of traditional pretreatment products with nano-ceramic compounds, while general evaluations are ongoing for continuing testing on vehicles. In addition, CNH Industrial is more broadly committed to the sustainable use of chemicals, with a view to environmental protection, waste reduction, and cost savings.
For example, the plant in **Coex** (France) optimized the surface treatment of vehicle cabs, reducing the injection time for the pickling liquor and decreasing annual consumption by more than 3 tons.
At the plant in **Plock** (Poland), the consumption of chemicals was reduced by about 8,500 kilos (-13% compared to 2014) by optimizing the pretreatment process in the paint lines, extending the life of the degreasing tanks.
Finally, the **Torino Engine** plant (Italy) replaced the system for the physical-chemical filtration of water used to reduce overspray (during the painting of engines) with a new, mainly mechanical, horizontal centrifugal treatment plant, reducing the chemicals used by about 50%, saving more than $78,000, improving overall wastewater quality, and enhancing sludge dewatering.

External noise produced by plants

Again in 2015, CNH Industrial confirmed its commitment to minimizing the noise impact of its plants, in line with the procedures of local environmental management systems and guidelines issued in previous years (such as the guideline for the design and purchase of new, low-noise machinery).

OUR PROJECTS

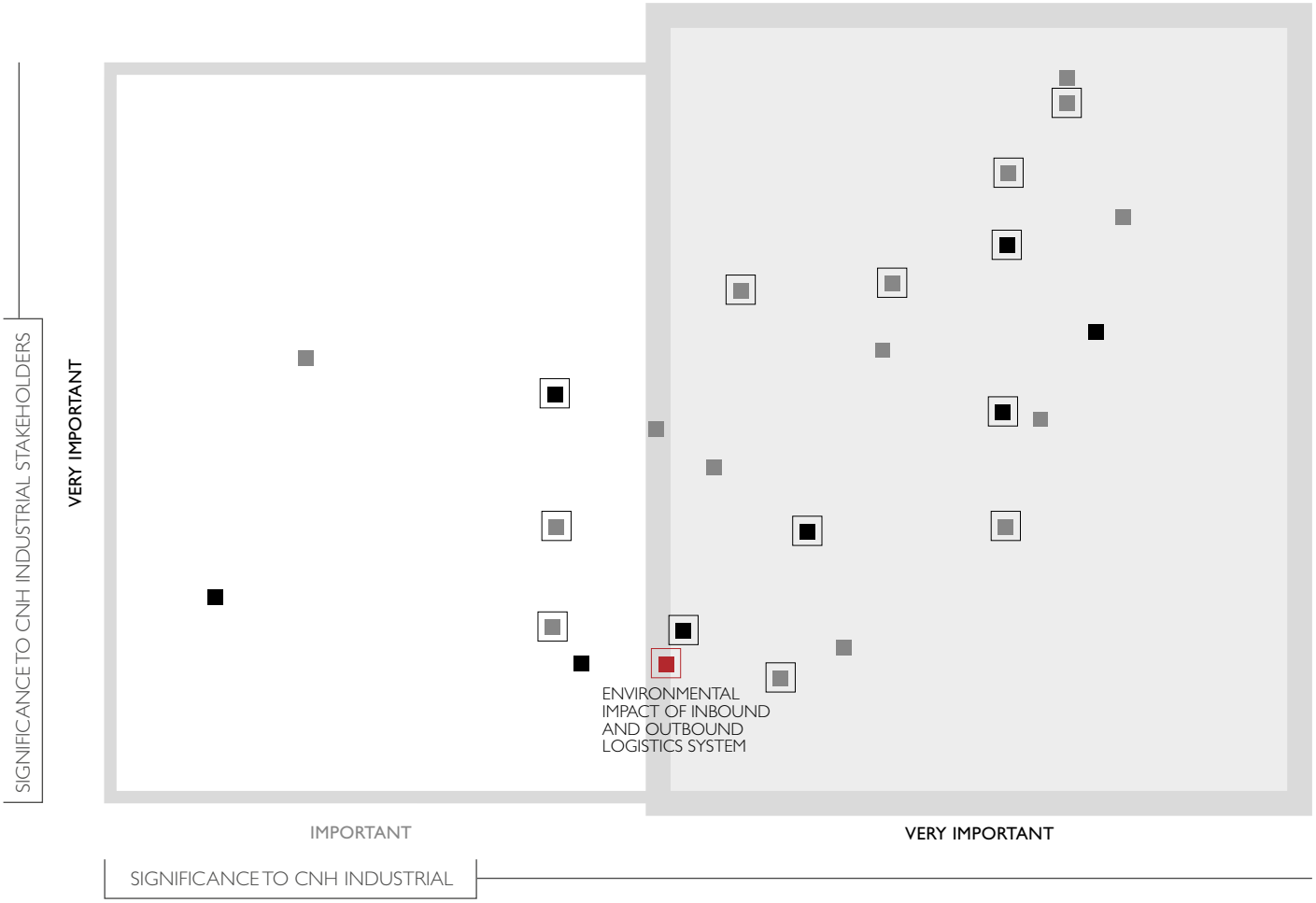
NANOTECHNOLOGY IN MANUFACTURING

CNH Industrial uses nanotechnologies in the process of painting some of its products, specifically during the washing (pretreatment) of surfaces preceding the actual painting phase. Indeed, some CNH Industrial plants adopt thin layer technology, through which nanotechnology products/nanoparticles are adequately dosed in process tanks to react with the surfaces of metal substrates previously treated with a degreasing solution; the chemical-physical reaction triggered forms a layer of zirconium oxide that coats the metal surface. This treatment confers excellent resistance to corrosion and outstanding paint adhesion, while also reducing environmental impact, and enhancing process quality and operational performance. The process takes place at room temperature and, under those conditions, because no heat is applied, there is no vapor generation. Chemical concentrations are very low, and product applications (spraying or dipping) are automated and performed in enclosed areas. Thin layer technology produces a smaller quantity of sludge for disposal than traditional technology, and does not require hazardous acid cleaning of paint system equipment. It also lowers energy and water consumption, reduces wastewater, and requires less maintenance.
This technology is in use at 12 CNH Industrial plants, with extension to other manufacturing sites currently under evaluation.

GLOSSARY
Nanotechnology; PCB

GRI
G4-EN29

LOGISTICS PROCESSES



Material aspects described in chapter. For further details, see Materiality Matrix, page 23.

MANAGEMENT APPROACH

In managing its logistics processes, CNH Industrial continually strives to find sustainable solutions to combat climate change, conserve natural resources, and safeguard health.
To this end, at CNH Industrial, the management of logistics process takes place, on the one hand, within the value chain, specifically in the functions responsible for manufacturing, sales and purchasing; but also outside the company, interfacing with the operational context, to optimize the efficiency of logistics flows and reduce their environmental impact.
As the materiality analysis shows, sustainable logistics is a topic of growing interest in terms of its economic, environmental, and social implications, and is one of the 25 aspects material to CNH Industrial. Its importance to the Company lies not only in time and cost efficiencies, but also in emissions reduction, resource use, packaging management, and, not least, in its indirect impact on human health and traffic congestion. Stakeholders expect CNH Industrial to demonstrate its commitment to safeguarding this aspect.

In managing its logistics processes, CNH Industrial continually strives to find sustainable solutions to combat climate change, conserve natural resources, and safeguard health.

To coordinate its efforts effectively towards improvements in this area, CNH Industrial published the *Green Logistics Principles* document, available on the Company website. The Green Logistics Principles are intended to coordinate the Company's sustainable behavior initiatives and help the various Corporate functions, together with suppliers, to effectively monitor their performance and ensure improvement targets are met.
In line with these principles, CNH Industrial's approach focuses on four areas:

- increasing low-emission transport
- adopting intermodal solutions
- optimizing transport capacity
- minimizing non-reusable packaging and protective materials.

DMA

Initiatives and projects developed to reduce the environmental impact of logistics processes are described below. The logistics system is managed according to *World Class Logistics* (WCL) standards that, based on World Class Manufacturing (see also page 168), define the logistics processes employed at plants and in supplier network planning, while pursuing safety, ergonomics, eco-compatibility, and transport flow optimization criteria. WCL facilitates lean processes both within and outside plants, involving all employees in the improvement processes: with the active participation of all, inventories are significantly reduced, production volumes and the production mix are evened out and logistical expertise at plants is improved. Minimizing both internal and external handling systematically is another significant aspect of WCL, achieved by integrating the production and distribution networks. This approach ensures effective management, and that projects are evaluated according to defined standards. Through *World Class Logistics*, CNH Industrial shares and disseminates its best practices, tried and tested across all plants, to improve process management with internal benchmarking that is continually updated.
As an integral part of its approach, CNH Industrial believes that actively engaging suppliers is key to achieving an effective, sustainable logistics system. CNH Industrial directly involves suppliers in most of these projects and initiatives, promoting and encouraging the development and implementation of the best solutions for meeting CNH Industrial's environmental impact reduction targets.

GLOSSARY
APAC; DMA
LATAM

GRI
G4-DMA

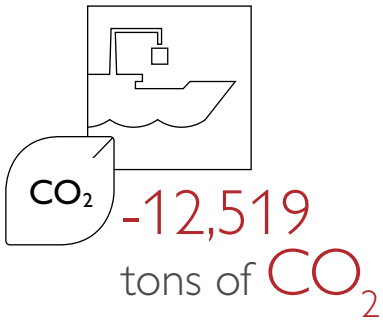
As further proof of this commitment, some suppliers of logistics processes were engaged in the *CDP Supply Chain* initiative (see also page 164), which monitors the CO_2 emissions of selected suppliers and promotes projects to reduce them through joint initiatives and partnerships. This engagement will continue in 2016. CNH Industrial has undertaken to provide a training course in 2016 to engage the main logistics suppliers in spreading a culture of sustainability and to help them understand the importance for companies of adopting certain sustainability practices. An award will also be set up for suppliers who perform well during the year on projects to improve environmental impact.
The Company's main sustainable logistics improvement targets are to reduce CO_2 emissions derived from handling components and finished goods, and to minimize the use of non-reusable packaging. These targets (all voluntary) are included in the Corporate Sustainability Plan (see also pages 38-39). Target achievement is monitored quarterly and, if necessary, corrective measures are implemented. The results are made available to stakeholders annually through the Sustainability Report and Corporate website.
In addition, the main projects included in the Sustainability Plan in 2015 were incorporated into the individual targets of managers involved in the Performance and Leadership Management system (see also page 76).
The Group Executive Council (GEC) has the highest responsibility for initiatives aimed at reducing the environmental impact of logistics processes at CNH Industrial.
For aspects concerning employee travel, refer to the Chapter Business travel (see pages 94-95).

MACRO LOGISTICS FLOWS

Inbound distribution management (i.e., the transport of components and materials to Company plants) is either handled by external transport providers engaged by CNH Industrial, or managed directly by the material suppliers themselves. The distribution of finished goods from plants to the dealer network (outbound) is carried out by external transport providers, or, for ex works shipping agreements, organized by the customer.
Spare parts are managed by CNH Industrial Parts & Services, and their inbound distribution (to warehouses and distribution centers) is handled either by external providers engaged by CNH Industrial or directly by suppliers. On the other hand, outbound distribution (including to dealerships) is handled by specialized transport providers.

MONITORING OF ENVIRONMENTAL PERFORMANCE

In 2015, monitoring continued of some of the environmental aspects considered most significant[1] for logistics processes in order to substantiate the targets included in the Sustainability Plan and the improvement projects that followed.
The significance of the environmental impact of CO_2 emissions is affected by: the number of inbound/outbound transport flows generating the impact; CNH Industrial's ability to promote mitigation initiatives among suppliers (e.g., the inclusion of contractual clauses); the initiatives implemented to reduce the impact (e.g., the adoption of intermodal solutions); and the impact's potential effects on the community (e.g., traffic congestion related to plant location).



In 2015, to improve the management of this aspect, the worldwide monitoring of CO_2 emissions was completed: the emissions amounted to 394,000 tons of CO_2 (of which about 141,000 tons were in Europe).
For 2016, CNH Industrial set the equally challenging target of cutting global CO_2 emissions by 4,600 tons.
CO_2 emissions from global inbound and outbound distribution were reduced by 12,519 tons. These emissions reductions were a result of the improvement projects implemented in 2015. The CO_2 emissions reduction in Europe was 3,266 tons, i.e., better than the target set for 2015 (1,441 tons). Intermodal transport between Italy and Spain, for example, led to a reduction in CO_2 emissions of 1,361 tons, saving over $331,000.
In 2015, the monitoring of air transport CO_2 emissions was extended to all segments, and amounted to 38,100 tons of CO_2.

GRI G4-EN30

(1) The assessment criteria used to measure the significance of the environmental aspects of logistics processes are related to the size of the impact, and to the Company's ability to manage and mitigate both the impact and its potential effects on the surrounding environment.

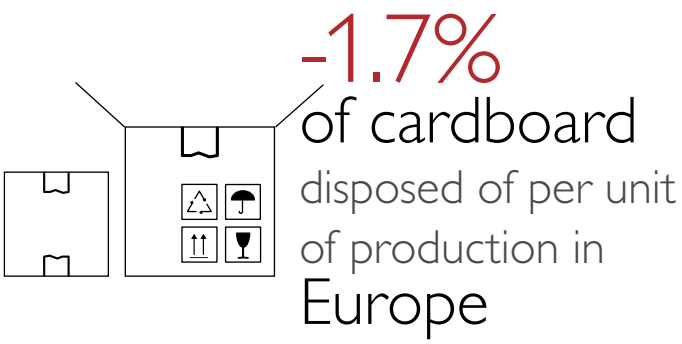
CO_2 EMISSIONS IN LOGISTICS PROCESSES[a]

CNH INDUSTRIAL WORLDWIDE (thousands of tons)

	2015	2014	2013
Inbound	**179,95**	215,69	261,34
Outbound	**182,26**	215,83	218,87
Parts	**31,95**	34,72	30,53
Total	**394,17**	466,24	510,74

[a] *CO_2 emissions for road transport were determined as per the GHG Protocol, revised edition, and for sea and rail transport as per the IFEU Heidelberg method for environmental calculations.*
The decrease in overall CO_2 emissions is mainly due to the decrease in production volumes in North America (Agricultural Equipment and Construction Equipment), Latin America (all segments), and APAC (Agricultural Equipment and Construction Equipment).

Managing the environmental aspects associated with logistics is particularly focused on reducing non-reusable packaging and protective materials, as per corporate standards and quality requirements. Where this is not possible, CNH Industrial seeks the best solutions to ensure the recovery of materials. Although this aspect is less significant than atmospheric emissions, a monitoring process has been set up that will provide an extensive database for defining future areas for improvement.
CNH Industrial plants in Europe recorded an average of 7.05 kilos of cardboard disposed of per unit of production, down 1.7% from the previous year.



CARDBOARD DISPOSED OF IN LOGISTICS PROCESSES

CNH INDUSTRIAL EUROPE (kg/unit produced)

	2015	2014	2013
Cardboard disposed of per unit produced	**7.05**	7.17	7.43

INITIATIVES FOR ENVIRONMENTAL IMPACT REDUCTION

CNH Industrial is introducing numerous initiatives to promote ever-more sustainable logistics processes. Such initiatives comprise technologies, procedures, and activities aimed at reducing the environmental impact of logistics processes without compromising service quality or profitability, and taking account of the social impact of the activity itself. The aspects considered in defining these activities include technical solutions, such as which means of transport to use, intermodality, organizing long-haul transport, and packaging design.

INCREASING LOW-EMISSION TRANSPORT

CNH Industrial is committed to reducing CO_2 emissions arising from the transport of components and finished products by continually promoting the use of road vehicles that conform to the most stringent environmental standards, and which thus lower emissions: from 2013, in Europe, all segments gradually introduced specific environmental contractual clauses obliging external transport providers to use vehicles compliant with Euro IV standards or higher.

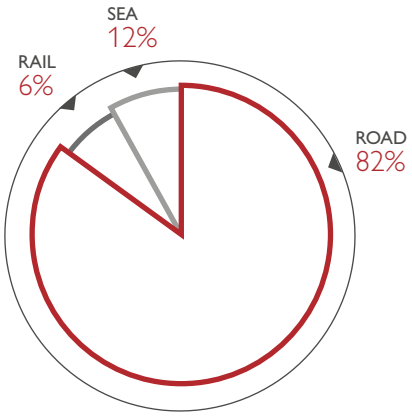
GLOSSARY
APAC;
GHG Protocol

In North America, the Agricultural Equipment and Construction Equipment segments continued to engage their logistics partners in the *SmartWay Transport* program. This program, launched in 2003, is sponsored by the Environmental Protection Agency (EPA) to improve efficiency and reduce greenhouse gas and air pollutant emissions along the transport chain. *SmartWay* provides its partners with a set of EPA-tested tools for making informed transportation choices, to help them measure and report carbon emissions, and improve supply-chain efficiency and environmental performance. *SmartWay* helps its partners exchange reliable and credible performance data and accelerate adoption of advanced technologies and operational practices. Participation in the program is one of the factors considered in evaluating potential suppliers. In 2015, 89.3% of service providers (rail and road transport) participated in the *Smart Way* program.

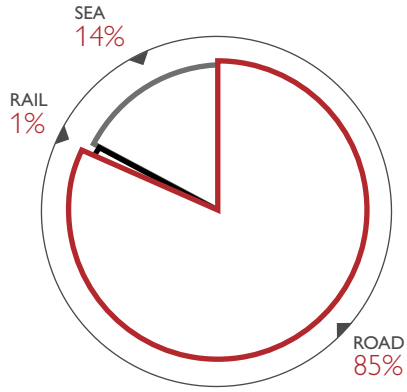
USING INTERMODAL SOLUTIONS

The inbound and outbound transport of materials can generate significant road transport volumes, depending on geography, infrastructure and production levels. CNH Industrial always strives to promote alternatives to road transport using intermodal solutions, with the aim of reducing both traffic congestion and CO_2 emissions. Intermodal solutions take a holistic view of transportation services, treating them as an integrated logistics chain and employing a variety of solutions for the movement of goods from source to destination.
In 2015, there was once again an increase in suppliers using the sea connections between Italy and Spain to supply the Madrid and Valladolid plants (Spain) with components produced in Italy. This reduced CO_2 emissions by 1,361 tons.
In 2013, for the first time, Powertrain set a target for CO_2 emissions reduction through the launch of its first regular inbound transport flow by rail. In 2014, with a view to continuous improvement, the project was expanded by adding new suppliers in Central Europe to the already existing distribution flows, and by introducing the first intercontinental flow by rail, from China to the Bourbon Lancy plant (France). The initiative not only cut road but also air transport emissions. In 2015, the project was extended to a second plant in Europe, Torino Engine (Italy), with a reduction in CO_2 emissions of 1,755 tons.

BREAKDOWN OF INBOUND TRANSPORT
CNH INDUSTRIAL EUROPE



BREAKDOWN OF OUTBOUND TRANSPORT[a]
CNH INDUSTRIAL EUROPE



[a] *Percentages refer to Agricultural Equipment, Construction Equipment, and Commercial Vehicles segments, and are based on the principal mode of transportation used for each vehicle.*

FOCUS ON

AWARDS FOR SUSTAINABLE LOGISTICS

CNH Industrial was awarded for its achievements in the field of logistics with a Global Award 2015, given by the international magazine *Automotive Supply Chain*, which reports on the issues of automotive industry global supply chains. The awards are made annually to major companies and individuals that contribute significantly to the success and improvement of the supply chain and logistics in the global automotive industry.

CNH Industrial was awarded for its intermodal solution for inbound transportation from Italy to Spain. The company transformed the existing system, which used exclusively road transport, to transfer parts from Italy to its Commercial Vehicles segment plants in Madrid and Valladolid (Spain). By implementing different modes of transport for this operation, the Company's new solution uses both road and sea transport to improve the distribution of components and reduce costs and CO_2 emissions. The solution streamlined logistics for inbound components at Madrid and Valladolid, and cut waiting times. It also reduced the cost per vehicle, in addition to cutting CO_2 emissions by 190 kilos for each vehicle produced.

Moreover, in 2015, CNH Industrial was honored for Environmental Awareness at the inaugural *North American Automotive Supply Chain Awards*, for its dedication to the environment and the continuous improvement of its sustainability performance.

OPTIMIZING TRANSPORT CAPACITY

Optimizing transport capacity is one method CNH Industrial employs to reduce the costs and environmental impact of transportation. To optimize and streamline the entire process, including in environmental terms, technical and organizational changes are made to routes and volumes.

Streamlined Delivery is one of the projects launched to realize this objective, outsourcing the collection of materials destined for CNH Industrial plants to a pool of logistics providers, replacing delivery by individual suppliers that use dedicated transportation services.

Since 2011, the project has also been operational in Powertrain, achieving a total coverage in 2015 of 24.6%, exceeding the target set for that year.

In 2015, the distribution of commercial vehicles in Turkey was reorganized: until 2014, vehicles manufactured at the plants in Madrid and Valladolid (Spain) and Brescia and Suzzara (Italy) were driven from the port to the dealerships. Starting in 2015, vehicles are now driven from the port to a compound in Derince, 23 kilometers away, and from there distributed via vehicle transporter. This change has led to a reduction in CO_2 of 1,227 tons, saving over $380,000.

REDUCING NON-REUSABLE PACKAGING AND PROTECTIVE MATERIALS

Packaging design and use standardization, including the adoption of lighter materials and structures as well as reusable materials, reduces the use of raw materials, cuts waste, and optimizes transport capacity, thus reducing CO_2 emissions.

In 2015, as part of the *World Material Flow* (WMF) program, the Agricultural Equipment and Construction Equipment segments continued to monitor the quantity of cardboard and wood used in consolidating shipments of materials by sea to plants in North and South America.

In 2015, in the Commercial Vehicles segment, the optimization of packaging continued in Europe and for shipments to Latin America. This cut the use of wood crates from 5.94 to 5.55 kilos of wood packaging per cubic meter shipped, a 45 ton-reduction in wood shipped.

ECO-FRIENDLY PRODUCTS AND SAFE USE

Material aspects described in chapter. For further details, see Materiality Matrix, page 23.

ECO-FRIENDLY PRODUCTS

CNH Industrial is a global leader in the capital goods sector that designs, manufactures, and sells trucks, commercial vehicles, buses, special vehicles, tractors, and agricultural and construction equipment, in addition to a broad portfolio of powertrain applications.
Ongoing research into innovative solutions enables the various brands of CNH Industrial to manufacture products that respect the environment while satisfying customers' demand for high performance and for reliable, safe, and comfortable vehicles with globally competitive operating costs. Efforts to minimize fuel consumption and polluting and CO_2 emissions, and to maximize efficiency and safety are pivotal to meeting the Company's commitment to the sustainability of its products.

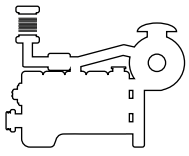
> Minimizing polluting and CO_2 emissions and maximizing efficiency and safe use are crucial to meet Company product sustainability commitments

Over the last few years, CNH Industrial has adopted an integrated vision to enable a more detailed calculation of the environmental impact associated with the life cycle of each of its products.
Given that the use phase of products can generate up to 85% of the CO_2 emissions over their entire life cycle[1], the Company strives to develop a portfolio of products ever-more eco-designed, performant, and environmentally friendly, by increasing efficiency and by reducing fuel consumption and subsequent polluting and CO_2 emissions.
Fuel consumption reduction is a key factor in the calculation of the Total Cost of Ownership (TCO). Indeed, customers working with CNH Industrial products want the opportunity to evaluate not only purchase prices, but also maintenance and operating costs.
A TCO-driven approach to design enables the Company to offer products conceived to deliver:

- lower fuel consumption
- longer maintenance intervals
- easier access to components for timelier interventions.

The TCO approach was initially adopted in the Commercial Vehicles segment, proving to be extremely valuable for customers, who were provided with an easy-to-use online calculation tool aiding in the selection of vehicles best suited to specific business needs. In the Agricultural Equipment segment, New Holland Agriculture started using this approach in 2014, specifically in relation to sugarcane harvesters, in anticipation of a gradual extension enabling the use of TCO targets to measure and compare machine efficiency (see also page 33). An online tool for customers is currently under development.

REDUCING POLLUTING EMISSIONS



Diesel engine combustion produces a series of pollutants including NO_x and PM; their levels in exhaust gases mainly depend on the temperature of the combustion chamber, determined in the engine design phase.
NO_x gases are produced at about 1,600°C, while almost all PM particles burn up at high temperatures. A choice must therefore be made between optimized combustion, producing less PM but more NO_x, or less efficient combustion, resulting in the emission of fewer NO_x but more PM. Lower PM levels are achievable with a Diesel Particulate Filter (DPF), which requires periodic regeneration due to particulate build-up over time, while 2 systems can reduce NO_x emissions.
The first is known as Exhaust Gas Recirculation (EGR), which recirculates exhaust gases in the combustion chamber to lower its temperature, thus reducing NO_x levels. However, this system penalizes engine efficiency and increases particulate production, thus requiring frequent DPF regeneration.

GLOSSARY
ACEA; EGR; NO_x; PM; TCO
GRI
G4-EN27

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

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 an SCR system that cuts NO_x emissions by using AdBlue, a urea and demineralized water solution: the exhaust gases pass through the AdBlue, which reacts in the presence of a catalyst, breaking down NO_x into non-polluting molecules (O_2 and N_2).
In 2012, FPT Industrial launched a new SCR system called Hi-eSCR. The innovative system maintains optimized combustion and fuel consumption, produces little PM, and requires less frequent DPF regeneration. Like its predecessor, the new system uses AdBlue for NO_x reduction. An additional advantage is enhanced construction equipment safety: since the system works below 200°C, the equipment can be used near flammable materials, which is particularly valuable, for example, when handling materials in wood recycling centers.

In November 2015, FPT Industrial finalized the development of the second-generation HI-eSCR2 technology for Agricultural Equipment and Construction Equipment applications. Production is expected to begin in 2018.

The range of Tier 4A[2]/Stage IIIB products sold in 2015 comprises:
- 258 agricultural equipment models, up by 20% compared with 2014
- 114 construction equipment models, up by 3% compared with 2014.

REDUCING CO_2 EMISSIONS

Climate change is one of the challenges being tackled by CNH Industrial. The Company has always kept a close watch on the emissions associated with its manufacturing processes (see also page 179) and logistics (see also page 197), and is now acquiring new tools to increase accuracy in calculating the CO_2 emissions generated by its vehicles during their use phase.
The matter is complex because, for some product categories such as off-road vehicles, there are still no mission profiles or coded parameters on which to base calculations. In this regard, Iveco is actively contributing (via ACEA, the European Automobile Manufacturers' Association) to the European Commission project aimed at developing a tool (called *VECTO*) capable of simulating the CO_2 emissions of heavy commercial vehicles.
In 2014, the European Commission released a *Strategy for Reducing Heavy-Duty Vehicles' Fuel Consumption and CO_2 Emissions*, endorsing the approach suggested by the industry based on complete vehicle metrics and simulations.
As regards light commercial vehicles, 2014 marked the beginning of the mandatory application in the EU of the new regulation[3] establishing average annual CO_2 emission targets for the entire range of new vehicles put on the market by each manufacturer. The average CO_2 emissions generated by the different versions and variants of the new Iveco Daily, launched in 2014, were well below the EU target.

Moreover, Iveco is committed to further reducing CO_2 emissions and fuel consumption across the entire product range, specifically:
- Light range: as regards the Daily, Iveco's development plans aim at using the best technologies available to maintain safe and consistent CO_2 margins compared to current and future EU targets
- Medium range: the new Eurocargo, launched in 2015 and voted *International Truck of the Year 2016*, already generates 5-8% fewer CO_2 emissions compared to the previous model
- Heavy range: the next Model Year 2016 (leading versions) will reach a 5-10% CO_2 reduction, depending on missions and optional features. The model due for launch in 2019 will feature a further reduction of approximately 5%
- Buses and Coaches: in 2015, when the Magelys was awarded *International Coach of the Year 2016*, more than 50% of Iveco buses produced in Europe were either powered by natural gas or had an electric hybrid configuration, resulting in a huge environmental benefit of more than 10,000 tons in reduced CO_2 emissions.

CNH Industrial strives to manufacture products with ever-greater efficiency and ever-lower CO_2 emissions, by:
- optimizing consumption and energy efficiency (see also page 203)
- enhancing the use of alternative fuels, in particular CNG and LNG (see also page 206)
- developing alternative traction systems (see also page 209)
- offering precision solutions and telematics to improve productivity (see also page 211)
- helping customers use vehicles as efficiently as possible (see also page 212).

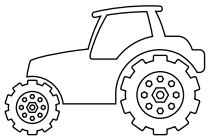
GLOSSARY
ACEA; CNG; LNG; NO_x; PM; SCR; Tier; TCO

(2) Includes Tier 4 Interim (Tier 4A) and Final (Tier 4B).
(3) EU Regulations 510/2011 and 253/2014.

Optimizing Energy Consumption and Efficiency

Optimizing energy consumption and efficiency is essential to all CNH Industrial business segments to increase product performance and reduce running costs, thus boosting customer productivity.
All CNH Industrial brands are actively involved in optimizing energy consumption. An example of this was the creation, in 2014, of an Energy Management function within the Commercial Vehicles segment, accountable for improving product competitiveness by focusing on the entire vehicle as a single integrated system, so as to reduce Total Cost of Ownership and increase residual value.

In 2015, in the **Agricultural Equipment** segment, Case IH introduced the all-new Optum series tractor, which offers excellent performance, productivity, and comfort. The tractor is surprisingly high-powered considering its dimensions comparable to the popular Case IH Puma tractor series, and offers great efficiency given its excellent weight-to-power ratio, achieving 249 g/kWh in the DLG (Deutsche Landwirtschafts-Gesellschaft – German Agricultural Society) PowerMix text. The most modern test for fuel consumption throughout Europe, the PowerMix devised by DLG has a clear focus on real-life conditions. A combination of drawbar, Power Take Off (PTO), and hydraulic operations are tested and then summarized in the PowerMix result. Compliance with emissions regulations is ensured via thorough measuring of emissions. Because the results are not generated through laboratory measurements, they are reproducible and comparable at any time, and can be cross-checked by farmers in their everyday work. By covering pulling tasks and PTO and hydraulic work, the DLG PowerMix mirrors daily on-farm challenges.



The Case IH LB4 Series balers are equipped with an all-new Feedrate Control to maximize baling and fuel efficiency. The advanced baling technology enables the baler to run at optimal performance by controlling the speed of the tractor, yielding fuel savings of up to 4%. Feedrate Control helps producers maximize their productivity and efficiency by always running at full capacity, irrespective of crop yield or level of operator experience. Using Feedrate Control, the baler controls the tractor's forward speed through ISOBUS Class 3 commands, maintaining desired capacity by using a charge sensor. The system then calculates the best speed based on the information received from the sensors.

The Case IH True-Tandem 375 disk optimizes agronomics to prepare the seedbed. Saturated soils and heavy, stubborn crop residue demonstrate the importance of crop residue management and soil tilth. The True-Tandem 375 disk harrow helps improve soil tilth on every front, from crop residue management to reduced surface compaction and thorough soil mixing. In the Case IH tradition of delivering agronomic advantages, the True-Tandem 375 provides better residue cutting, sizing, and distribution into the soil for a healthy seedbed.

The Case IH 5 series air cart's modular metering control system provides best-in-class accuracy of seed and fertilizer placement. Appropriately named AccuSection, this exclusive technology uses individual electronic meter drives to provide primary run control on a per meter basis. The new modular system is easy to use yet offers industry-leading precision and accuracy by metering each primary run on an individual basis. This reduces or eliminates overlap to help avoid over-application of seed and fertilizer.

In 2015, the *University of Nebraska Tractor Test Laboratory* (NTTL) released its results for the Case IH Steiger 540 and Steiger 370 tractors, proving once again that the Case IH-exclusive SCR-only emissions system provides the most power and the best fuel and fluid efficiency. The two tractors set new records for maximum and reduced drawbar horsepower fuel efficiency, outperforming all other comparable competitive models. The NTTL is the officially designated tractor testing station for North America, with active test stations in 25 countries around the world.

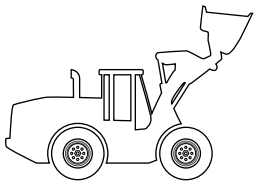
In 2015, New Holland Agriculture launched a new 10-model range of Tier 4B T7 tractors, available with 2 different wheelbase standard axles and equipped with many automated, user-friendly, and productivity-boosting features that enable the operator to work more efficiently. The new second-generation Headland Turn Sequencer II, controlled through the standard IntelliView™ IV touchscreen, enables creating complex headland turns either by recording a turn 'live', or by selecting actions and trigger points from a menu. Everything from selecting the Auto Command transmission's target speed, to switching to an implement camera view, is programmable and editable, and controlled by a single button. Furthermore, the new T7 Series comes with ISOBUS Class III architecture that enables a compatible implement, e.g., a New Holland BigBaler, to take full control of the tractor (including its speed).

GLOSSARY
PTO; SCR; Tier

Additional features include adjustment of the power shuttle clutch engagement time and Remote Valve Management, which enables assigning any two hydraulic remote valves to the quad switch on the CommandGrip multifunction handle.
The long wheel base models have a new integrated front-end linkage with a higher Power Take Off (PTO) capacity, while the front-end loader on standard wheelbase models features a wider frame for improved visibility and stability.

New Holland's latest FR Forage Cruiser self-propelled forage harvesters consistently deliver high forage quality and industry-leading crop processing efficiency. The combined effect of the new Cursor engines and the ECOBlue Hi-eSCR technology enables the new FR models to use up to 21% less fuel than the equivalent Tier 3 model at the same length of cut (new FR650 compared with its predecessor). Field tests carried out by the DLG German Agricultural Society confirmed that the FR650 delivers best-in-class fuel efficiency (0.5 liters/ton) when chopping maize at 8 millimeters. A new standard ECO mode setting reduces fuel consumption when field conditions make it impossible to load the engine fully (e.g., when harvesting low yield crops or in muddy fields); when engaged, this intelligent engine management system controls engine speed and reactivity to minimize fuel use.
The flagship of the new generation CX combine range, the CX8.90, is the highest capacity conventional combine in the world. With its 360 kW (490 hp), 12,500-liter grain tank, and state-of-the-art cleaning systems, it delivers threshing and separation efficiency combined with unmatched cleaning performance. The new CX Series features the best of New Holland's technologies, such as the award winning Opti-Speed™, Opti- Clean™, and Opti-Fan™ systems, delivering the cleanest grain and excellent straw quality.

As regards the **Construction Equipment** segment, in 2015, Case Construction Equipment launched 5 new crawler excavator models designed to provide significant operational gains, including cycle times up to 12% faster, improved responsiveness and multifunctional control, up to 14% greater fuel efficiency, and up to 6% stronger breakout forces. Productivity testing during research and development confirmed that, through faster cycle times alone, certain D Series models could fill more than 9,500 additional trucks per year. Cycle times were increased by means of a new, electronically controlled pump, a larger control valve, and multiple sensors. These features, combined with CASE's Intelligent Hydraulic System and its 4 integrated control systems, enable the best use of the machine's hydraulic power and momentum, resulting in added power and fuel efficiency.



The 4 control systems integrated into the Intelligent Hydraulic System are:
- Boom Economy Control (BEC), which reduces RPMs by exploiting gravity during boom down and swing
- Auto Economy Control (AEC), which lowers RPMs when the machine is idle and automatically shuts down the engine after a set idle time
- Swing Relief Control (SWC), which reduces hydraulic power at swing start
- Spool Stroke Control (SSC), which adjusts hydraulic pressure during digs.

Thanks to an improved Spool Stroke Control system, D Series excavators reuse hydraulic fluid whenever possible to automatically increase cycle times and efficiency. This results in a more productive machine without affecting the precision of its controls. The D Series also features 3 working modes – Speed Priority, Heavy, and Automatic – which help the machine save energy and deliver only as much power as needed to complete the job at hand.

During the year, the brand also launched a new range of wheel loaders that generate fewer emissions in 6 months than a 1996 loader in a single day. The F Series models (up to 20 tons) feature the high-efficiency Proshift 5-speed transmission and torque converter lock-up, delivering fuel savings of up to 2 liters per hour and faster cycles compared to conventional transmissions. The productivity of these models is further enhanced by the rear-mounted engine, which provides for better weight distribution and increases the bucket payload by up to 15% compared to other loaders of similar weight.

Still in 2015, Case Construction Equipment expanded its range of skid steer loaders and compact track loaders, launching 4 new models to meet a broader variety of requirements. One of these models was also upgraded by introducing Tier 4 Final technology, further enhancing its performance. All 5 models feature powerful 3.4-liter turbo engines and the maintenance-free Tier 4 Final solution developed by FPT Industrial.
This proven technology delivers outstanding performance and up to 10% more power. It requires no additional fluids or particulate filter, which maximizes uptime while minimizing maintenance and operating costs. The latter are cut even further thanks to the high-efficiency engine's low fuel consumption. The new skid steer and compact track loaders can easily handle the most demanding jobs: their higher torque and breakout force result in faster cycle times, and therefore higher productivity. Both standard and high-flow configurations deliver higher hydraulic flow for faster moving attachments. For example, the SR210, which replaces the SR200, delivers 8% more flow on the standard auxiliary circuit, and 6% more on the high flow configuration (i.e., 92 liters/minute and 123 liters/minute, respectively).

GLOSSARY
PTO; SCR; Tier

In NAFTA, Case Construction Equipment launched the N Series backhoes, available with an array of options that further enhance the machine's operating capacity and efficiency. Many of these features are exclusive to CASE:

- Power Lift: allows increasing bucket forces and the boom's hydraulic capacity, lifting as much as 8% more with a smaller, more fuel-efficient machine. It also lowers RPMs, thus increasing control of the load being lifted
- Speed Selectable Automatic Ride Control: automatically turns the Ride Control on and off based on vehicle speed. It also enables full loader performance at lower speeds when digging into piles without requiring the operator to turn off the Ride Control
- ProControl: a swing dampening system that eliminates rebound on the backhoe, enabling faster cycle times, less wear on components, greater operator precision, and less fatigue
- Engine ECO Mode: encompasses a number of features, including Auto Engine Idle and Auto Shutdown, and ECO settings for both loader and backhoe functions, delivering 10% fuel savings with minimal loss in productivity
- Auto Engine Protection Shutdown: this separate option shuts down the engine prior to any critical failure
- S-Type Auto Shifting Transmission: shifts gears automatically when engaged.

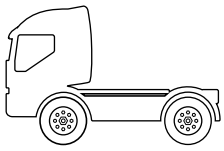
In 2015, still in NAFTA, the brand added 5 new plate compactors to its range of attachments. Plate compactors, ideal for utility work, are mainly used to compact foundations in shallower trenches and to prevent movement/ground upheaval. They require zero maintenance as they feature a continuous oil bath lubrication system that extends the life of the bearings. Every SC Series plate compactor comes with a 2-year limited warranty.

Case Construction Equipment also introduced 2 new rough terrain forklift models. Both are Tier 4 Final-compliant thanks to CASE's maintenance-free particulate matter catalyst, consisting of a Diesel Oxidation Catalyst (DOC) and a high-efficiency flow-through filter that requires zero fluid upkeep and zero Diesel Particulate Filter (DPF) maintenance. This solution increases fuel efficiency by 5% and results in faster response times compared to previous models.

New Holland's unique INDR® system makes the E55BX short radius mini-excavator, launched in NAFTA, quieter than many compact excavators. The INDR® system's efficient management of air inflow and outflow delivers superior system cooling and maximum particulate filtration while reducing noise emissions by up to 9 dBA. In addition to reducing operating noise and improving air filtration, the system also lowers overall operating costs. The filter can be easily cleaned by removing it and blowing with compressed air. The radiator requires no direct cleaning. The E55BX features 3 fuel saving modes: L-mode (Low idle), S-mode (fuel-Saving mode), and H-mode (High idle). Operations in S-mode deliver a 23% reduction in fuel consumption compared to H-mode.

New Holland Construction's 200 Series skid steers and compact track loaders feature new, more powerful engines and Tier 4B emissions control technology specifically tailored for each model. They can still work where space is limited, as before, but perform like larger machines from the next class size.

In 2015, in the **Commercial Vehicles** segment, Iveco launched the new Eurocargo, outstanding for energy efficiency and voted *International Truck of the Year 2016*. Its new contours deliver a 2% reduction in aerodynamic drag coefficient compared to the previous model, which significantly reduces fuel consumption on motorways and extra-urban routes.



The new model was developed with urban missions in mind, aiming at increasing the ease and efficiency of city work, and at a better payload/emissions ratio. In order to achieve both objectives, Iveco designed two 4-cylinder engines (160 and 190 hp, respectively) specifically for urban missions, enabling drivers to better exploit the higher engine torque at lower RPMs; this results in greater response rate in acceleration and pickup, thus improving drivability, fuel savings, and CO_2 emissions.
Additionally, the new Eurocargo comes with innovative fuel economy packages. On the new Tector 5 engines, this translates into specific driveline Eco-strategies, a 'smart fan' that disengages when cooling is not needed, and new low-viscosity oils that reduce the friction of both engine and axles.

The average efficiency improvement versus the Euro VI Eurocargo is about 5%, or as much as 8% in urban multi-drop missions, an advantage in terms of both Total Cost of Ownership (TCO) and environment.
A similar fuel economy package was also developed for the 6-cylinder Tector 7 engines, delivering significant improvements during urban use as well as excellent fuel economy on extra-urban and motorway missions.
Iveco also introduced new Eco-strategies for automated transmissions, including EcoSwitch, which enables remaining in top gear for longer, thus requiring less down-shifting, and the EcoRoll function (on 12-speed transmissions), which exploits vehicle inertia on downhill inclines.

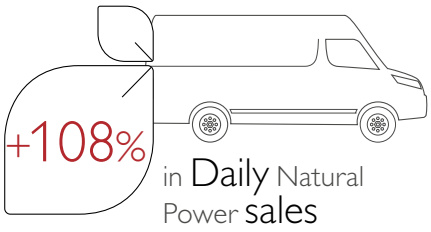
GLOSSARY
NAFTA;
TCO; Tier

Alternative Fuels

Besides reducing the environmental impact of its products through engine efficiency, CNH Industrial is also researching the use of alternatives to diesel, and already has a range of vehicles powered by natural gas, biomethane, biodiesel, and bioethanol.

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

- minimal harmful emissions, including particulate matter (practically none) and aldehydes (-50% compared with diesel)
- minimal emission of air pollutants (-50% NO_x and -90% PM compared with diesel)
- more than 80% fewer ozone-generating agents than conventional fuels
- 5% fewer CO_2 emissions compared with diesel
- can be used with current production technologies
- renewable source (if derived from biomass)
- one of the best fuels (-24% CO_2 emissions).



The European Union (EU) set a target of increasing the share of biofuels and alternative fuels in the transport sector by 10% and 20%, respectively, by 2020. To reach this target, the EU has launched several initiatives, including the *LNG Blue Corridors* project, aimed at creating a distribution network with CNG and LNG fueling stations every 150 and 400 kilometers, respectively. It will link EU member states via 4 priority corridors, along which LNG fueling stations will be strategically positioned. The main goal is to promote the use of LNG in long-distance heavy transport, through 14 new LNG fueling stations, and a fleet of approximately 100 LNG heavy vehicles transiting along the 4 corridors. The project involves 27 partners comprising truck manufactures, fuel suppliers, the distribution network, and fleet owners.

NATURAL GAS-POWERED VEHICLES INVOICED

IVECO EMEA (no.)

	2015	2014	2013
Heavy range (Stralis CNG/LNG - Cursor 8 Engine)	**351**	331	191
Medium range (Eurocargo Natural Power - NEF 6 Engine)	**8**	42	30
Light range (New Daily Natural Power - F1C Engine)	**564**	270	588
Total	**923**	643	809

CNH Industrial's interest in natural gas (NG) as a fuel goes back many years, as demonstrated by Iveco's investments in research on natural gas propulsion dating back to the early 80s. In 1988, natural gas was tested in heavy-duty diesel engines for the first time, leading to the development of the first-ever methane-powered Daily prototype in 1995.

Natural gas-powered vehicles are ideal for transport missions in sectors such as distribution, short and medium-long haul logistics, and municipal services such as waste collection and transport.

From an economic sustainability standpoint, the savings in Total Cost of Ownership (TCO) associated with NG vehicles can be as much as 10% compared to a diesel-powered Euro VI vehicle. Moreover, NG is markedly less expensive than diesel and its use can reduce fuel costs by up to 40%.

The new Eurocargo Natural Power launched by Iveco in 2015 will be available in a 'super-eco' version as of 2016 (Start of Production). It features a Tector 6 engine running on compressed natural gas (CNG), and redesigned ignition coils, blow-by valve, pistons, and rings, delivering significant benefits in efficiency, emissions, and maintenance, as well as improved performance with 210 hp and a maximum torque of 750 Nm. This new Eurocargo Natural Power is already compliant with Euro VI step C emission requirements, and can therefore access restricted areas in city centers, a key advantage in multi-drop missions.

The new super-eco model completes Iveco's offering, which includes the broadest and most comprehensive range of commercial and industrial natural gas vehicles on the market, from light commercial vehicles such as the New Daily Natural Power, to the Stralis LNG Natural Power truck.

GLOSSARY
Biodiesel; Biomethane; CNG; EMEA; LNG; NO_x; PM; TCO; Well-to-Wheel

Moreover, electronic ignition engines reduce noise levels by 3-6 dB compared with equivalent diesel engines, which makes these vehicles ideal for night missions in residential areas. This applies not only to the new Eurocargo, but also to the Stralis CNG, which, at 72 dB, complies with the European PIEK standard for low-noise transport solutions, and can therefore access restricted areas in city centers.
Natural gas is also the ideal fuel for urban public transport. Iveco Bus offers compressed natural gas-powered buses with a Cursor 8 CNG engine for all versions (10.5, 12, and 18 meters), Urbanway buses, and Crealis BRT buses.

With the current availability of technologies enabling the independent production of **biomethane**, natural gas engines are also an attractive option for tractors as they can also run on biomethane. Using biogas produced from agricultural biomass can easily yield 98-99% pure methane and, when running on biomethane, a tractor's carbon footprint is virtually zero.
The biogas produced on site from agricultural biomass is generally used to generate electricity but, if refined and upgraded to biomethane, it can also be used to fuel tractors, provided they are equipped with engines able to run on natural gas.
Strongly believing that the possibility of using biomethane to power agricultural vehicles could enable customers to achieve energy-independent farms, in 2013, New Holland Agriculture launched its first methane-powered tractor prototype.
The project continued in 2015 with the development of a second-generation prototype using a T6.180 tractor fitted with a NEF6 engine; the engine is produced by FPT Industrial and its configuration is very similar to that of currently manufactured diesel tractors. The compressed methane is stored in 9 tanks that are integrated into the overall design, with operational ground clearance as per standard models. The 52-kilo tank capacity delivers approximately half a day of autonomy during normal operation. The Methane Power tractor yields fuel cost savings of 20-40% compared with diesel or agricultural diesel machines. CO_2 emissions and fuel costs can be further reduced by using biomethane produced on the farm itself.
The T6 Methane Power's performance and drivability were verified on the test bench and are in line with current diesel models. The prototype is currently being tested in field operations so that more feedback can be collected from farmers.
The second-generation methane-powered tractor was presented at *EXPO Milano 2015*, including a test drive at *La Bellotta* farm, in the presence of journalists from global agricultural publications.

With over 29,000 CNG engines and many years' experience in the industry, FPT Industrial boasts the widest range of natural gas engines available on the market. Among the technologies currently available and suitable for CNG engine development, FPT Industrial focuses on stoichiometric combustion, the only cost-effective solution that brings emissions in line with Euro VI standards. Indeed, thanks to the closed-loop control of the lambda sensor and the use of a 3-way catalyst, CNG engines can reduce harmful emissions (of CO_2, HC, and NO_x) by 95%.
FPT Industrial's CNG engines are 100% biomethane-compatible. They are used for commercial vehicles, buses, and special vehicles, and are also available in the Cursor, NEF, and F1 series, offering customers significant cost benefits over the vehicle's entire useful life.

Furthermore, FPT Industrial's NG engines are rapidly expanding worldwide, including in Emerging Markets, particularly for public transport vehicles. In Beijing, for example, the brand has supplied CNG-powered engines to Beijing Public Transport Holdings (BPT) for more than 10 years.

COMPRESSED NATURAL GAS ENGINES INVOICED[a]

FPT INDUSTRIAL WORLDWIDE (no.)

	2015	2014	2013
Cursor 8 Engine (Heavy range)	**438**	375	228
NEF 6 Engine (Medium range)	**88**	562	1025
F1C Engine (Light range)	**1,804**	1,122	2,320
Cursor 8 Engine (Bus)	**925**	211	776
Total	**3,255**	2,270	4,349

(a) Figures included engines sold to Iveco brands

GLOSSARY
Biomethane; CarboonFootprint; CNG; Emerging Markets

The term **biodiesel** usually refers to methyl esters (also known as FAMEs), produced through the transesterification of oils from crops such as rapeseed, sunflower, palm, and soy. All FPT Industrial engines are designed and warranted for optimal performance with diesel and biodiesel blends of up to 7%, in line with EN590:2013 and ASTM D975-12 international standards.
For emission levels up to Euro V and Tier 4A/Stage IIIB, nearly all FPT Industrial engines sold globally are B20 or B100 compatible, provided the biodiesel blend meets the requirements defined by the standards. Case IH and New Holland Agriculture, which have been promoting and adopting biodiesel since 2006, approve the use of B20 biodiesel blends for all new Tier 4A/Stage IIIB ECOBlue™ SCR engines, as long as they fully comply with the latest EN 14214:2009 and ASTM D6751-12 fuel specifications, and operate in accordance with the guidelines in the operator's manuals. In 2014, in Europe and North America, FPT Industrial carried out operational and long-endurance field tests on Hi-eSCR Tier 4b/Stage IV engines using a wide variety of fuel blends. The objective was to verify the compatibility of these zero-emission engines with FAME blends of 20-100%.

In the North American market, FPT Industrial has been working on making its Tier 4B engines compatible with fuel blends up to B10, in line with the ASTM D7467-10 standard, as mandated and implemented in 2014 in the State of Minnesota (USA).

In Latin America, FPT Industrial has been testing and successfully validating its light and heavy-duty engines for both on and off-road applications, using fuel blends of 7% biodiesel (Brazil) and 10% biodiesel (Argentina), in line with the legislation that came into force in 2014.

FPT Industrial is focusing its research on second-generation renewable biofuels, especially Hydrogenated Vegetable Oils (HVO). At its technical center in Arbon (Switzerland), with the collaboration of external Research and Development (R&D) and fuel suppliers, FPT Industrial has been performing a detailed evaluation of Euro VI heavy-duty engines for on-road applications, using HVOs as defined in the latest available draft of the EN 15940 specification for renewable fuels. Operational tests have been positive, with a potential reduction in both tailpipe and CO_2 emissions. Hydro-treating vegetable oils is a new way of producing very high-quality bio-based diesel fuels via dedicated synthesis processes, without compromising fuel logistics, engines, exhaust after-treatment devices, or exhaust emissions. In addition to extensive testing and development, FPT Industrial has been also involved in several research projects in collaboration with external R&D suppliers and universities; these are focused on continuously monitoring the rapid evolution of biodiesel technology, and on potential breakthroughs from the early stages of development.
In 2016, Iveco plans to market its first products powered by HVO.

Given that sugarcane **ethanol** is widely available and suitable for cultivation in Brazil, FPT Industrial has been developing bi-fuel engines that run on diesel with blends of up to 40% ethanol, as well as engines that run on 100% ethanol. These renewable fuels were tested nationwide on machine and vehicle prototypes, both in agricultural and on-road applications, yielding positive results in terms of both Total Cost of Ownership for end customers and engine reliability.

OUR PROJECTS

THE DICIOTTO PROJECT

Enhancing transport productivity is a critical issue because of the need to reduce fuel consumption, CO_2 emissions, and traffic congestion. Iveco has responded with an innovative and efficient solution: combining the reduced emissions of natural gas technology with the productivity benefits of 18-meter semi-trailers.
Authorized in July 2008 by the Italian Ministry of Infrastructure and Transport, the *Diciotto* project (Project Eighteen) was launched by the Italian Automotive Industry Association to road-test 18 meter-long semi-trailer systems in Italy (the standard length is 16.5 meters). Besides length, all other basic specifications remain unchanged under current legislation. The results were an improvement in efficiency on trial vehicles of almost 10%.
Then, in 2015, Iveco teamed up with SMET, a European transport and logistics company, to trial the 18-meter semi-trailers combined with a Stralis running on liquefied natural gas (LNG). Iveco and SMET conducted field tests, running real missions to assess the average cost reduction per unit of goods transported, as well as parking maneuverability and compatibility with road infrastructures. Results exceeded expectations: in addition to a reduction in fuel consumption per unit carried and, consequently, in CO_2 emissions, the 18-meter/LNG solution delivered significant advantages over diesel-powered solutions in terms of both Total Cost of Ownership and environmental impact. Similar trials are also underway in other European countries, including the Czech Republic, Germany, and the UK.

GLOSSARY
Biodiesel; HVO; LNG; SCR; Tier

FOCUS ON

A RESEARCH CENTER FOR ELECTRIC TRACTION

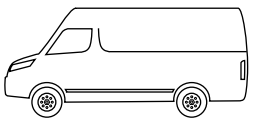
Altra, a subsidiary of CNH Industrial, is a research center for alternative propulsions. It develops technologies, products, and systems in the alternative transport sector, proposing solutions to reduce environmental impact and save energy.
Altra collaborates with Company platforms that need to develop innovative products and systems in this field.
The main design, development, and manufacturing activities are applied to:

- alternative traction systems (full electric and electric hybrid vehicles)
- energy saving systems for fuel reduction (micro hybrid systems)
- mechanical, electrical, and electronic subsystems and components for energy conversion
- electrical subsystems and components
- innovative systems for energy storage and for reducing polluting emissions.

Altra also provides technical support to Iveco's customer assistance for its running fleet of electric and hybrid vehicles in Italy and abroad. The center is equipped with a facility to test end of production vehicles, consisting of a roller test bench and other equipment. The roller bench, which is also suitable for buses and industrial vehicles with 2 or 4 wheel drives and up to 3 axes, is used to calibrate vehicle operation under real working conditions, perform dynamic diagnoses, and fine-tune electric motor performance. The bench is also essential for measuring and optimizing the energy and power consumption of newly developed solutions. In addition to the roller bench, 2 resistive load benches are used to test high-voltage electrical loads connected to a vehicle's DC link, as well as the electrical properties of battery systems and motor generators, such as power, voltage, and/or current.
In addition to participating in some of CNH Industrial's advanced agricultural equipment projects, Altra is an active member of the Italian Electric Road Vehicle Association (CIVES), and is ISO 14001 and ISO 9001 certified.

Alternative Traction Systems

The sustainable mobility of goods is the subject of much debate, especially with regard to the final leg of the supply chain, i.e., the last mile of urban deliveries. In 2011, the European Commission recommended a new approach to interfacing long distance and last mile freights, suggesting the use of low emission urban trucks[4]. In line with the European Commission's recommendation, the Commercial Vehicles segment offers not only natural gas-powered engines, but also diesel-electric hybrid technology for combined goods and passenger transport, and pure electric drive vehicles for last miles. Hybrid traction can be generated by either electric or diesel engines, or a combination of the two.



The Iveco brand has a long tradition in the electric vehicle sector: the first Daily Electric, in fact, dates back to 1986.
Iveco launched the New Daily Electric in 2015, 100% electric and ideal for urban missions, such as multi-drop distribution and passenger transport.
Its new features include reduced energy consumption thanks to high-efficiency, low-weight electric auxiliaries, and up to 20% extended battery life. Furthermore, the New Daily Electric boasts an increased payload capacity of around 100 kilos. The batteries are 100% recyclable, and their performance is optimized for all weather and temperature conditions. Moreover, Iveco's patented, flexible charging modes allow the Daily to recharge, from public or private facilities, in an average of 2 hours (using a fast charging station).

The New Daily Electric has an extended range of up to 280 kilometers, measured according to New European Driving Cycle (NEDC) type-approval and using a 3-battery configuration.
The vehicle offers 2 driving modes, Eco and Power: in Eco mode, engine torque is moderated to minimize fuel consumption, without limiting maximum speed; in Power mode, the driver can enjoy the electric drive engine's full performance. The New Daily Electric's Regenerative Braking System lets the driver choose the most appropriate braking mode according to road and traffic conditions, minimizing fuel consumption while maintaining superb drivability. Thanks to the widest van and cab range in the industry - up to 5.6 tons of gross vehicle weight and up to 19.6 cubic meters of cargo volume - the New Daily Electric is ideal for many environments, including city centers, shuttle services, and leisure travel.

[4] *European Commission, White Paper, Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system, item33.*

GLOSSARY
ISO 14001;
ISO 9001;
Last Mile;
NEDC

OUR PROJECTS

ELECTRIC BUS AT COP21

The challenge set at *UN Climate Change Conference* (COP21) in Paris in December 2015 was to reach global agreement to effectively tackle climate change and satisfy legislation on the energy transition to green growth. Within this context, Iveco presented its new full electric Daily Minibus, and Heuliez Bus its new 12-meter GX ELEC full electric bus.

Heuliez Bus leverages on many years' experience manufacturing trolleybuses, sales of over 400 hybrid buses to date, and more that 21 million kilometers covered by its current fleet.

The GX 337 ELEC prototype offers many advanced features:

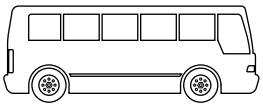
- simple architecture, similar to that of the brand's hybrid model, with the same electric motor and power converter
- comfortably holds 90 passengers, with the same excellent cockpit design as the hybrid model
- electrical equipment protected by an insulation monitor
- optimized Total Cost of Ownership (TCO)
- tried and tested stainless steel body
- aligned with other GX models.

Zero emission vehicles like the GX ELEC offer a real alternative to diesel, and reduce pollution and noise emissions.

The vehicle's near-silent running reduces noise pollution and enables nighttime deliveries in urban areas. In addition, the New Daily Electric is fitted with a pedestrian acoustic alert as standard, activated automatically when driving below 30 km/h.

One of the New Daily's most celebrated design features is its C-profile, high-strength steel frame, ensuring maximum robustness and durability over time, along with flexibility of use.

The cab features a 7-inch detachable tablet, an electronic dashboard for vehicle data management, and TomTom® Bridge navigation solutions specifically customized for Iveco. A semi-integrated dashboard dock provides both the comfort of a built-in system and the flexibility of a detachable device.



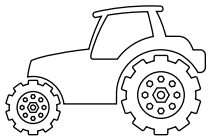
Since 1990, Iveco Bus has offered a number of diesel-electric hybrid solutions for passenger transport. At the beginning of 2014, with Euro VI standards coming into force, both Iveco Bus and Heuliez Bus brands further developed their hybrid buses, in both 12 and 18-meter variants. The new fully hybrid buses were enhanced with new features such as the Arrive & Go system, enabling noiseless and emission-free electric arrivals and departures at bus stops. The environmental impact of this urban passenger hybrid transport system was greatly reduced, with an average drop in fuel consumption and CO_2 emissions of up to 35% compared with an equivalent diesel-only engine. A 35% decrease in CO_2 emissions means approximately 500 grams less CO_2 per kilometer, or about 25 tons per year for an annual mileage of 50,000 kilometers (an average value for a city bus).

Customers' appreciation of Iveco's serial hybrid architecture is demonstrated by the sale of over 1,000 units across France, Spain, and Italy. One such customer is the RAPT urban transport operator serving the Ile-de-France (Paris) region, which made a major change to its bus fleet by bringing an end to new purchases of diesel buses in favor of hybrid ones. CNH Industrial is a long-term supplier of RAPT, and Iveco Bus and Heuliez Bus have won several hybrid bus contracts.

Precision Solutions and Telematics

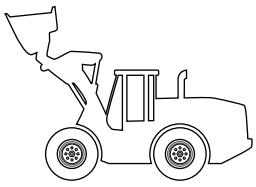
CNH Industrial's Precision Solutions and Telematics (PS&T) unit focuses on new technologies and continuous innovation to improve the productivity of customers' business and reduce the environmental impact of the Company's machinery. PS&T is a cross-Company function that delivers specific solutions for all 3 segments - Agricultural Equipment, Construction Equipment, and Commercial Vehicles.

Precision agriculture technology is delivered through 4 main tool categories: guidance systems, application monitoring, yield monitoring, and telematics. These tools are available in product families such as AFS Advanced Farming System (Case IH) and PLM Precision Land Management (New Holland Agriculture).
Guidance systems include GPS receivers, correction signals (which enhance precision), displays, and steering technology (including manual or assisted steering and fully automated guidance). The most accurate correction signal available is offered by the RTK Network, which delivers up to 2.5 cm accuracy. It enables the vehicle to be steered in the field with precision to avoid skips and overlaps.
Application monitoring of crop spraying and planting uses prescription maps and tool controls (e.g., rate control and nozzle control) to ensure application only where needed, avoiding the unnecessary use of harmful components like fertilizers or pesticides.
Yield monitoring is a tool used during harvesting that has proved helpful in improving in-field productivity year after year. With features such as variety tracking, load monitoring, and moisture sensors, it is possible to accurately view, map, and record crop yield and moisture data to understand how well a crop is performing.

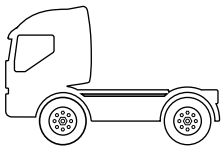


As regards telematics systems for agriculture, CNH Industrial launched the AFS Connect (Case IH) and PLM Connect (New Holland Agriculture) in 2014. The latter is a farm management solution enabling the collection, sharing, and management of data gathered directly from the vehicle working in the field. Machine data can be accessed at any time and from different electronic devices. By viewing machine performance data and field operations remotely, farming decisions can be adjusted in real time, thus improving productivity and reducing downtime.

Precision construction technologies, sold under CASE Site Solutions and New Holland Fleet Systems, enhance precision when using machines on site, improve safety, and enable optimization of the entire fleet.
Construction telematics, namely CASE's SiteWatch and New Holland's FleetForce, were launched in 2013. The software provides measurable and actionable data (including fleet location and performance data) for better fleet management. The information can be sent to any computer and in real time, which gives fleet managers full control wherever they are. By measuring and tracking each vehicle, factors affecting machine productivity can be detected and corrected immediately to improve overall performance. The software identifies problems before they occur and sends automatic alerts, which enables maintenance to be scheduled as needed and minimizes repair costs and downtime. The idle time monitoring feature allows fleet managers to detect any inefficiencies and take immediate corrective action to minimize costs and environmental impact caused by machine idling. The pre-programmed reports on machine use help plan working schedules and track operations to increase total production.
Thanks to a partnership with Leica Geosystems, the Company also offers a Machine Control solution under the CASE SiteControl and New Holland FleetGrade product families. This solution improves machine productivity by reducing the number of passes, which cuts fuel consumption and helps meet project targets faster.



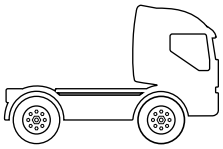
Within the **Commercial Vehicles** segment, the Iveco brand launched the Iveconnect system, comprising Iveconnect Drive, which includes infotainment and driver-oriented services, and Iveconnect Fleet, for managing vehicles and business operations.
Iveconnect Drive includes a satellite navigation system, which provides real-time traffic monitoring to help the vehicle operator find the best route to ensure a punctual delivery, thus saving time and improving service quality. Iveconnect Drive also includes Driver Style Evaluation (DSE), which gives an overview of fuel consumption, driver responses, gear use, and auxiliary braking; this enables the vehicle operator to improve over time, cutting emissions and fuel consumption. In order to maximize safety on the road, the Driver Attention Support feature helps to avoid accidents caused by operator tiredness.
Iveconnect Fleet Management displays all the data gathered by the vehicle and allows the fleet manager to control vehicles, operators, operations, and create reports. This provides a better understanding of the business so that corrective action may be taken, maximizing efficiency while reducing the Total Cost of Ownership (TCO).



GLOSSARY
TCO

Supporting Responsible Use

CNH Industrial's focus on the customer is not just about the supply of products, but extends to the way customers use them. Indeed, using a product appropriately - whether for construction, farming, or transportation - significantly contributes to enhancing its efficiency and reducing emissions. Company brands therefore offer customers electronic systems, computer tools, and targeted training activities to ensure the most comprehensive knowledge of products and fuel consumption.
In on-road vehicles, for example, an efficient driving style can save 5-12% on fuel at a given average speed. However, driving performance cannot be improved without comprehensive consumption information based on reliable data. In order to accurately quantify consumption, one must consider many factors, such as the vehicle and its components, driving style, road and weather conditions, vehicle run-in, maintenance, and load conditions.



All of the above, along with the proper use of on-board devices and telematics, are systematically addressed by economy driving courses, known as Iveco Driver Training, held at Unetversity (see also page 223).
The training courses are delivered by a qualified Driver Training team with an in-depth understanding of how to get the best from Iveco vehicles. The courses promote vehicle knowledge based on the ability to predict and anticipate typical driving situations on roads and motorways, providing professional drivers with comprehensive tips to improve driving style and reduce fuel consumption. Efficient driving is not only cost-effective, it also conveys a sense of responsibility to drivers, increasing their awareness and knowledge about vehicle mechanics and telematics supports. Designed to benefit both drivers and fleet owners, Driver Training courses can be tailored to meet the needs of both, according to the mission and vehicle line, and are delivered both in classrooms and on the road. They can also be delivered to small groups directly at the locations of customers conducting daily missions, using their own vehicles and semitrailers. Programs, contents, and duration are flexible. Driver Training usually consists of:

- classroom sessions - face-to-face, practical, and interactive sessions focusing on the key factors that most affect fuel consumption. Their aim is to give drivers an in-depth knowledge of how to achieve the best driving style through the correct management of vehicle-related parameters based on various external conditions
- walk-arounds - at these sessions, participants 'touch the iron', learning how to perform the routine checks required to keep the vehicle roadworthy, and mastering the layout and deployment of vehicle components
- road tests - after acquiring the theoretical knowledge, drivers undergo an assisted road test to verify their actual driving style improvements. Following trainer instructions, the drivers learn hands-on about different fuel-saving driving techniques, according to mission and road morphology.

In addition to the driving courses, a Driving Style Evaluation system provides real-time assistance to commercial vehicle drivers to optimize fuel consumption. Based on algorithms that analyze the signals and data transmitted by the traction system, vehicle, and GPS, the system provides the driver with 2 indicators via the on-board display:

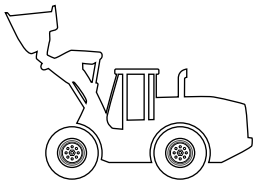
- an overall assessment of driving style impact on fuel consumption
- the main tips to reduce fuel consumption.

The Driving Style Evaluation system can be connected to the Iveconnect Fleet telematics system. It also allows fleet managers to remotely assess the fuel consumption associated with the driving style of each fleet driver. Efficiency levels can be monitored via an advanced and easy-to-use telematics interface. The interaction between the driver, vehicle, and operating center allows all vehicles to be monitored, providing a real-time assessment of driving hours, fuel consumption, GPS position, and expected travel time. The customer benefits resulting from the Iveconnect Fleet system include a reduction in total management costs while maintaining the same process efficiency.
The hybrid buses by Iveco Bus and Heuliez Bus also feature a driver aid consisting of a highly visible indicator on the dashboard, which provides instant information on driving style and fuel consumption levels, and tips on how to optimize the regenerative braking energy to recharge the batteries.

In addition to training, CNH Industrial offers customers easy-to-use online tools, such as Iveco's calculator to quantify a vehicle's Total Cost of Ownership (TCO), Case IH's SCR Fuel Savings Calculator to quantify savings in running costs achievable with SCR technology, and New Holland Agriculture's independently certified CarbonID™ calculator. The latter allows quantifying the carbon footprint of a farm's equipment fleet; by entering the cost of fuel and AdBlue, the tool also provides an estimate of actual savings.

GLOSSARY
Carbon Footprint; SCR; TCO

In 2015, Case Construction Equipment established the CASE SiteSolutions Academy, a tool launched via its website. Users can learn first-hand how to use the technologies under the SiteSolutions platform, and leverage every opportunity to increase productivity and improve jobsite efficiency. CASE SiteSolutions Academy is a simple, easy to access, centralized information management system, which enables sharing information on basic machine operation as well as tips and tactics for greater utilization and performance. The CASE SiteSolutions Academy:



- provides end-users with details on equipment operation
- reduces the frequency of operational queries
- creates a consistent message of application for users and support personnel within the CASE network
- offers consistent entry-level equipment training to maximize efficiency
- manages and shares tips and tactics for best practices, improving utilization and performance.

OUR PROJECTS

TRAINING AT YOUR DOOR

In 2015, in keeping with previous years, Case IH continued its mobile training project, which has involved more than 800 people over the last 2 years. Training is delivered on 4 mobile units, each measuring 80 square meters and equipped with a platform where participants can observe the equipment in action. Each mobile unit is transported on an Iveco Stralis truck.

Training is provided to customers, operators, and dealers to enhance their knowledge of Case IH's machines, therefore optimizing both use and performance in the field. Classes are organized for up to 20 people at a time. The program includes a 24-hour operator-specific course, as well as 40 hours of technical training. In addition to basic physics, agronomy, and mechanics, it offers technical and practical information on the operation and maintenance of tractors, harvesters, and the Easy Rider planter launched in 2015. Participants also learn how to use the AFS functions (see also page 211) and read the corresponding data, charts, and maps.

PRODUCT ERGONOMICS AND SAFE USE

Keeping operators safe while they work has always been a key factor in CNH Industrial's product design and development (see also page 142). Indeed, the Company strives not only to set and comply with high safety standards, but also to direct its innovations according to users' understanding. The Company's products are used by customers in their work, hence the simpler the interaction between operator and machine, the safer the task performed.

Furthermore, construction and agricultural equipment is often used under difficult conditions: steep terrain and extreme weather require products able to guarantee total safety and maximum comfort, minimizing the risk of human error caused by excessive fatigue.

For this reason, all CNH Industrial products are designed to shift the user's focus from how a machine works to how a task is performed, combining ergonomics and comfort for increasingly intuitive and user-friendly controls.

The more effectively ergonomics is applied, the less it is perceived; indeed, an optimal working space should make any task feel as natural as possible, encourage good posture, and spare the operator discomfort and/or strain.

> CNH Industrial products are designed to shift the user's focus from how a machine works to how a task is performed

In order to deliver comfort, as well as accessibility to machine components for maintenance, a working space must be designed around the operator's known and expected movements. To this end, in agriculture, CNH Industrial uses *ABITA4T*, a proprietary and self-developed software that tracks the operator's actual movements via Vicon Cameras and body markers, and transfers them onto a virtual 3D mannequin.

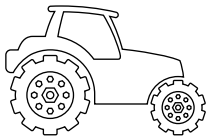
This enables simulating the interaction between operator and controls to devise the most comfortable solutions. Similar software applications are also used for commercial vehicles, namely *Abita LCV* for light commercial vehicles and *Feel* for heavy trucks.

GLOSSARY
Ergonomics

GRI
G4-PR1

Research also extends beyond cab interiors. Given that certain missions require the operator to focus on the operations performed by the machine, the simulation of operator movements makes it possible to verify their ease of execution ahead of time. For instance, it is extremely important to understand if the operator has a clear view of what a machine is doing during any given activity without assuming an uncomfortable position.
After such an analysis on the front loader tractor, the cab roof of the T4 and T5 was redesigned to ensure the operator's unobstructed view of the bucket at all times, without having to lean forward. Similar studies were also performed on the wheeled excavator, to verify operator visibility of the dipper arm and bucket when breaking the ground, and on the Daily High Roof, to verify the clear view of traffic lights and pedestrians.
Operator posture and fatigue during maintenance are increasingly the focus of study in ergonomics due to the demanding nature of some actions, particularly those required regularly every 30 or 50 hours of use. The Ergonomics Department and the platforms work together on the positioning of components to improve the operator's ease of access and execution, hence decreasing machine downtime during maintenance as well as the customers' Total Cost of Ownership (TCO).

Another key aspect relates to cognitive ergonomics. In agriculture, for example, operators are often required to use different machines that sometimes have similar functions; however, the icons identifying matching functions are often inconsistent. To this end, CNH Industrial decided to adopt the icons as per the ISO/DIS 3767-1 standard on all of its agricultural machines as of 2016, ahead of future regulatory deadlines. All existing icons were appropriately mapped, and new ones designed for those innovative functions only featured on CNH Industrial products (and hence not covered by the ISO standard).
The Ergonomics Department also collaborates with platforms by suggesting solutions, technologies, and components to improve product usability, adapting what is currently available in the automotive and other sectors to the specific needs of CNH Industrial's segments.



In the **Agricultural Equipment** segment, all CNH Industrial tractors are fitted with a Falling Object Protection System (FOPS) to protect the cab and operator from objects falling from above, a very common hazard when working with front loaders or in potentially hazardous areas. Tractors are also equipped with long-range video cameras connected to the on-board display, which 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 operator needing to turn around to check maneuvers. In agriculture, safety is vital, not only when working in the fields, but also when traveling by road from one field to another. In this case, technologies such as ABS enhance brake performance and make tractors safer when on the road, thus improving maneuverability and enhancing vehicle safety when working on an incline (see also table on page 218). The operator's manuals include an entire chapter on the safe use of each machine (see also page 148).

In 2015, Case IH launched its new LB4 Series balers equipped with all new Feedrate Control. The advanced baling technology enables the baler to run at optimal performance by controlling the speed of the tractor, delivering bales that are consistent in quality, flake size, and shape while enhancing operator comfort and reducing fatigue. Using Feedrate Control, the baler controls the tractor's forward speed through ISOBUS Class 3 commands, maintaining desired capacity by using a charge sensor. The system then calculates the best speed based on the information received from the sensors.

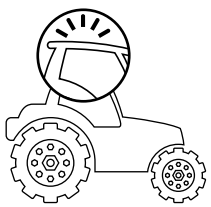
In 2015, Case IH launched the new Patriot 2250 sprayer featuring the increased power, torque, and capacities needed to push through rough fields and rolling terrain. A completely redesigned service center makes Patriot 2250 sprayer maintenance simple and efficient. A new, easy-open clamshell design on the rear-engine hood provides improved accessibility for operators. A variety of options allows greater customization to suit each operation's unique needs. The cab-forward, rear-engine configuration provides optimal weight distribution. This, coupled with industry-leading suspension and an exceptional work space, helps applicators tackle short application windows. Improved ergonomics and comfort features help operators stay productive through long hours of work and cover more acres more efficiently.

The newest Case IH Steiger tractors feature enhancements driven by comfort and productivity. With a strong history of setting industry records, Steiger tractors deliver unmatched fuel efficiency, best-in-class comfort, and proven track technology. Customer feedback was used to fine-tune these tractors to be even more comfortable and productive. Factory-installed LED lighting packages provide daytime visibility during nighttime operations. Brighter, whiter lights reduce operator fatigue. An advanced steering system and automatic differential lock provide greater control with less input, both in the field and on the road. Building on the reputation of Steiger tractors for industry-leading visibility, new split-image wide electric mirrors improve rear visibility.

Case IH's Precision Air 5 Series air carts were developed to deliver highly accurate seed and fertilizer placement. As the newest members of the Case IH Precision Air seeding equipment line, the next-generation air carts boost capacity and use AccuSection™ section control technology to help producers do more work in less time. The new air carts include 50 new patented and patent-pending features designed to provide the ultimate control over crop inputs. A new over-center tank lid-lock configuration ensures a tight seal, while a durable folding stairway system with slip-resistant treads provides easier access. A revolutionary fill system for the fourth tank lets the producer load from ground level without having to climb stairs, and a new master shut-off feature allows for meter servicing without having to empty the air cart's contents.

In 2015, New Holland Agriculture launched the upgraded T9 tractor. The best-in-class cab design makes the T9's impressive proportions easily manageable for the operator, and its many features make operation simple and comfortable. The award winning SideWinder™ II armrest offers the ultimate in ergonomics, ensuring that all controls are easily within reach. The CommandGrip™ multifunction handle controls the most frequently used tractor functions, including the Ultra Command™ transmission gear change, Ground Speed Management, IntelliSteer™, and Headland Turn. The multifunction handle was further improved by incorporating more responsive soft-touch buttons and backlighting, as well as a thumb wheel for the easy adjustment of Ground Speed Management target speeds.
The new T7 Tier 4B Series, launched in 2015, offers the best range of seats in the industry, with a choice of 3 levels of comfort: Comfort, Dynamic Comfort, and Auto Comfort. The Comfort seat utilizes a low frequency suspension design. The Dynamic Comfort seat features improved low frequency suspension and a variety of comfort-enhancing features, such as automatic shock absorber adjustment, pneumatic lumbar support, and a 2-stage heater. Both seats feature an innovative swiveling backrest designed to provide upper back support while enabling the operator to turn and look back. The Auto Comfort active seat with incorporated climate control reduces body vibrations by up to 40% compared to low frequency seats, while extraction fans inside the seat remove moisture, lowering surface humidity and temperature. Furthermore, the finely stitched seat trim in high quality fabric or leather is more akin to a supercar than a tractor. The new seat, together with the standard Comfort Ride™ suspension and new generation heavy-duty suspended front axle, ensures an exceptionally smooth and cushioned ride.

The Horizon™ cab offers the same premium comfort levels as T7 models, with extremely low noise at just 69 dB(A). The tractor's levels of stability and comfort were improved on the standard wheelbase models by introducing a new double-acting control logic on the Terraglide™ suspended front axle, while the T7.230 model and above retain the advanced semi-active Skyhook logic. The new T7 Series features many productivity-boosting features that enable the operator to work more efficiently.
The all-new lighting package features up to 16 LED work lights in the cab, which create a far-reaching, 360° spread of light that extends 5 times farther than before. All external work lights are 360° and integrated into the roof: the ones in the front corner have a large adjustment angle that can be pointed rearwards, downwards on verge mowers, or outwards to fully cover wide implements; the ones in the rear corner can be switched off independently to avoid glare, for example when unloading alongside a harvester. These class-leading LED work light packages enable operators to work comfortably, safely, and productively long after dark.
The advanced braking technology of the award-winning anti-lock system (ABS) is available on the T7.230 models and above; it manages the brakes of each wheel individually, increasing vehicle stability when braking on greasy surfaces, a very desirable option for those performing intensive road transport operations. In addition, ABS SuperSteer™ enables the tractor to execute tight turns in the field by automatically braking the rear inner wheel as the steering wheel is turned. An ABS trailer power socket and an exhaust brake are additional options on all T7 models.



100%
of cabs equipped with
Falling Object Protection System

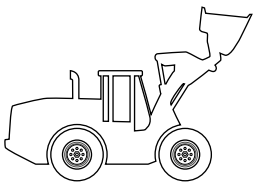
GLOSSARY
Ergonomics; LED; Tier

New Holland's Boomer™ Series of compact tractors was further enhanced and upgraded with the launch of the new Tier 4B-compliant Boomer™ 54D, winner of the *Machine of the Year 2015* award in the Compact and Specialized category at *SIMA 2015*[1]. The new model is powered by a new Common Rail FPT Industrial engine, and delivers a superior driving experience with its SuperSuite™ cab and EasyDrive™ continuously variable transmission. The Boomer™ 54D features a host of upgrades conceived to improve operator comfort, visibility, and functionality. The SuperSuite™ cab offers the largest interior space in the industry for operator comfort, while the wide entry threshold provides easy access. Its low profile enables the Boomer™ 54D to clear 2.4-meter height restrictions with ease. Front and rear visibility is excellent. The hood design provides clear visibility of front-mounted attachments, while the unobstructed rear view to the drawbar makes attaching rear implements easier than ever.

The Harvest Suite™ Ultra cab is new to the CX Series and the result of extensive customer consultation, offering a spacious, comfortable internal volume, increased to 3.7 cubic meters, and an ultra-low noise working environment (73dB(A)).
The new harvesting console was designed to become an extension of the operator, with an ergonomic layout of all key harvesting controls. The harvesting speed can be fine-tuned using the pressure-based CommandGrip™ multifunction handle, which the CX Series shares with the flagship CR rotary combines and high horsepower tractors. There are 3 seat options; among these, the top-class leather trimmed seat offers heating and active ventilation, extended vertical travel, and automatic weight adjustment for optimal shock absorption.
Thanks to precision engineering, the spread of light offered by the new CX Series' lighting package gives perfect visibility of the entire header and of the field in front of and behind the machine. An unloading auger light makes it easier to unload with precision without losing a single grain. Another innovative feature introduced on the new generation of CX Series combines is the full LED work light package offering a brighter, wider, and longer reach, providing excellent visibility up to 500 meters. Moreover, the Harvest Suite™ Ultra cab has a 7% larger glazed area, with a visibility surface of 6.3 square meters.

The flagship cab of the new FR Forage Cruiser, launched in 2015, provides operators with a comfortable workstation. The ample and quiet cab provides exceptional 360° visibility, with curved windows offering a perfect view of both header and spout, irrespective of position. The new Deluxe air-suspended seat features automatic weight adjustment and variable shock absorption. The backrest, lumbar support, seat pan angle, and height are adjustable to provide the perfect seating position. A new leather and fabric luxury seat with heated and ventilated cushions and upgraded suspension is an option available on the top 3 models. The new slim steering column with a double-jointed design enables the adjustment of the steering wheel position for best header visibility and maximum comfort.

In 2015, the Blue Cab 4 featured in New Holland's new vineyard tractors and compact grape harvesters range won the *SITEVI*[2] *Gold Medal for Advanced Safety Features*. The Blue Cab 4 is an innovative cab concept designed around the safety and wellbeing of the operator. It features two filtration levels - category 2 and 4 - in one system, with closed-loop cab pressurization; this intelligent system starts category 4 filtration automatically only when a spraying unit is hitched to the grape harvester and activated. The Blue Cab 4 offers unique features such as the patented auto air-cleaning valve, which purges the air in the cab before pressurization and the activation of category 4 filtration, and the filter management system, which keeps track of maintenance intervals and filter usage.
Furthermore, the cab exceeds the requirements of EN15695-1 and -2 standards: even though the latter require only cab and filter classification through laboratory testing, New Holland also tested the durability and performance of the filtration system in the field. The Blue Cab 4 was tested on both tractors and grape harvesters for over 300 hours of spraying, with more than 25 active substances in different field conditions.



Ergonomics and comfort also contribute to the safe use of **construction equipment**. 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 operator's manuals include an entire chapter on the safe use of each machine (see also page 148). 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.

GLOSSARY
Common Rail; LED; Tier

(1) *Paris International Agribusiness Show.*
(2) *International equipment and expertise exhibition for vine-wine, olive, and fruit-vegetable producers.*

In 2015, Case Construction Equipment launched the New D Series excavators, featuring best-in-class cab space and excellent visibility. The pressurized, ISO-mounted cab with cushioning system ensures remarkably low noise and vibration levels, providing one of the quietest operating environments in the D Series' class. The spacious cab features ample legroom and a fully adjustable workstation with optional heated Air-Ride Seat. The cab meets ROPS and FOPS Level II safety standards, providing maximum operator protection. A standard Bluetooth radio enables hands-free operations, further improving the operator's experience. A standard rearview camera feeds live video to a 7-inch widescreen monitor, which also provides operators with real-time access to important performance data, including fuel consumption, hours of operation, maintenance information, and machine diagnostics. Daily service points are easily accessible, and standard handrails ensure they can be reached safely. The optional LED lighting package further enhances visibility after dark, covering a wider area around the machine. This package includes 6 LED lights (2 at the front, 2 at back, and 1 on each side) and a side-view video camera.
The optional factory-fitted travel alarm contributes to greater safety on the jobsite around the machine. The features offered by the new generation of D Series crawler excavators also help protect the customer's investment: the CASE SiteWatch telematics system, for example, enables the fleet manager to keep track of the machine and helps prevent equipment misuse, while the lock code protects the units from theft.

The F Series wheel loader, launched in 2015, feature 4 owner-friendly solutions unique to CASE for quarrying, waste handling, and contracting: the Hi-eSCR in-house technology, the rear mounted engine, the Proshift 5-speed transmission, and the heavy duty cooling cube. Given the long hours of work on these fast and powerful machines, operator comfort is a key concern. For this reason, CASE teamed up with top-range seat expert Grammer to design the F Series' new Premium seat, which provides outstanding protection from repetitive shocks and vibrations. The low frequency absorber ensures a smooth ride at all speeds, the fore and aft isolator ensures a comfortable ride on rough terrain, and the best-in-class active seat suspension with Electronic Automatic Weight Adjustment and Dynamic Dampening System delivers ultimate comfort. The fully adjustable armrests, headrest, and high backrest, along with an extra-wide cushion and an 8-centimeter height adjustment, enable operators to set-up the seat to create the perfect working position for their needs. The F Series' new design also delivers improved visibility, joystick reachability, and all-round ergonomic controls.

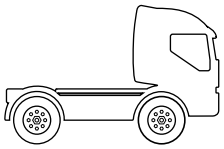
The new skid steer loader and compact track loader launched in 2015 feature the spacious cab of existing models, with its excellent all-round visibility, suspension seating, and ergonomic controls. In addition, the engine technology ensures lower noise and vibration levels, which enhance the operator's comfort during long working hours.

In 2015, Case Construction Equipment launched the new N Series backhoe in NAFTA. The powerful yet efficient tractor loader was optimized for loader and attachment use in site prep, landscaping, construction, and agricultural applications, and is one of the most stable and operator-friendly in the industry. Ride Control effectively dampens the movement of the loader arms while on the road, hence reducing spillage and ensuring a smoother ride. An enclosed cab with floor-to-ceiling glass and climate control makes the machine suitable for year-round use in all climates. All N Series models can be equipped with the following options designed to increase machine usability:

- Comfort Steer – enables quick maneuvers even in confined areas, requiring only 1.5 turns of the steering wheel lock-to-lock (compared to 3 turns on standard models)
- Hydraulic Quick Coupler – the industry's only fully integrated coupler, increases versatility when changing and selecting attachments
- ProControl – a swing dampening system, eliminates rebound on the backhoe providing faster cycle times, less wear on components, greater operator precision, and less fatigue
- Heated Air-Ride Seat – for optimal all-weather operator comfort.

New Holland's C Series compact wheel loaders feature optimal weight distribution that enables handling heavy loads with efficiency and speed, with operator safety always a priority. At the low end of the range, for example, the W50C TC is designed to lift up to 2,000 kilos on forks on uneven surfaces. Thanks to TC parallel linkage, pallets or full buckets of grain can be loaded onto the far side of the truck, significantly speeding up loading operations. The articulated joint and oscillating rear axle deliver excellent stability. When the front tires are on an uneven surface or hit an obstacle, the absence of bucket roll motion ensures that the full load stays in the bucket and the cab remains vertical, which means greater productivity and operating comfort.

GLOSSARY
Ergonomics; FOPS; LED; NAFTA; ROPS; SCR



CNH Industrial believes it is the product manufacturer's responsibility to ensure high safety standards. This commitment is reflected in the design and development of vehicles that ensure high levels of preventive, active, and passive safety to maximize the protection of vehicle occupants, cargo, and other road users.

Commercial vehicle operators are aware of work-related risks and the importance of vigilance on the road. To this end, Human Machine Interfaces (HMI) must be as user-friendly and ergonomic as possible, optimizing:

- interior cab comfort, in terms of spaciousness, controls layout, and internal and external visibility
- posture
- seat comfort
- ease of entry/exit via the cab door and load compartment.

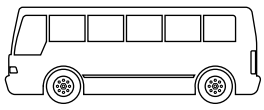
ADVANCED DRIVER ASSISTANCE SYSTEMS (ADAS)

			LIGHT RANGE	MEDIUM RANGE	HEAVY RANGE	BUSES	TRACTORS
ACC	Adaptive Cruise Control	ensures a safe distance from the vehicle ahead via a radar located on the front bumper, and automatically triggers the brakes when the safety distance is not maintained		✓	✓	✓	
ABS	Anti-lock Braking System	allows the wheels on a motor vehicle to maintain tractive contact with the road surface according to driver inputs while braking	✓		✓	✓	✓
AEBS	Advanced Emergency Braking System	alerts the driver to a potential collision and automatically activates the brakes to help prevent impact or reduce impact speed		✓	✓		
ASR	Anti-Slip Regulation	optimizes traction and directional stability under acceleration	✓		✓	✓	
BAS	Brake Assist System	reduces stopping distances and increases braking force in emergency situations. It also incorporates ABS, ASR, and EBL			✓	✓	
-	Bi-Xenon headlights	improve night time visibility		✓	✓	✓	
DRL	Daytime Running Lights	low-power position lights that remain on during transit ensuring maximum vehicle visibility	✓	✓	✓	✓	
DAS	Driver Attention Support	continuously monitors the driver's attention level. It processes steering wheel movements and, should any drowsiness be detected, alerts the driver with an acoustic or visual warning			✓	✓	
EBL	Electronic Brake Limiter	automatically varies the amount of force applied to each vehicle brake	✓		✓	✓	
ESP	Electronic Stability Program	corrects the vehicle's trajectory in case of loss of steering control	✓		✓	✓	
HH	Hill Holder	provides assistance when starting a vehicle on an incline, preventing it from rolling backwards for a few seconds after the foot brake is released	✓		✓	✓	✓
LDWS	Lane Departure Warning System	alerts the driver when the vehicle moves out of its lane if the turn signal is not in operation	✓	✓	✓	✓	
TPMS	Tire Pressure Monitoring System	continuously measures tire pressure in each of the vehicle's wheels, monitoring it from the dashboard			✓	✓	

In 2015, Iveco launched the new Eurocargo with fully refurbished safety features: in addition to the airbag and the steering wheel controls, the vehicle now features all the main driver-assistance systems, including Lane Departure Warning System (LDWS), Advanced Emergency Braking System (AEBS), and Adaptive Cruise Control (ACC). LED Daytime Running Lights (DRL) were incorporated to improve travel safety and visibility, while Xenon headlights are available on request. Steering wheel controls for both Bluetooth and audio devices prevent distraction and enable the driver to focus on the road.

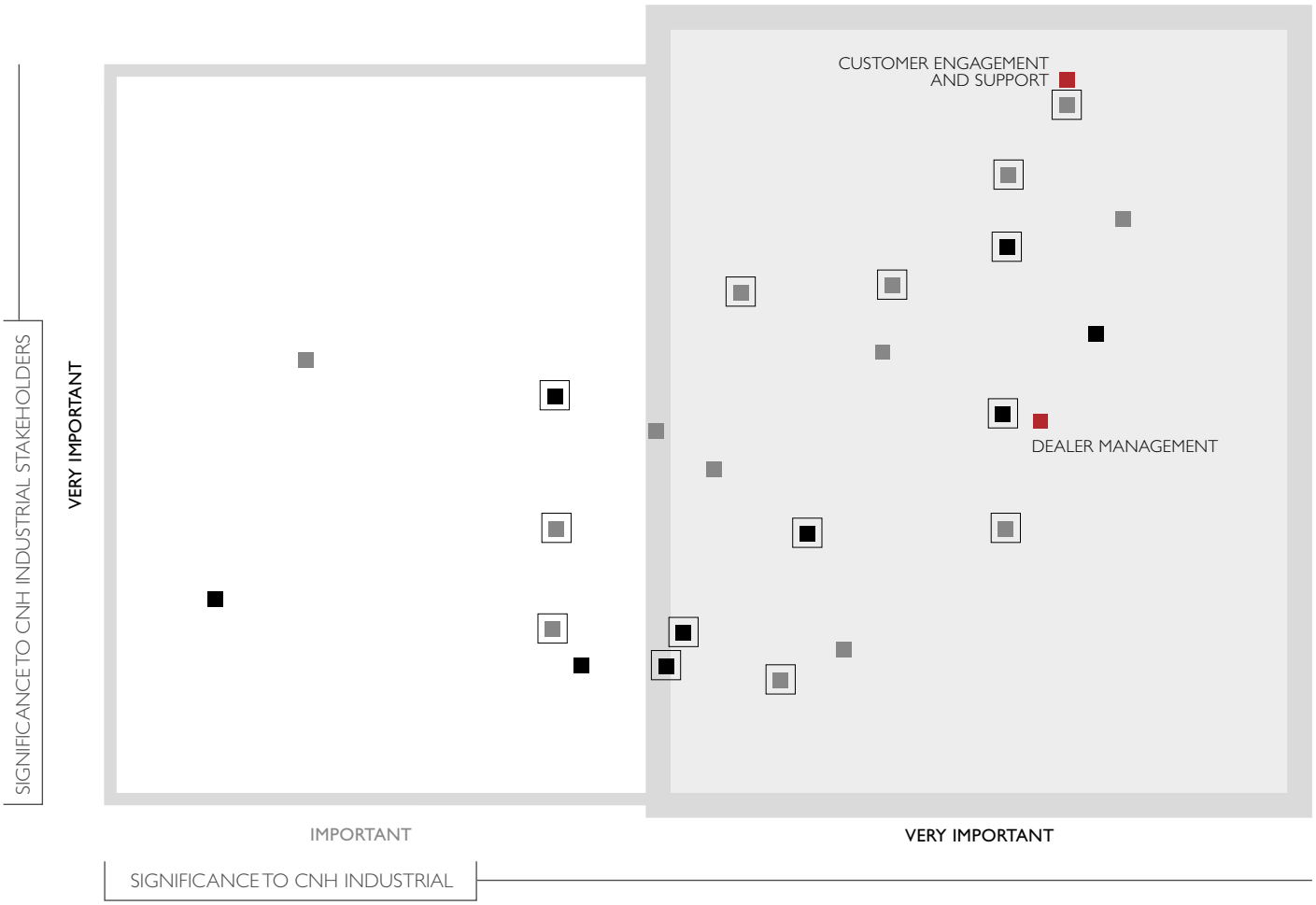
The interior comfort of the cab was enhanced to increase spaciousness and freedom of movement. The linear dashboard and smaller engine tunnel size make easier to move from the driver's to the passenger's seat and improve cross-cab access, enabling the driver to enter and exit the cab easily from either the left or right side. The new Eurocargo makes life on board easier by offering many storage compartments and pockets to store objects, documents, and credit cards; it also features a hanging rail on the back wall of the cab, and the central console has two bottle holders, a 12 V power socket and, on request, a compressed air socket. The availability of different cab sizes makes the new Eurocargo suitable for any mission: Day, to move easily in the city; Sleeper, to house 1 or 2 beds plus luggage (also available with a high roof); and Crew-Cab, to transport the work crew, tools, and materials.
The dashboard's central area features an all new ergonomic design, new materials, and new controls for air conditioning, lights, and automatic and automated transmission. The dashboard is designed around connectivity needs, offering the unique option of installing a universal support in the mid-windscreen area, next to the Lane Departure Warning System (LDWS) camera. USB charging ports are also available in this area. A removable screen for the telematics system can be installed on request.
The seats and backrests are trimmed with an electro-welded fabric. A new high-comfort, air-suspended driver's seat is also available upon request, with fully adjustable backrest, height-adjustable seat belt, heating, and ventilation.
Through its advanced technology and meticulous design, bus and coach manufacturer Iveco Bus ensures drivers and passengers industry-leading levels of safety. The brand's ongoing research and development has resulted in the production of vehicles that surpass safety standards and regulations.

Passive safety is reinforced by the robust bodywork, which acts as a safety cell in the event of vehicle rollover, in accordance with European Directive R66, and by the design of the passenger compartment, which was developed to reduce the risk of injury and that integrates 3-point seatbelts in all exposed areas. Additionally, the integrated independent front suspension with independent front wheels guarantees outstanding road grip and perfect directional stability, and minimizes vehicle pitching and rolling. Moreover, coaches for school transportation are fitted with an alcohol ignition interlock that requires the driver to exhale into a breathalyzer before the vehicle can be started. Numerous state-of-the-art features (see table on page 218) ensure high levels of active and preventive safety. Furthermore, the driver's field of vision on all Iveco Bus buses and coaches is entirely unobstructed thanks to large panoramic windshields and safety equipment enabling the continual monitoring of the vehicle's peripheral areas. External heated and electronically-controlled mirrors, an additional wide-angle mirror on the right-hand side, and a rearview video camera are all available as optional.



Iveco's Magelys Pro won the *International Coach of the Year 2016* award, with features including: a wheelchair lift with dedicated access door and space for a passenger with reduced mobility; a removable table; 46 leather seats; a central toilet; 3 retractable LCD screens; Wi-Fi connection; 220 V and USB sockets; GPS; and front video camera providing passengers with a view of the road ahead. It also boasts extremely high levels of both active and passive safety. For example, its robust, self-supporting structure has a cataphoretic coating to ensure long-lasting protection against corrosion, and was designed to comply with rollover test R66/01, an international regulation ensuring maximum passenger protection in the event of vehicle overturn (which double-decker coaches usually fail to meet). The Magelys is also equipped with the latest technological innovations, such as the Lane Departure Warning System (LDWS) and the Advanced Emergency Braking System (AEBS) for automatic braking.

SALES AND AFTER-SALES



Material aspects described in chapter. For further details, see Materiality Matrix, page 23.

MANAGEMENT APPROACH

DMA

CNH Industrial is well aware of customers' need for as much information as possible on the product they are about to purchase, and the Company makes such information available through a variety of channels: brand websites, call centers, the dealer network, and the owner and maintenance manual. CNH Industrial is aware that the dealer and service network provides a gateway for communication between the Company and its customers. Dealerships interact every day with the customers who use CNH Industrial products in their work, who need advice on the best purchasing options and assurance that they are investing the right amount on a product that best meets their business needs. This relationship must be one of mutual trust, so that CNH Industrial customers may rely on timely assistance and on as little downtime as possible, especially in agriculture where harvesting and sowing cannot be postponed.

DEALER MANAGEMENT

The dealer network is managed by Region and by brand, with suitable structures in place to meet the needs of local markets. The dealer and service network is required to meet CNH Industrial's qualitative standards, which are verified periodically, and to adopt the Company's specific dealership development programs. The main goal of these programs is to enable dealerships to offer customers the best service possible, and to foster the creation of a stronger and more competitive dealer network, thus contributing to their growth.
In addition, brand websites offer customers specific tools to assess the environmental impact of products, by calculating, for example, the Total Cost of Ownership (TCO) of a road vehicle, or the carbon footprint of an agricultural fleet (see also page 212).

DEALER NETWORK[a]

CNH INDUSTRIAL WORLDWIDE (no.)

		2015
Agricultural Equipment	Full-line dealers	2,600
	Points of sale	5,600
	Proprietary dealerships	2
Construction Equipment	Full-line dealers	500
	Points of sale	1,500
	Proprietary dealerships	5
Commercial Vehicles	Dealers	647
	Proprietary dealerships	20
	Branches	12
Powertrain	Full-line dealers and points of sale	93
	Service points	899

[a] *For each segment, the number of dealers was calculated by brand.*

Detailed qualitative standards are set for each brand and specified in the guidelines enclosed with the contract that each dealership signs when admitted into the Company's dealer network. These standards mainly concern:

- dealer visual identity and guidelines
- sales[1]
- service[1]
- parts[1].

The visual identity section provides information on managing the physical appearance of the dealership, including posters, interiors, and staff uniforms. For all other aspects (sales, service, and spare parts), there is a detailed list of required facilities (meeting rooms and customer parking areas), compulsory equipment (information technology and a workshop with special tools), and the required headcount. The equipment and KPIs to be monitored for each line of business are specified as well (response time in the event of downtime, recall campaign management procedures). The guidelines also cover the training needs of dealership personnel, indicating the number of hours and types of courses that CNH Industrial will provide for each professional profile (see also page 223).

GLOSSARY
Carbon Footprint; DMA; KPI; TCO

GRI
G4-DMA

[1] *Organization, training, management skills, tools, and processes.*

The admission of a new dealership into the dealer and service network of a CNH Industrial brand requires an Electronic Network Action Approval Form (eNAAF). In order to be approved, the eNAAF must receive a green light from Dealer Network, Region Sales VP, Service, Parts, CNH Industrial Capital, Legal representatives and, if required, from other CNH Industrial legal entities should the dealer have a contract with more than one brand. Before the contract is signed, Network Development and the Commercial team provide the dealer with the recommended standards it is required to fulfill, as well as a business plan that is also shared with CNH Industrial Capital and/or Trade Finance.
Different CNH Industrial personnel provide induction training and support to the new dealerships entering the CNH Industrial network, providing guidance according to their areas of expertise:

- network manager
- sales
- service
- spare parts
- CNH Industrial Capital.

In addition, dealers may request the support of the Training function that follows the relevant market, and access many online courses specific to different dealership positions via the Training area. CNH Industrial contacts, who visit dealerships regularly, are also responsible for communicating any changes in quality standards based on their area of competence, and for establishing a schedule for dealership compliance. The dealer network is involved in regular events aimed at involving and providing the sales force with updates on qualitative standards.
For any non-compliance identified during an audit, an action plan is established and monitored through follow-ups (see also page 223). Some of the CNH Industrial brands strongly encourage dealers to pursue international quality standards such as ISO 9001 for quality system management, and ISO 14001 for environmental management.

Through the Dealer Satisfaction Survey (DSS), CNH Industrial measures dealer satisfaction with certain CNH Industrial brands in EMEA and NAFTA on various factors: marketing and sales activities; products; vehicle ordering and delivery; support and relationships with local teams/mangers; spare parts; warranty terms; after-sales teams; training; and support from manufacturers.
Dealers are fully engaged in these ongoing surveys and their comments and suggestions are used by CNH Industrial to improve performance and partnerships.

DEALER PORTAL

Once the contract is signed, the dealer's admission to the dealer and service network is codified, which entails the creation of a user name and the provision of credentials to access the Dealer Portal. This web portal connects the global dealer network to CNH Industrial, and provides the tools to manage sales and after-sales. The Dealer Portal allows dealers to:

- order information material
- configure a vehicle and draw up a quote for the customer
- enter purchase orders
- download owner and maintenance manuals
- register new vehicle warranties
- order spare parts
- obtain technical information for repairs
- receive authorizations to perform warranty repairs
- receive information on recall campaigns.

All activities related to the technical management of products are overseen by Quality, which manages the Contact Management System (CMS) tool, accessible via the Dealer Portal. The CMS is the primary support system for any dealer facing an issue with a vehicle or a machine, through knowledge search or technical helpdesk requests. The CMS allows Quality to collect field information and to identify and solve global product issues in a timely manner, hence reducing warranty costs and improving customer satisfaction. The System provides extensive technical information on all products, and specifies how to perform repairs and which tools to use (tools and diagnostics). It also contains Service Bulletins illustrating how to address recurring problems and recall campaigns (PIPs), and a repair history for each vehicle or machine. The service network can therefore access specific technical information on repairs and receive authorizations to perform warranty repairs in real time. Furthermore, the CMS can identify the frequency of defects evidenced during interventions and provide the CPM Team with the information needed to immediately launch a recall campaign (see also page 151).

Geomarketing is another tool used by CNH Network Development to monitor the performance of dealerships in their respective areas of reference. The tool can be accessed by CNH Industrial and dealers alike, allowing them a reciprocal exchange on potential growth and on specific performance within their area of reference.

AUDITS AND INCENTIVES

The dealer network is audited yearly, either by CNH Industrial, external agencies, or by the dealership itself through self-assessments. The audit checklist covers three main areas: sales, after-sales, and spare parts, as well as specific aspects for each of these areas. Dealerships are evaluated on: competitiveness, organizational structure, financial sustainability, customer service and satisfaction, visual identity, equipment and operations, administration and marketing, sales, spare parts, and training participation. The programs implementing dealer qualitative standards are monitored and managed via a dedicated system known as NAT (Network Assessment Tool). This system is used by all CNH Industrial brands in the EMEA Region, and Iveco joined the program in 2015 using the same Agricultural Equipment and Construction Equipment platform. The NAT software manages information on all CNH Industrial brand dealers and sub-dealers, allowing each company to continually monitor their compliance with required qualitative standards, while overseeing the measures planned to meet them. The system also collects information on every dealership network audit performed and respective results. After analyzing dealer performance, the system provides an action plan to help resolve the weaknesses evidenced by audits.

The brands' audit results determine dealership access to the incentive programs established by each relevant brand. In fact, every CNH Industrial brand implements incentive programs developed in line with global market strategies. The main objective of these programs is to foster business growth among dealerships and the best possible customer service. Some of these programs, such as Case IH's *Red Excellence Program*, Case Construction Equipment's *Pinnacle Program* for EMEA and North and South America, and New Holland Agriculture's *Top Partner Program*, establish different levels of compliance, offering the highest achiever among dealerships an opportunity to partner with the brand.

DEALERSHIP TRAINING

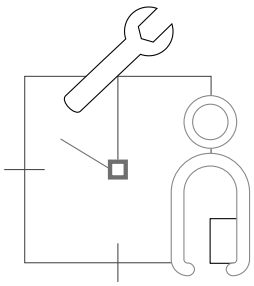
The Company believes it is very important to build the skills and know-how of all dealership personnel. This is why, every year, it designs and runs special training programs for technicians, sales people, and after-sales staff, tailored to the strategies and needs of the brands. Training courses are designed to develop and capitalize people's product knowledge, managerial skills, and technical know-how, and to raise awareness of a Corporate identity built on standards of excellence.
To meet dealer and service network training needs, CNH Industrial created Unetversity, a dedicated training facility to enhance the knowledge and expertise of its dealers. Unetversity's training approach aims at improving the dealer network's know-how and ability to meet customer demands, from offering products that meet their actual needs, to performing repairs in a timely fashion.

FOCUS ON

THE FIREFIGHTER ACADEMY

The best firefighting vehicles are built by firefighters. This fact was known to Conrad Dietrich Magirus, who was a passionate firefighter and the visionary founder of Magirus in 1864. In keeping with this tradition, Magirus currently builds the most modern and reliable firefighting vehicles, ladders, rescue and equipment vehicles, special solutions, pumps, and portable pumps.
The products' strength lies in the thorough understanding of the needs of firefighters worldwide, who are more than just key customers to Magirus. Knowing exactly what is needed on the job, they also personally train many of the company's employees. In addition to building and shipping products worldwide, Magirus provides intensive training courses on the use of its equipment. The *Firefighter Academy* is a seminar and training center delivering knowledge, know-how, and skills development. Training topics range from operator and driving safety to tactics and practice under real-life conditions. The service range is structured to involve both fire brigade leadership and rank-and-file firefighters. Among other products, the company offers both the world's longest turntable ladder, with a work height of 68 meters, and the Superdragon X8 fire engine. The latter, designed for complex tasks at large modern airports, can reach a speed of 85 kilometers per hour in 25 seconds, is able to spray water, foam or dry powder while traveling at a speed of up to 70 kilometers per hour, and can pump up to 8,000 liters per minute.

GLOSSARY
Audit; EMEA



180,000
hours of
technical
training

Unetversity offers customized solutions consistent with current market conditions, and a wide range of training activities in the languages spoken by dealers and customers. Training courses are provided in many forms, from traditional classroom lectures to online, face-to-face, or virtual training. Training methods are chosen by the users, and courses are calibrated according to their actual needs. Moreover, all educational material is also designed to be shared with customers, as a tool to be integrated into daily work management.
In addition to training on innovative products, emissions reduction, and cutting-edge services to meet customers' every need, Unetversity also provided Driver Training courses, especially for Iveco dealers, on how to drive vehicles correctly (see also page 212).
In 2015, Unetversity provided 88,600 hours of commercial training, for a total of 305 courses available in 19 different languages, across the Commercial Vehicles segment in the EMEA and APAC Regions.
Furthermore, over 180,000 hours of technical training were delivered on vehicles and major units launched during the year.

FINANCIAL SERVICES

Financial Services, primarily under the CNH Industrial Capital brand, offers a range of financial products to dealers and customers in the various Regions in which it operates. The goal of Financial Services is to maximize CNH Industrial sales by providing brands and dealers with tailored financial solutions while securing an appropriate level of profitability defined in terms of equity remuneration. As a captive finance company, CNH Industrial Capital supports and works in parallel with the operations of Agricultural Equipment, Construction Equipment, and Commercial Vehicles, and its geographical presence is consistent with the Company's commercial footprint.

In 2015, the total managed portfolio, including non-consolidated joint ventures, reached approximately $25 billion with contributions from all Regions. The main products offered consist of wholesale financing to dealers and retail financing for the purchase or lease of new and used equipment and vehicles. CNH Industrial Capital serves about 550,000 customers and 3,100 dealers worldwide, with a staff of around 1,350 employees including supporting functions.
Financial Services provides support to the Company in managing CNH Industrial receivables and related risk management practices, consistent with the goal of driving best-in-class performance, by leveraging core skills and ensuring the enhancement of expertise within the Company. This also entails progressive process standardization and system integration, as well as the implementation of common policies, all of which drive efficiencies in terms of operations and governance.
Customer selection and monitoring are key to securing the performance of the receivables managed. To this end, Financial Services focuses on improving portfolio quality, including the appropriate identification and monitoring of underlying counterparts. Business relationships are assessed according to sound know-your-customer practices, applicable anti-money-laundering laws, and related Company policies and procedures to ensure that third-party business counterparts are reputable, qualified, and involved in legitimate businesses.
Following the introduction of the new European legislation applicable to credit and financial institutions, aiming at progressively simplifying financial services operations, legal entities were concentrated under one regulated subsidiary: CNH Industrial Financial Services SA, which is the Company's primary financial services subsidiary in Western Europe. Incorporated in France and qualifying as a specialized credit institution, the subsidiary has adopted a Remuneration Policy focused on attracting, motivating, and retaining professionals consistently with sound risk management criteria and long-term value generation objectives.

FOCUS ON

HARVEST MASTER

Harvest Master is a loyalty program for customers of harvesting products, developed by the New Holland Agriculture brand in Europe. The program aims to assist and support customers following the purchase of harvesting equipment. Through this program, a direct and personal relationship is established that continues at various key times. Initially, the customer is given a special welcome, with detailed information about the program and about customer support, along with a discount on spare parts. Subsequently, customers receive training on the vehicle purchased, in collaboration with the distribution network, in order to maximize productivity and manage customer support. Finally, during harvesting, special support delivered by Break Down Assistance ensures an outstanding experience. All activities are tracked, monitored, and measured in CRM to maximize customer satisfaction.

CUSTOMER SUPPORT

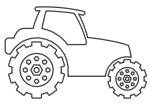
From the initial contact onwards, CNH Industrial interacts with and provides assistance to its customers to give them an experience that meets their expectations. The Company's Customer Care departments are dedicated to developing, managing, and promoting customer service solutions, fostering enduring relationships, and satisfying customer needs and expectations. Via the brand websites, toll-free numbers, emails, and smartphone applications, customers may directly request information or make a complaint 24 hours a day, seven days a week. Customer Care staff manage the entire process from initial customer contact to final feedback to the customer, ensuring a resolution in the timeliest manner. Each and every CNH Industrial brand, Region, and department has a reference person for each type of information request or complaint, ensuring issues are dealt with as quickly and accurately as possible.
CNH Industrial's Customer Service centers work in close collaboration with brands, dealers, technical services, quality, and other functions, providing services in the following areas:

- Customer Relations (pre and post-sales) - aimed at managing the overall customer experience by ensuring a direct and effective communication channel to assist customers with accurate and timely inquiry feedback and complaint management
- Breakdown Assistance and Assistance Non-Stop (post-sales) - services designed to intervene by any means to ensure minimum downtime in the event of a breakdown.

CNH Industrial centers all operations around customer needs and on developing good **customer relations**.
The Company opens its doors to all clients wanting to contact the company for any reason, such as to request information or make a complaint. They can get in touch via the international toll-free number, brand websites or email.
Each brand is responsible for managing its website as well as its social network presence (e.g., Twitter, Facebook, YouTube, etc.), and for launching a wide range of communication channels so that customers can interact with the Company in the way that suits them best (online, social media, distribution networks, phone support, etc.).
Most product complaints have a five-day resolution target. If a case goes beyond the target date, the Customer Relations manager reviews it and decides whether to escalate. Escalation usually involves external company resources, such as field services or dealerships. Customers who have filed a request are invited to take part in a phone survey to verify whether CNH Industrial met their expectations.
Moreover, a Compliance Helpline was launched in 2014, i.e., a web platform managed by a third party, enabling customers to ask questions or report possible violations of the Code of Conduct, Company policies, or applicable laws (see also page 50). Such requests are organized by type or category, and assigned a target date or objective for completion.

Breakdown Assistance (BDA) intervenes in case of vehicle breakdowns for Agricultural Equipment and Construction Equipment customers, to ensure that all necessary steps are taken to minimize downtime. Through BDA, equipment failures reported by customers are notified not only to the dealer but also to the brands, so that the latter may also help resolve the problem. A dedicated Parts Shipment and Delivery team oversees the location and delivery of parts, including overseas shipments. The BDA service tracks customers until all issues are resolved, allowing them to get back to work as soon as possible. This process is carefully monitored: in NAFTA and LATAM, once the issue has been resolved, dealer and customer satisfaction surveys are carried out to evaluate service and process performance, measured in hours of Total Vehicle Downtime (see table on page 227).

Assistance Non-Stop (ANS) ensures a round-the-clock, 365 days a year service to Commercial Vehicles customers. Established to provide instant technical support for vehicle problems, the service is operational across 31 European countries, and is available in ten languages. All employees working in the service receive specific training and regular refresher courses. As soon as the customer and vehicle are identified and located, every assistance request is managed by an operator who carries out a pre-diagnosis of the problem. When the fault has been verified, the operator contacts the nearest mechanic, who is directed to the breakdown site. The operator continues to monitor the process until the repair is complete, assisting the mechanic, if needed, and keeping the customer updated until the vehicle is released. The Customer Center shares a database with relevant departments that lists faults by number and type, and matches them with the faulty model and duration of the breakdown.



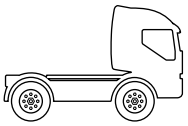
GLOSSARY
LATAM; NAFTA

FOCUS ON

OUTSTANDING SERVICE TO INDIAN CUSTOMERS

New Holland Agriculture ranked first in the J.D. Power India Tractor Customer Service Index with a score of 794, above the average of 774. The study surveyed 4,789 owners of tractors purchased in India between July 2012 and November 2013.

The India Tractor Customer Service Index measures tractor owners' satisfaction with after-sales service at authorized service centers. Overall customer service satisfaction combines the scores from the parts operation index and the service satisfaction index. The latter, in turn, looks at customer satisfaction in key areas such as: service quality, front desk procedures, service engineers, spare parts availability, speed of component delivery, and value for money. The ranking by J.D. Power Asia Pacific, one of the top 15 market research companies in the world, demonstrates New Holland Agriculture's commitment to offer customers an outstanding after-sales service. New Holland Agriculture has a plant in Greater Noida (India) alongside an R&D center and a training center for dealers and customers. The brand has a network of over 950 contacts supporting its customers throughout India.



The ANS service can be contacted via a universal toll-free number or through the Iveconnect on-board system (see also page 211). In the event of a breakdown, the Iveconnect system allows the driver to contact the Customer Center directly from the vehicle by sending an automatic breakdown assistance request. In turn, the Customer Center sends the driver regular updates on the status of the request and the estimated assistance arrival time, all directly through the on-board telematics system. The Customer Center can contact the nearest mechanic through ANS Mobile, an application available on Android and Blackberry devices, which can locate the nearest mobile repair van and track its movements using GPS.

CUSTOMER SATISFACTION

The Company continually monitors results and customer satisfaction levels, inviting every customer who has ever received assistance to participate in follow-up surveys.

Agricultural Equipment and **Construction Equipment** brands closely monitor specific factors at their customer service centers to ensure ongoing service improvement. These factors include response time, vehicle downtime, satisfaction with Breakdown Assistance, and data and compliance management. Customer satisfaction assessments are usually via a phone survey, offered to all customers who submit a request.

To this end, other projects are carried out as well, as for example the *Red Select* and *5 Star Surveys* in NAFTA. These are managed directly by Customer Care, and each consists of three different surveys carried out during the first few months after a purchase, to measure customer satisfaction with regard to both product and buying experience. Customer feedback is passed on to the relevant departments, providing opportunities to improve customer satisfaction and identify early trends. The results of these surveys are consolidated and submitted to the marketing research teams on a monthly basis.

Commercial Vehicles brands assess customer satisfaction using the ANS service (see also page 225) 72 hours after service delivery. The general level of satisfaction with the service is assessed, based on three elements: the telephone service or call center, on-site assistance, and the service dealer (winch or tow). Assessment results lead to a plan of action to be implemented by field services.

In 2015, CNH Industrial launched a Customer Satisfaction Index (CSI) program in EMEA, on lead markets in the Agricultural Equipment and Commercial Vehicles segments. The aim was to monitor the quality of services offered through its own distribution network regarding sales (CSI sales) and after-sales (CSI after-sales). During the telephone interview, clients talk about their experiences and highlight the best aspects as well as areas for improvement. In 2016, the project will be extended across the entire Region.

CUSTOMER SERVICE PERFORMANCE INDICATORS

CNH INDUSTRIAL WORLDWIDE

Agricultural Equipment and Construction Equipment	**EMEA**	**NAFTA[a]**	**LATAM**
Contacts managed[b] (no.)	116,708	31,323	8,525
Call center replies (%) within 20 seconds	87%	-	-
Average Call Center response time (seconds)	20	24	8
Vehicle downtime			
Vehicles repaired within 48 hours (%)	68%	29%[c]	42%
Customer participation in satisfaction surveys[d] (%)	20%	2.7%	n.a.
Satisfaction index (scale of 1-10)			
Information quality	7.7	4.27	n.a.
Complaints	6.4	6.19	n.a.
Breakdown Assistance[e]	n.a	9.3	8.4
Commercial Vehicles			
Contacts managed (no.)	855,440	-	57,232
Call center replies (%) within 20 seconds	73%	-	-
Average Call Center response time (seconds)	-	-	19
Vehicle downtime			
Arrival under 70 minutes (%)	-	-	75%
Roadside repair under 2 hours (%)	75%	-	72%
Customer participation in satisfaction surveys[f] (%)	25%	-	44%
Satisfied or *Very satisfied* customers (%)	97%	-	90%

[a] *Commercial Vehicles are not marketed in NAFTA.*
[b] *Breakdown Assistance contacts are not included.*
[c] *85% of the parts were delivered in 48 hours or less.*
[d] *Based on customer information and complaint survey data.*
[e] *Data no longer collected in EMEA due to data protection legislation.*
[f] *Survey carried out to objectively evaluate and measure customer satisfaction with the Assistance Non-Stop service for vehicle breakdowns.*

OUR PROJECTS

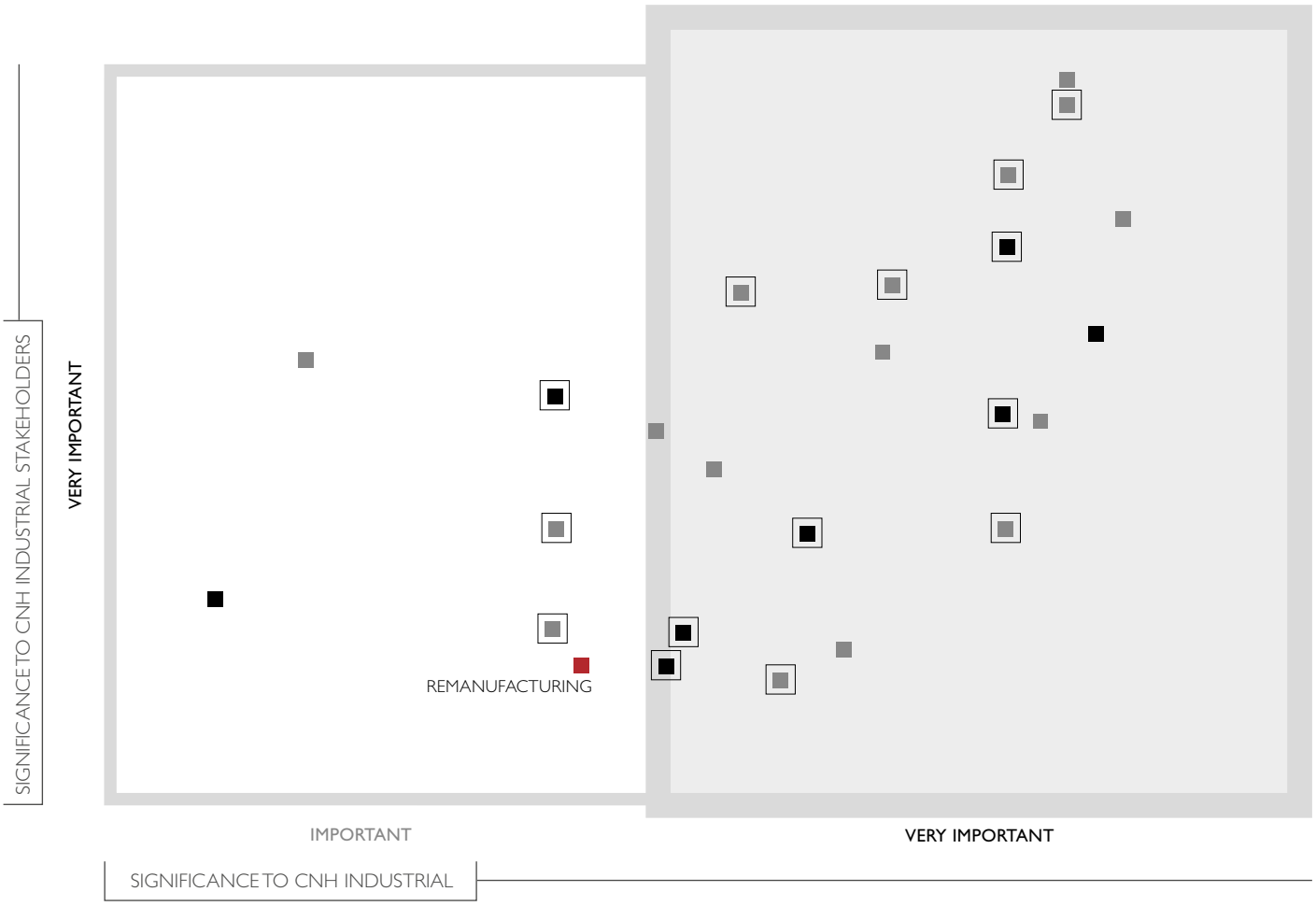
PAVING THE WAY TO CARE IN CHINA

Situated near China's southwest border, only about 10% of the Yunnan landscape is gently sloping, while most of it is uneven and difficult to travel. Roads are prone to landslides and mudslides throughout the province, and the complex geological conditions mean there is great potential demand for road construction and maintenance services. As such, Yunnan is one of Case Construction Equipment's major markets in China. However, the challenging climatic conditions and working environments in various regions, including oxygen-scarce plateaus and tropical rain forests that are very hot and humid for extended periods of time, create great difficulties for road works and expose workers to a variety of diseases. In these remote areas, where temperatures are as extreme as the terrain, access to good medical care is limited. With this in mind, Case Construction Equipment decided to plan a little something extra during its visit to Yunnan for the annual *Customer Care Plan*, a feedback event aimed at getting closer to customers. In conjunction with its local dealer, Yunnan Anry Mechanical & Electrical Equipment Technology Development, and the local government, the brand backed a free medical consultation program for road maintenance workers over a period of three months. The clinic was set up across 5 different routes, catering to the main areas of Yunnan and covering a total distance of over 12,000 kilometers (7,456 miles). Thanks to the hard work of 20 medical professionals from 4 reputable hospitals in Yunnan, more than 15,300 road maintenance workers from different parts of the province were able to benefit from first-rate medical services. This social initiative, which came to a successful end on June 27, proved to be one of the company's best-ever customer events.

GLOSSARY
EMEA; LATAM
NAFTA

GRI
G4-PR5

REMANUFACTURING AND END-OF-LIFE



Material aspects described in chapter. For further details, see Materiality Matrix, page 23.

REMANUFACTURING

As the materiality analysis shows, CNH Industrial recognizes the importance of reusing, recycling, and recovering components that could otherwise become landfill waste at their end-of-life.
Stakeholders believe it is important to reduce raw material usage and CO_2 emissions, cut costs by reusing recoverable materials, thus avoiding waste, and extend remanufacturing to other sectors. However, stakeholders feel that more stringent standards are necessary to streamline the technical specifications of processes and to ensure reliable and consistently high quality end products.

By regenerating, or remanufacturing, worn components (cores), CNH Industrial reduces waste, reuses materials, and encourages the recycling of recoverable materials. Additionally, by avoiding the extraction of new raw materials, it reduces both energy use and the production of greenhouse gases. Indeed, the reconditioning and reuse of components lessens environmental impact by contributing to reducing the use of raw materials by about 1,200 tons per year, with a corresponding reduction in CO_2 emissions.

Remanufacturing cores is an industrial process that ensures the same standards of operational performance as new products, triggering a virtuous cycle of savings in raw materials and reductions in materials going to landfill.
This process ensures customers reliability and reduced vehicle downtime at competitive prices.
The Parts and Service function leads the overall remanufacturing project in close cooperation with FPT Industrial for all driveline related parts, and the function head is a member of the Group Executive Council. There are various stakeholders involved in the remanufacturing process:

- customers
- dealerships, which propose remanufacturing solutions, salvage cores, and fit remanufactured parts on vehicles
- suppliers, which remanufacture cores and ensure the same operational performance as new products
- Parts and Service, which manages product portfolios, commercial offers and communication, training to dealers, and logistics and reverse logistics processes.

> By remanufacturing worn components, CNH Industrial reduces waste, reuses materials, and encourages the recycling of recoverable materials

Parts and Service manages the overall process, from the collection of cores from dealerships to the stocking and retailing of remanufactured products to end customers. CNH Industrial offers a full range of original spare parts to cover the entire life cycle of all products, alongside a broad selection of remanufactured parts. All brands can thus offer more environmentally friendly products, like-new quality, and good value, since remanufactured parts save the customer an average 30% on the purchase price.
As stated in the Sustainability Plan, CNH Industrial's objective is to ensure that, by 2016, 5-10% of spare parts sales will consist of remanufactured parts, with variable percentages according to Region.

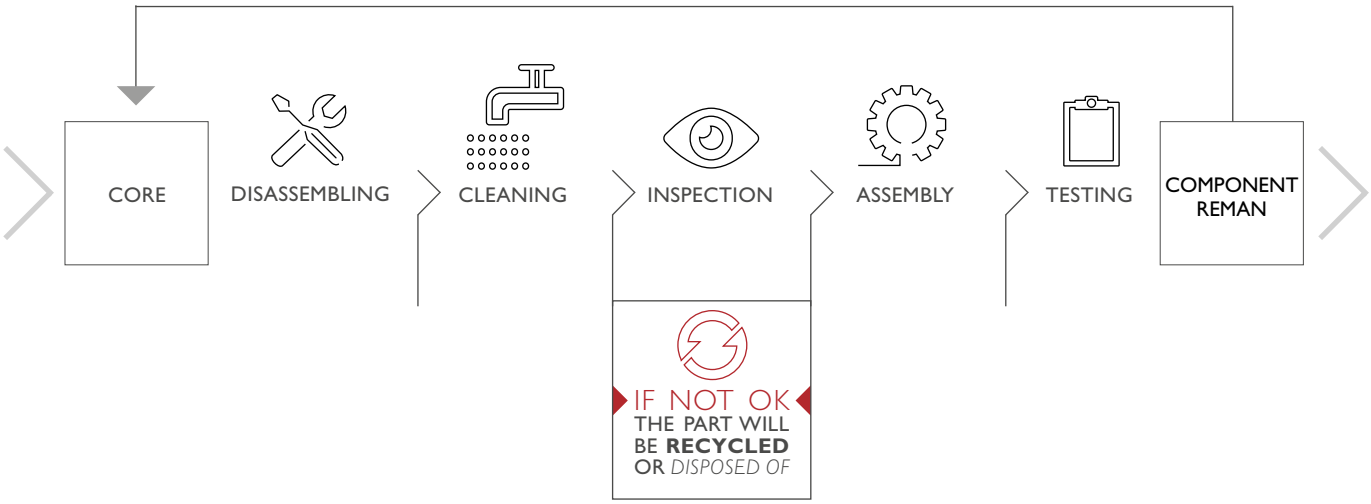
GLOSSARY
Core; DMA

GRI
G4-DMA

OUR APPROACH

Specifically in EMEA, Parts and Service function collects cores from dealerships and transfers them to the FPT Industrial Garchizy plant (France), or to one of its certified and approved suppliers. The supplier's knowledge of components and their design guarantees the efficiency and quality of the remanufacturing processes, and all remanufactured products feature the same technological upgrades currently available on the market.

THE REMANUFACTURING PROCESS



4,630 remanufactured spare parts and components available

Once delivered, cores are disassembled, cleaned, and inspected. After inspection, all unrecoverable parts are recycled or disposed of. Strict adherence to current laws is guaranteed throughout the process with regard to the proper disposal of products or parts thereof that are no longer usable and thus discarded.
Core recovery is key to achieving maximum efficiency in the remanufacturing process (the *replacement rate*), and is performed by professional experts who ensure final product quality.
Cores are remanufactured using parts that are either new or remanufactured themselves, as per the original design, technical specifications, and regulatory standards. Finally, the functional requirements of remanufactured components are certified following rigorous in-house benchmark testing, which gives customers the certainty of purchasing spare parts offering the same quality, performance standards, life expectancy, and emissions levels as the equivalent new components. As further proof of their high quality and reliability, the spare parts remanufactured by CNH Industrial are subject to exactly the same maintenance intervals and warranty conditions as new parts.
Products are remanufactured for Case IH, New Holland Agriculture and New Holland Construction, Case Construction Equipment and for Iveco products. They include a wide range of more than 4,600 parts, including: engines (blocks or components), transmissions, cylinder heads, turbines, starter motors, alternators, fuel injection systems, control units, flywheels, clutches, compressors, hydraulic components, etc., and are available across the board for all CNH Industrial brand products.
Over the last 3 years, the sales of remanufactured parts for the Commercial Vehicles segment increased by over 60% year over year, demonstrating the potential for expansion, provided the offer is broad enough and marketed to customers seeking to contain costs.

AVAILABILITY OF REMANUFACTURED SPARE PARTS

CNH INDUSTRIAL WORLDWIDE (no.)

	2015	2014	2012
Agricultural Equipment	**1,940**	780	720
Construction Equipment	**960**	220	180
Commercial Vehicles	**1,040**	700	550
Powertrain (engines)	**690**	450	380
Total	**4,630**	2,150	1,830

GLOSSARY Core; EMEA
GRI G4-EN27

RECYCLING AND RECOVERY

The commitment to reduce the environmental impact of end-of-life vehicles (ELVs) starts in the concept and design phase, through the selection of easily recyclable components, and continues every step of the way, from the remanufacturing of worn components (cores), to providing customer assistance in the scrapping of products that are no longer serviceable, but whose parts are suitable for remanufacturing.

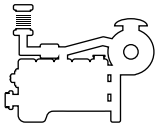
MAIN MATERIALS USED

Material type	Renewable material	Non-renewable material[a]	Recoverable material	Purchased from external suppliers[b]
Metals	-	✓	✓	✓
Polymers[c]	-	✓	✓	✓
Elastomers[c]	-	✓	✓	✓
Glass	-	✓	✓	✓
Fluids[c]	-	✓	✓	✓

(a) As per GRI standards, non-renewable materials are resources that do not renew in short time periods, such as minerals, metals, oil, gas, or coal.
(b) CNH Industrial does not always purchase raw materials directly (see also page 153).
(c) The actual level of recyclability depends on contingent factors such as the technologies available in a given country, chemical compatibility, and composition details.

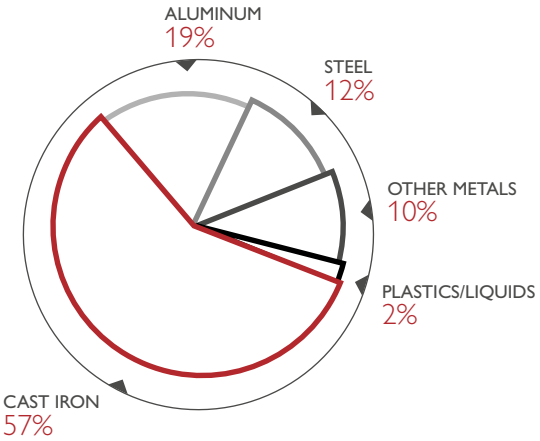
In Europe, for all new type-approved car models, the European Directive 2005/64/EC (on Reusability, Recyclability, Recoverability) sets minimum levels of recoverability (95%) and recyclability (85%).
In July 2010, these regulations were extended to light commercial vehicles, hence including some of the Iveco product range. CNH Industrial monitors and optimizes recoverability and recyclability levels through the International Material Data System (IMDS), a database containing information on the composition of suppliers' products (see also page 163).
In 2014, the first product Life Cycle Assessments performed provided data on exact material composition and percentage breakdown, as well as an estimate of recyclability rates for each material.

As regards the F1 engine, the **recoverability** rate is **95%** of the total weight, in line with the minimum requirements of Directive 2000/53. It is, however, a conservative figure considering FPT Industrial's environmental policies, which favor the use of materials and design solutions enabling the production of components suitable for disassembly and remanufacturing.



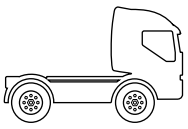
COMPOSITION OF F1C ENGINE

CNH INDUSTRIAL WORLDWIDE



GLOSSARY
Core; IMDS

GRI
G4-EN1

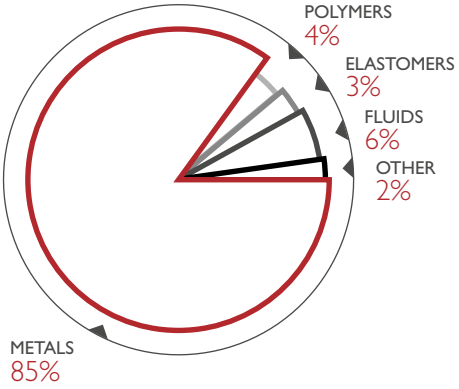


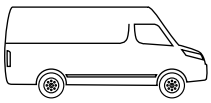
The IMDS was one of the main tools employed within the scope of the *Ecoconception* project, used by the suppliers of Iveco Astra (by some for the first time) to collect comprehensive data on vehicle composition. This data enabled the brand to assess, from a *green procurement* perspective, the level of conformity of the vehicles involved with the regulations in force for light vehicles, particularly Directive 2000/53/CE with regard to the ban on heavy metals, and Directive 2005/64/CE on vehicle reusability, recyclability, and recoverability.

The IMDS database was also used to identify any Substances of Very High Concern, thus helping to achieve compliance with the REACH Regulation in terms of reporting obligations (Art. 33) and substance authorization and restriction requirements (annex XIV and annex XVII). During the year, suppliers were directly involved in a specific project devised to focus on substances on the Authorization List with a *sunset date* in 2015, and on vehicle recyclability and recoverability. The calculation method provided by Directive 2005/64/CE to determine the recyclability of light vehicles was simplified and applied to heavy vehicles, resulting in a **recoverability** rate of approximately **93%**.

COMPOSITION OF IVECO ASTRA HEAVY DUTY TRUCK

(PERCENTAGE OF TOTAL VEHICLE WEIGHT)

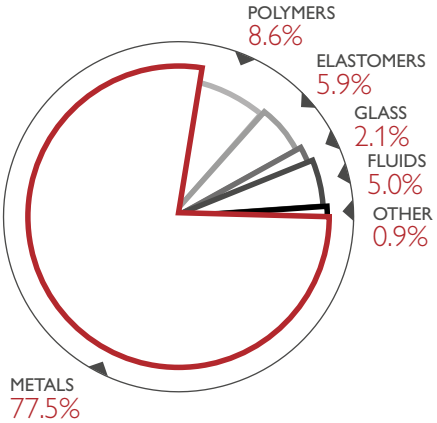




The Iveco New Daily has already reached and exceeded a **95% recoverability** rate. Furthermore, thanks to an agreement with Fiat Chrysler Automobiles, its end-of-life in Italy is handled through a network of approximately 300 authorized agents, duly trained to recycle metals and separate polymers into different categories. The list of authorized dismantling agents is available on the Iveco website.

COMPOSITION OF IVECO DAILY CAB BY MATERIAL[a]

(PERCENTAGE OF TOTAL VEHICLE WEIGHT)

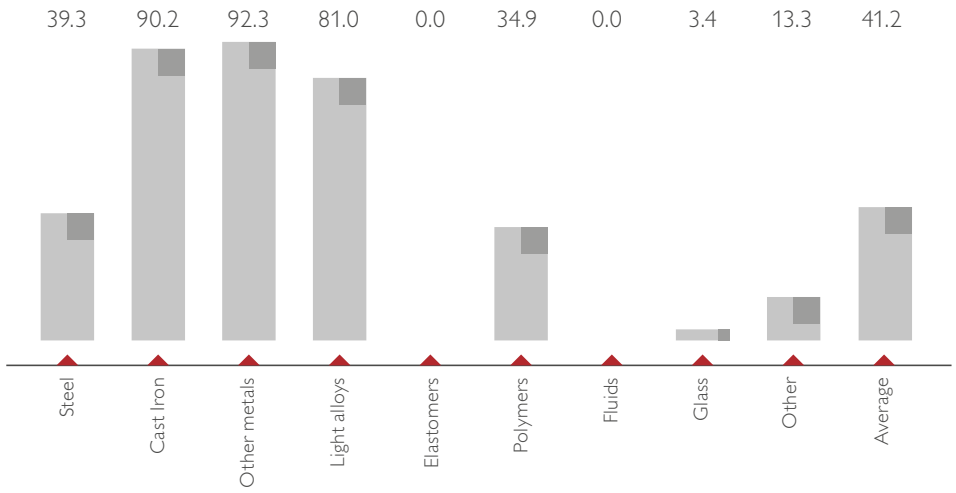


GLOSSARY
IMDS; REACH

[a] *Data refers to average values for Iveco's New Daily launched in 2014, as per European Directive 2005/64/EC.*

PERCENTAGE OF RAW MATERIALS RECYCLED[a]

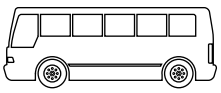
IVECO NEW DAILY (% OF TOTAL RAW MATERIAL USED)



[a] Data refers to average values for Iveco's New Daily launched in 2014, as per European Directive 2005/64/EC.

Moreover, all of the Euro V Heuliez buses still manufactured at Rorthais (France) have stainless steel frames and composite panels. The lightness of these materials allows saving fuel, which reduces pollution. Furthermore, a recyclable material such as stainless steel allows limiting the use of solvents, while the adoption of composite panels, identified on the production line by standardized labeling, facilitates sorting and recycling when the product reaches its end-of-life.

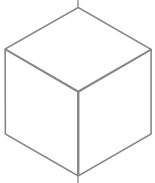
According to ISO 22628 standards, the bus has a recyclability rate of 88% and a **recoverability** rate of **94%**.

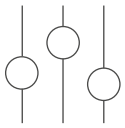


04

APPENDIX

THE FOLLOWING SECTION CONTAINS: THE METHODOLOGY NOTE; THE PERFORMANCE INDICATORS RELATING TO HUMAN RESOURCES AND TO THE ENVIRONMENTAL IMPACT OF OUR MANUFACTURING PROCESSES, AS WELL AS OTHER GRI INDICATORS; THE STATEMENT OF ASSURANCE; THE GRI-G4 CONTENT INDEX; AND A GLOSSARY OF THE MAIN TECHNICAL TERMINOLOGY.





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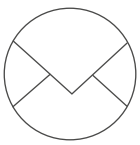


CONTACTS

REPORT PARAMETERS

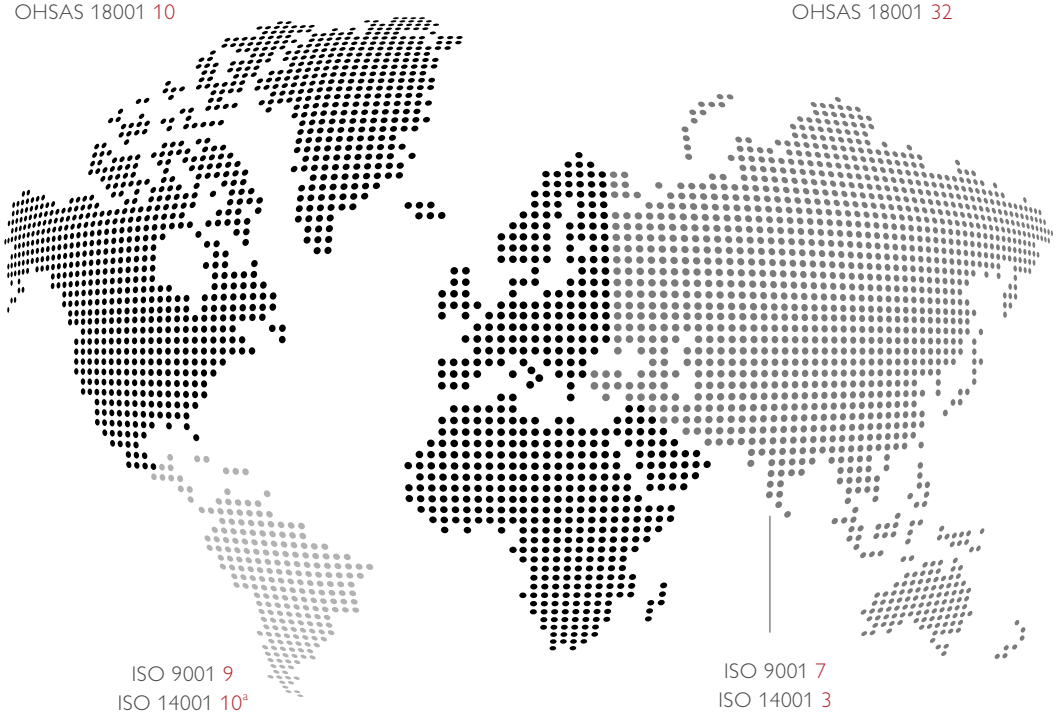
PLANT CERTIFICATIONS

NAFTA

ISO 9001 9
ISO 14001 10
ISO 50001 10
OHSAS 18001 10

EMEA

ISO 9001 33
ISO 14001 31
ISO 50001 27
OHSAS 18001 32



LATAM

ISO 9001 9
ISO 14001 10[a]
ISO 50001 6
OHSAS 18001 10

APAC

ISO 9001 7
ISO 14001 3
ISO 50001 1
OHSAS 18001 3

(a) For sustainability reporting purposes, there are 11 ISO 14001 certified plants in LATAM. The Commercial Vehicles plant in Sete Lagoas (Brazil) is in fact considered separately to reflect the two different businesses present. See also page 239 for the complete list of plants within the scope.

OBJECTIVES AND SCOPE

CNH Industrial's Sustainability Report aims to give stakeholders a comprehensive overview of the Company's operations, integrating financial results and economic commitments with environmental and social ones.
This is the fourth CNH Industrial Sustainability Report. CNH Industrial was formed by the merger between Fiat Industrial S.p.A. and its subsidiary CNH Global N.V., completed on September 29, 2013. The merger had no impact on the consolidated activities of the former Fiat Industrial Group and the results presented herein are therefore consistent and comparable with those previously published by Fiat Industrial. CNH Industrial's operational scope coincides with that of Fiat Industrial.

This document was prepared in accordance with the GRI-G4 Global Reporting Initiative guidelines, core[1] option. The topics covered in the CNH Industrial Sustainability Report originate from the materiality analysis (see also page 22). As per the GRI-G4 reporting standard (core option), one or more indicators included in the guidelines were monitored for each material aspect (see also pages 270-274). 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 41). 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.

SCOPE OF THE REPORT

Unless otherwise stated, the **scope** of the Sustainability Report covers information and data for the year 2015 - which coincides with the calendar year - for all CNH Industrial segments worldwide consolidated in the Annual Report as at December 31, 2015. Unless otherwise indicated, the terms Company and CNH Industrial refer to CNH Industrial including all its subsidiaries (also indicated as legal entities). The term segment refers to Agricultural Equipment, Construction Equipment, Commercial Vehicles, Powertrain[2], and Financial Services. The Company is divided into the following Regions: EMEA, NAFTA, LATAM, and APAC. The countries that make up these Regions are listed in the Glossary (see pages 275-278). It should be noted that the definition of plant used in the Sustainability Report is in line with that in the Annual Report.

The exclusion of any geographic area, legal entity, plant or specific site from the scope of the Report is attributable to the inability to obtain satisfactory quality data, or to the immateriality of activities (as is often the case for newly acquired legal entities, joint ventures, or manufacturing activities not yet fully operational). In some cases, subsidiaries or plants 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 data are expressly indicated in the text or tables in the appendix.

(1) *The Global Reporting Initiative (GRI) is a multi-stakeholder association for the development and disclosure of guidelines for non-financial reporting. The GRI Sustainability Reporting Guidelines offer Reporting Principles, Standard Disclosures and implementation guidance for the preparation of sustainability reports by organizations, regardless of their size, sector or location. The Guidelines also offer an international reference for all those interested in the disclosure of governance approach and of the environmental, social and economic performance and impacts of organizations. The Guidelines offer two standalone options to demonstrate that the organization's sustainability report complies with the Guidelines. They are the Core option and the Comprehensive option.*

(2) *Following the creation of CNH Industrial, the scope of the Agricultural Equipment and Construction Equipment segments corresponds to that of CNH, the scope of the Commercial Vehicles segment corresponds to that of Iveco (including buses), and the scope of the Powertrain segment corresponds to that of FPT Industrial.*

GLOSSARY
EMEA; GRI
LATAM; Material Aspect
NAFTA; SRI

GRI
G4-20; G4-28;
G4-29; G4-32

PLANTS BY SCOPE[a]

CNH INDUSTRIAL WORLDWIDE

Country	Plant	Segment[b]	WCM	Health and Safety	Environment	Energy
EMEA						
Austria	Graz	CV		✓		
Austria	Sankt Valentin	AG	✓	✓	✓	✓
Belgium	Antwerp	PWT	✓	✓	✓	✓
Belgium	Zedelgem	AG	✓	✓	✓	✓
Czech Republic	Vysoke Myto	CV	✓	✓	✓	✓
France	Annonay	CV	✓	✓	✓	✓
France	Bourbon Lancy	PWT	✓	✓	✓	✓
France	Coex	AG	✓	✓	✓	✓
France	Croix	AG&CE	✓	✓	✓	✓
France	Fecamp	PWT		✓	✓	✓
France	Garchizy	PWT		✓	✓	✓
France	Rorthais	CV	✓	✓	✓	✓
France	Tracy-Le-Mont	AG&CE	✓	✓	✓	✓
Germany	Berlin	CE	✓		✓	✓
Germany	Ulm	CV	✓	✓	✓	✓
Italy	Bolzano	CV	✓	✓	✓	✓
Italy	Brescia	CV	✓	✓	✓	✓
Italy	Brescia Special Vehicles	CV	✓	✓	✓	✓
Italy	Foggia	PWT	✓	✓	✓	✓
Italy	Jesi	AG	✓	✓	✓	✓
Italy	Lecce	CE	✓	✓	✓	✓
Italy	Modena	PWT	✓	✓	✓	✓
Italy	Piacenza	CV	✓	✓	✓	✓
Italy	Pregnana Milanese	PWT		✓	✓	✓
Italy	San Mauro Torinese	CE	✓	✓	✓	✓
Italy	Suzzara	CV	✓	✓	✓	✓
Italy	Torino Driveline	PWT	✓	✓	✓	✓
Italy	Torino Motori	PWT	✓	✓	✓	✓
Italy	Vittorio Veneto	CV		✓	✓	✓
Poland	Plock	AG	✓	✓	✓	✓
Spain	Madrid	CV	✓	✓	✓	✓
Spain	Valladolid	CV	✓	✓	✓	✓
UK	Basildon	AG	✓	✓	✓	✓

[a] Plants for which data is collected for sustainability reporting purposes.
[b] AG = Agricultural Equipment
CE = Construction Equipment
CV = Commercial Vehicles
PWT = Powertrain

GLOSSARY
EMEA; WCM

GRI
G4-17

Country	Plant	Segment[b]	WCM	Health and Safety	Environment	Energy
NAFTA						
Canada	Saskatoon	AG	✓	✓	✓	✓
Mexico	Queretaro	AG&CE	✓	✓	✓	✓
USA	Benson	AG	✓	✓	✓	✓
USA	Burlington	CE	✓	✓	✓	✓
USA	Calhoun	CE	✓		✓	✓
USA	Fargo	AG&CE	✓	✓	✓	✓
USA	Goodfield	AG	✓	✓	✓	✓
USA	Grand Island	AG	✓	✓	✓	✓
USA	New Holland	AG	✓	✓	✓	✓
USA	Racine	AG	✓	✓	✓	✓
USA	Wichita	CE	✓	✓	✓	✓
LATAM						
Argentina	Cordoba	AG	✓	✓	✓	
Argentina	Cordoba	CV	✓	✓	✓	✓
Argentina	Cordoba	PWT	✓	✓	✓	
Brazil	Contagem	CE	✓	✓	✓	✓
Brazil	Curitiba	AG	✓	✓	✓	✓
Brazil	Piracicaba	AG	✓	✓	✓	✓
Brazil	Sete Lagoas	PWT	✓	✓	✓	✓
Brazil	Sete Lagoas	CV	✓	✓	✓	✓
Brazil	Sete Lagoas Special Vehicles	CV	✓	✓	✓	✓
Brazil	Sorocaba	AG&CE	✓	✓	✓	✓
Venezuela	La Victoria	CV	✓	✓	✓	✓
APAC						
Australia	Dandenong	CV	✓	✓	✓	✓
China	Chongqing	PWT	✓	✓	✓	✓
China	Harbin	AG	✓			
India	Noida	AG	✓	✓	✓	✓
India	Pithampur	CE	✓	✓		

Specifically, regarding the scope of the Report:

- **World Class Manufacturing** (WCM) data relates to 54 plants consolidated in the Annual Report as at December 31, 2015, representing 98% of revenues from sales of products manufactured at CNH Industrial plants
- **occupational health and safety** data relates to 60,036 employees, or about 96% of the workforce within the reporting scope
- information on **environmental** performance and management systems relates to 57 fully consolidated plants, representing 99% of revenues from sales of products manufactured at CNH Industrial plants
- information on **energy** performance and management systems relates to 55 fully consolidated plants, representing 97% of revenues from sales of products manufactured at CNH Industrial plants.

In addition, there are:

- 55 ISO 14001 certified plants, representing 99% of revenues from sales of products manufactured at CNH Industrial plants
- 44 ISO 50001 certified plants, representing 92% of revenues from sales of products manufactured at CNH Industrial plants
- 55 OHSAS 18001 certified plants, representing 99% of revenues from sales of products manufactured at CNH Industrial plants.

GLOSSARY
APAC; ISO 14001
ISO 50001; LATAM;
NAFTA; OHSAS 18001;
WCM

The plant in Berlin (Germany), running at reduced production capacity, was not included within the scope of consolidation for ISO 14001 and OHSAS 18001 certifications. The plant in Calhoun (USA) was shut down in 2015, and therefore was not included within the scope of certifications of operational plants as at December 2015.
As of 2015, data collection started at other CNH Industrial plants worldwide, representing 1% of revenues from sales of products manufactured at CNH Industrial plants. These plants will be consolidated in the reporting scope in 2017, after 3 years of data has been collected.
As regards the difference in scope compared to 2014, 2 plants were added within the 2015 reporting scope - Sete Lagoas Special Vehicles (Brazil) and Cordoba PWT (Argentina). Since they were previously considered jointly with other plants in the environmental scope, no restatement of data was necessary.
On the other hand, the Sete Lagoas Special Vehicles plant was included in the energy scope, thus requiring a restatement of the 2014 data.

DEFINING SUSTAINABILITY REPORT CONTENTS

Sustainability Report **contents are selected** through a process of exchange and comparison across CNH Industrial's internal structures, through a network of representatives within the different organizational areas that oversee the implementation of initiatives and the reporting of performance in terms of sustainability.

Defining the contents of the report is a process based on principles of materiality, stakeholder inclusiveness, sustainability context, and completeness. This complex and systematic process, which takes place during the Report's planning phase, in part through the materiality analysis (see also page 22), focuses on defining the topics and scope considered important for CNH Industrial's business and stakeholders owing to their economic, environmental, and social impact. The Report provides as complete a representation as possible of the relevant information, defining environmental and social action priorities and timeframes, to enable a thorough evaluation by stakeholders.

Ensuring the quality of information, on the other hand, is a process that concerns principles of balance, comparability, accuracy, timeliness, clarity, and reliability as per the GRI. Indeed, the annual Sustainability Report describes positive trends as well as weaknesses and areas for improvement, with the aim of presenting a clear and balanced picture of CNH Industrial's sustainability performance to its stakeholders. Furthermore, information and quantitative data is collected in such a way as to enable data comparability over several years and between similar organizations, with the aim of enabling an accurate reading of the information provided.

The **realization** of the Sustainability Report was contingent on a systematic information and data retrieval process, crucial to ensure the accuracy of sustainability performance reporting. Approximately 200 Key Performance Indicators (KPIs) were reported in this document. Where available, computerized management and control systems (e.g., the SAP HR platform for employee data, and *Energy* for financial data on communities) were used to ensure the reliability of information flows and data accuracy. Other indicators were monitored through electronic databases (e.g., Standard Aggregation Data for environmental, health and safety data) or spreadsheets, populated directly by the representatives of each thematic area worldwide and verified by their supervisors.

In order to substantiate the Company's commitment and the reliability of contents, the Sustainability Report was **verified, analyzed, and approved** by multiple parties. It was:

- drawn up by the Sustainability Unit, which reports to the Chief Financial Officer and coordinates across all concerned functions
- submitted to SGS Nederland B.V.[3], an independent certification body, for verification as per Sustainability Reporting Assurance (SRA) procedures and in compliance with both the GRI-G4 Guidelines and AA1000 APS 2008 standard. SGS is officially authorized to provide assurance as per AA1000. It also assured the alignment of CNH Industrial's sustainability management system with the ISO 26000 guidelines on social responsibility[4]
- approved by the members of the Group Executive Council, CNH Industrial's highest decision-making body after the Board of Directors
- viewed by the Governance and Sustainability Committee, a subcommittee of CNH Industrial's Board of Directors

GLOSSARY
AA1000; GRI; ISO 14001; ISO 26000; KPI; OHSAS 18001

GRI
G4-18; G4-22; G4-23; G4-30; G4-33

(3) As at December 31, 2015, Sergio Marchionne and Peter Kalantzis, Chairman and Director of the CNH Industrial Board of Directors, are also, respectively, Non-Executive Chairman and Non-Executive Director of the Board of Directors of SGS S.A.
(4) The statement of assurance, describing the activities carried out and the opinions expressed, is available on pages 268-269.

- presented along with the Annual Report at CNH Industrial's 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

FREE FLOAT ANALYSIS

The analysis conducted by Vigeo S.A covers the largest global asset owners (see below) and mutual funds.
Asset owners include pension funds (national, occupational, company specific, or local government), foundations, public funds, insurance funds, endowments, sovereign wealth funds, or large financial organizations investing their own assets. Assets managed by firms on behalf of clients are not included.
An **asset owner** is identified as a Socially Responsible Investor (SRI) if at least one of the following conditions is met:
- it adopts SRI principles in its investment policy (with regard to voting, engagement, activism, and screening)
- it has dedicated SRI mandates
- it uses SRI benchmarks.

The analysis also covered green, social, and ethical **mutual funds** (see below) operating worldwide.
A mutual fund is defined as per the European Fund and Asset Management Association (EFAMA) Statistical Releases, i.e., publicly offered open-end funds investing in transferable securities and money market funds. However, the Vigeo analysis in question is not fully in line with this definition as it also included some life insurance and pension funds, consistent with Vigeo's own definitions set out in Green, Social and Ethical Funds in Europe – 2015 Review.
To be eligible for analysis, a mutual fund must:
- perform ethical, social or environmental screenings for stock and bond issuers (negative and/or best-in-class screens)
- be marketed as an SRI
- be available to the public (retail funds).

The **Free float** is the percentage of shares remaining after adjusting for block ownership and restricted shares, 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 held by investment companies and funds - that have to be reported to domestic regulatory agencies.

DETAILS OF CALCULATIONS

- To enable comparability over time, the data presented refers to the three-year period from 2013 to 2015.
- The **added value**, representing the value generated by Corporate business activities, was calculated via an internal method as the difference between production value and the associated intermediate costs, net of depreciation. The global net added value was then divided among beneficiaries as follows: employees (direct remuneration comprising salaries, wages, and severance pay; and indirect remuneration consisting of welfare benefits); government and public institutions (income taxes); financial backers (interest paid on borrowed capital); shareholders (dividends payable); Company (share of reinvested profits); and local communities.
- Economic data was collected directly rather than extrapolated from the Annual Report, and converted into US dollars using the **average exchange rate** as at December 31, 2015.

- **Human resources** data refers to the entire Corporate scope, unless otherwise specified.
- **Employees** are divided into four main categories: Hourly, Salaried, Professional, and Manager. Professional encompasses all individuals in specialized and managerial roles. Manager refers to individuals in senior management roles.
- **Injury rates** were calculated excluding commuting accidents, i.e., those involving employees during normal commutes between place of residence and work.
- Each manufacturing operative unit is required to report monthly safety data to the regional EHS department, which is accountable for data reporting and statistics on **safety** at Company level. Data collection and analysis is performed by means of specific information technology tools and software.
- Investment data for **local communities** is based on accounting data and calculation methods, and also includes estimates. Figures in currencies other than dollars were converted at the exchange rate as at December 31, 2015. The stated figures also take into account the cost of employee time to manage and organize humanitarian initiatives promoted by the Company, and do not include brand promotion initiatives.
- Regarding **environmental and energy performance**, normalized production unit indices were defined to evidence 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. Starting from 2014 the performance indicators are calculated on the *total number of manufacturing hours*, defined as hours of presence of hourly employees within the manufacturing scope required to manufacture a product.
- Values expressed in **tons** refer to metric tons (one thousand kilos).
- With regard to **environmental data**, Standard Aggregation Data (SAD) or similar systems were individually compiled for each production unit based on respective qualitative and quantitative data. Individual Standard Aggregation Databases only include data relevant to the activities of the production unit in question. Depending on data, the detection criterion was either measured, calculated or estimated[1].
- **NO_x**, **SO_x** and **dust** emissions were calculated based on historical average values.
- The emissions of **Ozone Depleting Substances** (ODS), deriving from inevitable leaks from cooling and air conditioning equipment, were calculated based on the amount of R-22 refilling, and converted into kilos of CFC-11 equivalent considering an Ozone Depletion Potential of 0.055 (source: United Nations Environment Programme (UNEP), HCFCs controlled under the Montreal Protocol).
- The Sustainability Report accounts for **industrial waste**, i.e., any waste directly or indirectly related to production unit activities. Industrial waste includes:
  - waste generated in production departments during normal working cycles
  - waste that, while not directly associated with manufacturing activities, is generated as a result of auxiliary or production support activities within the production unit (e.g., maintenance, logistics, clerical, catering, medical room, sanitation, etc.).

  The reporting scope does not include waste that is not associated with manufacturing, auxiliary, or production support activities within the production unit, nor waste generated as a result of activities outside the normal production cycle.
- From 2015, **waste recovered** includes waste sent to energy conversion. The data referring to 2013 and 2014 was updated in line with this new definition.

GLOSSARY
ODS; SAD

GRI
G4-LA6; G4-EN8; G4-EN10; G4-EN21; G4-EN22

(1) *A value is considered as measured if detected using a certified measurement tool. This criterion remains valid even if a formula is applied to convert the detected value's unit of measurement. A value is considered as calculated if derived from two or more measured data items related by a formula or algorithm. A value is considered as estimated if based on at least one uncertain data item in addition to other measured quantities.*

- The **water sources** (or water bodies) considered as significantly affected by water withdrawals and/or discharges fall into three categories: protected, with high biodiversity value, or affected by water withdrawals and/or discharges in excess of 5% of their average annual volume. A protected water body is a geographically defined area designated, regulated, and managed according to specific conservation objectives. A water body with high biodiversity value is an area that is not legally protected, but recognized by government and nongovernmental organizations for the presence of significant biodiversity.

- **Energy** consumption was measured via specific measurement systems and converted into joules through specific equivalences based on the energy vector. For example, when monitored as a secondary vector, compressed air is indicated in Nm^3 and, through conversion formulas, translated into kWh and then GJ. Direct energy refers to the forms of energy that fall within the scope of the organization's operations; it can either be consumed by the organization within its boundaries, or exported to other users. Indirect energy refers to the energy produced outside the scope of the organization's operations, supplied to meet the organization's needs (e.g., electricity, heating, and cooling).

- At CNH Industrial, the sources of **greenhouse gas** emissions, besides the CO_2 emissions from energy consumption, are associated with the use of HFC compounds with Global Warming Potential (GWP) present in air-conditioning, cooling, fire suppression, aerosol (e.g., propellants), and manufacturing equipment. The potential emissions from these substances (CO_2 eq) are negligible compared with emissions from energy production; in fact, with an incidence of less than 0.52%, they fall outside the reporting scope.

- **CO_2 emissions** were calculated according to GHG Protocol standards, implemented through Company guidelines, whereas the indirect emissions associated with energy production emission factors were calculated as per the standards published in November 2015 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*.

GLOSSARY
Biodiversity; CO_2 eq
Direct Emissions; Indirect Emissions; GHG Protocol; HFCs

GRI
G4-EN3; G4-EN6; G4-EN9; G4-EN15; G4-EN16

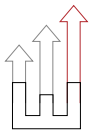
OTHER INFORMATION

As regards the **infographics** included in the document, the percentages indicate trends calculated against 2014, unless otherwise specified.
GRI-G4 indicators are referenced at the bottom of the pages in which they are disclosed. If a disclosure is explained over a number of consecutive pages, it is indicated only on the first page.

This icon indicates the sections explaining the management approach to a specific material aspect

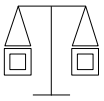
This icon indicates a link with targets in the Sustainability Plan

This icon indicates a link with 2015 results in the Sustainability Plan



This icon indicates CNH Industrial's specific approach to the issue with regard to Emerging Markets, defined as low, lower-middle, or upper-middle income countries as per the 2015 World Bank list of economies

This icon indicates steps of the process in which the Quality function plays an important and/or mandatory role



This icon indicates CNH Industrial's reference to human rights

This icon indicates a link to UN Sustainable Development Goals

UN SUSTAINABLE DEVELOPMENT GOALS[a]

SDG	
SDG 1	End poverty in all its forms everywhere
SDG 2	End hunger, achieve food security and improved nutrition and promote sustainable agriculture
SDG 3	Ensure healthy lives and promote well-being for all at all ages
SDG 4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
SDG 5	Achieve gender equality and empower all women and girls
SDG 6	Ensure availability and sustainable management of water and sanitation for all
SDG 7	Ensure access to affordable, reliable, sustainable and modern energy for all
SDG 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
SDG 9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
SDG 10	Reduce inequality within and among countries
SDG 11	Make cities and human settlements inclusive, safe, resilient and sustainable
SDG 12	Ensure sustainable consumption and production patterns
SDG 13	Take urgent action to combat climate change and its impacts
SDG 14	Conserve and sustainably use the oceans, seas and marine resources for sustainable development
SDG 15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
SDG 16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
SDG 17	Strengthen the means of implementation and revitalize the global partnership for sustainable development

[a] *Sustainable Development Goals are set out in resolution A/RES/70/1, Transforming our World: the 2030 Agenda for Sustainable Development, adopted by the United Nations General Assembly on September 25, 2015.*

GLOSSARY
Biodiversity; Emerging Markets; GRI; Material Aspect

CNH INDUSTRIAL BOARD OF DIRECTORS SKILLS MATRIX

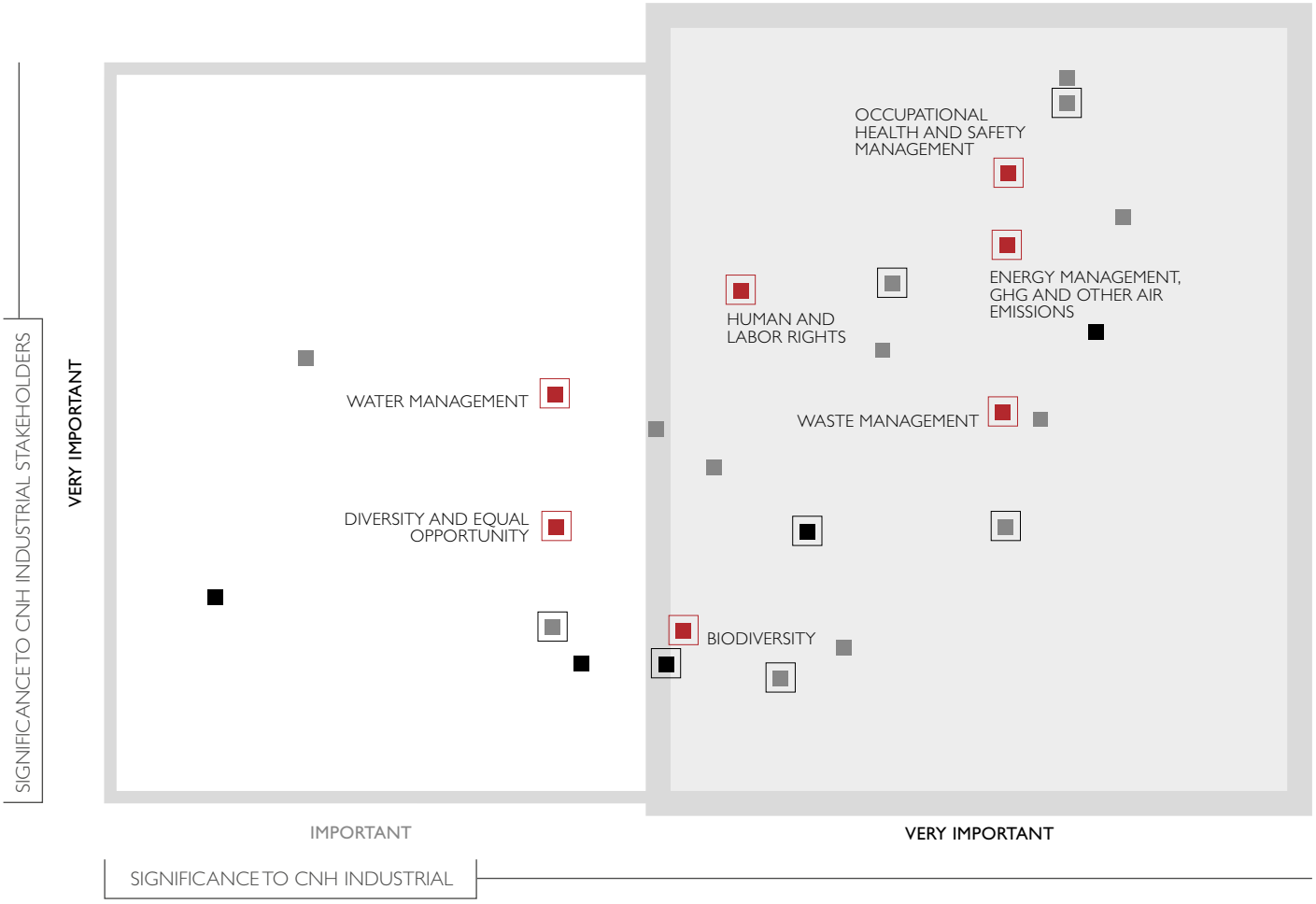
BOARD AS APPOINTED BY THE COMPANY'S SHAREHOLDERS AT THE GENERAL MEETING OF SHAREHOLDERS ON APRIL 15, 2015.

NAME	AGE[a]	OFFICE	DIRECTOR		CNH INDUSTRIAL COMMITTEE MEMBERSHIP	MANDATES IN OTHER LISTED COMPANIES[a]	INTERNATIONAL EXPERIENCE
			INDEPENDENT/ NON INDEPENDENT[c]	EXECUTIVE / NON EXECUTIVE		COMPANIES (as publicly available in the relevant biographies published on the CNH INDUSTRIAL website)	
SERGIO MARCHIONNE	63	CHAIRMAN	NON INDEPENDENT	EXECUTIVE		EXOR S.p.A. (Non-executive Vice Chairman) FCA - Fiat Chrysler Automobiles NV (CEO) Ferrari N.V. (Chairman) Philip Morris International Inc. (Director) SGS Group (Chairman)	YES
JOHN ELKANN	39	SENIOR NON EXECUTIVE DIRECTOR[b]	NON INDEPENDENT	SENIOR NON EXECUTIVE	GOVERNANCE AND SUSTAINABILITY COMMITTEE (Chairman) COMPENSATION COMMITTEE (Chairman)	EXOR S.p.A. (Chairman/CEO) FCA - Fiat Chrysler Automobiles NV (Chairman) News Corporation (Director)	YES
RICHARD J. TOBIN	52	CHIEF EXECUTIVE OFFICER	NON INDEPENDENT	EXECUTIVE		Türk Traktör ve Ziraat Makineleri A. (Vice Chairman)	YES
MINA GEROWIN	64	DIRECTOR	NON INDEPENDENT	NON EXECUTIVE	GOVERNANCE AND SUSTAINABILITY COMMITTEE	EXOR S.p.A. (Director) Lafarge S.A. (Director)	YES
MARIA PATRIZIA GRIECO	63	DIRECTOR	INDEPENDENT	NON EXECUTIVE	COMPENSATION COMMITTEE	Anima Holding S.p.A. (Director) Enel S.p.A. (Chairman)	YES
LÉO W. HOULE	68	DIRECTOR	INDEPENDENT	NON EXECUTIVE	COMPENSATION COMMITTEE		YES
PETER KALANTZIS	70	DIRECTOR	INDEPENDENT[d]	NON EXECUTIVE	AUDIT COMMITEE COMPENSATION COMMITTEE	SGS Group (Director) Von Roll Holding (Chairman)	YES
JOHN LANAWAY	65	DIRECTOR	INDEPENDENT[d]	NON EXECUTIVE	AUDIT COMMITEE		YES
GUIDO TABELLINI	59	DIRECTOR	INDEPENDENT	NON EXECUTIVE	–	CIR (Director)	YES
JACQUELINE A. TAMMENOMS BAKKER	62	DIRECTOR	INDEPENDENT	NON EXECUTIVE	GOVERNANCE AND SUSTAINABILITY COMMITTEE	Groupe Wendel (Director) TomTom (Director) Unibail Rodamco (Director)	YES
JACQUES THEURILLAT	56	DIRECTOR	INDEPENDENT[d]	NON EXECUTIVE	AUDIT COMMITEE (Chairman)		YES

[a] *As at December 31, 2015.*
[b] *According to the provisions of the Dutch Corporate Governance Code.*
[c] *Under the NYSE Listing Standards and the Dutch Corporate Governance Code.*
[d] *As a member of the Audit Commitee, 'independence' also verified under Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the Exchange Act).*

GRI G4-38

PERFORMANCE INDICATORS



Material aspects described in chapter. For further details, see Materiality Matrix, page 23.

HUMAN RESOURCES

EMPLOYEES IN NUMBERS

EMPLOYEES BY REGION AND CATEGORY[a]

CNH INDUSTRIAL WORLDWIDE (no.)

2015	**Total**	Hourly	Salaried	Professional	Manager
EMEA	**40,801**	26,208	6,078	7,944	571
NAFTA	**10,022**	5,726	204	3,893	199
LATAM	**8,812**	6,004	1,579	1,153	76
APAC	**4,756**	2,020	1,511	1,167	58
World	**64,391**	39,958	9,372	14,157	904
2014					
EMEA	**41,756**	26,935	6,372	7,830	619
NAFTA	**11,647**	6,823	1,549	3,059	216
LATAM	**10,485**	7,435	1,753	1,219	78
APAC	**5,319**	2,492	1,667	1,114	46
World	**69,207**	43,685	11,341	13,222	959
2013					
EMEA	**41,961**	27,228	6,709	7,431	593
NAFTA	**11,948**	6,989	1,573	3,193	193
LATAM	**12,081**	9,010	1,731	1,285	55
APAC	**5,202**	2,504	1,692	978	28
World	**71,192**	45,731	11,705	12,887	869

[a] *For more information on employee categories, see page 242.*

EMPLOYEES BY SEGMENT

CNH INDUSTRIAL WORLDWIDE (no.)

	2015	2014	2013
Agricultural Equipment	**24,494**	27,322	27,972
Construction Equipment	**5,695**	6,431	6,800
Commercial Vehicles	**24,783**	25,881	27,011
Powertrain	**8,163**	8,295	8,232
Other Activities[a]	**140**	114	109
Financial services	**1,116**	1,164	1,068
Total	**64,391**	69,207	71,192

[a] *Other Activities include Corporate functions.*

GLOSSARY
APAC; EMEA; LATAM; NAFTA;
GRI
G4-10

LABOR PRACTICES

EMPLOYEE TURNOVER BY REGION

CNH INDUSTRIAL WORLDWIDE (no.)

EMEA	2015	2014	2013
Employees at January 1	**41,756**	41,961	42,063
New Hires	**2,017**	1,812	2,319
Departures	**(2,753)**	(2,359)	(2,724)
Δ scope of operation	**(219)**	342	303
Employees at December 31	**40,801**	41,756	41,961

LATAM	2015	2014	2013
Employees at January 1	**10,485**	12,081	9,663
New Hires	**640**	1,093	3,706
Departures	**(2,348)**	(2,852)	(2,107)
Δ scope of operation	**35**	163	819
Employees at December 31	**8,812**	10,485	12,081

NAFTA	2015	2014	2013
Employees at January 1	**11,647**	11,948	11,734
New Hires	**447**	1,041	1,565
Departures	**(2,072)**	(1,582)	(1,372)
Δ scope of operation		240	21
Employees at December 31	**10,022**	11,647	11,948

APAC	2015	2014	2013
Employees at January 1	**5,319**	5,202	4,797
New Hires	**688**	1,070	1,163
Departures	**(1,251)**	(1,007)	(764)
Δ scope of operation		54	6
Employees at December 31	**4,756**	5,319	5,202

Total worldwide	2015	2014	2013
Employees at January 1	**69,207**	71,192	68,257
New Hires	**3,792**	5,016	8,753
Departures	**(8,424)**	(7,800)	(6,967)
Δ scope of operation	**(184)**	799	1,149
Employees at December 31	**64,391**	69,207	71,192

EMPLOYEE TURNOVER BY CATEGORY[a]

CNH INDUSTRIAL WORLDWIDE (no.)

Hourly	2015	2014	2013
Employees at January 1	**43,685**	45,731	43,702
New Hires	**2,238**	3,149	6,012
Departures	**(5,633)**	(5,321)	(4,729)
Δ change in category	**(84)**	(100)	(177)
Δ scope of operation	**(248)**	226	923
Employees at December 31	**39,958**	43,685	45,731

Salaried	2015	2014	2013
Employees at January 1	**11,341**	11,705	11,221
New Hires	**877**	1,056	1,665
Departures	**(1,381)**	(1,239)	(1,124)
Δ change in category	**(1,496)**	(392)	(273)
Δ scope of operation	**31**	211	216
Employees at December 31	**9,372**	11,341	11,705

Professional	2015	2014	2013
Employees at January 1	**13,222**	12,887	12,430
New Hires	**654**	778	1,029
Departures	**(1,278)**	(1,128)	(1,015)
Δ change in category	**1,527**	347	433
Δ scope of operation	**32**	338	10
Employees at December 31	**14,157**	13,222	12,887

Manager	2015	2014	2013
Employees at January 1	**959**	869	904
New Hires	**23**	33	47
Departures	**(132)**	(112)	(99)
Δ change in category	**53**	145	17
Δ scope of operation	**1**	24	-
Employees at December 31	**904**	959	869

[a] *For more information on employee categories, see page 242.*

GLOSSARY
APAC; EMEA; LATAM; NAFTA

GRI
G4-LA1

EMPLOYEE TURNOVER BY AGE

CNH INDUSTRIAL WORLDWIDE (no.)

Up to 30 years	2015	2014	2013
Employees at January 1	**13,133**	15,443	14,533
New Hires	**1,976**	2,678	4,940
Departures	**(2,637)**	(3,093)	(2,659)
Δ age range	**(1,794)**	(2,076)	(2,000)
Δ scope of operation	**58**	181	629
Employees at December 31	**10,736**	13,133	15,443

31 to 40 years	2015	2014	2013
Employees at January 1	**21,672**	22,203	21,189
New Hires	**1,027**	1,304	2,447
Departures	**(2,179)**	(1,953)	(1,724)
Δ age range	**(438)**	(116)	3
Δ scope of operation	**(42)**	234	288
Employees at December 31	**20,040**	21,672	22,203

41 to 50 years	2015	2014	2013
Employees at January 1	**18,762**	18,368	17,828
New Hires	**555**	681	947
Departures	**(1,392)**	(1,003)	(1,013)
Δ age range	**529**	520	467
Δ scope of operation	**(85)**	196	139
Employees at December 31	**18,369**	18,762	18,368

Over 50 years	2015	2014	2013
Employees at January 1	**15,640**	15,178	14,707
New Hires	**234**	353	419
Departures	**(2,216)**	(1,751)	(1,571)
Δ age range	**1,703**	1,672	1,530
Δ scope of operation	**(115)**	188	93
Employees at December 31	**15,246**	15,640	15,178

EMPLOYEE TURNOVER BY GENDER

CNH INDUSTRIAL WORLDWIDE (no.)

Men	2015	2014	2013
Employees at January 1	**59,415**	61,428	59,005
New Hires	**2,997**	4,089	7,355
Departures	**(7,233)**	(6,683)	(5,963)
Δ scope of operation	**(198)**	581	1,031
Employees at December 31	**54,981**	59,415	61,428

Women	2015	2014	2013
Employees at January 1	**9,792**	9,764	9,252
New Hires	**795**	927	1,398
Departures	**(1,191)**	(1,117)	(1,004)
Δ scope of operation	**14**	218	118
Employees at December 31	**9,410**	9,792	9,764

NEW HIRES BY REGION

CNH INDUSTRIAL WORLDWIDE (no.)

	2015	2014	2013
EMEA	**2,017**	1,812	2,319
NAFTA	**447**	1,041	1,565
LATAM	**640**	1,093	3,706
APAC	**688**	1,070	1,163
World	**3,792**	5,016	8,753

NEW HIRES BY AGE

CNH INDUSTRIAL WORLDWIDE (no.)

	2015	2014	2013
Up to 30 years	**1,976**	2,678	4,940
31 to 40 years	**1,027**	1,304	2,447
41 to 50 years	**555**	681	947
Over 50 years	**234**	353	419
Total	**3,792**	5,016	8,753

NEW HIRES BY GENDER

CNH INDUSTRIAL WORLDWIDE (no.)

	2015	2014	2013
Men	**2,997**	4,089	7,355
Women	**795**	927	1,398
Total	**3,792**	5,016	8,753

GLOSSARY
APAC; EMEA; LATAM; NAFTA

GRI
G4-LA1

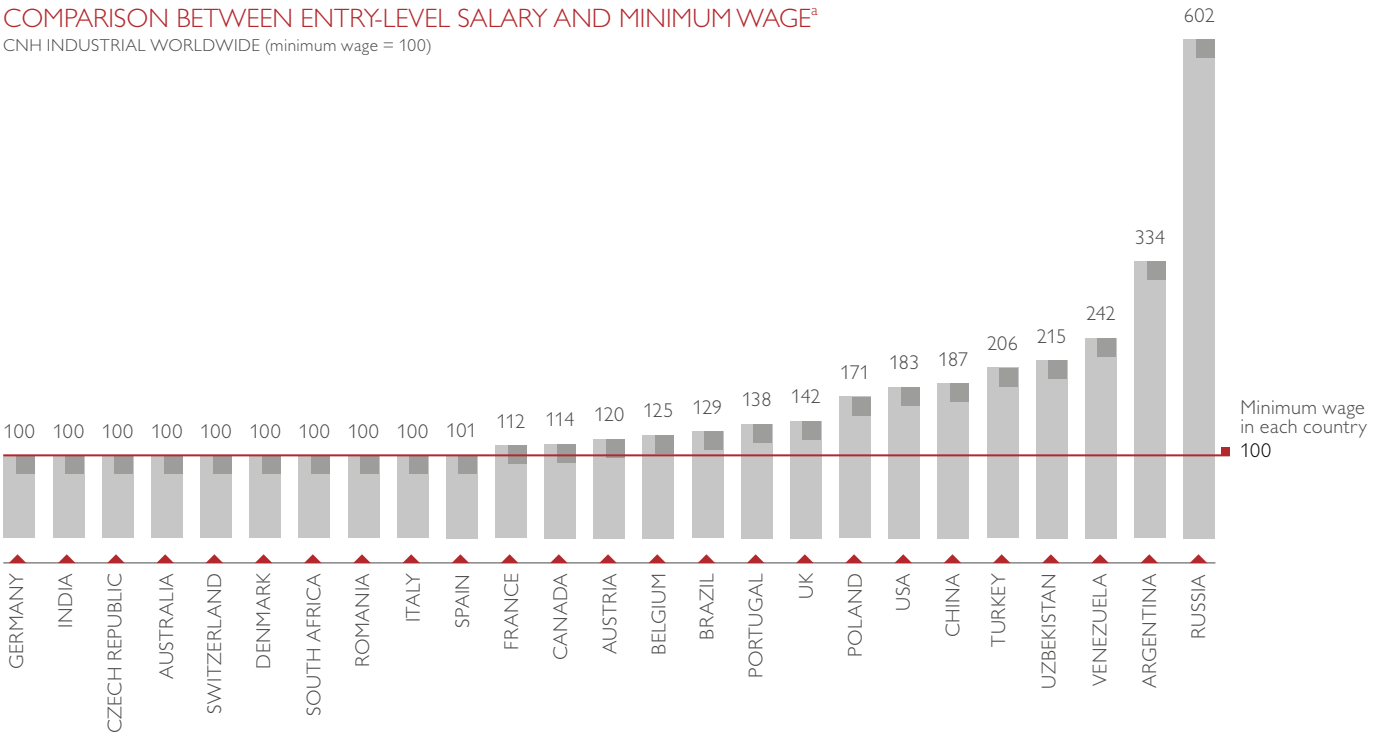
PROMOTIONS

CNH INDUSTRIAL WORLDWIDE (no.)

	2015			2014			2013		
	Men	**Women**	**Total**	Men	Women	Total	Men	Women	Total
Hourly	**112**	**14**	**126**	133	26	159	197	48	245
Salaried	**1,107**	**482**	**1,589**	439	134	573	425	129	554
Professional	**495**	**93**	**588**	384	67	451	202	38	240
Manager	**30**	**2**	**32**	48	11	59	51	8	59
Total	**1,744**	**591**	**2,335**	1,004	238	1,242	875	223	1,098

COMPARISON BETWEEN ENTRY-LEVEL SALARY AND MINIMUM WAGE[a]

CNH INDUSTRIAL WORLDWIDE (minimum wage = 100)



(a) Data reflects the effect of exchange rates.

GRI G4-EC5

HUMAN AND LABOR RIGHTS

EMPLOYEES BY CATEGORY[a] BY GENDER

CNH INDUSTRIAL WORLDWIDE (no.)

	2015			2014			2013		
	Total	**Men**	**Women**	Total	Men	Women	Total	Men	Women
Hourly	**39,958**	**36,136**	**3,822**	43,685	39,669	4,016	45,731	41,700	4,031
Salaried	**9,372**	**6,639**	**2,733**	11,341	8,019	3,322	11,705	8,269	3,436
Professional	**14,157**	**11,399**	**2,758**	13,222	10,874	2,348	12,887	10,683	2,204
Manager	**904**	**807**	**97**	959	853	106	869	776	93
Total	**64,391**	**54,981**	**9,410**	69,207	59,415	9,792	71,192	61,428	9,764

[a] *For more information on employee categories, see page 242.*

EMPLOYEES BY CATEGORY[a] BY AGE

CNH INDUSTRIAL WORLDWIDE (no.)

2015	**Total (no.)**	**Up to 30 years**	**31 to 40 years**	**41 to 50 years**	**Over 50 years**
Hourly	**39,958**	**7,540**	**11,904**	**11,255**	**9,259**
Salaried	**9,372**	**2,135**	**3,259**	**2,190**	**1,788**
Professional	**14,157**	**1,060**	**4,740**	**4,452**	**3,905**
Manager	**904**	**1**	**137**	**472**	**294**
Total	**64,391**	**10,736**	**20,040**	**18,369**	**15,246**
2014					
Hourly	43,685	9,351	13,157	11,579	9,598
Salaried	11,341	2,903	3,729	2,479	2,230
Professional	13,222	878	4,613	4,232	3,499
Manager	959	1	173	472	313
Total	**69,207**	**13,133**	**21,672**	**18,762**	**15,640**
2013					
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	-	135	418	316
Total	**71,192**	**15,443**	**22,203**	**18,368**	**15,178**

[a] *For more information on employee categories, see page 242.*

FEMALE EMPLOYEES BY REGION

CNH INDUSTRIAL WORLDWIDE (no.)

	2015	2014	2013
EMEA	**5,658**	5,657	5,554
NAFTA	**2,008**	2,213	2,226
LATAM	**1,165**	1,234	1,290
APAC	**579**	688	694
World	**9,410**	9,792	9,764

FEMALE EMPLOYEES BY CATEGORY[a]

CNH INDUSTRIAL WORLDWIDE (no.)

	2015	2014	2013
Hourly	**3,822**	4,016	4,031
Salaried	**2,733**	3,322	3,436
Professional	**2,758**	2,348	2,204
Manager	**97**	106	93
Total	**9,410**	9,792	9,764

[a] *For more information on employee categories, see page 242.*

GLOSSARY
APAC; EMEA; LATAM; NAFTA

GRI
G4-10; G4-LA12

NATIONALITY OF MANAGERS

CNH INDUSTRIAL WORLDWIDE (%)

	2015	2014	2013
Italian	**46.5**	48.1	48.9
American	**19.6**	20.2	20.3
Brazilian	**7.0**	6.8	5.8
British	**4.3**	4.3	3.9
French	**3.9**	3.6	4.8
Belgian	**3.8**	3.4	4.1
German	**2.9**	3.2	2.8
Spanish	**1.1**	1.3	1.2
Other nationalities	**10.9**	9.1	8.2

WORKFORCE GENDER DISTRIBUTION BY REGION

CNH INDUSTRIAL WORLDWIDE

	2015		2014		2013	
	Total (no.)	**of which women (%)**	Total (no.)	of which women (%)	Total (no.)	of which women (%)
EMEA	**40,801**	**13.9**	41,756	13.5	41,961	13.2
NAFTA	**10,022**	**20.0**	11,647	19.0	11,948	18.6
LATAM	**8,812**	**13.2**	10,485	11.8	12,081	10.7
APAC	**4,756**	**12.2**	5,319	12.9	5,202	13.3
World	**64,391**	**14.6**	69,207	14.1	71,192	13.7

WORKFORCE GENDER DISTRIBUTION BY CATEGORY[a]

CNH INDUSTRIAL WORLDWIDE

	2015		2014		2013	
	Total (no.)	**of which women (%)**	Total (no.)	of which women (%)	Total (no.)	of which women (%)
Hourly	**39,958**	**9.6**	43,685	9.2	45,731	8.8
Salaried	**9,372**	**29.2**	11,341	29.3	11,705	29.4
Professional	**14,157**	**19.5**	13,222	17.8	12,887	17.1
Manager	**904**	**10.7**	959	11.1	869	10.7
Total	**64,391**	**14.6**	69,207	14.1	71,192	13.7

[a] *For more information on employee categories, see page 242.*

WORKFORCE GENDER DISTRIBUTION BY AGE

CNH INDUSTRIAL WORLDWIDE

	2015		2014		2013	
	Total (no.)	**of which women (%)**	Total (no.)	of which women (%)	Total (no.)	of which women (%)
Up to 30 years	**10,736**	**15.2**	13,133	13.7	15,443	12.7
31 to 40 years	**20,040**	**16.6**	21,672	16.3	22,203	15.8
41 to 50 years	**18,369**	**14.0**	18,762	13.7	18,368	13.4
Over 50 years	**15,246**	**12.4**	15,640	12.0	15,178	12.1

WORKFORCE GENDER DISTRIBUTION BY LENGTH OF SERVICE

CNH INDUSTRIAL WORLDWIDE

	2015		2014		2013	
	Total (no.)	**of which women (%)**	Total (no.)	of which women (%)	Total (no.)	of which women (%)
Up to 5 years	**22,074**	**17.2**	24,698	16.0	29,414	15.3
6 to 10 years	**14,137**	**17.3**	15,416	16.7	12,328	16.1
11 to 20 years	**14,494**	**13.2**	15,182	12.9	15,139	12.7
21 to 30 years	**9,063**	**8.8**	8,693	8.9	8,732	8.9
Over 30 years	**4,623**	**10.0**	5,218	9.9	5,579	10.2

GLOSSARY
APAC; EMEA; LATAM; NAFTA

GRI
G4-10; G4-EC6; G4-LA12

WORKFORCE GENDER DISTRIBUTION BY LEVEL OF EDUCATION

CNH INDUSTRIAL WORLDWIDE

	2015[a]		2014[b]		2013[c]	
	Total (no.)	**of which women (%)**	Total (no.)	of which women (%)	Total (no.)	of which women (%)
University degree or equivalent	**12,452**	**22.6**	12,805	22.4	12,609	21.5
High school	**23,400**	**12.0**	25,022	11.5	25,554	11.4
Elementary/middle school	**18,261**	**9.7**	20,028	9.7	21,054	9.1

(a) 10,697 employees not mapped for 2015.
(b) 11,352 employees not mapped for 2014.
(c) 11,975 employees not mapped for 2013.

WORKFORCE GENDER DISTRIBUTION BY CONTRACT TYPE

CNH INDUSTRIAL WORLDWIDE

	2015		2014		2013	
	Total (no.)	**of which women (%)**	Total (no.)	of which women (%)	Total (no.)	of which women (%)
Fixed-term	**1,127**	**19.2**	1,144	11.6	2,605	9.5
No-term	**63,264**	**14.5**	68,063	14.2	68,587	13.9
Total	**64,391**	**14.6**	69,207	14.1	71,192	13.7

WORKFORCE GENDER DISTRIBUTION BY REGION BY CONTRACT TYPE

CNH INDUSTRIAL WORLDWIDE

2015	**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	**39,367**	**13.1**	**618**	**67.8**	**816**	**10.8**	**-**	**-**
NAFTA	**10,017**	**20.0**	**-**	**-**	**5**	**20.0**	**-**	**-**
LATAM	**8,546**	**12.2**	**-**	**-**	**266**	**46.6**	**-**	**-**
APAC	**4,710**	**12.1**	**6**	**100.0**	**40**	**7.5**	**-**	**-**
World	**62,640**	**14.0**	**624**	**68.1**	**1,127**	**19.2**	**-**	**-**

2014	No-term				Fixed-term			
	Full-time		Part-time		Full-time		Part-time	
	Total (no.)	of which women (%)	Total (no.)	of which women (%)	Total (no.)	of which women (%)	Total (no.)	of which women (%)
EMEA	40,352	12.8	541	72.6	863	9.8	-	-
NAFTA	11,608	19.0	-	-	39	30.8	-	-
LATAM	10,298	11.6	-	-	187	18.7	-	-
APAC	5,261	13.0	3	100.0	55	1.8	-	-
World	**67,519**	**13.7**	**544**	**72.8**	**1,144**	**11.6**	**-**	**-**

2013	No-term				Fixed-term			
	Full-time		Part-time		Full-time		Part-time	
	Total (no.)	of which women (%)	Total (no.)	of which women (%)	Total (no.)	of which women (%)	Total (no.)	of which women (%)
EMEA	40,317	12.6	456	72.4	1,188	11.2	-	-
NAFTA	11,866	18.7	3	33.3	79	7.6	-	-
LATAM	10,833	10.9	1	100.0	1,247	8.3	-	-
APAC	5,109	13.4	2	100.0	91	6.6	-	-
World	**68,125**	**13.5**	**462**	**72.3**	**2,605**	**9.5**	**-**	**-**

GLOSSARY
APAC; EMEA; LATAM; NAFTA

GRI
G4-10

OCCUPATIONAL HEALTH AND SAFETY

NUMBER OF INJURIES BY REGION

CNH INDUSTRIAL WORLDWIDE (no. of persons)

	2015	2014	2013
EMEA	**157**	181	178
NAFTA	**18**	41	37
LATAM	**29**	31	83
APAC	**12**	7	13
Total	**216**	260	311

DAYS OF ABSENCE[a] BY REGION

CNH INDUSTRIAL WORLDWIDE (no.)

	2015	2014	2013
EMEA	**6,355**	6,876	7,506
NAFTA	**1,267**	1,712	2,176
LATAM	**918**	686	1,527
APAC	**271**	178	338
Total	**8,811**	9,452	11,547

(a) *Days lost due to accidents – more than 3 days.*

FREQUENCY RATE BY REGION

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

	2015	2014	2013
EMEA	**0.28**	0.32	0.30
NAFTA	**0.11**	0.19	0.17
LATAM	**0.20**	0.18	0.39
APAC	**0.16**	0.09	0.13
World	**0.23**	0.25	0.28

SEVERITY RATE BY REGION

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

	2015	2014	2013
EMEA	**0.11**	0.12	0.13
NAFTA	**0.08**	0.08	0.10
LATAM	**0.06**	0.04	0.07
APAC	**0.04**	0.02	0.03
World	**0.09**	0.09	0.10

OCCUPATIONAL ILLNESS FREQUENCY RATE (OIFR) BY REGION

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

	2015	2014	2013
EMEA	**0.02**	0.03	0.04
NAFTA	**0.01**	0.01	-
LATAM	**-**	-	-
APAC	**-**	-	-
World	**0.01**	0.02	0.02

MEDICAL TREATMENTS

CNH INDUSTRIAL WORLDWIDE (number of persons)

	2015	2014	2013
Total visits (thousands)	**98.16**	196.83	189.77
Visits per employee	**1.52**	2.84	2.78

OCCUPATIONAL HEALTH AND SAFETY - CONTRACTORS

NUMBER OF INJURIES BY REGION

CNH INDUSTRIAL WORLDWIDE (no. of persons)

	2015	2014
EMEA	**19**	37
NAFTA	**2**	1
LATAM	**23**	16
APAC	**-**	-
Total	**44**	54

FREQUENCY RATE BY REGION

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

	2015	2014
EMEA	**0.47**	0.52
NAFTA	**0.19**	0.17
LATAM	**0.57**	0.43
APAC	**-**	-
World	**0.44**	0.44

GLOSSARY
APAC; EMEA; Frequency Rate; LATAM; NAFTA; OIFR; Severity Rate

GRI
G4-LA6

ENERGY

ENERGY CONSUMPTION AND CO_2 EMISSIONS

TOTAL ENERGY CONSUMPTION

CNH INDUSTRIAL WORLDWIDE (GJ)

Non-renewable sources	**2015**	2014[a]	2013
Plants	55	55	54
Direct energy consumption			
Natural gas	**2,724,147**	3,145,207	3,662,770
Coal	**125,206**	201,292	225,854
Diesel	**50,181**	60,110	68,237
Liquefied petroleum gas (LPG)	**35,030**	80,554	121,039
Other (HS and LS fuel oil)	**-**	-	-
Total	**2,934,564**	**3,487,163**	**4,077,900**
Indirect energy consumption			
Electricity	**1,299,866**	1,487,935	1,839,070
Thermal energy	**619,274**	578,090	854,693
Other energy sources	**128,498**	125,201	112,804
Total	**2,047,638**	**2,191,226**	**2,806,567**
Total energy consumption from non-renewable sources	**4,982,202**	**5,678,389**	**6,884,467**

Renewable sources	**2015**	2014	2013
Plants	55	55	54
Direct energy consumption			
Biomass	**30,823**	19,762	36,396
Solar-thermal	**419**	349	275
Total	**31,242**	**20,111**	**36,671**
Indirect energy consumption			
Electricity	**1,185,124**	1,347,671	1,194,778
Thermal energy	**65,252**	56,325	94,087
Other energy sources	**9,136**	9,538	-
Total	**1,259,512**	**1,413,534**	**1,288,865**
Total energy consumption from renewable sources	**1,290,754**	**1,433,645**	**1,325,536**
Total energy consumption	**6,272,956**	**7,112,034**	**8,210,003**

[a] 2014 data restated with respect to the 2014 Sustainability Report.

ENERGY CONSUMPTION BY ENERGY TYPE

CNH INDUSTRIAL WORLDWIDE (GJ)

	2015	2014[a]	2013
Plants	55	55	54
Electricity[b]	**2,580,199**	2,934,956	3,057,405
Heat	**684,946**	634,764	949,055
Steam[c]	**-**	-	-
Cooling coal	**42,424**	35,390	89,247
Natural gas	**2,724,147**	3,145,207	3,662,770
Other energy sources	**241,240**	361,717	451,526
Total energy consumption	**6,272,956**	**7,112,034**	**8,210,003**

[a] 2014 data restated with respect to the 2014 Sustainability Report.
[b] Electricity also includes compressed air.
[c] Steam is included in heat.

GRI
G4-EN3

ENERGY CONSUMPTION PER PRODUCTION UNIT[a]

CNH INDUSTRIAL WORLDWIDE (GJ/hour of production)

	Target 2018 vs. 2014	2015	2014	2013
Energy consumption per production unit	-6.5%	0.1206	0.1229	0.151

(a) 2014 was chosen as the base year for 2014-2018 global planning, in line with the Business Plan.
Types of energy included: electricity, heat, steam, cooling, natural gas, metallurgical coal, diesel, and other fuels.
The 2013 figure is an estimate.

ELECTRICITY CONSUMPTION FROM RENEWABLE SOURCES

CNH INDUSTRIAL WORLDWIDE (%)

	Target 2018	2015	2014	2013
Electricity consumption from renewable sources	50	47.7	47.5	39.4

CO_2 EMISSIONS

DIRECT AND INDIRECT CO_2 EMISSIONS[a]

CNH INDUSTRIAL WORLDWIDE (tons)

	2015	2014[b]	2013
Plants	55	55	54
Direct emissions (scope 1)	163,623	192,902	226,748
Indirect emissions (scope 2)	231,993	265,410	308,198
Total emissions (scope 1 + 2)	**395,616**	**458,312**	**534,946**
Direct emissions from landfill gases	1,683	1,079	1,987
Total CO_2 emissions	**397,299**	**459,391**	**536,933**

(a) CO_2 is the only significant greenhouse gas within CNH Industrial's processes (see also page 243).
For CNH Industrial, biogenic CO_2 emissions are those released by the combustion of landfill gases.
2014 was chosen as the base year for 2014-2018 global planning, in line with the Business Plan.
The base year's direct and indirect CO_2 emissions are those in the table. There were no significant changes in emissions requiring the recalculation of base year emissions.
GHG emissions were consolidated and reported using an operational control approach.
For the methodologies and emission factors used, see also page 243.
(b) 2014 data restated with respect to the 2014 Sustainability Report.

DIRECT AND INDIRECT CO_2 EMISSIONS PER PRODUCTION UNIT[a]

CNH INDUSTRIAL WORLDWIDE (tons of CO_2/hour of production)

	Target 2018 vs. 2014	2015	2014	2013
Direct and indirect CO_2 emissions per production unit	-7.5%	0.007637	0.00794	0.0098

(a) CO_2 is the only significant greenhouse gas within CNH Industrial's processes (see also page 243).
2014 was chosen as the base year for 2014-2018 global planning, in line with the Business Plan.
The indicator includes scope 1 and scope 2 emissions.
The 2013 figure is an estimate.

GLOSSARY
Direct Emissions; Indirect Emissions

GRI
G4-EN5; G4-EN15; G4-EN16; G4-EN18

ENVIRONMENT

AIR EMISSIONS

VOLATILE ORGANIC COMPOUNDS (VOC)

CNH INDUSTRIAL WORLDWIDE

	Target 2018 vs. 2014	2015	2014	2013
Plants		57	55	55
Average VOC emissions (g/m^2)	**-7%**	**41.4**	43.4	48.6
Total VOC emissions (kg)	**-**	**1,628,096**	2,295,135	3,003,682

EMISSIONS OF NO_X SO_X AND DUST

CNH INDUSTRIAL WORLDWIDE (tons)

	2015	2014[a]	2013
Plants	55	55	54
Nitrogen Oxides (NO_X)	**327.6**	376.9	443.0
Sulfur Oxides (SO_X)	**36.1**	36.7	41.2
Dust	**5.1**	5.1	5.7

[a] 2014 data restated with respect to the 2014 Sustainability Report.

PRESENCE OF OZONE DEPLETING SUBSTANCES (ODS)[a]

CNH INDUSTRIAL WORLDWIDE (kg)

	2015	2014	2013
Plants	57	55	55
CFCs	**-**	10.50	355.70
HCFCs	**100**	2,362.54	5,523.81
Halons	**-**	-	-
Methyl bromide	**-**	-	-
Other CFCs fully halogenated	**-**	-	-
Total	**100**	**2,373.04**	**5,879.51**

[a] Data includes quantities of ozone depleting substances found in office air conditioning equipment, equal to 3,981 kilos in 2013, 1,669 in 2014, and 0 in 2015.

EMISSIONS OF OZONE DEPLETING SUBSTANCES (ODS)[a]

CNH INDUSTRIAL WORLDWIDE (kg CFC-11-equialent)

	2015	2014	2013
Total	**7.48**	16.94	13.86

[a] ODS emissions derive from inevitable leaks from cooling and air conditioning equipment. Therefore, they are calculated based on the amount of R-22 refilling, and converted into kilos of CFC-11 equivalent considering an Ozone Depletion Potential of 0.055 (source: United Nations Environment Programme (UNEP), HCFCs controlled under the Montreal Protocol).

GLOSSARY
NO_X; ODS; SO_X; VOC

GRI
G4-EN20; G4-EN21

WATER MANAGEMENT

WATER WITHDRAWAL PER PRODUCTION UNIT

CNH INDUSTRIAL WORLDWIDE (m^3/hour of production)

	Target 2018 vs. 2014	2015	2014	2013
Water withdrawal	-3%	0.11	0.10	0.10

WATER WITHDRAWAL AND DISCHARGE

CNH INDUSTRIAL WORLDWIDE (thousand of m^3)

	2015	2014[a]	2013
Plants	57	55	55
Withdrawal			
Groundwater	**3,752**	3,512	4,067
Municipal water supply	**1,759**	2,159	2,496
Surface water	**25**	18	23
of which salt water	**0**	-	-
Rainwater	**1**	3	1
Other	**8**	-	-
Total water withdrawal	**5,545**	5,692	6,587
Discharge			
Surface water	**577**	836	1,244
of which salt water	**0**	-	-
Public sewer systems	**2,761**	3,146	3,389
Other destinations	**130**	131	76
Total water discharge	**3,468**	4,113	4,709

[a] 2014 data restated with respect to 2014 Sustainability Report.

WATER RECYCLING INDEX

CNH INDUSTRIAL WORLDWIDE (thousands of m^3)

	2015	2014	2013
Plants	57	55	55
Total water requirement	**7,574**	7,858	8,332
of which covered by recycling	**2,029**	2,166	1,745
of which water withdrawal	**5,545**	5,692	6,587
Recycling Index[a]	**26.8%**	27.6%	20.9%

[a] The recycling index is calculated as a percentage of the total water requirement.

QUALITY OF WATER DISCHARGES

CNH INDUSTRIAL WORLDWIDE (milligram/liter)

	2015	2014	2013
Biochemical Oxygen Demand (BOD)	**63.7**	90.6	96.5
Chemical Oxygen Demand (COD)	**174.7**	244.2	195.7
Total Suspended Solids (TSS)	**40.6**	110.9	104.8

GLOSSARY
BOD; COD; TSS

GRI
G4-EN8; G4-EN10; G4-EN22

MAIN PLANTS LOCATED IN WATER-STRESSED AREAS[a]

CNH INDUSTRIAL WORLDWIDE

Segment and plant	2015 water intensity[b] (m^3/COGS)	Discarge water quality (mg/l)	2014 fresh water consumption (m^3/h)	2015 fresh water consumption (m^3/h)	Reduction target (2018 vs. 2014)
Agricultural Equipment ■ Noida (India)	0.00057	BOD: 18 COD: 134 TSS: 72	0.105	0.098	-2%
Agricultural Equipment ■ Plock (Poland)	0.00023	BOD: n.a. COD: 747 TSS: n.a.	0.079	0.050	-50%
Commercial Vehicles ■ Vysoke Myto (Czech Republic)	0.00029	BOD: 95 COD: 306 TSS: 111	0.033	0.029	-2%

[a] Water-stressed area: area with water availability of < 1,700 m^3/person per year (source: FAO).
[b] Water-intensity: fresh water consumption in m^3/Cost of Goods Sold (COGS) in $.

WATER SOURCES SIGNIFICANTLY AFFECTED BY PLANTS' WATER WITHDRAWAL AND/OR DISCHARGE

CNH INDUSTRIAL WORLDWIDE

Segment and plant	Water source	Size of water source	Use	Protected water body	High biodiversity value water body	Water withdrawals accounting for more than 5% of annual average volume	Water discharges accounting for more than 5% of annual average volume
Powertrain ■ Bourbon Lancy (France)	Withdrawal of industrial water from ground water and discharge to river (Loire)	Loire average flow[a] = 134 m^3/sec	Industrial water	yes[b]	yes[c]	no	no

[a] Monthly average of the last 47 years (1969-2015).
[b] The section of the Loire that flows near the plant falls within three protected areas:
- SIC - FR8301020: Vallée Alluviale de la Loire (left bank)
- SIC - FR2600967: Vallée de la Loire entre Devay et Digoin (right bank)
- ZPS - FR2612002: Vallée de la Loire de Iguerande à Decize.
In this context, the river is an important environmental resource for the local community, providing the water supply for the area's agriculture and grazing land.
[c] There is a high level of biodiversity in the stretch of the Loire near the plant (see also page 261). According to official data from the Natura 2000 network, the area surrounding the Loire boasts 27 species of interest at EU level, of which 16 are included in Annex II of the Habitats Directive 92/43/EEC; one of these, the European eel (Anguilla anguilla), is listed as Critically Endangered (CR) by the International Union for Conservation of Nature (IUCN). Other important species include the European pond turtle (Emys orbicularis) and the Eurasian beaver (Castor fiber).

GLOSSARY
Biodiversity; BOD
COD; TSS

GRI
G4-EN9; G4-EN26

WASTE MANAGEMENT

WASTE GENERATION AND MANAGEMENT

CNH INDUSTRIAL WORLDWIDE (tons)

	2015	2014	2013
Plants	57	55	55
Waste generated			
Non-hazardous waste	**199,401**	243,479	277,200
Hazardous waste	**19,376**	23,130	26,807
Total waste generated	**218,777**	**266,609**	**304,007**
of which packaging	**61,670**	79,145	119,620
Waste disposed			
Treatment	**15,465**	21,568	24,892
of which incineration	**172**	n.a.	n.a.
Sent to landfill	**7,725**	11,208	15,244
Total waste disposed	**23,190**	**45,876**	**52,344**
Waste recovered			
Waste recovered (excluding waste-to-energy)	**185,082**	220,733	251,663
Waste-to-energy conversion	**10,504**	13,100	12,208
of which hazardous	**3,723**	4,401	4,949
Total waste recovered	**195,586**	**233,833**	**263,871**
of which hazardous	**9,492**	4,584	5,060
% waste recovered[a]	**89.4%**	87.7%	86.8%
% waste sent to landfill	**3.5%**	4%	5%

(a) From 2015, waste recovered includes waste sent to energy conversion. The data referring to 2013 and 2014 was updated in line with this new definition.

WASTE AND HAZARDOUS WASTE GENERATED PER PRODUCTION UNIT

CNH INDUSTRIAL WORLDWIDE (kg/hour of production)

	Target 2018 vs. 2014	2015	2014	2013
Waste generated	**-5%**	**4.18**	4.61	4.79
Hazardous waste generated	**-9%**	**0.37**	0.40	0.42

WASTE RECOVERED[a]

CNH INDUSTRIAL WORLDWIDE (%)

	Target 2018	2015	2014	2013
Waste recovered	**91**	**89**	88	87

(a) Percentage of waste recovered on waste generated.

TRANSPORTED, IMPORTED, EXPORTED OR TREATED HAZARDOUS WASTE

CNH INDUSTRIAL WORLDWIDE (tons)

	2015
Plants	57
Hazardous waste transported outside to suppliers of waste management service, in the same country	**19,343**
of which sent to treatment	**9,218**
Hazardous waste transported outside to suppliers of waste management service, abroad	**-**
of which sent to treatment	**-**
Total hazardous waste transported	**19,343**

GRI G4-EN23; G4-EN25

BIODIVERSITY

PLANTS NEAR, BORDERING OR WITHIN PROTECTED[a] OR HIGH-BIODIVERSITY AREAS

CNH INDUSTRIAL WORLDWIDE

Plant	Plant activity	Plant's total surface area (m²)	Location with respect to protected area	Species on IUCN Red List of threatened species and on national lists (no.)
Bourbon Lancy (France)	Production of heavy-duty diesel engines	210,000	Adjacent to the protected area (500 m)	193 species listed, of which: ■ 0 critically endangered ■ 2 endangered ■ 1 vulnerable ■ 1 near threatened ■ 189 of least concern
Curitiba (Brazil)	Production of agricultural equipment	792,824	Adjacent to/contains part of the protected area	101 species listed, of which: ■ 0 critically endangered ■ 0 endangered ■ 0 vulnerable ■ 4 near threatened ■ 97 of least concern
Foggia (Italy)	Production of engines	601,680	Adjacent to the protected area (3,500 m)	168 species listed, of which: ■ 0 critically endangered ■ 0 endangered ■ 2 vulnerable ■ 6 near threatened ■ 160 of least concern
Madrid (Spain)	Production of trucks	347,200	Adjacent to the protected area (1,500 m)	64 species listed, of which: ■ 0 critically endangered ■ 0 endangered ■ 0 vulnerable ■ 1 near threatened ■ 63 of least concern
Sete Lagoas (Brazil)	Production of trucks (medium and heavy vehicle range)	2,000,000	Adjacent to the protected area (1,500 m)	79 species listed, of which: ■ 0 critically endangered ■ 0 endangered ■ 0 vulnerable ■ 0 near threatened ■ 79 of least concern
Suzzara (Italy)	Production of trucks (light vehicles)	520,000	Adjacent to the protected area (4,000 m)	110 species listed, of which: ■ 0 critically endangered ■ 2 endangered ■ 0 vulnerable ■ 0 near threatened ■ 108 of least concern
Ulm (Germany)	Production of special vehicles (fire-fighting)	679,000	Adjacent to the protected area (2,000 m)	153 species listed, of which: ■ 0 critically endangered ■ 2 endangered ■ 1 vulnerable ■ 3 near threatened ■ 147 of least concern

[a] *Protected areas (national, regional, of EU-level importance, special protection zones, oases, etc.) are geographically defined areas designated, regulated or managed to achieve specific conservation objectives. Areas of high biodiversity value are not subject to legal protection, but are recognized by governmental and non-governmental organizations as having significant biodiversity.*

GLOSSARY
Biodiversity;
IUCN Red List

GRI
G4-EN11; G4-EN12;
G4-EN14

OTHER GRI-G4 INDICATORS

COMMITMENTS TO EXTERNAL INITIATIVES

Country	Name	Type of Institution	CNH Industrial's type of commitment: Projects	Membership	Position in Governance Body	Funding
EMEA						
Austria	Austrian Institute of Technology (AIT)	Research Center	✓			
Austria	FMMA - Association of Austrian Machinery & Metalware Industry	Research Center		✓	✓	
Austria	Kompetenzzentrum - Das Virtuelle Fahrzeug, Forschungsgesellschaft mbH	Research Center	✓			
Austria	Technische Universität Graz	University	✓			
Belgium	KUL - Katholieke Univererisiteit Leuven	University	✓			
Belgium	University of Ghent	University	✓			
Belgium	ACEA - European Automobile Manufacturers' Association (Commercial Vehicles)	Association		✓	✓	
Belgium	AmCham EU - American Chamber of Commerce to the European Union	Association		✓		
Belgium	CECE - Committee for European Construction Equipment (Construction Equipment)	Association		✓	✓	
Belgium	CEMA - European Agricultural Machinery (Agricultural Equipment)	Association		✓	✓	
Belgium	EUROMOT - European Association of Internal Combustion Engine Manufacturers (Powertrain)	Association		✓	✓	
Belgium	NGVA Europe - Natural and Bio Gas Vehicle Association	Association		✓	✓	
Belgium	Federation for the Technlogy Industry - AGORIA	Association		✓		
Belgium	Fédération Belge des Fournisseurs de Machines, Bâtimentset Equipements pour l'Agriculture et les Espaces Verts	Association		✓	✓	
Belgium	Federations of Truck Constructors - FEBIAC	Association		✓	✓	
Belgium	Confédération du Commerce et de la Réparation automobiles et des Secteurs connexes - TRAXIO	Association		✓		
Belgium	Union Internationale des Transports Publics - UITP	Association		✓		
Belgium	International Road Transport Union - IRU	Association		✓		
Belgium	European Green Vehicles Initiative Association - EGVIA	Association		✓		
Croatia	Energetski institut Hrvoje Požar	Research Center	✓			
Czech Rep.	Automotive Industry Association – AIA	Association		✓		
Finland	Itä-Suomen yliopisto (University of Eastern Finland)	University	✓			
France	CEA Grenoble	Research Center	✓			
France	Chambre Syndicale Internationale de l'Automobile et du Motocycle - CSIAM	Association		✓		
France	CEA Saclay	Research Center	✓			
France	Électricité de France (EDF)	Research Center	✓			
France	IFP Energies nouvelles	Research Center	✓			
France	Institut Français Des Sciences et technologies des transports, de l'amènagement et des rèseaux (IFSTTAR)	Research Center	✓			
France	Lyon Transport & Mobility System - LUTB	Association	✓	✓	✓	
France	Union des Industriels de l'Agro-Equipement – AXEMA	Association		✓		
France	Union des Transports Publics – UTP	Association		✓		
Germany	Aachen University	University	✓			

GRI G4-16

Country	Name	Type of Institution	CNH Industrial's type of commitment: Projects	Membership	Position in Governance Body	Funding
EMEA						
Germany	European Distributed Energy Resources Laboratories	Research Center	✓			
Germany	Franuhofer-Gesellschaft	Research Center	✓			
Germany	Kaiserslautern University of Technology	University	✓			
Germany	Verband Deutscher Maschinen und Anlagenbau – VDMA	Association		✓		
Germany	Verband der Automobilindustrie – VDA	Association		✓		
Italy	Alta Scuola Politecnica	University	✓			
Italy	Centro Ricerche Plast-Optica,	Research Center	✓			
Italy	Commissione Tecnica di Unificazione dell'Autoveicolo - CUNA	Association		✓		
Italy	Consiglio Nazionale delle Ricerche	Research Center	✓			
Italy	CREA-ING	Research Center	✓			
Italy	CRIT	Research Center	✓			
Italy	Ente Italiano di Normazione - UNI	Association		✓		
Italy	Environment Park	Research Center	✓			
Italy	Istituto Superiore Mario Boella	Research Center	✓			
Italy	Italian Electric Road Vehicle Association (CIVES)	Association		✓		
Italy	Italian National Institute for Environmental Protection and Research (ISPRA)	Research Center	✓			
Italy	NGV Italia	Association		✓	✓	
Italy	Politecnico di Milano	University	✓			
Italy	Politecnico di Torino	University	✓			
Italy	Sant'Anna Scuola Universitaria Superiore	University	✓			
Italy	TTS Italia	Association	✓			
Italy	Università Commerciale Luigi Bocconi	University	✓			
Italy	Università degli Studi del Piemonte Orientale	University	✓			
Italy	Università degli Studi di Bologna	University	✓			
Italy	Università degli Studi di Ferrara	University	✓			
Italy	Università degli Studi di Genova	University	✓			
Italy	Università degli Studi di Modena e Reggio Emilia	University	✓			
Italy	Università degli studi di Parma	University	✓			
Italy	Università degli Studi di Roma *La Sapienza*	University	✓			
Italy	Università degli Studi di Torino	University	✓			
Italy	Università degli Studi di Trieste	University	✓			
Italy	Unione Nazionale Aziende Construction Equipment & Attachments - UNACEA	Association		✓	✓	
Italy	Unione Nazionale Motori Marini Entrobordo ed Affini - UNIMOT	Association		✓		

Country	Name	Type of Institution	CNH Industrial's type of commitment: Projects	Membership	Position in Governance Body	Funding
EMEA						
Norway	Automotive Industry Association – BIL	Association		✓		
Polland	Politechnika Wrocławska	University	✓			
Polland	Polski Związek Przemyslu Motoryzacyjnego (Polish Automotive Industry Association)	Association		✓		
Spain	Asociación Nacional de Maquinaria Agropecuaria Forestal y de Espacios Verdes - ANSEMAT	Association		✓		
Spain	Asociación Nacional de Distribuidores e Importadores de Maquinaria de Obras Públicas, Minería y Construcción - ANDICOP	Association		✓		
Spain	Asociación Española de Fabricantes de Automóviles y Camiones - ANFAC	Association		✓	✓	
Spain	Asociación Ibérica del gas natural para la movilidad - GASNAM	Association		✓		
Spain	Tecnalia Corporación Tecnológica	Research Center	✓			
Spain	Universidad Politécnica de Valencia	University	✓			
Sweden	Chalmers University of Technology	University	✓			
Sweden	Sweden Automotive Industry Association - BIL Sweden	Association		✓		
Sweden	Viktoria Swedish ICT	Research Center	✓			
Switzerland	Inspire, Zürich	Research Center	✓			
Switzerland	Research Association for Combustion Engines	Association		✓		
Netherlands	Dacolt - Combustion & CFD	Research Center	✓			
Netherlands	Nederlandse Organisatie voor Toegepast Natuurwetenschappelijk Onderzoek (TNO)	Research Center	✓			
Netherlands	Rijwiel en Automobiel Industrie - RAI	Association		✓		
Netherlands	Technische Universiteit Eindhoven	University	✓			
UK	Construction Equipment Association - CEA	Association		✓		
UK	Freight Transport Association - FTA	Association		✓		
UK	Society of Motor Manufacturers and Traders - SMMT	Association		✓		
UK	Queen Mary, University of London	University	✓			
NAFTA						
Canada	University of Saskatchewan	University	✓			
USA	AEM (Association of Equipment Manufacturers)	Association		✓	✓	
USA	American Farm Bureau	Association		✓		
USA	BIPAC (Business Industry Political Action Committee)	Association		✓	✓	
USA	BRT (Business Roundtable)	Association		✓	✓	
USA	Campaign to Fix the Debt	Association		✓		
USA	CEE (Coalition for Employment through Exports)	Association		✓	✓	
USA	DTF (Diesel Technology Forum)	Association		✓		

Country	Name	Type of Institution	CNH Industrial's type of commitment: Projects	Membership	Position in Governance Body	Funding
NAFTA						
USA	EMA (Engine Manufacturers Association)	Association		✓		
USA	Forest Stewardship Council (FSC)	Government	✓			
USA	Fuels America	Association		✓		
USA	GreenWood Resources	Research Center	✓			
USA	Growth Energy	Association		✓	✓	
USA	Iowa State University	University	✓			
USA	National Association of Manufacturers (NAM)	Association		✓	✓	
USA	National Cattlemen's Beef Association	Association		✓		
USA	Ohio State University	University	✓			
USA	Oregon State University	University	✓			
USA	Organization for International Investment (OFII)	Association		✓		
USA	Pennsylvania State University	University	✓			
USA	Purdue University	University	✓			
USA	State University of New York (SUNY)	University	✓			
USA	Texas A&M University	University	✓			
USA	Trade Benefits America	Association		✓		
USA	University of Delaware	University	✓			
USA	University of Idaho	University	✓			
USA	University of Illinois	University	✓			
USA	University of Kentucky	University	✓			
USA	University of Wisconsin	University	✓			
USA	US Chamber of Commerce	Association		✓	✓	
USA	US-China Agriculture and Food Partnership	Association		✓		
USA	Washington State University	University	✓			
LATAM						
Argentina	Argentine Chamber of Construction (CAC)	Association		✓		
Argentina	Association of Automotive Manufacturers (ADEFA)	Association		✓		
Argentina	Association of Agricultural Machinery Manufacturers (AFAT)	Association		✓		
Argentina	ANFAVEA Automotive National Association	Association		✓		
Brazil	American Chamber of Commerce - BR and USA companies (AMCHAM)	Association		✓		
Brazil	Brazilian Association of Automotive Engineering (AEA)	Association		✓		
Brazil	Brazilian Association of Machines and Equipment (ABIMAQ)	Association		✓		
Brazil	Brazilian Federation of Banks (FEBRABAN)	Association		✓		

Country	Name	Type of Institution	CNH Industrial's type of commitment: Projects	Membership	Position in Governance Body	Funding
LATAM						
Brazil	Empresa Brasileira de Pesquisa Agropecuária	Government	✓			
Brazil	Instituto Capixaba de Pesquisa, Assistência Técnica e Extensão Rural (Incaper)	Government	✓			
Brazil	Italian Brazilian Chamber (BR and Italian companies)	Association		✓		
Brazil	National Association of Automotive Vehicle Manufacturers (ANFAVEA)	Association		✓	✓	
Brazil	NTC LOGISTICA (National Association of Cargo Transportation and Logistics)	Association		✓		
Brazil	SAE Brasil (Mobility Engineers Society)	Association		✓		
Brazil	São Paulo State University (UNESP) Botucatu	University	✓			
Brazil	Universidade Federal de Lavras	University	✓			
Brazil	Universidade Federal de Minas Gerais (UFMG)	University	✓			
APAC						
Australia	Ai Group (Australian Industry Group)	Association		✓		
Australia	Australian Trucking Association (ATA)	Association		✓		
Australia	Bus Industry Confederation (BIC)	Association		✓		
Australia	Gas Energy Australia's CNG and LNG Joint Taskforce	Association		✓		
Australia	InvestWest Agribusiness Alliance (Western Australia)	Association		✓		
Australia	Italian Chamber of Commerce and Industry (Australia)	Association		✓		
Australia	Italian Chamber of Commerce and Industry (Victoria)	Association		✓		
Australia	Tractor and Machinery Association (TMA)	Association		✓		
Australia	Truck Industry Council (TIC)	Association		✓		
Australia	University of Melbourne	University	✓			
China	China Combustion Engine Industry Association (CICEIA)	Association		✓		
China	China National Light Industry Council	Association		✓		
China	AmCham China (American Chamber of Commerce in China)	Association		✓		
China	C8 Heavy Truck Manufacturing Association	Association		✓		
China	China Agriculture Machinery Distribution Association (CAMDA)	Association		✓		

Country	Name	Type of Institution	CNH Industrial's type of commitment: Projects	Membership	Position in Governance Body	Funding
APAC						
China	China Association of Agriculture Machinery Manufacturers (CAAMM)	Association		✓		
China	China Construction Machinery Association (CCMA)	Association		✓		
China	China Federation of Logistics and Purchasing (CFLP)	Association		✓		
China	DMA (German Engineering Federation), Agricultural Machinery Working Group China	Association		✓	✓	
India	Confederation of Indian Industry (CII)	Association		✓		
India	Federation of Thai Industries, Agricultural Machineries Group	Association		✓		
India	Myanmar Italy Business Council	Association		✓		
India	European Association for Business and Commerce (EABC)	Association		✓		
India	Korean Automotive Manufacturers Association (KAMA)	Association		✓		
India	Confederation of Indian Industry (CII)	Association		✓		
India	Euclid Infotech Pvt Ltd	Association		✓		
India	India CEO/CFO Forum organized by the International Market Assessment India	Association		✓		
India	Indian Construction Equipment Manufacturers Association (ICEMA)	Association		✓		
India	Indo-Italian Chamber of Commerce and Industry (IICCI)	Association		✓		
India	Indore Management Association (IMA)	Association		✓		
India	Infodrive India	Association		✓		
India	Pithampur Audhyogik Sangathan	Association		✓		
India	Thai - Italian Chamber of Commerce (TICC)	Association		✓	✓	
India	Tractor Manufacturers Association (TMA)	Association		✓	✓	
Russia	Association of European Businesses (AEB)	Association		✓		
Russia	ROSAGROMASH (Russian Association of Farm Machinery)	Association		✓		
Uzbekistan	American-Uzbek Chamber of Commerce (AUCC)	Association		✓		
Uzbekistan	Chamber of Commerce and Industry of Uzbekistan	Association		✓		
Uzbekistan	UzAgromash Service Association	Association		✓		

STATEMENT OF ASSURANCE

SGS

ASSURANCE STATEMENT

ASSURANCE STATEMENT FOR THE CNH INDUSTRIAL N.V. SUSTAINABILITY REPORT 2015

SGS Nederland B.V. was commissioned to conduct an independent assurance of the CNH Industrial N.V. ("CNH Industrial" or "Company") 2015 Sustainability Report.

Responsibility and Scope of Assurance

SGS Nederland B.V. is responsible for expressing its opinion on information, graphs, tables and statements in the Sustainability Report, within the assurance scope described below, for the purpose of informing all interested parties.

SGS Nederland B.V. expressly disclaims any liability or co-responsibility for the preparation of any of the material included in this document or for the process of collection and treatment of the data therein.

The information in the Sustainability Report is the exclusive responsibility of CNH Industrial.

SGS Nederland B.V. affirms its independence from CNH Industrial, being free from bias and conflict of interests with the Organization, its subsidiaries and stakeholders.

The Company is responsible for the identification of stakeholders and of material issues, for defining objectives with respect to sustainability performance and for establishing and maintaining appropriate performance management and internal control systems.

SGS Nederland B.V. was asked to express an opinion in relation to the assurance scope, which includes the following aspects:

- evaluate the Report against the Global Reporting Initiative Guidelines (**GRI-G4**), 'in accordance' core option;
- review the Company's approach to materiality analysis and stakeholder engagement processes and initiatives;
- assess the robustness of the data management systems, information flow (also at Regional level for EHS data) and controls and verify qualitative and/or quantitative information to confirm the accuracy and the process of data elaboration and synthesis;
- perform a type 2 evaluation of the application of the AA1000 AccountAbility Principles Standard (2008) and of the reliability of the information reported;
- complete a high level assurance review of the information in the "Supply chain management" section, with reference to KPIs related to supply chain processes.

SGS Nederland B.V. was also asked to confirm the adherence of the sustainability model adopted by CNH Industrial to the requirements of ISO 26000 Guidance.

Methodology and Limitations

The verification process started from materiality analysis and stakeholder engagement methodology validation activities and was performed through examination of records, procedures and documents, and interviews with personnel and management.

The texts, graphs and tables included in the Report were verified by selecting, on a significant sample, qualitative and/or quantitative information to confirm the accuracy of the data collection and consolidation process.

Auditing activities were carried out during February and March 2016 at Company sites in Argentina (Cordoba), Brazil (Sorocaba), China (Chongqing), Belgium (Zedelgem), France (Bourbon Lancy), Italy (Turin and Brescia) and the United States (Burlington and Burr Ridge) to assess the reliability of the data reporting process.

The audit team was assembled based on their technical know-how, experience and the qualifications of each member in relation to the various dimensions assessed.

Financial data are drawn directly from the independently audited CNH Industrial Annual Report at December 31, 2015, prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and adopted by the European Union.

Assurance Opinion

On the basis of the verification work performed, we are satisfied that the information contained in the CNH Industrial 2015 Sustainability Report is accurate, balanced and reliable, representing a relevant summary of the activities carried out by CNH Industrial in 2015 and an essential tool in communicating with stakeholders.

SGS Nederland B.V. confirms that information included in the Report provides a material and complete representation of the Company's sustainability performance.

The verification process confirmed that the Report was prepared based on rigorous processes.

With regards to the level of adherence to the AA1000 Principles (Inclusivity, Materiality and Correspondence), and to the approach of the Company to materiality analysis and stakeholder engagement processes and initiatives, the Audit team provides the following opinion:

- In 2015, the Company made further progress and engaged additional stakeholder categories to update the materiality analysis and, consequently, the materiality matrix to ensure that the efforts remain aligned with what is most important to the business and the stakeholders. The ongoing dialogue with some stakeholder categories promoted by CNH Industrial is essential to realign its priorities to match stakeholders' expectations and represents a further step towards the continuing goal to identify and prioritize economic, environmental and social aspects, as well as their related impacts.
- The Audit Team appreciates the activity performed by the Company regarding the UN Sustainable Development Goals (SDGs) verifying the alignment of its existing targets with those set by the SDGs. The Audit Team notes the thorough work carried out by the Organization to align its commitment to promote sustainable development and fight climate change and it is recognized the effort that has made the Company to endorse 2 of the commitments promoted by the CDP through its *Commit to Action* campaign during the UN *Climate Change Conference* (COP21).
- The Company has again demonstrated this year its commitment in providing detailed information regarding the quantification of greenhouse gas (GHG) emissions, and it is recognized the effort that has made the Company to a complete and transparent communication of its organizational carbon footprint, through an additional verification of greenhouse gas emissions, carried out according to ISO 14064-3 criteria.
- The Company has included more GRI-G4 indicators than specified by the minimum requirements of the 'in accordance' core option.

With reference to the high-level assurance review of sustainability performance specified in the section dedicated to suppliers, the audit team is of the opinion that the evaluation of suppliers according to sustainability criteria is consistent throughout the Company, by means of an accurate screening process which has been strengthened assuring the rigorousness of the assessment process. Several initiatives of suppliers engagement have been implemented with the aim to increase economic, environmental and social value.

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 2015 Sustainability Report is accurate and reliable, and provides stakeholders a fair and balanced representation of the activities of CNH Industrial.

With reference to the GRI-G4 Guidelines, the organization satisfies the principles for defining report content and the principles for ensuring the quality of reported information.

We confirm that the Report is aligned with the requirements of the GRI-G4, **'in accordance' core option**.

Spijkenisse, March 23, 2016

Andre Siraa
Business Manager

AA1000
Licensed Assurance Provider
000-8

GRI-G4 CONTENT INDEX

The GRI-G4 content index is made up of two parts. The first contains references to the indicators reported in accordance with the core option, based on the materiality analysis carried out in the reporting year (see also pages 22-25). The second contains references to other GRI-G4 indicators that complete the outline of CNH Industrial's performance.
For each indicator, the page number refers to the 2015 Sustainability Report; however, where specifically stated, the reference is to the 2015 EU Annual Report as at December 31, 2015, available on the Corporate website.

GENERAL STANDARD DISCLOSURES

General standard disclosures	Page reference	External assurance (pages)
STRATEGY AND ANALYSIS		
G4-1	4-5; Annual Report pages 6-7	yes (268-269)
ORGANIZATIONAL PROFILE		
G4-3	13	yes (268-269)
G4-4	13; Annual Report pages 31-36	yes (268-269)
G4-5	282; Annual Report pages 8; 222	yes (268-269)
G4-6	13	yes (268-269)
G4-7	13; Annual Report pages 8-9; 96	yes (268-269)
G4-8	13; Annual Report pages 31; 39-42	yes (268-269)
G4-9	13; Annual Report pages 31; 51; 96	yes (268-269)
G4-10	14	yes (268-269)
G4-11	96	yes (268-269)
G4-12	155	yes (268-269)
G4-13	155 ; Annual Report pages 8-9	yes (268-269)
G4-14	59	yes (268-269)
G4-15	17; 18; 50	yes (268-269)
G4-16	262	yes (268-269)
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17	238	yes (268-269)
G4-18	19; 22; 240	yes (268-269)
G4-19	23	yes (268-269)
G4-20	24; 237	yes (268-269)
G4-21	24	yes (268-269)
G4-22	240	yes (268-269)
G4-23	240	yes (268-269)
STAKEHOLDER ENGAGEMENT		
G4-24	20	yes (268-269)
G4-25	20	yes (268-269)
G4-26	20	yes (268-269)
G4-27	20	yes (268-269)

General standard disclosures	Page reference	External assurance (pages)
REPORT PROFILE		
G4-28	237	yes (268-269)
G4-29	237	yes (268-269)
G4-30	240	yes (268-269)
G4-31	282	yes (268-269)
G4-32	237; 270	yes (268-269)
G4-33	240; 268-269	yes (268-269)
GOVERNANCE		
G4-34	45; Annual Report pages 72-82	yes (268-269)
ETHICS AND INTEGRITY		
G4-56	49	yes (268-269)

SPECIFIC STANDARD DISCLOSURES

Material Aspects (DMA and Indicators)	Page reference	Identified Omissions	External assurance (pages)
CATEGORY: ECONOMIC			
MATERIAL ASPECT: PROCUREMENT PRACTICES			
G4-DMA	153; 157; 158	-	yes (268-269)
G4-EC9	156	-	yes (268-269)
CATEGORY: ENVIRONMENTAL			
MATERIAL ASPECT: ENERGY			
G4-DMA	172	-	yes (268-269)
G4-EN3	177; 243; 255	-	yes (268-269)
G4-EN5	178; 256	-	yes (268-269)
G4-EN6	172; 175; 176; 178; 179; 180; 243	-	yes (268-269)
MATERIAL ASPECT: WATER			
G4-DMA	181; 186	-	yes (268-269)
G4-EN8	187; 242; 258	-	yes (268-269)
G4-EN9	243; 259	-	yes (268-269)
G4-EN10	242; 258	-	yes (268-269)
MATERIAL ASPECT: BIODIVERSITY			
G4-DMA	181; 191	-	yes (268-269)
G4-EN11	192; 261	-	yes (268-269)
G4-EN12	191; 261	-	yes (268-269)
G4-EN13	191	-	yes (268-269)
G4-EN14	192; 261	-	yes (268-269)
MATERIAL ASPECT: EMISSIONS			
G4-DMA	172; 181	-	yes (268-269)
G4-EN15	176; 179; 243; 256	-	yes (268-269)
G4-EN16	176; 179; 243; 256	-	yes (268-269)
G4-EN18	180; 256	-	yes (268-269)
G4-EN19	172	-	yes (268-269)
G4-EN20	186; 257	-	yes (268-269)
G4-EN21	185; 186; 242; 257	-	yes (268-269)

Material Aspects (DMA and Indicators)	Page reference	Identified Omissions	External assurance (pages)
MATERIAL ASPECT: EFFLUENTS AND WASTE			
G4-DMA	181; 186; 188; 189	-	yes (268-269)
G4-EN22	187; 242; 258	-	yes (268-269)
G4-EN23	189; 260	-	yes (268-269)
G4-EN24	188	-	yes (268-269)
G4-EN25	260	-	yes (268-269)
G4-EN26	259	-	yes (268-269)
MATERIAL ASPECT: PRODUCTS AND SERVICES			
G4-DMA	135; 142; 229	-	yes (268-269)
G4-EN27	142; 201; 230	-	yes (268-269)
MATERIAL ASPECT: TRANSPORT			
G4-DMA	195	-	yes (268-269)
G4-EN30	94; 196	-	yes (268-269)
MATERIAL ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT			
G4-DMA	153; 157; 158	-	yes (268-269)
G4-EN32	157	-	yes (268-269)
G4-EN33	161	-	yes (268-269)
CATEGORY: SOCIAL			
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK			
MATERIAL ASPECT: EMPLOYMENT			
G4-DMA	61; 89	-	yes (268-269)
G4-LA1	63; 248; 249	-	yes (268-269)
G4-LA2	66	-	yes (268-269)
G4-LA3	91	-	yes (268-269)
MATERIAL ASPECT: LABOR/MANAGEMENT RELATIONS			
G4-DMA	61; 69	-	yes (268-269)
G4-LA4	99	-	yes (268-269)
MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY			
G4-DMA	61; 84	-	yes (268-269)
G4-LA5	73	-	yes (268-269)
G4-LA6	86; 242; 254	-	yes (268-269)
G4-LA8	97	-	yes (268-269)
MATERIAL ASPECT: TRAINING AND EDUCATION			
G4-DMA	61; 75; 82	-	yes (268-269)
G4-LA9	79	-	yes (268-269)
G4-LA10	80	-	yes (268-269)
G4-LA11	76	-	yes (268-269)
MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY			
G4-DMA	61; 69	-	yes (268-269)
G4-LA12	70; 71; 251; 252	-	yes (268-269)
MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES			
G4-DMA	153; 157; 158	-	yes (268-269)
G4-LA14	157	-	yes (268-269)
G4-LA15	161	-	yes (268-269)

Material Aspects (DMA and Indicators)	Page reference	Identified Omissions	External assurance (pages)
SUB-CATEGORY: HUMAN RIGHTS			
MATERIAL ASPECT: NON-DISCRIMINATION			
G4-DMA	52; 61; 69; 153; 157	-	yes (268-269)
G4-HR1	157	-	yes (268-269)
G4-HR3	51	-	yes (268-269)
MATERIAL ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
G4-DMA	52; 61; 69; 153; 158	-	yes (268-269)
G4-HR4	54; 72; 161	-	yes (268-269)
MATERIAL ASPECT: CHILD LABOR			
G4-DMA	52; 61; 69; 153; 158	-	yes (268-269)
G4-HR5	53; 71; 161	-	yes (268-269)
MATERIAL ASPECT: ASSESSMENT			
G4-DMA	52	-	yes (268-269)
G4-HR9	53	-	yes (268-269)
MATERIAL ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT			
G4-DMA	153; 157; 158	-	yes (268-269)
G4-HR10	157	-	yes (268-269)
G4-HR11	161	-	yes (268-269)
SUB-CATEGORY: SOCIETY			
MATERIAL ASPECT: LOCAL COMMUNITIES			
G4-DMA	103	-	yes (268-269)
G4-SO1	104	-	yes (268-269)
G4-SO2	106	-	yes (268-269)
MATERIAL ASPECT: PUBLIC POLICY			
G4-DMA	117	-	yes (268-269)
G4-SO6	121	-	yes (268-269)
MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY			
G4-DMA	153; 157; 158	-	yes (268-269)
G4-SO9	157	-	yes (268-269)
G4-SO10	161	-	yes (268-269)
SUB-CATEGORY: PRODUCT RESPONSIBILITY			
MATERIAL ASPECT: CUSTOMER HEALTH AND SAFETY			
G4-DMA	142	-	yes (268-269)
G4-PR1	142; 148; 213	-	yes (268-269)
G4-PR2	54; 151	-	yes (268-269)
MATERIAL ASPECT: PRODUCT AND SERVICE LABELING			
G4-DMA	129	-	yes (268-269)
G4-PR3	148	-	yes (268-269)
G4-PR4	54; 151	-	yes (268-269)
G4-PR5	227	-	yes (268-269)
MATERIAL ASPECT: MARKETING COMMUNICATIONS			
G4-DMA	129	-	yes (268-269)
G4-PR7	54; 131	-	yes (268-269)

OTHER GRI-G4 INDICATORS THAT SUPPLEMENT THE 'IN ACCORDANCE' - CORE OPTION

DMA and Indicators	Page reference	External assurance (pages)
G4-2	Annual Report pages 15-28; 170-174	yes (268-269)
G4-35	45	yes (268-269)
G4-36	46	yes (268-269)
G4-37	19	yes (268-269)
G4-38	46; Annual Report pages 72-81	yes (268-269)
G4-39	46; Annual Report pages 72-75	yes (268-269)
G4-40	46	yes (268-269)
G4-41	Annual Report pages 78-79	yes (268-269)
G4-42	46; Annual Report page 77	yes (268-269)
G4-43	46	yes (268-269)
G4-44	46	yes (268-269)
G4-45	22	yes (268-269)
G4-46	56; Annual Report pages 68-71	yes (268-269)
G4-48	22	yes (268-269)
G4-49	51	yes (268-269)
G4-50	51	yes (268-269)
G4-51	Annual Report pages 85-95	yes (268-269)
G4-53	(a)	yes (268-269)
G4-57	50	yes (268-269)
G4-58	50	yes (268-269)
G4-EC1	15	yes (268-269)
G4-EC2	55	yes (268-269)
G4-EC3	66; Annual Report pages 117-118; 154-160	yes (268-269)
G4-EC4	13	yes (268-269)
G4-EC5	65; 250	yes (268-269)
G4-EC6	77; 252	yes (268-269)
G4-EN1	156; 231	yes (268-269)
G4-EN2	233	yes (268-269)
G4-EN29	54; 193	yes (268-269)
G4-EN31	181	yes (268-269)
G4-EN34	51; 54	yes (268-269)
G4-LA16	51; 74	yes (268-269)
G4-HR2	79	yes (268-269)
G4-HR6	161	yes (268-269)
G4-HR12	51	yes (268-269)
G4-SO3	51	yes (268-269)
G4-SO4	79	yes (268-269)
G4-SO5	51; 54	yes (268-269)
G4-SO7	54; Annual Report pages 44; 167	yes (268-269)
G4-SO8	54	yes (268-269)
G4-PR8	54; 130	yes (268-269)
G4-PR9	54	yes (268-269)

(a) Available on the Corporate website after the General Meeting.

GLOSSARY

A

AA1000: framework published by AccountAbility providing sustainability management tools to companies.

ACEA (European Automobile Manufacturers' Association): association founded in 1991 to promote, publicize, and protect the interests of supporting manufacturers for all issues affecting the car industry and transportation in general.

ADAS: Advanced Driver Assistance Systems.

AIAG (Automotive Industry Action Group): non-profit association of companies operating in the automotive industry.

APAC: Continental Asia (including Turkey and Russia), Oceania, and member countries of the Commonwealth of Independent States (excluding Ukraine).

Aspect Boundary (or scope): description of where impacts occur for each material aspect. When setting aspect boundaries, an organization should consider impacts within and outside the organization. Aspect boundaries vary based on the aspects reported.

Audit: systematic, documented and independent check to verify compliance with the explicit requirements of applicable regulations.

Autonomous Driving: vehicle that can drive itself without real-time human input, also known as a driverless, robotic, or self-driving vehicle.

B

Biodiesel: non-polluting alternative fuel extracted from renewable, freely available resources such as vegetable oils. Biodiesel does not contain petroleum, but can be mixed with diesel in various proportions. It can be used in place of gasoline in suitably adapted engines.

Biodiversity: all life forms on Earth. It comprises every biological variation of genetic inheritance (breeds or varieties of species, both wild and cultivated), species (animals, plants, fungi, microorganisms), and ecosystems (natural habitats such as aquatic, forest or alpine environments).

Biomethane: gas produced by the biological decomposition of organic material in the absence of oxygen, subsequently refined to achieve a methane concentration of 95%. Used as a biofuel for motor vehicles in the same way as natural gas (or fossil methane).

BOD (Biochemical Oxygen Demand): total mass of oxygen used by microorganisms, over a specific time period at 20°C, to decompose (oxidize) the organic material present in a liter of water (normally expressed in mg/l). The standard test period for BOD is 5 days (BOD_5).

C

Carpooling: transport under sustainable mobility by which private vehicles are shared by a group of people taking the same route.

Carbon footprint: term expressing the total greenhouse gas (GHG) emissions, in CO_2 equivalents, of a product, service or organization.

CNG (Compressed Natural Gas): natural gas, composed mainly of methane, compressed and stored in special containers at high pressure. Used as a fuel for vehicles able to run on natural gas.

CO_2 eq (carbon dioxide equivalent): parameter used to compare various greenhouse gas emissions according to their Global Warming Potential (GWP). The CO_2 equivalent of a gas is calculated by multiplying the total weight of gas by its corresponding GWP.

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

Common rail: fuel injection system for diesel engines.

Conflict minerals: minerals mined in conditions of armed conflict and human rights abuses, notably in the Democratic Republic of Congo and neighboring states. Their use in the USA is regulated by the Dodd-Frank Act.

Core: a worn component that can be remanufactured.

D

Direct emissions (scope 1): air polluting emissions originating from combustion processes involving equipment controlled or owned by the organization.

DMA (Disclosures on Management Approach): information on how an organization identifies, analyzes, and responds to its material economic, environmental, and social impacts, both actual and potential.

E

EGR (Exhaust Gas Recirculation): system that recirculates exhaust gas back to the engine's intake to reduce NO_x emissions.

EMEA: member countries of the European Union, member countries of the European Free Trade Association (EFTA), Ukraine, Balkans, African continent, and the Middle East (excluding Turkey).

Emerging Markets: defined as low, lower-middle or upper-middle income countries as per the 2014 World Bank list of economies.

Emission trading: mechanism enabling the exchange of emission quotas between countries belonging to the Organization for Economic Co-operation and Development (OECD) and Economies in Transition (EIT), to meet their commitments to reduce greenhouse gas emissions. The system, introduced by EC Directive 2003/87/EC, defines a maximum level of acceptable emissions for each member state. According to the levels set, emission permits expressed in tons of CO_2 are assigned to, and may be exchanged among, participating members.

EPA (Environmental Protection Agency): agency of the United States Government charged with the protection of the environment and public health.

Ergonomics (or human factors): scientific discipline focusing on the interactions among human and other elements of a system. Through the application of theory, principles, data and design methods, it aims at optimizing human wellbeing and overall system performance.

F

FOPS (Falling Object Protection System): system protecting the cab and operator from objects falling from above.

Frequency rate: the ratio of the number of injuries reported (resulting in more than three days of absence) to the number of hours worked, multiplied by 100,000.

G

GHG Protocol (Greenhouse Gas Protocol): international standards and guidance regarding corporate greenhouse gas accounting and reporting.

GRI (Global Reporting Initiative): multi-stakeholder association for the development and disclosure of guidelines for non-financial reporting.

H

HFCs (Hydrofluorocarbons): halocarbons containing only hydrogen, fluorine and carbon atoms. Because HFCs contain no chlorine, bromine, or iodine, they do not deplete the ozone layer. Like other halocarbons, they are potent greenhouse gases.

HVO (Hydrotreated Vegetable Oil): next generation biodiesel derived from vegetable oils.

I

ILO (International Labour Organization): international organization responsible for drawing up and overseeing international labor standards.

IMDS (International Material Data System): online platform enabling the input of detailed information on the materials and substances used in purchased components.

Indirect emissions (scope 2): air polluting emissions originating from combustion processes external to the organization, over which the latter has no control.

ISO 9001: series of voluntary regulations and guidelines, developed by the International Organization for Standardization (ISO), defining the requirements of a quality management system within an organization.

ISO 14001: voluntary regulations developed by the International Organization for Standardization (ISO), defining the requirements of environmental management systems.

ISO 14064: voluntary standard developed by the International Organization for Standardization (ISO), specifying the international best practice in the management, reporting, and verification of data and information on greenhouse gases (GHG).

ISO 26000: guidelines developed by the International Organization for Standardization (ISO), defining socially responsible behaviors and possible actions. This is not a certification.

ISO 50001: voluntary regulations developed by the International Organization for Standardization (ISO), defining energy management requirements.

IUCN Red List: the most comprehensive information source on the global conservation status of plant and animal species, managed by the International Union for Conservation of Nature (IUCN).

K

Kaizen: project of continuous improvement identified within World Class Manufacturing.

KPI (Key Performance Indicator): measurement of the performance of a process.

L

Last mile: final stage in the transport of goods, up to the point of sale or the end user's home.

LATAM: Central and South America, and the Caribbean Islands.

LCA (Life Cycle Assessment): analytical method to evaluate every interaction between a product/component and the environment, determining the direct or indirect impact over its entire life cycle - from production to recycling and final disposal.

LED (Light-Emitting Diode): semiconductor (diode) that emits light when an electric current passes through a suitably treated silicon junction.

LNG (Liquefied Natural Gas): gas obtained by subjecting compressed natural gas (CNG), previously purified and dehydrated, to subsequent phases of cooling and condensation. The technology of liquefaction allows reducing gas volumes by 600 times under standard conditions, enhancing fuel range.

M

Material Aspect: aspect that reflects the organization's significant economic, environmental, and social impacts, or that substantively influences the assessments and decisions of stakeholders. Qualitative analysis, quantitative assessment, and discussion are required to determine if an aspect is material.

N

NAFTA: United States, Canada, and Mexico.

Nanotechnology: the science of manipulating materials on an atomic or molecular scale.

Near miss: event that did not result in injury, illness, or damage but had the potential to do so.

NO_x (Nitrogen Oxides): range of oxides that can be produced during the combustion of nitrogen-containing compounds.

NEDC (New European Driving Cycle): driving cycle defined by EU directives. It involves the repetition of 4 urban and 1 extra-urban cycles, and represents typical vehicle use in Europe. It is used, among other things, to assess the levels of vehicle polluting emissions and fuel consumption.

O

ODS (Ozone Depleting Substances): potentially harmful substances in the ozone layer that, as such, contribute to the depletion of stratospheric ozone. The most important and harmful are chlorofluorocarbons (CFCs), generally used as refrigerants, solvents and propellants, and hydrochlorofluorocarbons (HCFCs), used to replace CFCs.

OHSAS 18001: voluntary standard published by the British Standards Institution, defining the requirements of occupational health and safety management systems.

OIFR (Occupational Illness Frequency Rate): cases of occupational illness per 100,000 hours worked.

P

PCB (Polychlorinated Biphenyls): group of extremely stable chemical compounds with excellent dielectric and heat transfer properties, widely used in the past in both the industrial and commercial sectors (e.g., in capacitors and transformers). Because of their toxicity to humans and to the environment, PCBs are among the most dangerous pollutants.

PM (Particulate Matter): category of particles, solids and liquids with a diameter ranging from a few nanometers (nm) to a few tens or hundreds of micrometers (μm). Their physical and chemical properties allow them to remain suspended in the atmosphere for long periods (hours, days or years), retaining their physical and/or chemical reactivity as distinct entities.

PTO (Power Take Off): mechanism that allows taking power from engines or transmissions, and transmitting it to accessories not directly connected to the wheels of the vehicle.

R

REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals): European Community Regulation on chemicals and their safe use.

ROPS (Roll Over Protective Structure): structure protecting against the rollover of construction equipment.

S

SAD (Standard Aggregation Data): IT platform used to monitor and report performance by means of indicators.

SCR (Selective Catalytic Reduction): chemical process for reducing NO_x levels in exhaust gases.

Severity rate: ratio of the number of days of absence to the number of hours worked, multiplied by 1,000.

SO_x (Sulfur Oxides): term indicating the sulfur oxides in the atmosphere; usually sulfur dioxide (SO_2) and sulfur trioxide (SO_3).

SRI (Socially Responsible Investors): financial operators who integrate standard financials with environmental, social, and governance considerations.

T

TCO (Total Cost of Ownership): approach used to calculate all costs in the life cycle of a device (purchasing, management, maintenance and disassembly).

Tier: standard issued by EPA regulating polluting emissions.

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

V

VOC (Volatile Organic Compounds): compounds such as hydrocarbons containing only carbon and hydrogen, as well as compounds additionally containing oxygen, chlorine or other elements. A VOC is defined as any organic compound with a vapor pressure of 0.01 KPa or more, at 293.15 K (20 °C) as defined in art. 268 of Italian Legislative Decree 152/2006.

W

WCM (World Class Manufacturing): integrated production model focusing on excellence across the entire logistics and production cycle, and on the prevention of accidents, waste, and breakdowns via continuous performance improvements engaging all levels and functions within the company.

Well-to-Wheel: analysis concerning the energy life cycle.

Work-related stress: a condition that may be associated with physical, psychological and/or social disorders or dysfunctions, affecting individuals who do not feel capable of meeting set requirements or the expectations of others.

NOTES

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GRI
G4-5; G4-31

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ARJOWIGGINS
GRAPHIC

By printing on this recycled paper, CNH Industrial improved its environmental impact by cutting:

- 192 KG OF LANDFILL WASTE
- 26 KG OF CO_2
- 258 KM OF TRAVEL BASED ON THE AVERAGE EUROPEAN CAR
- 5,325 LITERS OF WATER
- 491 KWH OF ENERGY
- 312 KG OF WOOD

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